Blanton Resources Corp.

Table of concordance from Final Prospectus to Form 2A

## 14. Capitalization

14.1 Prepare and file the following chart for each class of securities to be listed:

**Issued Capital**

| | Number of Securities (non-diluted) | Number of Securities (fully-diluted) | %of Issued (non-diluted) | % of Issued (fully diluted) |
|---|---|---|---|---|
| Public Float | | | | |
| Total outstanding (A) | 13,550,001 | 13,900,001 | 100.0% | 100.0% |
| Held by Related Persons or employees of the Issuer or Related Person of the Issuer, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer upon exercise or conversion of other securities held) (B) | 6,050,001 | 6,050,001 | 44.65% | 43.53% |
| Total Public Float (A-B) | 7,500,000 | 7,850,000 | 55.35% | 56.47% |
| Freely-Tradeable Float | | | | |
| Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C) | 3,800,001 | 3,800,001 | 28.04% | 27.34% |
| Total Tradeable Float (A-C) | 9,750,000 | 10,100,000 | 71.96% | 72.66% |

Public Securityholders (Registered)

**Instruction:** For the purposes of this report, "public securityholders" are persons other than persons enumerated in section (B) of the previous chart. List registered holders only.

**Class of Security**

| **Size of Holding** | **Number of holders** | **Total number of securities** |
|---|---|---|
| 1 – 99 securities | | |
| 100 – 499 securities | | |
| 500 – 999 securities | | |
| 1,000 – 1,999 securities | | |
| 2,000 – 2,999 securities | | |
| 3,000 – 3,999 securities | | |
| 4,000 – 4,999 securities | | |
| 5,000 or more securities | 13 | 4,000,000 |
| | | |

Public Securityholders (Beneficial)

**Instruction:** Include (i) beneficial holders holding securities in their own name as registered shareholders; and (ii) beneficial holders holding securities through an intermediary where the Issuer has been given written confirmation of shareholdings. For the purposes of this section, it is sufficient if the intermediary provides a breakdown by number of beneficial holders for each line item below; names and holdings of specific beneficial holders do not have to be disclosed. If an intermediary or intermediaries will not provide details of beneficial holders, give the aggregate position of all such intermediaries in the last line.

**Class of Security**

| **Size of Holding** | **Number of holders** | **Total number of securities** |
|---|---|---|
| 1 – 99 securities | 0 | 0 |
| 100 – 499 securities | 0 | 0 |
| 500 – 999 securities | 0 | 0 |
| 1,000 – 1,999 securities | 20 | 20,000 |
| 2,000 – 2,999 securities | 8 | 16,000 |
| 3,000 – 3,999 securities | 1 | 3,000 |
| 4,000 – 4,999 securities | 2 | 8,000 |
| 5,000 or more securities | 144 | 7,453,000 |
| Unable to confirm | | |

Non-Public Securityholders (Registered)

**Instruction:** For the purposes of this report, "non-public securityholders" are persons enumerated in section (B) of the issued capital chart.

**Class of Security**

| **Size of Holding** | **Number of holders** | **Total number of securities** |
|---|---|---|
| 1 – 99 securities | | |
| 100 – 499 securities | | |
| 500 – 999 securities | | |
| 1,000 – 1,999 securities | | |
| 2,000 – 2,999 securities | | |
| 3,000 – 3,999 securities | | |
| 4,000 – 4,999 securities | | |
| 5,000 or more securities | 5 | 6,050,001 |
| | | |

14.2 Provide the following details for any securities convertible or exchangeable into any class of listed securities

| Description of Security (include conversion / exercise terms, including conversion / exercise price) | Number of convertible / exchangeable securities outstanding | Number of listed securities issuable upon conversion / exercise |
|---|---|---|
| Agent's Option's exercisable at a price of $0.10 per share for five years from the listing date | 350,000 | 350,000 |

14.3 Provide details of any listed securities reserved for issuance that are not included in section 14.2.

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

*These securities have not been and will not be registered under the United States Securities Act of 1933, as amended, (the "U.S. Securities Act") and, may not be reoffered, resold or transferred to, or for the account or benefit, of a U.S. Person (as that term is defined in Regulation S of the U.S. Securities Act) except pursuant to an effective registration statement under the U.S. Securities Act, and any applicable state securities laws, or pursuant to an available exemption from the registration requirements from the U.S. Securities Act and any applicable state securities laws. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of these securities offered hereby in the United States to, or for the account or benefit, of a U.S. Person. See "Plan of Distribution".*

**PROSPECTUS**
**INITIAL PUBLIC OFFERING**

**November 17, 2021**

# BLANTON RESOURCES CORP.

Suite 200, 551 Howe Street
Vancouver, B.C. V6C 2C2
(604) 683-8610

**3,500,000 Common Shares at a price of $0.10 per Common Share**

**Public Offering of $350,000**

This prospectus qualifies the distribution (the "Offering") in British Columbia and Alberta of 3,500,000 Common Shares (as defined herein) of Blanton Resources Corp. (the "Company") at a price of $0.10 per Common Share for gross proceeds of $350,000. The Offering is being made to pursuant to an agency agreement (the "Agency Agreement") dated November 17, 2021 between the Company and Canaccord Genuity Corp. (the "Agent") on a commercially reasonable basis. The offering price was determined by negotiation between the Agent and the Company in accordance with applicable policies of the Canadian Securities Exchange (the "Exchange"). See "Plan of Distribution".

| | Price to Public(1) | Underwriting Discounts or Commission(1) | Net Proceeds to the Company(2) |
|---|---|---|---|
| Per Common Share | $0.10 | $0.01 | $0.09 |
| Total | $350,000 | $35,000 | $315,000 |

Notes:

(1) The Agent shall receive a cash commission equal to 10% of the aggregate gross proceeds of the Offering (the "Agent's Commission") and a non-transferable common share purchase warrant (the "Agent's Warrants") to purchase up to that number of Common Shares in the capital of the Company equal to 10% of the aggregate number of Common Shares sold under this Offering at a price of $0.10 per Common Share for a period of sixty months from the Listing Date (as defined herein). The Agent's Warrants are qualified for distribution under this prospectus. In addition, the Company has agreed to reimburse the Agent for all reasonable expenses incurred in connection with this Offering, including the reasonable fees and disbursements of the Agent's counsel, with such expenses to be payable by the Company whether or not the Offering, or any part thereof, is completed. The Company has deposited with the Agent a retainer of $20,000, from which those expenses are to be deducted with the balance to be paid at Closing, and shall pay the Agent a non-refundable corporate finance fee of $25,000 upon Closing (the "Corporate Finance Fee"). See "Plan of Distribution".

(2) Before deducting the balance of the costs of the Offering estimated at $50,000, which includes the Corporate Finance Fee, legal and audit fees and other expenses of the Company, the Agent's expenses including its legal fees, the listing fee payable to the Exchange and the filing fees payable to the British Columbia Securities Commission (the "BCSC") and Alberta Securities Commission (the "ASC"). See "Use of Proceeds".

The Agent (including any registered sub-agents who assist the Agent in the distribution of the Common Shares), as exclusive agent for the purposes of this Offering, conditionally offers on a commercially reasonable efforts basis the Common Shares, and if, as and when issued and delivered by the Company and accepted by the Agent in accordance with the terms and conditions contained in the Agency Agreement and subject to the approval of certain legal matters on behalf of the Company by Northwest Law Group and on behalf of the Agent by Miller Thomson LLP. See "Plan of Distribution".

Subscriptions for the Common Shares will be received subject to rejection or allotment in whole or in part by the Company and the right is reserved by the Company to close the subscription books at any time without notice. It is expected that the Closing of the offering will occur on a date agreed upon by the Company and the Agent, but not later than the date that is 90 days after a receipt is issued for the final prospectus or if a receipt has been issued for an amendment to the final prospectus, within 90 days of issuance of such receipt and in any event not later than 180 days from the date of receipt of the final prospectus. It is expected that the Common Shares will be delivered in electronic book entry form through CDS Clearing and Depository Services Inc. ("CDS") or its nominee upon Closing unless the Agent elects for physical share certificates which would be available for delivery upon Closing. Consequently, if delivered in book entry form, purchasers of Common Shares will receive only a customer confirmation from the registered dealer that is a CDS participant and from or through which the Common Shares were purchased.

The completion of the Offering is subject to a minimum subscription of 3,500,000 Common Shares for aggregate gross proceeds of $350,000. The Offering will not be completed and no subscription funds will be advanced to the Company unless and until the minimum subscription of $350,000 has been raised. In the event that the minimum subscription is not attained by the end of the period of the Offering, all subscription funds that subscribers may have advanced to the Agent in respect of the Offering will be refunded to the subscribers without interest or deduction.

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

The Exchange conditionally approved the listing application in respect of the Common Shares on September 30, 2021. Listing of the Common Shares is subject to the Company fulfilling all of the requirements of the Exchange.

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 Common Shares should be considered highly speculative due to the nature of the Company's business, its present stage of development and other risk factors. Investments in natural resource issuers involve a significant degree of risk. The degree of risk increases substantially where the issuer's properties are in exploration as opposed to the development stage. The Company's property is in the exploration stage and is without a known body of commercial ore. Investors should not invest any funds in this Offering unless they can afford to lose their entire investment. See "Risk Factors".**

**Investors should consider an investment in the securities of the Company to be speculative and should review the risk factors outlined on page 65 of this prospectus.**

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

The Agent's position is as follows:

| **Agent's Position** | **Maximum Size or Number of Securities Available** | **Exercise Period or Acquisition Date** | **Exercise Price or Average Acquisition Price** |
|---|---|---|---|
| Agent's Warrants[1] | 350,000 Agent's Warrants | 60 months from the Listing Date | $0.10 |

Note:
(1) The Agent's Warrants are qualified for distribution under this prospectus. See "Plan of Distribution".

**No person is authorized by the Company or the Agent to provide any information or to make any representations other than those contained in this prospectus in connection with the issue and sale of the securities offered pursuant to this prospectus.**


**Canaccord Genuity Corp.**
**Suite 2200, 609 Granville Street**
**Vancouver, B.C. V7Y 1H2**
**Telephone: (604) 643-7300**
**Facsimile: (604) 643-7606**

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## GLOSSARY OF DEFINED TERMS

The following definitions and terms apply throughout this document unless the context otherwise requires. Expressions used in this prospectus and other terms and expressions may be defined throughout this prospectus.

| | |
|---|---|
| **"Agency Agreement"** | the agency agreement dated November 17, 2021 between the Company and the Agent, providing that the Agent, on behalf of the Company, conditionally offers the Common Shares, on a commercially reasonable efforts basis. |
| **"Agent"** | Canaccord Genuity Corp. |
| **"Agent's Commission"** | the cash commission equal to 10% of the total gross proceeds of the Offering payable to the Agent on Closing of the Offering. |
| **"Agent's Warrants"** | the non-transferable warrants to be granted to the Agent or its sub-agents, if any, to purchase up to a number of Common Shares equal to 10% of the aggregate number of Common Shares sold under the Offering at a price of $0.10 per Common Share, exercisable at any time up to the close of business 60 months from the Listing Date. |
| **"Articles"** | the articles of the Company. |
| **"ASC"** | Alberta Securities Commission. |
| **"BCA"** | the *Business Corporations Act* (British Columbia). |
| **"BCSC"** | The British Columbia Securities Commission. |
| **"CDS"** | CDS Clearing and Depository Services Inc. |
| **"Closing"** | means the closing of the Offering. |
| **"Common Shares"** | the common shares in the capital of the Company without par value. |
| **"Company"** | Blanton Resources Corp. |
| **"Corporate Finance Fee"** | a non-refundable corporate finance fee of $25,000 payable to the Agent upon Closing. |
| **"Directors" or "Board" or "Board of Directors"** | the board of directors of the Company. |
| **"Escrow Agreement"** | the escrow agreement dated November 17, 2021 among the Company, Endeavor Trust Corporation and the holders of the Escrowed Securities. |
| **"Escrowed Securities"** | the securities of the Company subject to the terms of the Escrow Agreement. |
| **"Exchange"** | the Canadian Securities Exchange. |
| **"Health Safety and Reclamation Code"** | the *Health, Safety and Reclamation Code* (British Columbia). |
| **"IFRS"** | International Financial Reporting Standards. |
| **"Isla Option Agreement"** | the agreement dated November 8, 2020, as amended February 9, 2021, between the Company and the Optionor pursuant to which the Company has the right to acquire from the Optionor up to a one hundred percent (100%) undivided interest in the Isla Property subject to the Royalty. |
| **"Isla Property"** | the six contiguous mineral titles covering approximately 4,295 hectares, located approximately 16 to 22 km southwest of the City of Campbell River, B.C., in the Nanaimo Mining Division. |
| **"Listing Date"** | the date on which the Common Shares are listed for trading on the Exchange. |
| **"Mines Act"** | the *Mines Act* (British Columbia). |
| **"Mineral Tenure Act"** | the *Mineral Tenure Act* (British Columbia), as amended, administered by the Mineral Titles Branch of the Ministry of Mining. |
| **"MTO"** | Mineral Titles Online. |
| **"NI 43-101"** | National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*. |
| **"NP 46-201"** | National Policy 46-201 – *Escrow for Initial Public Offerings*. |
| **"NSR"** | Net Smelter Return. |

| | |
|---|---|
| **“Offering”** | the offering of 3,500,000 Common Shares at a price of $0.10 per Common Share pursuant to this prospectus. |
| **“Optionor”** | means Andrew Molnar of Vancouver, B.C., the registered and beneficial owner of the mineral titles comprising the Isla Property. |
| **“Qualified Person”** | Derrick Strickland, P. Geo., author of the Technical Report. |
| **“RDSP”** | Registered Disability Savings Plan. |
| **“RESP”** | Registered Education Savings Plan. |
| **“Royalty”** | The 1.5% NSR royalty retained by the Optionor on the Isla Property on commercial production. |
| **“RRIF”** | Registered Retirement Income Fund. |
| **“RRSP”** | Registered Retirement Savings Plan. |
| **“SEDAR”** | System for Electronic Document Analysis and Retrieval. |
| **“Stock Option Plan”** | The stock option plan adopted by the Directors on June 25, 2021. |
| **“Technical Report”** | The technical report titled “NI 43-101 Technical Report on the Isla Property Nanaimo Mining Division, British Columbia, Canada, NTS 92F14, -49° 80’ North Latitude -125° 28’ West Longitude”, dated March 5, 2021, which was prepared by the Qualified Person, in accordance with the requirements of NI 43-101. |
| **“TFSA”** | Tax Free Savings Account. |

## GLOSSARY OF GEOLOGICAL DEFINED TERMS

The following definitions and terms apply throughout this document unless the context otherwise requires:

**Conversion Factors**

| To Convert From | To | Multiply By |
|---|---|---|
| Feet | Metres | 0.305 |
| Metres | Feet | 3.281 |
| Miles | Kilometres ("km") | 1.609 |
| Kilometres | Miles | 0.6214 |
| Acres | Hectares ("ha") | 0.405 |
| Hectares | Acres | 2.471 |
| Grams | Ounces (Troy) | 0.03215 |
| Grams/Tonne | Ounces (Troy)/Short Ton | 0.02917 |
| Ounces (Troy)/Short Ton | Grams/tonne | 34.2857 |
| Tonnes (metric) | Short Tons | 1.1023 |

| | |
|---|---|
| **“Ag”** | Silver. |
| **“As”** | Arsenic. |
| **“Au”** | Gold. |
| **“Carbonate”** | A carbonate is a salt of carbonic acid. |
| **“Cambrian”** | The first geological period of the Paleozoic Era, of the Phanerozoic Eon. The Cambrian lasted 55.6 million years from the end of the preceding Ediacaran Period 541 million years ago to the beginning of the Ordovician Period 485.4 million years ago. |
| **“Chip Sample”** | A regular series of ore chips or rock chips taken either in a continuous line across an exposure or at uniformly spaced intervals. |
| **“Chlorite”** | A very common green mica mineral, usually found as a low grade hydrothermal or metamorphic alteration product. |
| **“Cu”** | Copper. |
| **“Fault”** | A planar fracture or discontinuity in a volume of rock, across which there has been displacement. |
| **“Flow”** | A type of landslide in which the distribution of particle velocities resembles that of a viscous fluid is called a flow. |
| **“Galena”** | The natural mineral form of lead sulfide. It is the most important ore of lead and an important source of silver. |
| **“Hydrothermal”** | Relating to or denoting the action of heated water in the earth's crust. |
| **“Limestone”** | A class of rocks containing at least 80% of the carbonates of calcium or magnesium. |
| **“Lithology”** | A description of a rock’s physical characteristics visible at outcrop, in hand or core samples or with low magnification microscopy, such as colour, texture, grain size, or composition. |
| **“Mafic”** | An adjective describing an igneous rock consisting largely of dark coloured minerals such as magnesium and iron. |
| **“Ore”** | The naturally occurring material from which a mineral or minerals of economic value can be extracted profitably or to satisfy social or political objectives. |
| **“Outcrop”** | A visible exposure of bedrock or ancient superficial deposits on the surface of the Earth. |
| **“ppb”** | Parts per billion. |
| **“ppm”** | Parts per million. |

| | |
|---|---|
| **“Paleozoic”** | A major interval of geologic time that began 541 million years ago with the Cambrian explosion, an extraordinary diversification of marine animals, and ended about 252 million years ago with the end-Permian extinction, the greatest extinction event in Earth history. |
| **“Pb”** | Lead. |
| **“Quartz”** | One of the most abundant minerals in the earth’s crust, whose composition is silicon dioxide. |
| **“Sedimentary”** | Types of rock that are formed by the deposition and subsequent cementation of that material at the Earth's surface and within bodies of water. |
| **“Schist”** | A strongly foliated crystalline rock, formed by dynamic metamorphism, that can be readily split into thin flakes or slabs due to the well-developed parallelism of more than 50% of the minerals present, particularly those of lamellar or elongate prismatic habit. |
| **“Sericite”** | A fine-grained fibrous variety of muscovite formed by the alteration of feldspar, found chiefly in schist and in hydrothermally altered rock. |
| **“Soil Sampling”** | Taking samples of surficial unconsolidated material, between the humus layer and bedrock. |
| **“Stockwork”** | A complex system of structurally controlled or randomly oriented veins. |
| **“Survey”** | The orderly and exacting process of examining and delineating the physical or chemical characteristics of the Earth's surface, subsurface, or internal constitution by topographic, geologic, geophysical, or geochemical measurements. |
| **“Tuff’** | A general term for all consolidated pyroclastic rocks generally containing fragments of less than 2mm in diameter. Often well bedded when deposited in water. |
| **“Vein”** | A tabular or sheet-like body of minerals which has been intruded into a joint or fissure in rocks. Most veins are directly or indirectly related to solutions formed by igneous events and have main constituents of quartz and/or carbonate. |
| **“Volcanic”** | A rock formed from magma erupted from a volcano. |
| **“Vug”** | A cavity in rock, sometimes lined with mineral crystals. |
| **“Zn”** | Zinc. |

## CURRENCY

All dollar amounts in this prospectus are in Canadian dollars unless otherwise indicated, and all references to $ in this prospectus are to Canadian dollars unless otherwise indicated.

## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This prospectus contains "forward-looking information" which may include, but is not limited to, statements with respect to the future financial or operating performance of the Company and its projects, the future price of gold, silver or other metal prices, exploration expenditures, costs and timing of future exploration, requirements for additional capital, government regulation of mining operations, environmental risks, reclamation expenses, title disputes or claims, limitations of insurance coverage and regulatory matters.

Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or variations (including negative variations) of such words and phrases, or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, general business, economic, and competitive uncertainties; lack of production; limited operating history of the Company; the actual results of current exploration activities; ability to obtain prospecting licenses or permits; aboriginal land claims; proper title to the claim that comprises the Isla Property; ability to retain qualified personnel; the ability to obtain adequate financing for exploration and development; volatility of commodity prices; coronavirus (Covid-19) related risks; environmental risks of mining operations; accidents, labour disputes and other risks of the mining industry, including but not limited to environmental hazards, cave-ins, pit-wall failures, flooding, rock bursts and other acts of God or unfavourable operating conditions and losses as well as those factors discussed in the section entitled "Risk Factors" in this prospectus.

Forward-looking statements are based on a number of material factors and assumptions, including completion of the Offering, the determination of mineral reserves or resources, if any, the results of exploration and drilling activities, the availability and final receipt of required approvals, licenses and permits, that sufficient working capital is available to complete proposed exploration and drilling activities, that contracted parties provide goods and/or services on the agreed time frames, the equipment necessary for exploration is available as scheduled and does not incur unforeseen break downs, that no labour shortages or delays are incurred, there are no delays caused by COVID-19, commodity and precious metal prices do not have sustained drops in their respective prices, and that no unusual geological or technical problems occur. While the Company considers these assumptions may 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".

These forward-looking statements are made as of the date of this prospectus. Following Closing of the Offering and listing on the Exchange, the Company intends to discuss in its quarterly and annual reports referred to as the Company's Management's Discussion and Analysis documents, any events and circumstances that occurred during the period to which such document relates that are reasonably likely to cause actual events or circumstances to differ materially from those disclosed in this prospectus. New factors emerge from time to time, and it is not possible for management to predict all of such factors and to assess in advance the impact of each such factor on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement. The Company will file an amended prospectus if material changes occur between the date of this prospectus and the Closing of the Offering.

Investors are cautioned against placing undue reliance on forward-looking statements.

## PROSPECTUS SUMMARY

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

### The Company

Blanton Resources Corp. (previously defined as the "Company") was incorporated in British Columbia on December 17, 2019. To date, the Company has been engaged in the acquisition of the Isla Property located in British Columbia, Canada. Pursuant to the Isla Option Agreement, the Company currently has an option to acquire a one hundred percent (100%) undivided interest in the Isla Property situated approximately 19-22 kilometres southwest of the City of Campbell River, British Columbia.

The Isla Property is comprised of six mineral titles covering approximately 4,295 hectares and is located in the Nanaimo Mining Division of British Columbia. See "Business of the Company" and "Isla Property".

### The Offering

| | |
|---|---|
| Offering: | The Company is offering 3,500,000 Common Shares at a price of $0.10 per Common Share for gross proceeds of $350,000. The prospectus qualifies the distribution of the Common Shares and the Agent's Warrants. See "Plan of Distribution" |
| Agent's Commission: | Under the terms of the Agency Agreement, the Company will pay the Agent a cash commission (previously defined as the "Agent's Commission") equal to 10% of the total gross proceeds of the Offering. In addition to the Agent's Commission, the Company will issue to the Agent non-transferable warrants (previously defined as the "Agent's Warrants") to purchase Common Shares equal to 10% of the aggregate number of Common Shares sold under the Offering at a price of $0.10 per Common Share for a period of 60 months following the Listing Date. The Company has also agreed to pay to the Agent a Corporate Finance Fee of $25,000 and pay for all reasonable expenses of the Agent in connection with the Offering. See "Plan of Distribution". |
| Use of Proceeds: | The estimated net proceeds of the Offering, after deducting the estimated balance of the expenses of the Offering of $50,000 and the Agent's Commission of $35,000, will be $265,000 and will be used to implement the recommended work program on the Isla Property, renew the mineral claims on the Isla Property, to pay the Optionor the next installment pursuant to the Isla Option Agreement and for general working capital. As at October 31, 2021, the Company had a working capital deficit of $41,400. Accordingly, the Company anticipates on having available funds of approximately $223,600 following Closing of the Offering. See "Use of Proceeds". |

### Risk Factors

An investment in the Company is speculative and involves a high degree of risk. Accordingly, prospective investors should carefully consider and evaluate all risks and uncertainties involved in an investment in the Company, including risks related to: (i) the lack of market through which the Common Shares may be sold, (ii) negative cash flows from operating activities, (iii) the lack of production on the Company's Isla Property, (iv) the Company's limited operating history and lack of positive cash flow, (v) no known economic mineral deposit on the Isla Property and the proposed exploration program is exploratory in nature, (vi) the mineral claims comprising the Isla Property may be withdrawn or subject to limitation by regulatory authorities, (vii) aboriginal land claims affecting the Isla Property, (viii) assurance of title to Isla Property, (ix) competing with other mining companies, (x) the Company's ability to retain qualified personnel, (xi) the volatility of commodity prices, (xii) the exploration program may have a negative environmental impact, (xiii) uninsurable hazards, (xiv) health and safety risks, (xv) additional requirements for capital, and (xvi) smaller companies can be highly volatile. See "Risk Factors".

**Selected Financial Information**

The following table summarizes selected financial information for the nine month period ended June 30, 2021 and the period from incorporation to September 30, 2020 and should be read in conjunction with the audited financial statements for the period from incorporation to September 30, 2020 and the unaudited financial statements for the period ended June 30, 2021 and the "Management's Discussion and Analysis", as included elsewhere in this prospectus.

| | Nine month period ended June 30, 2021 (unaudited) | Period from December 17, 2019 to September 30, 2020 (audited) |
|---|---|---|
| Revenue | $ - | $ - |
| Net income (Loss) | (51,221) | (65,636) |
| Income (Loss) per share (basic and diluted) | (0.01) | (0.01) |
| Working capital surplus (deficit) | 23,336 | 38,364 |
| Assets | | |
| Current assets | 60,873 | 58,944 |
| Deposit | 20,000 | - |
| Exploration and evaluation assets | 91,807 | - |
| Total Assets | 172,680 | 58,944 |
| Liabilities | | |
| Current liabilities | 37,537 | 20,580 |
| Shareholders' equity (deficit) | 135,143 | 38,364 |
| Total liabilities and shareholders' equity | $ 172,680 | $ 58,944 |

## CORPORATE STRUCTURE

The Company was incorporated under the *Business Corporations Act* (British Columbia) on December 17, 2019, with the name Blanton Resources Corp. The Company's fiscal year end is September 30.

The Company's head office is located at Suite 200, 551 Howe Street, Vancouver, B.C. V6C 2C2 and its registered and records office is located at Suite 704, 595 Howe Street, Vancouver, B.C. V6C 2T5.

The Company does not have any subsidiaries.

## BUSINESS OF THE COMPANY

### Description of Business

The Company is engaged in the acquisition and exploration of mineral properties. The Company currently has an option to acquire a one hundred percent (100%) undivided interest in the Isla Property. The Isla Property consists of six mineral titles covering approximately 4,295 hectares and is located in the Nanaimo Mining Division of British Columbia situated approximately 16 to 22 Kilometers southeast of the city of Campbell River, B.C. The Company's exploration program will be primarily focused on base, rare earth elements, precious metals and gems exploration.

### Three Year History

Since incorporation on December 17, 2019, the Company's activities have focused on the acquisition and exploration of the Isla Property.

<u>Acquisition of the Isla Property</u>

On November 8, 2020, the Company entered into the Isla Option Agreement, as amended February 9, 2021, with the Optionor whereby the Optionor granted the Company an option to acquire a 100% undivided interest in the Isla Property. The Optionor is Arm's Length to the Company. To exercise its option, the Company will be required to pay to the Optionor an aggregate of $40,000 as follows:

(i) $5,000 upon execution of the Isla Option Agreement (which amount has been paid);

(ii) a further $5,000 on the Listing Date; and

(iii) a further $30,000 on or before eighteen months after the Listing Date;

Once the Company has fulfilled all of the requirements in the above paragraphs, then it shall be deemed to have earned a 100% undivided interest in the Isla Property, subject only to a 1.5% NSR royalty (the "Royalty") on the Isla Property on all base, rare earth elements, precious metals and gems on commercial production of the Isla Property. The Company may purchase the Royalty by paying the Optionor $1,500,000.

Of the six claims, 5 are set to expire on December 31, 2021 and one claim is set to expire on February 28, 2022. The Company intends to renew all six claims at an expected renewal cost of $7,517.

To date, the Company has incurred $86,807 in exploration expenditures on the Isla Property.

**Government Mining Regulations**

The Company will be required to comply with all regulations, rules and directives of governmental authorities and agencies applicable to the exploration of minerals in the Province of British Columbia. The main agency that governs the exploration of minerals in the Province of British Columbia, Canada, is the Ministry of Energy, Mines and Petroleum Resources ("Ministry of Mines"). The Ministry of Mines manages the development of British Columbia's mineral resources, and implements policies and programs respecting their development while protecting the environment. In addition, the Ministry of Mines regulates and inspects the exploration and mineral production industries in British Columbia to protect workers, the public and the environment.

The material legislation applicable to the Company is the *Mineral Tenure Act* (British Columbia), as amended (the "Mineral Tenure Act"), administered by the Mineral Titles Branch of the Ministry of Mines, and the *Mines Act* (British Columbia) (the "Mines Act"), as well as the *Health, Safety and Reclamation Code* (British Columbia) (the "Health Safety and Reclamation Code"). The Mineral Tenure Act and its regulations govern the procedures involved in the location, recording and maintenance of mineral titles in British Columbia. The Mineral Tenure Act also governs the issuance of leases which are long term entitlements to minerals.

All mineral exploration activities carried out on a mineral claim or mining lease in British Columbia must be in compliance with the Mines Act. The Mines Act applies to all mines during exploration, development, construction, production, closure, reclamation and abandonment. It outlines the powers of the Chief Inspector of Mines to inspect mines, the procedures for obtaining permits to commence work in, on or about a mine and other procedures to be observed at a mine. Additionally, the provisions of the Health, Safety and Reclamation Code for mines in British Columbia contain standards for employment, occupational health and safety, accident investigation, work place conditions, protective equipment, training programs and site supervision.

Additional approvals and authorizations may be required from other government agencies, depending upon the nature and scope of the proposed exploration program. If the exploration activities require the falling of timber, then either a free use permit or a license to cut must be issued by the Ministry of Forests, Lands and Natural Resource Operations. Items such as waste approvals may be required from the Ministry of Environment if the proposed exploration activities are significantly large enough to warrant them. Waste approvals refer to the disposal of rock materials removed from the earth which must be reclaimed. An environmental impact statement may be required.

**Employees**

As of the date of this prospectus, the Company has no employees. The Company's executive officers are independent contractors of the Company.

**Competitive Conditions**

There is significant competition for the acquisition of promising mineral properties, as well as for hiring qualified personnel. The Company's competitors may have more substantial financial and technical resources for the acquisition of mineral concessions, claims or mineral interests, as well as for the recruitment and retention of qualified personnel.

**Trends**

The present and future activities of the Company may be influenced to some degree by factors such as the availability of capital, governmental regulations, including environmental regulation, territorial claims and security on mining sites. The influence of such factors cannot be predicted.

To the knowledge of the Company, other than what is described in this prospectus, there is no current trend or event that could reasonably influence, in a significant manner, the activities, financial situation or operating results of the Company for the current fiscal year. See "Risk Factors".

## ISLA PROPERTY

The following represents information summarized from the Technical Report on the Isla Property dated effective March 5, 2021 (previously defined as the "Technical Report"), prepared by Derrick Strickland, P. Geo (previously defined as "Qualified Person"), a "qualified person", as defined under National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (previously defined as "NI 43-101"), prepared in accordance with the requirements of NI 43-101. Note that not all of the figures and tables from the Technical Report are reproduced in and form part of this prospectus. The remaining figures are contained in the Technical Report which is expected to be made available under the Company's profile on the SEDAR website at www.sedar.com.

### Isla Property Map

*Figure 1. Regional Location Map.*

**Property Description and Location**

The Isla Property is located approximately 16 km to 22 km southwest of the town of Campbell River, British Columbia, Canada (Figure 1). The Isla Property consists of six contiguous mineral claims covering approximately 4,295 hectares. The mineral claims are registered in the Nanaimo Mining Division of British Columbia on map sheets 092F.074 and 92F.084. Andrew Molnar is the 100% owner of the mineral claims. The Isla Property mineral claims were staked using the British Columbia Mineral Titles Online computer Internet system. With the British Columbia mineral claim staking system there can be no internal fractions or open ground. The centre of the Isla Property is located at 49° 80' North Latitude -125° 28' West Longitude located on NTS map sheet 092F14. Claim data is summarized below; while a map showing all the claims is presented in Figure 2.

| Title Number | Claim Name | Issue Date | Good To Date | Area (ha) |
|---|---|---|---|---|
| 1079408 | ISLA 1 | 2020/NOV/04 | 2021/DEC/31 | 834.1 |
| 1079407 | ISLA 2 | 2020/NOV/04 | 2021/DEC/31 | 1042.8 |
| 1079406 | ISLA 3 | 2020/NOV/04 | 2021/DEC/31 | 479.9 |
| 1079409 | ISLA 4 | 2020/NOV/04 | 2021/DEC/31 | 938.0 |
| 1079581 | ISLA 5 | 2020/NOV/13 | 2021/DEC/31 | 521.0 |
| 1081035 | ISLA 6 | 2021/FEB/08 | 2022/FEB/08 | 479.3 |
| | | | **Total** | **4295.1** |

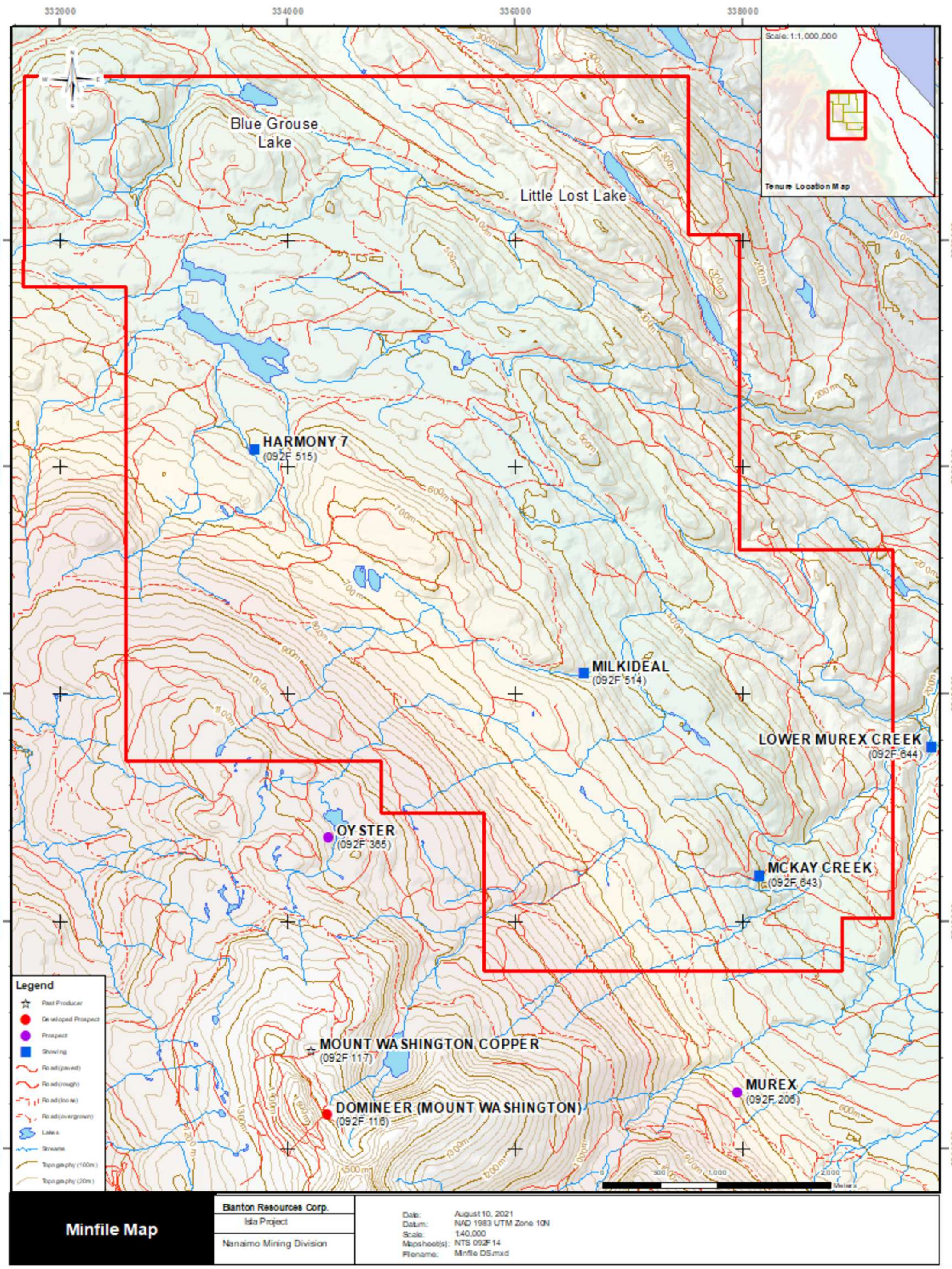



*Figure 2. Isla Property Claim Map.*

Blanton Resources Corp. of Vancouver, British Columbia can earn a 100% undivided interest in Isla 1 to Isla 5 claims through a series of cash payments under the Isla Property Agreement. According to the terms of the Isla Property Agreement, Blanton shall pay Andrew Molnar ("Molnar") an aggregate amount of $40,000 on the dates and in the amounts as follows:

a) On the Effective Date of the Isla Property Agreement, the sum of $5,000, receipt of which is acknowledged by Molnar;
b) The sum of $5,000 upon the Listing Date; and
c) The sum of $30,000 within 18 months of the Listing Date.

Molnar maintains a 1.5% net smelter royalty on the Isla Property. Blanton shall have the option to purchase the Royalty at any time by making a cash payment to Molnar of a cash amount equal to $1,500,000.

In an amended agreement dated February 9, 2021, the Isla 6 mineral claim is included in the November 8, 2020 agreement.

There has been no reported historical production on the Isla Property, and the Qualified Person is not aware of any environmental liabilities that have potentially accrued from any historical activity. The Qualified Person is not aware of any permits obtained for the Isla Property.

The Qualified Person has reviewed and relied on ownership information provided by the Company on February 9, 2021., which to the Qualified Person's knowledge is correct. A limited search of tenure data (February 28, 2021) on the British Columbia government's Mineral Titles Online (MTO) web site confirms the data supplied by the Company.

In British Columbia, the owner of a mineral claim acquires the right to the minerals that were available at the time of claim location and as defined in the Mineral Tenure Act of British Columbia. Surface rights and placer rights are not included. Claims are valid for one year and the anniversary date is the annual occurrence of the date of record (the staking completion date of the claim). The current mineral claims are on crown ground and no further surface permission is required by the mineral tenure holder to accesses mineral claims.

To maintain a claim in good standing the claim holder must, on or before the anniversary date of the claim, pay the prescribed recording fee and either: (a) record the exploration and development work carried out on that claim during the current anniversary year; or (b) pay cash in lieu of work. The amount of work required in years one and two is $5 per hectare per year, years three and four $10 per hectare, years five and six $15 per hectare, and $20 per hectare for each subsequent year. Only work and associated costs for the current anniversary year of the mineral claim may be applied toward that claim unit. If the value of work performed in any year exceeds the required minimum, the value of the excess work can be applied, in full year multiples, to cover work requirements for that claim for additional years (subject to the regulations). A report detailing work done and expenditures must be filed with, and approved by, the B.C. Ministry of Energy and Mines.

The Company and Qualified Person are unaware of any significant factors or risks, besides what is not noted in the Technical Report, which may affect access, title, or the right or ability to perform work on the Isla Property.

All work carried out on a claim that disturbs the surface by mechanical means (including drilling, trenching, excavating, blasting, construction or demolishment of a camp or access, induced polarization surveys using exposed electrodes and site reclamation) requires a Notice of Work permit under the Mines Act and the owner must receive written approval from the District Inspector of Mines prior to undertaking the work. The Notice of Work must include: the pertinent information as outlined in the Mines Act; additional information as required by the Inspector; maps and schedules for the proposed work; applicable land use designation; up to date tenure information; and, details of actions that will minimize any adverse impacts of the proposed activity. The claim owner must outline the scope and type of work to be conducted, and approval generally takes one or two months.

Exploration activities that do not require a Notice of Work permit include: prospecting with hand tools, geological/geochemical surveys, airborne geophysical surveys, ground geophysics without exposed electrodes, hand trenching (no explosives) and the establishment of grids (no tree cutting). These activities and those that require permits are outlined and governed by the Mines Act of British Columbia.

The Chief Inspector of Mines makes the decision whether or not land access will be permitted. Other agencies, principally the Ministry of Forests, determine where and how the access may be constructed and used. With the Chief Inspector's authorization, a mineral tenure holder must be issued the appropriate "Special Use Permit" by the Ministry of Forests, subject to specified terms and conditions. The Ministry of Energy and Mines makes the decision whether land access is appropriate and the Ministry of Forests must issue a Special Use Permit. However, three ministries, namely the Ministry of Energy and Mines; Forests; and Environment, Lands and Parks, jointly determine the location, design and maintenance provisions of the approved road.

Notification must be provided before entering private land for any mining activity, including non- intrusive forms of mineral exploration such as mapping surface features and collecting rock, water or soil samples. Notification may be hand delivered to the owner shown on the British Columbia Assessment Authority records or the Land Title Office records. Alternatively, notice may be mailed to the address shown on these records or sent by email or facsimile to an address provided by the owner. Mining activities cannot start sooner than eight days after notice has been served. Notice must include a description or map of where the work will be conducted and a description of what type of work will be done, when it will take place and approximately how many people will be on the site. It must include the name and address of the person serving the notice and the name and address of the onsite person responsible for operations.

At present the Qualified Person does not know of any environmental liabilities to which the Isla Property may be subject. Western Star Resources Inc. does not currently hold a Notice of Work permit for the Western Star.

In response to the imposed lock down ordered by the British Columbia Provincial Health Officer in March 2020 the Gold Commissioner of British Columbia in March 27th 2020 announced that:

“The time extension order has been applied automatically to all claims with good to/expiry dates be December 31, 2021, meaning no individual application for a time extension is required. Claims that have good to/expiry dates beyond December 31, 2021 are NOT subject to any time extension (protection)” and that “Any new claims that are registered between March 27, 2020 and December 31, 2020 will also be subject to a time extension to register work or pay cash in lieu to December 31, 2021.”

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

Accessibility

The Isla Property has good year-round road access from the city of Campbell River, British Columbia. From the Inter-Island Highway, a series of two-lane gravel roads traverse through the centre of the Isla Property. Logging roads provide access to the rest of the Isla Property. Campbell River, Comox, and regional airports are located approximately 18 km and 30 km respectively from the Isla Property.

Climate

The climate is typical of the eastern coast of Vancouver Island, British Columbia, with warm and dry summers, and mild winters with rain and snow. The temperature in the summer averages 20 degrees Celsius, and in the winter averages +1 degrees Celsius. In winters snow may reach 90 cm (2.95 feet). Although the area normally has about eleven months of snow-free conditions, historical exploration has been successfully conducted throughout the year.

Local Resources

Water is readily accessible in the project area.

Infrastructure

The town of Campbell River is located approximately 16 to 22 kilometres to the northeast of the Isla Property. The town and area have a long mining history and as such, most services are readily available. The city of Comox with a population of 13,000 is located 30 kilometres east of the Isla Property. The Isla Property size is sufficient to accommodate future mining operations, potential tailings storage areas; potential waste disposal areas, and potential processing plant sites. If required, Blanton has to acquire surface rights to build these facilities.

Physiography

The Isla Property is located in low-lying, coastal terrain covered by second growth forest and numerous logging blocks. Elevation across most of the Isla Property ranges between 200 and 650 metres above sea level (ASL); slopes are mostly gentle to moderate. The amount of rock outcrop is highly variable across the district, and in most of the area ranges between 0 and10%.

**History**

Historical Work 1986

In 1986 Joseph L. Paquet carried out a prospecting program on the Isla Property. The work consisted of the collection of 54 rock samples, and prospecting and rock sampling of outcrops along the main rivers located on the Isla Property. Three samples #1B, #1F, #5A all had assay results of >10,000 ppm copper. See Table below for selected assays for the 1986 program.

| Sample ID | Map No | Au ppb | Au oz/t | Ag ppm | Cu ppm | Pb ppm | Zn ppm |
|---|---|---|---|---|---|---|---|
| #1 B | B | | | 7 | >10000 | 3 | 68 |
| #1 F | 4 | | | 16.2 | >10000 | 2 | 380 |
| #5 A | 5 | | | 1.6 | >10000 | 2 | 33 |
| DV-8 | 6 | 22 | | 10.5 | 7377 | 8 | 308 |
| #1 C | 7 | | | 1.6 | 4390 | 2 | 52 |
| #1 A | 8 | | | 1.4 | 3920 | 4 | 43 |
| DV-12 | 9 | 3 | | 0.7 | 1809 | 2 | 32 |
| DV-9 | 10 | 4 | | 2.8 | 1802 | 3 | 108 |
| DV-13 | 11 | 1 | | 2.4 | 1470 | 2 | 31 |
| Har-3 | 12 | 5 | | 0.3 | 996 | 8 | 108 |
| #2 A | 13 | | | 0.4 | 695 | 3 | 55 |
| #1 H | 14 | | | 0.4 | 645 | 2 | 21 |
| DV-10 | 15 | 1 | | 0.7 | 526 | 9 | 113 |

Historical Work 1988

A much larger property, which included the current Isla Property, was optioned from Mr. Paquet by Visible Gold and Westmin Resources in 1987. In 1988, Westmin Resources commissioned line cutting and an airborne EM resistivity magnetometer survey over a large area which included the Isla claim area. The EM survey mapped numerous bedrock conductors which occur as broad conductive units which are best represented by the 7200 Hz resistivity data. Numerous discrete thin conductive bedrock sources were also identified. The conductors are generally non- magnetic. The total field and enhanced magnetic contour maps yielded valuable information about the magnetic rock units and bedrock structures within the survey area (Wright, 1988).

Historical Work 1991

In 1991, the Isla Property was held under option by a joint venture between Westmin Resources Ltd. and Visible Gold Inc. and was owned by J.L. Paquet. The area of the Isla claims formed part of a larger claim position extending approximately 12 kilometres to the south.

The 1991 programme was focused on epithermal veins similar to other occurrences known in the general Mount Washington area. Epithermal veins with anomalous precious metals were located within the area both in bedrock and float along Regan Creek. The work reported 1991 was the first programme reported in this area.

R.R. Walker reported that an attempt was made to do first pass geological mapping and rock sampling on an area of about 500 ha, at a scale of 1:10,000. Progress was impeded by overgrown roads, washouts, limited outcrop, and rain. Figure 3 summarizes the geological mapping performed by R.R. Walker in 1991. Forty-six rock samples were collected for which descriptions were provided and are included as Table 2. Assays were not reported for this sampling programme. Regan Creek was mapped at a scale of 1:2000 over a nominal area of 20 ha.

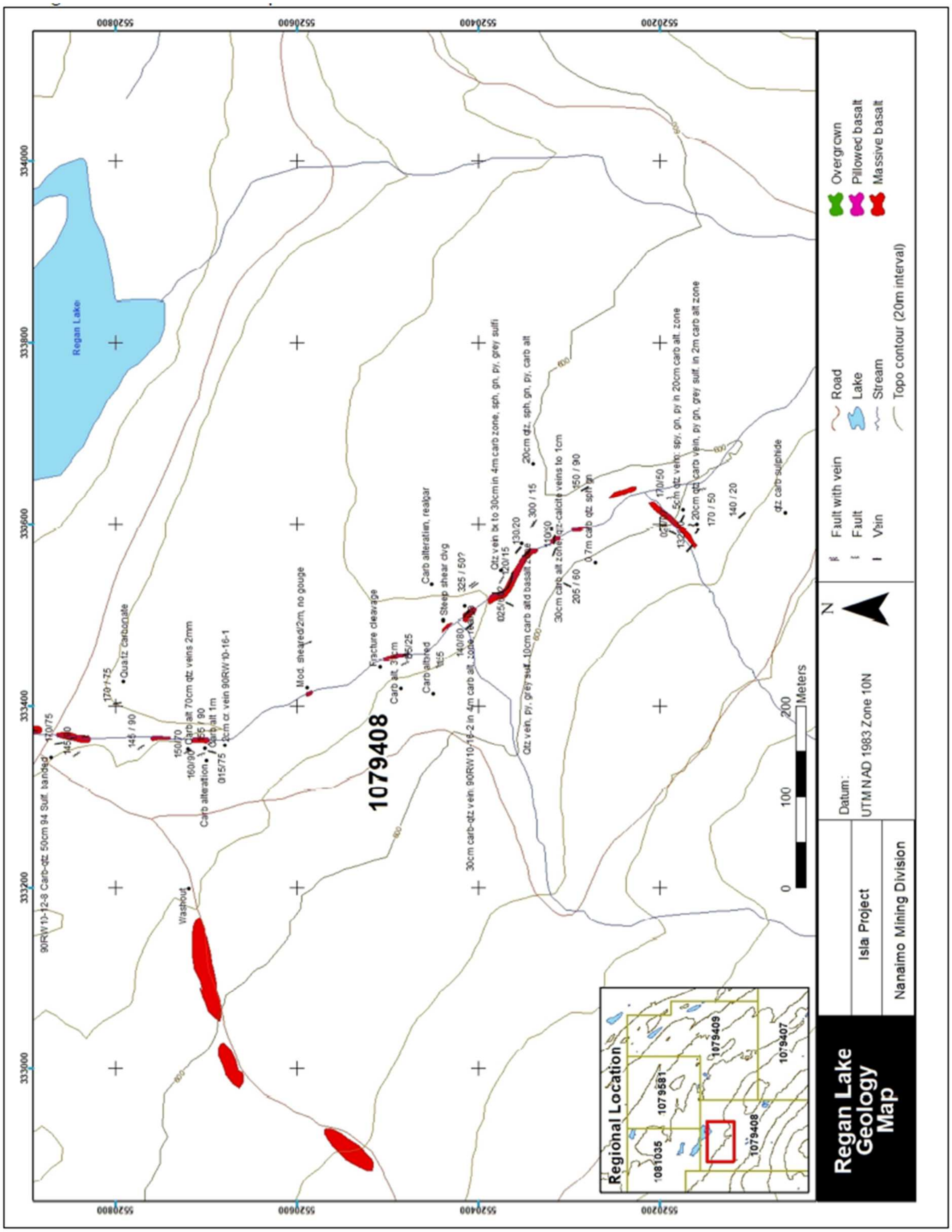



*Figure 3.Walker 1991 Map*

Historical Work 2012

Altamont Resources Inc. undertook an exploration from February 29 to April 26th, 2012 consisting of the following: 791 soils samples in three grids, the collection of 50 rock and 33 stream samples (Strickland 2012).

Table 4: Rock chip channel sample geochemical analysis highlights:

| Sample ID | Width cm | Au ppb | Ag ppm | Cu ppm | Pb ppm | Zn ppm | As ppm |
|---|---|---|---|---|---|---|---|
| 164606 | 120 | 2.1 | <0.1 | 252.3 | 0.9 | 55 | 3 |
| 164609 | 18 | 1.9 | 0.1 | 279.2 | 1.2 | 90 | 0.7 |
| 164612 | 15 | 9.4 | <0.1 | 242.2 | 0.9 | 62 | <0.5 |
| 164616 | 100 | 6.1 | <0.1 | 358.0 | 1.8 | 79 | 4.1 |
| 164620 | 60 | 10.8 | 0.6 | 356.3 | 0.9 | 19 | 1.9 |
| 164621 | 100 | 4.3 | 0.2 | 543.2 | 0.9 | 75 | 1.2 |
| 164666 | grab | 4.0 | 0.2 | 625.5 | 0.4 | 24 | 3.3 |
| 164629 | 50 | 54.4 | 3.2 | 324.3 | 28.2 | 176 | 979.6 |
| 164632 | 100 | 1.4 | <0.1 | 270.7 | 1.0 | 82 | 11.5 |
| 164626 | float | 654.1 | 1.8 | 115.1 | 57.8 | 9 | 2066.7 |
| 164630 | float | 2094.8 | 2.0 | 30.7 | 35.7 | 471 | 8915.2 |

The H-12 grid is located in the southeast portion of Property (Figure 4). A total of 287 samples were taken at 25-meter intervals along north-south oriented lines spaced 50 meters apart for 12 lines in total averaging 375 meters length for each line.

A summary of geochemical analysis of samples taken on the H-12 grid is summarized as follows: Au- 5 of 287 samples range from 93.4-996.5 ppb Au (Figure 5).

The stream sediment sampling programmed on the Isla Property consisted of a total of 33 samples taken at 300–500-meter intervals along major and secondary drainages. Four of the samples taken contain elevated copper, gold, and arsenic values and are summarized in the following table:

| Sample No. | Cu ppm | As ppm | Au ppb | Drainage description |
|---|---|---|---|---|
| SS 8100 | 82.7 | 25.1 | 190.2 | 015 azimuth drainage located south of Tsolum River. |
| SS 8087 | 2,418.7 | 236.0 | 325.3 | E trending and bends to the N where sample was taken, felsic dyke and silicified and pyritic float in creek. |
| SS 5525 | 915.2 | 249.5 | 5.2 | ENE drainage, extensive carbonate & ankerite alteration in creek. |
| SS 5227 | 90.1 | 371.7 | 3.6 | E trending drainage, possible west extension of SS 5525 sample. |

Geochemical sample grids surveyed during the 2012 programme on Lost Lake and Little Lost Lake reveal elevated Cu in soil located near Tsolum River in the grid area 200-600 metres southeast of Lost Lake and 150 trending regional fault immediately northeast of Little Lost Lake. The copper in soil anomalies at Lost Lake and Little Lost Lake are defined by sample analysis as having values greater than 112 ppm Cu, with a maximum value of 409.4 ppm Cu on the Lost Lake grid, and 350.8 ppm Cu on the Little Lost Lake grid. Bedrock in the area of anomalous copper in soil anomalies consists of amygdaloidal basalt with variable (0.1-5% by volume) quartz-calcite-chlorite alteration, sparse disseminated & fracture filling pyrite-pyrrhotite, and trace amounts of chalcopyrite, arsenopyrite, and malachite.

Historical Work 2016

In 2016, Whitewater Capital Corp. collected 18 rock samples, 14 stream sediment samples, surveyed a new grid south of Regan Lake and expanded the Milkideal grid. 248 soil samples were collected from the two grids. In addition, geological mapping and prospecting was undertaken in both areas.

| Sample No. | Location- | Cu ppm | As ppm | Au ppb |
|---|---|---|---|---|
| 216 | West of Lost Lake | 271 | 349 | 5 |
| 217 | South of Regan Lake | 120 | 98.1 | 5 |
| 218 | South of Regan Lake | 234 | 239 | 9 |
| 219 | South of Regan Lake | 131 | 69.2 | 11 |
| 220 | East end of Regan Lake | 158 | 1990 | 7 |
| 222 | West end of Regan Lake | 151 | 342 | 5 |
| 223 | West end of Regan Lake | 136 | 253 | 8 |
| 224 | East of Regan Lake | 125 | 459 | 5 |
| 229 | West of Lost Lake | 104 | 11.1 | 6 |

The nine samples listed above require detailed follow-up exploration to explain the cause of anomalous Cu-Au-As values that occur in the stream sediments. A program of detailed stream sediment sampling and geological mapping/sampling is recommended to assess the source of the anomalies.

Soil sample 18175N, 37050 E (387 ppb Au) is located along Pyrrhotite Creek in the SE portion of the Milkideal grid in an area with minimal outcrop. Minor pyrrhotite/pyrite occurs as fine grain disseminations, but Cu-Pb-Zn bearing base metal mineralization was not observed.

On the Regan Creek grid, a total of 168 samples were taken at 50-meter intervals along east- west oriented lines spaced 50 meters apart. 13 of 128 samples range from 10 – 105.0 ppb Au, 75 of 128 samples range from 74.3 – 282.0 ppm Cu.

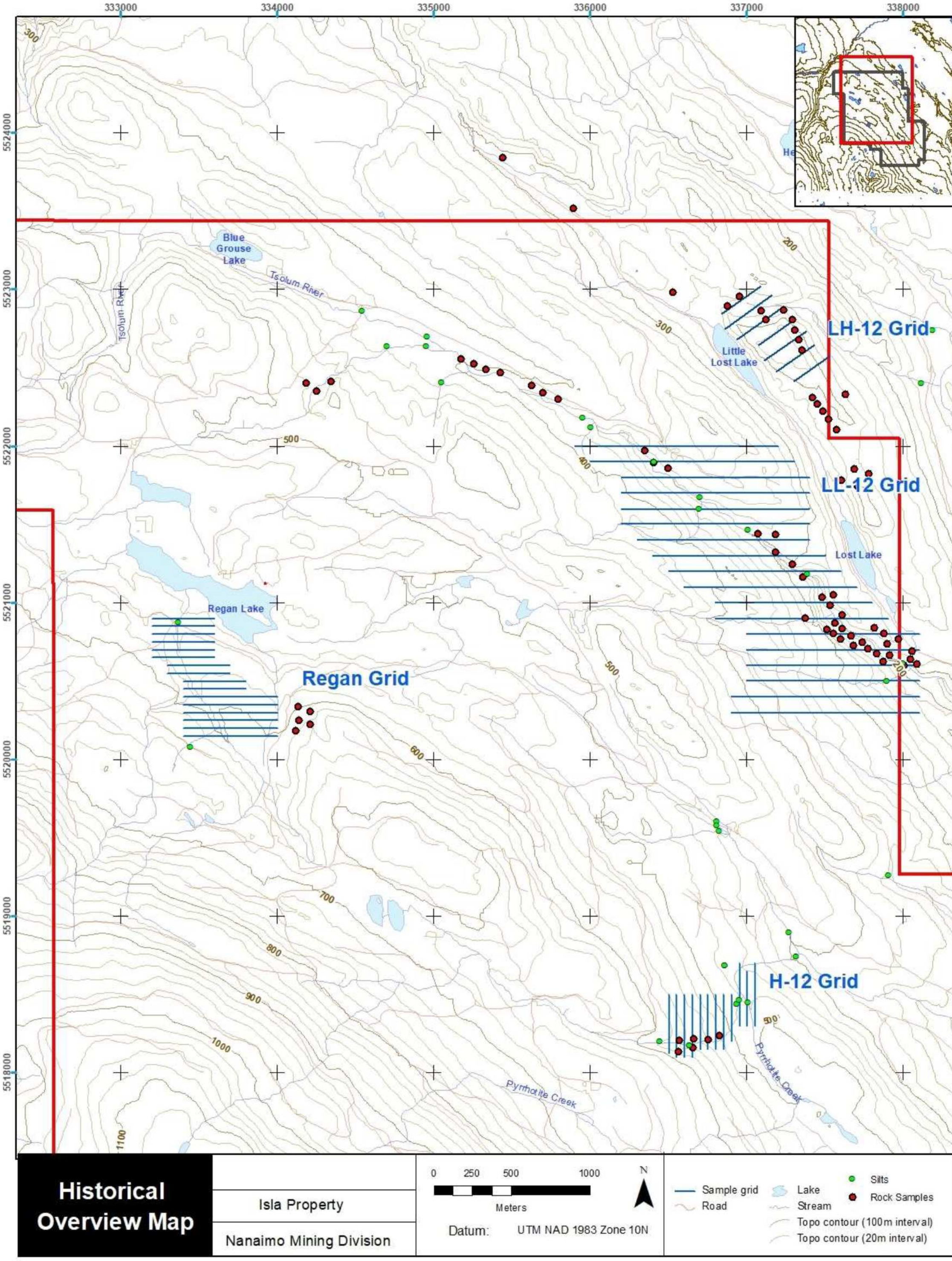



*Figure 4. Historical Work Areas 2012 and 2016.*

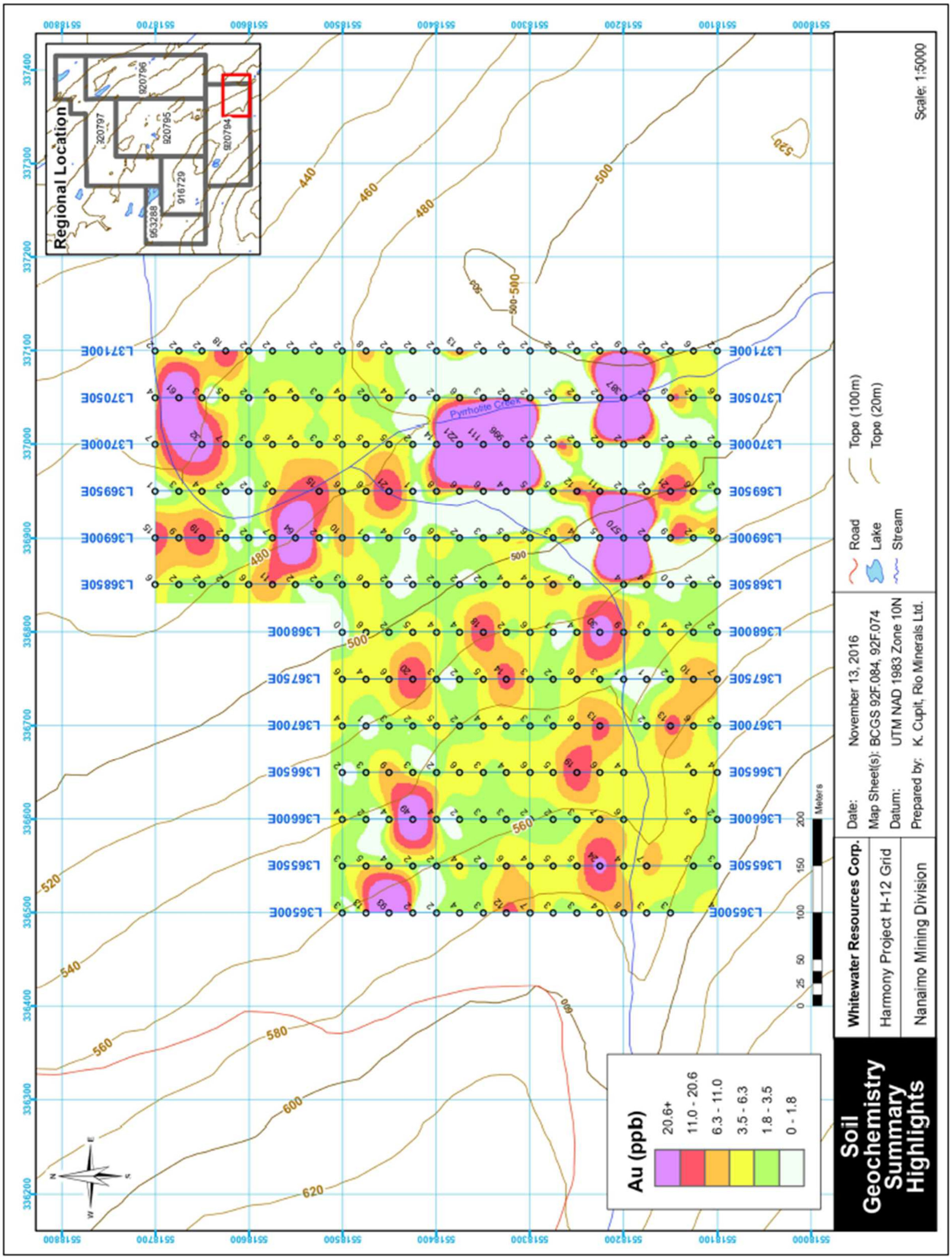



*Figure 5: 2016 H12 Gold in Soils*

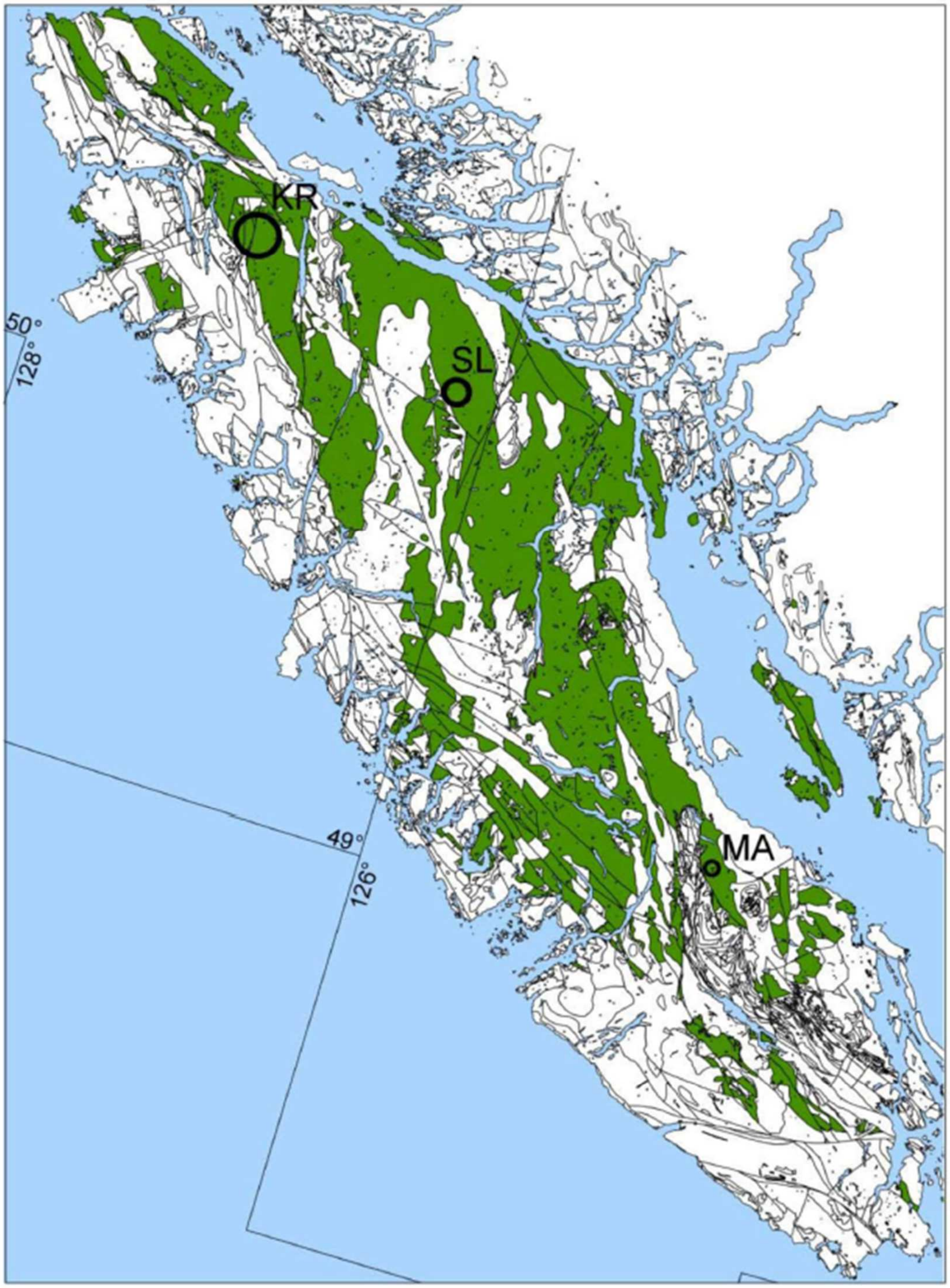
**Geological Setting and Mineralization**

The Wrangellia Terrane is a complex and variable terrane that extends from Vancouver Island to central Alaska. Wrangellia is most commonly characterized by widespread exposures of Triassic flood basalts and intrusive rocks (Jones *et al.*, 1977). Triassic flood basalts extend in a discontinuous belt from Vancouver and Queen Charlotte Islands (Karmutsen Formation), through southeast Alaska and the Kluane Ranges in southwest Yukon, and into the Wrangell Mountains and Alaska Range in east and central Alaska (Nikolai Formation). This belt of flood basalt sequences has distinct similarities and is recognized as representing a once-contiguous terrane (Jones *et al.*, 1977).

The enormous exposures of the Karmutsen appear to represent a single flood basalt event (Richards *et al.*, 1989). A mantle plume initiation model has been proposed for the Wrangellia flood basalts based on (1) relatively limited geochemical data, (2) the nature of the underlying and overlying formations, (3) rapid uplift prior to volcanism, (4) the lack of evidence of rifting associated with volcanism and (5) the short duration and high eruption rate of volcanism (Richards *et al.*, 1991). The basalt flows are estimated to have erupted a minimum volume of 1x106 $km^3$ (Panuska, 1990) within a maximum of five million years (Carlisle and Suzuki, 1974).

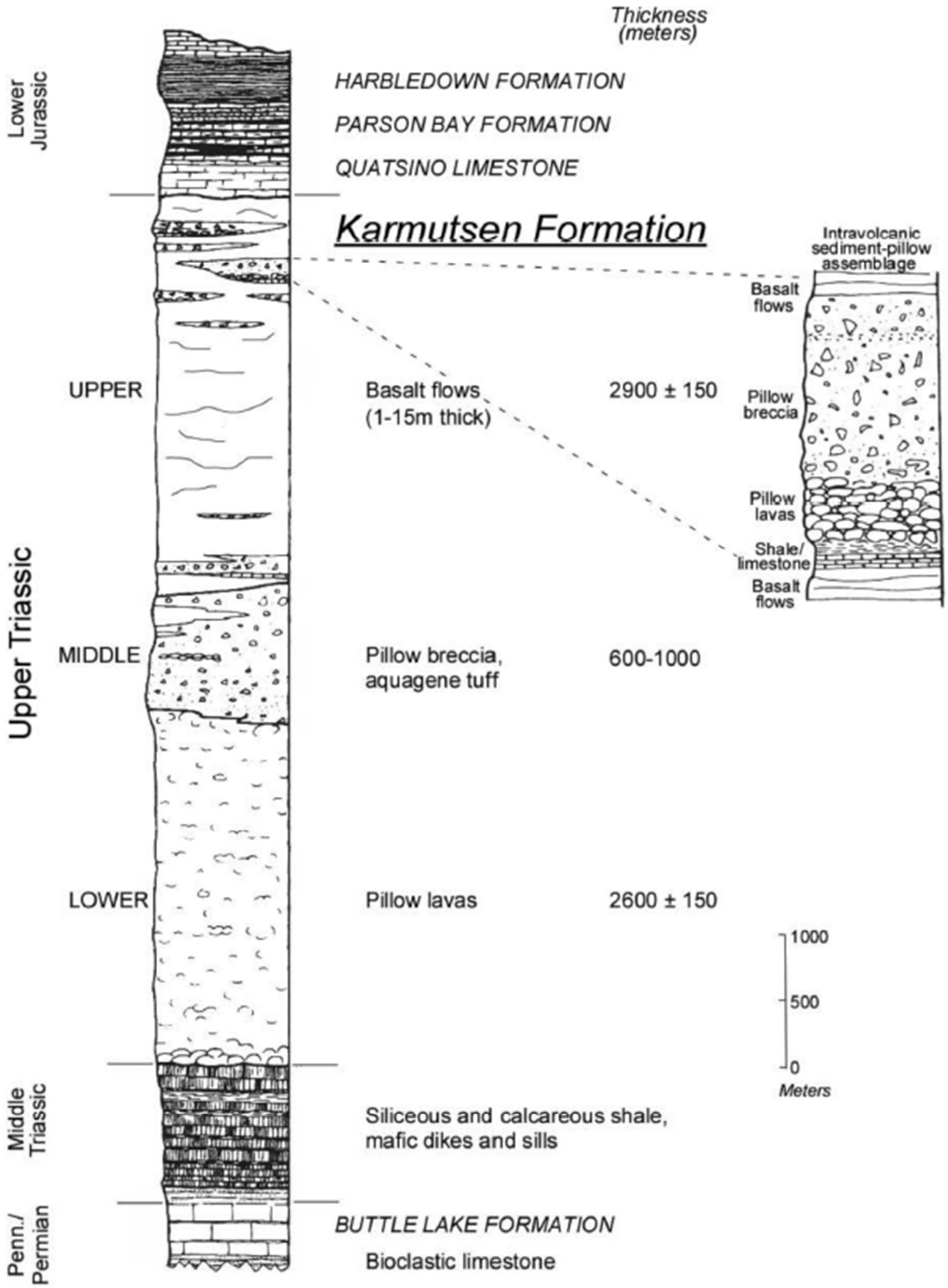
Widespread areas of British Columbia are underlain by the distinctive flood basalt sequences of the Karmutsen Formation (Figure 5). Approximately 35% of northern and central Vancouver Island consists of Karmutsen basalt (Barker *et al.*, 1989). Exposures of the Karmutsen are also extensive on the southern Queen Charlotte Islands, although the base of the formation is not exposed. On Vancouver Island, both underlying island arc rocks of the Paleozoic Sicker Group and the Karmutsen Formation are intruded by mafic sills thought to be associated with the Karmutsen (Barker *et al.*, 1989). The Karmutsen Formation is commonly intercalated with small lenses of marine sediments and is capped by shallow-water limestone (Carlisle and Suzuki, 1974).

The Karmutsen Formation forms thick flood-volcanic sequences throughout the densely-forested regions of northern and central Vancouver Island. The predominantly extrusive, marine sequences locally exceed 6000 m in thickness (Carlisle and Suzuki, 1974); however, extensive faulting throughout the Karmutsen makes reconstruction of the stratigraphic thickness challenging. Diagnostic units of the Karmutsen are often divided into: (1) a lower member of exclusively pillow lava (2500 ± 150 m); (2) a middle member of pillow breccia and aquagene tuff (600–1100 m); and (3) an upper member of massive basalt flows (2600 ± 150 m) (Carlisle & Suzuki, 1974) (Figure 6).




Map of Vancouver Island showing exposures of flood basalt from the Karmutsen Formation (green) (after Massey *et al.*, [2003a, 2003b]).

*Figure 6: Karmutsen Formation*




Composite stratigraphic column depicting flood basalt sequences of the Karmutsen Formation and major sedimentary sequences on northern Vancouver Island (modified after Carlisle and Susuki [1974).

*Figure 7. Stratigraphic Column*

The Isla Property is underlain by Karmutsen Formation basalt of Triassic age. The Karmutsen basalt in the area includes massive flows, pillowed flows, and thinner beds of hyaloclastite and pillow breccia. Layering is apparently shallow in dip. In the northeast portion of the Isla tenures, Upper Cretaceous Nanaimo Group clastic sediments overlie the Karmutsen basalt. The entire sequence of volcanic and sedimentary rocks is cut by Late Eocene - Early Oligocene age Mt Washington Plutonic Suite quartz diorite. Intrusive rocks are not known to occur on the Isla tenures.

The Upper Triassic Karmutsen Formation is a thick sequence of metabasaltic (tholeiitic) rocks that underlies a large part of Vancouver Island and forms all of the lower plate and part of the middle plate on Mount Washington. Pillow lavas and pillow breccias of this unit underlie part of the northeastern and southern lower slopes of the mountain. Nowhere, apart from a few road cuts in pillow breccia near Mount Washington, do they produce the spectacular outcrops common elsewhere on Vancouver Island. In many exposures the pillows and original pillow fragments have been deformed and brecciated and can only be identified by a few remaining characteristic shapes and lighter coloured pillow rims. Nests of quartz and epidote, very commonly found as space-filling between pillows elsewhere, are also lacking. In many instances field identification of pillow breccia and aquagene tuff is still possible on the evidence of small devitrified, silica-rimmed lava pellets visible with a hand-lens in the matrix on a fresh surface. Low-grade metamorphism of the basaltic rocks to prehnite-pumpellyite grade is generally believed to have occurred in pre-Tertiary time and some retrograde change to yet lower chlorite grade may have attended Tertiary faulting.

In 2020, Blanton Resources Corp. undertook a drainage analysis. Depending on the lie of channels, drainage systems can fall into one of several categories known as drainage patterns. These depend on the topography and geology. All forms of transitions can occur between parallel, dendritic, and trellis patterns. The patterns reflect the underlying geology and structures such as faults, fractures and jointing (see Figure 8).

The Mount Washington plutonic suite (quartz diorite) is exposed in areas of relatively young uplift to the south of the Isla Property, and forms distinct radial drainage patterns and an extensive network of extension faults. The quartz diorite is not exposed on the Isla Property, but the radial drainage pattern and extension faulting are prominent in the southwest portion of the claims. This suggests the basaltic rocks that underlie the southwest part of Isla Property are affected by uplift and erosion, The Harmony 7 showing (Regan Creek) and Milkideal occurrences may reflect proximal mineralization related to the Mount Washington quartz diorite.

The north and east portions of the Isla Property are underlain by Middle-Upper Triassic Karmutsen basaltic volcanic rocks that exhibit dominant NW trending jointing that is accentuated by resistant (silicified) ridge crests and relatively straight (sub-parallel oriented) creeks that have a smaller component of rectangular drainages. An exception to the sub-parallel & rectangular drainages are the deranged watercourses that occur in the center of the Isla Property in a 1 X 1 kilometer area that features 7 small distinct wetlands that are connected in a haphazard watercourse arrangement, suggesting that the area may have a thick (>30 m) mantle of glacial till. This area aligns with a prominent low resistivity and total field magnetic anomaly along the axis of Regan Lake approximately 800 meters to the west of the wetland area with deranged drainage.

Nanaimo Group sediments occur extensively to the northeast of the Isla Property. This area features gently tilted hard and soft interlayered strata that form parallel drainages and extensive wetlands (e.g., Bevan wetland fowl reserve).

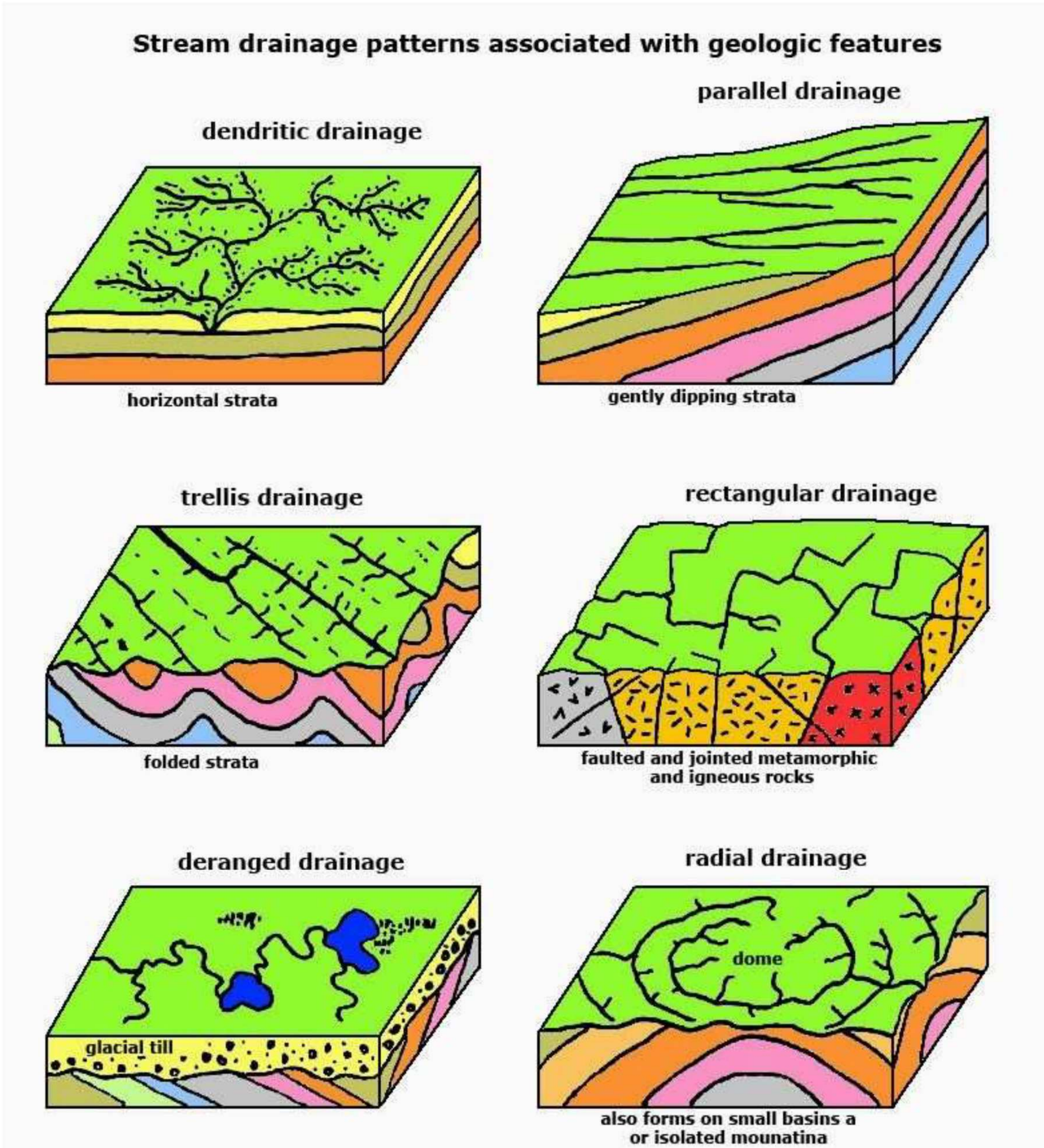



*Figure 8. Drainage Patterns*

<u>Regan Creek (Harmony 7):</u>

The Regan Creek - Harmony area is located 0.1-1.0 km south of Regan Lake and features NW trending, steeply dipping normal faults exposed in the creek bed defined by sheared basalt and rusty weathering gouge seams. (Figure 9).

Faults were exposed in the bed of Regan Creek and in a rock quarry on Piggott Main. The faults and shears of widely differing attitudes are exposed in these areas and are probably common but unexposed throughout the area. Both steep and shallow dipping faults are important. Sheared basalt and gouge seams mark fault planes. The Isla Property is characterized by major NW trending extension and normal faults. The faults and shears have widely differing attitudes from steep and shallow dipping faults. Sheared basalt and gouge seams mark fault planes.

The NW trending fault that traces Regan Creek for 1.5 kilometers continues an additional 6 kilometers to the SE and traces through the Milkideal occurrence located approximately 3 kilometers SE of Regan Creek. This fault is interpreted as being a part of an extensive series of faults related to the emplacement of the Eocene-Oligocene Mount Washington Plutonic Suite (hosting the Domineer & Mount Washington Copper polymetallic mineral deposits), located approximately 3 kilometers south of the Isla Property.

Above 600 meters elevation in Regan Creek, there is a dominant ENE trending fault and fracture trend with steep dips to the south that hosts extensive quartz-carbonate - Fe carbonate alteration zones and zones of intense silicification that vary from 1-10 meters in width. Cockade and vuggy textured quartz-carbonate veins and veinlets with associated limonite-hematite-siderite contain variable pyrite and rare chalcopyrite, sphalerite, galena, arsenopyrite, and realgar that are spatially associated with quartz-carbonate-Fe carbonate alteration.

Traced along strike, the Regan Creek fault zones splay in a multi-directional attitude and are altered with quartz-carbonate-ankerite as late-stage fracture filling adjacent to the faults. The vuggy low-sulphidation hydrothermal systems have resulted in vain and/or stockwork style mineralization associated with gold and silver mineralization with anomalous copper, lead, and zinc values.

In the bed of Regan Creek, the exposed faults are commonly and often altered with quartz- carbonate-ankerite as late-stage fracture filling extends several metres away from the fault. Some of these altered faults host veins/veinlets of quartz-carbonate often containing sphalerite, galena, pyrite, chalcopyrite, grey sulfide, and realgar. Quartz-carbonate-sulphide mineralization is found in the bed of Regan Creek where outcrops and boulders indicate epithermal style veins.

*Lost Lake – Blue Grouse Lake Areas:*

The areas ESE of Blue Grouse Lake and WNW of Lost Lake are underlain by amygdaloidal basalt with 0.1-1% disseminated magnetite, 0.1-5% chlorite, 0.1-0.5% calcite (as fracture filling), variable silicification consisting of 0.1-3% late-stage milky and partly clear quartz veining 0.1-3 cm width, minor vuggy quartz, and 0.1-1% disseminated & fracture filling pyrite and minor pyrrhotite. See Figure 4 for locations. Variable amounts of magnetite ranging from 0.1-1% by volume occur as 0.1-0.5 mm sized disseminations in basalt. Near Lost Lake, Tsolum Creek runs southeast and there are some southeast trending fault structures as well as conjugate east trending faults.

Alteration minerals are present in the Tsolum Creek valley (located approximately 1-3 kilometers west-northwest of Lost Lake), and include secondary quartz, calcite, chlorite, ankerite, and pyrolusite. Approximately 0.1-1% pyrite occurs as 0.1-2 mm sized dissemination and fracture filling mineralization, is hosted in basalt, and is associated with secondary quartz-carbonate-Fe carbonate alteration. Trace amounts of chalcopyrite and malachite occur as late-stage fracture filling in or adjacent to quartz-carbonate veinlets.

The area is underlain by Karmutsen Formation basalt of Triassic age. Locally, the Karmutsen Formation includes massive flows, pillowed flows, and thinner (0.1-5-meter width range) layers of hyaloclastite and pillow breccia. Basalt textures are amygdaloidal with 1-4 mm light-colored secondary minerals including quartz, chalcedony, calcite, and chlorite in a dark green to black colored phaneritic groundmass.

Variable amounts of magnetite ranging from 0.1-0.5% by volume occur as 0.1- 0.2 mm sized disseminations in basalt. A sub-vertically dipping, north-northeast trending fault (azimuth 030°) is characterized by a cliff-forming scarp and abundant quartz-carbonate vein/replacement.

Fractures/joints associated with the fault zone contain secondary chlorite, limonite, ankerite, sericite, pyrite, and rare arsenopyrite. Approximately 0.1% pyrite occurs as 0.1- 1 mm sized disseminations and fracture filling mineralization in quartz-carbonate altered basalt. The quartz-carbonate-Fe carbonate alteration and disseminated and fracture filling pyrite, with trace amounts of chalcopyrite and arsenopyrite.

*Milkideal Area:*

The Milkideal mineral occurrence is located on the southeast portion of the Isla Property. The Milkideal area is underlain by Karmutsen Formation basalt of Triassic age. Locally, the Karmutsen Formation includes massive flows, pillowed flows and thinner (0.1-5-meter width range) layers of hyaloclastite and volcanic breccia. The volcanic breccia is notably present in areas of increased silicification and steep-sided canyon walls in the creek gullies. Basalt textures are amygdaloidal with 1-5 mm light colored secondary minerals including quartz, chalcedony, calcite, & chlorite in a dark green to black colored phaneritic groundmass. Variable amounts of magnetite ranging from 0.1-1.5% by volume occur as 0.1-1 mm sized disseminations in basalt. The relative increase in magnetite in the area of the Milkideal mineral occurrences are reflected in a weak but well defined airborne total field magnetic anomaly (source: MapPlace BC, digitized GSC data). The positive magnetic anomaly covers the grid area and correlates with increased silicification and quartz-carbonate-Fe carbonate alteration.

The Milkideal area is structurally dominated by SE, East, and NE trending fractures/joints with steep dips to the west, south, and southwest. The main direction of fractures/joints in the Milkideal area trends NW and dips steeply to the south. Local topographic highs are elongated northwest. The secondary East and NE trending fractures/joints in basalt reflect late-stage quartz-carbonate-Fe carbonate alteration associated with Eocene (and/or younger) 1-3-meter-wide felsic dyke/sills that intrude Triassic Karmutsen Fm basalt. The dyke/sill complex is interpreted as a contemporaneous lithology to the Mt. Washington Domineer porphyry copper mineralization identified about 3 kilometers to the south. It is also interpreted as a source of fluids for hydrothermal epithermal, low sulphidation deposit type mineralization similar in character to Regan Creek. The Milkideal showings do not exhibit vuggy texture and differ from the Regan Creek showings located 3 kilometers WNW of Milkideal. It is interpreted that Milkideal mineral showings exhibit a deeper level of erosion than Regan Creek.

*The McKay Creek*

The McKay Creek occurrence is located on McKay Creek, approximately 3.8 kilometres west of the north end of Wolf Lake.

Locally, two veins of realgar and stibnite bearing calcite occur within an ankeritic- altered shear zone cutting basalt and pillow basalt and breccia. Both the veins and shear zone are oriented 105 degrees and dip 70º degrees south west. Exposure of the rusty weathering carbonate alteration zone is 5 metres thick and contains two parallel veins separated by 2.7 metres of altered basalt.

The south calcite vein is 0.70 metre thick and contains patchy and disseminated realgar and rare patches of a mineral resembling very fine magnetite. The northern 7 centimetres of this vein contains 3 to 4 % fine stibnite. In 1989, a chip sample yielded 0.29 % arsenic and 1.45 % antimony.

The northerly calcite vein is 18 centimetres thick and contains minor to 2 % thin stringers of arsenopyrite, minor pyrite and minor disseminated realgar crystals up to 8 mm long.

Mineralization

There are several surface showings located on the Isla Property (Figure 9). A description of mineralization data available as well as other historical work carried out on the Isla Property is provided in the following sections:

Faults were exposed only in the bed of Regan Creek and in a rock quarry on Piggott Main. The faults and shears of widely differing attitudes are exposed in these areas and are probably common but unexposed throughout the area. Both steep and shallow dipping faults are important. Sheared basalt and gouge seams mark fault planes. The Isla Property is characterized by major NW trending extension and normal faults. The faults and shears have widely differing attitudes from steep and shallow dipping faults. In the bed of Regan Creek, the exposed faults are commonly and often altered with quartz-carbonate-ankerite as late-stage fracture filling extends several metres away from the fault. Some of these altered faults host veins/veinlets of quartz-carbonate, often containing sphalerite, galena, pyrite, chalcopyrite, grey sulfide, and realgar. Quartz-carbonate-sulphide mineralization is found in the bed of Regan Creek where outcrops and boulders indicate epithermal style veins. The Isla Property also hosts the Harmony 7, Milkideal, and McKay Creek MINFILE occurrences. Reports of previous geological fieldwork do not describe the Harmony 7 and Milkideal occurrences however, several samples taken returned geochemical analysis with elevated gold- silver-copper-zinc values. The best historic geochemical analysis returned a sample content of 2.91 grams per tonne gold, 46.97 grams per tonne silver, and 0.55 per cent zinc (Paquet, 1991).

Lost Lake and Little Lost Lake are located in the northeast portion of the Isla Property. The two lakes are situated adjacent to a major regional fault structure (azimuth 150°). This regional fault occurs on the east side of both lakes and extends 5 kilometres to the southeast. Smaller scale faulting is localized adjacent to the regional fault. Near Lost Lake, the Tsolum River runs southeast and there are some southeast trending fault structures as well as conjugate east trending faults that follow creeks.

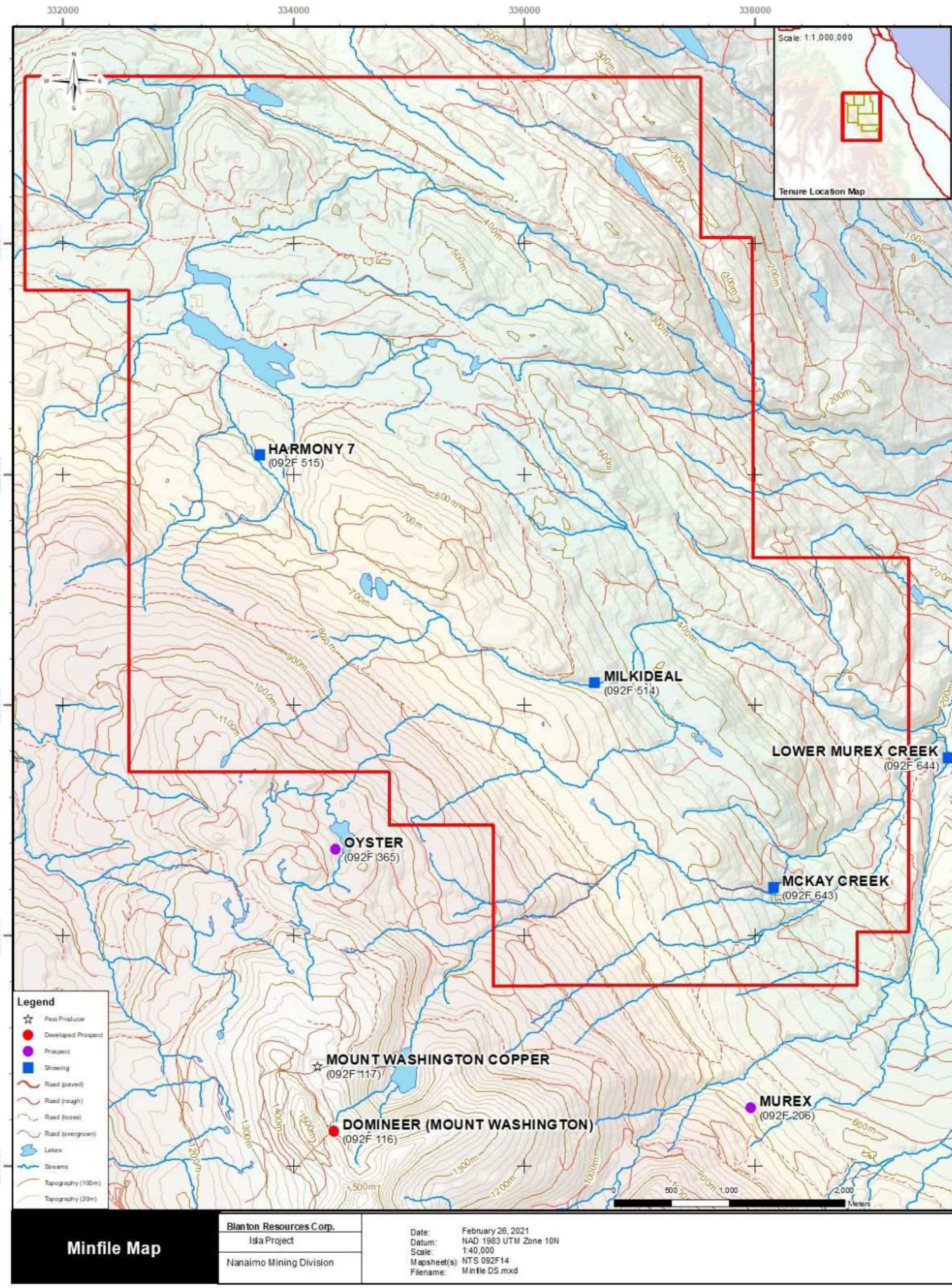



*Figure 9: Isla Property Minfile Showings*

## Deposit Types

There are two potential deposit types that can be explored for on the Isla Property: Low Sulphidation Epithermal (Geothermal), and a Precious Metal Quartz-Sulphide Vein Model. This determination is based on the known showings and direct observations by the Qualified Person.

### Low-Sulphidation Epithermal (Geothermal)

These types of deposits result from a sub-volcanic environment with interaction and mixing of flowing, steam-heated entrained meteoric or seawater. Heat originated by sub-volcanic intrusive rocks combined with a series of fracture and breccia-controlled conduits are superimposed in an area giving rise to sequential precious metal bearing quartz-sulphide mineralization.

Low-sulphidation epithermal zones of gold-copper-zinc-arsenic bearing quartz-calcite veins and breccia occur in the area of the Milkideal and Harmony MINFILE mineral occurrences. The alteration associated with low-sulphidation epithermal mineralization consists of sodic plagioclase, K-feldspar, quartz, calcite, and chlorite. The environment of formation for this type of low-sulphidation epithermal deposit type is replacement and fracture filling (veining) of mafic volcanic rocks in the shallower (low temperature) parts of a geothermal system (e.g., Blackdome Mine)

### Precious Metal Quartz-Sulphide Vein Model

A vein-type deposit is a tabular shaped zone of mineralization, usually inclined and discordant, and is typically narrow compared to its length and depth. Most vein deposits occur in fault or fissure openings or in shear zones within country rock. A vein deposit is sometimes referred to as a (metalliferous) lode deposit. A great many valuable ore minerals, such as native gold or silver or metal sulphides, are deposited along with gangue minerals, mainly quartz and/or calcite, in a vein structure.

As hot (hydrothermal) fluids rise towards the surface from cooling intrusive rocks (magma charged with water, various acids, and metals in small concentrations) through fractures, faults, brecciated rocks, porous layers and other channels (like a plumbing system), they cool or react chemically with the country rock. Some metal-bearing fluids create ore deposits, particularly if the fluids are directed through a structure where the temperature, pressure and other chemical conditions are favourable for the precipitation and deposition of ore (metallic) minerals. Moving metal-bearing fluids can also react with the rocks they are passing through to produce an alteration zone with distinctive, new mineralogy.

These near vertically oriented veins have formed along structures related to Eocene faults in a crudely horizontally layered, variably altered basalt. It is possible that quartz-sulphide veins on the Isla Property are related to extension during emplacement of the Eocene Mt. Washington Plutonic Suite intrusions. Northwest and north orientations are the dominant trends of mineralization, with steep dips southwest and west respectively.

Exploration guide for vein-type deposits:

1) A suitable fracture or plumbing system must be identified, i.e., tectonic terrane.
2) A zone of high silica + clays + pyrite may indicate a vein system at depth, i.e., represents a good drill target.
3) Trace element geochemistry provides pathfinders to mineralization, e.g. arsenic, antimony, mercury, manganese and selenium.
4) Detailed mapping of alteration both on the hanging-wall and footwall to indicate possible direction to mineralization.
5) Basic identification of 'ore' and gangue mineralogy both in the field and in the laboratory (assay, X-ray, etc.).

## Exploration

Blanton carried out an exploration program on the Isla Property in 2020 that included the collection of 18 rock samples, 38 stream sediment samples, and 651 soil samples collected from three exploration grids. Soil samples were collected from the LL, Central, and South Grids. In addition, Blanton Resources Corp. undertook a drainage analysis and a re-interpretation of the 1988 Dighem Airborne magnetometer surveys.

Eighteen rock samples were taken on the Isla Property. Rock samples consisted of grab and chip samples up to 100 cm in length. See Figure 10 for locations and select assays. Sample numbers 907462, 907465, 907471, and 907474 all gave elevated copper with values over 2,000 ppm. Sample 907471 gave 245 ppb Au.

Thirty-eight silt samples were taken from 1st and 2nd order streams and creeks located within or draining the Isla Property boundaries (see Figure 11 and Figure 12). Figure 11 illustrates the gold in silts. Samples: 4995, 4999, and 5191 returned 94 ppb Au, 310 ppb Au, and 207 ppb Au respectively.

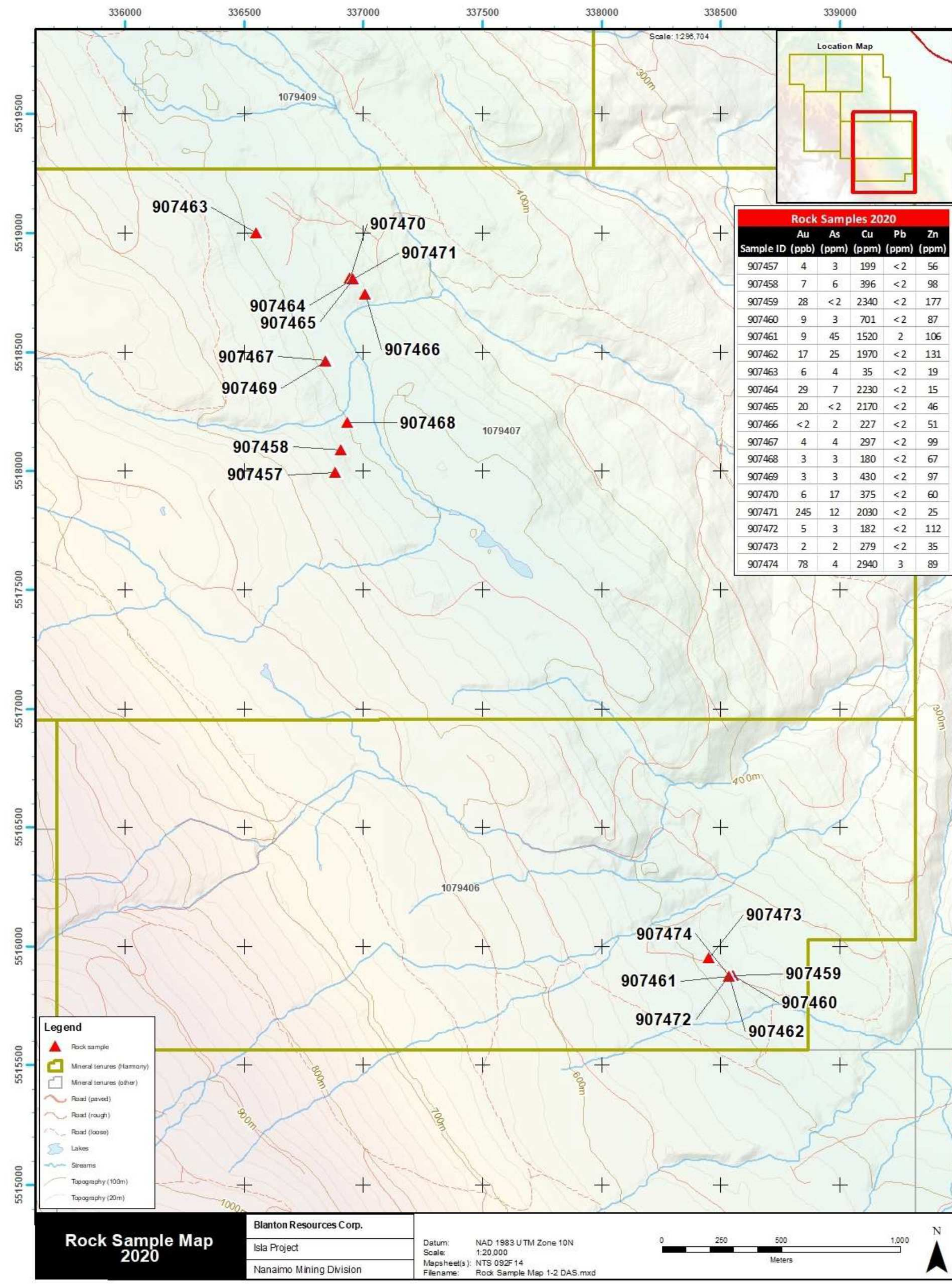
Figure 12 illustrates the copper in silts. Samples: 5276, 4992, and 5275 returned 1090 ppm Cu, 710 ppm Cu, and 435 ppm Cu respectively.

A total of 651 soil samples were taken on three separate grids which are named the Central, South, and LL grids.

The Central Grid is an extension of the 2012, 2016 H-12 grid (Figure 5). Figure 13 illustrates gold in soils. The blue dots are the extension of the grid and the brown dots are the original H-12 gridlines. The 2020 survey returned an elevated gold value of 331 ppb gold and figure 15 illustrates two elevated copper in soil anomalies of 1980 and 1940 ppm copper respectively.

Figure 16 illustrates gold in the South grid. One sample returned a highly anomalous value of 1,880 ppb gold.

Copper anomalies in soils from the 2012 LH grid remained open (Figure 16). The 2020 soil sampling program extended the LH grid to the south west side of the lake. These grid lines did not result in any new copper anomalies being identified. This may be due to topography or a fault that follows the lake and its tributaries.




**Rock Samples 2020**

| Sample ID | Au (ppb) | As (ppm) | Cu (ppm) | Pb (ppm) | Zn (ppm) |
|---|---|---|---|---|---|
| 907457 | 4 | 3 | 199 | < 2 | 56 |
| 907458 | 7 | 6 | 396 | < 2 | 98 |
| 907459 | 28 | < 2 | 2340 | < 2 | 177 |
| 907460 | 9 | 3 | 701 | < 2 | 87 |
| 907461 | 9 | 45 | 1520 | 2 | 106 |
| 907462 | 17 | 25 | 1970 | < 2 | 131 |
| 907463 | 6 | 4 | 35 | < 2 | 19 |
| 907464 | 29 | 7 | 2230 | < 2 | 15 |
| 907465 | 20 | < 2 | 2170 | < 2 | 46 |
| 907466 | < 2 | 2 | 227 | < 2 | 51 |
| 907467 | 4 | 4 | 297 | < 2 | 99 |
| 907468 | 3 | 3 | 180 | < 2 | 67 |
| 907469 | 3 | 3 | 430 | < 2 | 97 |
| 907470 | 6 | 17 | 375 | < 2 | 60 |
| 907471 | 245 | 12 | 2030 | < 2 | 25 |
| 907472 | 5 | 3 | 182 | < 2 | 112 |
| 907473 | 2 | 2 | 279 | < 2 | 35 |
| 907474 | 78 | 4 | 2940 | 3 | 89 |

*Figure 10: Rock Sample Locations*

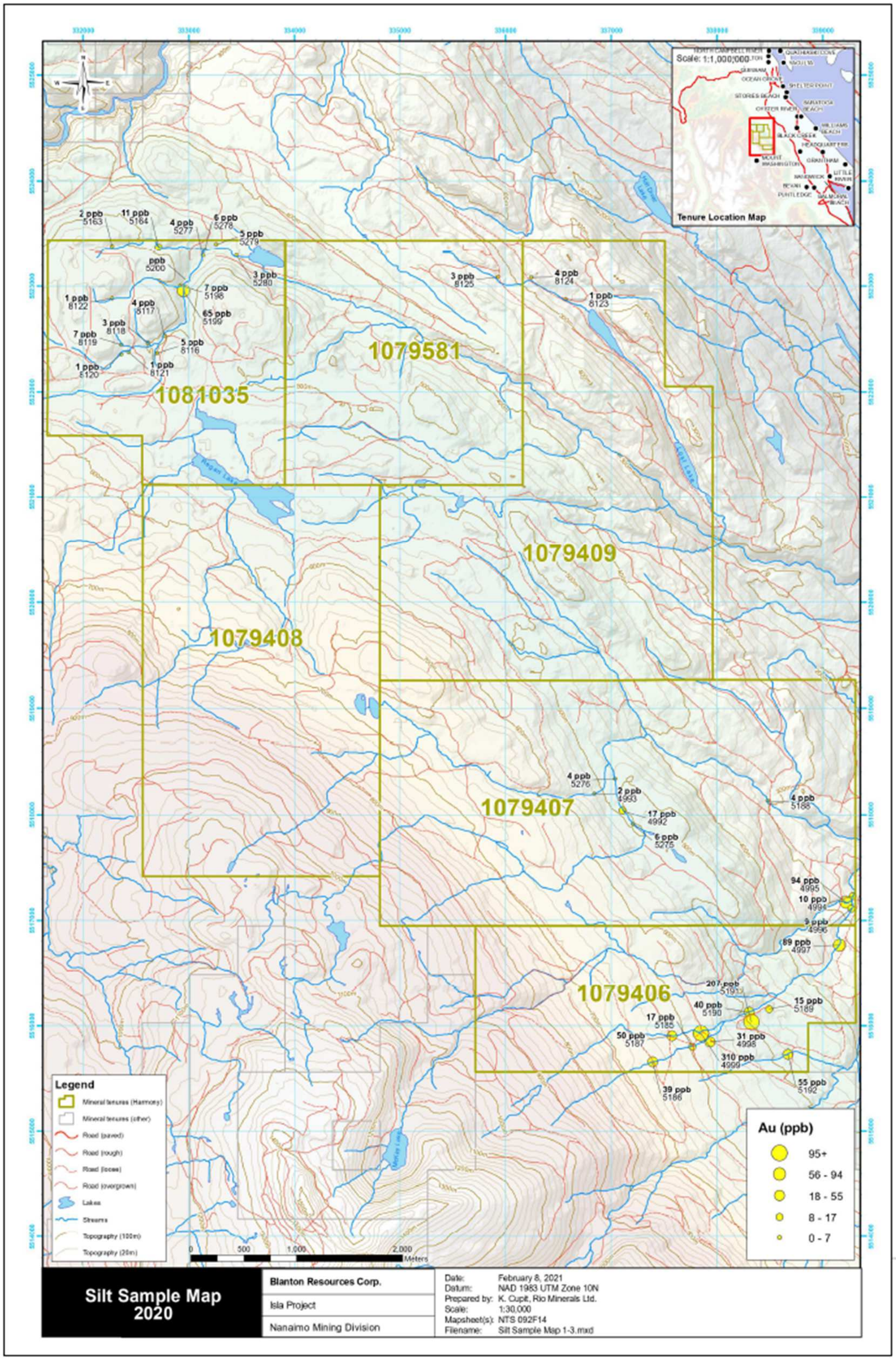



*Figure 11: Gold in Silts*

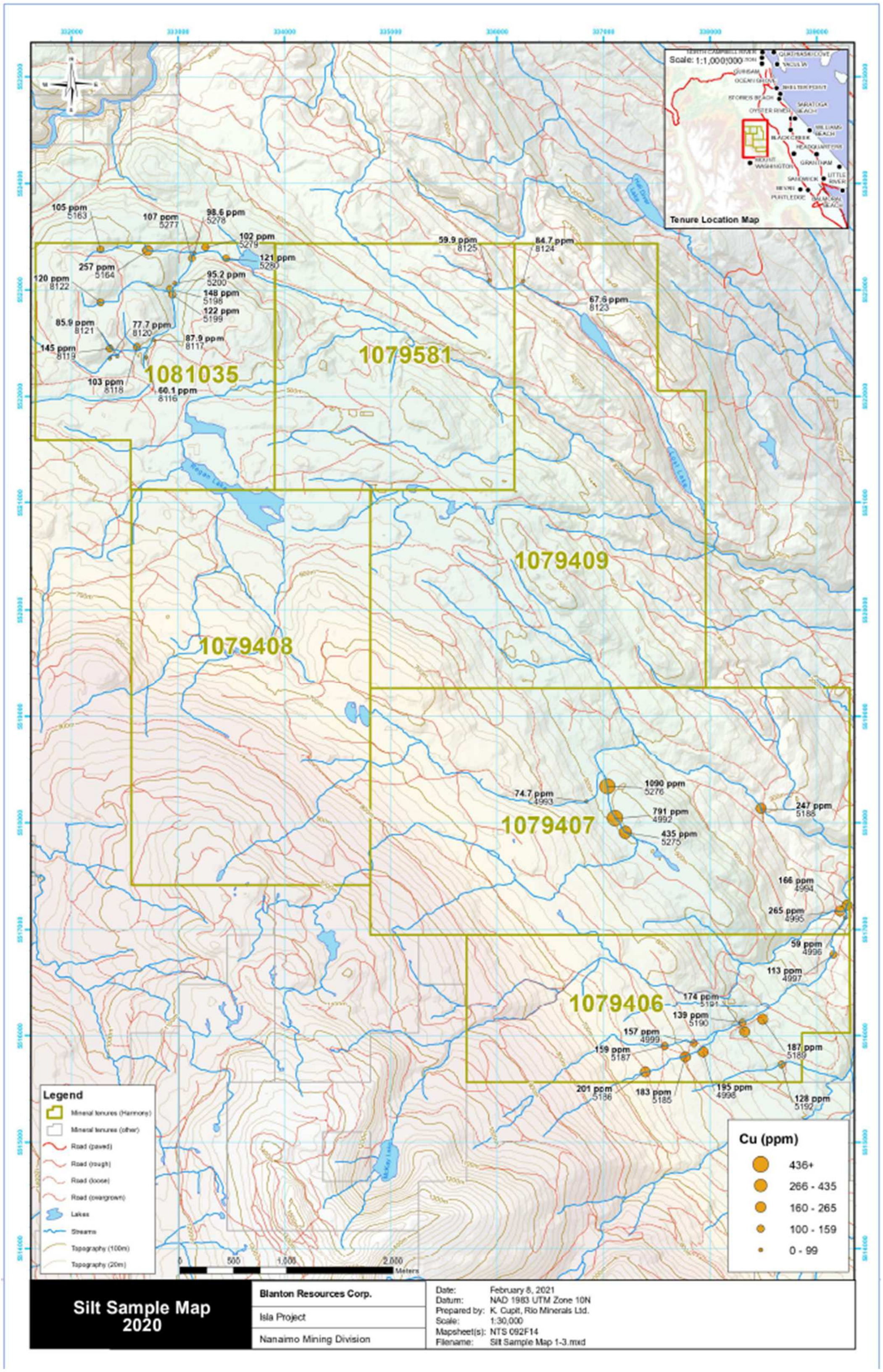



*Figure 12: Copper in Silts*

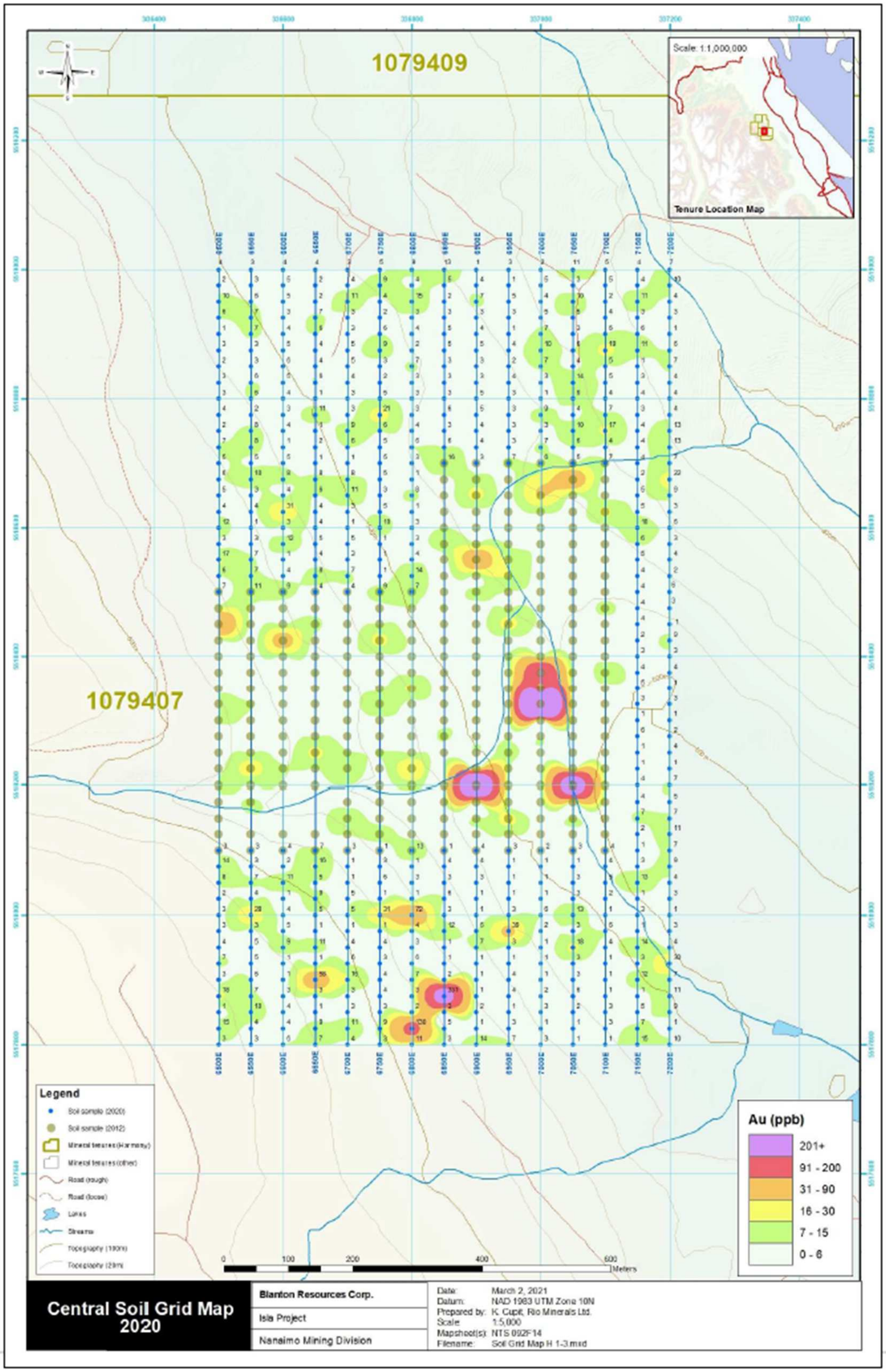



*Figure 13: Central Grid Gold in Soils*

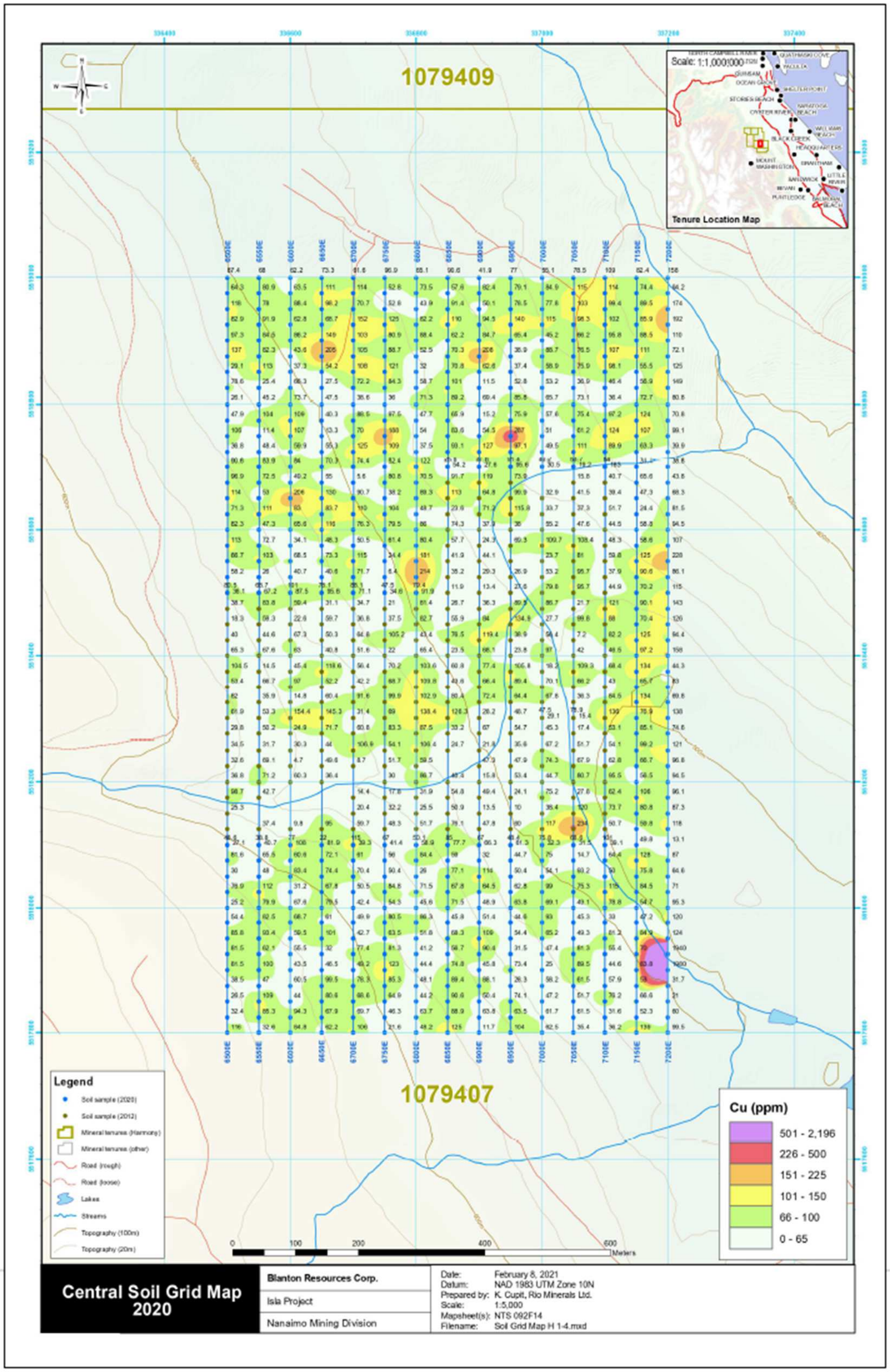



*Figure 14: Central Grid Copper in Soils*

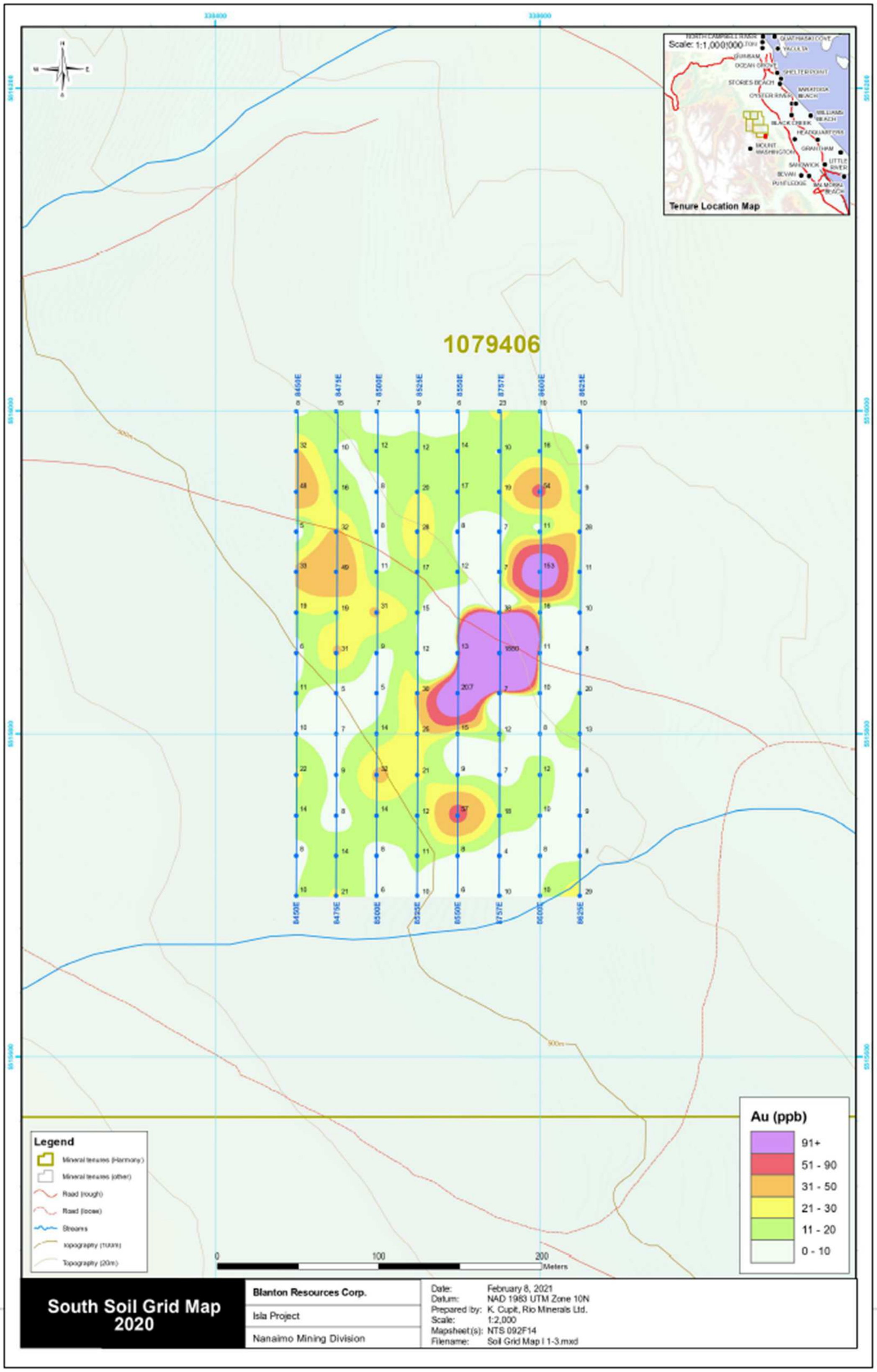



*Figure 15: South Grid Gold in Soils*

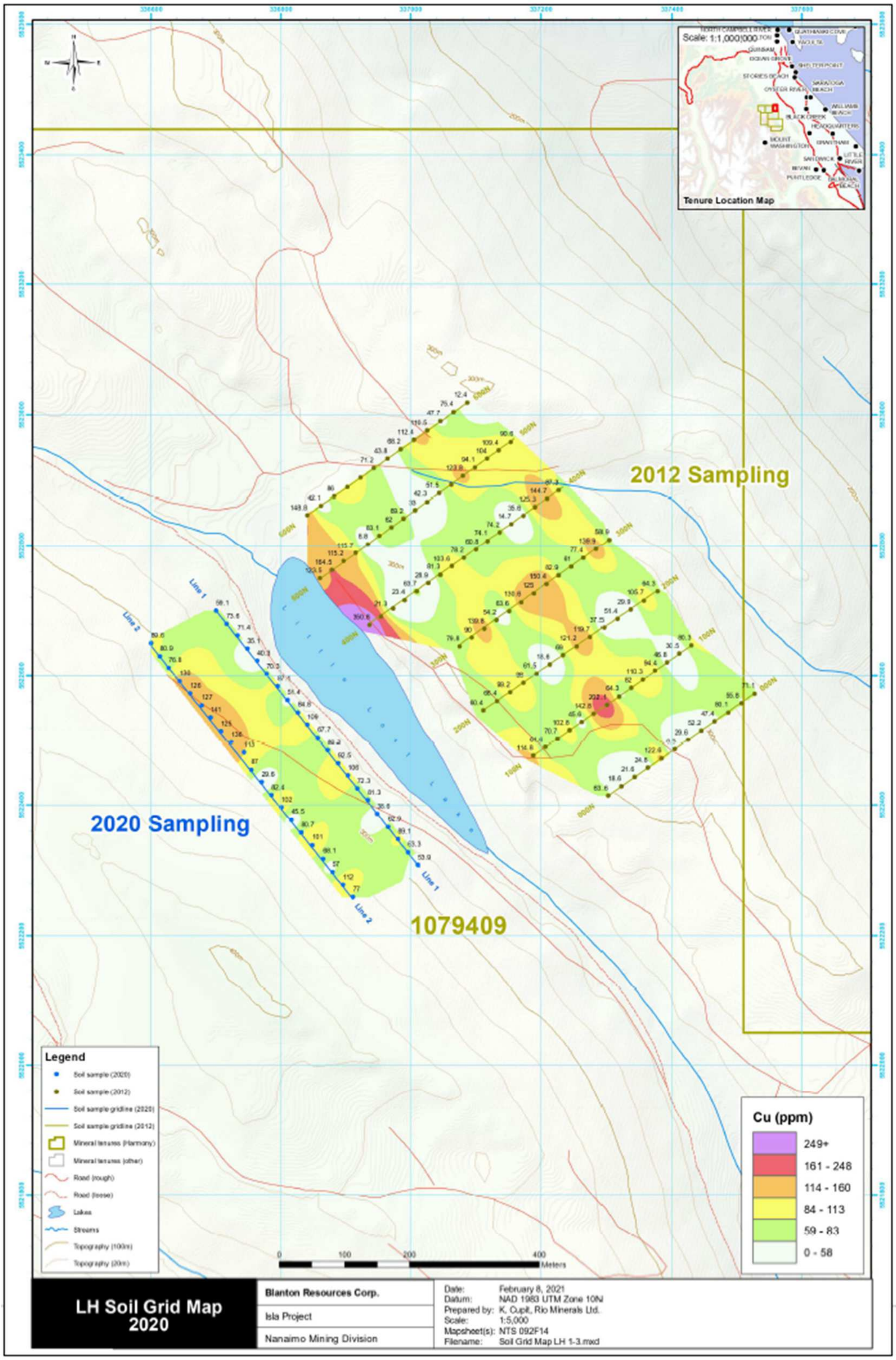



*Figure 16: LH Copper in Soils*

*1988 Dighem Airborne Magnetometer Surveys*

Blanton Resources Corp. undertook a re-interpretation of 1988 Airborne magnetometer surveys performed by Dighem in 1988 (Figure 9). The airborne magnetometer surveys show several weak strengths of 100-300 nT total field increases located adjacent to Regan Creek (Harmony 7), Regan Lake as well 200-1,000 meters east of the Milkideal occurrence. The positive magnetometer anomalies correlate with increased silicification and erosion-resistant bedrock, as well as a major steeply dipping, northwest trending fault. Quartz-sulphide veins in Regan Creek and the Milkideal occurrences are oriented NW and NNE with steep to moderate dips and are related to silicification and faulting. The positive magnetometer values associated with Regan Creek (Harmony 7) and the Milkideal occurrences are interpreted as indurated and silicified basaltic volcanic rock with increased magnetite content. Other similar shape and size magnetic anomalies, located in the central portion of the claims (in area of wetlands, deeper layer of glacial derived overburden & deranged drainage), may be related to similar indurated and silicified basaltic volcanic rock with increased magnetite and/or pyrrhotite. The more elongated-shaped positive magnetometer anomalies along Regan Lake and 400 meters NE of Regan Lake appear to be aligned with poorly defined, weak strength EM anomalies that are prominent in the north portion of Property including a 2 kilometer long, relatively straight section of the Tsolum River (between Lost Lake and Blue Grouse Lake). The Regan Lake and Milkideal total field magnetometer anomalies, including the areas directly east of Regan Lake and Milkideal, are considered areas for follow-up ground geophysics and deep overburden soil geochemistry (Figure 9).

EM conductive and low resistivity zones are coincident with positive magnetometer total field magnetics along the south side and east end of Regan Lake It would be of value to run NE oriented geophysical survey lines in the area of Regan Lake to test for NW trending anomalies as NE oriented lines would crossover NW trending structures. NW trending quartz-sulphide fissure-veins appear to be the most common orientation of veins mapped in Regan Creek.

The weak strength, 2-kilometer-long EM conductive linear feature along Tsolum Creek (between Lost Lake and Blue Grouse Lake), coincides with altered basalt that includes secondary quartz, calcite, chlorite, ankerite, and pyrolusite. Approximately 0.1-1% pyrite occurs as 0.1-2 mm sized dissemination and fracture filling mineralization and is hosted in basalt associated with secondary quartz-carbonate-Fe carbonate alteration. Trace amounts of chalcopyrite and malachite occur as late-stage fracture filling in or adjacent to quartz-carbonate veinlets (Figure 17).

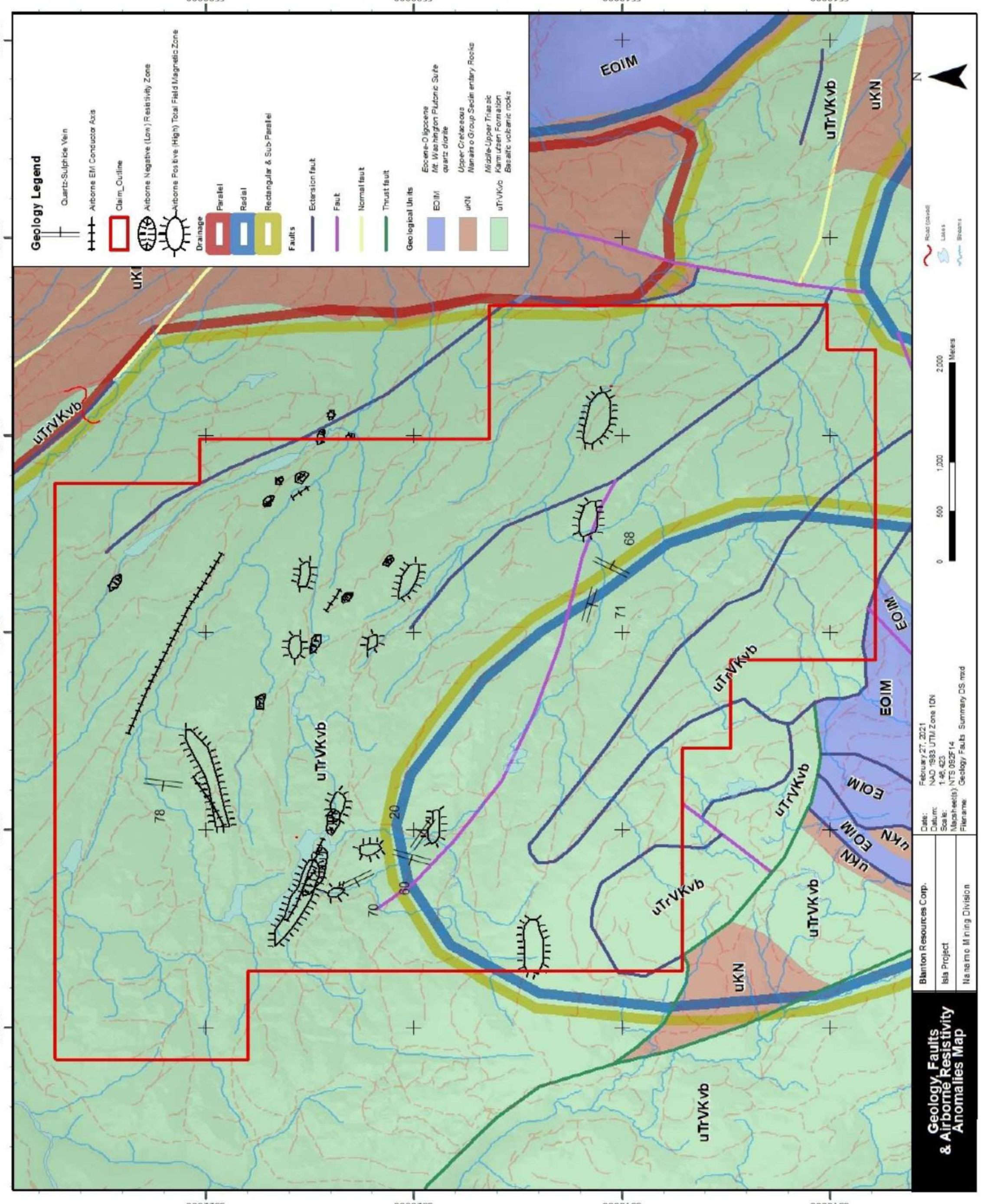



*Figure 17: Isla Property Geology Faults and Airborne Interpretation*

**Drilling**

The Company has not performed drilling on the Isla Property to date.

**Sampling Preparation, Analysis and Security**

<u>2016 Work Program</u>

The rock chip channel samples collected during 2016 were placed in marked poly bags, sealed with zap straps, placed into marked rice bags, double sealed with zap straps, and shipped directly to AGAT Analytical Laboratories of Vancouver, British Columbia for Group 74-104 36 element ICP analysis. An additional 6 rock samples were analyzed via fire assay for gold content.

Stream sediment samples collected during this survey were placed in Hubco silt sample bags, which were then dried, placed into marked poly bags, sealed with zap straps, placed into marked rice bags, double sealed with zap straps, and shipped directly to AGAT Analytical Laboratories of Vancouver, British Columbia for Group 74-104 - 36 element ICP analysis.

Soil samples from the 2016 exploration work were collected from the "B" horizon, typically at a depth of 20-50 cm, with a shovel and spoon. Soil samples were placed in marked Kraft envelopes, which were then dried, placed into marked poly bags, sealed with zap straps, placed into marked rice bags, double sealed with zap straps, and shipped directly to AGAT Analytical Laboratories of Vancouver, British Columbia for Group 74-104 36 element ICP analysis.

Each soil and silt sample were dried and sieved to provide an -80-mesh fraction. A 30-gm split was collected from the -80-mesh fraction. All samples were leached with 60ml 2-2-2 HCL-HNO3-H2O at 95oC for one hour and then diluted to 200ml.

All rock samples were crushed to -10 mesh followed by pulverizing a 250-gram split to -150 mesh (95%). A 30-gram cut of the -150-mesh material from each sample was then analyzed for Group 74- 104 - 36 element ICP analyses as well as additional Au fire assay analysis of six rock samples.

<u>2020 Work Program</u>

Thirty-eight stream silt samples were taken from 1$^{st}$ and 2$^{nd}$ order streams and creeks located within or draining the Isla Property boundaries.

The finer fraction of sediment deposited following strong stream flow is found at the edges of the stream channel stranded on or along the banks, behind boulders or bushes, or on the inner flanks of bends. Material from these spots was collected with a long-handled spoon and placed in marked Hubco Sentry sample bags. These bags were then tied shut. Data such as UTM location, sample number, sample type, color, depth, and texture were recorded in the field and were transferred to a master excel spreadsheet. Two photographs were taken of each sample.

A total of 14,600 meters of grid was surveyed by GPS. Stations are marked at 25-meter intervals with blue and orange flagging. Each station displays the site co-ordinate ID number. This number as well as the Project ID is written on the associated kraft sample bag example: I-20 36500E, 18500N.

A total of 651 soil sample were taken on three separate grids which are named the Central, South, and LL grids. Grid lines have been surveyed as follows:

- Thirteen north-south lines were surveyed and sampled as extensions of the H-16 soil grid. These lines ranged from 300-500 meters in length and are 50 meters apart.
- Fifteen north-south lines were surveyed and samples as extensions of the H-16 soil grid. These lines are 300 meters in length and are 50 meters apart.
- Two 900-meter lines (37150E-37200E) were added to the eastern side of the grid and are 50 meters apart.

Soil samples were taken at 25-metre stations along each line from the "B" horizon using a shovel and a spoon.

The LL grid consists of two 500-meter lines that were located by GPS at a 140° azimuth. Samples were taken at 25-meter intervals. Each station displays the site co-ordinate ID number. This number as well as the Project ID is written on the associated kraft sample bag example: LL-20 36707E, 22515N. The lines are 50 meters apart.

The soil sampled material was taken from the bottom of each hole from the "B" horizon using a shovel and a spoon and placed in standard Kraft soil sample bags. The Kraft bags were dried and placed in marked poly bags, zap-strapped, placed in sealed rice bags and shipped via courier directly to Activation Laboratories in Kamloops, BC.

Eighteen rock samples were taken on the Isla Property. Rock samples consisted of grab and chip samples up to 100 cm in length. Data such as UTM location and the characteristics of the sample site and material collected were noted. Photographs were taken of each sample and a witness sample for each individual sample has been retained and is available for viewing. Rock samples were placed in marked poly bags which were then zap-strapped, placed in marked rice bags, double zap-strapped, and shipped via courier directly to Activation Laboratories in Kamloops, B.C. (an accredited laboratory ISO 9001:2008).

All sample data has been recorded in an excel spread sheet and is available for review. All samples underwent assay package 1E3 which includes 36 element ICP analysis, and a 1A2 Au- Fire Assay.

For the present study, the sample preparation, security and analytical procedures used by the laboratories are considered adequate. No officers, directors, employees or associates of Blanton were involved in sample preparation. The samples are considered to be representative of the dominant mineralization type expected on the Isla Property.

**Data Verification**

The Qualified Person is satisfied with the adequacy of sample preparation, security, and the analytical procedures used in the Blanton Resources Corp. 2020 exploration program on the Isla Property. The Qualified Person is of the opinion that the description of sampling methods and details of location, number, type, nature, and spacing or density of samples collected, and the size of the area covered are all adequate for the current stage of exploration for the Isla Property.

There was no apparent bias in the sampling program completed on the Isla Property.

The Qualified Person examined the Isla Property on December 1, 2020. During this time the Qualified Person examined several locations, and collected eight rock samples on the Isla Property. During the site visit the Qualified Person also examined the overall geological setting. The Qualified Person reviewed the sample notes and assays results for the 2020 program and is satisfied that they meet current industry standards.

During the site visit the Qualified Person observed a soil sample site and the soil sampling crew performing the sampling program.

The Qualified Person took eight rock samples, and these were shipped to Activation Laboratories Ltd. in Kamloops, British Columbia. Activation Laboratories Ltd. in Kamloops is ISO/IEC 17025 Accredited by the Standards Council of Canada. All samples underwent assay package UT-1-0.5g 1E3 which includes 63 element ICP Ultrarace 1 analysis. Activation Laboratories Ltd is independent of Blanton Resources Corp. and the Qualified Person.

| | | | | Original Assay | | | | Author Assay | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Authors Sample | Original Sample | Nad83 E | Nad83 N | Au ppb | Cu ppm | Ni ppm | Zn ppm | Au ppb | Cu ppm | Ni ppm | Zn ppm |
| IK20-01 | 907472 | 338532 | 5515874 | 5 | 182 | 76 | 112 | < 5 | 439 | 73.9 | 242 |
| IK20-02 | 907461 | 338534 | 5515872 | 9 | 1520 | 49 | 106 | 15 | 1830 | 53.2 | 189 |
| IK20-03 | 907462 | 338534 | 5515872 | 17 | 1970 | 60 | 131 | 5 | 574 | 89.4 | 158 |
| IK20-04 | 907474 | 338534 | 5515872 | 78 | 2940 | 70 | 89 | 103 | 3350 | 83.5 | 143 |
| IK20-05 | 907460 | 338552 | 5515875 | 9 | 701 | 32 | 87 | 7 | 731 | 27.8 | 73.2 |
| IK20-06 | 907465 | 336956 | 5518807 | 20 | 2170 | 32 | 46 | 17 | 1470 | 35.4 | 68.3 |
| IK20-07 | 907464 | 336958 | 5518807 | 29 | 2230 | 13 | 15 | 15 | 489 | 23.2 | 29.6 |
| IK20-08 | 907467 | 336844 | 5518466 | 4 | 297 | 67 | 99 | 6 | 354 | 69.1 | 124 |

The samples collected by the Qualified Person indicate that the gold and copper values are consistent with the samples taken by Blanton Resources Corp.

The Qualified Person randomly reviewed and compared 65 assays in electronic data provided against the assay certificates provided results from the 2012, 2016, and 2020 exploration programs. The Qualified Person did not detect any discrepancies.

**Mineral Processing and Metallurgical Testing**

The Qualified Person has not found any evidence of mineral processing and metallurgical testing on the Isla Property

**Mineral Resource and Mineral Reserve Estimates**

This is an early-stage exploration project; there are currently no mineral resources estimated for the Isla Property.

**Interpretation and Conclusions**

This report was commissioned by Blanton Resources Corp. and was prepared by Derrick Strickland P.Geo. This technical report was prepared to support a listing on the Canadian Securities Exchange (CSE) and an associated equity financing.

The Isla Property has good year-round road access from the city of Campbell River, British Columbia. From the Inter-Island Highway, a series of two-lane gravel roads traverse through the centre of the Isla Property. Logging roads provide access to the rest of the Isla Property. Campbell River, Comox, and regional airports are located approximately 18 km and 30 km respectively from the Isla Property

The mineralization found on the Isla Property may have formed as mesothermal veins along structures related to Middle Jurassic thrust faults marginal to ophiolitic crustal and or mantle lithologies. The most applicable deposit model considered for the Isla Property is Au-Cu Vein model which requires a systematic exploration approach by understanding local geology, structure, alteration, and geochemical trends. The available historical data and reports suggest that the distribution of many mineral deposits in south-eastern British Columbia is controlled, at least in part, by deep crustal structures. The crustal structures appear to have controlled the distribution of granitic magmas, outflow of hydrothermal fluids, and the formation of a variety of mineral deposit types. The 2012, 2016, and 2020 exploration work programmes have outlined soil, silt, and rock geochemical anomalies. The South grid 2020 soil sampling program gave rise to 1880 ppb Au The highest areas of anomalous geochemical response may indicate areas of buried undiscovered mineralization.

Historical and current stream sediment surveys results indicated that the Isla area stands out in terms of relative concentrations of gold and copper.

Based on the review of the historical data and results of the present study, it is concluded that the Isla Property is a property of merit and possesses a good potential for discovery of copper, gold, and other mineralization. Good road access and availability of exploration and mining services in the vicinity make it a worthy mineral exploration target.

**Exploration and Development**

In the qualified person's opinion, the character of the Isla Property is sufficient to merit the following phased work program.

The suggested work program includes compilation of all the historical geological, geophysical, and geochemical data available for the Isla Property and rendering this data into a digital database in GIS formats for further interpretation. This work will include georeferencing historical survey grids; samples, trenches, geophysical survey locations, and detailed property geological maps.

The fieldwork component of this phase will include ground geophysical magnetics, as well as hand trenching, sampling, and mapping as warranted on the soil geochemical anomalies. Anomalies that have been outlined as a result of the 2020 re-interpretation of the airborne data should be investigated.

The budget for the work program is as follows:

| Description | Units | Cost | Quantity | Budgeted Amount |
|---|---|---|---|---|
| **Creation of GIS database** | Lump Sum | $10,000 | 1 | 10,000 |
| **Project Geologist** | Days | $750 | 20 | 15,000 |
| **Field Crew of three** | Days | $1,650 | 20 | 33,000 |
| **Assaying rock samples** | Sample | $35 | 250 | 8,750 |
| **Ground Geophysics** | Days | $1,000 | 10 | 10,000 |
| **Accommodation and Meals** | Days | $150 | 100 | 15,000 |
| **Vehicles : 2 – 4x4 trucks** | Days | $300 | 20 | 6,000 |
| **Supplies and Rentals** | Lump Sum | $2,500 | 1 | 2,500 |
| **Reports** | Lump Sum | $7,500 | 1 | 7,500 |
| **TOTAL (CANADIAN DOLLARS)** | | | | $107,750 |

## USE OF PROCEEDS

### Funds Available

The net proceeds to be received by the Company from the Offering, after deducting the balance of the estimated expenses of the Offering of approximately $50,000 and the Agent's Commission of $35,000, will be $265,000. As at October 31, 2021, the Company had a working capital deficit of $41,400. Accordingly, the Company anticipates having minimum available funds of approximately $223,600 following Closing of the Offering. The estimated costs of the Offering include the Corporate Finance Fee, legal and audit fees and other expenses of the Company, the Agent's expenses including its legal fees, the listing fee payable to the Exchange and the filing fees payable to the BCSC and ASC.

### Principal Purposes

The funds available will be used for the purposes listed below:

| | Offering Amount ($) |
|---|---|
| Cash payment to Optionor | 5,000 |
| Renewal of Isla Property mineral claims | 7,517 |
| The work program on the Isla Property | 107,750 |
| Estimated general and administrative expenses for the 12 months following the Offering | 98,400 |
| Unallocated working capital to fund ongoing operations | 4,933 |
| **Total** | 223,600 |

The Company will not be able to complete any additional exploration programs without raising additional funds.

The Company expects to incur approximately $98,400 in general and administrative costs on an annual basis to cover the expenses of operating as a public company over the next 12 months. A breakdown of the estimated general and administrative costs for that period is as follows:

| | **Monthly Amount ($)** | **Annual Amount ($)** |
|---|---|---|
| Audit and Accounting Expenses | 1,250.00 | 15,000.00 |
| Legal Expenses | 900.00 | 10,800.00 |
| Management Fees | 3,500.00 | 42,000.00 |
| Regulatory Filing Fees | 750.00 | 9,000.00 |
| Rent | 1,500.00 | 18,000.00 |
| Office Expenses | 300.00 | 3,600.00 |
| **Total** | 8,200 | 98,400.00 |

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

Over the next twelve months, net proceeds from the Offering will be distributed to insiders as follows:

- Michael Dake, Chief Executive Officer, President and a Director of the Company will receive management fees of $42,000.

Other than the management fees set forth above, the Company has no plans to provide fees or salaries to any of its named directors and officers over the next 12 months.

**Negative Operating Cash Flow**

Since inception, the Company has 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. There is no assurance that such future financings will be available on acceptable terms or at all. See "Risk Factors".

**Business Objectives and Milestones**

The business objectives the Company expects to achieve using the available funds are to: (i) obtain a listing of the Common Shares on the Exchange; and (ii) complete the exploration program recommended in the Technical Report. The Company expects to commence the exploration immediately following listing, and the Company believes it will take up to 12 months to complete the exploration program and analyze the results.

The Company's business objectives of listing on the Exchange will occur on the date the Company lists on the Exchange. The cost of covering administrative costs for the first 12 months following listing is estimated at $98,400. The cost of completing the recommended work program is estimated at $107,750 and it will cost the Company $7,517 to renew the Isla Property mineral claims and the Company is required to make a $5,000 cash payment to the Optionor upon completion of the listing on the Exchange. It is possible that it will take more than 12 months for the Company to complete the recommended work program. There is some risk that the coronavirus (COVID-19) pandemic may cause delay to achieve the recommended work program if travel restrictions are imposed and personnel become unable to travel to the Isla Property. As the vaccination program continues to roll out in Canada the risk of COVID-19 on the Company's business objectives reduces.

## DIVIDENDS

The Company has never declared, nor paid, any dividend since its incorporation and does not foresee paying any dividend in the near future since all available funds will be used to conduct exploration activities, general and administrative expenses and for general working capital purposes. Any future payment of dividends will depend on the financing requirements and financial condition of the Company and other factors which the Board, in its sole discretion, may consider appropriate and in the best interests of the Company.

Under the BCA, the Company is prohibited from declaring or paying dividends if there are reasonable grounds for believing that the Company is insolvent or the payment of dividends would render the Company insolvent.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The following tables set forth selected financial information with respect to the Company's audited financial statements for the period from December 17, 2019 to September 30, 2020 and the unaudited interim financial statements for the fiscal period ended June 30, 2021. The selected financial information has been derived, except where indicated, from the audited financial statements for the period from December 17, 2019 to September 30, 2020 and the unaudited interim financial statements for the fiscal period ended June 30, 2021. The following should be read in conjunction with the said financial statements.

**Selected Financial Information**

| | Nine month period ended June 30, 2021 (Unaudited) ($) | Period from December 17, 2019 to September 30, 2020 (Audited) ($) |
|---|---|---|
| **Continuing operations** | | |
| Revenue | - | - |
| General and Administrative Expenses | (51,221) | (65,636) |
| **Net loss** | (51,221) | (65,636) |
| Basic and Diluted loss per share | (0.01)[(1)] | (0.01)[(2)] |

Note:

(1) Based on the weighted average of 7,131,986 common shares issued and outstanding for the period ended June 30, 2021.

(2) Based on the weighted average of 4,966,090 common shares issued and outstanding for the period from December 17, 2019 to September 30, 2020.

| **Statement of Financial Position** | As at June 30, 2021 (Unaudited) ($) | As at September 30, 2020 (Audited) ($) |
|---|---|---|
| Assets | | |
| Current assets | 60,873 | 58,944 |
| Deposit | 20,000 | - |
| Exploration and Evaluation Assets | 91,807 | - |
| Total Assets | 172,680 | 58,944 |
| Liabilities | | |
| Current liabilities | 37,537 | 20,580 |
| Shareholders' Equity (Deficit) | 135,143 | 38,364 |
| Total Liabilities and Shareholders' Equity | 172,680 | 58,944 |

### Overview

This management discussion and analysis ("MD&A") of results, operations and financial condition of the Company, describes the operating and financial results of the Company for the period from December 17, 2019 to September 30, 2020 and for the nine month period ended June 30, 2021. This MD&A supplements, but does not form part of, the audited financial statements of the Company, and should be read in conjunction with the Company's audited financial statements and related notes for the period from December 17, 2019 to September 30, 2020 and the unaudited financial statements for the nine month period ended June 30, 2021. The Company prepares and files its financial statements in accordance with IFRS. The currency referred to in the MD&A is in Canadian Dollars.

Overall Performance

The Company is a junior exploration company engaged in the exploration and development of the Isla Property. The Company's future performance depends on, among other things, its ability to discover and develop ore reserves at commercially recoverable quantities, the prevailing market price of the commodities it produces, the Company's ability to secure required financing, and in the event ore reserves are found in economically recoverable quantities, the Company's ability to secure operating and environmental permits to commence and maintain mining operations.

Since incorporation on December 17, 2019, the Company's activities included the acquisition of the Isla Property, an initial exploration program on the Isla Property and activities related to the Offering. See "Business of the Company – Three Year History" and "Isla Property".

Results of Operation

*The period from December 17, 2019 to September 30, 2020*

The Company reported a net loss of $65,636 during fiscal 2020. The main factors that contributed to the loss in the 2020 period were management fees of $10,000, professional fees of $4,618, rent of $6,018 and share based payments of $45,000.

Management fees relate to services provided by management relating to the initial organization of the Company, initial financing activities by the Company and activities related to the Offering.

Professional fees consist of legal fees in connection with the Company's incorporation and accounting fees in connection with the preparation of the Company's audited financial statements.

Share based compensation relate to the issuance of issued 3,000,000 flow-through common shares at a price of $0.005 per share for gross proceeds of $15,000. The shares had a fair value of $60,000 and as a result, the Company recorded share-based compensation of $45,000 and a corresponding increase to contributed surplus.

From inception on December 17, 2019, to September 30, 2020, the Company completed the following equity financings: (i) the sale of 3,000,000 flow-though Common Shares a price of $0.005 per share for total proceeds of $15,000; and (ii) the sale of 2,200,000 flow-through Common Shares at a price of $0.02 per share for proceeds of $44,000.

*Nine month period ended June 30, 2021*

The Company reported a net loss of $51,221 (2020 -$53,636) during the nine month period ended June 30, 2021. The main factors that contributed to the loss in the 2021 period were management fees of $22,500 (2020 - $2,500), general and administrative fees of $1,723 (2020 - $18), professional fees of $3,950 (2020 - $4,618), share based payments of $Nil (2020 -$45,000), and rent of $23,048 (2020 - $1,500).

Management fees relate to services provided by management relating to the acquisition and exploration of the Isla Property and activities related to the Offering.

Professional fees consist of legal fees in connection with the Company's acquisition of the Isla Property and this Offering, accounting and audit fees in connection with the preparation of the Company's audited financial statements.

During the nine month period ended June 30, 2021, the Company completed the following equity financings: (i) the sale of 650,000 flow-though Common Shares a price of $0.02 per share for total proceeds of $13,000; (ii) the sale of 900,000 Common Shares at a price of $0.02 per share for proceeds of $18,000; (iii) the sale of 1,250,000 flow-though Common Shares a price of $0.05 per share for total proceeds of $62,500; (iv) the sale of 1,600,000 Common Shares at a price of $0.02 per share for proceeds of $32,000; and (v) the sale of 450,000 flow-though Common Shares a price of $0.05 per share for total proceeds of $22,500.

Liquidity and Capital Resources

The Company reported working capital surplus of $38,364 and cash on hand of $57,939 at September 30, 2020 and a working capital surplus of $23,336 and cash on hand of $58,580 at June 30, 2021.

The Company anticipates having $223,600 in available funds upon completion of the Offering. The Company estimates that the capital required to carry out the recommended exploration program on the Isla Property and to pay the Optionor the next installment pursuant to the Isla Option Agreement, is $112,750. In addition, the Company also anticipates that it will be required to incur approximately $98,400 in general and administrative expenses. After giving effect to these allocations, the Company anticipates it will have $4,933 in unallocated working capital upon completion of the Offering. The Company, does not anticipate incurring any other material capital expenditures.

The Company's future capital requirements will depend upon many factors including, without limitation, the results of its exploration programs and commodity prices for precious metals. The Company has limited capital resources and has to rely upon the sale of equity securities for cash required for exploration and development purposes, for acquisitions and to fund the administration of the Company. Since the Company does not expect to generate any revenues from operations in the near future, it must continue to rely upon the sales of its equity and debt securities to raise capital, which would result in further dilution to the shareholders. There is no assurance that financing, whether debt or equity, will be available to the Company in the amount required by the Company at any particular time or for any period and that such financing can be obtained on terms satisfactory to the Company or at all. See "Risk Factors".

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Related Party Transactions

During the period from December 17, 2019 to September 30, 2020, Michael Dake, the Company's Chief Executive Officer, President and Director, received $10,000 (2019 - $Nil) in management fees.

During the nine month period ended June 30, 2021, Michael Dake, the Company's Chief Executive Officer, President and Director, received $22,500 (2020 - $2,500) in management fees.

On December 30, 2019, the Company issued 3,000,000 flow-through Common Shares at a price of $0.005 per share to founding shareholders of the Company. The shares had a fair value of $60,000 and as a result, the Company recorded share based compensation of $45,000 and a corresponding increase to contributed surplus.

Management fees relate to services provided by management relating to the initial organization of the Company, the acquisition of the Isla Property, exploration of the Isla Property and activities related to the Offering.

Changes in Accounting Policies

The Company has performed an assessment of new standards issued by the IASB that are not yet effective. The Company has assessed that the impact of adopting these accounting standards on its financial statements would not be significant.

Financial Instruments

The Company's financial instruments consist of cash, accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values unless otherwise stated.

Summary of Quarterly Results

Since inception, the Company has not prepared quarterly interim financial statements.

**Additional Disclosure for Venture Issuers without Significant Revenue**

The following table sets out a breakdown of all material components of certain costs to the Company for the year ended September 30, 2020 and for the fiscal period ended June 30, 2021.

Mineral Properties – Exploration and Evaluation

The following table sets out the total deferred exploration costs recorded by the Company for the Isla Property as at September 30, 2020:

| | | As at June 30, 2021 (Unaudited) | As at September 30, 2020 (Audited) |
|---|---|---|---|
| **Balance, beginning of period** | $ | - | **-** |
| Acquisition Costs | | | |
| Cash | | 5,000 | - |
| Total Deferred Acquisition Costs | | 5,000 | - |
| Deferred Exploration Costs | | | |
| - Project Expenses | | 86,807 | - |
| Total Deferred Exploration Costs | | - | - |
| **Balance, end of period** | **$** | **91,807** | **-** |

General and Administrative Expenses

The following table sets out the general and administrative expenses of the Company for the the period from December 17, 2019 to September 30, 2020 and for the fiscal period ended June 30, 2021:

| Item | Nine months ended June 30, 2021 (Unaudited) | Period from December 17, 2019 to September 30, 2020 (Audited) |
|---|---|---|
| Management fees | 22,500 | 10,000 |
| General and administrative | 1,723 | - |
| Professional fees | 3,950 | 4,618 |
| Rent | 23,048 | 6,018 |
| Share-based payments | - | 45,000 |
| **Total** | **$ 51,221** | **$ 65,636** |

**Additional Disclosure for Junior Issuers**

As set out in the section titled "Use of Proceeds", if the Offering is completed, the Company anticipates having general working capital of $4,933 following completion of the recommended exploration program, renewal of the Isla Property Claims, payments to the Optionor and after meeting the budgeted administrative costs for the next 12 months of $98,400. Other than as disclosed in this prospectus, the Company does not anticipate incurring any other material capital expenditures.

Assuming that the Company has expended its exploration expenses on the Isla Property in accordance with the recommendations of the Qualified Person, the Company will have achieved one of its material stated business objectives which is to determine whether the Isla Property contains mineralized deposits and whether the results warrant the Company carrying out further work on the Isla Property.

If the results on the Isla Property do not warrant the Company incurring further exploration expenditures, then the Company anticipates that it would have sufficient funds to meet its budgeted administrative costs for the next calendar year. However, if a further work program is recommended on the Isla Property, the Company may be required to raise additional funding to carry out additional exploration programs on its Isla Property. In addition, should the opportunity to acquire other mineral exploration properties be presented to the Company, whether located in North America or elsewhere, then the Company would have to determine the appropriate method of acquiring those properties. In the event that Common Shares could not be used to acquire the said properties, then the Company may have to look to raise further capital. See "Risk Factors".

**Disclosure of Outstanding Security Data**

The Company has one class of shares outstanding, being Common Shares. As of the date of this prospectus, 10,050,001 Common Shares were issued and outstanding. See "Description of the Securities Distributed".

## DESCRIPTION OF THE SECURITIES DISTRIBUTED

### Authorized Capital

The authorized capital of the Company consists of an unlimited amount of authorized Common Shares, of which 10,050,001 Common Shares were issued and outstanding as at the date of this prospectus, and an unlimited number of preferred shares, of which none are issued and outstanding.

### Common Shares

The holders of the Common Shares are entitled to receive notice of and to attend and vote at all meetings of the shareholders of the Company and each Common Share shall confer the right to one vote in person or by proxy at all meetings of the shareholders of the Company. The holders of the Common Shares, subject to the prior rights, if any, of any other class of shares of the Company, are entitled to receive such dividends in any financial year as the Board may by resolution determine. In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, the holders of the Common Shares are entitled to receive, subject to the prior rights, if any, of the holders of any other class of shares of the Company, the remaining property and assets of the Company. The Common Shares do not carry any pre-emptive, subscription, redemption or conversion rights, nor do they contain any sinking or purchase fund provisions.

### Preferred Shares

The holders of the preferred shares are not entitled to receive notice of and not entitled to vote at meetings of the shareholders of the Company. The preferred shares may include one or more series of shares. The registered holders of the preferred shares are entitled to receive dividends if and when declared by the Board of Directors out of the funds or assets of the Company properly applicable to the payment of dividends. The Board of Directors of the Company may at any time declare and authorize the payment of such dividends exclusively to the registered holders of the preferred shares without declaring any corresponding dividends to the registered holders of the Common Shares. In the event of the liquidation, dissolution or winding up of the Company or other distribution of the assets of the Company among its members for the purpose of winding up the affairs of the Company, whether voluntary or involuntary, the registered holders of the preferred shares shall be entitled to receive the amount paid up with respect to each preferred share together with an amount equal to all declared and unpaid dividends on such shares in priority of the Common Shares. After payment to the registered holders of the preferred shares of the amount payable to them as provided for above, they shall not, as such, be entitled to share in any further distribution of the property or assets of the Company. The preferred shares do not carry any pre-emptive, subscription, redemption or conversion rights, nor do they contain any sinking or purchase fund provisions.

### Agent’s Warrants

The Company has agreed to grant to the Agent non-transferable common share purchase warrants (previously defined as the “Agent’s Warrants”) exercisable to acquire that number of Common Shares that is equal to 10% of the number of Common Shares sold pursuant to this Offering at the price of $0.10 per Common Share for a period of 60 months from the Listing Date. The Agent’s Warrants are qualified under this prospectus. See “Plan of Distribution”.

## CONSOLIDATED CAPITALIZATION

The following table summarizes changes in the Company’s capitalization as at September 30, 2020, June 30, 2021, as of the date of this prospectus, and following completion of the Offering:

| | **September 30, 2020** | **June 30, 2021** | **As at the date hereof** | **After giving effect to the Offering** |
|---|---|---|---|---|
| Common Shares | $59,000<br>(5,200,001 Common Shares) | $207,000<br>(10,050,001 Common Shares) | $207,000<br>(10,050,001 Common Shares) | $557,000<br>(13,550,001 Common Shares) |

| | | | | |
|---|---|---|---|---|
| Agent's Warrants | Nil | Nil | Nil | 350,000 |
| Options | Nil | Nil | Nil | Nil |
| Warrants | Nil | Nil | Nil | Nil |
| Long Term Liabilities | Nil | Nil | Nil | Nil |

## OPTIONS TO PURCHASE SECURITIES

The Directors of the Company adopted a stock option plan on June 25, 2021 (the "Stock Option Plan"). The purpose of the Stock Option Plan is to advance the interests of the Company by encouraging the directors, officers, employees, management company employees and consultants of the Company, and of its subsidiaries and affiliates, if any, to acquire Common Shares in the share capital of the Company, thereby increasing their proprietary interest in the Company, encouraging them to remain associated with the Company and furnishing them with additional incentive in their efforts on behalf of the Company in the conduct of its affairs. The Stock Option Plan provides that, subject to the requirements of the Exchange, the aggregate number of securities reserved for issuance will be 10% of the number of the Company's Common Shares issued and outstanding at the time such options are granted. The Stock Option Plan will be administered by the Company's Board of Directors, which will have full and final authority with respect to the granting of all options thereunder.

Options may be granted under the Stock Option Plan to such directors, officers, employees, management or consultants of the Company and its affiliates, if any, as the Board of Directors may from time to time designate. The exercise price of option grants will be determined by the Board of Directors, but after listing on the Exchange will not be less than the greater of the closing market price of the Common Shares on the Exchange on the trading day prior to the date of grant and the closing market price of the Common Shares on the Exchange on the date of grant. The Stock Option Plan provides that the number of Common Shares that may be reserved for issuance to any one individual upon exercise of all stock options held by such individual may not exceed 5% of the issued Common Shares, if the individual is a director, officer, employee or consultant, or 1% of the issued Common Shares, if the individual is engaged in providing investor relations services, on a yearly basis. All options granted under the Stock Option Plan will expire not later than the date that is ten years from the date that such options are granted. Options terminate as follows: (i) immediately in the event of dismissal with cause; (ii) in the event of dismissal without cause, the earlier of the expiry date of the option, the 30th day after dismissal or, if the optionee is subject to the tax laws of the USA, the earlier of the 30th day and third month after the optioned is dismissal or (iii) in the case of death or disability, the earlier of the expiry date of the option and one year from the date of death or disability. Options granted under the Stock Option Plan are not transferable or assignable other than by will or other testamentary instrument or pursuant to the laws of succession.

### Options Granted

As of the date hereof, the Company has not granted any options under the Stock Option Plan. The Company expects to grant options in the first three months following listing.

### Agent's Warrants

Upon completion of the Offering, the Agent will receive Agent's Warrants entitling it to acquire that number of Common Shares equal to 10% of the aggregate number of Common Shares sold under the Offering. Each Agent's Warrant is exercisable into one Common Share at a price of $0.10 per Common Share at any time on or before sixty (60) months from the Listing Date.

There are no assurances that the Agent's Warrants will be exercised in whole, in part or at all.

## PRIOR SALES

Since inception on December 17, 2019, the Company has completed the following distributions of its securities:

(a) On December 17, 2019, the Company issued one Common Share at a price of $1.00 per share. This Common Share will be escrowed in accordance with the terms of the Escrow Agreement.

(b) On December 30, 2019, the Company issued 3,000,000 flow-through Common Shares at a price of $0.005 per share for total proceeds of $15,000. 1,600,000 of these flow-through Common Shares, will be escrowed in accordance with the terms of the Escrow Agreement.

(b) On December 30, 2019, the Company issued 2,200,000 flow-through Common Shares at a price of $0.02 per share for total proceeds of $44,000. 850,000 of these flow-through Common Shares, will be escrowed in accordance with the terms of the Escrow Agreement.

(c) On November 5, 2020, the Company issued 650,000 flow-through Common Shares at a price of $0.02 per share for total proceeds of $13,000. 600,000 of these flow-through Common Shares, will be escrowed in accordance with the terms of the Escrow Agreement.

(d) On March 31, 2021, the Company issued 900,000 Common Shares at a price of $0.02 per share for total proceeds of $18,000.

(e) On March 31, 2021, the Company issued 1,250,000 flow-through Common Shares at a price of $0.05 per share for total proceeds of $62,500. 750,000 of these flow-through Common Shares, will be escrowed in accordance with the terms of the Escrow Agreement.

(f) On April 30, 2021, the Company issued 1,600,000 Common Shares at a price of $0.02 per share for total proceeds of $32,000.

(g) On April 30, 2021, the Company issued 450,000 flow-through Common Shares at a price of $0.05 per share for total proceeds of $22,500.

## ESCROWED SECURITIES

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

The following securities of the Company (the "Escrowed Securities") are held by, and are subject to the terms of an escrow agreement dated November 17, 2021, among the Company, Endeavor Trust Corporation, as escrow agent, and the holders of the Escrowed Securities, being Michael Dake, Jerry Minni and Vera Minni (the "Escrow Agreement"):

| Designation of Class | Number of Securities | Percentage of Issued Shares Prior to Completion of the Offering | Percentage of Issued Shares on Completion of the Offering |
|---|---|---|---|
| Common Shares | 3,800,001 | 37.81% | 28.04% |

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

| | |
|---|---|
| On the Listing Date | 1/10 of the escrow securities |
| 6 months after the Listing Date | 1/6 of the remaining escrow securities |
| 12 months after the Listing Date | 1/5 of the remaining escrow securities |
| 18 months after the Listing Date | 1/4 of the remaining escrow securities |

| | |
|---|---|
| 24 months after the Listing Date | 1/3 of the remaining escrow securities |
| 30 months after the Listing Date | 1/2 of the remaining escrow securities |
| 36 months after the Listing Date | the remaining escrow securities |

Assuming there are no changes to the Escrowed Securities initially deposited and no additional Escrowed Securities are deposited, this will result in a 10% release on the listing date (as defined by NP 46-201), with the remaining Escrowed Securities being released in 15% tranches every 6 months thereafter.

Under NP 46-201, a “principal” is: (a) a person who has acted as a promoter of the Company within two years of the date of this prospectus; (b) a director or senior officer of the Company at the time of this prospectus; (c) a person that holds securities carrying more than 20% of the voting rights attached to the Company’s outstanding securities immediately before and immediately after the Company’s initial public offering; and (d) a person that: (i) holds securities carrying more than 10% of the voting rights attached to the Company’s outstanding securities immediately before and immediately after the Company’s initial public offering; and (ii) has elected or appointed, or has the right to elect or appoint, one or more directors or senior officers of the Company. A principal’s spouse and their relatives that live at the same address as the principal will be deemed principals and any securities of the Company held by such a person will be subject to the escrow requirements.

The automatic time release provisions under NP 46-201 pertaining to “established issuers” provide that 25% of each principal’s escrowed securities are released on the listing date, with an additional 25% being released in equal tranches at six month intervals over 18 months. If, within 18 months of the listing date, the Company meets the “established issuer” criteria, as set out in NP 46-201, the Escrowed Securities will be eligible for accelerated release according to the criteria for established issuers. In such a scenario that number of Escrowed Securities that would have been eligible for release from escrow if the Company had been an “established issuer” on the listing date will be immediately released from escrow. The remaining Escrowed Securities would be released in accordance with the time release provisions for established issuers, with all escrow securities being released 18 months from the listing date.

Under the terms of the Escrow Agreement, Escrowed Securities cannot be transferred by the holder unless permitted under the Escrow Agreement. Notwithstanding this restriction on transfer, a holder of Escrowed Securities may (a) pledge, mortgage or charge the Escrowed Securities to a financial institution as collateral for a loan provided that no Escrowed Securities will be delivered by the escrow agent to the financial institution; (b) exercise any voting rights attached to the Escrowed Securities; (c) receive dividends or other distributions on the Escrow Securities; and (d) exercise any rights to exchange or convert the Escrowed Securities in accordance with the Escrow Agreement.

The Escrowed Securities may be transferred within escrow to: (a) subject to approval of the Company’s Board of Directors, an individual who is an existing or newly appointed director or senior officer of the Company or of a material operating subsidiary of the Company; (b) subject to the approval of the Company’s Board of Directors, a person that before the proposed transfer holds more than 20% of the voting rights attached to the Company’s outstanding securities; (c) subject to the approval of the Company’s Board of Directors, a person that after the proposed transfer will hold more than 10% of the voting rights attached to the Company’s outstanding securities and that has the right to elect or appoint one or more directors or senior officers of the Company or any of its material operating subsidiaries; (d) upon the bankruptcy of a holder of escrowed securities, the securities held in escrow may be transferred within escrow to the trustee in bankruptcy or other person legally entitled to such securities; (e) upon the death of a holder of escrowed securities, all securities of the deceased holder will be released from escrow to the deceased holder’s legal representative; (f) a financial institution that the holder pledged, mortgaged or charges to a financial institution as collateral for a loan on realization of such loan; and (g) a registered retirement savings plan (“RRSP”), registered retirement income fund (“RRIF”) or similar registered plan or fund with a trustee, where the annuitant of the RRSP or RRIF, or the beneficiaries of another plan or fund are limited to the holders spouse, children or parents, or if the holder is the trustee of such registered plan or fund, to the annuitant of the RRSP or RRIF, or a beneficiary of the other registered plan or fund or his or her spouse, children or parents.

In addition, tenders of Escrowed Securities pursuant to a business combination, which includes a take-over bid, issuer bid, statutory arrangement, amalgamation, merger or other reorganization similar to an amalgamation or merger, are permitted. Escrowed Securities subject to a business combination will continue to be escrowed if the successor entity is not an "exempt issuer", the holder is a principal of the successor entity; and the holder holds more than 1% of the voting rights of the successor entities' outstanding securities.

Under the terms of the Escrow Agreement, 10% of the escrowed shareholders' shares (a total of 380,000 Common Shares) will be released from escrow on the Listing Date. The remaining 3,420,001 Common Shares which will be held in escrow immediately following the Listing Date.

## PRINCIPAL SHAREHOLDERS

As at the date of this prospectus, 10,050,001 Common Shares were issued and outstanding. The following table lists the persons who own or will own after the Offering, directly or indirectly, 10% or more of the issued and outstanding Common Shares:

| Name | Number and Class of Shares Owned | Number and Class of Shares Owned After Offering | Type of Ownership | Percentage of Common Shares Owned Prior to Giving Effect to the Offering | Percentage of Common Shares Owned After Giving Effect to the Offering(1) (2) |
|---|---|---|---|---|---|
| Michael Dake (3) | 1,400,001 Common Shares | 1,400,001 Common Shares | Direct | 13.9% | 10.1% |
| Jerry Minni(4) | 1,250,000 Common Shares | 1,250,000 Common Shares | Direct | 12.4% | 9.23% |
| Joe Carreira(5) | 1,250,000 Common Shares | 1,250,000 Common Shares | Direct | 12.4% | 9.23% |
| Vera Minni(6) | 1,150,000 Common Shares | 1,150,000 Common Shares | Direct | 11.44% | 8.5% |

Notes:

(1) Assuming that no Common Shares are purchased by these persons under the Offering.

(2) On a fully-diluted basis, assuming that the Agent's Warrants are exercised, the Company will have 13,900,001 Common Shares issued and outstanding.

(3) Michael Dake, is the Chief Executive Officer, Promoter and a Director of the Company.

(4) Jerry Minni is the spouse of Vera Minni. The Company is not aware of circumstances where Mr. Minni would be considered to have influence over the Company other than his holding of voting securities of the Company. Mr. Minni provides some bookkeeping services, tax filing assistance and services related to forwarding invoices to the Company's auditors. The Company is not contractually bound to use Mr. Minni for the aforementioned services and can discontinue at any time.

(5) Aside from his holding of voting securities of the Company, Joe Carreira has no relationship with the Company and the Company is not aware of circumstances where Mr. Carreira would be considered to have influence over the Company.

(6) Vera Minni is the spouse of Jerry Minni. Aside from her holding of voting securities of the Company Ms. Minni has no relationship with the Company and the Company is not aware of circumstances where Ms. Minni would be considered to have influence over the Company.

## DIRECTORS AND EXECUTIVE OFFICERS

The following table sets forth, for each of the Directors and executive officers of the Company, the name, municipality of residence, age, principal occupation, position held with the Company and the date on which the person became a Director.

| Name, Municipality of Residence and Age | Principal Occupations during past five years | Position with the Company | Director or Officer Since | Securities Held [(2)] | Percentage of Securities Held |
|---|---|---|---|---|---|
| Michael Dake, 48, Vancouver, B.C.[(1)] Canada | President of Creston Capital from February 2010 to present. Mr. Dake acts and has acted as a professional director for several public companies. | Chief Executive Officer, President, Secretary and Director | December 2019 | 1,400,001 Common Shares | 13.9% |
| Sean McGrath, 48, Vancouver, B.C. Canada | Sean McGrath is a Chartered Professional Accountant and has been President of SCM Consulting Corp. since 1999. Mr. McGrath has served as a Chief Financial Officer and/or director for several public companies. | Chief Financial Officer and Director | July 2021 (CFO)<br>April 2021 (Director) | Nil Common Shares | n/a |
| Ken Brophy, 49, Coquitlam, B.C.[(1)] Canada | President of Ram River Coal Corp., a private Canadian company holding a 100% interest in the Ram River property since December 2014. | Director | April 2021 | Nil Common Shares | n/a |
| Fred Tejada, 63, Surrey, B.C.[(1)(3)] Canada | Self-employed consultant from Fred Tejada Consulting since 2016. Professional Geologist, registered in British Columbia. Over 35 years of international mineral industry experience with both major and junior companies. | Director | April 2021 | Nil Common Shares | n/a |
| **Total Securities** | | | | **1,400,001 Common Shares** | **13.9%** |

Notes:

(1) Member of the Audit Committee.
(2) Ownership is direct unless otherwise indicated.
(3) Chair of Audit Committee.

### Term of Office

The Directors are elected at each annual general meeting and hold office until the next annual general meeting or until their successors are duly elected or appointed in accordance with the Company's Articles or until such director's earlier death, resignation or removal.

### Biographical Information

The following is a brief description of the background of the Directors and executive officers of the Company.

**Michael Dake** - *Age 48, Chief Executive Officer, President, Secretary, Promoter and Director*

Mr. Dake is the CEO, Corporate Secretary, and a director of the Company and provides his services to the Company on a part-time basis. He has served as a director of the Company since December 17, 2019 and will devote approximately 40% of his time to the affairs of the Company.

Mr. Dake has over 15 years of experience providing investor relations and corporate communication services to public companies. Mr. Dake has worked in the investor relations capacity for a number of public companies. Mr. Dake is currently the President of Creston Capital Corp., an investor relations services company since February 2010. Mr. Dake acts and has acted as a professional director for several public companies.

Mr. Dake will serve as a member of the audit committee. Mr. Dake is an independent contractor or employee of the Company and has not entered into a non- competition or a non-disclosure agreement with the Company.

**Sean McGrath** – *Age 48, Chief Financial Officer and Director*

Sean McGrath been President of SCM Consulting Corp. since 1999. Mr. McGrath has served as director of the Company since April 30, 2021, and will devote approximately 15% of his time to the affairs of the Company. Mr. McGrath has served as a Chief Financial Officer and/or director for several public companies. Mr. McGrath has a Bachelor of Commerce (Honours) degree from Memorial University. Mr. McGrath has been a member of the CGA Association of BC (now the Chartered Professional Accountants of BC) since 1999.

Mr. McGrath is an independent contractor or employee of the Company and has not entered into a non-competition or a non-disclosure agreement with the Company.

**Ken Brophy -** *Age 49, Director*

Mr Brophy is the President of Ram River Coal Corp., a private Canadian company with a development stage metallurgical coal project located in Alberta, Canada. Mr. Brophy has served as director of the Company since April 30, 2021 and will devote approximately 15% of his time to the affairs of the Company.

Mr. Brophy's career comprises over 20 years of experience in the mining and energy sectors, with the last 10 years focused primarily on advancing and de-risking development stage projects. Mr. Brophy is an experienced executive with a successful record of building and leading teams through strategic planning and regulatory approvals, and has proven strengths in negotiations, as well as government, indigenous and stakeholder relations.

Mr. Brophy will serve as a member of the audit committee. Mr. Brophy has not entered into a non-competition or non-disclosure agreement with the Company. Mr. Brophy is an independent contractor of the Company.

**Fred Tejada -** *Age 62, Director*

Mr. Tejada is a professional geologist, registered in British Columbia. He has over 35 years of international mineral industry experience and has a proven track record, working with both major and junior mining and exploration focused organizations. Mr. Tejada is a self employed consultant for Fred Tejada Consulting. He is currently CEO and a director of Kalo Gold Corp. Mr. Tejada was previously Country Manager for Phelps Dodge Exploration Corporation in the Philippines, and Vice President for Exploration of Panoro Minerals Ltd. and Tirex Resources Ltd. Mr. Tejada is also a director of several junior mining companies based in Vancouver, British Columbia.

Mr. Tejada has served as director of the Company since April 30, 2021 and will devote approximately 15% of his time to the affairs of the Company.

Mr. Tejada will serve as a member of the audit committee. Mr. Tejeda is an independent contractor or employee of the Company and has not entered into a non- competition or a non-disclosure agreement with the Company.

**Cease Trade Orders**

Except as set forth below, no director or executive officer of the Company, is or has been, within the ten years preceding the date of this prospectus, a director, chief executive officer or chief financial officer of any company that:

(a) was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or

(b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

For the purposes of this prospectus, an “order” means a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to an exemption under securities legislation, and such order was in effect for a period of more than 30 consecutive days.

Mr. Dake was a director and acted as interim Chief Executive Officer and President of Emperor Oil Ltd. ("EO"). EO received a cease trade order on June 5, 2014 by the Alberta Securities Commission for failure to file annual audited financial statements, annual management's discussion and analysis, and certification of annual filings for the year January, 31 2014 and annual oil and gas information for the years ended January 31, 2014 and January 31, 2013. The cease trade order was revoked on July 18, 2014.

**Bankruptcies**

No director or executive officer of the Company, or shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, is or has been, within the ten years preceding the date of this prospectus:

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

(b) become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of the individual.

**Penalties or Sanctions**

No director or executive officer of the Company, or any shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company has:

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

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

**Personal Bankruptcies**

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

**Conflicts of Interest**

There are no existing material conflicts of interest between the Company and any Director or officer of the Company. Directors and officers of the Company may serve as directors and/or officers of other companies or have significant shareholdings in other resource companies and, to the extent that such other companies may participate in ventures in which the Company may participate, certain Directors of the Company may have a conflict of interest in negotiating and conducting terms in respect of any transaction involving such companies. In the event that such conflict of interest arises at a meeting of the Board, a Director who has such a conflict is required to disclose such conflict and abstain from voting for or against the approval of such transaction.

The information as to ownership of securities of the Company, corporate cease trade orders or bankruptcies, penalties or sanctions, personal bankruptcies or insolvencies and existing or potential conflicts of interest has been provided by each insider of the Company individually in respect of himself or herself.

## EXECUTIVE COMPENSATION

### Compensation Discussion and Analysis

The Company's executive compensation program during the period from incorporation to September 30, 2020 was administered by the Company's Board of Directors. The Board of Directors was solely responsible for determining the compensation to be paid to the Company's executive officers and evaluating their performance. The Board of Directors has not adopted any specific policies or objective for determining the amount or extent of compensation for directors or officers.

<u>Significant Elements</u>

The significant elements of compensation for the Company's "Named Executive Officers", being the Chief Executive Officer, the Chief Financial Officer and the three other most highly compensated executive officers whose total compensation exceeds $150,000, will be a cash salary and stock options. The Company does not presently have a long-term incentive plan for its Named Executive Officers. There is no policy or target regarding allocation between cash and non-cash elements of the Company's compensation program. The Board of Directors reviews annually the total compensation package of each of the Company's executives on an individual basis.

*Cash Salary*

The Company's compensation payable to the Named Executive Officers is based upon, among other things, the responsibility, skills and experience required to carry out the functions of each position held by each Named Executive Officer and varies with the amount of time spent by each Named Executive Officer in carrying out his or her functions on behalf of the Company.

In particular the Chief Executive Officer's compensation will be determined by time spent on: (i) the Company's current mineral property; (ii) reviewing potential mineral properties that the Company may acquire and negotiating, on behalf of the Company; and (iii) new business ventures. The Chief Financial Officer's compensation is primarily determined by time spent in reviewing the Company's financial statements.

*Stock Options*

The Company's Stock Option Plan is intended to emphasize management's commitment to the growth of the Company. The grant of stock options, as a key component of the executive compensation package, enables the Company to attract and retain qualified executives. Stock option grants are based on the total of stock options available under the Stock Option Plan. In granting stock options, the Board of Directors reviews the total of stock options available under the Stock Option Plan and recommends grants to newly retained executive officers at the time of their appointment, and considers recommending further grants to executive officers from time to time thereafter. The amount and terms of outstanding options held by an executive are taken into account when determining whether and how new option grants should be made to the executive. The exercise periods are to be set at the date of grant. The stock option grants may contain vesting provisions in accordance with the Company's Stock Option Plan.

As of the date hereof, the Company has not granted any options to its directors and officers. See "Options to Purchase Securities" above.

Employment and Consulting Agreements

The Company has not entered into written employment or consulting agreements with its Chief Executive Officer and its Chief Financial Officer. The Company has agreed to pay its Chief Executive Officer a total of $1,500 per month.

**Summary Compensation Table**

The following table sets forth information about compensation paid to, or earned by, the Company's Named Executive Officers during the period from incorporation to September 30, 2020.

| | | | | | Non Equity Incentive Plan Compensation ($) | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Name and Principal Position | Year | Salary ($) | Share Based Awards ($) | Option Based Awards ($) | Annual Incentive Plans | Long Term Incentive Plans ($) | Pension Value ($) | All Other Compensation ($) | Total Compensation ($) |
| Michael Dake<br>Chief Executive Officer President & Secretary | 2020 | 10,000 | NIL | NIL | NIL | NIL | NIL | NIL | 10,000 |
| Sean McGrath<br>Chief Financial Officer | 2020 | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL |

**Incentive Plan Awards**

As of the date of this prospectus, the Company has not granted any share based or option based awards to the Named Executive Officers.

**Director Compensation**

The following table sets forth the compensation paid to the Company's Directors for the period from December 17, 2019 to September 30, 2020.

| Name | Fees Earned ($) | Share-based awards ($) | Option-based Awards ($) | Non-Equity Incentive Plan Compensation ($) | Pension Value ($) | All Other Compensation ($) | Total ($) |
|---|---|---|---|---|---|---|---|
| Fred Tejada | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| Ken Brophy | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| Sean McGrath | NIL | NIL | NIL | NIL | NIL | NIL | NIL |

Compensation arrangements for Directors is determined by the Board on a case by case basis and negotiated between the Board and the Director to be compensated.

**Termination and Change of Control Benefits**

There are no management or consulting agreements with any directors or officers of the Company that provide for payments to an officer or director, 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 a director's or officer's responsibilities.

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

There is not as of the date of this prospectus, nor has there been since inception on December 17, 2019, any indebtedness of any Director, executive officer, senior officer, employee or any former director, executive officer, employee or senior officer or any associate of any of them, to or guaranteed or supported by the Company either pursuant to an employee stock purchase program of the Company or otherwise, and no such individual is or has been indebted to any other entity where the indebtedness is the subject of a guarantee, support agreement, letter of credit, or similar arrangement or understanding by the Company.

## AUDIT COMMITTEES AND CORPORATE GOVERNANCE

### Audit Committee

Audit Committee Charter

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

On June 25, 2021, the Board of Directors adopted a charter delineating the Audit Committee's responsibilities. The Audit Committee Charter is attached to this prospectus as Schedule "A".

Composition of Audit Committee

The following persons are members of the Company's audit committee:

| | | |
|---|---|---|
| Michael Dake | Not Independent | Financially Literate |
| Fred Tejada | Independent | Financially Literate |
| Ken Brophy | Independent | Financially Literate |

Relevant Education and Experience

All members of the Audit Committee have the ability to read, analyze and understand the complexities surrounding the issuance 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, and have an understanding of internal controls. The members of the Audit Committee intend to maintain their currency by periodically taking continuing education courses.

See "Directors and Executive Officers" above for the education and experience of each member of the Audit Committee relevant to the performance of their duties as a member of the Audit Committee.

Audit Committee Oversight

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

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on any of the following exemptions:

(a) the exemption in section 2.4 of National Instrument 52-110 (*De Minimis Non-audit Services*);
(b) the exemption in subsection 6.1.1(4) of National Instrument 52-110 (*Circumstance Affecting the Business or Operations of the Venture Issuer*);
(c) the exemption in subsection 6.1.1(5) of National Instrument 52-110 (*Events Outside Control of Member*);
(d) the exemption in subsection 6.1.1(6) of National Instrument 52-110 (*Death, Incapacity or Resignation*); or
(e) an exemption from National Instrument 52-110, in whole or in part, granted under Part 8 of National Instrument 52-110 (*Exemption*).

Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services. However, the Company's Audit Committee Charter states that the Audit Committee must pre-approve all non-audit services, including the fees and terms thereof, to be performed for the Company by the Auditor.

External Auditor Fees

The aggregate fees billed to the Company for the services provided by the external auditor for the period from incorporation to September 30, 2020 are as follows:

| | Period from Incorporation to September 30, 2020 |
|---|---|
| Audit Fees | 8,000 |
| Audit-Related Fees | - |
| Tax Fees | - |
| All Other Fees | - |
| Total | 8,000 |

Exemption

The Company has relied upon the exemption provided by section 6.1 of NI 52-110, which exempts a venture issuer 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 NI 52-110.

**Corporate Governance**

Corporate governance relates to the activities of the Board of Directors, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board of Directors and who are charged with the day-to-day management of the Company. The Board of Directors is committed to sound corporate governance practices, which are both in the interest of its shareholders and contribute to effective and efficient decision making.

The Company's corporate governance practices are summarized below:

Board of Directors

The Board of Directors is currently comprised of four members. An "independent" director is a director who has no direct or indirect material relationship with the Company. A material relationship is a relationship which could, in the view of the Board of Directors, reasonably interfere with the exercise of a director's independent judgment. Fred Tejada and Ken Brophy are independent directors of the Company, as aside from Common Shares held by them they have no ongoing interest or relationship with the Company other than serving as directors. Neither Michael Dake nor Sean McGrath are independent directors because of their respective positions as executive officers of the Company.

Directorships

The following directors are also currently directors of the following reporting issuers:

| Name of Director | Other Reporting Issuer | Name of Exchange or Market |
|---|---|---|
| Sean McGrath | Supernova Metals Corp. | CSE |
| | Sierra Madre Gold and Silver Ltd. | TSX-V |
| | Lot 49 Capital Corp. | Unlisted Reporting Issuer |

| | | |
|---|---|---|
| | Lakewood Exploration Inc. | CSE |
| | Cayenne Capital Corp. | Unlisted Reporting Issuer |
| Fred Tejada | Kalo Gold Holdings Corp. | TSXV |
| | Solis Minerals Ltd. | TSXV |
| | MegumaGold Corp. | CSE |
| | Major Precious Metals Corp. | CSE |
| | Volatus Capital Corp. | CSE |
| | Black Shield Metals Corp. | CSE |
| | European Electric Metals Inc. | TSXV |
| | Cayenne Capital Corp. | Unlisted Reporting Issuer |
| Ken Brophy | Supernova Metals Corp | CSE |
| | Voleo Trading Systems Inc. | TSXV |
| Michael Dake | Lot 49 Capital Corp. | N/A |
| | Pure Energy Minerals Limited | TSXV |
| | AMV Capital Corporation | TSXV |
| | Lakewood Exploration Inc. | CSE |
| | Cayenne Capital Corp. | Unlisted Reporting Issuer |

Orientation and Continuing Education

The Board of Directors provides an overview of the Company's business activities, systems and business plan to all new directors. New director candidates have free access to any of the Company's records, employees or senior management in order to conduct their own due diligence and will be briefed on the strategic plans, short, medium and long term corporate objectives, business risks and mitigation strategies, corporate governance guidelines and existing policies of the Company. The Directors are encouraged to update their skills and knowledge by taking courses and attending professional seminars.

Ethical Business Conduct

The Board of Directors believes good corporate governance is an integral component to the success of the Company and to meet responsibilities to shareholders. Generally, the Board of Directors 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 of Directors in which the director has an interest have been sufficient to ensure that the Board of Directors operates independently of management and in the best interests of the Company.

The Board of Directors is also responsible for applying governance principles and practices, tracking development in corporate governance, and adapting "best practices" to suit the needs of the Company. Certain of the directors of the Company may also be directors and officers of other companies, and conflicts of interest may arise between their duties. Such conflicts must be disclosed in accordance with, and are subject to such other procedures and remedies as applicable under the BCA.

Nomination of Directors

The Board of Directors has not formed a nominating committee or similar committee to assist the Board of Directors with the nomination of directors for the Company. The Board of Directors considers itself too small to warrant creation of such a committee; and each of the Directors has contacts he can draw upon to identify new members of the Board of Directors as needed from time to time.

The Board of Directors will continually assess its size, structure and composition, taking into consideration its current strengths, skills and experience, proposed retirements and the requirements and strategic direction of the Company. As required, directors will recommend suitable candidates for consideration as members of the Board of Directors.

Compensation

The Board of Directors reviews the compensation of its directors and executive officers annually. The Directors will determine compensation of directors and executive officers taking into account the Company's business ventures and the Company's financial position. See "Executive Compensation".

Other Board Committees

The Company has established an Audit Committee. There are no other committees of the Board of Directors.

Assessments

The Board of Directors has not implemented a process for assessing its effectiveness. As a result of the Company's small size and the Company's stage of development, the Board of Directors considers a formal assessment process to be unnecessary at this time. The Board of Directors plans to continue evaluating its own effectiveness on an ad hoc basis.

The Board of Directors does not formally assess the performance or contribution of individual Board members or committee members.

## PLAN OF DISTRIBUTION

### Offering

Under the Agency Agreement, the Company has appointed the Agent, on a commercially reasonable efforts basis to offer for sale 3,500,000 Common Shares of the Company at a price of $0.10 per Common Share for gross proceeds of $350,000. The issue price of $0.10 per Common Share was determined by negotiation between the Company and the Agent in accordance with the policies of the Exchange.

The completion of the Offering is subject to a minimum subscription of 3,500,000 Common Shares for minimum gross proceeds of $350,000. The Offering will not be completed and no subscription funds will be advanced to the Company unless and until the minimum subscription of $350,000 has been raised. In the event that the minimum subscription is not attained by the end of the period of the Offering, all subscription funds that subscribers may have advanced to the Agent in respect of the Offering will be refunded to the subscribers without interest or deduction.

The Company has agreed not to, directly or indirectly, issue, sell or grant or agree to announce any intention to issue, sell or grant, any additional equity or quasi-equity securities for a period of 120 days after the Closing of the Offering without the prior written consent of the Agent, such consent not to be unreasonably withheld, except in conjunction with: (i) the grant or exercise of stock options and other similar issuances pursuant to the share incentive plan of the Company and other share compensation arrangements; (ii) outstanding warrants; (iii) obligations in respect of existing mineral property agreements; and (iv) the issuance of securities in connection with property or share acquisitions in the normal course of business.

Subscriptions for Common Shares will be received subject to rejection or allotment in whole or in part and the right is reserved by the Company to close the subscription books at any time without notice. It is expected that the Closing of the Offering will occur on a date agreed upon by the Company and the Agent, but not later than the date that is 90 days after a receipt is issued for the final prospectus or if a receipt has been issued for an amendment to the final prospectus, within 90 days of issuance of such receipt and in any event not later than 180 days from the date of receipt of the final prospectus. It is expected that share certificates evidencing the Common Shares will be available for delivery on the Closing unless the Agent elects for delivery in electronic book entry form through CDS Clearing and Depository Services Inc. ("CDS") or its nominee. If delivered in book entry form, purchasers of Common Shares will receive only a customer confirmation from the registered dealer that is a CDS participant and from or through which the Common Shares were purchased.

There is currently no market through which any of the securities of the Company, including the Common Shares, may be sold and purchasers and holders thereof may not be able to resell or dispose of any of the securities purchased, distributed or qualified under this prospectus.

The Company has agreed to indemnify the Agent and its directors, officers, employees, shareholders and agents against all liabilities arising directly or indirectly from the Agency Agreement. Notwithstanding the above, the indemnity does not include claims arising from gross negligence, dishonesty, or wilful misconduct of the Agent.

The obligations of the Agent under the Agency Agreement may be terminated at the Agent's discretion upon the occurrence of certain stated events. The Agent is not obligated to purchase any of the Common Shares under the Offering.

**Agent's Commission**

The Company has agreed to pay to the Agent a cash commission equal to 10% of the aggregate gross proceeds of the Offering in consideration for its services in connection with the Offering. Such commission, together with all other expenses of the Offering, will be paid by the Company out of the proceeds of the Offering. The Company has also agreed to pay to the Agent the Corporate Finance Fee of $25,000 upon Closing of the Offering. The Agent will also be reimbursed for its reasonable expenses including the fees and disbursements of its legal counsel. The Agent has received a retainer of $20,000 towards such fees and expenses.

As additional compensation, on the date of Closing, the Company has agreed to grant to the Agent the Agent's Warrants exercisable to acquire that number of Common Shares that is equal to 10% of the number of Common Shares sold pursuant to this Offering at the price of $0.10 per Common Share for a period 60 months from the Listing Date. The Agent's Warrants are qualified for distribution under this prospectus.

**Listing of Common Shares on the Exchange**

The Exchange conditionally approved the listing application in respect of the Common Shares on September 30, 2021. Listing of the Common Shares is subject to the Company fulfilling all of the requirements of the Exchange.

**Right of First Refusal**

The Company has granted the Agent a right of first refusal to provide any future brokered equity financings the Company proposes to conduct until 12 months from Closing.

As of 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

An investment in the Company is speculative and involves a high degree of risk. Accordingly, prospective investors should carefully consider the specific risk factors set out below, in addition to the other information contained in this document, before making any decision to invest in the Company. The Directors consider the following risks and other factors to be the most significant for potential investors in the Company, but the risks listed do not necessarily comprise all those associated with an investment in the Company and are not set out in any particular order of priority. Additional risks and uncertainties not currently known to the Directors may also have an adverse effect on the Company's business.

If any of the following risks actually occur, the Company's business, financial condition, capital resources, results or future operations could be materially adversely affected. In such a case, the price of the Common Shares could decline and investors may lose all or part of their investment.

**Substantial Number of Authorized but Unissued Shares**

The Company has an unlimited number of Common Shares that may be issued by the Board of Directors without further action or approval of the Company's shareholders. While the Board of Directors is required to fulfill its fiduciary obligations in connection with the issuance of such shares, the shares may be issued in transactions with which not all shareholders agree, and the issuance of such shares will cause dilution to the ownership interests of the Company's shareholders.

**Dilution**

The financial risk of the Company's future activities will be borne to a significant degree by purchasers of the Common Shares. If the Company issues Common Shares from its treasury for financing purposes, control of the Company may change and purchasers may suffer additional dilution.

**No Market for Securities**

There is currently no market through which any of the Common Shares, may be sold and there is no assurance that such securities of the Company will be listed for trading on a stock exchange, or if listed, will provide a liquid market for such securities. Until the Common Shares are listed on a stock exchange, holders of the Common Shares may not be able to sell their Common Shares. Even if a listing is obtained, there can be no assurance that an active public market for the Common Shares will develop or be sustained after completion of the Offering. The offering price determined by negotiation between the Company and the Agent was based upon several factors, and may bear no relationship to the price that will prevail in the public market. The holding of Common Shares involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. Common Shares should not be purchased by persons who cannot afford the possibility of the loss of their entire investment.

**Negative Cash Flow from Operating Activities**

The Company has no history of earnings and had negative cash flow from operating activities since inception. The Isla Property is in the exploration stage and there are no known mineral resources or reserves and the proposed exploration program on the Isla 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 Isla 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.

**Current Market Volatility**

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

**Use of Funds**

The Company has prepared a detailed budget setting out the way in which it proposes to expend the funds raised under the Offering. However, the quantum and timing of expenditure will necessarily be dependent upon receiving positive results from the Company's exploration activities on the Isla Property. As the Company conducts its exploration program, it is possible that results and circumstances may dictate a departure from the pre-existing budget. Further, the Company may, from time to time as opportunities arise, utilise part of its financial resources (including the funds raised as part of the Offering) to participate in additional opportunities that arise and fit within the Company's broader objectives, as a means of advancing shareholder value.

**No Production History**

The Isla Property is not a producing property and its ultimate success will depend on its operating ability to generate cash flow from producing properties in the future. The Company has not generated any revenue to date and there is no assurance that it will do so in the future.

The Company's business operations are at an early stage of development and its success will be largely dependent upon the outcome of the exploration programs that the Company proposes to undertake.

**Limited Operating History**

The Company has not earned profits to date and there is no assurance that it will do so in the future. Significant capital investment will be required to achieve commercial production from the Company's existing project. There is no assurance that the Company will be able to raise the required funds to continue these activities.

**Exploration, Mining and Operational Risks**

The business of exploring for and mining minerals involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. At present, the Isla Property does not have any known mineral resources or reserves and the proposed exploration and drilling programs are an exploratory search for such mineral resources or reserves.

The Company's operations are subject to all the hazards and risks normally associated with the exploration, development and mining of minerals, any of which could result in risk to life, to property, or to the environment. The Company's operations may be subject to disruptions caused by unusual or unexpected formations, formation pressures, fires, power failures and labour disputes, flooding, explosions, cave-ins, landslides, the inability to obtain suitable or adequate equipment, machinery, labour or adverse weather conditions. The availability of insurance for such hazards and risks is extremely limited or uneconomical at this time.

In the event the Company is fortunate enough to discover a mineral deposit, the economics of commercial production depend on many factors, including the cost of operations, the size and quality of the mineral deposit, proximity to infrastructure, financing costs and Government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting minerals and environmental protection. The effects of these factors cannot be accurately predicted, but any combination of these factors could adversely affect the economics of commencement or continuation of commercial mineral production.

**Mining Claims**

The Company's prospecting activities are dependent upon the grant of appropriate mineral tenures and regulatory comments, which may be withdrawn or made subject to limitations. Mineral claims are renewable subject to certain expenditure requirements. Although the Company believes that it will obtain the necessary prospecting licenses and permits, including but not limited to drill permits, there can be no assurance that they will be granted or as to the terms of any such grant. Furthermore, the Company is required to expend required amounts on the mineral claims of the Isla Property in order to maintain them in good standing. If the Company is unable to expend these amounts, the Company may lose its title thereto on the expiry date(s) of the relevant mineral claims on the Isla Property. There is no assurance that, in the event of losing its title to mineral claims, the Company will be able to register the mineral claims in its name without a third party registering its interest first.

**Land Claims**

Aboriginal rights may be claimed on Crown properties or other types of tenure with respect to which mining rights have been conferred. The Supreme Court of Canada's recent decision in Tsilhqot'in Nation v. British Columbia marked the first time in Canadian history that a court has declared Aboriginal title to lands outside of a reserve. The Company is not aware of any Aboriginal land claims having been asserted or any legal actions relating to first nation issues having been instituted with respect to any of the land which is covered by the Isla Property. The legal basis of a land claim is a matter of considerable legal complexity and the impact of a land claim settlement and self-government agreements cannot be predicted with certainty. In the event that aboriginal title is asserted and proved on the Isla Property, provincial and federal laws will continue to be valid provided that any infringements of aboriginal title, including mining and exploration are either consented to by Aboriginal groups or are justified. However, no assurance can be given that a broad recognition of aboriginal rights by way of a negotiated settlement or judicial pronouncement would not have an adverse effect on the Company's activities. Such impact could be marked and, in certain circumstances, could delay or even prevent the Company's exploration or mining activities.

**Assurance of Title**

The Company has taken all reasonable steps to attempt to ensure that proper title to the Isla Property has been obtained and that all grants of such rights thereunder, if any, have been registered with the appropriate public offices. Despite the due diligence conducted by the Company, there is no guarantee that title to the Isla Property will not be challenged or impugned. The Company's mineral property interests may be subject to prior unregistered agreements or transfers or aboriginal land claims and title may be affected by undetected defects.

**Possible Loss of Interests in Isla Property**

The Isla Option Agreement pursuant to which the Company acquired its interest in the Isla Property requires the Company to make a series of payments in cash and to issue Common Shares over certain time periods and expend certain minimum amounts on the exploration of the Isla Property. If the Company fails to make such payments or expenditures within the prescribed time periods, the Company may lose its interest in the Isla Property without any recourse.

**Possible Failure to Obtain Mining Licenses**

Even if the Company does complete the required exploration activities on the Isla Property, it may not be able to obtain the necessary licences or permits to conduct mining operations, and thus would realize no benefit from such exploration activities.

**Competition**

The Company competes with numerous other companies and individuals possessing greater financial resources and technical facilities than itself in the search for, and acquisition of, mineral claims, leases and other mineral interests, as well as the recruitment and retention of suitably qualified individuals.

**Conflicts of Interest**

All of the Company's Directors and officers act as directors and/or officers of other mineral exploration companies. As such, the Company's Directors and officers may be faced with conflicts of interests when evaluating alternative mineral exploration opportunities. In addition, the Company's Directors and officers may prioritize the business affairs of another Company over the affairs of the Company.

**Personnel**

The Company has a small management team and the loss of any key individual could affect the Company's business. Additionally, the Company will be required to secure other personnel to facilitate its exploration program on the Isla Property. Any inability to secure and/or retain appropriate personnel may have a materially adverse impact on the business and operations of the Company.

**Volatility of Commodity Prices**

The market prices of commodities, including gold and silver, are volatile and are affected by numerous factors which are beyond the Company's control. These factors include international supply and demand, consumer product demand, international economic trends, currency exchange rate fluctuations, interest rates, inflation, global or regional political events, as well as a range of other market forces. Sustained downward movements in commodity prices, including gold or silver, could render less economic, or uneconomic, some or all of the exploration activities to be undertaken by the Company.

**Environmental Risks and Other Regulatory Requirements**

Inherent with mining operations is an environmental risk. The current or future operations of the Company, including exploration and development activities and commencement of production on the Isla Property, require permits from various governmental authorities. Such operations are governed by laws and regulations that govern prospecting, mining, development, production, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety, and other matters. Companies engaged in the development and operation of mines and related facilities generally experience increased costs and delays in production as a result of needing to comply with applicable laws, regulations and permits. There can be no assurance that all permits that the Company requires for future, exploration, development, construction and operation of mining facilities and the conduct of mining operations will be obtainable on reasonable terms or that such laws and regulations would not have an adverse effect on the operations of the Company.

The legal framework governing this area is constantly developing, therefore the Company is unable to fully ascertain any future liability that may arise from the implementation of any new laws or regulations, although such laws and regulations are typically strict and may impose severe penalties (financial or otherwise). The proposed activities of the Company, as with any exploration activities, may have an environmental impact which may result in unbudgeted delays, damage, loss and other costs and obligations including, without limitation, rehabilitation and/or compensation. There is also a risk that the Company's operations and financial position may be adversely affected by the actions of environmental groups or any other group or person opposed in general to the Company's activities and, in particular, the proposed exploration and mining by the Company within the Province of British Columbia.

**Uninsured Risks**

The Company, as a participant in exploration and mining programs, may become subject to liability for hazards such as unusual geological or unexpected operating conditions that cannot be insured against or against which it may elect not to be so insured because of high premium costs or other reasons. The Company is currently uninsured against all such risks as such insurance is either unavailable or uneconomic at this time. The Company also currently has no keyman insurance or property insurance as such insurance is uneconomical at this time. The Company will obtain such insurance once it is available and, in the opinion of the Directors, economical to do so. The Company may incur a liability to third parties (in excess of any insurance coverage) arising from pollution or other damage or injury.

The Company is not insured against most environmental risks. Insurance against environmental risks has not been generally available to companies within the mining and exploration industry. Without such insurance, and if the Company does become subject to environmental liabilities, the costs of such liabilities would reduce or eliminate the Company's available funds or could result in bankruptcy. Should the Company be unable to fully fund the remedial costs of an environmental issue, it may be required to enter into interim compliance measures pending completion of the required remedy.

**Health and Safety Risks**

A violation of health and safety laws, or the failure to comply with the instructions of relevant health and safety authorities, could lead to, among other things, a temporary cessation of activities on the Isla Property or any part thereof, a loss of the right to prospect for minerals, or the imposition of costly compliance procedures. This could have a material adverse effect on the Company's operations and/or financial condition.

**Tax Issues**

Income tax consequences in relation to the securities offered will vary according to the circumstances of each purchaser. Prospective purchasers should seek independent advice from their own tax and legal advisers prior to subscribing for the securities.

**Additional Requirements for Capital**

Substantial additional financing will be required if the Company is to be successful in pursuing its ultimate strategy of discovering and extracting mineral resources. No assurances can be given that the Company will be able to raise the additional capital that it may require for its anticipated future operations. Commodity prices, environmental rehabilitation or restitution, revenues, taxes, transportation costs, capital expenditures, operating expenses, geological results and the political environment are all factors which will have an impact on the amount of additional capital that may be required. Any additional equity financing may be dilutive to investors and debt financing, if available, may involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company, if at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion, forfeit its interest in the Isla Property, incur financial penalties, or reduce or terminate its operations.

**Smaller Companies**

The share price of publicly traded smaller companies can be highly volatile. The value of the Common Shares may go down as well as up and, in particular, the share price may be subject to sudden and large falls in value given the restricted marketability of the Common Shares.

**Liquidity of the Common Shares**

Listing on the Exchange, if successful, should not be taken as implying that there will be a liquid market for the Common Shares. Thus an investment in the Common Shares may be difficult to realise. Investors should be aware that the value of the Common Shares may be volatile. Investors may, on disposing of Common Shares, realise less than their original investment, or may lose their entire investment. The Common Shares, therefore, may not be suitable as a short-term investment.

The market price of the Common Shares may not reflect the underlying value of the Company's net assets. The price at which the Common Shares will be traded, and the price at which investors may realise their Common Shares, will be influenced by a large number of factors, some specific to the Company and its proposed operations, and some which may affect the sectors in which the Company operates. Such factors could include the performance of the Company's operations, large purchases or sales of the Common Shares, liquidity or the absence of liquidity in the Common Shares, legislative or regulatory changes relating to the business of the Company, and general market and economic conditions.

**Coronavirus (COVID-19)**

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds. However, COVID-19 may directly impact the Company by limiting travel to the Isla Property and disrupting the financial markets of which the Company relies on for raising funds.

**General**

Although management believes that the above risks fairly and comprehensibly illustrate all material risks facing the Company, the risks noted above do not necessarily comprise all those potentially faced by the Company as it is impossible to foresee all possible risks.

Although the Directors will seek to minimise the impact of the risk factors, an investment in the Company should only be made by investors able to sustain a total loss of their investment. Investors are strongly recommended to consult a person who specialises in investments of this nature before making any decision to invest.

## PROMOTERS

Michael Dake, the Company's Chief Executive Officer, President, Secretary and Director, took the initiative in the primary organization of the Company and accordingly is a promoter of the Company. Mr. Dake owns 1,400,001 Common Shares of the Company, which represents 13.9% of the Common Shares currently issued and outstanding. See "Principal Shareholders", "Directors and Executive Officers" and "Executive Compensation".

## LEGAL PROCEEDINGS AND REGULATORY ACTIONS

There are no legal proceedings that the Company is or was a party to, or that any of the Company's property is or was the subject of, since December 17, 2019, that were or are material to the Company, and there are no such material legal proceedings that the Company knows to be contemplated.

There were no: (i) penalties or sanctions imposed against the Company by a court relating to provincial and territorial securities legislation or by a securities regulatory authority since inception on December 17, 2019; (ii) other penalties or sanctions imposed by a court or regulatory body against the Company that the Company believes must be disclosed for this prospectus to contain full, true and plain disclosure of all material facts relating to the Common Shares; or (iii) settlement agreements the Company entered into before a court relating to provincial and territorial securities legislation or with a securities regulatory authority since inception on December 17, 2019.

## INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

None of the Directors or executive officers of the Company, and no associate or affiliate of the foregoing persons, has, or has had, any material interest, direct or indirect, in any transaction or in any proposed transaction that has materially affected or will materially affect the Company or any of its subsidiaries.

## RELATIONSHIP BETWEEN COMPANY AND AGENT

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

## AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Company are Manning Elliott LLP, located at Suite 1700 - 1030 West Georgia Street, Vancouver B.C. V6E 2Y3. Upon closing of the Offering, it is expected that Manning Elliott LPP will resign and the Company is expected to propose the appointment of Baker Tilly WM LLP, having an address of 900 - 400 Burrard Street, Vancouver, BC, V6C 3B7, Canada, as the auditor of the Company for its fiscal year ending September 30, 2021.

The transfer agent and registrar for the Common Shares is Endeavor Trust Corporation, located at Suite 702 - 777 Hornby Street, Vancouver, B.C., V6Z 1S2.

## MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business, the only contracts which have been entered into by the Company as of the date hereof or which will be entered into prior to the Closing of this Offering and which are regarded presently as material are:

1. Isla Option Agreement dated November 8, 2020, as amended February 9, 2021, between the Company and Andrew Molnar. See "Business of the Company".

2. Amendment Agreement dated February 9, 2021, between the Company and Andrew Molnar. See “Business of the Company”.

3. Stock Option Plan adopted June 25, 2021. See “Description of the Securities Distributed”.

4. Escrow Agreement dated November 17, 2021 among the Company, Endeavor Trust Corporation, Michael Dake, Jerry Minni and Vera Minni. See “Escrowed Securities”.

5. Agency Agreement dated November 17, 2021 between the Company and Canaccord Genuity Corp. See “Plan of Distribution”.

## 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:

(a) Derrick Strickland, P. Geo of Vancouver, British Columbia, is an independent consulting geologist and is a “qualified person” as defined in NI 43-101, and is the author responsible for the preparation of the Technical Report on the Isla Property.

(b) The audited financial statements included in this prospectus have been subject to audit by Manning Elliott LLP, and their audit report is included herein Manning Elliott LLP, is independent in accordance with the Rules of Professional Conduct of the Institute of Chartered Professional Accountants of British Columbia.

In addition, certain legal matters relating to the Offering will be passed upon on behalf of the Company by Northwest Law Group and Koffman Kalef LLP.

None of the foregoing persons or companies have held, received or is to receive any registered or beneficial interests, direct or indirect, in any securities or other property of the Company or of its associates or affiliates when such person or company prepared the report, valuation, statement or opinion aforementioned or thereafter.

## ELIGIBILITY FOR INVESTMENT

In the opinion of Koffman Kalef LLP, tax counsel to the Company, based on the provisions of the Income Tax Act (Canada) and the regulations thereunder (collectively, the “Tax Act”) in force as of the date hereof and all proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof, the Common Shares issued pursuant to the Offering, if issued on the date hereof, will be qualified investments for a trust governed by a registered retirement savings plan (“RRSP”), a registered retirement income fund (“RRIF”), a registered education savings plan (“RESP”), a deferred profit sharing plan, a registered disability savings plan (“RDSP”) and a tax-free savings account (“TFSA”) as each of those terms is defined in the Tax Act (collectively, the “Plans”), provided that, on the date hereof, the Common Shares are unconditionally listed on a “designated stock exchange” within the meaning of Tax Act, which includes the Exchange, or the Company is a “public corporation” as defined in the Tax Act.

The Common Shares are not currently listed on a “designated stock exchange” and the Company is not currently a “public corporation”, as those terms are defined in the Tax Act. The Company has applied to list the Common Shares on the Exchange as of the day before the Closing, followed by an immediate halt in trading of the Common Shares in order to allow the Company to satisfy the conditions of the Exchange and to have the Common Shares listed and posted for trading prior to the issuance of the Common Shares on Closing. The Company must rely on the Exchange to unconditionally list the Common Shares on the Exchange and have them posted for trading prior to the issuance of the Common Shares on Closing, and to otherwise proceed in such manner as may be required to result in the Common Shares being listed on the Exchange at the time of their issuance on Closing. If the Common Shares are not unconditionally listed on the Exchange at the time of their issuance on Closing and the Company is not a “public corporation" for the purposes of the Tax Act on Closing, the Common Shares will not be qualified investments for the Plans at that time.

Notwithstanding that the Common Shares may be a qualified investment for a RRSP, RRIF, TFSA, RDSP, or RESP (each a "Registered Plan"), the annuitant of an RRSP or RRIF, the subscriber under an RESP or the holder of a TFSA or RDSP, as the case may be, (the "Controlling Individual") will be subject to a penalty tax in respect of the Common Shares held in the Registered Plan if the Common Shares are a "prohibited investment" (as defined in the Tax Act) for the particular Registered Plan. The Common Shares will be a "prohibited investment" for a Registered Plan if the Controlling Individual (i) does not deal at arm's length with the Company for purposes of the Tax Act, or (ii) has a "significant interest" (as defined in subsection 207.01(4) of the Tax Act) in the Company. Generally, a Controlling Individual will not be considered to have a "significant interest" in the Company provided that the Controlling Individual, together with persons with whom the Controlling Individual does not deal at arm's length, does not own, directly or indirectly, at any time of the year 10% or more of the issued shares of any class of the Company or of any corporation related to the Company (for purposes of the Tax Act). In addition, the Common Shares will not be a "prohibited investment" if the Common Shares are "excluded property" as defined in the Tax Act for a Registered Plan. Purchasers of Common Shares should consult their own advisors to ensure the Common Shares would not be a prohibited investment in their particular circumstances.

## RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in British Columbia and Alberta 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. The securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages, if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission are exercised by the purchaser within the time limit prescribed by securities legislation of British Columbia. The purchaser should refer to any applicable provisions of the securities legislation of British Columbia and Alberta for the particulars of these rights or consult with a legal adviser.

## FINANCIAL STATEMENTS

Audited financial statements of the Company for the period from incorporation to September 30, 2020 and the unaudited financial statements for the nine month period ended June 30, 2021 are included in this prospectus.

# BLANTON RESOURCES CORP.

## CONDENSED INTERIM FINANCIAL STATEMENTS

## FOR THE NINE MONTHS ENDED JUNE 30, 2021 AND THE PERIOD FROM DECEMBER 17, 2019 (DATE OF INCORPORATION) TO JUNE 30, 2020

## (EXPRESSED IN CANADIAN DOLLARS)

## (UNAUDITED)

**BLANTON RESOURCES CORP.**
**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION**
**AS AT JUNE 30, 2021 AND SEPTEMBER 30, 2020**
(Expressed in Canadian dollars)

| | **2021 (unaudited) $** | **2020 (audited) $** |
|---|---|---|
| **ASSETS** | | |
| CURRENT | | |
| Cash | 58,580 | 57,939 |
| Amounts receivable | 2,293 | 1,005 |
| | 60,873 | 58,944 |
| DEPOSITS | 20,000 | - |
| EXPLORATION AND EVALUATION ASSET (*Note 4)* | 91,807 | - |
| | **172,680** | **58,944** |
| **LIABILITIES** | | |
| CURRENT | | |
| Accounts payable *(Note 6)* | 37,537 | 20,580 |
| **SHAREHOLDERS' EQUITY** | | |
| SHARE CAPITAL (*Note 5*) | 207,000 | 59,000 |
| CONTRIBUTED SURPLUS (*Note 5*) | 45,000 | 45,000 |
| DEFICIT | (116,857) | (65,636) |
| | 135,143 | 38,364 |
| | **172,680** | **58,944** |

NATURE OF BUSINESS AND CONTINUING OPERATIONS (*Note 1*)
COMMITMENT (*Note 9)*
SUBSEQUENT EVENT *(Note 10)*

Approved on behalf of the Board:

*"Michael Dake"*
Director

*"Sean McGrath"*
Director

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

**BLANTON RESOURCES CORP.**
**CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**
**FOR THE NINE AND THREE MONTHS ENDED JUNE 30, 2021 AND THE PERIOD FROM DECEMBER 17, 2019 (DATE OF INCORPORATION) TO JUNE 30, 2020**
(unaudited)
(Expressed in Canadian dollars)

| | **Three Months Ended** | | **Nine Months Ended** | |
|---|---|---|---|---|
| | **2021** | **2020** | **2021** | **2020** |
| | **$** | **$** | **$** | **$** |
| EXPENSES | | | | |
| Management fees (*Note 6)* | 7,500 | 2,500 | 22,500 | 2,500 |
| General and administrative | 31 | - | 1,723 | 18 |
| Professional fees | 1,250 | - | 3,950 | 4,618 |
| Rent | 4,500 | 1,500 | 23,048 | 1,500 |
| Share-based compensation *(Note 6)* | - | - | - | 45,000 |
| **NET LOSS AND COMPREHENSIVE LOSS** | **13,281** | **4,000** | **51,221** | **53,636** |
| **LOSS PER SHARE – BASIC AND DILUTED** | **(0.00)** | **(0.00)** | **(0.01)** | **(0.01)** |
| **WEIGHTED AVERAGE NUMBER OF COMMON SHARESOUTSTANDING – BASIC AND DILUTED** | **9,196,112** | **5,200,001** | **7,131,986** | **4,855,103** |

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

**BLANTON RESOURCES CORP.**
**CONDENSED INTERIM STATEMENTS OF CASH FLOWS**
**FOR THE NINE MONTHS ENDED JUNE 30, 2021 AND THE PERIOD FROM DECEMBER 17, 2019 (DATE OF INCORPORATION) TO JUNE 30, 2020**
(unaudited)
(Expressed in Canadian dollars)

| | **2021** **$** | **2020** **$** |
|---|---|---|
| OPERATING ACTIVITIES | | |
| Net loss for the period | (51,221) | (53,636) |
| Item not involving cash: | | |
| Share-based compensation | - | 45,000 |
| | (51,221) | (8,636) |
| Changes in non-cash working capital balances: | | |
| Amounts receivable | (1,288) | (405) |
| Accounts payable | 16,957 | 7,980 |
| Cash used in operating activities | (35,552) | (1,061) |
| INVESTING ACTIVITIES | | |
| Exploration and evaluation asset | (91,807) | - |
| Cash used in investing activities | (91,807) | - |
| FINANCING ACTIVITIES | | |
| Shares issued for cash | 148,000 | 59,000 |
| Deposits | (20,000) | - |
| Cash provided by financing activities | 128,000 | 59,000 |
| CHANGE IN CASH | 641 | 57,939 |
| CASH, BEGINNING OF PERIOD | 57,939 | - |
| CASH, END OF PERIOD | 58,580 | 57,939 |

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

**BLANTON RESOURCES CORP.**
**CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**
**FOR THE NINE MONTHS ENDED JUNE 30, 2021 AND THE PERIOD FROM DECEMBER 17, 2019 (DATE OF INCORPORATION) TO JUNE 30, 2020**
(unaudited)
(Expressed in Canadian dollars)

| | Common shares | | | | |
|---|---|---|---|---|---|
| | Number of shares | Amount $ | Contributed surplus $ | Deficit $ | Total $ |
| As at December 17, 2019 | 1 | - | - | - | - |
| Founders shares issued | 3,000,000 | 15,000 | 45,000 | - | 60,000 |
| Shares issued for cash | 2,200,000 | 44,000 | - | - | 44,000 |
| Net loss for the period | - | - | - | (53,636) | (53,636) |
| As at June 30, 2020 | 5,200,001 | 59,000 | 45,000 | (53,636) | 50,364 |
| | | | | | |
| As at October 1, 2020 | 5,200,001 | 59,000 | 45,000 | (65,636) | 38,364 |
| Shares issued for cash | 4,850,000 | 148,000 | - | - | 148,000 |
| Net loss for the period | - | - | - | (51,221) | (51,221) |
| As at June 30, 2021 | 10,050,001 | 207,000 | 45,000 | (116,857) | 135,143 |

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

## 1. NATURE OF BUSINESS AND CONTINUING OPERATIONS

Blanton Resources Corp. (the "Company") was incorporated on December 17, 2019 under the laws of British Columbia. The address of the Company's corporate office and its principal place of business is 200 – 551 Howe Street, Vancouver, British Columbia, Canada.

The Company's principal business activities include the acquisition and exploration of mineral property assets. As at June 30, 2021, the Company has not yet determined whether the Company's mineral property assets contain ore reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation asset is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and the future profitable production from the property or realizing proceeds from its disposition. The outcome of these matters cannot be predicted at this time and the uncertainties cast significant doubt upon the Company's ability to continue as a going concern.

The Company had a deficit of $116,857 as at June 30, 2021, which has been funded by the issuance of equity. The Company's ability to continue its operations and to realize its assets at their carrying value is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs.

These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these financial statements.

The outbreak of the Coronavirus Disease 2019, or COVID-19, has spread across the globe and is impacting worldwide economic activity. This global pandemic poses the risk that the Company or its clients, employees, contractors, suppliers, and other partners may be unable to conduct regular business activities for an indefinite period of time. At this point, the impact on the Company has been minimal. The Company continues to monitor the situation and is taking all necessary precautions in order to follow rules and best practices as set out by the federal and provincial governments.

## 2. BASIS OF PREPARATION

### Statement of Compliance

These unaudited condensed interim financial statements of the Company have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the Financial Reporting Interpretations Committee ("IFRIC"). These unaudited condensed interim financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the audited financial statements and notes thereto as of and for the year ended September 30, 2020. These unaudited condensed interim financial statements were authorized for issue in accordance with a resolution from the Board of Directors on November 17, 2021.

### Basis of Measurement

These unaudited condensed financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. These unaudited condensed interim financial statements follow the same accounting policies and methods of application as the annual audited financial statements for the year ended September 30, 2020. The adoption of new accounting standards has had no material impact on the financial statements. The functional and presentation currency of the Company is the Canadian dollar.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. Realization values may be substantially different from carrying values as shown and these financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

a) Cash equivalents include short term deposits with an original maturity of three months or less, which are readily convertible into a known amount of cash. As of June 30, 2021, the Company held no cash equivalents.

b) Significant Accounting Estimates and Judgements

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

*Significant accounting estimates*

i. the measurement of deferred income tax assets and liabilities; and

ii. the inputs used in accounting for share-based payments.

*Significant accounting judgments*

i. the determination of categories of financial assets and financial liabilities;

ii. the evaluation of the Company's ability to continue as a going concern; and

iii. the assessment of indications of impairment of the mineral property and related determination of the net realizable value and write-down of the mineral property where applicable;

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Income Taxes

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the financial statements date, and includes any adjustments to tax payable or receivable in respect of previous years.

Deferred income taxes are recorded using the liability method whereby deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the statement of financial position date. Deferred tax is not recognized for temporary differences which arise on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting, nor taxable profit or loss.

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

d) Loss Per Share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive. Basic and diluted loss per share excludes all of the Company's common shares from the weighted average shares calculation that are contingently returnable.

e) Share Issuance Costs

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred financing costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Deferred financing costs related to financing transactions that are not completed are charged to operations.

f) Share-based payments

The fair value of equity settled stock options awarded to employees defined under IFRS 2 Share-based payments (i.e. employees for legal and tax purpose, directors and certain consultants), determined as of the date of grant, and awarded to non-employees defined under IFRS 2, as of the date of delivery of service, is recognized as share-based payments, included in general and administrative expenses in the statement of comprehensive loss, over the vesting period of the stock options based on the estimated number of options expected to vest, with a corresponding increase to equity.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Financial Instruments

On initial recognition financial assets are classified as measured at:

i. Amortized cost;

ii. Fair value through other comprehensive income ("FVOCI"); and

iii. Fair value through profit and loss ("FVTPL").

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

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

Subsequent measurement of financial assets depends on their classification:

i. Amortized cost

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

The Company does not have any assets classified at amortized cost.

ii. FVOCI

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

The Company does not have any assets classified at FVOCI.

iii. FVTPL

Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on an investment that is subsequently measured at FVTPL is recognized in profit or loss and presented net as revenue in the statement of loss and comprehensive loss in the period in which it arises.

The Company's cash is classified as FVTPL.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Financial Instruments (continued)

Financial Liabilities and Equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the group entities are recorded at the proceeds received, net of direct issue costs.

Financial liabilities are classified as measured at (i) FVTPL; or (ii) amortized cost.

A financial liability is classified as at FVTPL if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. The amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in OCI and the remaining amount of the change in the fair value is presented in profit or loss.

The Company does not classify any financial liabilities at FVTPL.

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

The Company classifies its accounts payable at amortized cost.

A financial liability is derecognized when the contractual obligation under the liability is discharged, cancelled or expires or its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

h) Exploration and evaluation assets

All costs related to the acquisition, exploration and development of mineral properties are capitalized. Upon commencement of commercial production, the related accumulated costs are amortized against projected income using the units-of-production method over estimated recoverable reserves.

Management annually assesses carrying values of non-producing properties and properties for which events and circumstances may indicate possible impairment. Impairment of a property is generally considered to have occurred if the property has been abandoned, there are unfavourable changes in the property economics, there are restrictions on development, or when there has been an undue delay in development, which exceeds Six years. In the event that estimated discounted cash flows expected from its use or eventual disposition is determined by management to be insufficient to recover the carrying value of the property, the carrying value is written-down to the estimated recoverable amount.

The recoverability of mineral properties and exploration and development costs is dependent on the existence of economically recoverable reserves, the ability to obtain the necessary financing to complete the development of the reserves, and the profitability of future operations. The Company has not yet determined whether or not any of its future mineral properties contain economically recoverable reserves. Amounts capitalized to mineral properties as exploration and development costs do not necessarily reflect present or future values.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Exploration and evaluation assets (continued)

When options are granted on mineral properties or properties are sold, proceeds are credited to the cost of the property. If no future capital expenditure is required and proceeds exceed costs, the excess proceeds are reported as a gain.

i) Decommissioning, restoration and similar liabilities

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration or development of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of factors such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the mine operates.

Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the units-of-production or the straight-line method. The corresponding liability is progressively increased as the effect of discounting unwinds creating an expense recognized in profit or loss.

Decommissioning costs are also adjusted for changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalized cost, except where a reduction in costs is greater than the unamortized capitalized cost of the related assets, in which case the capitalized cost is reduced to nil and the remaining adjustment is recognized in profit or loss.

The operations of the Company have been, and may in the future be, affected from time to time in varying degree by changes in environmental regulations, including those for site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company are not predictable.

The Company has no material restoration, rehabilitation and environmental obligations as the disturbance to date is immaterial.

j) Flow-through shares

The resource expenditure deductions for income tax purposes related to exploration and development activities funded by flow-through share arrangements are renounced to investors in accordance with Canadian tax legislation. On issuance, the premium recorded on the flow-through share, being the difference in price over a common share with no tax attributes, is recognized as a liability. As expenditures are incurred, the liability associated with the renounced tax deductions is recognized through profit and loss with a pro-rata portion of the deferred premium.

To the extent that the Company has deferred tax assets in the form of tax loss carry-forwards and other unused tax credits as at the reporting date, the Company may use them to reduce its deferred tax liability relating to tax benefits transferred through flow-through shares.

k) Adoption of new accounting standards, interpretations and amendments

The Company has performed an assessment of new standards issued by the IASB that are not yet effective. The Company has assessed that the impact of adopting these accounting standards on its financial statements would not be significant.

(Expressed in Canadian dollars)

## 4. EXPLORATION AND EVALUATION ASSET

ISLA property option

| | Acquisition Costs | Exploration Costs | Total |
|---|---|---|---|
| Balance at December 17, 2019 and September 30, 2020 | $ - | $ - | $ - |
| Additions: | | | |
| Cash | 5,000 | - | 5,000 |
| Project expenses | - | 86,807 | 86,807 |
| Balance at June 30, 2021 | $ 5,000 | $ 86,807 | $ 91,807 |

On November 8, 2020, and amended on February 9, 2021, the Company (the "Optionee") entered into a Purchase Agreement (the "Agreement") with an arms-length party (the "Optionor"). Pursuant to the Agreement, the Optionee has an option to acquire 100% interest in six mineral claims known as Isla Claims located in British Columbia, Canada (the "Claims") from the Optionor.

Under the terms of the Agreement, the Optionor has granted the Optionee the option to acquire all rights, title and interest in the Claims. In addition, the Claims are subject to Net Smelter Return of 1.5% which can be purchased at any time for $1,500,000 by the Optionee.

Under the terms of the Agreement, the Optionee will make cash payments totaling $40,000 as follows:

a. make a cash payment of $5,000 upon execution and delivery of this agreement - PAID;
b. make a further cash payment of $5,000 on the date upon which the common shares are listed on a stock exchange in Canada; and
c. make a further cash payment of $30,000 within 18 months of listing on a stock exchange in Canada;

## 5. SHARE CAPITAL

a) Authorized: Unlimited number of common shares without par value.

b) Escrow shares:

As at June 30, 2021, there were no common shares held in escrow.

c) Issued and outstanding as at June 30, 2021: 10,050,001 common shares.

During the nine months ended June 30, 2021, the Company issued an aggregate of 4,850,000 common shares for gross proceeds of $148,000.

During the period ended September 30, 2020, the Company had the following transactions:

On December 17, 2019, the Company issued a common share for incorporation.

On December 30, 2019, the Company issued 3,000,000 flow-through common shares at a price of $0.005 per share for gross proceeds of $15,000 to the founders. The founder shares had a fair value of $60,000 and as a result, the Company recorded share-based compensation of $45,000 and a corresponding increase to contributed surplus.

(Expressed in Canadian dollars)

5. SHARE CAPITAL (continued)

On December 30, 2019, the Company issued 2,200,000 flow-through common shares at a price of $0.02 per share for gross proceeds of $44,000.

Under the terms of the flow-through share private placements, the Company must incur $59,000 of Canadian Exploration Expenditures and renounce them to the shareholders of the Company. As of September 30, 2020, the Company had not made any renunciation and had not incurred any exploration expenditures.

6. RELATED PARTY BALANCES AND TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

The Company had incurred the following key management personnel costs from related parties:

| | **2021** | **2020** |
|---|---|---|
| | $ | $ |
| Management fees | 22,500 | 2,500 |
| Share-based payments | - | 45,000 |

Key management includes directors and key officers of the Company, including the Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”).

During the nine months ended June 30, 2021, the Company paid management fees of $22,500 to a company controlled by the CEO and director of the Company.

As at June 30, 2021, accounts payable includes $15,750 owing to the CEO.

7. MANAGEMENT OF CAPITAL

The Company’s objectives when managing capital are to safeguard the Company’s ability to continue as a going concern in order to pursue the sourcing and exploration of its resource property. The Company does not have any externally imposed capital requirements to which it is subject.

The Company’s capital structure consists of equity and share subscriptions. As at June 30, 2021, the Company had capital resources consisting of cash. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue common shares or dispose of assets or adjust the amount of cash.

8. FINANCIAL INSTRUMENTS AND FINANCIAL RISK

International Financial Reporting Standards 7, Financial Instruments: Disclosures, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

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

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

**Fair value of financial instruments**

The Company's financial assets include cash and are classified as Level 1. The carrying value of these instruments approximates their fair values due to the relatively short periods of maturity of these instruments.

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

| | Fair value measurement using | | |
|---|---|---|---|
| | Level 1 | Level 2 | Level 3 |
| Cash and cash equivalents | $ 58,580 | $ - | $ - |

**Financial risk management objectives and policies**

The Company's financial instruments include cash and accounts payable. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

*Currency risk*

The Company's expenses are denominated in Canadian dollars. The Company's corporate office is based in Canada and current exposure to exchange rate fluctuations is minimal.

The Company does not have any significant foreign currency denominated monetary liabilities. The principal business of the Company is the identification and evaluation of assets or a business and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval and acceptance by regulatory authorities.

*Credit Risk*

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk, the Company places these instruments with a high quality financial institution.

*Interest Rate Risk*

The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The fair value interest rate risk on bank deposits is insignificant as the deposits are short- term.

8. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (continued)

The Company has not entered into any derivative instruments to manage interest rate fluctuations.

*Liquidity risk*

In the management of liquidity risk of the Company, the Company maintains a balance between continuity of funding and the flexibility through the use of borrowings. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations.

9. COMMITMENT

The Company is committed to certain cash payments as described in Note 4.

10. SUBSEQUENT EVENT

Pursuant to the terms of an engagement letter, the Company agreed to pay an Agent a cash commission of 10% of the gross proceeds of the Initial Public Offering (the "IPO"). The Company also agreed to grant the Agent warrant (the "Agent's Warrant") which will entitle the Agent to purchase up to 10% of the common shares sold under the IPO, at a purchase price that is equal to the price per share offered in the IPO. The Agent's Options are exercisable until 60 months from the listing date. In addition, the Company agreed to pay a corporate finance fee of $25,000. The Company will also pay the Agent's legal fees incurred and any other reasonable expenses pursuant to the IPO.

**BLANTON RESOURCES CORP.**

**FINANCIAL STATEMENTS**

**FOR THE PERIOD FROM DECEMBER 17, 2019 (DATE OF INCORPORATION) TO SEPTEMBER 30, 2020**

**(EXPRESSED IN CANADIAN DOLLARS)**

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**FOR THE PERIOD FROM DECEMBER 17, 2019 (DATE OF INCORPORATION) TO SEPTEMBER 30, 2020**

(Expressed in Canadian dollars)

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## INDEPENDENT AUDITORS' REPORT

To the Shareholders and Directors of Blanton Resources Corp.

### Opinion on the financial statements

We have audited the accompanying financial statements of Blanton Resources Corp. which comprise the statement of financial position as at September 30, 2020, and the statements of loss and comprehensive loss, cash flows and changes in shareholders' equity for the period from incorporation on December 17, 2019 to September 30, 2020, and the related notes, including a summary of significant accounting policies and other explanatory information (collectively referred to as the "financial statements").

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2020, and its financial performance and its cash flows for the period from incorporation on December 17, 2019 to September 30, 2020 in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

### 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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the accompanying financial statements, which indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### Other Information

Management is responsible for the other information, which comprises the information included in the Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions.

Our opinion on the financial statements does not cover the other information and do not and will 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 and remain alert for indicators that the other information appears to be materially misstated.

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. 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 these financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, 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.

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## INDEPENDENT AUDITORS' REPORT

**Auditors' 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 auditors' 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 auditors' 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 auditors' 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.

Manning Elliott LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, British Columbia
October 29, 2021

**BLANTON RESOURCES CORP.**
**STATEMENT OF FINANCIAL POSITION**
**AS AT SEPTEMBER 30, 2020**
(Expressed in Canadian dollars)

| | | |
|---|---|---|
| | | **2020** |
| **ASSETS** | | |
| CURRENT | | |
| Cash and cash equivalents | $ | 57,939 |
| Amounts receivable | | 1,005 |
| | **$** | **58,944** |
| **LIABILITIES** | | |
| CURRENT | | |
| Accounts payable *(Note 6)* | $ | 20,580 |
| **SHAREHOLDERS' EQUITY** | | |
| SHARE CAPITAL (*Note 5*) | | 59,000 |
| CONTRIBUTED SURPLUS (*Note 5*) | | 45,000 |
| DEFICIT | | (65,636) |
| | | 38,364 |
| | **$** | **58,944** |

NATURE OF BUSINESS AND CONTINUING OPERATIONS (*Note 1*)
COMMITMENT (*Note 10)*
SUBSEQUENT EVENTS (*Note 11)*

Approved on behalf of the Board:

| | |
|---|---|
| *"Michael Dake"* | *"Sean McGrath"* |
| Director | Director |

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

**BLANTON RESOURCES CORP.**
**STATEMENT OF LOSS AND COMPREHENSIVE LOSS**
**FOR THE PERIOD FROM DECEMBER 17, 2019 (DATE OF INCORPORATION) TO SEPTEMBER 30, 2020**
(Expressed in Canadian dollars)

| | | **2020** |
|---|---|---|
| EXPENSES | | |
| Management fees (*Note 6)* | $ | 10,000 |
| Professional fees | | 4,618 |
| Rent | | 6,018 |
| Share-based compensation *(Note 5)* | | 45,000 |
| **NET LOSS AND COMPREHENSIVE LOSS** | **$** | **(65,636)** |
| **LOSS PER SHARE – BASIC AND DILUTED** | **$** | **(0.01)** |
| **WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING – BASIC AND DILUTED** | | **4,966,090** |

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

**BLANTON RESOURCES CORP.**
**STATEMENT OF CASH FLOWS**
**FOR THE PERIOD FROM DECEMBER 17, 2019 (DATE OF INCORPORATION) TO SEPTEMBER 30, 2020**
(Expressed in Canadian dollars)

| | | **2020** |
|---|---|---|
| OPERATING ACTIVITIES | | |
| Net loss for the period | $ | (65,636) |
| Item not involving cash: | | |
| Share-based compensation | | 45,000 |
| | | (20,636) |
| Changes in non-cash working capital balances: | | |
| Amounts receivable | | (1,005) |
| Accounts payable | | 20,580 |
| Cash used in operating activities | | (1,061) |
| FINANCING ACTIVITIES | | |
| Shares issued for cash | | 59,000 |
| Cash provided by financing activities | | 59,000 |
| CHANGE IN CASH | | 57,939 |
| CASH, BEGINNING OF PERIOD | | - |
| CASH, END OF PERIOD | $ | 57,939 |

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

**BLANTON RESOURCES CORP.**
**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**
**FOR THE PERIOD FROM DECEMBER 17, 2019 (DATE OF INCORPORATION) TO SEPTEMBER 30, 2020**
(Expressed in Canadian dollars)

| | Common shares | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | **Number of shares** | | **Amount** | | **Contributed surplus** | | **Deficit** | | **Total** |
| Incorporation shares, December 17, 2019 | 1 | $ | - | $ | - | $ | - | $ | - |
| Founders shares issued | 3,000,000 | | 15,000 | | 45,000 | | - | | 60,000 |
| Shares issued for cash | 2,200,000 | | 44,000 | | - | | - | | 44,000 |
| Net loss for the period | - | | - | | - | | (65,636) | | (65,636) |
| **As at September 30, 2020** | 5,200,001 | $ | 59,000 | $ | 45,000 | $ | (65,636) | $ | 38,364 |

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

1. NATURE OF BUSINESS AND CONTINUING OPERATIONS

Blanton Resources Corp. (the "Company") was incorporated on December 17, 2019 under the laws of British Columbia. The address of the Company's corporate office and its principal place of business is 200 – 551 Howe Street, Vancouver, British Columbia, Canada.

The Company's principal business activities include the acquisition and exploration of mineral property assets. As at September 30, 2020, the Company has not yet determined whether the Company's mineral property assets contain ore reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation asset is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and the future profitable production from the property or realizing proceeds from its disposition.

The Company had a deficit of $65,636 as at September 30, 2020, which has been funded by the issuance of equity. The Company's ability to continue its operations and to realize its assets at their carrying value is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs.

The outcome of these matters cannot be predicted at this time and the uncertainties cast significant doubt upon the Company's ability to continue as a going concern.

These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these financial statements.

The outbreak of the Coronavirus Disease 2019, or COVID-19, has spread across the globe and is impacting worldwide economic activity. This global pandemic poses the risk that the Company or its clients, employees, contractors, suppliers, and other partners may be unable to conduct regular business activities for an indefinite period of time. At this point, the impact on the Company has been minimal. The Company continues to monitor the situation and is taking all necessary precautions in order to follow rules and best practices as set out by the federal and provincial governments.

2. BASIS OF PREPARATION

Statement of Compliance

These financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Approval of the Financial Statements

The financial statements of the Company for the period from December 17, 2019 (date of incorporation) to September 30, 2020 were reviewed by the Audit Committee and approved and authorized for issuance by the Board of Directors on October 29, 2021.

Basis of Measurement

These financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value as explained in the accounting policies set out in Note 3.

The functional and presentation currency of the Company is the Canadian dollar.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. Realization values may be substantially different from carrying values as shown and these financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

a) Cash equivalents include short term deposits with an original maturity of three months or less, which are readily convertible into a known amount of cash. As of September 30, 2020, the Company held no cash equivalents.

b) Significant Accounting Estimates and Judgements

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

*Significant accounting estimates*

i. the measurement of deferred income tax assets and liabilities; and

ii. the inputs used in accounting for share-based payments.

*Significant accounting judgments*

i. the determination of categories of financial assets and financial liabilities;

ii. the evaluation of the Company’s ability to continue as a going concern; and

iii. the assessment of indications of impairment of the mineral property and related determination of the net realizable value and write-down of the mineral property where applicable;

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Income Taxes

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the financial statements date, and includes any adjustments to tax payable or receivable in respect of previous years.

Deferred income taxes are recorded using the liability method whereby deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the statement of financial position date. Deferred tax is not recognized for temporary differences which arise on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting, nor taxable profit or loss.

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

d) Loss Per Share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive. Basic and diluted loss per share excludes all of the Company's common shares from the weighted average shares calculation that are contingently returnable.

e) Share Issuance Costs

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred financing costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Deferred financing costs related to financing transactions that are not completed are charged to operations.

f) Share-based payments

The fair value of equity settled stock options awarded to employees defined under IFRS 2 Share-based payments (i.e. employees for legal and tax purpose, directors and certain consultants), determined as of the date of grant, and awarded to non-employees defined under IFRS 2, as of the date of delivery of service, is recognized as share-based payments, included in general and administrative expenses in the statement of comprehensive loss, over the vesting period of the stock options based on the estimated number of options expected to vest, with a corresponding increase to equity.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Financial Instruments

On initial recognition financial assets are classified as measured at:

i. Amortized cost;

ii. Fair value through other comprehensive income ("FVOCI"); and

iii. Fair value through profit and loss ("FVTPL").

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

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

Subsequent measurement of financial assets depends on their classification:

i. Amortized cost

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

The Company does not have any assets classified at amortized cost.

ii. FVOCI

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

The Company does not have any assets classified at FVOCI.

iii. FVTPL

Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on an investment that is subsequently measured at FVTPL is recognized in profit or loss and presented net as revenue in the statement of loss and comprehensive loss in the period in which it arises.

The Company's cash is classified at FVTPL.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Financial Instruments (continued)

Financial Liabilities and Equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the group entities are recorded at the proceeds received, net of direct issue costs.

Financial liabilities are classified as measured at (i) FVTPL; or (ii) amortized cost.

A financial liability is classified as at FVTPL if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. The amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in OCI and the remaining amount of the change in the fair value is presented in profit or loss.

The Company does not classify any financial liabilities at FVTPL.

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

The Company classifies its accounts payable at amortized cost.

A financial liability is derecognized when the contractual obligation under the liability is discharged, cancelled or expires or its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

h) Exploration and evaluation assets

All costs related to the acquisition, exploration and development of mineral properties are capitalized. Upon commencement of commercial production, the related accumulated costs are amortized against projected income using the units-of-production method over estimated recoverable reserves.

Management annually assesses carrying values of non-producing properties and properties for which events and circumstances may indicate possible impairment. Impairment of a property is generally considered to have occurred if the property has been abandoned, there are unfavourable changes in the property economics, there are restrictions on development, or when there has been an undue delay in development, which exceeds three years. In the event that estimated discounted cash flows expected from its use or eventual disposition is determined by management to be insufficient to recover the carrying value of the property, the carrying value is written-down to the estimated recoverable amount.

The recoverability of mineral properties and exploration and development costs is dependent on the existence of economically recoverable reserves, the ability to obtain the necessary financing to complete the development of the reserves, and the profitability of future operations. The Company has not yet determined whether or not any of its future mineral properties contain economically recoverable reserves. Amounts capitalized to mineral properties as exploration and development costs do not necessarily reflect present or future values.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Exploration and evaluation assets (continued)

When options are granted on mineral properties or properties are sold, proceeds are credited to the cost of the property. If no future capital expenditure is required and proceeds exceed costs, the excess proceeds are reported as a gain.

i) Decommissioning, restoration and similar liabilities

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration or development of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of factors such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the mine operates.

Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the units-of-production or the straight-line method. The corresponding liability is progressively increased as the effect of discounting unwinds creating an expense recognized in profit or loss.

Decommissioning costs are also adjusted for changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalized cost, except where a reduction in costs is greater than the unamortized capitalized cost of the related assets, in which case the capitalized cost is reduced to nil and the remaining adjustment is recognized in profit or loss.

The operations of the Company have been, and may in the future be, affected from time to time in varying degree by changes in environmental regulations, including those for site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company are not predictable.

The Company has no material restoration, rehabilitation and environmental obligations as the disturbance to date is immaterial.

j) Flow-through shares

The resource expenditure deductions for income tax purposes related to exploration and development activities funded by flow-through share arrangements are renounced to investors in accordance with Canadian tax legislation. On issuance, the premium recorded on the flow-through share, being the difference in price over a common share with no tax attributes, is recognized as a liability. As expenditures are incurred, the liability associated with the renounced tax deductions is recognized through profit and loss with a pro-rata portion of the deferred premium.

To the extent that the Company has deferred tax assets in the form of tax loss carry-forwards and other unused tax credits as at the reporting date, the Company may use them to reduce its deferred tax liability relating to tax benefits transferred through flow-through shares.

k) Adoption of new accounting standards, interpretations and amendments

The Company has performed an assessment of new standards issued by the IASB that are not yet effective. The Company has assessed that the impact of adopting these accounting standards on its financial statements would not be significant.

4. EXPLORATION AND EVALUATION ASSET

**ISLA property option**

On November 8, 2020, and amended on February 9, 2021, the Company (the "Optionee") entered into a Purchase Agreement (the "Agreement") with an arms-length party (the "Optionor"). Pursuant to the Agreement, the Optionee has an option to acquire 100% interest in six mineral claims known as Isla Claims located in British Columbia, Canada (the "Claims") from the Optionor.

Under the terms of the Agreement, the Optionor has granted the Optionee the option to acquire all rights, title and interest in the Claims. In addition, the Claims are subject to Net Smelter Return of 1.5% which can be purchased at any time for $1,500,000 by the Optionee.

Under the Agreement, the Optionee will make cash payments totaling $40,000 as follows:

a. make a cash payment of $5,000 upon execution and delivery of this agreement - paid;
b. make a further cash payment of $5,000 on the date upon which the common shares are listed on a stock exchange in Canada; and
c. make a further cash payment of $30,000 within 18 months of listing on a stock exchange in Canada;

5. SHARE CAPITAL

a) Authorized: Unlimited number of common shares without par value.

b) Escrow shares:

As at September 30, 2020, there were no common shares held in escrow.

c) Issued and outstanding as at September 30, 2020: 5,200,001 common shares.

During the period ended September 30, 2020, the Company had the following transactions:

On December 17, 2019, the Company issued a common share for incorporation.

On December 30, 2019, the Company issued 3,000,000 flow-through common shares at a price of $0.005 per share for gross proceeds of $15,000 to the founders. The founder shares had a fair value of $60,000 and as a result, the Company recorded share-based compensation of $45,000 and a corresponding increase to contributed surplus.

On December 30, 2019, the Company issued 2,200,000 flow-through common shares at a price of $0.02 per share for gross proceeds of $44,000.

Under the terms of the flow-through share private placements, the Company must incur $59,000 of Canadian Exploration Expenditures and renounce them to the shareholders of the Company. As of September 30, 2020, the Company had not made any renunciation and had not incurred any exploration expenditures.

(Expressed in Canadian dollars)

## 6. RELATED PARTY BALANCES AND TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

The Company had incurred the following key management personnel costs from related parties:

| | **2020** |
|---|---|
| | $ |
| Management fees | 10,000 |

Key management includes directors and key officers of the Company, including the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO").

During the period ended September 30, 2020, the Company accrued management fees of $10,000 to a company controlled by the CEO and director of the Company.

As at September 30, 2020, accounts payable includes $10,000 owing to the CEO.

## 7. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the identification, evaluation and acquisition of a Qualified Transaction. The Company does not have any externally imposed capital requirements to which it is subject.

The Company's capital structure consists of equity and share subscriptions. As at September 30, 2020, the Company had capital resources consisting of cash. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue common shares or dispose of assets or adjust the amount of cash.

## 8. FINANCIAL INSTRUMENTS AND FINANCIAL RISK

International Financial Reporting Standards 7, Financial Instruments: Disclosures, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

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

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

**Fair value of financial instruments**

The Company's financial assets include cash and are classified as Level 1. The carrying value of these instruments approximates their fair values due to the relatively short periods of maturity of these instruments.

8. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (*continued*)

Assets measured at fair value on a recurring basis were presented on the Company's statements of financial position as at September 30, 2020 were as follows:

| | | Fair value measurement using | | |
|---|---|---|---|---|
| | Carrying amount | Level 1 | Level 2 | Level 3 |
| Cash | $ | $ 57,939 | $ - | $ - |

**Financial risk management objectives and policies**

The Company's financial instruments include cash and accounts payable. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

*Currency risk*

The Company's expenses are denominated in Canadian dollars. The Company's corporate office is based in Canada and current exposure to exchange rate fluctuations is minimal.

The Company does not have any significant foreign currency denominated monetary liabilities. The principal business of the Company is the identification and evaluation of assets or a business and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval and acceptance by regulatory authorities.

*Credit Risk*

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk the Company places these instruments with a high quality financial institution.

*Interest Rate Risk*

The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The fair value interest rate risk on bank deposits is insignificant as the deposits are short- term.

The Company has not entered into any derivative instruments to manage interest rate fluctuations.

*Liquidity risk*

In the management of liquidity risk of the Company, the Company maintains a balance between continuity of funding and the flexibility through the use of borrowings. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations.

(Expressed in Canadian dollars)

9. INCOME TAXES

The following table reconciles the amount of income tax recoverable on application of the combined statutory Canadian federal and provincial income tax rates:

| | | **2020** |
|---|---|---|
| Canadian statutory income tax rate | | 27% |
| Income tax recovery at statutory rate | $ | (18,000) |
| Permanent differences | | 12,000 |
| Change in deferred tax assets not recognized | | 6,000 |
| Deferred income tax recovery | $ | - |

Significant components of the Company's deferred income tax assets are shown below:

| | | **2020** |
|---|---|---|
| Non-capital loss carry forwards | $ | 6,000 |
| Deferred tax assets not recognized | | (6,000) |
| | $ | - |

As at September 30, 2020, the Company had approximately $20,000 in non-capital loss carry forward available to reduce taxable income for future years. The non-capital losses expire in 2040.

10. COMMITMENT

The Company is committed to certain cash payments as described in Note 4.

11. SUBSEQUENT EVENTS

Subsequent to the year end, the Company issued 4,850,000 common shares for gross proceeds of $148,000.

Pursuant to the terms of an engagement letter, the Company agreed to pay an Agent a cash commission of 10% of the gross proceeds of the Initial Public Offering (the "IPO"). The Company also agreed to grant the Agent warrant (the "Agent's Warrant") which will entitle the Agent to purchase up to 10% of the common shares sold under the IPO, at a purchase price that is equal to the price per share offered in the IPO. The Agent's Options are exercisable until 60 months from the listing date. In addition, the Company agreed to pay a corporate finance fee of $25,000. The Company will also pay the Agent's legal fees incurred and any other reasonable expenses pursuant to the IPO.

## SCHEDULE "A" - AUDIT COMMITTEE CHARTER

## I. MANDATE

The Audit Committee (the "Committee") of the Board of Directors (the "Board") of Blanton Resources Corp. (the "Company") shall assist the Board in fulfilling its financial oversight responsibilities. The Committee's primary duties and responsibilities under this mandate are to serve as an independent and objective party to monitor:

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

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

3. The qualifications and independence of the Company's independent external auditor (the "Auditor"); and

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

## II. STRUCTURE AND OPERATIONS

### A. Composition

The Committee shall be comprised of three or more members.

### B. Qualifications

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

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

### C. Appointment and Removal

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

### D. Chair

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

### E. Meetings

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

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

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

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

## III. DUTIES

### A. <u>Introduction</u>

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

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

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

### B. Powers and Responsibilities

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

*Independence of Auditor*

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

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

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

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

*Performance & Completion by Auditor of its Work*

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

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

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

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

*Internal Financial Controls & Operations of the Company*

1. Establish procedures for:

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

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

*Preparation of Financial Statements*

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

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

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

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

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

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

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

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

*Public Disclosure by the Company*

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

2. Review the Company's financial reporting procedures and internal controls to be satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from its financial statements, other than disclosure described in the previous paragraph, and periodically assessing the adequacy of those procedures.

3. Review disclosures made to the Committee by the Company's Chief Executive Officer and Chief Financial Officer during their certification process of the Company's financial statements about any significant

deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Company's internal controls.

*Manner of Carrying Out its Mandate*

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

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

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

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

5. Make regular reports to the Board.

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

7. Annually review the Committee's own performance.

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

9. Not delegate these responsibilities.

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

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

## CERTIFICATE OF THE COMPANY

Dated: November 17, 2021

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

| | |
|---|---|
| *"Michael Dake" (signed)* | *"Sean McGrath" (signed)* |
| Michael Dake<br>Chief Executive Officer, President and Secretary | Sean McGrath<br>Chief Financial Officer |

## ON BEHALF OF THE BOARD OF DIRECTORS

| | |
|---|---|
| *"Fred Tejada" (signed)* | *"Ken Brophy" (signed)* |
| Fred Tejada<br>Director | Ken Brophy<br>Director |

## CERTIFICATE OF PROMOTERS

Dated: November 17, 2021

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

*"Michael Dake" (signed)*

Michael Dake
Promoter

## CERTIFICATE OF THE AGENT

Dated: November 17, 2021

To the best of our knowledge, information and belief, this prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of British Columbia and Alberta.

**CANACCORD GENUITY CORP.**

*"Glenda Chin" (signed)*

Glenda Chin
Director, Underwriting & Retail Syndication

CERTIFICATE OF THE ISSUER

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

Dated at Vancouver, BC

this 22nd day of December, 2021.

*"Michael Dake" (signed)*

Michael Dake

Chief Executive Officer

*"Sean McGrath" (signed)*

Sean McGrath

Chief Financial Officer

*"Michael Dake" (signed)*

Michael Dake
Promoter (if applicable)

*"Fred Tejada" (signed)*

Fred Tejada
Director

*"Ken Brophy" (signed)*

Ken Brophy
Director