

*A copy of this preliminary Prospectus has been filed with the securities regulatory authority in British Columbia but has not yet become final. Information contained in this preliminary Prospectus may not be complete and may have to be amended.*

*No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This Prospectus does not constitute a public offering of securities. 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"), or any state securities laws, and may not be offered or sold to, or for the account or benefit of, persons in the United States of America, its territories and possessions, any state of the United States or the District of Columbia (collectively, the "United States") or U.S. persons (as such term is defined in Regulation S under the U.S. Securities Act ("U.S. Persons")), unless exemptions from the registration requirements of the U.S. Securities Act and applicable state securities laws are available. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities within the United States or to, or for the account or benefit of, U.S. Persons.*

## PRELIMINARY PROSPECTUS

Non-Offering Prospectus

October 5, 2021

### QUIMBAYA GOLD INC.

This non-offering prospectus (the "**Prospectus**") is being filed with the British Columbia Securities to enable Quimbaya Gold Inc. (the "**Company**") to become a reporting issuer pursuant to applicable securities legislation in the Province of British Columbia.

Upon the issuance of a receipt for the filing of this Prospectus, the Issuer intends to apply to list its common shares (the "**Shares**") on the Canadian Securities Exchange (the "**CSE**" or the "**Exchange**"). Listing on the CSE will be subject to the Issuer fulfilling all of the listing requirements of the CSE, including, without limitation, the distribution of the Shares to a minimum number of public shareholders and the Company meeting the minimum listing requirements of the Exchange.

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

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 of Canada and the United States of American (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 Company should be considered highly speculative. An investment in the Company is appropriate only for investors who have the capacity to absorb a loss of some or all of their investment. There are certain risk factors associated with an investment in the Company's securities. In reviewing this Prospectus, an investor should carefully consider the matters described under the heading "Risk Factors".**

No person is authorized by the Company to provide any information or make any representations other than those contained in this Prospectus. **No underwriter has been involved in the preparation of this Prospectus or performed any review of the contents of this Prospectus.**

Prospective investors should rely only on the information contained in or incorporated by reference into this Prospectus. The Company has not authorized anyone to provide you with different information. Readers should assume that the information appearing in this Prospectus is accurate only as of its date, regardless of its time of delivery. No underwriter has been involved in the preparation of, or has performed a review or independent due diligence of, the contents of this Prospectus.

A substantial portion of the Company's assets are located outside of Canada. Alexandre P. Boivin, the Company's Chief Executive Officer and director, and Jean-Luc Peyrot, the Company's Director, reside outside of Canada. The Company, Mr. Boivin and Mr. Lambert De Beaulieu have appointed Fasken Martineau DuMoulin LLP as their agent for service of process in Canada. However, investors are advised that it may not be possible to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process.

**There is no market through which the Company's securities may be sold and shareholders may not be able to resell securities of the Company owned by them. This may affect the pricing of the Company's 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". Listing will be subject to the Company fulfilling all of the listing requirements of the CSE.**

**This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any securities.**

The Company's head office is located at 550 Burrard St #2900, Vancouver, BC V6C 0A3. The Company's registered and records office is located at 350 7 Ave SW Suite 3400, Calgary, AB T2P 3N9.

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## GLOSSARY

In this Prospectus, the following terms have the meanings set forth below, unless otherwise indicated. Words importing the singular include the plural and vice versa and words importing any gender include all genders. “\$” means Canadian dollars, unless otherwise noted.

“**Audit Committee**” means the Audit Committee of the Company.

“**Board**” means the board of directors of the Company.

“**CBCA**” means the *Canadian Business Corporations Act*.

“**CEO**” means chief executive officer.

“**CFO**” means chief financial officer.

“**Company**” or “**Quimbaya**” means Quimbaya Gold Inc.

“**COVID-19**” means coronavirus disease 2019, an infectious disease caused by severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2).

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

“**Escrow Agent**” means the Transfer Agent, in its capacity as escrow agent for the Shares held in escrow under the Escrow Agreement to be entered into prior to Listing.

“**Escrow Agreement**” means the escrow agreement entered into among the Escrow Agent, the Company, and the Principals, pursuant to which 8,508,597 Shares and 1,200,000 Options held in escrow pursuant to NP 46-201.

“**Grant Date**” means for an Option the date on which the Option is granted or the case of an RSU, the date the RSU is granted to the RSU Participant under the RSU Plan.

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

“**Listing Date**” means the date of the Listing.

“**NI 41-101**” means National Instrument 41-101 – *General Prospectus Requirements*.

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

“**NI 45-106**” means National Instrument 45-106 – *Prospectus Exemptions*.

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

“**NP 46-201**” means National Policy 46-201 – *Escrow for Initial Public Offerings*.

“**Purchase Agreement**” means the share and asset mineral property purchase agreement between the Company and the Vendor dated effective November 10, 2020, pursuant to which the Company acquired a 100% interest in the Property.

“**Principals**” means:

- (a) a person of the Company who acted as a promoter of the Company within two years before the date of this Prospectus;
- (b) a director or senior officer of the Company or any of its material operating subsidiaries at the time of this Prospectus;
- (c) a person or company that holds securities carrying more than 20% of the voting rights attached to the Company's outstanding securities immediately before and immediately after the Listing; or
- (d) a person or company 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 Listing; and (ii) has elected or appointed, or has the right to elect or appoint, one or more directors or senior officers of the Company or any of its material operating subsidiaries.

“**Property**” means the Berrío Project, as further overviewed in the Technical Report.

“**Prospectus**” means this prospectus of the Company dated October 5, 2021, prepared in accordance with NI 41-101, in connection with the Listing (including any supplementary material hereto).

“**RSU Participant**” means an eligible employee, director, or consultant of the Company or a subsidiary (or in the case of a consultant, also of a related entity) to whom RSUs are granted under the RSU Plan.

“**SEDAR**” means the System for Electronic Document Analysis and Retrieval ([www.sedar.com](http://www.sedar.com)).

“**Shares**” means the common shares of the Company, having no par value.

“**Technical Report**” means the technical report titled “N1 43-101 Technical Report on the Berrío Project – Department of Antioquia Colombia” prepared in accordance with the requirements of NI 43-101 by Seymour M. Sears, B.A., B.Sc., PGO and Jack King B.Sc., M.Sc., QP, addressed to the Company in respect of the Property, dated effective February 28, 2021.

“**Transfer Agent**” means the Company's transfer agent and registrar, Olympia Trust Company at its office at Vancouver, British Columbia.

“**Vendor**” means West Rock Resources Panama Corp.



## FORWARD-LOOKING STATEMENTS

This Prospectus includes statements that express our opinions, expectations, beliefs, plans, objectives, assumptions or projections regarding future events or future results, and therefore are, or may be deemed to be, “forward-looking statements”. These forward-looking statements can generally be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “anticipates”, “expects”, “seeks”, “projects”, “intends”, “plans”, “may”, “will”, “scheduled” or “should”, or their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Prospectus and include statements regarding our intentions, beliefs or current expectations concerning, among other things, our results of operations, financial condition, liquidity, prospects, growth, strategies and the industry in which we operate. These statements reflect management’s current beliefs with respect to future events and are based on information currently available to management. Forward-looking statements involve significant known and unknown risks, uncertainties and assumptions. Many factors could cause the Company’s actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including, without limitation, those listed in the “Risk Factors” section of this Prospectus. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results, performance or achievements could vary materially from those expressed or implied by the forward-looking statements contained in this Prospectus. Such risks include, but are not limited to:

- risks and uncertainties relating to the interpretation of drill results, the geology, grade and continuity of mineral deposits and conclusions of economic evaluations;
- the possibility that future exploration, development or mining results will not be consistent with the Company’s expectations;
- dependence on the Property;
- global financial conditions, including market reaction to COVID-19;
- risks related to the COVID-19 outbreak;
- exploration, development and production risks;
- the size of the Company’s potential mineral reserves and resources;
- the realization of the Company’s mineral reserves and resources;
- the timing of development of undeveloped mineral reserves;
- the costs related to the development and production of the Projects;
- the results of future production;
- supply and demand for gold and silver;
- expectations regarding the ability to raise capital and to continually add to reserves through acquisitions, exploration and development;

- treatment under governmental regulatory regimes, labour environment and tax laws;
- capital expenditure programs and the timing and method of financing thereof;
- volatility in the market prices for precious metals and other natural resources;
- lack of assurances regarding obtaining and renewing licenses and permits;
- liabilities inherent in exploration and development operations;
- title matters, surface rights and access rights;
- additional funding requirements;
- dependence on key personnel including the ability to keep essential operational staff in place as a result of COVID-19;
- fluctuations in currency and interest rates;
- competition for, among other things, capital acquisitions of resources, undeveloped lands and skilled personnel;
- risks relating to global financial and economic conditions;
- alteration of tax regimes and treatments;
- changes in mining legislation affecting operations;
- risks relating to environmental regulation and liabilities;
- limited operating history;
- potential claims and legal proceedings;
- future commodity and mineral pricing;
- the Company's ability to generate sufficient cash flow from operations and capital markets to meet its future obligations and continue as a going concern;
- there not being any significant disruption affecting operations, whether due to labour disruptions, supply disruptions, power disruptions, damage to equipment or otherwise;
- the Company's ability to obtain the necessary permits, including but not limited to, environmental and governmental permits to properly develop, operate and expand current and future projects;
- operating hazards, risks and insurance; and
- other factors discussed under "Risk Factors".

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Those factors should not be construed as exhaustive and should be read with the other cautionary statements in this Prospectus.

These factors should be considered carefully and prospective investors should not place undue reliance on the forward-looking statements. Although we base our forward-looking statements on assumptions that we believe were reasonable when made, which include, but are not limited to, assumptions with respect to the Company's future growth potential, results of operations, future prospects and opportunities, execution of the Company's business strategy, access to adequate services and supplies, access to capital and debt markets and associated costs of funds, availability of a qualified workforce, that financial markets will not in the long term be adversely impacted by the COVID-19 crisis, there being no material variations in the current tax and regulatory environments, future levels of indebtedness and current economic conditions remaining unchanged, we caution you that forward-looking statements are not guarantees of future performance and that our actual results of operations, financial condition and liquidity, and the development of the industry in which we operate may differ materially from the forward-looking statements contained in this Prospectus. In addition, even if our results of operations, financial condition and liquidity, and the development of the industry in which we operate are consistent with the forward-looking statements contained in this Prospectus, those results or developments may not be indicative of results or developments in subsequent periods. 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. Investors are cautioned against placing undue reliance on forward-looking statements.

Any forward-looking statements which we make in this Prospectus speak only as of the date of such statement, and we do not undertake, except as required by applicable law, any obligation to update such statements or to publicly announce the results of any revisions to any such statements to reflect future events or developments. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, unless expressed as such, and should only be viewed as historical data. All of the forward-looking statements made in this Prospectus are qualified by these cautionary statements.

## **GENERAL DISCLOSURE INFORMATION**

No person has been authorized by the Company to give any information or make any representations in connection with the transactions herein described other than those contained in this Prospectus and, if given or made, any such information or representation must not be relied upon as having been authorized by the Company.

### **Definitions and Selected Abbreviations**

Various terms used in this Prospectus, including the cover pages, are defined under "Glossary" or otherwise within the Prospectus.

Except as otherwise indicated or the context otherwise requires in this Prospectus, references to "the Company", "Quimbaya", "we", "us" and "our" refer to the Company.

### **Certain Information**

Unless otherwise indicated or the context otherwise requires, all dollar amounts in this Prospectus are in Canadian dollars. Aggregated figures in graphs, charts and tables contained in this Prospectus may not add due to rounding. Historical statistical data and/or historical returns do not necessarily indicate future performance. Unless otherwise indicated, the market and industry data contained in this Prospectus is based

upon information from industry and other publications and the knowledge of management and experience of the Company in the markets in which it operates. While management of each of the Company believes this data is reliable, market and industry data is subject to variations and cannot be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey. The Company has not independently verified any of the data from third-party sources referred to in this Prospectus or ascertained the underlying assumptions relied upon by such sources.

Words importing the singular number include the plural and vice versa, and words importing any gender include all genders.

## **SUMMARY**

*The following is a summary of some of the information contained in this Prospectus and should be read together with the more detailed information and financial data and statements contained elsewhere in the Prospectus. Unless otherwise defined in the Prospectus, all capitalized terms used herein shall have the meaning ascribed thereto under the heading “Glossary”.*

### **The Company**

The Company was incorporated on May 27, 2020 pursuant to the CBCA under the name Quimbaya Gold Inc. The Company’s head office is located at 550 Burrard St #2900, Vancouver, BC V6C 0A3. The Company’s registered office is located at 350 7 Ave SW Suite 3400, Calgary, AB T2P 3N9.

### **Inter-corporate Relationships**

The Company has no subsidiaries.

### **Business of the Company**

The Company is engaged in the acquisition, exploration and development of mineral properties in Columbia currently has a portfolio of one property, the Property. Its current focus is to conduct the proposed exploration program on the Property as more particularly set out in the Technical Report, along with continuing to identify and potentially acquire additional property interests, assess their potential and engage in exploration activities. See “The Property”.

## Management, Directors and Officers

Name	Title
Alexandre P. Boivin	Chief Executive Officer and Director
Alexandre Lambert De Beaulieu	Secretary and Director
Olivier Berthiaume	Chief Financial Officer
William de Jong	Director
Jean-Luc Peyrot	Director
Christopher Gulka	Director

## Listing

The Company intends to apply to list the Shares on the CSE. Listing on the CSE is subject to the Company fulfilling all of the listing requirements and conditions of the CSE. There is no guarantee that the Shares will be listed on the CSE or on any exchange.

## No Proceeds Raised

This is a non-offering prospectus. No proceeds will be raised pursuant to this Prospectus.

## Available Funds and Principal Purposes of Such Funds

As at September 30, 2021, being the most recent month end before the date of this Prospectus, the Company had working capital of approximately \$1,348,000. The Company estimates that it will require the following funds to conduct its plan of operations over the next twelve months:

Use	Amount (\$)
To pay the estimated cost of the recommended Phase 1 exploration program and budget on the Property as outlined in the Technical Report	117,000
Estimated expenses of the Prospectus, listing and related costs <sup>(1)</sup>	110,000
Operating expenses for 12 months <sup>(2) (3)</sup>	292,000
To provide general working capital to fund the Issuer's ongoing operations <sup>(3)</sup>	829,000
<b>Total</b>	<b>1,348,000</b>

### Notes:

- 1) Before deducting expenses of the Offering, to be borne by the Issuer of approximately \$120,000 (plus applicable taxes), including \$10,000 payable to the Exchange (plus applicable taxes), fees payable to the Commission of approximately \$4,000, fees of Corporation's counsel of approximately \$75,000 (plus applicable taxes and disbursements), audit fees of approximately \$15,000 and other expenses associated with the Offering, including printing and related costs, of approximately \$6,000. See "Use of Proceeds".
- 2) Estimated operating expenses for the next 12 months include: \$60,000 for geological consulting fees; \$15,000 for insurance; \$90,000 for management fees (CEO - \$60,000, CFO - \$15,000, Corporate Secretary - \$15,000); \$10,000 for director fees; \$9,000 for office and miscellaneous (includes office supplies and computer); \$70,000 for professional fees (audit and legal);

\$8,000 for Transfer Agent and filing fees; and \$30,000 for PR and marketing.

- 3) The Company intends to spend the funds available to it as stated in this Prospectus. There may be circumstances, however, where for sound business reasons a reallocation of funds may be necessary. With respect to the general working capital, the remaining general working capital will be used to fund a Phase 2 exploration program after analysis of the initial results and identification of priority targets in conjunction with the project’s qualifying person. The Issuer’s unallocated working capital will not suffice to fund a Phase 2 exploration program on the Property and there is no assurance that the Issuer can successfully obtain additional financing to fund a Phase 2 program.

The Company intends to fund its business using the proceeds from prior private placement financings (hereinafter described). The Company intends to spend the funds available to it as stated in this Prospectus. However, there may be circumstances where, for sound business reasons, a reallocation of the funds may be necessary. The amounts set forth above may increase if we are required to carry out due diligence investigations in regards to any prospective investment or business opportunity or if the costs of the Prospectus or Listing, or negotiating an applicable transaction, are greater than anticipated. See “*Funds Available and Use of Available Funds*”.

## Risk Factors

An investment in the Shares should be considered highly speculative and involves a substantial degree of risk, and investors may incur a loss on their investment. The risks, uncertainties and other factors, many of which are beyond the control of the Company, that could influence actual results include, but are not limited to: limited operating history; CSE approval; global financial conditions, including market reaction to COVID-19; risks related to the COVID-19 outbreak; dependence on the Property; exploration, development and production risks; mineral resources and reserves; obtaining and renewing licenses and permits; no assurances that a commercially viable ore body will ever be discovered or, if discovered, ever put into production; title matters, surface rights and access rights; additional funding requirements; dilution; first nations land claims; environmental risks; limited operating history; dependence on key personnel including the ability to keep essential operational staff in place as a result of COVID-19; lack of operating cash flow; regulatory requirements; mineral prices; infrastructure; risks associated with acquisitions; executive employee recruitment and retention; adverse general economic conditions; claims and legal proceedings; force majeure; uncertainty of use of proceeds; competition; conflicts of interest; dividends; litigation; reporting issuer status; and operating hazards, risks and insurance. See “Risk Factors” for additional for a discussion of the foregoing risks and additional risk factors.

## Selected Financial Information

The following table sets forth selected financial information for the Company. The selected financial information has been derived from, and is qualified by, the Company’s audited financial statements for the year ended December 31, 2020 and the unaudited financial statements of the Company for the six month period ended June 30, 2021, appearing elsewhere in this Prospectus. The following information should be read in conjunction with those financial statements and the accompanying notes, and management’s discussion and analysis of the Company included elsewhere in this Prospectus. See “Selected Financial Information and MD&A of the Company”.

	<b>Six months ended June 30th, 2021 (\$ (unaudited)</b>	<b>For the period from the date of incorporation to December 31, 2020 (\$ (audited)</b>
Total revenue	Nil	Nil
Advertising and marketing	Nil	Nil
Consulting fees	45,636	12,512

Financing fees	447	2,382
Listing and filing fees	Nil	Nil
Management fees	Nil	Nil
Office and miscellaneous	4,770	390
Professional fees	87,484	3,343
Share-based compensation	Nil	Nil
Net loss	(289,691)	(27,692)
Basic and diluted loss per Share	(0.02)	(0.01)
Total assets	1,597,201	213,541
Total current liabilities	28,354	32,854
Cash dividends per Share	n/a	n/a

## THE COMPANY

### Name, Address and Incorporation

The Company was incorporated on May 27, 2020 pursuant to the CBCA under the name Quimbaya Gold Inc. The Company's head office is located at 550 Burrard St #2900, Vancouver, BC V6C 0A3. and its registered and records office is located at 350 7 Ave SW Suite 3400, Calgary, AB T2P 3N9.

### Intercorporate Relationships

The Company has one 100% controlled entity, Golden Pacifico Exploration S.A.S. (a Colombian corporation) (“**Golden Pacifico**”), which was acquired pursuant to the Purchase Agreement. Golden Pacifico holds the concession mining contact for the Berrio Project.

### Business of the Company

The Company is engaged in the acquisition, exploration and development of mineral properties in Colombia and currently has a portfolio of one property, the Property. Its current focus is to conduct the proposed exploration program on the Property as more particularly set out in the Technical Report, along with continuing to identify and potentially acquire additional property interests and conduct exploration and evaluation of to assess their potential. The Company may decide to acquire other properties other than the Property.

The Company's Property is located in east-central Colombia in the Department of Antioquia. It is approximately 110 kilometres (km) east-northeast of the City of Medellin and 200 km west- northwest of the capital city of Bogota. Medellin and Bogota are both home to international airports. It is 21 km west of Puerto Berrio, a port city located on the west shore of the Magdalena River. The Property is accessible by paved highways from either Medellin or Bogota. The Company has acquired a 100% interest in the Property subject to a 2% Net Smelter Return (the “**NSR**”). It consists of one concession contract covering an area of 1,218.88 hectares and is centered at 543,000E and 718,000N (UTM: WGS 1984, Zone 18N).

For a full description of the Property please see “The Property”.

As of the date of this Prospectus, the Company does not have any reportable segments pertaining to its operations. As of the date of this Prospectus, there were no bankruptcy, receivership or similar proceedings

against the Company or any voluntary bankruptcy, receivership or similar proceedings by the Company or its predecessors since its inception.

The Company intends to apply to list the Shares on the CSE. Listing on the CSE is subject to the Company fulfilling all of the listing requirements and conditions of the CSE. There is no guarantee that the Shares will be listed on the CSE or on any exchange.

### ***The Purchase Agreement***

On November 10, 2020, the Company acquired a 100% interest in the Property from the Vendor through a ‘Share and Assets Purchase Agreement’ dated November 10, 2020 for the purchase price equal to Australian Dollars (AUD) \$225,000 (“**Purchase Price**”). The payment to the Vendor of the Purchase Price was fully paid as of December 2020. The Purchase Agreement is subject to a 2% Net Smelter Return held by Anglo Gold Ashanti. The Vendor was indirectly the sole owner of Mining Concession Contract No. 6822 and a database and all cores for exploratory work carried out on the land area (the “**Exploratory Work**”).

Pursuant to the Purchase Agreement, the Vendor purchased the shares consisting of the Vendor, which ultimately consists of, among other items, the Exploratory Work, 100% of the shares and subscribed capital in Golden Pacifico Exploration S.A.S. and an outstanding loan for Colombian Pesos (COP) \$2,344,611,403 to Golden Pacifico Exploration S.A.S. payable to Pacifico Holdings S.A.S.

Once a concession enters the exploitation phase, the surface tax is replaced by a royalty. Royalties are based on gross production and calculated on 80% of the average closing price of a given metal on the London Metal Exchange for the previous month. The royalty for non- alluvial gold is 4% which is an effective rate of 3.2%. Royalties are paid on mine-head production and are based on the production volume and type of extracted mineral. Royalties are payable to the Colombian government.

The foregoing summary does not purport to be complete and is qualified in its entirety by the full text of the Purchase Agreement which the Company has filed under its profile on SEDAR ([www.sedar.com](http://www.sedar.com)) and may also be obtained, free of charge, by shareholders upon request from the Company at its head office located at 550 Burrard St #2900, Vancouver, BC V6C 0A3. The Purchase Agreement contains covenants, representations and warranties of and from the Company and the Vendor and various conditions precedent, both mutual and with respect to each party to the Purchase Agreement. Capitalized terms not otherwise defined herein are defined in the Purchase Agreement.

### **History**

Since incorporation, the Company has taken the following steps to develop its business:

- sought and acquired the rights to a mineral exploration property pursuant to the Purchase Agreement for the Property;
- recruited directors and officers with the skills required to operate a publicly listed mineral exploration company;
- raised aggregate gross proceeds of \$2,079,266 through the sale of 15,159,619 Shares. The funds raised have provided sufficient capital to carry on the Company’s business to date, and to cover the costs associated with the Prospectus and Listing; and
- engaged auditors and legal counsel in connection with the Prospectus and Listing.



See “Use of Proceeds” and “Material Contracts”.

## **Financings**

Since incorporation, the Company has completed the following financings:

- On May 27, 2020, the Company completed a non-brokered private placement of 400 Shares at a price of \$0.005 per Share for gross proceeds of \$2.00;
- On June 27, 2020, the Company completed a non-brokered private placement of 2,700,000 Shares at a price of \$0.005 per Share for gross proceeds of \$13,500.00;
- On October 30, 2020, the Company completed a non-brokered private placement of 1,459,155 Shares at a price of \$0.02 per Share for gross proceeds of \$29,197.73;
- On October 31, 2020, the Company completed a non-brokered private placement of 4,686,600 Shares at a price of \$0.02 per Share for gross proceeds of \$95,379.25;
- On November 27, 2020, the Company completed a non-brokered private placement of 703,000 Shares at a price of \$0.10 per Share for gross proceeds of \$70,300.00;
- On February 9, 2021, the Company completed a non-brokered private placement of 275,000 Shares at a price of \$0.20 per Share for gross proceeds of \$55,000.00;
- On February 24, 2021, the Company completed a non-brokered private placement of 251,952 Shares at a price of \$0.20 per Share for gross proceeds of \$50,390.42;
- On March 5, 2021, the Company completed a non-brokered private placement of 225,302 Shares at a price of \$0.20 per Share for gross proceeds of \$45,060.41; and
- On April 30, 2021, the Company completed a non-brokered private placement of 4,344,951 Shares at a price of \$0.35 per Share for gross proceeds of \$1,520,729.60.
- On May 17, 2021, the Company issued 264,000 Shares at a price of \$0.35 per Share for settlement of services through shares of \$92,400.
- On June 30, 2021, the Company issued 155,330 Shares at a price of \$0.35 per Share for settlement of services through shares of \$54,366.68.
- On July 23, 2021, the Company completed a non-brokered private placement of 34,284 Shares at a price of \$0.35 per Share for gross proceeds of \$12,000.
- On August 11, 2021, the Company completed a non-brokered private placement of 57,285 Shares at a price of \$0.35 per Share for gross proceeds of \$20,049.75.
- On September 1, 2021, the Company issued 2,400 Shares at a price of \$0.35 per Share for settlement of services through shares of \$840.

## **Property**

The following represents information summarized from the Technical Report on the Property authored by Seymour M. Sears, B.A., B.Sc., PGO and Jack King B.Sc., M.Sc., QP (the “**authors**”), each a Qualified Person (as defined in NI 43-101), prepared in accordance with the requirements of NI 43-101. All Figures and Tables from the Technical Report are reproduced in and form part of this Prospectus; a complete copy of the Technical Report is available for review on SEDAR at the following website: [www.sedar](http://www.sedar). The extracts refer to numerous tables and figures that appear in the report, not all of which have been reproduced in the Prospectus. Some of the extracts the tables have been renumbered from those used in the Technical Report for continuity of the narrative related specifically to the Property. All readers are referred to the Technical Report for additional history, data, figures, tables, references and discussion.

### ***Property Location and Description***

The Berrio Project is located in east-central Colombia in the Department of Antioquia. It is approximately 110 kilometres (km) east-northeast of the City of Medellin and 200 km west-northwest of the capital city of Bogota. Medellin and Bogota are both home to international airports. It is 21 km west of Puerto Berrio, a port city located on the west shore of the Magdalena River. The Project is accessible by paved highways from either Medellin or Bogota. Quimbaya has acquired a 100% interest in the Berrio Project subject to the 2% NSR. It consists of one concession contract covering an area of 1,218.88 hectares and is centred at 543,000E and 718,000N (UTM: WGS 1984, Zone 18N).

### **Geology**

The Berrio Project is located on the eastern edge of the Central Cordillera on the west side of the Magdalena River. It lies in the south end of the Segovia Batholith in the Minas del Vapor gold district. The northwestern part of the Project is underlain by diorite and the southeastern part by faulted blocks and rafts of shale, schist and gneiss. Three regional scale north-south trending faults – Palestina, Otu and Bagre – pass immediately to the west of the Property and numerous northeast trending splay faults cross the Project. Gold mineralization is associated with these regional scale fault structures in the Minas del Vapor district as well as in the Segovia Gold District approximately 70 km to the north.

### **Mineralization**

Gold mineralization occurs on the Berrio Property and in the Minas del Vapor Gold District in quartz veins, quartz stockwork and fault breccia. The mineralization is classified as Orogenic- Mesothermal. The host structures are typically steeply dipping with vein material being from a few centimeters to 2.0 metres in thickness and stockwork and breccia zones from a few metres to 30 metres. Gold occurs in the native form as inclusions in pyrite and in fractures in quartz crystals and pyrite. The dominant accessory minerals are pyrite, galena, sphalerite and chalcopyrite with lesser pyrrhotite, proustite and pyrargyrite as well as minor silver.

### **Exploration**

Quimbaya completed a prospecting and rock sampling program on the Berrio Project in early 2021. The work was focused on Vapor Creek and its tributaries. Stream sediments were panned and when gold mineralization was detected, follow-up prospecting and rock sampling was carried out. The work program was very successful in identifying previously unknown target areas. Six mineralized zones of significant interest have been identified.

The mineralized zones include 2 stockwork and sheeted vein zones with gold mineralization, 1 intrusive rock with disseminated sulphides; 1 quartz vein up to 0.7 m wide with gold mineralization; and 2 shear

zones with sulphide-bearing quartz veins. One of these shear zones is entirely within a gneiss unit and the second at a contact between gneiss and the Segovia Batholith.

## **Conclusions**

The Berrio Project is located in the Minas del Vapor Gold Mining District, an area that has historically been a center for small-scale mining operations. The area has excellent infrastructure including paved roads, power lines, water and labor force.

The Berrio Project is underlain by granodiorites of the Segovia Batholith, quartz feldspathic gneisses and shales. Results from observations and rock samples collected by the previous owners were relatively low, although they did identify three old, abandoned mining tunnels. The recent work program being carried out by Quimbaya has located at least six mineralized targets which warrant additional work. It is probable that additional prospecting and sampling will identify additional targets.

Two of the six targets outlined by the recent work program are characterized by stockwork, sheeted quartz veins and breccia with gold values from grab samples ranging from trace to 1.049 g/t. These two, Segovia Ridge and Cascada Ridge, represent high potential for large tonnage type gold deposits. Both of these targets need to be trenched in order obtain samples from below the weathered saprolitic surface cover. Gold mineralization was also discovered in float and rubble of quartz veining in the Campamento Viejo area. Four samples ranged from 0.005 to 1.668 g/t. Disseminated sulphide mineralization was discovered at Powerline Hill in an intrusive rock that is part of the Segovia Batholith. One sample was collected there that contained 0.012 ppm Au. Visible gold was observed in soil samples from this site and panned sediments from the creek draining this hill contained visible gold.

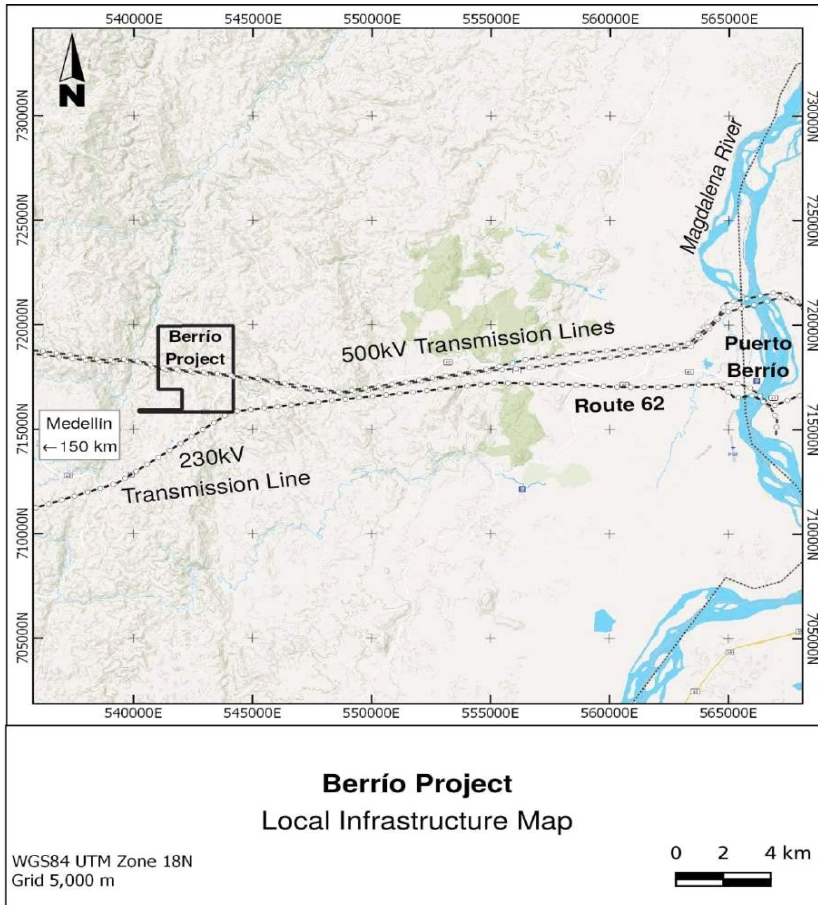
Two other targets are of interest however the limited sampling in this reconnaissance style work program yielded only trace gold values. These targets, a 50 to 70 cm thick quartz vein referred to as the Cascada Vein, and a quartz and sulphide bearing shear zone named the Brasil Creek shear zone, require additional sampling to properly determine their Au potential. The Cascada vein is located at the contact between the Segovia diorite and older metasedimentary rocks and the Brasil Creek shear zone is entirely within the older metadiments.

The current work program is providing data that should provide a much clearer understanding of the geology in the concession. The trace of the Nus and Bagre Faults is unclear at the present time, although they have been identified immediately to the south of the Project. In addition, there are also several strong northwest and northeast trending lineaments within the Berrio Project that warrant a detailed prospecting and sampling program. These lineaments may represent splays from the Palestina Fault which passes about 1.5 km to the west. Gold mineralization is often associated with these splay structures in the Segovia Batholith.

## **Units of Measure**

All units of measure are in the metric system unless otherwise stated and all monetary values are in Canadian Dollars (CAD) unless otherwise stated. For the large-scale maps and some of the small-scale maps, location coordinates are expressed in Universal Transverse Mercator (UTM) WGS 1984, Zone 18 North. For some of the small-scale maps WGS 1984 Geographic is used. The Colombian government uses a local coordinate system that has several projections and a number of these projections have been used in this report. The coordinate system is noted on each map.

Figure 1 Regional Location Map



## Accessibility

The Berrío Project is easily accessible. It is located approximately 21 km west of the city of Puerto Berrio in the Department of Antioquia, Colombia. It is centred approximately 110 km east-northeast of the city of Medellín and 200 km north of Bogotá. The Project area can be reached by regular international flights to either Bogotá (BOG) or Medellín (MDE) and by light aircraft to a regional airport at Puerto Berrio (PBE), 3 km south of the town of Puerto Berrio. A main paved highway, National Route 62, from Medellín to Puerto Berrio passes through the southeast corner of the Berrío Project. Puerto Berrio is 35 km by road and Medellín is 155 km by road from the Project. See Figures 1, 2 and 3.

There are a number of unpaved roads in excellent condition that provide access to the central and eastern part of the Project. In addition, there is an access road to the southwest corner of the Project. Numerous farm trails and powerline access trails provide local access to most of the remainder of the property. Some of these roads are more suited for 4-wheel drive vehicles.

## Climate

The climate in the Berrío Project area is classified as Tropical with an annual rainfall of 184 cm. Rainfall is heaviest during the rainy seasons from April to May and October to November. Annual daytime temperatures in the Puerto Berrio area average 32 - 35°C. The climate is humid year-round. See Tables 3 and 4. The source for the climate data is:

<https://www.worldweatheronline.com/puerto-berrio-weather-averages/antioquia/co.aspx>. The climate on the Berrio Project is suitable for year-round exploration and mining operations.

**Table 3 Temperature Statistics for Puerto Berrio**

Temperature Statistics for Puerto Berrio, Colombia (°C) (2009 – 2020)												
	J a n	F e b	M a r	A p r	M a y	J u n	J u l	A u g	S e p	O c t	N o v	D e c
Average high	3 3	3 4	3 4	3 3	3 3	3 4	3 4	3 5	3 4	3 3	3 2	3 2
Average low	2 1	2 2	2 2	2 2	2 2	2 1	2 1	2 1	2 1	2 1	2 1	2 1

**Table 4 Precipitation Statistics for Puerto Berrio**

Precipitation Statistics for Puerto Berrio, Colombia (2009 - 2020)													
Month	J a n	F e b	M a r	A p r	M a y	J u n	J u l	A u g	S e p	O c t	N o v	D e c	T o t a l
cm	1 0	1 1	1 6	1 9	1 9	1 2	1 3	1 4	1 6	2 1	2 2	1 1	1 8 4

### Colombian Infrastructure and Resources

Colombia is located in northwestern South America and shares borders with five countries: Venezuela, Brazil, Peru, Ecuador and Panama. It has a population of approximately 51 million (2020) and a modern and constantly evolving infrastructure. It boasts nine international and numerous regional airports, five major international and numerous regional seaports located on both the North Pacific Ocean and the North Atlantic Ocean (Caribbean Sea). It has a highway system of 113,000 km as well as a large number of secondary roads. It has approximately 3,000 km of rail lines, not all of which are in current use. Most of the rail use in Colombia at present is intended for freight transport.

Colombia is serviced by a National Electrical power grid. Currently 65% of the country’s electric power is generated from hydroelectric sources and it holds abundant untapped water resources for additional hydroelectric power. Much of the hydroelectric power generation in Colombia is in the Department of Antioquia. The remaining power generation is largely thermal which is fueled by natural gas and coal. Geothermal energy is also a relatively untapped resource in Colombia.

Colombia has finalized a free trade agreement with several nations, including Canada in 2011. Canada is one of the largest investors in Colombia's resource sector.

- **Local Infrastructure and Resources**

Medellin has a population of 2.4 million. It is the capital of Antioquia and the center of commerce for the north-central part of Colombia. It has an international airport and all of the necessary amenities to support mining operations. Engineering, surveying and other professional services and supplies required for advanced exploration and development stages are available in Medellin.

The municipality of Puerto Berrío has a population of 51,079 (2020) with 35,000 of these in the city of Puerto Berrío. The city has a moderately skilled mining workforce due to its location within a large, historical gold mining district. There is a regional airport located 3 km south of the town. Hotel and other accommodations are available in the town of Puerto Berrío. The city has electricity, land line telephone service, internet, a hospital, military base, banks, schools, churches, stores for food and hardware supplies, heavy equipment repair shops and fuel distributors. Puerto Berrío is the center of commerce for the region.

The city of Puerto Berrío is a river port for the Antioquia department located on the west shore of the Magdalena River. It handles agriculture and forestry products as well as textiles and other manufactured goods from the Medellin industrial area. Pipelines connect the city with the oil fields of central and northern Colombia and with Medellin, Cali and Bogotá. The city also hosts a major railroad junction, connecting a local line to the main Bogotá – Santa Marta line giving access to a Caribbean port.

The community of Floresta is located 10 km west of the Project along Route 62. Floresta has several restaurants, two hotels, grocery store, hardware store, fuel station and mechanics. Two rural communities, Buenos Aires and Brasil are located within the Project. Brasil has a few small stores and a restaurant. Within the Project boundary there are two small schools with a total of 40 students and a chocolate factory with 6 employees.

Cell phone service is available throughout much of the region including parts of the Project area.

There are two 500kV power lines passing east-west through the center of the Project connecting Medellin and Puerto Berrío. A third 230kV power line running roughly east-west passes through the southeast corner of the Project. These power lines would be sufficient to support a large, modern mining and processing facility.

The surface area within the Project is sufficient for tailings storage, waste disposal, a processing plant and a heap leach pad if required. There is sufficient water available within the Project area to support a large mining operation.

Quimbaya has secured permission from key landowners to explore their farm areas located within the Project.

- **Physiography**

The Berrío Project is located along the northeastern side of the Central Cordillera of the Colombian Andes. The topography in the area is rolling to moderately rugged terrain incised by creeks. See Figure 4.

Tropical climatic conditions have contributed to relatively deep chemical and physical erosion of the bedrock in many areas. The organic soil cover is very thin in most parts of the Project and saprolite and

subcrop can be observed within 50 cm of the surface. Saprolite can vary in thickness from one metre to tens of metres. Bedrock is common along road cuts, trails and streams.

Relief in the Berrio Project area ranges from 430 m to 690 m above mean seal level. Much of the area has been cleared for pasture or cultivation and the remainder is covered with dense equatorial bush and lowland evergreen broadleaf forest. All of the creeks draining the Project area drain southward and eastward into the Magdalena River which in turn flows northward into the Caribbean Sea.



## Figure 4 Physiographic Regions of Colombia

### History

- **Regional Exploration History**

The Berrio Project is located in the Minas del Vapor gold camp which lies at the southern end of one of Colombia's most noted historic gold districts, the Segovia Gold Belt. The Segovia belt is reported to have produced 24 million ounces of gold from placers and underground operations since the Spanish Colonial period (16<sup>th</sup> century). Most of the historic exploration within this district has been carried out by individuals and small companies and consists mainly of prospecting, trenching and small underground tunneling utilizing manual methods. This work has been obscured over the years due to heavy vegetation growth, limited bedrock exposure due to deep weathering saprolitic material, social problems due to antigovernment insurgent groups and the lack of investment funds. Historically, only a very few international companies are known to have carried out sustained exploration and development programs in the mining sector. Much of the local work was primarily directed toward small scale mining and alluvial- colluvial placer gold deposits.

The Frontino Gold Mines operation, located approximately 80 km north of the Berrio Project is reported to have been in continuous production since 1852 and has produced in excess of 5.5 million ounces of gold from at least 31 separate deposits within their property limits (Wilson & Redwood, 2010).

Very little has been published on the historical mining in the Minas del Vapor area at the southern end of the Segovia Gold Belt, wherein lies the Berrio Project. There are at least 5 active small mines within 3 km of the Project along with dozens of historical workings.

- **Project Exploration History**

The author is not aware of any available information relating to previous exploration activity within the Berrio Project prior to Pacifico. There are at least 3 old mine tunnels located within License 6822, but there are no available records of any historical production from any of these workings. They are currently collapsed and inaccessible and waste material near the entrance has been washed away or is completely overgrown by vegetation.

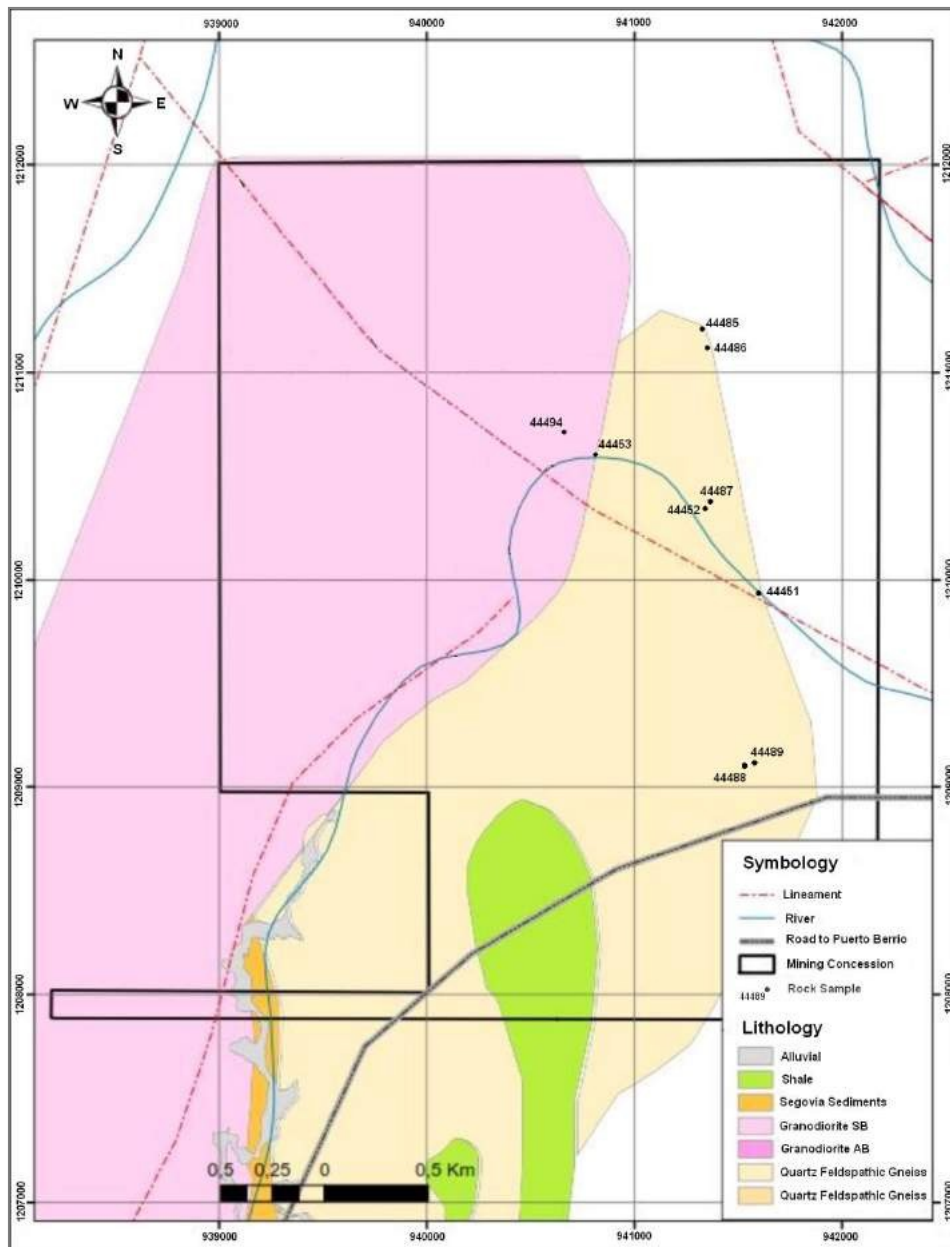
### **Pacifico Work Program 2017**

In 2017, Pacifico Minerals Ltd. carried out two small work programs on the Berrio Project. The first was a reconnaissance geological mapping and sampling program carried out in June 2017, on two Licenses 6822 and 6822B. The latter Concession was a narrow fraction located approximately 1 km west of License 6822 and is not a part of the current Berrio Project and is not reported herein. The work program focused on the northwest part of License 6822 which was considered to have the most potential. Work was mainly carried out on rivers and streams draining this part of the concession. Thirteen rock samples were collected and a preliminary geological map was prepared. The rock samples were shipped to SGS Laboratory in Medellin and analyzed for Au by fire assay and a 39 element ICP suite. Rock sample data is shown in Table 5. Values ranged from 5 to 57 ppb Au (Ocampo, 2017). The reconnaissance scale geological map is shown as Figure 5.

### **Table 5 Pacifico Minerals Ltd. Rock Sampling 2017**



Pacifico Minerals Ltd. Rock Sampling 2017								
Sample	Structure	Thickness (m)	Azimuth (°)	Dip (°)	Rock Type	Hydrothermal Alteration	Au (ppb)	Ag (ppb)
44 45 1	qtz veins	0.15	85	90	shale	not	57	<0.2
44 45 2	joints	close joints	80	70 N	shale	propylitic	8	0.3
44 45 3	dike	0.25	60	90	acid dike	not	7	0.2
44 48 5	vein	0.15	330	85 W	gneiss	x	6	<0.2
44 48 6	vein	0.2	335	55 N	gneiss	x	6	<0.2
44 48 7	joints	closed joints	340	60 N	gneiss	propylitic	8	0.2
44 48 8	vein	0.1	90	70 N	gneiss	propylitic-argillic	26	0.2
44 48 9	brecchia	2	20	90	gneiss	x	9	2.2
44 49 4	fault	3	80	60 S	granodiorite	x	29	8.4



**Figure 5 Pacifico Geology Map with Rock Sample Sites**

The second work program, completed in September 2017, consisted of soil sampling in the northwest part of License 6822 where the reconnaissance geological mapping indicated a bedrock made up of dioritic to granodioritic rocks of the Segovia Batholith. The work included 54 samples collected on a 200 x 200 m grid spacing. Some samples were moved from the original grid spacing to avoid alluvial flood plains or landslides. The samples were collected at depths of 0.8 to 1.0 metres using an auger and consisted mainly of saprolite as opposed to actual soil. For this reason, they likely represent local strongly leached bedrock related source material. The samples were shipped to SGS Laboratory in Medellin and analyzed for Au by fire assay and 35 element ICP suite. The samples contained gold values ranging from <5 (the lower detection limit) to 71 ppb. The sample results are shown on Figure 6. This figure also shows the geology to be somewhat different than that depicted on government maps and from the earlier reconnaissance mapping program. Most importantly, there is a band of metasedimentary rocks that is thought to be Segovia

Sediments that trends in a north-south direction in the extreme northwest part of the property. This same sequence occurs between the Nus and Bagre Faults to the south of License 6822. In that area, there are numerous historic and currently active gold prospects. The highest gold value from the current soil survey (71 ppb) occurs adjacent to this band of metasediments in that area.

Figure 6 shows the location and trend of three major regional fault structures, Palestina, Nus and Bagre Faults, that pass through the Minas del Vapor area. It also shows the projected trends of numerous other faults and lineaments within the Berrio Project that may have potential for hosting gold mineralization as well as the trace of 2 old, collapsed underground workings that may have been targeting fault-controlled mineralization in this area. Three of the five anomalous gold values in the current survey are located generally north of the tunnel entrances suggesting the possibility that buried vein structures occur in that area. The report on the soil survey results (Mariño, 2017) recommends that additional soil sampling should be carried out in these areas at 50 metre spacing.

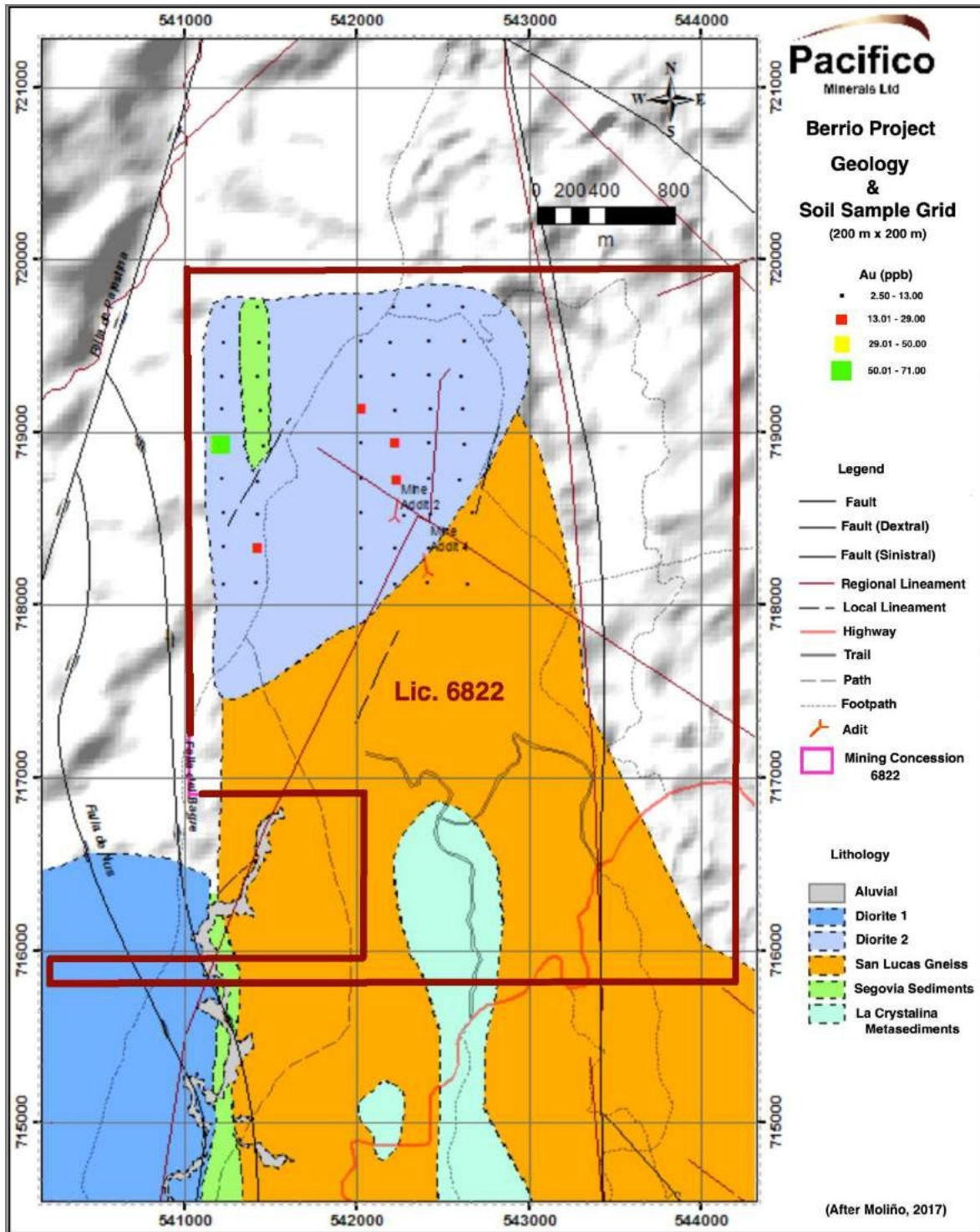


Figure 6 Pacífico 2017 Soil Sampling Survey (WGS 84, Zone 18N)

### Ownership History

Historical records relating to ownership prior to the issue of License # 6822 are not available and reports relating to any previous activity is not documented with the Colombian Government. Legislation governing

mining and mineral exploration in Colombia is designed to collect annual fees from Mining Concession owners and does not require work reports to support work completed on concessions.

The current license was issued in March of 2005 to Sociedad Kehdada S.A., a wholly owned subsidiary of AngloGold Ashanti. In 2007, the license was transferred to AngloGold Ashanti Colombia S.A.S. In 2012 Golden Pacifico Exploration S.A.S. acquired the license from Anglo Gold Ashanti Colombia S.A.S.

## **Historical Drilling**

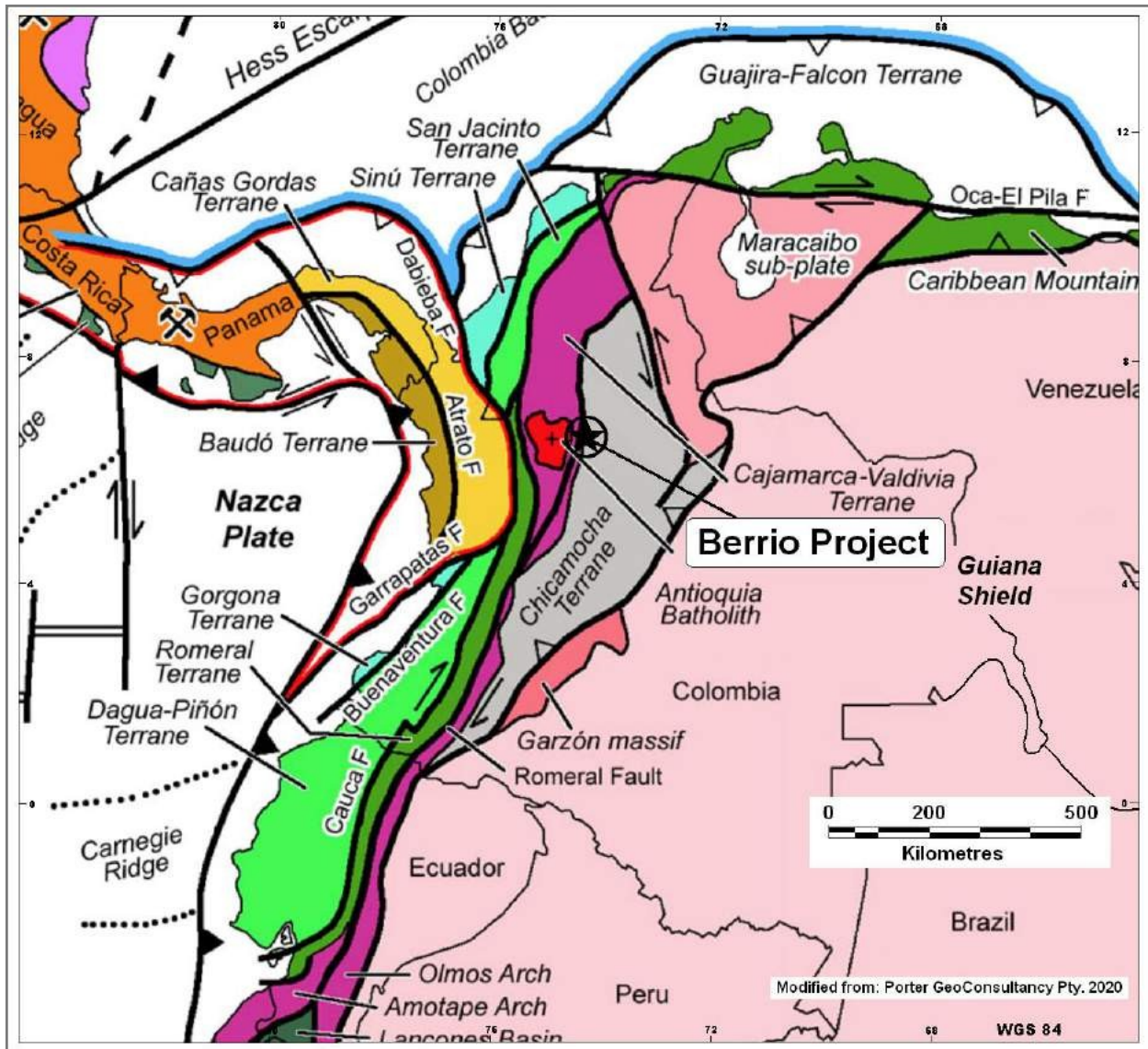
The Terms of the ‘Share and Assets Purchase Agreement’ (Section 4.5) includes ‘cores’ as part of the assets, however no drilling was carried out on the Project by Pacifico. The cores referred to are from nearby concessions. The authors have no knowledge of any historical drilling on the Project.

## **GEOLOGICAL SETTING AND MINERALIZATION**

### **Regional Geology**

The Berrio Project is located along the eastern side of the Central Cordillera, one of three north-northeastward trending, arcuate mountain ranges, the Western, Central and Eastern Cordilleras (Figure 4) that occupy western Colombia. These ranges were formed as a result of tectonics associated with the convergence of the Nazca, South American and Caribbean plates. This convergence, along with an oblique collision direction between the Nazca and South American plates, resulted in a very complex geological setting that has been described by referring to structural realms as opposed to simple geological lithologies (Cediel et al, 2003; Restrepo & Toussaint, 1988). Using this approach, the Berrio Project lies within the Central Continental Sub-plate Realm (CCSR) as described by Cedial (2003), a “realm” formed by accretion of large, older geological terranes upon continental basement rocks and subsequently intruded by large igneous bodies (Figure 7).

This part of the CCSR was formed from two geological terranes (Cediel, et al, 2003; Restrepo & Toussaint, 1988), the Proterozoic aged Chicamocha Terrane (granulite, gneiss) on the east and the Paleozoic aged Cajamarca-Valdivia Terrane (pelitic & graphitic schists, amphibolites, intrusive rocks, ophiolite) on the west. The two terranes are approximately separated by the Palestina Fault Zone, a major north-south trending structure that has been active since Proterozoic times. This fault is a long lived and deep-seated structure that is part of a fault system that extends, with different names, from northern Colombia to southern Ecuador. A number of large, intrusive bodies have been emplaced along the Palestina Fault system. These intrusive bodies have been dated as Triassic to Jurassic in age and are thought to be genetically related to the subduction of the Nazca plate (formerly part of the Pacific oceanic plate). They are all of calc-alkaline affinity, metaluminous and of the magnetite series (Sillitoe, 2008). The most significant feature of these batholiths as well as the intruded Proterozoic and Paleozoic complexes is that they all have a strong affinity to host significant gold mineralization. These batholiths include the Zamora Batholith in southern Ecuador, the Ibaque Batholith in central Colombia and the Antioquia and Segovia Batholiths in north-central Colombia. All of these batholiths have historically produced significant amounts of gold.



**Figure 7 Terrane Map of Colombia**

The Berrio Project is located in the extreme southern end of the Segovia Batholith, an oval shaped intrusive complex that measures approximately 250 km (north-south) by 75 km (east- west) as shown in Figures 8 and 9. This composite batholith is dominantly tonalite to diorite in composition. It includes large rafts, blocks and regional scale belts of metasedimentary and lesser metavolcanic rocks of Proterozoic to Paleozoic age. It is cut on the west side by a swarm of north-south trending faults including the regional scale Palestina Fault and several parallel major branches or splays. The eastern side of the batholith has been cut by numerous northeast – southwest trending, right lateral, strike slip faults that are likely related to the Palestina Fault Zone. All of the north-south faults are considered to be important in the development of most of the known, larger gold deposits in the Segovia area (Gomez et al., 2015). This corridor, on the western side of the batholith, forms what is referred to as the Segovia Gold Belt. A cluster of gold prospects and small historical mines in the southern part of the Segovia Gold Belt make up an area referred to as the Minas del Vapor Gold District. The Berrio Project is located within this District.

Individual known deposits within the Segovia Gold Belt are hosted by quartz veining that is typically associated with 2<sup>nd</sup> and 3<sup>rd</sup> order fault zones and other structures (dykes, fracture zones) that have developed adjacent to or between the major north-south trending faults. The best-known historic gold production within the batholith comes from the Frontino gold deposits, a group of five major deposits and twenty-six lesser deposits that have collectively produced in excess of 5.5 million ounces of gold since production commenced in 1852 (Wilson and Redwood, 2010). These deposits occur within quartz veins that are located between the Otú and Nus Fault zones (Figure 9).

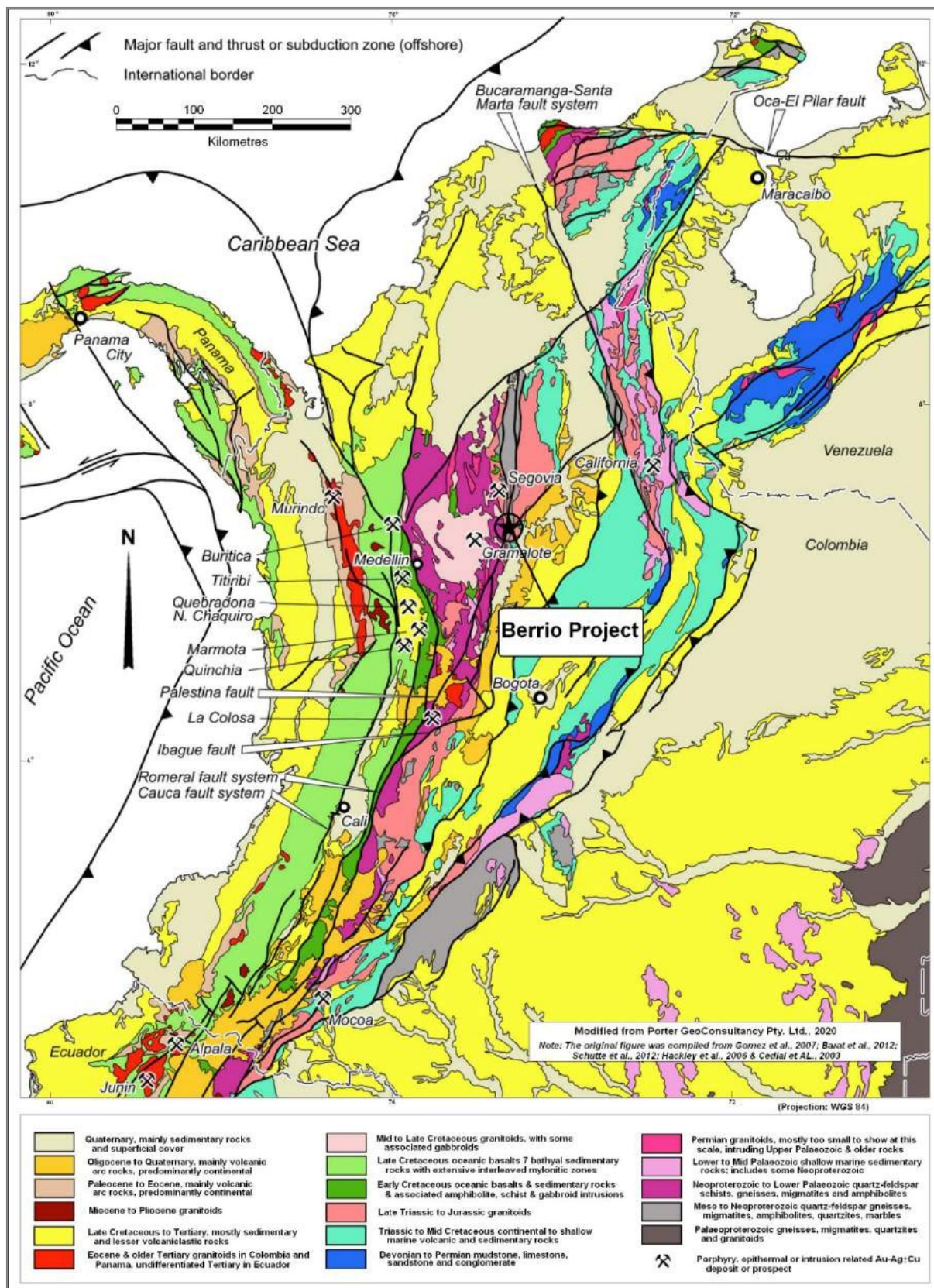


Figure 8 Regional Geology Map of Colombia



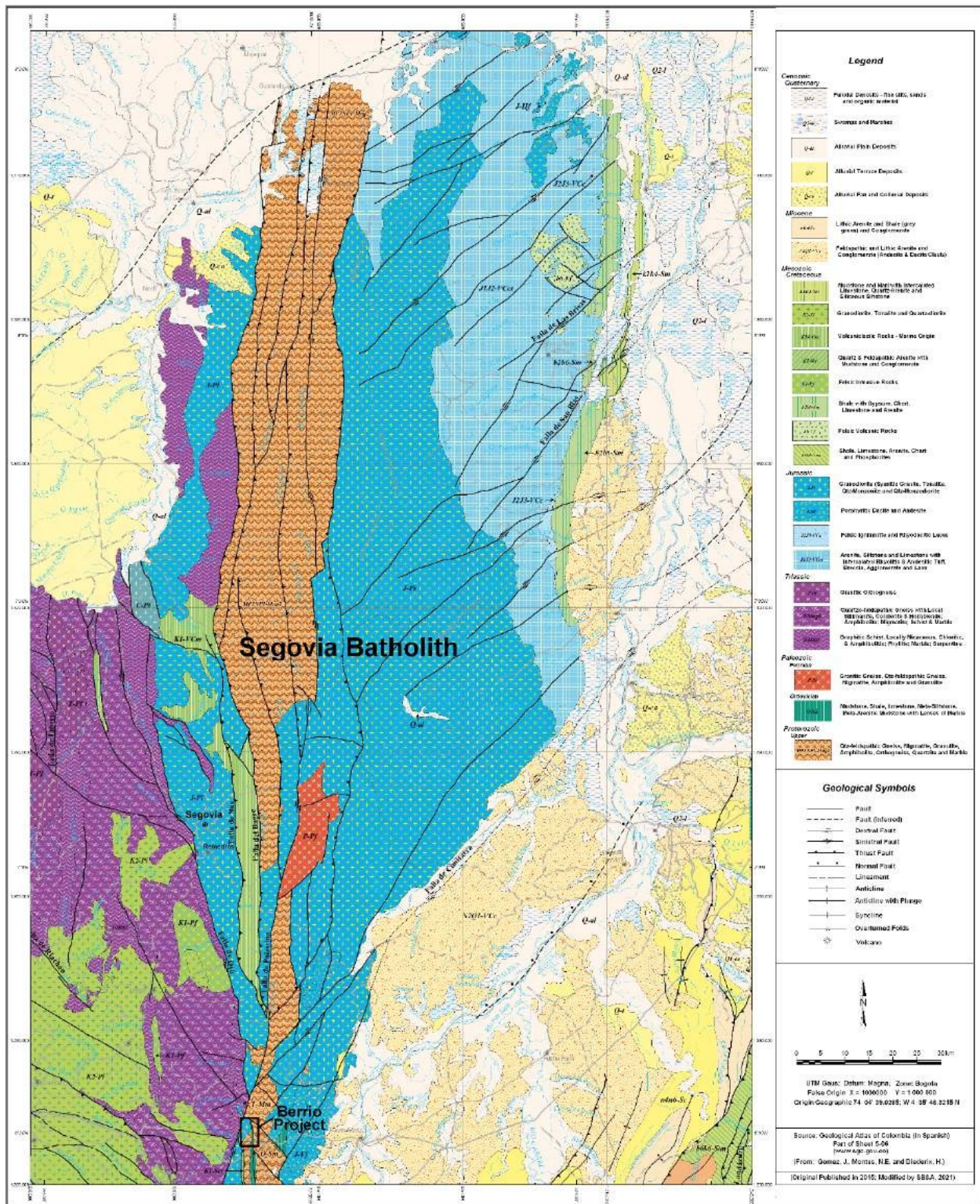


Figure 9 Local Geology Map Showing the Segovia Batholith

## Local Geology

Figure 9 is a portion of a geological map covering the Project area that shows the approximate outline of the Segovia Batholith as well as the eastern part of the Antioquia Batholith on the west. The Segovia Batholith has long been considered to be Jurassic in age (Feininger et al., 1972) although more recent studies (Ordóñez-Carmona, 2010) indicate that at least parts of it are Cretaceous in age, similar to the 60 – 90-million-year-old Antioquia Batholith.

Figure 10 shows a simplified geology in the immediate area of License 6822. This map illustrates that the Berrio Project covers a narrow band of the Segovia Batholith along with intruded wall rocks and roof pendants of metamorphosed sedimentary rocks.

The Palestina Fault, which cuts through the axis of the Segovia Batholith in this area, passes within 1.5 km of the west boundary of the Project area. The Nus and Bagre Faults also pass through the western side of the Project area. The faults of the Palestina system all appear to exhibit right lateral strike-slip movement (Cediel, et al, 2003). This movement along with other tectonic activity had the potential to create extensional openings and channel ways for mineralizing fluids as well as structural hosts into which the mineralization, including gold, may be deposited. Most of these faults along with the associated auriferous quartz veining are Cretaceous in age.

There are a number of prominent lineaments within the Project area having two dominant directions, northeast and northwest that may represent targets for shear zone related gold bearing vein zones.

## Property Geology

The vendors of the Project have completed a reconnaissance scale geological map of License 6822 and surrounding area (Hurotúa-Ocampo, 2017; Mariño, 2017). The interpreted geology is shown in Figures 6 and 10. The eastern and southeastern part of the property is underlain by a belt of gneiss, schist and migmatite that is considered to have very little mineral potential. The northwest part of the Berrio Project is shown to be underlain by diorite of the Segovia Batholith and a narrow, north-south trending strip of black shale/siltstone. This black shale unit is thought to be a part of a shale sequence referred to as the Segovia Sediments. Segovia sediments that are cut by two regional scale faults – the Nus and the Bagre – are hosts to many historic and currently active mining operations in the heart of the Minas del Vapor mining district centered approximately 3 km south of the Berrio Project. The Nus and Bagre Faults have been interpreted to pass slightly to the west of License 6822, but there is a strong possibility that these faults may not be accurately located and that they may in fact track more to the east and are coincident with the trace of the Segovia Sediments in the northwest corner of the property. More detailed mapping is required to delineate these faults and to explore for associated cross structures that may host gold mineralization. The major Palestina Fault marks the west boundary of the Segovia Batholith and is located approximately 1.5 km to the west of the Project.

According to Hurotúa-Ocampo (2017), the Berrio Project is underlain by four geological units. These include three north-south trending bands of metamorphic rocks ranging in age from Paleozoic to Cretaceous and intrusive rocks of the Segovia Batholith. Table 6 is a general description of these rock units as described (sometimes summarized) from the Hurotúa- Ocampo (2017) report.

### **Table 6 Table of Lithologies Segovia Sediments (Cretaceous)**

This unit is composed of black carbonaceous shale, which when weathered becomes grayish. In some underground workings in the area, beds of sandstone and chert are observed interbedded with these shales. These rocks are intensely folded. The bedding is vertical to sub vertical and the beds are micro folded. This

lithological unit is the host rock of most gold veins located in the El Vapor district. It occurs as a narrow band in the northwest part of the property (Mariño, 2017) but its extent is not known due to the reconnaissance nature of the current geological mapping. In this general area, this unit is in faulted contact with the Segovia Batholith adjacent to the Nus Fault.

### **Segovia Batholith (Upper Jurassic to Cretaceous)**

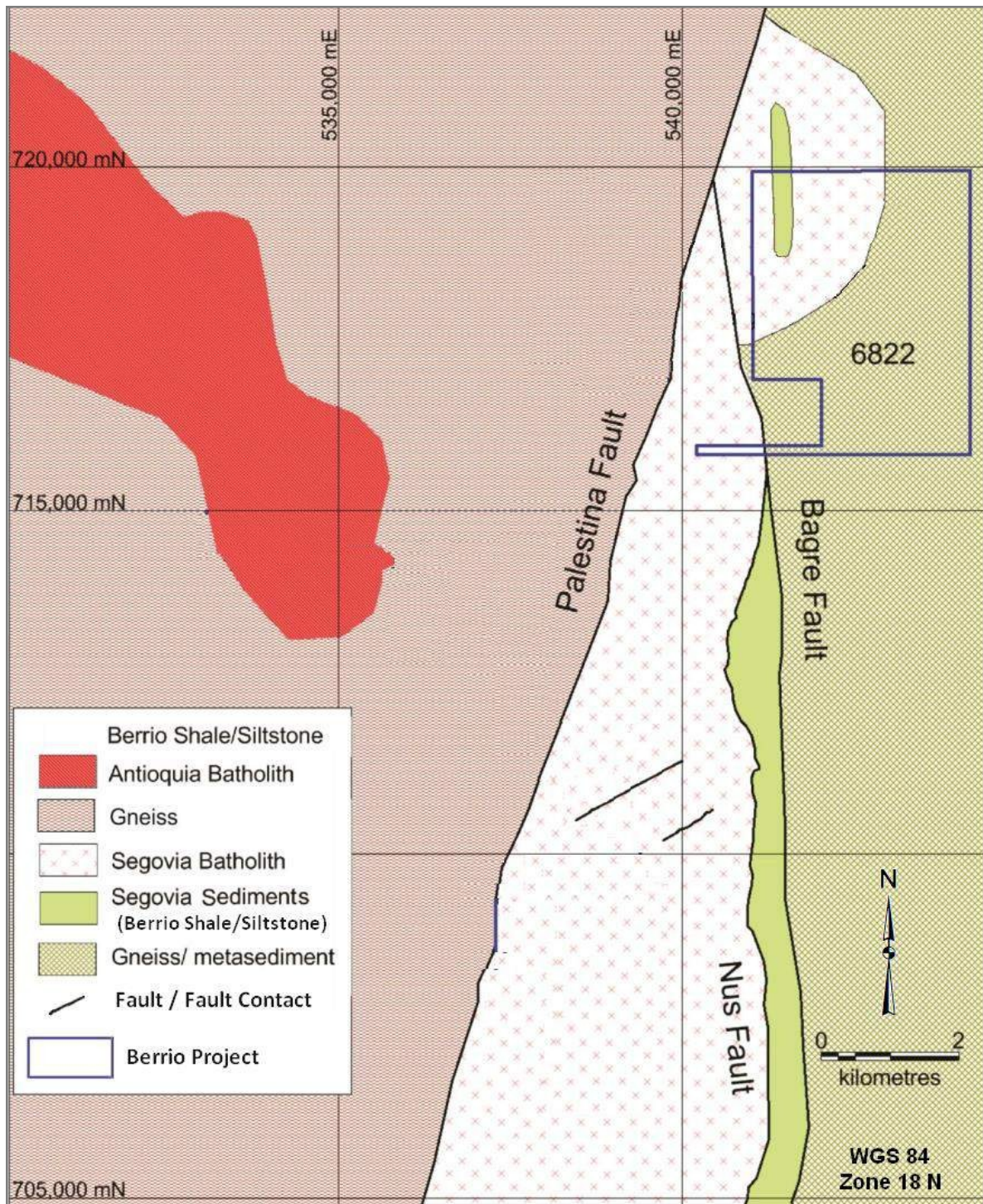
This intrusive body occupies the north and northwest part of License 6822. In the general area, it lies between the Palestine Fault and Nus Fault. This intrusive rock is typically dioritic in composition, but it shows wide compositional variations grading from quartz diorite and to more mafic. It shows a weathering profile up to 15 meters thick, forming a reddish-brown saprolite, overlain by a silty-clay soil. The typical rock observed in the field is medium grained equigranular, dark greenish gray, and has a mottled texture. In some places there are crystals of pink potassium feldspar, these crystals are surrounded by a cream-colored periphery.

### **La Cristalina Formation (Late Paleozoic)**

The rocks of the La Cristalina Formation are exposed as a narrow north-south trending band enclosed by the San Lucas Quartz Feldspar gneiss described above. The outcrops of this unit are poor due to the low relief in the area where they outcrop and their resistance to weathering and there are only occasional continuous outcrops of limited extent. The most abundant rock types are black to gray shales and siliceous black siltstones, with intercalated limestone beds. The limestones are more resistant and dominate the geomorphology of the area. The thickness of the formation is a few hundred meters, but it is not possible to make an exact determination due to complex folding, faulting with large displacements and poorly exposed outcrops in the low relief region. Although it contains some structures containing sulphides there is no evidence of auriferous mineralization where observed and sampled.

### **San Lucas Quartz Feldspar Gneiss (Paleozoic)**

This unit consists predominantly of quartz feldspathic gneiss with amphibolite and marble lenses. It has a well-defined foliation, in most cases it is the only metamorphic structure differentiable, due to the presence of dark gray quartz (smokey) aggregates. The protolith of the gneiss seems to have been varied; in some places it is massive and appears to correspond to metamorphosed felsic plutonic rocks, while in others it is stratified and appears to originate from sediments. These rocks occupy the majority of the southeastern part of License 6822. Where observed, it has no indications of mineralization of economic interest.



**Figure 10 Property Geology**

**Mineralization**

The property is located in the Minas del Vapor gold district where gold has been mined from dozens of small workings for many years. There are at least 5 active small mines located immediately to the south of the Quimbaya property.

The Quimbaya Project is at an early stage of exploration. Recent reconnaissance scale mapping and sampling has identified gold mineralization in stockwork vein zones, quartz veins and with disseminated sulphides in intrusive rocks of the Segovia Batholith. In addition, slightly elevated gold values have been found in pyrite bearing quartz fragments near old workings and in pyritic black shales thought to be part of the Segovia Sediment sequence which hosts auriferous quartz veining in the immediate area. In addition, gold has been panned from several streams within the Project. The drainage basin from one of these streams lies entirely within the Quimbaya Mining License No. 6822.

The gold mineralization from historic and existing mines in the El Vapor Gold District is similar to gold mineralization in the Segovia area. The results from a study of the mineralization in the Mina del Vapor district was published in 2018 (Dorado and Morano, 2018). They described the gold as being hosted in “...continuous and discontinuous sigmoidal and stockwork veins and veinlets from a few centimeters to two meters of thickness and by hydrothermal breccias”. They further conclude that: “Ore mineralogy includes Pyrite + Galena + Sphalerite + Chalcopyrite + Pyrrhotite + Proustite - Pyrargyrite. Gold occurs as inclusions within pyrite, between quartz crystals and filling fractures within pyrite at a late stage of mineralization”.

## Deposit Types

Dorado and Morano (2018) completed a fluid inclusion study of the gold mineralization in the Minas del Vapor district and concluded that the gold deposits in that area can be classified as “orogenic/mesothermal deposits”. This is similar to the deposits that are being mined in the Segovia Area, approximately 80 km to the north in the same geological setting. This type of deposit is so named because they have been deposited within ancient and recent orogenic belts throughout the world (Groves et al, 2003) and based upon temperature and depth of formation, they are considered to be mesothermal type. They include many of the world’s most significant gold deposits such as the Timmins-Kirkland Lake deposits in Ontario, Canada and the Bendigo and Ballarat area deposits of Australia.

As described by Groves, et al (2003) world occurrences of orogenic gold deposits have formed over a broad period of geological time from Middle Archean to Tertiary, with peaks in the Late Archean, Paleoproterozoic and Phanerozoic. Their genetic tectonic setting is typically within deformed continental margins mainly within allochthonous terranes.

Some typical attributes of orogenic/mesothermal gold deposits include:

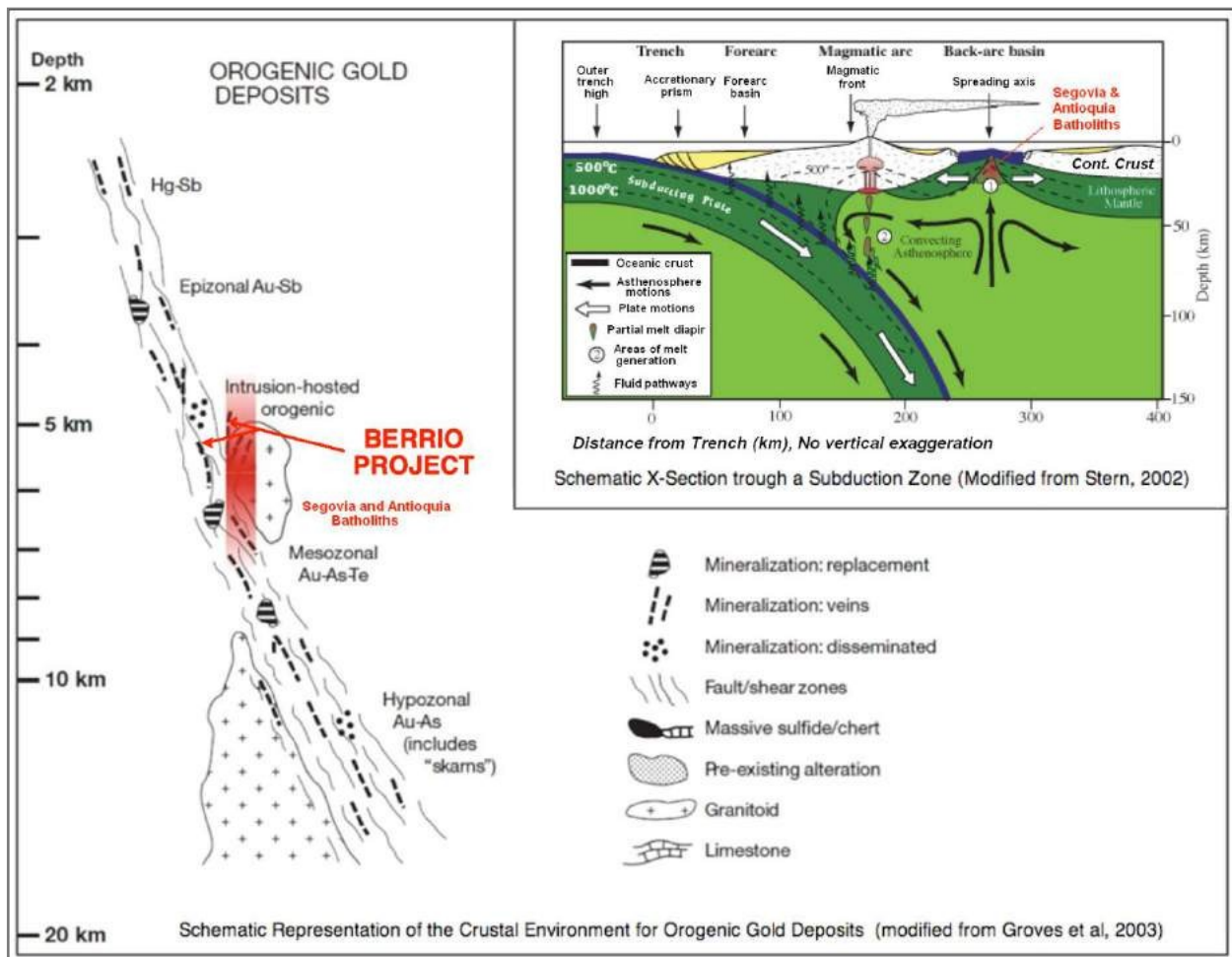
- Style of mineralization – quartz veins, vein swarms, saddle reefs, stratiform veining, fault-filled veining and replacement zones within iron rich rocks.
- Timing of mineralizing event – late tectonic; typically, greenschist but may be lower amphibolites facies rocks (syn to post metamorphic peak).
- Larger deposits often display complex and multiple episodes of veining and alteration of wallrocks show hydrothermal overprinting (i.e., multiple mineralizing events).
- Typical metal associations include: Au-Ag-As-B-Bi-Sb-Te-W, not all metals are present in all systems; deposits may display complex vertical and lateral zoning.
- Ore fluids were generally of low salinity ( $H_2O-CO_2 \pm CH_4 \pm N_2$ ).
- Heat sources that mobilize the ore forming fluids may include granitoids emplaced within crustal rocks during subduction tectonics.
- Metal sources may include crustal host rocks and/or fluids from magmatic processes.

A schematic representation of the tectonic setting and crustal environment of Orogenic gold deposits is presented in Figure 11. In the Segovia area, the gold deposits appear to be related to a Back-arc Basin that

may have been formed along an older belt of accreted rocks. An extensional environment in the Back-arc Basin developed as a result of the more recent subduction event. This resulted in the intrusion of the Segovia Batholith and the Antioquia Batholith to the west. The fault structures likely acted as conduits for the gold enriched fluids.

Mesothermal deposits in recent and ancient Orogenic environments throughout the world have a wide variation in size ranging from a few thousand tonnes to multi-million tonnes. They are also typically variable in grade ranging from a few grams/tonne (g/t) to in excess of 100 g/t. Some of the local workings in the Segovia Project area and elsewhere in the Segovia Gold Belt are reported to grade in excess of 100 g/t. The average historical production gold grade at Frontino Gold Mine (since record keeping) is reported to have been in the range of 4.2 - 18 g/t; current production is approximately 10 g/t. (Wilson and Redwood, 2010).

In the area of the Berrio Project, most of the known gold deposits occur within the Segovia and Antioquia Batholiths. These specific sub-types of orogenic/mesothermal Gold Deposits have been classified as “oxidized pluton-related gold deposits” by Sillitoe, 2008. Approximately 35 km west of the Berrio Project lies the Gramalote gold deposit (B2 Gold/AngloGold Ashanti). This deposit is considered to be an Intrusion Related deposit, a large, low-grade Au deposit that is within the Antioquia Batholith. There is a possibility that this type of deposit could occur within the Berrio Project area.



**Figure 11 Schematic representation of the crustal environments of orogenic gold deposits (modified from Groves, et al., 2003 and Stern, 2002)**

**Exploration**

Quimbaya completed a prospecting and rock sampling program on the Berrio Project in early 2021. The work was focused on Vapor Creek and its tributaries. Stream sediments were panned and when gold mineralization was detected, follow-up prospecting and rock sampling was carried out. The work program was very successful in identifying previously unknown target areas. Because of this success, the program is ongoing at the time of this report.

**Prospecting and Rock Sampling**

A total of 18 rocks were collected which included one field duplicate. They were delivered to the Actlabs laboratory in Medellin for assaying. One certified standard and one analytical blank were included for analytical Quality Assurance. Visible Au was observed in the soil (panned concentrate) at one sample site and fine visible Au was observed in three samples. The assay results for gold ranged from <0.005 ppm (detection limit for this method) to 1.668 ppm. The sample locations are shown on Figures 13 and the results are shown in Table 7.

The prospecting program has resulted in outlining 6 target areas (Figure 12):

**Cascada Ridge:** this is a high priority target, northwest striking, 200-metre length sharp ridge. The ridge is made up of stockwork and sheeted veins at a Segovia Batholith – gneiss contact. Three samples were collected and returned results of 1 and 0.7 ppm Au. Visible Au was observed in panned soil at the outcrop area.

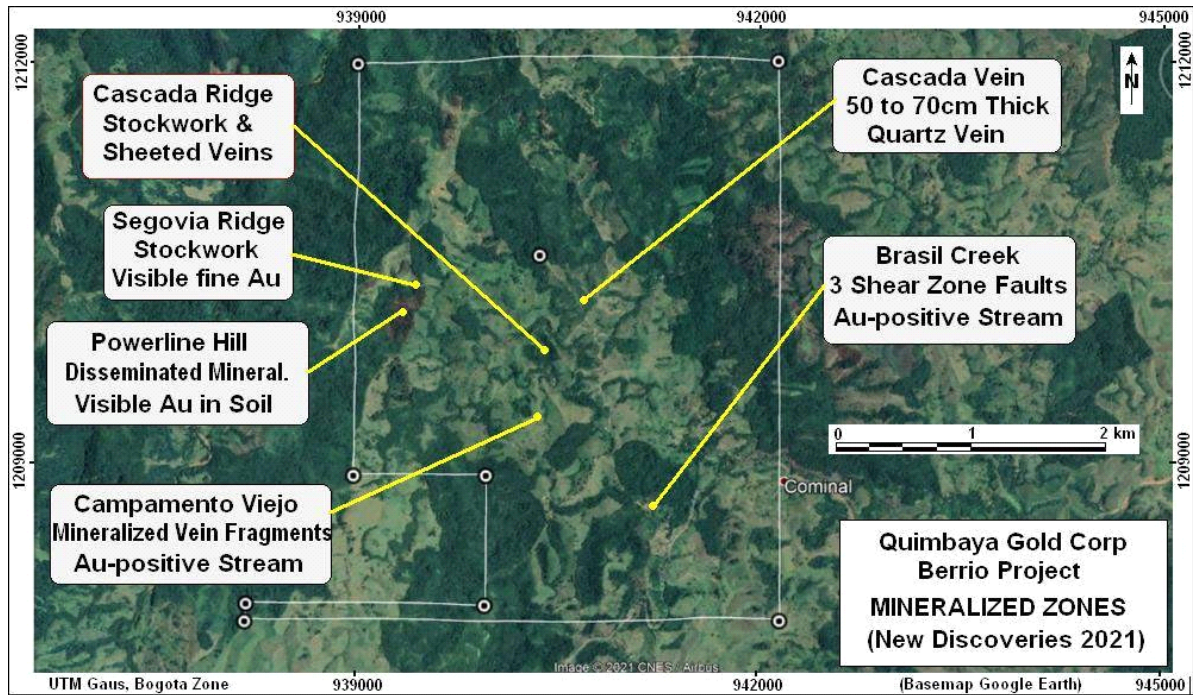
**Cascada Vein:** located in the Finca Cascada. It is a large continuous quartz vein ranging from 50 – 70 cm thick for a confirmed strike length of 100 m. It is located in the Segovia Batholith – gneiss contact zone. Three samples were collected but did not return significant results.

**Powerline Hill:** located on a high ridge in the Segovia Batholith. Visible Au was observed in the soil at the outcrop area. This visible Au has not been transported as it is located on the highest point on the property. One sample was collected and returned a value of 0.012 ppm. Downstream the drainage contains abundant visible Au in sediments. The Palestina Fault is located 1600 m to the northwest.

**Campamento Viejo:** located in Finca Cascada in the contact zone of the Segovia Batholith with the gneiss. Four samples were collected of vein float and one large angular boulder. One assay returned 1.7 ppm and one 0.23 ppm Au. Visible Au was observed in stream sediment draining Campamento Viejo.

**Brasil Creek:** located immediately north of the community of Brasil. No sample was collected on this prospect. At least 3 parallel shear faults with sulphide mineralization were observed. The East Shear fault is biotite rich and contains sulphide material. A flooded mine tunnel is located in the East Shear. The center shear contains abundant quartz and sulphide. The West shear is black and graphite rich and contains sulphides. Stream sediment within the shear fault zone area contains visible Au. Upstream from this area there is no visible Au in the stream sediment.

**Segovia Ridge:** located within the Segovia Batholith. One of the highest altitude sites on the property. There is an exposure of mineralized stockwork veining on this ridge. The dimensions are not known at this time. One grab sample from this stockwork assayed 1.049 ppm Au. Gold was panned from stream sediments down drain from this ridge. The Palestina Fault – a regional scale structure with many associated gold occurrences, passes north-south approximately 1,500 metres to the west of this occurrence.



**Figure 12** Satellite Image Showing Target Zones



**Black shale with fragments**



**B001 - quartz veining**

**B003 - quartz vein and stockwork**

**B004 - Stockwork**

**Photo 2** Rock Samples





**Panning creek for gold**



**Field crew**

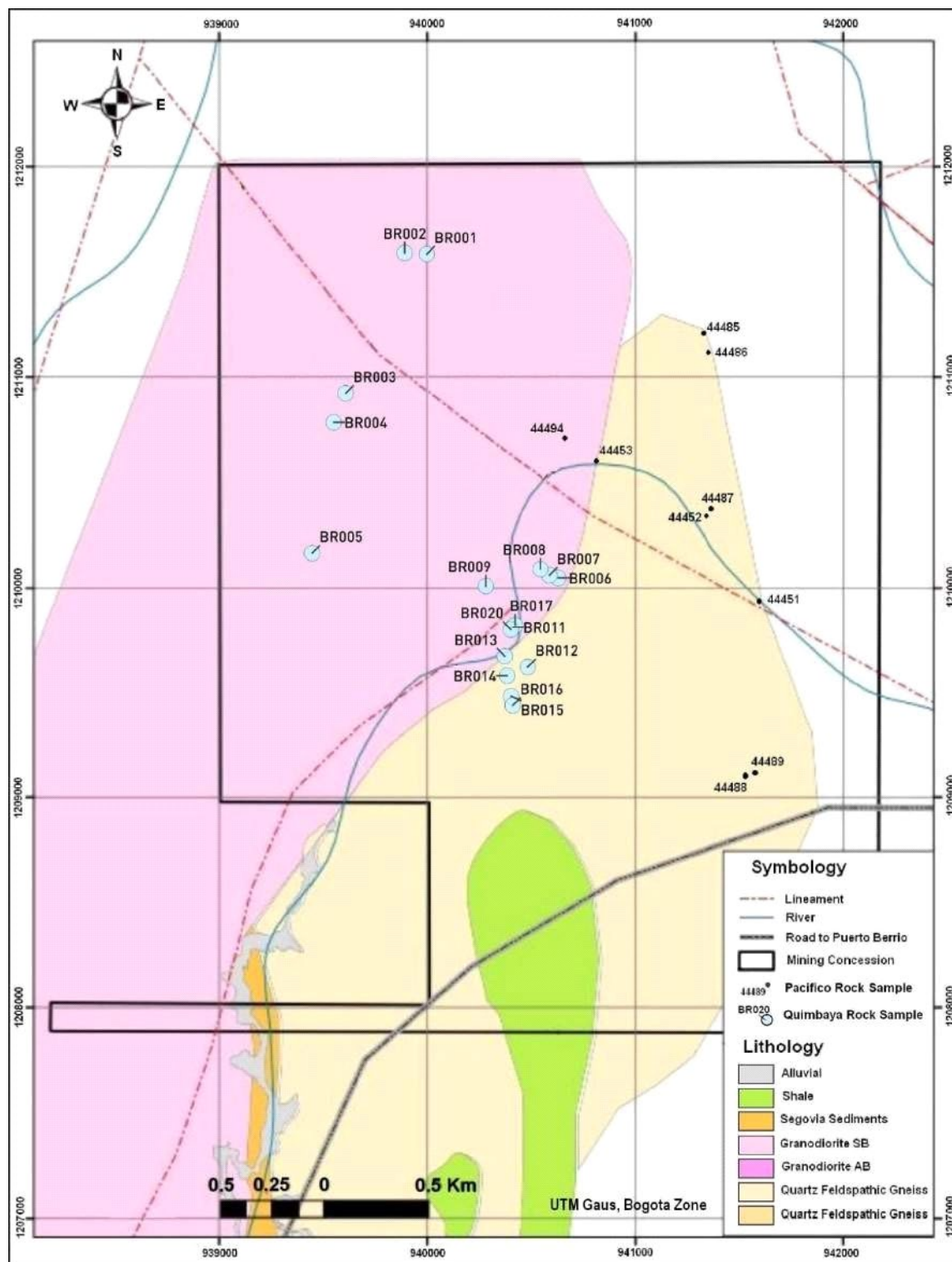
**Photo 3 Quimbaya 2021 Work Program**

**Table 7 Quimbaya 2021 Rock Sampling Program**

Quimbaya Rock Sampling 2021						
Sample Number	Au ppm	Au g/t	Bogota Observatory		Area	Sample Description
			east ing	northi ng		
BR001	0.007		939997	1211587	Segovia Ridge	Outcrop of 1 m thick qtz vein on a high ridge with treads of py, strike 165°
BR002	0.02		939891	1211592	Segovia Ridge	Qtz breccia on ridge top and road cut
BR003	< 0.005		939608	1210924	Segovia Ridge	Qtz veins and stockwork in ridge top
BR004	1.049		939551	1210786	Segovia Ridge	Stockwork zone in ridge top
BR005	0.012		939447	1210163	Powerline Hill	Intrusive body with disseminated white metallic mineralization. Visible Au in soil

BR006	< 0.00 5		9406 27	121004 5	Finca Cascada	Cascada vein, qtz vein with 1% mineralizati on. Strike 80°, dip 90°
BR007	< 0.00 5		9405 85	121005 8	Finca Cascada	Cascada vein, qtz vein with 1% mineralizati on. Strike 80°, dip 90°
BR008	0.00 6		9405 42	121008 7	Finca Cascada	Cascada vein, qtz vein with 1% mineralizati on. Strike 80°, dip 90°
BR009	< 0.00 5		9402 80	121000 6	Gold Creek	Shear zone fault with sheeted veinlets, 1 m thick, strike 0°
BR010	> 5.00 0	8.6 3			<i>standard</i>	<i>STANDARD (SN60) 8.595 ppm</i>
BR011	0.00 8		9404 09	120981 1	Cascada Ridge	Stockwork zone in ridge top, visible fine Au
BR012	0.00 7		9404 81	120962 1	Quebrada el Vapor	Black breccia with shale and qtz fragments
BR013	0.01 7		9403 71	120967 2	Campamen to Viejo	Float of laminated metamorphi c rock with galena banding
BR014	0.00 5		9403 82	120958 0	Campamen to Viejo	Float of large vein

						fragment with abundant iron oxide
BR015	0.22 7		9404 01	120948 2	Campamen to Viejo	Float of vein, 5 cm thick with iron oxide and 10% sulphide
BR016	1.66 8		9404 09	120943 8	Campamen to Viejo	Large boulder of angular vein float with 2% oxides
BR017	1.00 1		9404 20	120982 0	Cascada Ridge	Cascada ridge stockwork, visible fine Au
<i>BR018</i>	<i>0.11 9</i>		<i>9404 09</i>	<i>120981 1</i>	<i>Cascada Ridge</i>	<i>Field Duplicate of BR011, visible Au</i>
<i>BR019</i>	<i>&lt; 0.00 5</i>				<i>blank</i>	<i>BLANK</i>
BR020	0.73 1		9404 00	120980 0	Cascada Ridge	Cascada Ridge stockwork, visible Au



**Figure 13 Quimbaya 2021 Rock Sample Locations**

### **Drilling**

Quimbaya has not performed any drilling to date on the Berrio Project.

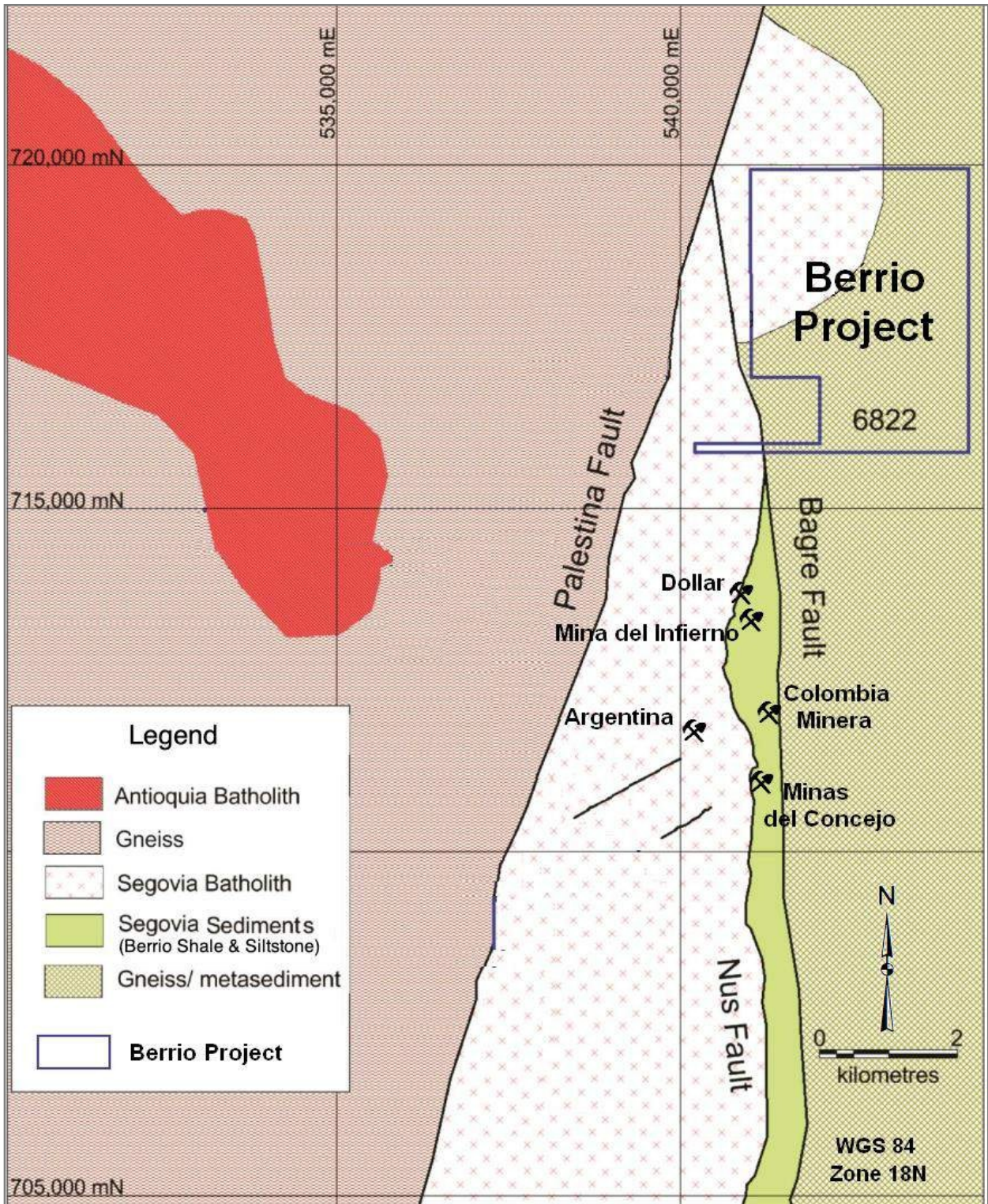
## Adjacent Properties

The Berrío Project is located at the north end of a cluster of historic and currently operating gold mines referred to as the Minas del Vapor Mining District. There are at least 5 active small-scale mining operations in this district, most of which are processing their material through a local 40 ton per day mill. These are shown in their approximate locations on Figure 14. Two of these operations are located on Mining Titles T1935005 and IHF-08102 which are located approximately 2.1 km south of the Berrío Project. These two operations are reported to have calculated in-house estimates of Mineral Resources (Quinto Corp. News Release, 2018) but the estimates are not considered to be compliant with NI 43-101 guidelines therefore are not included in this report.

The Minas del Vapor Mining District is part of the larger Segovia Gold Belt, a belt that occupies the west side of the Segovia Batholith. Within this belt and located approximately 70 km north of the Berrío Project lies a group of mines referred to as the Segovia gold mines. Mining began in the Segovia area in the early 1800's with production increasing around 1869. Since that time, the Segovia gold belt has produced an estimated 5.165 million ounces of gold at an average production grade of 9.7 g/t Au (Gran Colombia Gold Presentation, 2016).

Gran Colombia Gold Corp. currently operates four gold mines in the Segovia-Remedios area. The ore from these operations is processed through a central 1,500 ton per day processing plant. Their combined production from these operations was 219,241 oz in 2019 (website: Gran Colombia Gold Corp. 2021).

*The authors have been unable to verify the above information and this information is not necessarily indicative of the mineralization on the Berrío Project that is the subject of this technical report.*



**Figure 14 Adjacent Properties Map**

**Other Relevant Data and Information**

There is no other relevant data or information to report at this time.

## **Interpretation and Conclusions**

The Berrio Project is located in the Minas del Vapor Gold Mining District, an area that has historically been a center for small-scale mining operations. The area has excellent infrastructure including paved roads, power lines, water and labor force.

The Berrio Project is underlain by granodiorites of the Segovia Batholith, quartz feldspathic gneisses and shales. Results from observations and rock samples collected by the previous owners were relatively low, although they did identify three old, abandoned mining tunnels. The recent work program being carried out by Quimbaya has located at least six mineralized targets which warrant additional work. It is probable that additional prospecting and sampling will identify additional targets.

Two of the six targets outlined by the recent work program are characterized by stockwork, sheeted quartz veins and breccia with gold values from grab samples ranging from trace to 1.049 g/t. These two, the Segovia Ridge and the Cascada Ridge, represent high potential for large tonnage type gold deposits. Both of these targets need to be trenched in order obtain samples from below the weathered saprolitic surface cover.

Gold mineralization was also discovered in float and rubble of quartz veining in the Campamento Viejo area. Four samples ranged from 0.005 to 1.668 g/t. Disseminated sulphide mineralization was discovered at Powerline Hill in an intrusive rock that is part of the Segovia Batholith. One sample was collected there that contained 0.012 g/t Au. Visible gold was observed in soil samples from this site and panned sediments from the creek draining this hill contained visible gold.

Two other targets are of interest however the limited sampling in this reconnaissance style work program yielded only trace gold values. These targets, a 50 to 70 cm thick quartz vein referred to as the Cascada Vein, and a quartz and sulphide bearing shear zone named the Brasil Creek shear zone, require additional sampling to properly determine their Au potential. The Cascada vein is located at the contact between the Segovia diorite and older metasedimentary rocks and the Brasil Creek shear zone is entirely within the older metasediments.

The current work program is providing data that should provide a much clearer understanding of the geology in the concession. The trace of the Nus and Bagre Faults is unclear at the present time, although they have been identified immediately to the south of the Property. In addition, there are also several strong northwest and northeast trending lineaments within the Berrio Project that warrant a detailed prospecting and sampling program. These lineaments may represent splays from the Palestina Fault which passes about 1.5 km to the west. Gold mineralization is often associated with these splay structures in the Segovia Batholith.

The authors are not aware of any significant risks or uncertainties that could reasonably be expected to affect the reliability or confidence in the exploration information or the future of the work program. As in all exploration projects, there is a risk of issues relating to the local community and the Social License to Operate as the project advances. At the present time, Quimbaya has a very good relationship with the local community.

The Berrio Project is a Property of Merit and a detailed follow-up work program is highly recommended.

## **Recommendations**

A multi-phased work program on the Berrio Project is highly recommended. The first phase should consist of ground geophysical surveys (IP and magnetics) designed to provide basic data to assist in interpretation of the geology and fault structures within the property. Concurrently, the property should be covered by a

systematic geological mapping, prospecting and rock sampling program followed by soil sampling on selected target areas. Manual and/or mechanical stripping should be completed over any specific targets that are delineated by the above work. This work program is estimated to cost CAD 117,000 as detailed in Table 9.

Assuming that the results from Phase 1 are positive, a second phase program designed to test the best targets outlined by Phase 1 should consist of a modest core drilling program.

**Table 9 Phase 1 Budget**

<b>Phase 1 - Budget – Quimbaya Berrio Project</b>				
<b>Description</b>	<b>Unit Value</b>		<b>CAD</b>	<b>CAD</b>
	<b>Units</b>	<b>Unit Cost</b>		
<b>Ground Geophysics</b>				
IP and Magnetic Surveys	10	1,500	15,000	
Linecutting, supervision, field assist	15	9,000	9,000	
Total Ground Geophysics			24,000	24,000
<b>Geological Mapping, Rock &amp; Soil Geochemical Sampling</b>				
Mapping, Prospecting, rock sampling (2 mo)	2	10,000	20,000	
Soil Sampling (collection)	500	6	3,000	
Assaying (100 rocks)	100	50	5,000	
Assaying (500 soils)	500	30	15,000	
Total Geological Mapping & Sampling			43,000	43,000
<b>Support Costs</b>				
Field Office (maintenance, consumables, communication, computers, software) 3 months	3	2,000	6,000	
Community Social Relations		15,000	15,000	
Transportation Field (vehicle, fuel, mileage)	3	3,000	9,000	
Accommodation, meals (3 months)	3	3,000	9,000	
Total Support Costs			39,000	39,000
<i>SUBTOTAL PHASE 1</i>				<i>106,000</i>
Contingency and Administration @ approximately 10%				11,000
<b>TOTAL PHASE 1</b>				<b>\$117,000</b>

The estimated cost of Phase 2 is CAD 805,000. Phase 2 is contingent upon encouraging results from the Phase 1 program. See Table 10.



**Table 10 Phase 2 Budget**

<b>Phase 2 - Budget - Berrío Project Drilling Program</b>				
<b>Description</b>	<b>Unit Value</b>		<b>CAD</b>	<b>CAD</b>
	<b>Units</b>	<b>Unit Cost</b>		
<b>Diamond Drilling</b>				
Drilling (approximately 2,500 m)	2,500	180	450,000	
Supervision, Logging & Sampling @ 30%	1	162,000	162,000	
Assaying, QA/QC, Storage	1	30,000	30,000	
Total Diamond Drilling			642,000	642,000
<b>Support Costs</b>				
Logging Shack, Communication, Services	12	1,000	12,000	
Community Relations, Environment	12	2,000	24,000	
Transportation (vehicle, fuel, mileage)			18,000	
General Supervision & Support	12	3,000	36,000	
Total Annual Support Costs			90,000	90,000
<i>SUBTOTAL PHASE 2</i>				<i>732,000</i>
Contingency and Administration @ approximately 10%				73,000
<b>TOTAL PHASE 2</b>				<b>\$805,000</b>

**Abbreviations and Symbols**

<b>Description</b>	<b>Abbreviation / Symbol</b>
above mean sea level	amsl
antimony	Sb
arsenic	As
AUD	Australian Dollar
bismuth	Bi
Bogota Airport Code	BOG
boron	B
by / times	x
carbon	C
Canadian Dollar	CAD
Canadian National Instrument 43-101	NI 43-101
centimetre(s)	cm
Certified Standard Reference Material	CSRM

Colombian peso	COP
degree(s)	°
degree(s) Celsius	°C
dollar (United States)	\$
Environmental Mining Insurance Policy	EMIP
Environmental Impact Assessment	EIA
Global Positioning System	GPS
gold	Au
gram(s)	g
gram(s) per tonne	g/t
hydrogen	H
hectare(s)	ha
Induced Polarization	IP
kilometre(s)	km
Magnetic	Mag
Medellin International Airport code	MDE
metre(s)	m
millimetre(s)	mm
million year(s)	Ma
million(s)	M
Ministerio de Minas y Energía	MME
molybdenum	Mo
month	mo
Net Smelter Return	NSR
nitrogen	N
number	#
oxygen	O
parts per billion	ppb
parts per million	ppm
percent	%
Puerto Berrio Airport Code	PBE
Quality Assurance /Quality Control	QA/QC
Sears, Barry & Associates Limited	SBA
silver	Ag
tellurium	Te
tonne(s)	t
tones per day	tpd
tungsten	W
Universal Transverse Mercator	UTM
World Geodetic System 1984	WGS 84

## AVAILABLE FUNDS AND PRINCIPAL USES

### Proceeds

The Company is not raising any funds in conjunction with this prospectus. Accordingly, there are no proceeds.

As at September 30, 2021, being the most recent month end before the date of this Prospectus, the Company had working capital of approximately \$1,348,000.

### Principal Use of Available Funds

The following table sets forth the principal purposes for which the estimated funds available to the Company will be used and the current estimated amounts to be used for each such principal purpose:

Use	Amount (\$)
To pay the estimated cost of the recommended Phase 1 exploration program as outlined in the Technical Report	117,000
Prospectus and listing costs <sup>(1)</sup>	110,000
Operating expenses for 12 months <sup>(2)(3)</sup>	292,000
Unallocated working capital <sup>(3)</sup>	829,000
<b>Total</b>	<b>1,348,000</b>

#### Notes:

1. Before deducting expenses of the Offering, to be borne by the Issuer of approximately \$120,000 (plus applicable taxes), including \$10,000 payable to the Exchange (plus applicable taxes), fees payable to the Commission of approximately \$4,000, fees of Corporation's counsel of approximately \$75,000 (plus applicable taxes and disbursements), audit fees of approximately \$15,000 and other expenses associated with the Offering, including printing and related costs, of approximately \$6,000. See "Use of Proceeds".
2. Estimated operating expenses for the next 12 months include: \$60,000 for geological consulting fees; \$15,000 for insurance; \$90,000 for management fees (CEO - \$60,000, CFO - \$15,000, Corporate Secretary - \$15,000); \$10,000 for director fees; \$9,000 for office and miscellaneous (includes office supplies and computer); \$70,000 for professional fees (audit and legal); \$8,000 for Transfer Agent and filing fees; and \$30,000 for PR and marketing.
3. The Company intends to spend the funds available to it as stated in this Prospectus. There may be circumstances, however, where for sound business reasons a reallocation of funds may be necessary. With respect to the general working capital, the remaining general working capital will be used to fund a Phase 2 exploration program after analysis of the initial results and identification of priority targets in conjunction with the project's qualifying person. The Company will also explore potential other properties and acquisitions. The Issuer's unallocated working capital will not suffice to fund a Phase 2 exploration program on the Property and there is no assurance that the Issuer can successfully obtain additional financing to fund a Phase 2 program.

The Company intends to fund its business using the proceeds from prior private placement financings (hereinafter described). The Company intends to spend the funds available to it as stated in this Prospectus. However, there may be circumstances where, for sound business reasons, a reallocation of the funds may be necessary. The amounts set forth above may increase if we are required to carry out due diligence investigations in regards to any prospective investment or business opportunity or if the costs of the Prospectus or Listing, or negotiating an applicable transaction, are greater than anticipated.

Since its founding, the Company has not generated cash flow from its operations and has incurred certain operating losses. Such losses and negative operating cash flow are expected to continue since funds will

be expended to pay its administrative expenses and to conduct the recommended Phase 1 exploration program on the Property. Although the Company has allocated \$292,000 (as above) from recent financings to fund its ongoing operations for a period of twelve months, thereafter, the Company will be reliant on future financings for its funding requirements.

The Company funds its business using the proceeds from equity private placements. In the future, the Company may pursue additional private placement debt or equity financing based upon its working capital needs from time to time, including without limitation, to fund the proposed Phase II exploration program, however, there can be no assurance that such financing will be available, or completed on terms that are favourable to the Company.

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

### Business Objectives and Milestones

The principal business carried on and intended to be carried on by the Company is the acquisition, exploration and development of mineral resource properties.

The Company's business objectives in using the available funds are to:

- (a) complete the Listing (anticipated completion date: on or before October 31, 2021); and
- (b) conduct the Phase 1 exploration program on the Property recommended in the Technical Report (anticipated commencement and completion dates: between October 30, 2021 and October 30, 2022, presuming the Listing Date is on or before October 30, 2021).

After completing the Listing, the Phase 1 exploration program is expected to commence at the end of October 2021. During the first phase of exploration, the Company intends to complete the below. This may be followed up by a field program consisting of prospecting, geological mapping, soil sampling and trenching. Any such field program will be dependent on the results of previous exploration work, and no funds have been allocated to the completion of any such field program.

Phase 1 – Actives, Budget and Milestones				
Description	Unit Value		CAD	CAD
	Units	Unit Cost		
<b>Ground Geophysics</b>				
IP and Magnetic Surveys	10	1,500	15,000	
Linecutting, supervision, field assist	15	9,000	9,000	
Total Ground Geophysics			24,000	24,000
<b>Geological Mapping, Rock &amp; Soil Geochemical Sampling</b>				
Mapping, Prospecting, rock sampling (2 mo)	2	10,000	20,000	
Soil Sampling (collection)	500	6	3,000	
Assaying (100 rocks)	100	50	5,000	
Assaying (500 soils)	500	30	15,000	
Total Geological Mapping & Sampling			43,000	43,000
<b>Support Costs</b>				
Field Office (maintenance, consumables, communication, computers, software) 3 months	3	2,000	6,000	
Community Social Relations		15,000	15,000	

Transportation Field (vehicle, fuel, mileage)	3	3,000	9,000	
Accommodation, meals (3 months)	3	3,000	9,000	
Total Support Costs			39,000	39,000
<i>SUBTOTAL PHASE 1</i>				<i>106,000</i>
Contingency and Administration @ approximately 10%				11,000
<b>TOTAL PHASE 1</b>				<b>\$117,000</b>

### Other Sources of Funding

The Company currently does not have any immediate sources of additional funding at this time.

### Dividend Policy

The Company has no restrictions on paying dividends. The Board will determine if and when dividends should be declared and paid in the future based upon the Company's financial position at the relevant time. Holders of Shares are entitled to an equal share in any dividends declared and paid on the Shares.

## SELECTED FINANCIAL INFORMATION AND MD&A OF THE COMPANY

### Selected Financial Information

The following tables set forth selected financial information for the Company. The selected financial information has been derived from, and is qualified by, the Company's audited financial statements for the year ended December 31, 2020 and the unaudited financial statements for the six months ended June 30, 2021, and the notes thereto appearing elsewhere in this Prospectus. The following information should be read in conjunction with those financial statements and the accompanying notes, and management's discussion and analysis included elsewhere in this Prospectus.

	Six months ended June 30, 2021 (\$ (unaudited))	For the period from the date of incorporation on May 27, 2020 to December 31, 2020 (\$ (audited))
Total revenue	Nil	Nil
Advertising and marketing	Nil	Nil
Consulting fees	45,636	12,512
Financing fees	447	2,382
Listing and filing fees	Nil	Nil
Management fees	Nil	Nil
Office and miscellaneous	4,770	390
Professional fees	87,484	3,343
Share-based compensation	Nil	Nil
Net loss	(289,691)	(27,692)
Basic and diluted loss per Share	(0.02)	(0.01)
Total assets	1,597,201	213,541

Total current liabilities	28,354	32,854
Cash dividends per Share	n/a	n/a

## Management Discussion and Analysis

Management’s discussion and analysis of the financial condition and results of operations of the Company for the six months period ended June 30, 2021 and the year ended December 31, 2020 are attached to this Prospectus as Schedule D and Schedule E. These management’s discussions and analysis should be read in conjunction with the financial statements and the accompanying notes thereto included in this Prospectus. Certain information included in such management’s discussions and analysis is forward-looking and based upon assumptions and anticipated results that are subject to uncertainties. Should one or more of these uncertainties materialize or should the underlying assumptions prove incorrect, actual results may vary significantly from those expected. See “Risk Factors”.

## DESCRIPTION OF SECURITIES

### Share Issuances

No securities are being offered pursuant to this Prospectus.

### Authorized Capital

The Company is authorized to issue an unlimited number of Shares.

### Common Shares

As at the date of this Prospectus, 15,159,619 Shares are issued and outstanding as fully paid and non-assessable.

The holders of the Shares are entitled to dividends, if, as and when declared by the Board, to one vote per share at meetings of the shareholders of the Company and, upon liquidation, dissolution or winding-up of the Company to receive such assets of the Company as are distributable to the holders of the Shares.

### Options

The Board has approved a stock option plan (the “**Option Plan**”). For more information, see “Executive Compensation – Equity Compensation Plan Terms”. As of the date of this Prospectus, under the Option Plan, there are 1,300,000 options (“**Options**”) outstanding.

### Restricted Share Units

The Board has approved a restricted share unit plan (the “**RSU Plan**”). For more information, see “Executive Compensation – Equity Compensation Plan Terms”. As of the date of this Prospectus, under the RSU Plan, there are 214,286 RSUs (“**RSUs**”) outstanding.

## CONSOLIDATED CAPITALIZATION

The following table sets out the consolidated capitalization as at the dates indicated. This table should be read in conjunction with the financial statements of the Company, including the notes thereto, contained elsewhere in the Prospectus.

<b>Description</b>	<b>Authorized</b>	<b>Outstanding as at December 31, 2020 (audited)</b>	<b>Outstanding as at the date of this Prospectus (unaudited)</b>
Shares	Unlimited	9,549,115	15,159,619

### **CONVERTIBLE EQUITY SECURITIES TO PURCHASE SECURITIES**

The Company has established the Option Plan and the RSU Plan. Accordingly, the Option Plan is intended to supplement the RSU Plan, (each a “**Securities Based Compensation Arrangement**” and together with the RSU Plan, the “**Equity Compensation Plan**”) for its officers, directors, employees, management company employees and consultants to which the Company may grant Options and RSUs (collectively, “**Convertible Equity Securities**”). The aggregate issuances under all the Securities Based Compensation Arrangements do not exceed 20% of the issued and outstanding Common Shares on a non-diluted basis on each date of grant.

The Company issued a total of 1,300,000 Options and 214,286 RSUs to directors, officers, employees and consultants of the Company. The Options have an exercise price of \$0.35 per share and a 2 year term. The RSUs have a one year term of which one quarter (1/4) of the RSUs will vest every three months from the date of grant. The recipients will be as follows:

<b>Name of Grantee</b>	<b>Number and type of Equity Compensation</b>	<b>Exercise Price</b>
Alexandre P. Boivin	250,000, Options <sup>(1)</sup>	\$0.35
	57,143, RSUs <sup>(2)</sup>	\$0.35
Olivier Berthiaume	200,000, Options <sup>(1)</sup>	\$0.35
	42,857, RSUs <sup>(2)</sup>	\$0.35
Alexandre Lambert De Beaulieu	250,000, Options <sup>(1)</sup>	\$0.35
	57,143, RSUs <sup>(2)</sup>	\$0.35
William deJong	150,000, Options <sup>(1)</sup>	\$0.35
	28,571, RSUs <sup>(2)</sup>	\$0.35
Jean-Luc Peyrot	150,000, Options <sup>(1)</sup>	\$0.35
	Nil	Nil
Christopher Gulka	150,000, Options <sup>(1)</sup>	\$0.35
	28,571, RSUs <sup>(2)</sup>	\$0.35
Réjean Gosselin	150,000, Options <sup>(1)</sup>	\$0.35
	Nil	Nil

Notes:

(1) Options vest (one quarter (1/4)) upon the every three months from the date of grant.

(2) The RSUs outstanding as of the date of this Prospectus have a one year term of which one quarter (1/4) of the RSUs will vest every three months from the date of grant.

## **Equity Compensation Plan Terms**

### *Stock Option Plan*

The purpose of the Option Plan is to provide the Company with the advantages of the incentive inherent in equity ownership on the part of Option Participants who are responsible for the continued success of the Company; to create in those Option Participants a proprietary interest in, and a greater concern for, the welfare and success of the Company; to encourage Option Participants to remain with the Company and any subsidiaries; and to attract new employees, directors, officers and consultants. The Committee will determine the directors, officers, employees, or consultants that Options shall be granted.

The Board will have the authority to grant Options to Option Participants, and will determine the terms and conditions applicable to the exercise of those Options including the number of Common Shares issuable under each Option, the exercise price, the expiry date, vesting conditions, if any, the nature and duration of the restrictions, if any, to be imposed on the sale or other disposition of Common Shares acquired on exercise of the Option, and the events, if any, that give rise to a termination or expiry of the Option Participant's rights under the Option, and the period in which such termination or expiry can occur.

An Option may only be granted to a consultant under the Option Plan if the number of Common Shares reserved for issuance under that Option, when combined with the number of Common Shares reserved for issuance under all Options granted within the one-year period before the Grant Date by the Company to consultants, does not exceed, in aggregate, 2% of the outstanding Common Shares on the Grant Date.

Furthermore, the total number of Options that may be reserved for issuance to Related Persons (as a group) under the Option Plan and any other Security Based Compensation Arrangements, in aggregate, will not exceed, at any time, or within any 12-month period, 10% of the issued and outstanding Common Shares, on a fully diluted basis, as at the date of grant of any Options under this Option Plan. The total number of Options that may be reserved for issuance and granted to any person under the Option Plan and all other Securities Based Compensation Arrangements, in aggregate, will not exceed at any time, or within a 12-month period, 5% of the issued and outstanding Common Shares, on a fully diluted basis, as at the date of grant of any Options under the Option Plan.

The Option Plan will be administered by the Board, and the Board may delegate its powers, rights and obligations to a committee. The Board may terminate the Option Plan at any time in its absolute discretion, without Shareholder approval.

### *Restricted Share Unit Plan*

In proposing the RSU Plan, the Board considered its goal of attracting, retaining and encouraging key personnel. Accordingly, the RSU Plan is intended to supplement the Option Plan, provided that the aggregate issuances under all the Securities Based Compensation Arrangements do not exceed 20% of the issued and outstanding Common Shares on a non-diluted basis immediately prior to the proposed grant of the applicable RSUs.

The purpose of the proposed RSU Plan is to provide a financial incentive for employees, consultants and directors of the Company, to devote their best efforts towards the long-term success of the Company's business, by aligning RSU Participants' financial interests with those of the Company and its Shareholders, to assist the Company in attracting and retaining individuals with top-level talent, passion, ability, and an overall commitment to the business of the Company, and to ensure that the total compensation provided to RSU Participants is at competitive levels.



The Board may grant RSUs to RSU Participants at such times as the Board in its sole and absolute discretion may determine.

The Committee will determine the time vesting conditions for each RSU grant, which will be set out in the RSU Participant's award agreement. Vested RSUs will be payable in cash or Common Shares, or a combination of both cash and Common Shares, issued by the Company at the sole discretion of the Committee. Absent exceptional circumstances, the Company expects that all RSUs will be settled in Common Shares issued by the Company. Where the payout is to be settled in cash, the Company will provide the RSU Participant with a cash payment determined by multiplying the number of RSUs being redeemed for cash, by the fair market value of one Common Share on the vesting date, less any applicable taxes and other source deductions required to be withheld by the Company.

A grant of RSUs will not entitle any RSU Participant to rights as a Shareholder of the Company prior to receipt of Common Shares. No holder of RSUs is entitled to receive, and no adjustment shall be made for, any dividends, distributions or any other rights declared for Shareholders of the Company for which the record date is prior to the date on which the RSU Participant becomes record owners of such Common Shares.

The RSU Plan will be administered by the Board (or by the Committee upon delegation by the Board).

The Board may terminate, discontinue, or amend the RSU Plan at any time without the consent of a RSU Participant, such termination, discontinuance or amendment may not adversely affect such RSU Participant's rights under any RSU granted.

#### *Pension Plans*

The Company does not have defined benefit or defined contribution plans.

#### *Oversight and Description of Director and NEO Compensation*

The formal policies or practices of the Company to determine the compensation for the Company directors and executive officers are not known. It is anticipated that following Listing, the Company will establish such formal policies or practices.

### **PRIOR SALES**

The following table sets out all issuances of securities for the 12-month period before the date of this Prospectus:

<b>Date Issued</b>	<b>Number and Type of Securities</b>	<b>Issue Price</b>	<b>Aggregate Issue Price</b>	<b>Nature of Consideration</b>
May 27, 2020	400 Shares	\$0.005	\$2.00	Cash
June 27, 2020	2,700,000 Shares	\$0.005	\$13,500.00	Cash
October 30, 2020	1,459,115 Shares	\$0.02	\$29,197.73	Cash
October 31, 2020	4,686,600 Shares	\$0.02	\$95,379.25	Cash
November 27, 2020	703,000 Shares	\$0.10	\$70,300.00	Cash
February 9, 2021	275,000 Shares	\$0.20	\$55,000.00	Cash
February 24, 2021	251,952 Shares	\$0.20	\$50,390.42	Cash
March 5, 2021	225,302 Shares	\$0.20	\$45,060.41	Cash
April 30, 2021	4,344,951 Shares	\$0.35	\$1,520,729.60	Cash
May 17, 2021	264,000 Shares	\$0.35	\$92,400.00	Debt settlement
June 30, 2021	155,330 Shares	\$0.35	\$54,366.68	Debt settlement
July 23, 2021	34,284 Shares	\$0.35	\$12,000	Cash
August 11, 2021	57,285 Shares	\$0.35	\$20,049.75	Cash
September 1, 2021	2,400 Shares	\$0.35	\$840	Debt settlement

### **TRADING INFORMATION**

The Company is a private corporation and its securities have never been publicly traded.

### **ESCROWED SECURITIES**

#### **Escrowed Securities**

Pursuant to NP 46-201, securities held by Principals are required to be held in escrow in accordance with the national escrow regime applicable to initial public distributions. Shares and Options owned or controlled by the Principals of the Company are subject to the escrow requirements. In connection with the proposed Listing, the Company expects to enter into the Escrow Agreement in accordance with NP 46-201 as described herein.

Pursuant to the Escrow Agreement entered into among the Escrow Agent, the Company, and the Principals, 8,508,597 Shares and 1,200,000 Options (the “**Escrowed Securities**”) are held in escrow with the Escrow Agent. The Escrow Agreement provides that 10% of the Escrowed Securities will be released from escrow

upon the Listing Date and that an additional 15% will be released therefrom every 6 month interval thereafter, over a period of 36 months.

The Company is an “emerging issuer” as defined in NP 46-201. If the Company achieves “established issuer” status during the term of the Escrow Agreement, it will “graduate” resulting in a catch-up release and an accelerated release of any securities remaining in escrow under the 18-month schedule applicable to established issuers as if the Company had originally been classified as an established issuer.

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

- (a) transfers to continuing or, upon their appointment, incoming directors and senior officers of the Company or of a material operating subsidiary, with approval of the Board;
- (b) transfers to an RRSP or similar trustee plan provided that the only beneficiaries are the transferor or the transferor’s spouse or children or parents;
- (c) transfers upon bankruptcy to the trustee in bankruptcy;
- (d) pledges to a financial institution as collateral for a loan, provided that upon a realization the securities remain subject to escrow; and
- (e) tenders of Escrowed Securities to a take-over bid are permitted provided that, if the tenderer is a Principal of the successor corporation upon completion of the take-over bid, securities received in exchange for tendered Escrowed Securities are substituted in escrow on the basis of the successor corporation’s escrow classification.

The following table sets forth details of the Escrowed Securities that, as of the date of this Prospectus, will be subject to the Escrow Agreement:

<b>Designation of Class</b>	<b>Number of Securities to be held in Escrow</b>	<b>Percentage of Class</b>
Shares	8,365,740	55.2% <sup>(1)</sup>
Options	1,200,000	79% <sup>(2)</sup>

Note:

(1) Based on 15,159,619 Shares issued and outstanding.

(2) Based off a total 1,515,962 Options available under the Option Plan.

A detailed breakdown of the Shares to be escrowed in connection with the Listing is shown in the following table:

<b>Name of Shareholder</b>	<b>Designation of Security</b>	<b>Number of Securities to be held in Escrow</b>	<b>Percentage of Class<sup>(1)(2)</sup></b>
Alexandre P. Boivin	Shares	3,091,157	20.39%
	Options	250,000	16.5%
Olivier Berthiaume	Shares	482,142 <sup>(3)</sup>	3.2%
	Options	200,000	13.2%
Alexandre Lambert De Beaulieu	Shares	1,597,766	10.5%
	Options	250,000	16.5%
Jean-Luc Peyrot	Shares	3,194,675	21.1%
	Options	150,000	9.9%
William deJong	Shares	Nil	Nil
	Options	150,000	9.9%
Christopher Gulka	Shares	Nil	Nil
	Options	150,000	9.9%

Notes:

1) Based on 15,159,619 Shares issued and outstanding.

2) Based off a total 1,515,962 Options available under the Option Plan.

3) 50,000 Shares are held in 9198458 Canada Inc., a company wholly owned by Olivier Berthiaume.

NP 46-201 provides that all shares of a company owned or controlled by Principals will be escrowed at the time of the Company'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 total issued and outstanding Shares after giving effect to the initial public offering.

An issuer will be classified for the purposes of escrow as either an "exempt issuer", an "established issuer" or an "emerging issuer" as those terms are defined in NP 46-201.

Uniform terms of automatic timed release escrow apply to Principals of exchange listed issuers, differing only according to the classification of the issuer. The Company anticipates that it will be classified by the CSE as an "emerging issuer". As such, the Company anticipates that the following automatic timed releases will apply to the securities held by the Principals listed in the table above:

<b>Date of Automatic Timed Release</b>	<b>Amount of Escrowed Securities Released</b>
On the Listing Date	1/10 of the Escrowed Securities
6 months after the Listing Date	1/6 of the remaining Escrowed Securities
12 months after the Listing Date	1/5 of the remaining Escrowed Securities
18 months after the Listing Date	1/4 of the remaining Escrowed Securities
24 months after the Listing Date	1/3 of the remaining Escrowed Securities
30 months after the Listing Date	1/2 of the remaining Escrowed Securities
36 months after the Listing Date	the remaining Escrowed Securities

Assuming there are no changes to the escrowed securities initially deposited and no additional escrowed securities are deposited, automatic timed-release escrow applicable to the Company will result in a 10% release on the Listing Date, with the remaining escrowed securities being released every six months thereafter in accordance with the table above.

### **PRINCIPAL SHAREHOLDERS**

To the knowledge of the directors and officers of the Company, as of the date of this Prospectus, other than Alexandre P. Boivin, Alexandre Lambert De Beaulieu and Jean-Luc Peyrot, as disclosed within this Prospectus, the Company is not aware of any person who beneficially owns or exercises control or direction over Shares carrying more than 10% of the votes attached to the Shares.

### **DIRECTORS AND OFFICERS**

#### **Name, Occupation and Security Holdings**

The following table provides the names, state or province and country of residence, position, principal occupations during the five preceding years and the number of voting securities of the Company that each of its directors and executive officers beneficially owns, directly or indirectly, or exercises control over, as of the date of this Prospectus:

<b>Name and Province and Country of Residence</b>	<b>Proposed Position with Company<sup>(1)</sup></b>	<b>Principal Occupation for the Last Five Years</b>	<b>Number of Securities Beneficially Owned<sup>(2)</sup></b>	<b>Percentage of Class<sup>(2)(3)</sup></b>
Alexandre P. Boivin <i>Panama City, Panama</i>	President, Chief Executive Officer and Director	Mr. P.Boivin served as a CEO and board of director for multiple private company in the mining industry. Mr. P.Boivin advises in matters relating to corporate finance, capital markets and business development.	3,091,157 Shares	20.39%

		From 2019 to present, Mr. P.Boivin has served as a Director and CEO of Combia Gold Inc, a Canadian private mining company. Mr. P.Boivin is currently CEO of Boldmetals Exploration Corp.		
Alexandre Lambert De Beaulieu <sup>(4)</sup> <i>Montreal, Canada</i>	Director and Corporate Secretary	Mr. Lambert de Beaulieu is a former investment banker who has been committed to project development and private equity. He has spent the last 20 years in Latin America, incubating, developing and investing in over 30 companies. Alexandre is now an active angel investor in Latin America and in Canada.	1,597,766 Shares	10.5%
Olivier Berthiaume Montreal, Canada	Chief Financial Officer	Mr. Berthiaume is an accountant and board of director for multiple private company in the mining industry. From 2017 to present, Mr. Berthiaume has served as a Director and Chief Financial Officer of Combia Gold Inc., a Canadian private mining company. Mr. Berthiaume obtained a Bachelor of Business Administration with a minor in Accounting from HEC Montreal in 2011.	482,142 Shares	3.2%
William deJong <sup>(4)</sup> <i>Calgary, Canada</i>	Director	Internal legal counsel with Petrowest Corporation from 2015 to 2017, formerly a publicly traded (TSX) infrastructure builder; corporate securities	Nil Shares	Nil

		lawyer with Fasken Martineau DuMoulin LLP from 2018 to current. Director of Blackhawk Growth Corp. (CSE) from March 2021 to current.		
Jean-Luc Peyrot <i>Panama City, Panama</i>	Director	Mr. Peyrot obtained in 1976 a Master in Political Science from Geneva University and HEI and in 1994 a Diploma at MIT, Cambridge (USA) from its “Program for Senior Executives”. After 30 years international management experience with major Swiss banks Mr. Peyrot is since 2004 to present an Independent Advisor and Private Investor based in Geneva, Switzerland and Panama since 2009. Mr. Peyrot is a Senior Consultant and board of director for private companies in the finance industry.	3,194,675 Shares	21.1%
Christopher Gulka <sup>(4)</sup> <i>Coleman, Canada</i>	Director	Mr. Gulka has been the President of Working Capital Corporation since September of 1999, and has served as the chief financial officer of Parent Capital Corporation, a junior resource exploration company, since November of 2014. Mr. Gulka also serves as a the chief financial officer of Akeley Unit Trust and Chackmore Unit Trust, junior resource exploration companies, since April 2021.	Nil Shares	Nil

Notes:

- (1) Directors stand for re-election annually. The directors of the Company will serve until the end of the next annual meeting of shareholders of the Company.
- (2) The information as to shares beneficially owned, or over which control or direction is exercised, directly or indirectly, is based upon information furnished to the Company by the respective directors and senior officers as at the date hereof.
- (3) Based on 15,159,619 Shares issued and outstanding.
- (4) Audit Committee members.

As at the date of this Prospectus, the directors and executive officers of the Company as a group beneficially own, directly or indirectly, or exercise control or discretion over an aggregate of 8,365,740 Shares.

The term of office of the directors expires annually at the time of the Company's annual general meeting. The term of office of the executive officers expires at the discretion of the Board. No executive officers of the Company have entered into non-competition or non-disclosure agreements with the Company. See "Executive Compensation".

The Board has one committee, the Audit Committee, whose members are Christopher Gulka, William deJong and Alexandre Lambert De Beaulieu. Christopher Gulka is the chairman of the Audit Committee.

### **Background – Directors and Executive Officers**

The following is a brief description of each of the directors and executive officers of the Company, including their names, ages, positions and responsibilities with the Company, relevant educational background, principal occupations or employment during the five years preceding the date of this Prospectus, experience in the Company's industry and the amount of time intended to be devoted to the affairs of the Company.

#### ***Alexandre P. Boivin – President, Chief Executive Officer and Director, Age: 34***

Mr. P.Boivin served as a CEO and board of director for multiple private company in the mining industry. Mr. P.Boivin advises in matters relating to corporate finance, capital markets and business development. From 2019 to present, Mr. P.Boivin has served as a Director and Chief Executive Officer of Combia Gold Inc, a Canadian private mining exploration company. Mr. P.Boivin is also currently CEO of Boldmetals Exploration Corp., a Canadian private mining exploration company.

Mr. P.Boivin is a contractor of the Issuer, has not entered into any non-competition or non-disclosure agreements with the Issuer and is 34 years of age. Mr. P.Boivin expects to devote approximately 80% of his time to the business of the Issuer.

#### ***Olivier Berthiaume – Chief Financial Officer, Age: 34***

Mr. Berthiaume is an accountant and board of director for multiple private company in the mining industry. From 2017 to present, Mr. Berthiaume serves as a Director and Chief Financial Officer of Combia Gold Inc., a Canadian private mining exploration company. Mr. Berthiaume obtained a Bachelor of Business Administration with a minor in Accounting from HEC Montreal in 2011.

Mr. Berthiaume is a contractor of the Issuer, has not entered into any non-competition or non-disclosure agreements with the Issuer and is 34 years of age. Mr. Berthiaume expects to devote approximately 60% of his time to the business of the Issuer.

#### ***Alexandre Lambert De Beaulieu – Corporate Secretary and Director, Age: 49***



A self-described Serial-entrepreneur, Alexandre Lambert de Beaulieu is a former investment banker who has been committed to project development and private equity. He has spent the last 20 years in Latin America, incubating, developing and investing in over 30 companies. Alexandre is now an active angel investor in Latin America and in Canada.

Mr. Lambert de Beaulieu is a contractor of the Issuer, has not entered into any non-competition or non-disclosure agreements with the Issuer and is 49 years of age. Mr. Lambert de Beaulieu expects to devote approximately 30% of his time to the business of the Issuer.

***William DeJong – Director, Age: 34***

Mr. deJong is a lawyer in Fasken Martineau DuMoulin LLP’s Securities and Mining practice groups, and board of director and corporate secretary for multiple private, public and not-for-profit companies. Mr. deJong advises in matters relating to financings, mergers/acquisitions, corporate governance, continuous disclosure, stock exchange listings and other matters.

Mr. deJong is not an independent contractor or employee of the Issuer, has not entered into any non-competition or non-disclosure agreements with the Issuer and is 34 years of age. Mr. deJong expects to devote approximately 20% of his time to the business of the Issuer.

***Jean-Luc Peyrot – Director, Age: 68***

Mr. Peyrot is a Senior Consultant and board of director for private companies in the finance industry. After 30 years international management experience with major Swiss banks Mr. Peyrot is since 2004 to present an Independent Advisor and Private Investor based in Geneva, Switzerland and Panama since 2009. Mr. Peyrot obtained in 1976 a Master in Political Science from Geneva University and HEI and in 1994 a Diploma at MIT, Cambridge (USA) from its “Program for Senior Executives”.

Mr. Peyrot is a consultant of the Issuer, has not entered into any non-competition or non-disclosure agreement with the Issuer and is 68 years of age. Mr. Peyrot expects to devote approximately 20% of his time to the business of the Issuer.

***Christopher Gulka – Director, Age: 52***

Mr. Gulka has been the President of Working Capital Corporation since September of 1999, and has served as the Chief Financial Officer of Parent Capital Corporation, a junior resource exploration company, since November of 2014 until September 2021. Mr. Gulka also serves as the Chief Financial Officer of Akeley Unit Trust and Chackmore Unit Trust, junior resource exploration companies, since April 2021, and has been a director and officer of multiple Canadian public companies over the span of his career.

**Other Reporting Issuer Experience**

The following table sets out the proposed directors, officers and promoters of the Company that are, or have been within the last five years, directors, officers or promoters of other reporting issuers:

<b>Name</b>	<b>Name of Reporting Issuer</b>	<b>Name of Exchange or Market</b>	<b>Position</b>	<b>Term</b>
William deJong	Blackhawk Resource Corp.	CSE	Director	March 2021 to Present
Christopher Gulka	Parent Capital Corporation (formerly Century Energy Ltd.)	NEX	Director, CFO	November 2014 to September 2021
	Chackmore Unit Trust	N/A	Director, CFO	April 2021 to Present
	Akeley Unit Trust	N/A	Director	April 2021 to Present
	Inner Spirit Holdings Ltd.	CSE	Director, CFO	July 2018 to July 2021
	EXMceuticals Inc. (formerly Orofino Minerals Inc.)	CSE and OTCQB	Director, CFO	June 2018 to June 2019
	YSS Corp. (formerly Aldershot Resources Ltd.)	TSXV	Director	June 2017 to June 2018

### **Corporate Cease Trade Orders**

To the knowledge of the Company, as at the date of this Prospectus and within the ten years before the date of this Prospectus, no director or executive officer of the Company is or has been a director, chief executive officer or chief financial officer of any person or company (including the Company), that while that person was acting in that capacity:

- (a) was subject of a cease trade order or similar order or an order that denied the relevant person or Company access to any exemptions under securities legislation (an “order”), for a period of more than 30 consecutive days; 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.

### **Bankruptcies**

In December 2014, Alexandre P. Boivin, the CEO and director and of the Company, was involved as a director and officer of 7984413 Canada Inc., 8768838 Canada Inc. and 8342121 Canada Inc. (collectively the “**Related Companies**”), which were involved with mining operations in South American. The Related

Companies went into receivership on January 25, 2018. In addition, as it relates to the bankruptcy of the Related Companies, Alexandre P. Boivin entered into a consumer proposal with outstanding creditors. As of November 2018, it was completed and paid off in full.

Other than as disclosed above, to the knowledge of the Company, as at the date of this Prospectus and within the ten years before the date of this Prospectus, no director or officer of the Company or security holder anticipated to hold a sufficient number of securities of the Company to affect materially its control:

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

### **Penalties or Sanctions**

On September 10, 2021, an Introductory Motion was served on Alexandre P. Boivin and 9203516 Canada Inc., of which Mr. Boivin is a director and officer of, by the Autorité des marchés financiers (AMF). The administrative proceedings commenced by the AMF is before Quebec's administrative securities tribunal, the Tribunal administratif des marchés financiers. Mr. Boivin has retained counsel and intends to contest the AMF's proceedings. The first appearance in respect of the AMF's proceedings is scheduled for October 21, 2021.

Other than as disclosed above, to the knowledge of the Company, no director or officer of the Company or security holder anticipated to hold a sufficient number of securities of the Company to affect materially its control, has:

- (a) been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) been subject to any other penalties or sanctions imposed by a court or regulatory body, including a self-regulatory body, that would be likely to be considered important to a reasonable investor in making an investment decision.

### **Conflicts of Interest**

To the knowledge of the Company, no director, officer of the Company or a subsidiary of the Company has any existing or potential material conflicts of interests with the Company.

## EXECUTIVE COMPENSATION

The Company is currently not a reporting issuer in any jurisdiction. As a result, certain information required by Form 51-102F6 – *Statement of Executive Compensation* (“**Form 51-102F6**”) has been omitted pursuant to Section 1.3(8) of Form 51-102F6.

For the purposes hereof, the term Named Executive Officer, or NEO, means each Chief Executive Officer, each Chief Financial Officer and each of the Company's three most highly compensated executive officers, other than the Chief Executive Officer and the Chief Financial Officer, who were serving as executive officers as at the end of the Company's most recently completed financial year ended December 31, 2020 and whose total salary and bonus exceeds \$150,000 and any additional individuals for whom disclosure would have been provided except that the individual was not serving as an officer of the Company at the end of the Company's most recently completed financial year.

### **Proposed Executive Compensation**

At its present stage of development, the Company does not have any formal objectives, criteria and analysis for determining the compensation of its Named Executive Officers and primarily relies on the discussions and determinations of the board of directors.

The Company has written agreements with the Company's CEO, CFO and corporate secretary pursuant to which the Company has agreed to pay a yearly cash fee of \$60,000, \$15,000 and \$15,000, and a yearly fee of \$20,000, \$15,000 and 20,000\$ in RSUs respectively, for services rendered as CEO, CFO and corporate secretary

In addition, the Company expects to grant incentive Convertible Equity Securities to the Named Executive Officers, under the Equity Compensation Plan set forth below and as further elaborated under the heading “*Convertible Equity Securities To Purchase Securities*”.

### **Risks of Compensation Policies and Practices and Purchase of Financial Instruments**

The Board of the Company intends to examine the risks of its compensation policies and the purchase of financial instruments following Listing.

### **Convertible Equity Securities**

Convertible Equity Securities grants, such as stock options and RSUs, will be made on the basis of the number of Convertible Equity Securities currently held, position, overall individual performance, anticipated contribution to the Company's future success and the individual's ability to influence corporate and business performance. The purpose of granting such Convertible Equity Securities will be to assist the Company in compensating, attracting, retaining and motivating its officers and to closely align the personal interests of such persons to the interests of the shareholders.

As of the date of this Prospectus, there are 1,300,000 stock options outstanding under the Option Plan. The Options outstanding as of the date of this Prospectus, have a term as set out in each stock option agreement. Further, as of the date of this Prospectus, there are 214,286 RSUs outstanding under the RSU Plan.

The recipients of incentive Convertible Equity Securities and the terms of the Convertible Equity Securities granted will be determined from time to time by the Board. The exercise price of the Convertible Equity Securities granted will be generally determined by the market price at the time of grant.

### **Defined Benefit Plan**

The Company does not have any defined benefit or actuarial plan.

### **Termination and Change of Control Benefits**

The Company does not have any contracts, agreements, plans or arrangements in place with any NEOs that provides for payment following or in connection with any termination (whether voluntary, involuntary or constructive) resignation, retirement, a change of control of the Company or a change in an NEOs responsibilities.

### **Director Compensation**

The Company has written agreements agreement with Company's directors, William deJong and Christopher Gulka, pursuant to which the Company has agreed to pay these individuals an annual fee of \$5,000, \$10,000 annually in RSUs and 150,000 options annually. Jean-Luc Peyrot, as a director, will also receive 150,000 options. Alexandre P. Boivin and Alexandre Lambert De Beaulieu, as board members, are compensated through their management positions with the Company, as outlined elsewhere within the Prospectus.

The Company does not have any additional arrangements, standard or otherwise, pursuant to which directors are compensated by the Company for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as consultants or experts. As with the Named Executive Officers, the Board intends to compensate directors primarily through the grant of stock Convertible Equity Securities and reimbursement of expenses incurred by such persons acting as directors of the Company.

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

No person who is, or who has been, a director, executive officer or employee of the Company or any associate of any of the aforementioned, is or has been indebted to the Company or any of its subsidiaries or to any entity which has been provided a guarantee, support agreement, letter of credit or similar arrangement by the Company at any time before the date of the this Prospectus.

## **AUDIT COMMITTEE**

The Audit Committee's role is to act in an objective, independent capacity as a liaison between the auditors, management and the Board and to ensure the auditors have a facility to consider and discuss governance and audit issues with parties not directly responsible for operations. NI 52-110, NI 41-101 and Form 52-110F2 require the Company to disclose certain information relating to the Company's Audit Committee and its relationship with the Company's independent auditors.

Pursuant to NI 52-110, the Company is required to have an audit committee comprised of not less than three directors, a majority of whom are not officers, employees or control persons of the Company or of an affiliate of the Company. The Audit Committee is composed of Christopher Gulka, William deJong and Alexandre Lambert De Beaulieu.

### **Audit Committee Charter**

The Company has adopted an audit committee charter in the form attached hereto as Appendix A to this Prospectus.

## Independence

NI 52-110 provides that a member of an audit committee is “independent” if the member has no direct or indirect material relationship with the issuer, which could, in the view of the issuer’s board of directors, reasonably interfere with the exercise of the member’s independent judgment. Each member of the Audit Committee is independent.

## Financial Literacy

NI 52-110 provides that an individual is “financially literate” if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements.

All existing and proposed members of the Audit Committee are financially literate as such term is defined in NI 52-110.

## Audit Committee Oversight

Since the commencement of the Company’s most recently completed financial year, the Audit Committee has not made any recommendations to nominate or compensate an external auditor which were not adopted by the Board.

## Reliance on Certain Exemptions

Since the commencement of the Company’s most recently completed financial year, the Company has not relied on:

- (a) the exemption in section 2.4 (De Minimis Non-audit Services) of NI 52-110; or
- (b) an exemption from NI 52-110, in whole or in part, granted under Part 8 (Exemptions).

## Pre-Approval Policies and Procedures

The Audit Committee has not adopted any specific policies and procedures for the engagement of non-audit services.

## External Auditor Service Fees (By Category)

For the financial year ended December 31, 2020, MNP LLP, Chartered Professional Accountants, received fees from the Company as follows:

	<b><u>2020</u></b>
Audit Fees <sup>(1)</sup>	\$24,000
Audit Related Fees <sup>(2)</sup>	\$630
Tax Fees <sup>(3)</sup>	\$1,250
All Other Fees <sup>(4)</sup>	Nil

Notes:

- (1) “Audit Fees” means the aggregate fees billed by the Company’s external auditor for the last fiscal year for audit services.
- (2) “Audit-Related Fees” means the aggregate fees billed for the last fiscal year for assurance and related services by the Company’s external auditor that are reasonably related to the performance of the audit or review of the Company’s financial statements and are not reported under clause (a) above, including assistance with specific audit procedures on interim financial information.
- (3) “Tax Fees” means the aggregate fees billed in the last fiscal year for professional services rendered by the Company’s external auditor for tax compliance, tax advice and tax planning.
- (4) “All Other Fees” means the aggregate fees billed in the last fiscal year for products and services provided by the Company’s external auditor, other than the services reported under clauses (a), (b) and (c), above.

## **Exemption**

The Company is relying on the exemption provided in section 6.1 of NI 52-110 as the Company is a “venture issuer” and is therefore exempt from the requirements of Part 3 (Composition of Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

## **CORPORATE GOVERNANCE**

### **The Board of Directors**

The Board is responsible for the general supervision of the management of the Company’s business and affairs with the objective of enhancing shareholder value. The Board discharges its responsibilities directly and through its committees, which currently comprise the Audit Committee only.

The Board facilitates exercise of independent supervision over management through its independent members recognizing that the Company is currently in its early stages.

The Board of the Company consists of five directors. The Board has concluded that two of the directors are “independent” for purposes of board membership, as defined in NI 58-101.

### **Orientation and Continuing Education**

While the Company does not have a formal continuing education program, the directors individually are responsible for updating their skills required to meet their obligations as directors.

### **Ethical Business Conduct**

The Board has not adopted specific guidelines. To ensure that an ethical business culture is maintained and promoted, directors are encouraged to exercise their independent judgment. If a director has a material interest in any transaction or agreement that the Company proposes to enter into, such director is expected to disclose such interest to the Board in compliance with all applicable laws, rules and policies which govern conflicts of interest in connection with such transaction or agreement. Further, any director who has a material interest in any transaction or agreement will be excluded from the portion of a board of directors’ meeting concerning such matters and will be further precluded from voting on such matters.

### **Nomination of Directors**

The Board is responsible for the identification and assessment of potential directors. While no formal nomination procedure is in place to identify new candidates, the Board reviews the experience and performance of nominees for the election to the Board, and in particular, any appointments to the Audit Committee. The Board also assesses any potential conflicts, independence or time commitment concerns a candidate may present.

## **Compensation**

At present, no compensation other than the grant of stock options, RSUs and cash is paid to the Company's directors, in such capacity.

## **Other Board Committees**

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

## **Board Assessments**

The Board, the Audit Committee and its individual directors are assessed as to their effectiveness and contribution. All directors and/or committee members are free to make suggestions for improvement of the practice of the Board and/or the Audit Committee at any time and are encouraged to do so.

## **CONDITIONAL LISTING APPLICATION**

The Company has applied to list the Shares on the CSE. Listing on the CSE is subject to the Company fulfilling all of the listing requirements and conditions of the CSE. There is no guarantee that the Shares will be listed on the CSE or on any exchange.

## **PLAN OF DISTRIBUTION**

This is a non-offering prospectus. No securities are offered pursuant to this Prospectus. This Issuer is not a reporting issuer in any province or territory of Canada.

The Company has applied to list the Shares on the CSE. The listing of the Shares will be subject to the Company fulfilling all of the listing requirements of the CSE, which cannot be guaranteed.

This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the U.S. or to, or for the account or benefit of, U.S. Persons. None of the Shares have been or will be registered under the U.S. Securities Act or the securities laws of any state of the U.S. and may not be offered or sold within the U.S. or to, or for the account or benefit of, U.S. Persons, except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws.

## **RISK FACTORS**

The following are certain factors relating to the business of the Company, which factors investors should carefully consider when making an investment decision concerning the Shares. These risks and uncertainties are not the only ones facing the Company. Additional risks and uncertainties not presently known to the Company, or that the Company currently deems immaterial, may also impair the operations of the Company. If any such risks actually occur, the financial condition, liquidity and results of operations of the Company could be materially adversely affected and the ability of the Company to implement its growth plans could be adversely affected.

Prospects for companies in the mineral exploration industry generally may be regarded as uncertain given the nature of the industry and, accordingly, investments in mineral exploration companies should be regarded as highly speculative. Mineral exploration involves a significant degree of risk. An investor should carefully consider the risks and uncertainties described below. The risks and uncertainties described below are not an exhaustive list. Additional risks and uncertainties not presently known to the Company or that



are considered to be immaterial may also adversely affect the Company's business. If any one or more of the following risks occur, the Company's business, financial condition and results of operations could be seriously harmed. Further, if the Company fails to meet the expectations of the public market in any given period, the market price of the Shares could decline. An investment in the Shares should only be made by persons who can afford a significant or total loss of their investment.

The risks discussed below also include forward-looking statements and actual results may differ substantially from those discussed in these forward-looking statements. See "Forward-Looking Statements" in this Prospectus.

### **COVID-19 Outbreak**

In December 2019, COVID-19 emerged in Wuhan, China. Since then, it has spread to several other countries and infections have been reported around the world. On March 11, 2020, the World Health Organization declared the outbreak of COVID-19 a global pandemic. In response to the outbreak, governmental authorities in Canada and internationally have introduced various recommendations and measures to try to limit the pandemic, including travel restrictions, border closures, non-essential business closures, quarantines, self-isolations, shelters-in-place and social distancing. The COVID-19 outbreak and the response of governmental authorities to try to limit it are having a significant impact on the private sector and individuals, including unprecedented business, employment and economic disruptions. The continued spread of COVID-19 nationally and globally could have an adverse impact on our business, operations and financial results. In response to the COVID-19 pandemic, the Company has implemented precautionary measures at its corporate office, including limiting visits to essential personnel and ensuring proper protocols around sanitation and social distancing.

The outbreak of COVID-19 may cause disruptions to the Company's business and operational plans. These disruptions may include disruptions resulting from (i) shortages of employees, (ii) unavailability of contractors and subcontractors, (iii) interruption of supplies from third parties upon which the Company relies, (iv) restrictions that governments impose to address the COVID-19 outbreak, and (v) restrictions that the Company and its contractors and subcontractors impose to ensure the safety of employees and others. Further, it is presently not possible to predict the extent or durations of these disruptions. These disruptions may have a material adverse effect on the Company's business, financial condition and results of operations. Such adverse effect could be rapid and unexpected. These disruptions may severely impact the Company's ability to carry out its business plans for 2020 in accordance with the use of proceeds section above.

### **Dependence on the Property**

The Company is an exploration stage company and as such does not anticipate receiving revenue from its mineral properties for some time. The Company will be solely focused on the exploration and development of the Property, which does not have any identified mineral resources or reserves. Unless the Company acquires additional property interests, any adverse developments affecting the Property could have a material adverse effect upon the Company and would materially and adversely affect any profitability, financial performance and results of operations of the Company.

Mineral exploration and development involves a high degree of risk and few properties that are explored are ultimately developed into producing mines. There is no assurance that the Company's mineral exploration and development programs at the Property will result in the definition of bodies of commercial mineralization. There is also no assurance that even if commercial quantities of mineralization are discovered that Property will be brought into commercial production. Failure to do so will have a material adverse impact on the Company's operations and potential future profitability. The discovery of bodies of

commercial mineralization is dependent upon a number of factors, not the least of which is the technical skill of the exploration personnel involved. The commercial viability of a mineral deposit once discovered is also dependent upon a number of factors, some of which are the particular attributes of the deposit (such as size, grade and proximity to infrastructure), metal prices and government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. Most of the above factors are beyond the Company's control.

### **Exploration, Development and Production Risks**

The exploration for and development of minerals involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. Few properties that are explored are ultimately developed into producing mines. There can be no guarantee that the estimates of quantities and qualities of minerals disclosed will be economically recoverable. With all mining operations there is uncertainty and, therefore, risk associated with operating parameters and costs resulting from the scaling up of extraction methods tested in pilot conditions. Mineral exploration is speculative in nature and there can be no assurance that any minerals discovered will result in an increase in the Company's resource base.

The Company's operations will be subject to all of the hazards and risks normally encountered in the exploration, development and production of minerals. These include unusual and unexpected geological formations, rock falls, seismic activity, flooding and other conditions involved in the extraction of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. In addition, operations are subject to hazards that may result in environmental pollution, and consequent liability that could have a material adverse impact on the business, operations and financial performance of the Company.

Substantial expenditures are required to establish ore reserves through drilling, to develop metallurgical processes to extract the metal from the ore and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis. The economics of developing precious metals and other mineral properties is affected by many factors including the cost of operations, variations in the grade of ore mined, fluctuations in metal markets, costs of processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. The remoteness and restrictions on access of properties in which the Company has an interest will have an adverse effect on profitability as a result of higher infrastructure costs. There are also physical risks to the exploration personnel working in the terrain in which the Company's properties will be located, often in poor climate conditions.

The long-term commercial success of the Company depends on its ability to explore, develop and commercially produce minerals from its properties and to locate and acquire additional properties worthy of exploration and development for minerals. No assurance can be given that the Company will be able to locate satisfactory properties or acquisition or participation. Moreover, if such acquisitions or participations are identified, the Company may determine that current markets, terms of acquisition and participation or pricing conditions make such acquisitions or participation uneconomic.

### **Mineral Resources and Reserves**

Because the Company has not defined or delineated any resource or reserve on any of its properties, mineralization estimates for the Company's properties may require adjustments or downward revisions based upon further exploration or development work or actual production experience. In addition, the grade

of ore ultimately mined, if any, may differ from that indicated by drilling results. There can be no assurance that minerals recovered in small-scale tests will be duplicated in large-scale tests under on-site conditions or in production scale.

Unless otherwise indicated, mineralization figures presented in this Prospectus are based upon estimates made by the Company, personnel and independent geologists. These estimates are imprecise and depend upon geological interpretation and statistical inferences drawn from drilling and sampling analysis which may prove to be unreliable.

There can be no assurance that these estimates will be accurate; resource or other mineralization figures will be accurate; or such mineralization could be mined or processed profitably.

### **Insufficient Resources or Reserves**

Substantial additional expenditures will be required to establish either resources or reserves on mineral properties and to develop processes to extract the minerals. No assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that the funds required for development can be obtained on a timely basis or at all.

### **Obtaining and Renewing Licenses and Permits**

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

### **No Assurances**

There is no assurance that economic mineral deposits will ever be discovered, or if discovered, subsequently put into production. Most exploration activities do not result in the discovery of commercially mineable deposits. The Company's future growth and profitability will depend, in part, on its ability to identify and expand its mineral reserves through additional exploration of the Property and on the costs and results of continued exploration and development programs. Mining exploration is highly speculative in nature, involves many risks and frequently is not productive. Most exploration projects do not result in the discovery of commercially mineable ore deposits and no assurance can be given that any anticipated level of recovery of mineral reserves will be realized or that any identified mineral deposit will ever qualify as a commercially mineable (or viable) ore body which can be legally and economically exploited. There can be no assurance that the Company's exploration efforts at the Property will be successful.

### **Title Matters, Surface Rights and Access Rights**

The Property may be subject to prior unregistered agreements of transfer or indigenous land claims, and title may be affected by undetected defects. Until any such competing interests have been determined, there

can be no assurance as to the validity of title of the Property and any other mining or property interests derived from or in replacement or conversion of or in connection with the claims comprising the Property or the size of the area to which such claims and interests pertain. The Company cannot guarantee that title to its mineral properties will not be challenged. Title insurance is generally not available for mineral properties and the Company's ability to ensure that it has obtained secure claim to individual mineral properties or mining concessions may be severely constrained.

Although, upon exercising the Option, will acquire the rights to some or all of the minerals in the ground, it does not thereby acquire any rights to, or ownership of, the surface to the areas covered by its mineral tenures. In areas where there are local populations or landowners, it is necessary, as a practical matter, to negotiate surface access. There is a risk that local communities or affected groups may take actions to delay, impede or otherwise terminate the contemplated activities of the Company. There can be no guarantee that the Company will be able to negotiate a satisfactory agreement with any such existing landowners/occupiers for such access, and therefore it may be unable to carry out significant exploration and development activities. In addition, in circumstances where such access is denied, or no agreement can be reached, the Company may need to rely on the assistance of local officials or the courts in such jurisdiction, which assistance may not be provided or, if provided, may not be effective. If the development of a mine on the Property becomes justifiable it will be necessary to acquire surface rights for mining, plant, tailings and mine waste disposal. There can be no assurance that the Company will be successful in acquiring any such rights.

### **Additional Funding Requirements**

The exploration and development of the Property will require substantial additional capital. When such additional capital is required, the Company will need to pursue various financing transactions or arrangements, including joint venturing of projects, debt financing, equity financing or other means. Additional financing may not be available when needed or, if available, the terms of such financing might not be favorable to the Company and might involve substantial dilution to existing shareholders. The Company may not be successful in locating suitable financing transactions in the time period required or at all. A failure to raise capital when needed would have a material adverse effect on the Company's business, financial condition and results of operations. Any future issuance of securities to raise required capital will likely be dilutive to existing shareholders. In addition, debt and other debt financing may involve a pledge of assets and may be senior to interests of equity holders. The Company may incur substantial costs in pursuing future capital requirements, including investment banking fees, legal fees, accounting fees, securities law compliance fees, printing and distribution expenses and other costs. The ability to obtain needed financing may be impaired by such factors as the capital markets (both generally and in the precious metals industries in particular), the Company's status as a new enterprise with a limited history, the location of the Property, the price of commodities and/or the loss of key management personnel. Further, if the price of precious on the commodities markets decreases, then potential revenues from the Property will likely decrease and such decreased revenues may increase the requirements for capital. Failure to obtain sufficient financing will result in a delay or indefinite postponement of development or production at the Property.

### **Dependence on Key Personnel and Qualified and Experienced Employees**

The Company's success depends on the efforts and abilities of certain senior officers and key employees. Certain of the Company's employees have significant experience in the mineral exploration industry, and the number of individuals with significant experience in this industry is small. While the Company does not foresee any reason why such officers and key employees will not remain with the Company, if for any reason they do not, the Company could be adversely affected. The Company has not purchased key man life insurance for any of these individuals. The Company's success also depends on the availability of qualified and experienced employees to work in the Company's operations and its ability to

attract and retain such employees. In addition, the Company's ability to keep essential operating staff in place may also be challenged as a result of potential COVID-19 outbreaks or quarantines.

### **Dilution**

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

### **Environmental Risks**

All phases of the Company's operations with respect to the Property will be subject to environmental regulation. Environmental legislation involves strict standards and may entail increased scrutiny, fines and penalties for non-compliance, stringent environmental assessments of proposed projects and a high degree of responsibility for companies and their officers, directors and employees. Changes in environmental regulation, if any, may adversely impact the Company's operations and future potential profitability. In addition, environmental hazards may exist on the Property that are currently unknown. The Company may be liable for losses associated with such hazards, or may be forced to undertake extensive remedial cleanup action or to pay for governmental remedial cleanup actions, even in cases where such hazards have been caused by previous or existing owners or operators of the properties, or by the past or present owners of adjacent properties or by natural conditions. The costs of such cleanup actions may have a material adverse impact on the Company's operations and future potential profitability.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

The Company may be subject to reclamation requirements designed to minimize long-term effects of mining exploitation and exploration disturbance by requiring the operating company to control possible deleterious effluents and to re-establish to some degree pre-disturbance landforms and vegetation. Any significant environmental issues that may arise, however, could lead to increased reclamation expenditures and could have a material adverse impact on the Company's financial resources.

### **Limited Operating History and Early Stage Property**

The Company is an early stage company and the Property is an exploration stage property. As such, the Company will be subject to all of the business risks and uncertainties associated with any new business enterprise, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenues. The current state of the Property requires significant additional expenditures before any cash flow may be generated. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of its success must be considered in light of its early stage of operations.

The Property is in the early exploration stage and is without resources or reserves. The proposed programs on the Property are an exploratory search for a mineral deposit. Development of the Property will only follow upon obtaining satisfactory results. Exploration for and the development of minerals involve a high degree of risk and few properties, which are explored, are ultimately developed into producing properties. There is no assurance that the Company's exploration and development activities will result in any discoveries of commercial bodies of ore.

The long-term success of the Company's operations will be in large part directly related to the cost and success of its exploration programs, which may be affected by a number of factors.

### **Lack of Operating Cash Flow**

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

### **Regulatory Requirements**

Even if the Property is proven to host economic reserves of precious or non-precious metals, factors such as governmental expropriation or regulation may prevent or restrict mining of any such deposits. Exploration and mining activities may be affected in varying degrees by government policies and regulations relating to the mining industry. Any changes in regulations or shifts in political conditions are beyond the control of the Company and may adversely affect its business. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, income taxes, expropriation of the Property, environmental legislation and mine safety.

### **Volatility of Mineral Prices**

The Company's revenues, if any, are expected to be in large part derived from the extraction and sale of precious and base minerals and metals. Factors beyond the control of the Company may affect the marketability of metals discovered, if any. Metal prices have fluctuated widely, particularly in recent years. Consequently, the economic viability of any of the Company's exploration projects cannot be accurately predicted and may be adversely affected by fluctuations in mineral prices. In addition, currency fluctuations may affect the cash flow which the Company may realize from its operations, since most mineral commodities are sold in a world market in United States dollars.

### **Infrastructure**

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

## **Acquiring Additional Properties**

Significant and increasing competition exists for mineral acquisition opportunities throughout the world. As a result of this competition, some of which is with large, better established mining companies with substantial capabilities and greater financial and technical resources, the Company may be unable to acquire rights to exploit additional attractive mining properties on terms it considers acceptable.

## **Risks Associated with Acquisitions**

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

## **Executive Employee Recruitment and Retention**

The success of the Company will be dependent upon the performance of its management and key employees. The loss of any key executive or manager of the Company may have an adverse effect on the future of the Company's business.

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

## **Adverse General Economic Conditions**

The unprecedented events in global financial markets in the past several years have had a profound impact on the global economy. Many industries, including the mineral exploration sector, were impacted by these market conditions.

Some of the key impacts of the financial market turmoil included contraction in credit markets resulting in a widening of credit risk, devaluations, high volatility in global equity, commodity, foreign exchange and precious metal markets and a lack of market liquidity. A similar slowdown in the financial markets or other economic conditions, including but not limited to, inflation, fuel and energy costs, lack of available credit, the state of the financial markets, interest rates and tax rates, may adversely affect the Company's operations. Specifically, a global credit/liquidity crisis could impact the cost and availability of financing and our overall liquidity, the volatility of mineral prices would impact the Company's prospects, volatile energy, commodity and consumables prices and currency exchange rates would impact costs and the devaluation and volatility of global stock markets would impact the valuation of its equity and other

securities. These factors could have a material adverse effect on the Company's financial condition and results of operations.

In recent years, the securities markets in Canada, as well as in other countries around the world, have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price that 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 quoted market for the Shares will be subject to market trends and conditions generally, notwithstanding any potential success of the Company in developing assets, adding additional resources, establishing feasibility of deposits or creating revenues, cash flows or earnings. The value of securities will be affected by market volatility. An active public market for the Shares might not develop or be sustained. If an active public market for the Shares does not develop or continue, the liquidity of a shareholder's investment may be limited and the price of the Shares may decline.

### **Claims and Legal Proceedings**

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

### **Force Majeure**

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

### **Uncertainty of Use of Proceeds**

Although the Company has set out its intended use of proceeds in this Prospectus, these intended uses are estimates only and subject to change. While management does not contemplate any material variation, management does retain broad discretion in the application of such proceeds. The failure by the Company to apply these funds effectively could have a material adverse effect on the Company's business, including the Company's ability to achieve its stated business objectives.

### **Competition**

All aspects of the Company's business will be subject to competition from other parties. Many of the Company's competitors for the acquisition, exploration, production and development of mineral properties, and for capital to finance such activities, will include companies that have greater financial and personnel resources available to them than the Company. Competition could adversely affect the Company's ability to acquire suitable properties or prospects in the future.



## **Conflicts of Interest**

Certain of the directors and officers of the Company will be engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies (including mineral resource companies) and, as a result of these and other activities, such directors and officers of the Company may become subject to conflicts of interest. The CBCA provides that in the event that a director has a material interest in a contract or proposed contract or agreement that is material to the issuer, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement, subject to and in accordance with the CBCA. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the CBCA. To the proposed management of the Company's knowledge, as at the date hereof there are no existing or potential material conflicts of interest between the Company and a proposed director or officer of the Company except as otherwise disclosed herein.

## **Dividends**

To date, the Company has not paid any dividends on their outstanding shares. Any decision to pay dividends on the Shares will be made by the Board on the basis of the Company's earnings, financial requirements and other conditions.

## **Litigation**

The Company and/or its directors and officers may be subject to a variety of civil or other legal proceedings, with or without merit. From time to time in the ordinary course of its business, the Company may become involved in various legal proceedings, including commercial, employment and other litigation and claims, as well as governmental and other regulatory investigations and proceedings. Such matters can be time-consuming, divert management's attention and resources and cause the Company to incur significant expenses. Furthermore, because litigation is inherently unpredictable, the results of any such actions may have a material adverse effect on the Company's business, operating results or financial condition.

## **Operating Hazards, Risks and Insurance**

The ownership, exploration, operation and development of a mine or mineral property involves many risks which even a combination of experience, knowledge and careful evaluation may not be able to overcome. These risks include environmental hazards, industrial accidents, explosions and third-party accidents, the encountering of unusual or unexpected geological formations, ground falls and cave-ins, mechanical failure, unforeseen metallurgical difficulties, power interruptions, flooding, earthquakes and periodic interruptions due to inclement or hazardous weather conditions. These occurrences could result in environmental damage and liabilities, work stoppages, delayed production and resultant losses, increased production costs, damage to, or destruction of, mineral properties or production facilities and resultant losses, personal injury or death and resultant losses, asset write downs, monetary losses, claims for compensation of loss of life and/or damages by third parties in connection with accidents (for loss of life and/or damages and related pain and suffering) that occur on Company property, and punitive awards in connection with those claims and other liabilities.

It is not always possible to fully insure against such risks, and the Company may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise they could reduce or eliminate any future profitability and result in an increase in costs and a decline in value of our securities. Liabilities that the Company incurs may exceed the policy limits of insurance coverage or may not be covered by insurance, in which event the Company could incur significant costs that could adversely impact its business, operations, potential profitability or value. Despite efforts to attract and retain

qualified personnel, as well as the retention of qualified consultants, to manage the Company's interests, even when those efforts are successful, people are fallible and human error could result in significant uninsured losses. These could include loss or forfeiture of mineral interests or other assets for non-payment of fees or taxes, significant tax liabilities in connection with any tax planning effort the Company might undertake and legal claims for errors or mistakes by personnel.

### **Absence of Public Trading Market**

Currently, there is no public market for the Shares and there can be no assurance that an active market for the Shares will develop or be sustained after the Listing Date. If an active public market for the Shares does not develop, the liquidity of an investor's investment may be limited and the share price may decline below the price paid for the Shares by such investor.

### **PROMOTER**

Alexandre P. Boivin may be considered to be a Promoter of the Company in that he took the initiative in organizing the business of the Company. As at the date of this Prospectus, Alexandre P. Boivin directly and beneficially owns or has control and direction over 3,091,157 Shares.

### **LEGAL PROCEEDINGS AND REGULATORY ACTIONS**

#### **Legal Proceedings**

Neither the Company nor any of its property was previously a party to, or the subject of, any legal proceeding nor is the Company currently party to any material legal proceeding or contemplating any legal proceedings which are material to its business. From time to time, however, the Company may be subject to various claims and legal actions arising in the ordinary course of business. Management of the Company is not currently aware of any legal proceedings contemplated against the Company.

#### **Regulatory Actions**

From incorporation to the date of this Prospectus, management knows of no:

- (a) penalties or sanctions imposed against the Company by a court relating to provincial and territorial securities legislation or by a securities regulatory authority;
- (b) other penalties or sanctions imposed by a court or regulatory body against the Company necessary for the Prospectus to contain full, true and plain disclosure of all material facts relating to the securities being distributed; and
- (c) settlement agreements the Company entered into before a court relating to provincial and territorial securities legislation or with a securities regulatory authority.

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

Other than as set forth in this Prospectus, the Company is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any director or executive officer, any person or company who owns of record, or is known by the Company to own beneficially, directly or indirectly, more than 10% of the Shares or any associate or affiliate of the foregoing persons or companies in any transaction since its incorporation or in any proposed transaction that has materially affected or is reasonably expected to materially affect the Company.

## **AUDITORS, TRANSFER AGENT AND REGISTRAR**

The auditors of the Company are MNP LLP, Chartered Professional Accounts, of 330 5 Ave SW Suite 2000, Calgary, AB T2P 0L4.

The transfer agent and registrar of the Company is Olympia Trust Company, of 925 W Georgia St #1900, Vancouver, BC V6C 3L2.

## **MATERIAL CONTRACTS**

Except for contracts made in the ordinary course of business and those mentioned above, the following are the only material contracts entered into by the Company since incorporation which are currently in effect and considered to be material:

1. the Purchase Agreement (see “General Development of the Business – Business of the Company”);
2. the Escrow Agreement (see “Escrowed Securities”).

## **EXPERTS**

### **Names of Experts**

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

- MNP LLP, Chartered Professional Accountants, are the auditors of the Company, who prepared the audit report on the Company’s financial statements included in and forming part of this Prospectus; and
- Seymour M. Sears, B.A., B.Sc., PGO and Jack King, Ph. D., P. Geo., each a Qualified Person (as defined in NI 43-101), authored the Technical Report in accordance with the requirements of NI 43-101, the majority of which is reproduced in and forms part of this Prospectus and is available in its full form on the Company’s profile on SEDAR.

### **Interests of Experts**

Other than disclosed herein, no person whose profession or business gives authority to a statement made by such person and who is named in this Prospectus has received or will receive a direct or indirect interest in the Company’s property or any associate or affiliate of the Company.

Seymour M. Sears, B.A., B.Sc., PGO and Jack King, Ph. D., P. Geo., do not have any direct or indirect interest in the Company or the Property, nor will any such interest materialize before or after Listing, and there are no circumstances that, when reasonably interpreted, could be thought to have interfered with the judgment of Allan Armitage, Ph. D., P. Geo. And Maxime Dupéré, B.Sc., Géo. regarding the preparation of the Technical Report.

MNP LLP, Chartered Professional Accounts, has confirmed that it is independent of the Company in accordance with the Code of Professional Conduct of the Chartered Professional Accountants of British Columbia.

As at the date hereof, none of the aforementioned persons beneficially owns, directly or indirectly, securities of the Company or its associates and affiliates. In addition, none of the aforementioned persons nor any director, officer or employee of any of the aforementioned persons, is or is expected to be elected, appointed or employed as, a director, senior officer or employee of the Company or of an associate or affiliate of the Company, or as a promoter of the Company or an associate or affiliate of the Company.

**SCHEDULE A**

**CHARTER OF THE AUDIT COMMITTEE OF QUIMBAYA**

## QUIMBAYA GOLD INC.

### CHARTER OF THE AUDIT COMMITTEE

#### 1. MEMBERSHIP

- 1.1 The audit committee (the “**Committee**”) of the board of directors (the “**Board**”) of Quimbaya Gold Inc. (the “**Company**”) shall consist of three or more directors. A majority of the members of the Committee must not be executive officers, employees or control persons of the Company or of an affiliate of the Company.
- 1.2 Each member of the Committee must be financially literate, as this term is defined under National Instrument 52-110 - *Audit Committees* (the “**Instrument**”).
- 1.3 The Board shall appoint members to the Committee. The members of the Committee shall be appointed for one-year terms after each annual securityholders’ meeting and shall serve until a successor is duly appointed by the Board or until the member’s earlier death, resignation, disqualification or removal. The Board may remove any member from the Committee at any time with or without cause. The Board shall fill Committee member vacancies by appointing a member from the Board. If a vacancy on the Committee exists, the remaining members shall exercise all the Committee’s powers so long as a quorum exists.
- 1.4 New Committee members shall be provided with an orientation program to educate them on the Company, their roles and responsibilities on the Committee and the Company’s financial reporting and accounting practices. Committee members shall also receive training as necessary, to increase their understanding of financial, accounting, auditing and industry issues applicable to the Company.
- 1.5 The Committee shall appoint the chair from one of its members (the “**Chair**”). The Chair must be a non-executive Director. Subject to Section 1.4, the Committee shall determine the Chair’s term of office.
- 1.6 A quorum for decisions of the Committee shall be two members.

#### 2. COMMITTEE MEETINGS

- 2.1 The Committee shall meet at least quarterly at such times and places as determined by the Committee. The Committee is governed by the same rules regarding meetings (including the procedure used to call meetings, and conducting meetings electronically, in person or by telephone), notice of meetings and waiver of notice by committee members, written resolutions in lieu of a meeting and voting at meetings that apply to the Board.
- 2.2 Notice of the time and place of a Committee meeting shall be given by the Committee to the Company’s external auditor (the “**Auditor**”) in the same manner notice is provided to Committee members. The Committee shall provide the Auditor with all meeting materials in advance of the meeting.

- 2.3 On request of the Auditor, the Chair shall convene a meeting of the Committee to consider any matter that the Auditor believes should be brought to the attention of the directors or shareholders of the Company.
- 2.4 The Chair shall seek input from Committee members, the Company's management, the Auditor and Board members when setting each Committee meeting's agenda.
- 2.5 Any written material to be provided to Committee members for a meeting must be distributed in advance of the meeting to give Committee members time to review and understand the information.
- 2.6 The chief executive officer of the Company ("CEO") and chief financial officer of the Company ("CFO") and any other member of senior management may, if invited by the Chair, attend, give presentations relating to their responsibilities and otherwise participate at Committee meetings. Other Board members may also, if invited by the Chair, attend and participate at Committee meetings.
- 2.7 The Committee may appoint a Committee member or any other attendee to be the secretary of a meeting. The Chair shall circulate minutes of all Committee meetings to the Company's Board members and its Auditor. The Committee shall report its decisions and recommendations to the Board promptly after each Committee meeting.
- 2.8 The Committee may meet for a private session, excluding management, non-independent directors or other third parties, following each Committee meeting or as otherwise determined by the Committee.

### **3. PURPOSE, ROLE AND AUTHORITY**

- 3.1 The purpose of the Committee is to oversee the Company's accounting and financial reporting processes and the preparation and auditing of the Company's financial statements.
- 3.2 The Committee is authorized by the Board to investigate any matter set out in this Charter or otherwise delegated to the Committee by the Board.

### **4. DUTIES AND RESPONSIBILITIES**

- 4.1 The Committee has the duties and responsibilities set out in Sections 5 to 14 of this Charter, as may be amended, supplemented or restated from time to time.

### **5. EXTERNAL AUDITOR - APPOINTMENT AND REMOVAL**

The Committee shall:

- 5.1 Consider and recommend to the Board, to put forward for shareholder approval at the annual meeting, an Auditor that will be appointed or reappointed to prepare or issue an auditor's report and perform audit, review, attest or other services for the Company in compliance with the Instrument and, if necessary, recommend to the Board the Auditor's removal.

- 5.2 Recommend to the Board the Auditor's compensation and otherwise setting the terms of the Auditor's engagement (including reviewing and negotiating the Auditor's engagement letter).
- 5.3 Review and monitor the independence of the Auditor.
- 5.4 At least once per fiscal year, review the qualifications and performance of the Auditor and the Auditor's lead partners and consider and decide if the Company should adopt or maintain a policy of rotating the accounting firm serving as the Company's Auditor.

## **6. AUDITOR OVERSIGHT - AUDIT SERVICES**

The Committee shall:

- 6.1 Require the Auditor to report directly to the Committee.
- 6.2 Be directly responsible for overseeing the work of the Auditor engaged for the purpose of preparing or issuing the Auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the Auditor regarding financial reporting.
- 6.3 Discuss with the Auditor: (a) before an audit commences, the nature and scope of the audit, the Auditor's responsibilities in relation to the audit, the overall audit strategy, the timing of the audit, the processes used by the Auditor to identify risks and reporting such risks to the Committee; and (b) any other matters relevant to the audit.
- 6.4 Review and discuss with the Auditor all critical accounting policies and practices to be used in the audit, all alternative treatments of financial information that have been discussed with management, the ramifications of the use of such alternative treatments and the treatment preferred by the Auditor.
- 6.5 Review any major issues regarding accounting principles and financial statement presentation with the Auditor and the Company's management, including any significant changes in the Company's selection or application of accounting principles; any significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including the effect of regulatory and accounting initiatives and off-balance sheet structures on the Company's financial statements.
- 6.6 Review and discuss with the Auditor and management any problems or difficulties encountered during the audit, including restrictions on the scope of activities or access to information, and any significant disagreements between the Auditor and management in relation to financial reporting. The Committee may meet with the Auditor and management (together or separately) to discuss and resolve such disagreements.
- 6.7 Review all material communications between management and the Auditor, including reviewing the Auditor's management letter and management's response.



- 6.8 Create, review and approve the Company's policies respecting the Company's hiring of any (former or current) Auditor's past or present employees or past or present partners.
- 6.9 Oversee any other matters relating to the Auditor and the performance of audit services on the Company's behalf.

## 7. AUDITOR OVERSIGHT - NON-AUDIT SERVICES

The Committee shall:

- 7.1 Pre-approve all non-audit services to be provided by the Auditor to the Company or its subsidiaries in accordance with the Instrument.
- 7.2 Notwithstanding Section 7.1, the Committee may delegate the pre-approval of non-audit services to a member or certain members of the Committee. These member or members shall notify the Committee at each Committee meeting of the non-audit services they approved since the last Committee meeting.

## 8. INTERNAL CONTROLS

The Committee shall:

- 8.1 Monitor and review the effectiveness of the Company's internal audit function, including ensuring that any internal auditors (the "**Internal Auditors**") have adequate monetary and other resources to complete their work and appropriate standing within the Company and, if the Company has no Internal Auditors, consider, on an annual basis, whether the Company requires Internal Auditors and make related recommendations to the Board.
- 8.2 Require the Internal Auditors to report directly to the Committee.
- 8.3 Oversee an effective system of internal controls and procedures for the Company relating to the financial reporting process and disclosure of the financial results, including accounting, internal accounting controls, and auditing matters ("**Internal Controls**").
- 8.4 Review with management and the Internal Auditors (with each privately or together) the adequacy and effectiveness of the Company's Internal Controls, including any significant deficiencies or material weaknesses in the design or operation of the Internal Controls and determine if any special steps must be adopted by the Auditor during its audit in light of any such deficiencies or weaknesses.
- 8.5 Review management's roles, responsibilities and performance in relation to the Internal Controls.
- 8.6 Review, discuss and investigate: (a) any alleged fraud involving the Company's management or employees in relation to the Internal Controls, including management's response to any allegations of fraud; (b) implement corrective and disciplinary action in cases of proven fraud; and (c) determine if any special steps must be adopted by the Auditor during its audit in light of any proven fraud or any allegations of fraud.

- 8.7 Establish and monitor the procedures for: (a) the receipt, retention and treatment of complaints that the Company receives relating to its Internal Controls; (b) the confidential, anonymous submission of employees' concerns relating to questionable accounting or auditing matters engaged in by the Company; and (c) the independent investigation of the matters set out in Section 8.7(a) and Section 8.7(b), including appropriate follow up actions.
- 8.8 Review and discuss with the CEO and CFO, or those officers who perform the duties similar to a CEO or CFO, the steps taken to complete the required certifications of the annual and interim filings with applicable securities commissions.

## **9. FINANCIAL STATEMENTS**

The Committee shall:

- 9.1 Review and discuss with the Auditor and management the Company's annual audited financial statements and the accompanying Auditor's report and management discussion and analysis ("**MD&A**"). The Committee's review of the annual audited financial statements will include a review of the notes contained in the financial statements, in particular the notes on: (a) significant accounting policies, including any changes made to them and the effect this may have on the Company; (b) significant estimates and assumptions; (c) significant adjustments resulting from an audit; (d) the going concern assumption; (e) compliance with accounting standards; (f) investigations and litigation undertaken by regulatory authorities; (g) the impact of unusual transactions; and (h) off-balance sheet and contingent asset and liabilities, and related disclosures.
- 9.2 Assess (a) the quality of the accounting principles applied to the financial statements; (b) the clarity of disclosure in the financial statements; and (c) whether the audited annual financial statements present fairly, in all material respects, in accordance with international financial reporting standards ("**IFRS**"), the Company's financial condition, operational results and cash flows.
- 9.3 Upon satisfactory completion of its review, recommend the annual audited financial statements, Auditor's report and annual MD&A for Board approval.
- 9.4 Review the interim financial statements and related MD&A with the Auditor and management, and if satisfied that the interim financial statements meet the criteria set out in Section 9.2 to recommend to the Board that it approve the interim financial statements and accompanying MD&A.

## **10. DISCLOSURE OF OTHER FINANCIAL INFORMATION**

The Committee shall:

- 10.1 Review and discuss with management the design, implementation and maintenance of effective procedures relating to the Committee's prior review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements ("**Disclosure Procedures**"); ensure that the Disclosure Procedures put in

place are followed by the Company's management and employees; and periodically assess the adequacy of the Disclosure Procedures.

- 10.2 Review the Company's profit and loss press releases and other related press releases before they are released to the public, including the Company's annual information form, earnings press releases and any other public disclosure documents required by applicable securities commissions; and review the nature of any financial information and ratings information provided to agencies and analysts in accordance with the Company's disclosure policy.
- 10.3 Monitor and review the Company's policy on confidentiality and disclosure on a yearly basis.

## **11. RISK MANAGEMENT**

The Committee shall:

- 11.1 Review and discuss with management and the Internal Auditors (each privately or together) policies and guidelines to govern the processes by which management assesses and manages the Company's risks, including the Company's major financial risk exposures and fraud, and the steps management has taken to monitor and control such exposures.
- 11.2 Review the periodic reports delivered to the Committee by the Internal Auditors; and oversee the processes by which major Company risks are reviewed by either the Committee, another Board committee or the full Board.

## **12. LEGAL COMPLIANCE**

- 12.1 The Committee shall review with legal counsel any legal matters, including inquiries received from regulators and governmental agencies, that may have a significant effect on the Company's financial statements, cash flows or operations; review and oversee any policies, procedures and programs designed by the Company to promote legal compliance.

## **13. RELATED PARTY TRANSACTIONS**

- 13.1 The Committee shall review all proposed related party transactions, other than those reviewed by a special committee of disinterested directors in accordance with Canadian corporate or securities laws.

## **14. OTHER DUTIES AND RESPONSIBILITIES**

- 14.1 The Committee shall complete any other duties and responsibilities delegated by the Board to the Committee from time to time.

## **15. MEETINGS WITH THE AUDITOR**

- 15.1 Notwithstanding anything set out in this Charter to the contrary, the Committee may meet privately with the Auditor or Internal Auditors as frequently as the Committee deems appropriate, but not less than quarterly, for the Committee to fulfil its responsibilities and to discuss any concerns of the Committee or Auditor in relation to the matters covered by the Committee's Charter, including the effectiveness of the Company's financial recording procedures and systems and management's cooperation and responsiveness to matters arising from the audit and non-audit services performed by the Auditor.

## **16. MEETINGS WITH MANAGEMENT**

- 16.1 The Committee may meet privately with management and the Company's Internal Auditors (together or separately) as frequently as the Committee deems appropriate for the Committee to fulfil its responsibilities, but not less than quarterly, to discuss any concerns of the Committee, management or the Internal Auditors.

## **17. OUTSIDE ADVISORS**

- 17.1 The Committee shall have the authority, in its sole discretion, to retain and obtain the advice and assistance of independent outside counsel and such other advisors as it deems necessary to fulfil its duties and responsibilities under this Charter. The Committee shall set the compensation and oversee the work of any outside counsel and other advisors to be paid by the Company.

## **18. REPORTING**

- 18.1 The Committee shall report to the Board on all matters set out in this Charter and other matters assigned to the Committee by the Board, including: (a) the Auditor's independence; (b) the Auditor's performance and the Committee's recommendation to reappoint or terminate the Auditor; (c) the Internal Auditors' performance; (d) the adequacy of the Internal Controls; (e) the Committee's review of the Company's annual and interim financial statements, and any IFRS reconciliation, including any issues respecting the quality and integrity of financial statements, along with the MD&A; (f) the Company's compliance with legal and regulatory matters and such matters affect the financial statements; and (g) the Company's risk management programs and any risks identified in accordance with this program.

## **19. CHARTER REVIEW**

- 19.1 The Committee shall review this Charter at least annually and recommend any proposed changes to the Board for approval. This Charter shall be posted on the Company's investor relations website.

## **20. PERFORMANCE EVALUATION**

- 20.1 The Committee shall conduct an annual evaluation of the performance of its duties and responsibilities under this Charter and shall present the results of the evaluation to the

Board. The Committee shall conduct this evaluation in such manner as it deems appropriate.

**21. APPLICATION OF CHARTER**

- 21.1 This Charter is a broad policy statement and is intended to be part of the Committee's flexible governance framework. While this Charter should comply with all applicable laws, regulations and listing requirements and the Company's articles and by-laws, this Charter does not create any legally binding obligations on the Committee, the Board or the Company.

**SCHEDULE B**

**FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2021**

# **Quimbaya Gold Inc.**

## **CONSOLIDATED FINANCIAL STATEMENTS (Expressed in Canadian Dollars)**

**FOR THE PERIOD FROM INCORPORATION ON MAY 27, 2020 TO DECEMBER 31, 2020**

## **AUDITOR'S REPORT**



**QUIMBAYA GOLD INC.**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
(Expressed in Canadian Dollars)  
**AS AT**

	December 31, 2020
<b>ASSETS</b>	
<b>Current</b>	
Cash	\$ 26,367
Accounts receivable	595
Prepaid expenses	<u>1,000</u>
	27,962
<b>Mineral property (Note 4)</b>	<u>185,579</u>
	<u>\$ 213,541</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>	
<b>Current</b>	
Accounts payable	\$ 7,847
Loans payable (Note 6)	<u>25,007</u>
	32,854
<b>Shareholders' equity</b>	
Share capital (Note 7)	208,379
Accumulated other income loss	(38)
Deficit	<u>(27,654)</u>
	<u>180,687</u>
	<u>\$ 213,541</u>

**Nature and continuance of operations** (Note 1)

Approved and authorized by the Board of Directors on March 31, 2021.

\_\_\_\_\_"\_\_\_\_\_" Director \_\_\_\_\_"\_\_\_\_\_" Director

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

**QUIMBAYA GOLD INC.**  
**CONSOLIDATED STATEMENT OF LOSS AND COMPREHENSIVE LOSS**  
(Expressed in Canadian Dollars)

	Period from incorporation on May 27, 2020 to December 31, 2020
<b>EXPENSES</b>	
Consulting fees (Note 8)	\$ 12,512
Exploration expenses (Note 4)	7,860
Foreign exchange	524
Interest	2,382
Marketing	30
Office and administration	390
Professional fees	3,343
Travel	<u>613</u>
	(27,654)
Bad debt expense (Note 5)	(194,000)
Sale of exploration information (Note 5)	<u>194,000</u>
<b>Net loss</b>	(27,654)
<b>Other comprehensive loss</b>	
Foreign exchange on translation	<u>(38)</u>
<b>Comprehensive loss for the period</b>	<u>\$ (27,692)</u>
<b>Basic and diluted loss per common share</b>	\$ (0.01)
<b>Weighted average number of common shares outstanding – basic and diluted</b>	<u>4,152,463</u>

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

**QUIMBAYA GOLD INC.**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
(Expressed in Canadian Dollars)

	Period from Incorporation on May 27, 2020 to December 31, 2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Net loss for the period	\$ (27,654)
Bad debt expense (Note 5)	194,000
Interest expense	2,382
Sale of exploration information (Note 5)	(194,000)
Changes in non-cash working capital items:	
Accounts receivable	(595)
Accounts payable	7,851
Prepaid expenses	<u>(1,000)</u>
Net cash used in operating activities	<u>(19,016)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Acquisition of mineral property (Note 4)	<u>(185,579)</u>
Net cash used in investing activities	<u>(185,579)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Private placement (Note 7)	35,002
Loan funds received (Note 6)	195,998
Loan funds repaid (Note 6)	-
Interest paid	-
Net cash provided by financing activities	<u>231,000</u>
<b>Effect of foreign exchange on cash</b>	(38)
<b>Change in cash for the period</b>	26,367
<b>Cash, beginning of period</b>	<u>-</u>
<b>Cash, end of period</b>	<u>\$ 26,367</u>

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

**QUIMBAYA GOLD INC.**  
**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
(Expressed in Canadian Dollars)

	Common Shares		Accumulated Other Comprehensive Loss	Deficit	Total
	Number	Amounts			
<b>Balance, May 27, 2020</b>	-	\$ -	\$ -	\$ -	\$ -
Private placement	9,549,115	208,379	-	-	208,379
Comprehensive loss for the period	-	-	(38)	(27,654)	(27,692)
<b>Balance, December 31, 2020</b>	9,549,115	\$ 208,379	\$ (38)	\$ (27,654)	\$ 180,687

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

## **QUIMBAYA GOLD INC.**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

FOR THE PERIOD FROM INCORPORATION ON MAY 27, 2020 TO DECEMBER 31, 2020

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#### **1. NATURE AND CONTINUANCE OF OPERATIONS**

Quimbaya Gold Inc. (the “Company”) was incorporated in Canada under the Canada Business Corporations Act on May 27, 2020. The Company is principally engaged in the acquisition and exploration and development of mineral properties in Colombia. The head office and principal address of the Company is 6012 Wilderton Avenue, Montreal, Quebec, H3S 2K9.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) on a going concern basis, which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The Company has a working capital deficiency of \$4,892 and accumulated deficit of \$27,654 as at December 31, 2020. The Company reported a net loss of \$27,654 and negative cashflows from operations of \$19,016 for the period ended December 31, 2020. The Company’s ability to continue as a going concern is dependent upon its ability to raise funds primarily through the issuance of shares or achieve profitable operations. The outcome of these matters cannot be predicted at this time. If the Company is unable to obtain additional financing, management may be required to curtail certain expenses. An inability to raise additional financing may impact the future assessment of the Company as a going concern. These material uncertainties may cast significant doubt about the ability of the Company to continue as a going concern.

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. 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.

#### **2. BASIS OF PREPARATION**

##### **Statement of compliance**

These consolidated financial statements, have been prepared using accounting policies consistent with IFRS as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”) in effect at May 27, 2020.

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their value.

##### **Basis of consolidation and presentation**

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These consolidated financial statements include the accounts of the Company and its 100% controlled entity, Golden Pacifico Exploration S.A.S. (a Colombian corporation) (“Golden Pacifico”).

Subsidiaries are entities over which the Company has exposure to variable returns from its involvement and has the ability to use power over the investee to affect its returns. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company until the date on which control ceases.

The accounts of the subsidiary are prepared for the same reporting period as the parent company, using consistent accounting policies. Inter-company transactions, balances and unrealized gains or losses on transactions are eliminated upon consolidation.

**QUIMBAYA GOLD INC.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

FOR THE PERIOD FROM INCORPORATION ON MAY 27, 2020 TO DECEMBER 31, 2020

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**2. BASIS OF PREPARATION (cont'd...)**

**Use of judgments and estimates**

The preparation of these consolidated 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 consolidated financial statements and the reported expenses during the period. Actual results could differ from these estimates.

Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances, as the basis for its estimates and assumptions. Revisions to accounting estimates are recognized prospectively from the period in which the estimates are revised. Actual outcomes may differ from those estimates under different assumptions and conditions.

**Deferred Taxes**

The calculations for current and deferred taxes require management's interpretation of tax regulations and legislation in the various tax jurisdictions in which the Company operates, which are subject to change. The measurement of deferred tax assets and liabilities requires estimates of the timing of the reversal of temporary differences identified and management's assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income before they expire, which involves estimating future taxable income.

The Company is subject to assessments by various taxation authorities in the tax jurisdictions in which it operates and these taxation authorities may interpret the tax legislation and regulations differently. In addition, the calculation of income taxes involves many complex factors. As such, income taxes are subject to measurement uncertainty and actual amounts of taxes may vary from the estimates made by management.

The key areas of judgment applied in the preparation of the consolidated financial statements that could result in a material adjustment to the carrying amounts of assets and liabilities are as follows:

- **Provisions**

Management's determination of no material restoration, rehabilitation and environmental exposure is based on the facts and circumstances that existed during the year.

- **Mineral Properties**

The application of the Corporation's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits are likely to arise from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available. If, after the expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in profit or loss in the period when the new information becomes available.

**QUIMBAYA GOLD INC.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

FOR THE PERIOD FROM INCORPORATION ON MAY 27, 2020 TO DECEMBER 31, 2020

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**2. BASIS OF PREPARATION (cont'd...)**

Exploration and evaluation assets are reviewed for changes in facts and circumstances suggesting the carrying amount exceeds the recoverable amount at each consolidated statement of financial position date. This determination requires significant judgment. Factors which could trigger an impairment review include, but are not limited to, significant negative industry or economic trends and interruptions in exploration activities. The Corporation's review considers the following:

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

- **Functional currency**

The functional currency of the Company and its subsidiary is the currency of their respective primary economic environment. Judgement is necessary in evaluating each entity's functional currency (Note 3).

- **Going concern**

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay its ongoing operation expenditures and to meet its liabilities for the ensuing year, involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances (Note 1).

- **Deferred tax**

The value of deferred tax assets is evaluated based on the probability of realization; the Company has assessed that it is improbable that such assets will be realized and has accordingly not recognized a value for deferred taxes.

- **Exploration and evaluation assets**

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain mineral titles as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties.

**3. SIGNIFICANT ACCOUNTING POLICIES**

**Cash**

Cash and cash equivalents, defined as being cashable within 90 days, is comprised of cash on deposit and highly liquid investments at a Canadian and a Chilean financial institution.

## QUIMBAYA GOLD INC.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

FOR THE PERIOD FROM INCORPORATION ON MAY 27, 2020 TO DECEMBER 31, 2020

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### 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

#### Currency translation

IFRS requires that the functional currency of each entity in the consolidated group be determined separately in accordance with the indicators as per International Accounting Standards (“IAS”) 21 *The Effects of Changes in Foreign Exchange Rates* and should be measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The functional currency of the Company is the Canadian dollar; the functional currency of Golden Pacifico is the Colombian peso (COP). The consolidated financial statements are presented in Canadian dollars, which is the Company’s presentation currency.

Under IFRS, the results and financial position of all the Company’s entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of the consolidated statement of financial position;
- income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the date of the transaction); and
- all resulting exchange differences are recognized as a separate component of equity.

#### Exploration and evaluation

All costs related to the acquisition of mineral properties, including option payments, are capitalized on an individual prospect basis. Amounts received for the sale of mineral properties and for option payments are treated as reductions of the cost of the property, with payments in excess of capitalized costs recognized in profit or loss. The recoverability of the amounts capitalized for the undeveloped mineral properties is dependent upon the determination of economically recoverable ore reserves, confirmation of the Company’s interest in the underlying mineral claims, the ability to obtain the necessary financing to complete their development, and future profitable production or proceeds from the disposition thereof. Subsequent recovery of the resulting carrying value depends on successful development or sale of the mineral property. If a mineral property does not prove viable, all unrecoverable costs associated with the project net of any impairment provisions are written off.

Exploration and evaluation expenditures are recognized in profit or loss. Costs incurred before the Company has obtained legal rights to explore on areas of interest are recognized in profit or loss. Expenditures incurred by the Company in connection with the exploration and evaluation of mineral resources after the technical feasibility and commercial viability of extracting a mineral resource are demonstrable are capitalized.

Title to mineral properties involves inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently unreliable conveyance history characteristics of many mineral properties. The Company has investigated title to all of its mineral properties and proposed acquisition of mineral property interests and to the best of its knowledge the properties are in good standing.

From time to time, the Company may acquire or dispose of properties pursuant to the terms of option agreements. Due to the fact that options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as mineral property costs or recoveries when the payments are made or received.



## QUIMBAYA GOLD INC.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

FOR THE PERIOD FROM INCORPORATION ON MAY 27, 2020 TO DECEMBER 31, 2020

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### 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

#### **Impairment**

Management reviews all assets for indicators of impairment. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction. In assessing value in use, the estimated future cash flows are discounted to their present value. If the recoverable amount of the asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for that period.

#### **Financial instruments**

##### Financial assets

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

##### *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss are initially recognized at fair value with changes in fair value recorded in profit or loss. Transaction costs are expensed in the consolidated statements of loss.

##### *Amortized cost*

Financial assets are classified at amortized cost if both of the following criteria are met and the financial assets are not classified or designated as fair value through profit and loss: 1) the Company's objective for these financial assets is to collect their contractual cash flows and 2) the asset's contractual cash flows represent 'solely payments of principal and interest'. The Company's cash and accounts receivables are recorded at amortized cost as they meet the required criteria.

##### *Fair value through other comprehensive income ("OCI")*

For financial assets that are not held for trading, the Company can make an irrevocable election at initial recognition to classify the instruments at fair value through other comprehensive income ("FVOCI"), with all subsequent changes in fair value being recognized in other comprehensive income. This election is available for each separate investment. Under this new FVOCI category, fair value changes are recognized in OCI while dividends are recognized in profit or loss. On disposal of the investment the cumulative change in fair value is not recycled to profit or loss, rather transferred to deficit. The Company does not have any financial assets designated as FVOCI.

##### Financial liabilities

Financial liabilities are non-derivatives and are recognized initially at fair value, net of transaction costs, and are subsequently stated at amortized cost. Any difference between the amounts originally received, net of transaction costs, and the redemption value is recognized in profit or loss over the period to maturity using the effective interest method.

Financial liabilities are classified as current or non-current based on their maturity date. Financial liabilities include accounts payable and loans payable.

**QUIMBAYA GOLD INC.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

FOR THE PERIOD FROM INCORPORATION ON MAY 27, 2020 TO DECEMBER 31, 2020

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**3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

Fair value hierarchy

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – Inputs for the asset or liability that are not based on observable market data.

**Provisions**

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Provisions for site closure and reclamation are recognized in the period in which the obligation is incurred or acquired, and are measured based on expected future cash flows to settle the obligation, discounted to their present value. The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and risks specific to the liability.

**Loss per share**

Basic loss per share is calculated by dividing the loss available to common shareholders by the weighted average number of shares outstanding in the period. Diluted loss per share is calculated by using the treasury stock method. Under the treasury stock method, the weighted average number of shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period. In the Company's case, diluted loss per share is the same as basic loss per share, as the effects of including all outstanding options and warrants would be anti-dilutive.

**Taxes**

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

Deferred tax is recorded using the liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable loss, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the date of the statement of financial position.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, it does not recognize the asset.

**QUIMBAYA GOLD INC.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

FOR THE PERIOD FROM INCORPORATION ON MAY 27, 2020 TO DECEMBER 31, 2020

**3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)****New standards not yet adopted**

IAS 1 – Presentation of Financial Statements: The amendments to IAS 1 provide a more general approach to the classification of liabilities based on the contractual agreement in place at the reporting date. These amendments are effective for reporting periods beginning on or after January 1, 2023.

**4. EXPLORATION AND EVALUATION ASSETS****Berrio Project, Colombia**

On November 10, 2020, the Company entered into an asset purchase agreement (“APA”) with Pacifico Holdings S.A.S. (“Pacifico Holdings”) and shares purchase agreement (“SPA”) with West Rock Resources Panama Corp. (“West Rock”). Pursuant to the agreements, on December 10, 2020, the Company acquired all of the issued and outstanding common shares of Golden Pacifico which holds the Concession Mining Contact No. 6822 in the Antioquia region of Colombia (the “Berrio Project”). The Company paid total cash consideration of \$185,579 to Pacifico Holdings and West Rock for Golden Pacifico and certain related historic drill core with respect to the Berrio Project. Both agreements are with unrelated parties.

The SPA is accounted for as an acquisition of net assets, rather than a business combination, as the net assets of Golden Pacifico do not constitute a business under IFRS.

The acquisition was allocated as follows:

<b>Cash consideration</b>	\$	185,579
<b>Mineral property interest acquired</b>	\$	185,579

**Exploration Expenditures**

The Company expended the following exploration and evaluation expenditures:

		For the period from incorporation on May 27, 2020 to December 31, 2020
Community relations	\$	455
Geological		7,214
Professional fees		191
<b>Total expenditures for the period</b>	<b>\$</b>	<b>7,860</b>

**QUIMBAYA GOLD INC.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

FOR THE PERIOD FROM INCORPORATION ON MAY 27, 2020 TO DECEMBER 31, 2020

**5. AGREEMENT WITH COMBIA GOLD INC.**

Concurrently with the SPA and APA (Note 4), the Company acquired certain historic data on a project owned by Combia Gold Inc. (“Combia”), a privately held Canadian company. The Company recognized a receivable of \$194,000 with respect to the sale. No value has been attributed to the historic data previously; accordingly, a recovery of \$194,000 has been recorded to the statement of loss and comprehensive loss.

Pursuant to the sale agreement, Combia may settle the amount in cash or shares at its option. As at December 31, 2020, the Company has recognized an allowance against the receivable as Combia’s operations have been adversely impacted by COVID-19 in Colombia and has limited financial resources. A bad debt expense of \$194,000 has been recorded to the consolidated statement of loss and comprehensive loss.

Subsequent to the sale agreement with Combia, the Company and Combia became related parties due to the appointment of a director of Combia to the board of directors of the Company (Note 8).

**6. LOANS PAYABLE**

	<b>Total</b>
<b>Balance, May 27, 2020</b>	\$ -
Funds received	195,998
Interest accrued	2,386
Funds repaid through share issuance (Note 7)	(170,998)
Interest repaid through share issuance (Note 7)	<u>(2,379)</u>
<b>Balance, December 31, 2020</b>	<b>\$ 25,007</b>

The loans received have a maturity of one year from the date of issue and accrue interest at a rate of 5% per annum. As at December 31, 2020, loans payable of \$25,007 (May 27, 2020 - \$nil) are due to the President of the Company.

**7. SHARE CAPITAL**

## a) Authorized share capital

Unlimited number of common shares without par value.

## b) Issued share capital

*Period ended from May 27, 2020 to December 31, 2020*

a) Issued 400 common shares at a price of \$0.005 per common share for gross proceeds of \$2 on May 27, 2020.

b) Issued 2,700,000 common shares at a price of \$0.005 per common share for debt settlement of \$13,500 on June 27, 2020.

c) Issued 1,459,115 common shares at a price of \$0.02 per common share for debt settlement of \$29,198 on October 30, 2020.

d) Issued 4,686,600 common shares at a price of \$0.02 per common share for debt settlement of \$95,379 on October 31, 2020.

**QUIMBAYA GOLD INC.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

FOR THE PERIOD FROM INCORPORATION ON MAY 27, 2020 TO DECEMBER 31, 2020

- e) Issued 703,000 common shares at a price of \$0.10 per common share for gross proceeds of \$70,300 on November 27, 2020 of the gross proceeds noted, \$35,300 was for debt settlement.

**8. RELATED PARTY TRANSACTIONS**

Key management personnel includes the President and Directors of the Company. The remuneration of the key management personnel is as follows:

	For the period from incorporation on May 27, 2020 to December 31, 2020
<b>Payments to key management personnel</b>	
Consulting fees	\$ 10,508

The Company has an interest-bearing loan due to the President of the Company (Note 6).

As at December 31, 2020, the Company has a receivable of \$194,000 from a related company against which an allowance has been recorded (Note 5).

As at December 31, 2020, \$4,860 was included in accounts payable and accrued liabilities owing to Officers and Directors of the Company in relation to fees for consulting services.

**9. INCOME TAXES**

Income tax expense differs from the amount that would be computed by applying the Canadian statutory income tax rate of 26.50% to income before income taxes. The reasons for the differences are as follows:

	For the period from incorporation on May 27, 2020 to December 31, 2020
Income before income tax	\$ (26,654)
Statutory income tax rate	26.50%
Expected income tax recovery	\$ (7,467)
Changes in benefits not recognized	7,467
Income tax expense (recovery)	\$ -

The Company recognizes tax benefits on losses or other deductible amounts where the probable criteria for the recognition of deferred tax assets has been met. The Company's unrecognized deductible temporary differences consists of unused tax losses for which no deferred tax asset is recognized.

**QUIMBAYA GOLD INC.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

FOR THE PERIOD FROM INCORPORATION ON MAY 27, 2020 TO DECEMBER 31, 2020

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	2020
Non-capital losses	\$ 25,000
Resource Assets	<u>830,738</u>
Unrecognized deductible temporary differences	<u>\$ 855,738</u>

As at December 31, 2020, the Company has Canadian non-capital losses of \$25,000 that may be applied to reduce future taxable income. If these losses are not used to offset future income, they will expire through the year ended December 31, 2040. The resource assets relate to Colombian activities.

**10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT****Financial instruments**

Cash, accounts receivables, accounts payable and loans payable are carried at amortized cost. The Company considers that the carrying amount of these financial assets and liabilities measured at amortized cost to approximate their fair value due to the short-term nature of the financial instruments.

**Financial risk factors***Credit risk*

The Company's primary exposure to credit risk is the risk of illiquidity of cash, amounting to \$26,367 at December 31, 2020. As the Company's policy is to limit cash holdings to instruments issued by major Canadian banks, the credit risk is considered by management to be negligible. As at December 31, 2020, the Company did not have any cash balances in Colombia.

*Liquidity risk*

Liquidity risk is the risk that the Company will not be able to pay financial instrument liabilities as they come due. As at December 31, 2020, the Company had working capital deficiency of \$4,892. The Company's financial obligations are limited to accounts payable and loans payable, all of which have contractual maturities of less than a year.

*Interest rate risk*

The Company's financial asset exposed to interest rate risk consists of cash. Management believes the interest rate risk is low given the current low global interest rate environment. At December 31, 2020, the Company maintained all of its cash balance on deposit with a major Canadian bank.

*Foreign currency risk*

The Company operates in Colombia and is therefore exposed to foreign exchange risk arising from transactions denominated in the Colombian peso ("COP\$"). The Company's financial assets and liabilities are held in COP\$ and are therefore subject to fluctuation against the Canadian dollar, its reporting currency. The Company has no program in place for hedging foreign currency risk.

**QUIMBAYA GOLD INC.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

FOR THE PERIOD FROM INCORPORATION ON MAY 27, 2020 TO DECEMBER 31, 2020

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**11. CAPITAL MANAGEMENT**

The Company's capital management objective is to maintain financial capacity that is strong to sustain the future development of the business.

The Company's capital structure includes shareholders' equity of \$180,687. The Company manages its capital structure to maximize its financial flexibility to adjust to changes in economic conditions. The Company is not subject to externally imposed capital requirements.

There were no changes to the Company's approach to capital management during the period ended December 31, 2020.

**12. EVENTS AFTER REPORTING PERIOD**

- a) In January 2021, the Company entered into a loan agreement for \$25,000 at 1% annual rate with a term of 1 year.
- b) In January 2021, the Company entered into a loan agreement for \$10,000 at 1% annual rate with a term of 1 year.
- c) In January 2021, the Company entered into a loan agreement for \$25,000 at 5% annual rate with a term of 1 year.
- d) In February 2021, the Company issued 526,952 shares in its capital through three private placements at a price of \$0.20 per share for gross proceeds of \$105,390.
- e) In March 2021, the Company issued 225,302 shares in its capital through a private placements at a price of \$0.20 per share for gross proceeds of \$45,060.

**SCHEDULE C**

**MANAGEMENT DISCUSSION AND ANALYSIS FOR THE  
PERIOD ENDED DECEMBER 31, 2020**



# **QUIMBAYA GOLD INC.**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS For the period May 27, 2020 (date of incorporation) to December 31, 2020**

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the financial statements and notes thereto for the period from May 27, 2020 (date of incorporation) to December 31, 2020 of Quimbaya Gold Inc. (the "Company"). Such financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

All dollar amounts are expressed in Canadian dollars unless otherwise indicated.

### **DATE**

This MD&A is prepared as of March 31, 2021.

### **CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

Certain statements in this report are forward-looking statements, which reflect our management's expectations regarding our future growth, results of operations, performance and business prospects and opportunities including statements related to the development of existing and future property interests, availability of financing and projected costs and expenses. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits we will obtain from them. These forward-looking statements reflect management's current views and are based on certain assumptions and speak only as of the date of this report. These assumptions, which include management's current expectations, estimates and assumptions about current mineral property interests, the global economic environment, the market price and demand for commodities and our ability to manage our property interests and operating costs, may prove to be incorrect. A number of risks and uncertainties could cause our actual results to differ materially from those expressed or implied by the forward-looking statements, including: (1) a downturn in general economic conditions, (2) a decreased demand or price of precious and base metals, (3) delays in the start of projects with respect to our property interests, (4) inability to locate and acquire additional property interests, (5) the uncertainty of government regulation and politics in the province of Ontario regarding mining and mineral exploration, (6) potential negative financial impact from regulatory investigations, claims, lawsuits and other legal proceedings and challenges, and (7) other factors beyond our control.

There is a significant risk that such forward-looking statements will not prove to be accurate. Investors are cautioned not to place undue reliance on these forward-looking statements. No forward-looking statement is a guarantee of future results. We disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. Additional information about these and other assumptions, risks and uncertainties are set out in the section entitled "Risk Factors" below.

### **DESCRIPTION OF BUSINESS**

The Company was incorporated under the federal laws of Canada on May 27, 2020 of the Canadian Business Corporations Act. The Company is engaged in the acquisition, exploration and development of mineral properties in the country of Colombia and currently has a portfolio of one property, the Berrio Project (the "Property"). Its current focus is to conduct the proposed exploration program on the Property as more particularly set out in the Technical Report, along with continuing to identify and potentially acquire additional property interests, assess their potential and engage in exploration activities.

The Company will look to complete a non-offering prospectus ("Non-Offering Prospectus") to trade on the Canadian Securities Exchange (the "Exchange"). A date for the Non-Offering Prospectus has not been determined and is subject to Exchange approval

### **OUTLOOK AND PROPOSED NON-OFFERING PROSPECTUS**

The Company is in the process of completing and filing its preliminary non-offering prospectus and applying to the Exchange for listing. There is no guarantee the Company will obtain Exchange approval or complete an Non-Offering Prospectus.

### **MINERAL PROPERTY**

## *BERRIO PROJECT*

On November 10, 2020, the Company acquired a 100% interest in the Property from a third party vendor (the "Vendor") subject to a 2% Net Smelter Return (the "NSR") through a 'Share and Assets Purchase Agreement' for the purchase price equal to Australian Dollars (AUD) \$225,000 ("Purchase Price"). The payment to the Vendor of the Purchase Price was fully paid as of December 2020. The Purchase Agreement is subject to a 2% Net Smelter Return held by Anglo Gold Ashanti. The Vendor was indirectly the sole owner of Mining Concession Contract No. 6822 and a database and all cores for exploratory work carried out on the land area. It consists of one concession contract covering an area of 1,218.88 hectares and is centered at 543,000E and 718,000N (UTM: WGS 1984, Zone 18N).

## **RESULTS OF OPERATIONS**

During the year ended December 31, 2020, the Company incurred expenses of \$27,654. Expenses were comprised primarily of \$12,512 for consulting fees, of \$7,860 for exploration expenses and of \$3,343 for professional fees. Net loss for the year ended December 31, 2020, was \$27,654.

## **SUMMARY OF ANNUAL RESULTS**

As the Company was incorporated on May 27, 2020. A summary of the Company's financial results for the period from May 27, 2020 to December 31, 2020 is as follows:

	<b>Period Ended December 31, 2020 \$</b>
Revenue	Nil
Net income (loss)	(27,654)
Loss per share, basic and diluted	(0.01)

## **LIQUIDITY AND CAPITAL RESOURCES**

As at December 31, 2020, the Company had a working capital of \$26,367. As at March 31, 2021, the Company had a working capital of \$193,323.

### *Cash and Cash Equivalents*

The Company's cash balances are deposited with major financial institutions in Canada.

### *Sources and Uses of Cash*

The Company's ability to continue operations and fund its development expenditures is dependent on management's ability to secure additional financing. Management is actively pursuing such additional sources of financing, and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future.

The following are the Company's cash flows from operating, investing and financing activities for the period from May 27, 2020 to December 31, 2020:

### **Operating Activities**

The Company used net cash of \$19,016 in operating activities during the period from May 27, 2020 to December 31, 2020.

### **Financing Activities**

The Company received net cash of \$231,000 from financing activities during the period from May 27, 2020 to December 31, 2020.

## **Investing Activities**

The Company used cash of \$185,579 in investing activities during the period from May 27, 2020 to December 31, 2020.

### *Contractual Obligations and Commitments Excluding Provisions*

The Company does not have any contractual obligations or commitments other than trade accounts payable due within one-year.

### *Off-balance sheet arrangements*

The Company does not have off-balance sheet arrangements including any arrangements that would affect the liquidity, capital resources, market risk support and credit risk support or other benefits.

### *Capital Management*

There were no changes in the Company's approach to capital management during the period ended December 31, 2020.

In managing liquidity, the Company's primary objective is to ensure the entity can continue as a going concern while raising additional funding to meet its obligations as they come due. The Company's operations to date have been funded by issuing equity. The Company expects to improve the working capital position by securing additional financing.

The Company's investment policy is to invest excess cash in very low risk financial instruments such as term deposits or by holding funds in high yield savings accounts with major Canadian banks. Financial instruments are exposed to certain financial risks, which may include currency risk, credit risk, liquidity risk and interest rate risk.

The Company's mineral property interests are all in the exploration stage, as such the Company is dependent on external financing to fund its exploration activities and administrative costs. Management continues to assess the merits of mineral properties on an ongoing basis and may seek to acquire new properties or to increase ownership interests if it believes there is sufficient geologic and economic potential.

Management mitigates the risk and uncertainty associated with raising additional capital in current economic conditions through cost control measures that minimizes discretionary disbursements and reduces exploration expenditures that are deemed of limited strategic value.

The Company manages the capital structure (consisting of shareholders' deficiency) on an ongoing basis and adjusts in response to changes in economic conditions and risks characteristics of its underlying assets. Adjustments to the Company's capital structure may involve the issuance of new shares, assumption of new debt, acquisition or disposition of assets, or adjustments to the amounts held in cash, cash equivalents and short-term investments.

The Company is not subject to any externally imposed capital requirements.

## **TRANSACTIONS WITH RELATED PARTIES**

Parties are related if one party has the direct or indirect ability to control or exercise significant influence over the other party in making operating and financial decisions. Parties are also related if they are subject to common control or common significant influence. A transaction is considered to be a related party transaction when there is a transfer of economic resources or financial obligations between related parties. Related party transactions that are in the normal course of business and have commercial substance are measured at the fair value.

Related parties include companies controlled by key management personnel. Key management personnel are composed of the Board of Directors, Chief Executive Officer and Chief Financial Officer of the Company.

During the annual period ended December 31, 2020, Directors and Officers subscribed for and were issued 8,846,115 common shares for proceeds of \$138,079.

There were no related party balances payable at March 31, 2020.

## **SUBSEQUENT EVENTS**

The following subsequent events occurred after year end December 31, 2020 and as of the date of publishing this MD&A:

- a) In January 2021, the Company entered into a loan agreement for \$25,000 at 1% annual rate with a term of 1 year.

- b) In January 2021, the Company entered into a loan agreement for \$10,000 at 1% annual rate with a term of 1 year.
- c) In January 2021, the Company entered into a loan agreement for \$25,000 at 5% annual rate with a term of 1 year
- d) In February 2021, the Company issued 526,952 shares in its capital through three private placements at a price of \$0.20 per share for gross proceeds of \$105,390.
- e) In March 2021, the Company issued 225,302 shares in its capital through a private placements at a price of \$0.20 per share for gross proceeds of \$45,060.

## **FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS**

The Company's financial instruments consist of cash, amounts receivable, and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest rate, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values due to the relatively short-term maturity of these instruments.

## **DISCLOSURE OF OUTSTANDING SHARE DATA**

### **Common Shares**

The Company's common shares are not currently listed on a stock exchange. The Company's authorized share capital consists of an unlimited number of common shares without par value.

As at December 31, 2020, the Company had 9,549,115 common shares issued and outstanding and at March 31, 2021 the Company had 10,301,369 common shares issued and outstanding.

### **Share Purchase Warrants**

As at December 31, 2020, there were no share purchase warrants were outstanding.

### **Stock Options**

As at December 31, 2020, there were no stock options outstanding.

## **CRITICAL ACCOUNTING ESTIMATES**

To prepare financial statements in conformity with IFRS, the Company must make estimates, judgements and assumptions concerning the future that affect the carrying values of assets and liabilities as of the date of the financial statements and the reported values of revenues and expenses during the reporting period. By their nature, these are uncertain and actual outcomes could differ from the estimates, judgments and assumptions.

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 also in future periods when the revision affects both current and future periods. Significant accounting judgments, estimates and assumptions are reviewed on an ongoing basis.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could have an effect on the amounts recognized in the condensed consolidated interim financial statements relate to the following:

### *Going concern*

The preparation of the consolidated financial statements requires management to make judgments regarding the ability to continue as a going concern.

## **ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE**

The Company has implemented all new accounting pronouncements that are in effect and that may impact its financial statements and does not believe that there are any other new accounting pronouncements that have been issued that might have a material impact on its financial position or results of operations.

## **RISK FACTORS**

Much of the information included in this report includes or is based upon estimates, projections or other forward-looking statements. Such forward-looking statements include any projections or estimates made by the Company and its management in connection with the Company's business operations. While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect the Company's current judgment regarding the direction of its business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions, or other future performance suggested herein. Except as required by law, the Company undertakes no obligation to update forward-looking statements to reflect events or circumstances occurring after the date of such statements.

Such estimates, projections or other forward-looking statements involve various risks and uncertainties as outlined below. The Company cautions readers of this report that important factors in some cases have affected and, in the future, could materially affect actual results and cause actual results to differ materially from the results expressed in any such estimates, projections or other forward-looking statements. In evaluating the Company, its business and any investment in its business, readers should carefully consider the following factors:

### **Risks Related to the Company's Business**

*Because of the unique difficulties and uncertainties inherent in mineral exploration ventures, the Company faces a high risk of business failure.*

Potential investors should be aware of the difficulties normally encountered by mineral exploration companies and the high rate of failure of such enterprises. The likelihood of success must be considered in light of the problems, expenses, difficulties, complications and delays encountered in connection with the exploration program that the Company intends to undertake on its properties and any additional properties that the Company may acquire. These potential problems include unanticipated problems relating to exploration, and additional costs and expenses that may exceed current estimates. The expenditures to be made by the Company in the exploration of its properties may not result in the discovery of mineral deposits. Any expenditures that the Company may make in the exploration of any other mineral property that it may acquire may not result in the discovery of any commercially exploitable mineral deposits. Problems such as unusual or unexpected geological formations and other conditions are involved in all mineral exploration and often result in unsuccessful exploration efforts. If the results of the Company's exploration do not reveal viable commercial mineralization, the Company may decide to abandon some or all of its property interests.

*Because of the speculative nature of the exploration of mineral properties, there is no assurance that the Company's exploration activities will result in the discovery of any quantities of mineral deposits on its current properties or any other additional properties the Company may acquire.*

The Company intends at this time to continue exploration on its current properties and the Company may or may not acquire additional interests in other mineral properties. The search for mineral deposits as a business is extremely risky. The Company can provide investors with no assurance that exploration on its current properties, or any other property that the Company may acquire, will establish that any commercially exploitable quantities of mineral deposits exist. Additional potential problems may prevent the Company from discovering any mineral deposits. These potential problems include unanticipated problems relating to exploration and additional costs and expenses that may exceed current estimates. If the Company is unable to establish the presence of mineral deposits on its properties, its ability to fund future exploration activities will be impeded, the Company will not be able to operate profitably and investors may lose all of their investment in the Company.

*The potential profitability of mineral ventures depends in part upon factors beyond the control of the Company and even if the Company discovers and exploits mineral deposits, the Company may never become commercially viable and the Company may be forced to cease operations.*

The commercial feasibility of an exploration program on a mineral property is dependent upon many factors beyond the Company's control, including the existence and size of mineral deposits in the properties the Company explores the proximity and capacity of processing equipment, market fluctuations of prices, taxes, royalties, land tenure, allowable production and environmental regulation. These factors cannot be accurately predicted and any one or a combination of these factors may result in the Company not receiving an adequate return on invested capital. These factors may have material and negative effects on the Company's financial performance and its ability to continue operations.

*Exploration and exploitation activities are subject to comprehensive regulation which may cause substantial delays or require capital outlays in excess of those anticipated causing an adverse effect on the Company.*

Exploration and exploitation activities are subject to laws, regulations and policies, including laws regulating the removal of natural resources from the ground and the discharge of materials into the environment. Exploration and exploitation activities are also subject to laws, regulations and policies which seek to maintain health and safety standards by regulating the design and use of drilling methods and equipment.

Environmental and other legal standards imposed authorities may be changed and any such changes may prevent the Company from conducting planned activities or may increase its costs of doing so, which would have material adverse effects on its business. Moreover, compliance with such laws may cause substantial delays or require capital outlays in excess of those anticipated, thus causing an adverse effect on the Company. Additionally, the Company may be subject to liability for pollution

or other environmental damages that the Company may not be able to or elect not to insure against due to prohibitive premium costs and other reasons. Any laws, regulations or policies of any government body or regulatory agency may be changed, applied or interpreted in a manner which will alter and negatively affect the Company's ability to carry on its business.

*Title to mineral properties is a complex process and the Company may suffer a material adverse effect in the event one or more of its property interests are determined to have title deficiencies.*

Acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. The Company cannot give an assurance that title to such property will not be challenged or impugned. Further, the Company cannot give an assurance that the existing description of mining titles will not be changed due to changes in policy, rulings, or law in the jurisdiction where the property is located. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify. A successful claim that the Company does not have title to one or more of its properties could cause the Company to lose any rights to explore, develop and mine any minerals on that property, without compensation for its prior expenditures relating to such property.

The properties optioned by the Company may now or in the future be the subject to aboriginal land claims. The legal nature of aboriginal land claims is a matter of considerable complexity. The impact of any such claim on the Company's ownership interest in the properties optioned by the Company cannot be predicted with any degree of certainty and no assurance can be given that a broad recognition of aboriginal rights in the area in which the properties optioned by the Company are located, by way of a negotiated settlement or judicial pronouncement, would not have an adverse effect on the Company's activities. Even in the absence of such recognition, the Company may at some point be required to negotiate with first nations in order to facilitate exploration and development work on the properties optioned by the Company.

*Because the Company's property interests may not contain mineral deposits and because it has never made a profit from its operations, the Company's securities are highly speculative and investors may lose all of their investment in the Company.*

The Company's securities must be considered highly speculative, generally because of the nature of its business and its stage of operations. The Company currently has exploration stage property interests which may not contain mineral deposits. The Company may or may not acquire additional interests in other mineral properties but the Company does not have plans to acquire rights in any specific mineral properties as of the date of this report. Accordingly, the Company has not generated significant revenues nor has it realized a profit from its operations to date and there is little likelihood that the Company will generate any revenues or realize any profits in the short term. Any profitability in the future from the Company's business will be dependent upon locating and exploiting mineral deposits on the Company's current properties or mineral deposits on any additional properties that the Company may acquire. The likelihood that any mineral properties that the Company may acquire or have an interest in will contain commercially exploitable mineral deposits is extremely remote. The Company may never discover mineral deposits in respect to its current properties or any other area, or the Company may do so and still not be commercially successful if the Company is unable to exploit those mineral deposits profitably. The Company may not be able to operate profitably and may have to cease operations, the price of its securities may decline and investors may lose all of their investment in the Company.

*As the Company faces intense competition in the mineral exploration and exploitation industry, the Company will have to compete with the Company's competitors for financing and for qualified managerial and technical employees.*

The Company's competition includes large established mining companies with substantial capabilities and with greater financial and technical resources than the Company. As a result of this competition, the Company may have to compete for financing and be unable to acquire financing on terms it considers acceptable. The Company may also have to compete with the other mining companies for the recruitment and retention of qualified managerial and technical employees. If the Company is unable to successfully compete for financing or for qualified employees, the Company's exploration programs may be slowed down or suspended, which may cause the Company to cease operations as a company.

*The Company's future is dependent upon its ability to obtain financing and if the Company does not obtain such financing, the Company may have to cease its exploration activities and investors could lose their entire investment.*

There is no assurance that the Company will operate profitably or will generate positive cash flow in the future. The Company requires additional financing in order to proceed with the exploration and development of its properties. The Company will also require additional financing for the fees it must pay to maintain its status in relation to the rights to the Company's properties and to pay the fees and expenses necessary to operate as a public company. The Company will also need more funds if the costs of the exploration of its mineral claims are greater than the Company has anticipated. The Company will require additional financing to sustain its business operations if it is not successful in earning revenues. The Company will also need further financing if it decides to obtain additional mineral properties. The Company currently does not have any arrangements for further financing and it may not be able to obtain financing when required. The Company's future is dependent upon its ability to obtain financing. If the Company does not obtain such financing, its business could fail and investors could lose their entire investment.

*The Company's directors and officers are engaged in other business activities and accordingly may not devote sufficient time to the Company's business affairs, which may affect its ability to conduct operations and generate revenues.*

The Company's directors and officers are involved in other business activities. As a result of their other business endeavours, the directors and officers may not be able to devote sufficient time to the Company's business affairs, which may negatively affect its

ability to conduct its ongoing operations and its ability to generate revenues. In addition, the management of the Company may be periodically interrupted or delayed as a result of its officers' other business interests.

#### **DIVIDENDS**

The Company has neither declared nor paid any dividends on its Common Shares. The Company intends to retain its earnings, if any, to finance growth and expand its operations and does not anticipate paying any dividends on its common shares in the foreseeable future.

#### **INTERNAL CONTROLS OVER FINANCIAL REPORTING**

The Company has established procedures and internal control systems to ensure the timely and accurate preparation of financial, management and other reports. The Chief Executive Officer and Chief Financial Officer certify financial reports. Disclosure controls are in place to ensure all reporting meets statutory reporting requirements. The Company's management is responsible for establishing and maintaining adequate internal controls. These controls have been designed to provide reasonable, but not absolute, assurance with respect to the Company's financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Internal controls, however well-conceived, will provide only reasonable and not absolute assurance that the objectives of the internal controls over financial reporting will be met. It should not be expected that the disclosure and internal controls and procedures would prevent all errors or fraud.

Due to the small size of the Company's finance department, there are a limited number of personnel handling accounting and financial matters and as a result, there is a lack of segregation of duties. Management believes that it has designed sufficient compensating internal controls to mitigate these limitations, including dual signatories on all cheques. Additional internal controls include audit committee and senior management review and oversight.

The Company's certifying officers, the Chief Executive Officer and the Chief Financial Officer, have reviewed the effectiveness of the design and operation of the Company's disclosure controls and procedures as a whole. Based on their review, including a review of the compensating controls relating to the lack of segregation of duties noted above, they have concluded that the Company's internal controls and procedures, as defined in National Instrument 52-109, Certification of Disclosure in Issuer's Annual and Filings of the Canadian Securities Regulators, were effective overall.

#### **DISCLOSURE CONTROLS AND PROCEDURES**

Disclosure controls and procedures are designed to provide reasonable, but not absolute, assurance that all material information is obtained, analyzed and reported to senior management on a timely basis in order for management to make reasonable decisions regarding public disclosure.

The Company's certifying officers, the Chief Executive Officer and the Chief Financial Officer, have reviewed the effectiveness of the design and operation of the Company's disclosure controls and procedures. Based on their review, they have concluded that the Company's disclosure controls and procedures, as defined in National Instrument 52-109, Certification of Disclosure in Issuer's Annual and Filings of the Canadian Securities Regulators, were effective and provide reasonable assurance that information required to be disclosed in interim, annual and special filings are submitted under Canadian securities laws and are recorded, processed, summarized and reported in a timely fashion.

#### **ADDITIONAL INFORMATION**

Additional information about the Company is available on SEDAR at <http://www.sedar.com>.

#### **BOARD APPROVAL**

The board of directors of the Company has approved this MD&A.

**SCHEDULE D**

**FINANCIAL STATEMENTS FOR THE QUARTER ENDED JUNE 30, 2021**



# **Quimbaya Gold Inc.**

## **CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Expressed in Canadian Dollars) (Unaudited)**

**FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2021**

**QUIMBAYA GOLD INC.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION**  
(Expressed in Canadian Dollars)  
(Unaudited)  
**AS AT**

	June 30, 2021 (Unaudited)	December 31, 2020 (Audited)
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 1,400,811	\$ 26,367
Accounts receivable	5,811	595
Prepaid expenses	<u>5,000</u>	<u>1,000</u>
	1,411,622	27,962
Mineral property (Note 3)	<u>185,579</u>	<u>185,579</u>
	<u>\$ 1,597,201</u>	<u>\$ 213,541</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current</b>		
Accounts payable	\$ 28,354	\$ 7,847
Loans payable (Note 4)	<u>-</u>	<u>25,007</u>
	<u>28,354</u>	<u>32,854</u>
<b>Shareholders' equity</b>		
Share capital (Note 5)	1,888,731	208,379
Accumulated other loss	(2,539)	(38)
Deficit	<u>(317,345)</u>	<u>(27,654)</u>
	<u>1,568,847</u>	<u>180,687</u>
	<u>\$ 1,597,201</u>	<u>\$ 213,541</u>

**Nature and continuance of operations** (Note 1)

**Subsequent events** (Note 9)

Approved and authorized by the Board of Directors on September 28, 2021.

\_\_\_\_\_"\_\_\_\_\_"\_\_\_\_\_  
Director Director

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

**QUIMBAYA GOLD INC.****CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

(Expressed in Canadian Dollars)

(Unaudited)

	For three months ended June 30, 2021	For six months ended June 30, 2021	For the period from incorporation on May 20, 2020 to June 30, 2020
<b>EXPENSES</b>			
Consulting fees (Note 6)	\$ 26,646	\$ 45,636	\$ -
Exploration expenditures (Note 3)	47,836	109,797	-
Foreign exchange	2,315	6,005	-
Interest expense	-	447	336
Marketing	34,716	35,534	30
Office and administration	3,040	4,770	600
Professional fees	30,316	87,484	1,267
Travel	18	18	15
<b>Net loss</b>	(144,887)	(289,691)	(2,248)
<b>Other comprehensive loss</b>			
Foreign exchange on translation	(1,981)	(2,501)	-
<b>Comprehensive loss for the period</b>	\$ (146,868)	\$ (292,192)	\$ (2,248)
<b>Basic and diluted loss per common share</b>	\$ (0.01)	\$ (0.02)	\$ (0.01)
<b>Weighted average number of common shares outstanding – basic and diluted</b>	13,341,567	11,613,697	197,893

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

**QUIMBAYA GOLD INC.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS**  
(Expressed in Canadian Dollars)  
(Unaudited)

	For the six months ended June 30, 2021	For the period from incorporation on May 20, 2020 to June 30, 2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss for the period	\$ (289,691)	\$ (2,248)
Interest expense	447	303
Shares issued for services	54,366	-
Changes in non-cash working capital items:		
Accounts receivable	(5,216)	(195)
Accounts payable	20,507	2,086
Prepaid expenses	(4,000)	-
Net cash used in operating activities	<u>(223,587)</u>	<u>(54)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Share issued for cash	1,585,733	13,502
Share issuance costs	(45,200)	-
Loan repaid	-	(13,467)
Loan funds received (Note 4)	<u>60,000</u>	<u>103,998</u>
Net cash provided by financing activities	<u>1,600,533</u>	<u>104,033</u>
<b>Effect of foreign exchange on cash</b>	(2,502)	-
<b>Change in cash for the period</b>	1,374,444	103,979
<b>Cash, beginning of period</b>	<u>26,367</u>	<u>-</u>
<b>Cash, end of period</b>	<u>\$ 1,400,811</u>	<u>\$ 103,979</u>
<b>Supplemental cash flow information:</b>		
Shares issued for settlement of debts	\$ 85,454	\$ -
Shares issued for share issuance costs	92,400	-

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

**QUIMBAYA GOLD INC.****CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

(Expressed in Canadian Dollars)

(Unaudited)

	Common Shares		Accumulated	Deficit	Total
	Number	Amounts	Other Comprehensive Loss		
<b>Balance, December 31, 2019</b>	-	\$ -	\$ -	\$ -	\$ -
Private placement	2,700,400	13,502	-	-	13,502
Comprehensive loss for the period	-	-	-	(2,248)	(2,248)
<b>Balance, June 30, 2020</b>	2,700,400	13,502	-	(2,248)	11,254
Private placement	6,848,715	194,877	-	-	194,877
Comprehensive loss for the period	-	-	(38)	(25,406)	(25,444)
<b>Balance, December 31, 2020</b>	9,549,115	208,379	(38)	(27,654)	180,687
Shares issued for cash	4,669,951	1,585,733	-	-	1,585,733
Shares issuance costs	264,000	(137,600)	-	-	(137,600)
Shares issued for debt	427,254	85,453	-	-	85,453
Share issued for services	155,330	146,766	-	-	146,766
Comprehensive loss for the period	-	-	(2,501)	(289,691)	(292,192)
<b>Balance, June 30, 2021</b>	15,065,650	\$ 1,888,731	\$ (2,539)	\$ (317,345)	\$ 1,568,847

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

## **QUIMBAYA GOLD INC.**

### **NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

(Unaudited)

FOR THE PERIOD ENDED JUNE 30, 2021

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#### **1. NATURE AND CONTINUANCE OF OPERATIONS**

Quimbaya Gold Inc. (the “Company”) was incorporated in Canada under the Canada Business Corporations Act on May 27, 2020. The Company is principally engaged in the acquisition and exploration and development of mineral properties in Colombia. The Company maintains its registered office at 3400 - 350 7<sup>th</sup> Avenue SW, Calgary, Alberta, T2P 3N9.

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) on a going concern basis, which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The Company has a working capital balance of \$1,383,268 and accumulated deficit of \$317,345 as at June 30, 2021. The Company reported a net loss of \$289,691 and negative cashflows from operations of \$223,587 for the period ended June 30, 2021. The Company’s ability to continue as a going concern is dependent upon its ability to raise funds primarily through the issuance of shares or achieve profitable operations. The outcome of these matters cannot be predicted at this time. If the Company is unable to obtain additional financing, management may be required to curtail certain expenses. An inability to raise additional financing may impact the future assessment of the Company as a going concern. These material uncertainties may cast significant doubt about the ability of the Company to continue as a going concern.

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. 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.

#### **2. BASIS OF PREPARATION**

##### **Statement of compliance**

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statement, including IAS 34, Interim Financial Reporting. Accordingly, these financial statements do not include all of the information and footnotes required by IFRS for complete financial statements for year-end reporting purposes.

These condensed consolidated interim financial statements should be read in conjunction with the Company’s audited annual consolidated financial statements as at and for the year ended December 31, 2020 and the notes thereto.

##### **Basis of consolidation and presentation**

The condensed consolidated interim financial statements have been prepared on a historical cost basis, except for certain financial instruments measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These condensed consolidated interim financial statements include the accounts of the Company and its 100% controlled entity, Golden Pacifico Exploration S.A.S. (a Colombian corporation) (“Golden Pacifico”).

Subsidiaries are entities over which the Company has exposure to variable returns from its involvement and has the ability to use power over the investee to affect its returns. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company until the date on which control ceases.

**2. BASIS OF PREPARATION (cont'd...)**

**Basis of consolidation and presentation (cont'd...)**

The accounts of the subsidiary are prepared for the same reporting period as the parent company, using consistent accounting policies. Inter-company transactions, balances and unrealized gains or losses on transactions are eliminated upon consolidation.

**Use of judgments and estimates**

The preparation of these condensed consolidated interim 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 condensed consolidated interim financial statements and the reported expenses during the period. Actual results could differ from these estimates.

Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances, as the basis for its estimates and assumptions. Revisions to accounting estimates are recognized prospectively from the period in which the estimates are revised. Actual outcomes may differ from those estimates under different assumptions and conditions.

Deferred taxes

The calculations for current and deferred taxes require management's interpretation of tax regulations and legislation in the various tax jurisdictions in which the Company operates, which are subject to change. The measurement of deferred tax assets and liabilities requires estimates of the timing of the reversal of temporary differences identified and management's assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income before they expire, which involves estimating future taxable income.

The Company is subject to assessments by various taxation authorities in the tax jurisdictions in which it operates and these taxation authorities may interpret the tax legislation and regulations differently. In addition, the calculation of income taxes involves many complex factors. As such, income taxes are subject to measurement uncertainty and actual amounts of taxes may vary from the estimates made by management.

Key sources of estimation uncertainty

The key areas of judgment applied in the preparation of the condensed consolidated interim financial statements that could result in a material adjustment to the carrying amounts of assets and liabilities are as follows:

- Provisions

Management's determination of no material restoration, rehabilitation and environmental exposure is based on the facts and circumstances that existed during the year.

**2. BASIS OF PREPARATION** (cont'd...)

**Use of judgments and estimates** (cont'd...)

Key sources of estimation uncertainty (cont'd...)

- Mineral Properties

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits are likely to arise from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available. If, after the expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in profit or loss in the period when the new information becomes available.

Exploration and evaluation assets are reviewed for changes in facts and circumstances suggesting the carrying amount exceeds the recoverable amount at each condensed consolidated interim statement of financial position date. This determination requires significant judgment. Factors which could trigger an impairment review include, but are not limited to, significant negative industry or economic trends and interruptions in exploration activities. The Company's review considers the following:

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

- Functional currency

The functional currency of the Company and its subsidiary is the currency of their respective primary economic environment. Judgement is necessary in evaluating each entity's functional currency.

- Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay its ongoing operation expenditures and to meet its liabilities for the ensuing year, involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances (Note 1).



**QUIMBAYA GOLD INC.**  
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
(Expressed in Canadian Dollars)  
(Unaudited)  
FOR THE PERIOD ENDED JUNE 30, 2021

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**2. BASIS OF PREPARATION (cont'd...)**

**Use of judgments and estimates (cont'd...)**

Key sources of estimation uncertainty (cont'd...)

- Deferred tax

The value of deferred tax assets is evaluated based on the probability of realization; the Company has assessed that it is improbable that such assets will be realized and has accordingly not recognized a value for deferred taxes.

- Exploration and evaluation assets

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain mineral titles as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties.

**3. EXPLORATION AND EVALUATION ASSETS**

**Berrio Project, Colombia**

On November 10, 2020, the Company entered into an asset purchase agreement (“APA”) with Pacifico Holdings S.A.S. (“Pacifico Holdings”) and shares purchase agreement (“SPA”) with West Rock Resources Panama Corp. (“West Rock”). Pursuant to the agreements, on December 10, 2020, the Company acquired all of the issued and outstanding common shares of Golden Pacifico which holds the Concession Mining Contact No. 6822 in the Antioquia region of Colombia (the “Berrio Project”). The Company paid total cash consideration of \$185,579 to Pacifico Holdings and West Rock for Golden Pacifico and certain related historic drill core with respect to the Berrio Project. Both agreements are with unrelated parties.

The SPA is accounted for as an acquisition of net assets, rather than a business combination, as the net assets of Golden Pacifico do not constitute a business under IFRS.

The acquisition was allocated as follows:

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<b>Cash consideration</b>	\$	185,579
<b>Mineral property interest acquired</b>	\$	185,579

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**QUIMBAYA GOLD INC.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
(Expressed in Canadian Dollars)  
(Unaudited)  
**FOR THE PERIOD ENDED JUNE 30, 2021**

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**3. EXPLORATION AND EVALUATION ASSETS (cont'd...)**

**Exploration Expenditures**

The Company expended the following exploration and evaluation expenditures:

<b>For the six months ended June 30, 2021</b>	<b>Total</b>
Community relations	\$ 2,615
Geological	90,448
Professional fees	13,800
Travel	<u>2,934</u>
Total expenditures for the period	<u>\$ 109,797</u>

**4. LOANS PAYABLE**

	<b>Total</b>
<b>Balance, December 31, 2020</b>	\$ 25,007
Funds received	60,000
Interest accrued	447
Funds repaid through share issuance (Note 5)	<u>(85,454)</u>
<b>Balance, June 30, 2021</b>	<u>\$ -</u>

The loans received have a maturity of one year from the date of issue and accrue interest at a rate of 5% per annum. As at June 30, 2021, loans payable of \$nil (December 31, 2020 - \$25,007) are due to the President of the Company.

**5. SHARE CAPITAL**

a) Authorized share capital

Unlimited number of common shares without par value.

b) Issued share capital

*Period ended June 30, 2021*

- a) Issued 150,000 common shares at a price of \$0.20 per common share for gross proceeds of \$30,000 on February 8, 2021.
- b) Issued 125,000 common shares at a price of \$0.20 per common share for gross proceeds of \$25,000 on February 9, 2021.
- c) Issued 251,952 common shares at a price of \$0.20 per common share for debt settlement of \$50,394 on February 24, 2021.
- d) Issued 175,302 common shares at a price of \$0.20 per common share for debt settlement of \$35,060 on March 5, 2021.

**QUIMBAYA GOLD INC.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
(Expressed in Canadian Dollars)  
(Unaudited)  
**FOR THE PERIOD ENDED JUNE 30, 2021**

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**5. SHARE CAPITAL (cont'd...)**

- e) Issued 50,000 common shares at a price of \$0.20 per common share for gross proceeds of \$10,000 on March 5, 2021.
- f) Issued 4,344,951 common shares at a price of \$0.35 per common share for gross proceeds of \$1,520,733 on April 30, 2021.
- g) Issued 264,000 common shares at a price of \$0.35 per common share for settlement of services through shares of \$92,400 on May 17, 2021.
- h) Issued 155,330 common shares at a price of \$0.35 per common share for settlement of services through shares of \$54,366 on June 30, 2021.

*Period ended from May 27, 2020 to December 31, 2020*

- a) Issued 400 common shares at a price of \$0.005 per common share for gross proceeds of \$2 on May 27, 2020.
- b) Issued 2,700,000 common shares at a price of \$0.005 per common share for debt settlement of \$13,500 on June 27, 2020.
- c) Issued 1,459,115 common shares at a price of \$0.02 per common share for debt settlement of \$29,198 on October 30, 2020.
- d) Issued 4,686,600 common shares at a price of \$0.02 per common share for debt settlement of \$95,379 on October 31, 2020.
- e) Issued 703,000 common shares at a price of \$0.10 per common share for gross proceeds of \$70,300 on November 27, 2020 of the gross proceeds noted, \$35,300 was for debt settlement.

**6. RELATED PARTY TRANSACTIONS**

Key management personnel includes the President and Directors of the Company. The remuneration of the key management personnel is as follows:

	For six months ended June 30, 2021	For the period from incorporation on May 20, 2020 to June 30, 2020
<b>Payments to key management personnel</b>		
Consulting fees	\$ 40,437	\$ -

As at June 30, 2021, \$171 (December 31, 2020 - \$4,860) was included in accounts payable and accrued liabilities owing to Officers and Directors of the Company in relation to fees for consulting services.

**7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

**Financial instruments**

Cash, accounts receivables, accounts payable and loans payable are carried at amortized cost. The Company considers that the carrying amount of these financial assets and liabilities measured at amortized cost to approximate their fair value due to the short-term nature of the financial instruments.

**QUIMBAYA GOLD INC.**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

(Unaudited)

FOR THE PERIOD ENDED JUNE 30, 2021

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**7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd...)**

**Financial risk factors**

*Credit risk*

The Company's primary exposure to credit risk is the risk of illiquidity of cash, amounting to \$1,400,811 at June 30, 2021 (December 31, 2020 – \$26,367). As the Company's policy is to limit cash holdings to instruments issued by major Canadian banks, the credit risk is considered by management to be negligible. As at June 30, 2021, the Company had an immaterial amount of cash balances in Colombia.

*Liquidity risk*

Liquidity risk is the risk that the Company will not be able to pay financial instrument liabilities as they come due. As at June 30, 2021, the Company had working capital of \$1,383,268 (December 31, 2020 – deficiency of \$4,892). The Company's financial obligations are limited to accounts payable, which has contractual maturities of less than a year.

*Interest rate risk*

The Company's financial asset exposed to interest rate risk consists of cash. Management believes the interest rate risk is low given the current low global interest rate environment. At June 30, 2021, the Company maintained all of its cash balance on deposit with a major Canadian bank.

*Foreign currency risk*

The Company operates in Colombia and is therefore exposed to foreign exchange risk arising from transactions denominated in the Colombian peso ("COP\$"). The Company's financial assets and liabilities are held in COP\$ and are therefore subject to fluctuation against the Canadian dollar, its reporting currency. The Company has no program in place for hedging foreign currency risk.

**8. CAPITAL MANAGEMENT**

The Company's capital management objective is to maintain financial capacity that is strong to sustain the future development of the business.

The Company's capital structure includes shareholders' equity of \$1,568,847 (December 31, 2020 – \$180,687). The Company manages its capital structure to maximize its financial flexibility to adjust to changes in economic conditions. The Company is not subject to externally imposed capital requirements.

There were no changes to the Company's approach to capital management during the period ended June 30, 2021.

**9. SUBSEQUENT EVENTS**

Subsequent to the period ended June 30, 2021, the Company issued 34,286 common shares at a price of \$0.35 per common share for gross proceeds of \$12,000.

In August 2021, the Company issued 57,285 shares in its capital through a crowdfunding portal at a price of \$0.35 for gross proceeds of \$20,050.

**SCHEDULE E**

**MANAGEMENT DISCUSSION AND ANALYSIS FOR THE QUARTER ENDED JUNE 30, 2021**

# **QUIMBAYA GOLD INC.**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE QUARTER ENDED JUNE 30, 2021**

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the unaudited financial statements and notes thereto for the three-month period ended June 30, 2021 of Quimbaya Gold Inc. (the "Company"). Such financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

All dollar amounts are expressed in Canadian dollars unless otherwise indicated.

### **DATE**

This MD&A is prepared as of September 14, 2021.

### **CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

Certain statements in this report are forward-looking statements, which reflect our management's expectations regarding our future growth, results of operations, performance and business prospects and opportunities including statements related to the development of existing and future property interests, availability of financing and projected costs and expenses. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits we will obtain from them. These forward-looking statements reflect management's current views and are based on certain assumptions and speak only as of the date of this report. These assumptions, which include management's current expectations, estimates and assumptions about current mineral property interests, the global economic environment, the market price and demand for commodities and our ability to manage our property interests and operating costs, may prove to be incorrect. A number of risks and uncertainties could cause our actual results to differ materially from those expressed or implied by the forward-looking statements, including: (1) a downturn in general economic conditions, (2) a decreased demand or price of precious and base metals, (3) delays in the start of projects with respect to our property interests, (4) inability to locate and acquire additional property interests, (5) the uncertainty of government regulation and politics in the province of Ontario regarding mining and mineral exploration, (6) potential negative financial impact from regulatory investigations, claims, lawsuits and other legal proceedings and challenges, and (7) other factors beyond our control.

There is a significant risk that such forward-looking statements will not prove to be accurate. Investors are cautioned not to place undue reliance on these forward-looking statements. No forward-looking statement is a guarantee of future results. We disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. Additional information about these and other assumptions, risks and uncertainties are set out in the section entitled "Risk Factors" below.

### **DESCRIPTION OF BUSINESS**

The Company was incorporated under the federal laws of Canada on May 27, 2020 of the *Canadian Business Corporations Act*. The Company is engaged in the acquisition, exploration and development of mineral properties in the country of Colombia and currently has a portfolio of one property, the Berrio Project (the "Property"). Its current focus is to conduct the proposed exploration program on the Property as more particularly set out in the Technical Report, along with continuing to identify and potentially acquire additional property interests, assess their potential and engage in exploration activities.

The Company will look to complete a non-offering prospectus ("Non-Offering Prospectus") to trade on the Canadian Securities Exchange (the "Exchange"). A date for the Non-Offering Prospectus has not been determined and is subject to Exchange approval.

### **OUTLOOK AND PROPOSED NON-OFFERING PROSPECTUS**

The Company is in the process of completing and filing its preliminary non-offering prospectus and applying to the Exchange for listing. There is no guarantee the Company will obtain Exchange approval or complete a Non-Offering Prospectus.

### **MINERAL PROPERTY**

#### ***BERRIO PROJECT***

On November 10, 2020, the Company acquired a 100% interest in the Property from a third party vendor (the "Vendor") subject to a 2% Net Smelter Return (the "NSR") through a 'Share and Assets Purchase Agreement' for the purchase price equal to Australian Dollars (AUD) \$225,000 ("Purchase Price"). The payment to the Vendor of the Purchase Price was fully paid as of December 2020. The Purchase Agreement is subject to a 2% Net Smelter Return held by Anglo Gold Ashanti. The Vendor was indirectly the sole owner of Mining Concession Contract No. 6822 and a database and all cores for exploratory work carried out on the land area. It consists of one concession contract covering an area of 1,218.88 hectares and is centered at 543,000E and 718,000N (UTM: WGS 1984, Zone 18N).

## RESULTS OF OPERATIONS

### Three-month period ended June 30, 2021

During the three-month period ended June 30, 2021, the Company incurred expenses of \$144,887. Expenses were comprised primarily of \$30,316 for professional fees, of \$47,836 for exploration expenditures and of \$34,716 for marketing. Net loss for the quarter ended June 30, 2021, was \$144,887.

## SUMMARY OF QUARTERLY RESULTS

A summary of the Company's financial results for the quarter ended June 30, 2021 and the period from May 27, 2020 to December 31, 2021 is as follows:

	Quarter Ended June 30, 2021 \$	Period Ended March 31, 2021 \$
Revenue	Nil	Nil
Net income (loss)	(144,887)	(144,804)
Loss per share, basic and diluted	(0.01) and (0.01)	(0.01) and (0.01)

## LIQUIDITY AND CAPITAL RESOURCES

As at June 30, 2021, the Company had a working capital of \$1,399,875. As at September 14, 2021, the Company had a working capital of \$1,330,830

During the period ended June 30, 2021, the Company had the following share issuances:

- a) The Company issued 752,254 common shares at \$0.20 per share for gross proceeds of \$150,450.
- b) The Company issued 4,344,951 common shares at \$0.35 per share for gross proceeds of \$1,520,730.
- c) The Company issued 419,330 common shares at \$0.35 per share for gross proceeds of \$146,767.

### *Cash and Cash Equivalents*

The Company's cash balances are deposited with major financial institutions in Canada.

### *Sources and Uses of Cash*

The Company's ability to continue operations and fund its development expenditures is dependent on management's ability to secure additional financing. Management is actively pursuing such additional sources of financing, and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future.

The following are the Company's cash flows from operating, investing and financing activities for the quarter emnded June 30, 2021:

### *Operating Activities*

The Company used net cash of \$(223,588) in operating activities during the six-month period ended June 30, 2021.

### *Financing Activities*

The Company received net cash of \$1,600,533 from financing activities during the six-month period ended June 30, 2021.

### *Investing Activities*

The Company used cash of \$0 in investing activities during the six-month period ended June 30, 2021.

### *Contractual Obligations and Commitments Excluding Provisions*

The Company does not have any contractual obligations or commitments other than trade accounts payable due within one-year.

### *Off-balance sheet arrangements*

The Company does not have off-balance sheet arrangements including any arrangements that would affect the liquidity, capital resources, market risk support and credit risk support or other benefits.

### *Capital Management*

There were no changes in the Company's approach to capital management during the period ended June 30, 2021.

In managing liquidity, the Company's primary objective is to ensure the entity can continue as a going concern while raising additional funding to meet its obligations as they come due. The Company's operations to date have been funded by issuing equity. The Company expects to improve the working capital position by securing additional financing.

The Company's investment policy is to invest excess cash in very low risk financial instruments such as term deposits or by holding funds in high yield savings accounts with major Canadian banks. Financial instruments are exposed to certain financial risks, which may include currency risk, credit risk, liquidity risk and interest rate risk.

The Company's mineral property interests are all in the exploration stage, as such the Company is dependent on external financing to fund its exploration activities and administrative costs. Management continues to assess the merits of mineral properties on an ongoing basis and may seek to acquire new properties or to increase ownership interests if it believes there is sufficient geologic and economic potential.

Management mitigates the risk and uncertainty associated with raising additional capital in current economic conditions through cost control measures that minimizes discretionary disbursements and reduces exploration expenditures that are deemed of limited strategic value.

The Company manages the capital structure (consisting of shareholders' deficiency) on an ongoing basis and adjusts in response to changes in economic conditions and risks characteristics of its underlying assets. Adjustments to the Company's capital structure may involve the issuance of new shares, assumption of new debt, acquisition or disposition of assets, or adjustments to the amounts held in cash, cash equivalents and short-term investments.

The Company is not subject to any externally imposed capital requirements.

The Company will be required to raise additional funds in order to meet the capital requirements and to complete the option agreement.

## **TRANSACTIONS WITH RELATED PARTIES**

Parties are related if one party has the direct or indirect ability to control or exercise significant influence over the other party in making operating and financial decisions. Parties are also related if they are subject to common control or common significant influence. A transaction is considered to be a related party transaction when there is a transfer of economic resources or financial obligations between related parties. Related party transactions that are in the normal course of business and have commercial substance are measured at the fair value.

Related parties include companies controlled by key management personnel. Key management personnel are composed of the Board of Directors, Chief Executive Officer and Chief Financial Officer of the Company.

During the three-month period ended June 30, 2021, Directors and Officers subscribed for and were issued 81,330 common shares for proceeds of \$28,467.

## **SUBSEQUENT EVENTS**



As of the date of publishing this MD&A, no subsequent events have occurred since June 30, 2021.

## **FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS**

The Company's financial instruments consist of cash, amounts receivable, and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest rate, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values due to the relatively short-term maturity of these instruments.

## **DISCLOSURE OF OUTSTANDING SHARE DATA**

### **Common Shares**

The Company's common shares are not currently listed on a stock exchange. The Company's authorized share capital consists of an unlimited number of common shares without par value.

As at June 30, 2021, the Company had 15,065,650 common shares issued and outstanding and at September 14, 2021 the Company had 15,159,619 common shares issued and outstanding.

### **Share Purchase Warrants**

As at June 30, 2021, there were no share purchase warrants were outstanding.

### **Stock Options**

As at June 30, 2021, there were no share purchase warrants were outstanding.

## **CRITICAL ACCOUNTING ESTIMATES**

To prepare financial statements in conformity with IFRS, the Company must make estimates, judgements and assumptions concerning the future that affect the carrying values of assets and liabilities as of the date of the financial statements and the reported values of revenues and expenses during the reporting period. By their nature, these are uncertain and actual outcomes could differ from the estimates, judgments and assumptions.

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 also in future periods when the revision affects both current and future periods. Significant accounting judgments, estimates and assumptions are reviewed on an ongoing basis.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could have an effect on the amounts recognized in the condensed consolidated interim financial statements relate to the following:

### *Going concern*

The preparation of the consolidated financial statements requires management to make judgments regarding the ability to continue as a going concern.

## **ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE**

The Company has implemented all new accounting pronouncements that are in effect and that may impact its financial statements and does not believe that there are any other new accounting pronouncements that have been issued that might have a material impact on its financial position or results of operations.

## **RISK FACTORS**

Much of the information included in this report includes or is based upon estimates, projections or other forward-looking statements. Such forward-looking statements include any projections or estimates made by the Company and its management in connection with the Company's business operations. While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect the Company's current judgment regarding the direction of its business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions, or other future

performance suggested herein. Except as required by law, the Company undertakes no obligation to update forward-looking statements to reflect events or circumstances occurring after the date of such statements.

Such estimates, projections or other forward-looking statements involve various risks and uncertainties as outlined below. The Company cautions readers of this report that important factors in some cases have affected and, in the future, could materially affect actual results and cause actual results to differ materially from the results expressed in any such estimates, projections or other forward-looking statements. In evaluating the Company, its business and any investment in its business, readers should carefully consider the following factors:

### **Risks Related to the Company's Business**

*Because of the unique difficulties and uncertainties inherent in mineral exploration ventures, the Company faces a high risk of business failure.*

Potential investors should be aware of the difficulties normally encountered by mineral exploration companies and the high rate of failure of such enterprises. The likelihood of success must be considered in light of the problems, expenses, difficulties, complications and delays encountered in connection with the exploration program that the Company intends to undertake on its properties and any additional properties that the Company may acquire. These potential problems include unanticipated problems relating to exploration, and additional costs and expenses that may exceed current estimates. The expenditures to be made by the Company in the exploration of its properties may not result in the discovery of mineral deposits. Any expenditures that the Company may make in the exploration of any other mineral property that it may acquire may not result in the discovery of any commercially exploitable mineral deposits. Problems such as unusual or unexpected geological formations and other conditions are involved in all mineral exploration and often result in unsuccessful exploration efforts. If the results of the Company's exploration do not reveal viable commercial mineralization, the Company may decide to abandon some or all of its property interests.

*Because of the speculative nature of the exploration of mineral properties, there is no assurance that the Company's exploration activities will result in the discovery of any quantities of mineral deposits on its current properties or any other additional properties the Company may acquire.*

The Company intends at this time to continue exploration on its current properties and the Company may or may not acquire additional interests in other mineral properties. The search for mineral deposits as a business is extremely risky. The Company can provide investors with no assurance that exploration on its current properties, or any other property that the Company may acquire, will establish that any commercially exploitable quantities of mineral deposits exist. Additional potential problems may prevent the Company from discovering any mineral deposits. These potential problems include unanticipated problems relating to exploration and additional costs and expenses that may exceed current estimates. If the Company is unable to establish the presence of mineral deposits on its properties, its ability to fund future exploration activities will be impeded, the Company will not be able to operate profitably and investors may lose all of their investment in the Company.

*The potential profitability of mineral ventures depends in part upon factors beyond the control of the Company and even if the Company discovers and exploits mineral deposits, the Company may never become commercially viable and the Company may be forced to cease operations.*

The commercial feasibility of an exploration program on a mineral property is dependent upon many factors beyond the Company's control, including the existence and size of mineral deposits in the properties the Company explores the proximity and capacity of processing equipment, market fluctuations of prices, taxes, royalties, land tenure, allowable production and environmental regulation. These factors cannot be accurately predicted and any one or a combination of these factors may result in the Company not receiving an adequate return on invested capital. These factors may have material and negative effects on the Company's financial performance and its ability to continue operations.

*Exploration and exploitation activities are subject to comprehensive regulation which may cause substantial delays or require capital outlays in excess of those anticipated causing an adverse effect on the Company.*

Exploration and exploitation activities are subject to laws, regulations and policies, including laws regulating the removal of natural resources from the ground and the discharge of materials into the environment. Exploration and exploitation activities are also subject to laws, regulations and policies which seek to maintain health and safety standards by regulating the design and use of drilling methods and equipment.

Environmental and other legal standards imposed authorities may be changed and any such changes may prevent the Company from conducting planned activities or may increase its costs of doing so, which would have material adverse effects on its business. Moreover, compliance with such laws may cause substantial delays or require capital outlays in excess of those anticipated, thus causing an adverse effect on the Company. Additionally, the Company may be subject to liability for pollution

or other environmental damages that the Company may not be able to or elect not to insure against due to prohibitive premium costs and other reasons. Any laws, regulations or policies of any government body or regulatory agency may be changed, applied or interpreted in a manner which will alter and negatively affect the Company's ability to carry on its business.

*Title to mineral properties is a complex process and the Company may suffer a material adverse effect in the event one or more of its property interests are determined to have title deficiencies.*

Acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. The Company cannot give an assurance that title to such property will not be challenged or impugned. Further, the Company cannot give an assurance that the existing description of mining titles will not be changed due to changes in policy, rulings, or law in the jurisdiction where the property is located. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify. A successful claim that the Company does not have title to one or more of its properties could cause the Company to lose any rights to explore, develop and mine any minerals on that property, without compensation for its prior expenditures relating to such property.

The properties optioned by the Company may now or in the future be the subject to aboriginal land claims. The legal nature of aboriginal land claims is a matter of considerable complexity. The impact of any such claim on the Company's ownership interest in the properties optioned by the Company cannot be predicted with any degree of certainty and no assurance can be given that a broad recognition of aboriginal rights in the area in which the properties optioned by the Company are located, by way of a negotiated settlement or judicial pronouncement, would not have an adverse effect on the Company's activities. Even in the absence of such recognition, the Company may at some point be required to negotiate with first nations in order to facilitate exploration and development work on the properties optioned by the Company.

*Because the Company's property interests may not contain mineral deposits and because it has never made a profit from its operations, the Company's securities are highly speculative and investors may lose all of their investment in the Company.*

The Company's securities must be considered highly speculative, generally because of the nature of its business and its stage of operations. The Company currently has exploration stage property interests which may not contain mineral deposits. The Company may or may not acquire additional interests in other mineral properties but the Company does not have plans to acquire rights in any specific mineral properties as of the date of this report. Accordingly, the Company has not generated significant revenues nor has it realized a profit from its operations to date and there is little likelihood that the Company will generate any revenues or realize any profits in the short term. Any profitability in the future from the Company's business will be dependent upon locating and exploiting mineral deposits on the Company's current properties or mineral deposits on any additional properties that the Company may acquire. The likelihood that any mineral properties that the Company may acquire or have an interest in will contain commercially exploitable mineral deposits is extremely remote. The Company may never discover mineral deposits in respect to its current properties or any other area, or the Company may do so and still not be commercially successful if the Company is unable to exploit those mineral deposits profitably. The Company may not be able to operate profitably and may have to cease operations, the price of its securities may decline and investors may lose all of their investment in the Company.

*As the Company faces intense competition in the mineral exploration and exploitation industry, the Company will have to compete with the Company's competitors for financing and for qualified managerial and technical employees.*

The Company's competition includes large established mining companies with substantial capabilities and with greater financial and technical resources than the Company. As a result of this competition, the Company may have to compete for financing and be unable to acquire financing on terms it considers acceptable. The Company may also have to compete with the other mining companies for the recruitment and retention of qualified managerial and technical employees. If the Company is unable to successfully compete for financing or for qualified employees, the Company's exploration programs may be slowed down or suspended, which may cause the Company to cease operations as a company.

*The Company's future is dependent upon its ability to obtain financing and if the Company does not obtain such financing, the Company may have to cease its exploration activities and investors could lose their entire investment.*

There is no assurance that the Company will operate profitably or will generate positive cash flow in the future. The Company requires additional financing in order to proceed with the exploration and development of its properties. The Company will also require additional financing for the fees it must pay to maintain its status in relation to the rights to the Company's properties and to pay the fees and expenses necessary to operate as a public company. The Company will also need more funds if the costs of the exploration of its mineral claims are greater than the Company has anticipated. The Company will require additional financing to sustain its business operations if it is not successful in earning revenues. The Company will also need further financing if it decides to obtain additional mineral properties. The Company currently does not have any arrangements for further financing and it may not be able to obtain financing when required. The Company's future is dependent upon its ability to obtain financing. If the Company does not obtain such financing, its business could fail and investors could lose their entire investment.

*The Company's directors and officers are engaged in other business activities and accordingly may not devote sufficient time to the Company's business affairs, which may affect its ability to conduct operations and generate revenues.*

The Company's directors and officers are involved in other business activities. As a result of their other business endeavours, the directors and officers may not be able to devote sufficient time to the Company's business affairs, which may negatively affect its ability to conduct its ongoing operations and its ability to generate revenues. In addition, the management of the Company may be periodically interrupted or delayed as a result of its officers' other business interests.

#### **Risks Relating to the Company's Common Stock**

*A decline in the price of the Company's common stock could affect its ability to raise further working capital and adversely impact its ability to continue operations.*

A prolonged decline in the price of the Company's common stock could result in a reduction in the liquidity of its common stock and a reduction in its ability to raise capital. Because a significant portion of the Company's operations have been and will be financed through the sale of equity securities, a decline in the price of its common stock could be especially detrimental to the Company's liquidity and its operations. Such reductions may force the Company to reallocate funds from other planned uses and may have a significant negative effect on the Company's business plan and operations, including its ability to develop new products and continue its current operations. If the Company's stock price declines, it can offer no assurance that the Company will be able to raise additional capital or generate funds from operations sufficient to meet its obligations. If the Company is unable to raise sufficient capital in the future, the Company may not be able to have the resources to continue its normal operations.

#### **DIVIDENDS**

The Company has neither declared nor paid any dividends on its Common Shares. The Company intends to retain its earnings, if any, to finance growth and expand its operations and does not anticipate paying any dividends on its common shares in the foreseeable future.

#### **BOARD APPROVAL**

The board of directors of the Company has approved this MD&A.

**SCHEDULE F**

**CERTIFICATE OF THE ISSUER AND PROMOTER**

**CERTIFICATE OF QUIMBAYA GOLD INC.**

Dated: October 5, 2021

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

*Signed "Alexandre P. Boivin"*

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Alexandre P. Boivin  
Chief Executive Officer

*Signed "Olivier Berthiaume"*

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Olivier Berthiaume  
Chief Financial Officer

**ON BEHALF OF THE BOARD OF DIRECTORS**

*Signed "Alexandre Lambert De Beaulieu"*

\_\_\_\_\_  
Alexandre Lambert De Beaulieu  
Director

*Signed "Jean-Luc Peyrot"*

\_\_\_\_\_  
Jean-Luc Peyrot  
Director

## CERTIFICATE OF THE PROMOTER

Dated: October 5, 2021

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

*Signed "Alexandre P. Boivin"*

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Alexandre P. Boivin

Promoter