# PRELIMINARY PROSPECTUS

New Issue

Date: November 29, 2021

**LODE METALS CORP.**
918 – 1030 West Georgia Street
Vancouver, British Columbia V6E 2Y3

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**3,612,316 Common Shares on Conversion of 3,612,316 Outstanding Subscription Receipts**

**3,531,426 Common Shares on Deemed Exercise of 3,531,426 Outstanding Special Warrants**

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This preliminary prospectus (the "**Prospectus**") is being filed with the British Columbia Securities Commission (the "**BCSC**") for the purpose of allowing Lode Metals Corp. (the "**Corporation**") to become a "reporting issuer" in the Province of British Columbia pursuant to applicable securities legislation.

This Prospectus qualifies the distribution of: (i) 3,612,316 Common Shares (as defined herein) (each, a "**Subscription Receipt Share**") of the Corporation to be distributed, without additional payment, upon the conversion of 3,612,316 issued and outstanding subscription receipts (each, a "**Subscription Receipt**") of the Corporation, and (ii) 3,531,426 Common Shares (each, a "**Special Warrant Share**", and together with the Subscription Receipt Shares, the "**Qualified Shares**") to be distributed, without additional payment, upon the automatic exercise of 3,531,426 issued and outstanding special warrants (each, a "**Special Warrant**") of the Corporation.

**The Subscription Receipts and the Special Warrants are not available for purchase pursuant to this Prospectus and, except for the release of the Escrowed Funds (as defined below), no additional funds are to be received by the Corporation from the distribution of the securities under this Prospectus upon the conversion, exercise or deemed exercise of the Subscription Receipts and the Special Warrants.**

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

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 Corporation.

The Subscription Receipts were issued by the Corporation on a non-brokered private placement basis (the "**Subscription Receipt Financing**") on September 22, 2021. The Corporation issued an aggregate of 3,612,316 Subscription Receipts at a price of $0.35 per Subscription Receipt and received gross proceeds of $1,264,310.60 from the sale of the Subscription Receipts. The gross proceeds from the sale of the Subscription Receipts, less certain finder's fees, were deposited in escrow and held by Odyssey Trust Company (the "**Escrow Agent**") in a separate interest bearing account (the "**Escrowed Funds**"), with such Escrowed Funds not to be released until the satisfaction of the Escrow Release Conditions (as defined herein) at which time the balance of the Escrowed Funds together with the interest earned therein will be accessible by the Corporation. The Corporation anticipates to use the Escrowed Funds for the exploration and drilling programs on the Cracker Creek Property, general and administrative expenses and working capital purposes. See "*Use of Proceeds*".

Each Subscription Receipt will be automatically converted and immediately thereupon cancelled, without any further action by the holder of such Subscription Receipt, and for no additional consideration, into one Subscription Receipt Share on the fifth Business Day following (i) the filing of the Final Prospectus (as defined herein) by the Corporation and receipt or deemed receipt therefor from the BCSC and (ii) the delivery of a written notice (the "**Escrow Release Notice**") executed by the Corporation to the Escrow Agent confirming the filing and receipt of the Final Prospectus (together, the "**Escrow Release Conditions**"). Upon the conversion of the Subscription Receipts, and without additional payment therefor, the Corporation will issue 3,612,316 Subscription Receipt Shares.

The Special Warrants were issued by the Corporation on a non-brokered private placement basis on September 7, 2021 (the "**First Special Warrant Financing**") and on October 1, 2021 (the "**Second Special Warrant Financing**", and together with the First Special Warrant Financing, the "**Special Warrant Financings**"). Under the Special Warrants Financings, the Corporation issued an aggregate of 3,531,426 Special Warrants at a price of $0.35 per Special Warrant and received gross proceeds of $1,235,999.10. The Special Warrants are subject to the terms and conditions of the certificates representing the Special Warrants (the "**Special Warrant Certificates**"). Pursuant to the terms of the Special Warrant Certificates, the proceeds received by the Corporation were immediately available and not subject to any escrow conditions. Each Special Warrant will be automatically exercised and immediately thereupon cancelled, without any further action by the holder of such Special Warrant, and for no additional consideration, into one Special Warrant Share on the second Business Day following the date on which a receipt for the Final Prospectus is issued by the BCSC.

| | **Aggregate Price to the Public** | **Finder's Fees** | **Net Proceeds to the Corporation[(1)]** |
|---|---|---|---|
| Subscription Receipts | $1,264,310.60 | $15,445.50[(2)] | $1,248,865.10 |
| Special Warrants | $1,235,999.00 | $14,999.96[(3)] | $1,220,999.04 |
| Total | $2,500,309.60 | $30,445.46 | $2,469,864.14 |

**Notes**

(1) After deducting the finder's fees, but before deducting legal, accounting and administrative expenses of the Corporation in connection with the Subscription Receipt Financing and the Special Warrant Financings and the preparation and filing of this Prospectus (estimated to be approximately $75,000). See "*Use of Available Funds*".

(2) Under the Subscription Receipt Financing, finder's fees were paid to certain finders in the amount of $15,445.50, such finder's fees to be released upon the satisfaction of the Escrow Release Conditions.

(3) Under the Second Special Warrant Financing, finder's fees were paid to certain finders in the amount of $14,999.96.

As at the date of this Prospectus, the Corporation 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, a U.S. marketplace, or a marketplace outside Canada and the United States of America other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc.

The Corporation has applied to list the Common Shares on the Canadian Securities Exchange (the "**Exchange**"). Listing will be subject to the Corporation fulfilling all of the listing requirements of the Exchange.

Kenneth Tullar, the President, Chief Executive Officer and a director of the Corporation, and Thomas Lewis, a director of the Corporation, both reside outside of Canada and have appointed the Corporation at its head office set forth above as its agent for service of process. Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person that resides outside of Canada, even if the person has appointed an agent for service of process.

An investment in securities of the Corporation is speculative and involves a high degree of risk. In reviewing this Prospectus, you should carefully consider the matters described under the heading "Risk Factors".

**No underwriters or selling agents have been involved in the preparation of this Prospectus or performed any review or independent due diligence of the contents of this Prospectus.**

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## GLOSSARY

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| "**affiliate**" or "**associate**" | has the meaning ascribed thereto in the *Securities Act* (British Columbia). |
| "**ALS**" | means ALS Global laboratories in North Vancouver, BC, Canada. |
| "**Audit Committee**" | means the audit committee appointed by the Board. |
| "**Authors**" | means the authors of the Technical Report: Michael Dufresne, M.Sc., P. Geol. P.Geo. and Anetta Banas, M.Sc., P.Geo. |
| "**Board**" | means the board of directors of the Corporation, as it may be comprised from time to time. |
| "**CCGC**" | Cracker Creek Gold Mining Company. |
| "**Cracker Creek Property**" or "**Property**" | means the Cracker Creek Property located in Baker County, Oregon, USA., in the Elkhorn Mountains, which are a part of the Blue Mountains of northeastern Oregon (OR) and southeastern Washington (WA). The Property is approximately 30 kilometers (km) (18.6 miles) west of the city of Baker City and 9 km (5.6 miles) north of Sumpter, OR. The Property comprises 82 claims including patented lode claims, patented placer claims, patented mill site claims, and fee property lands, totalling approximately 1,540 acres (620 hectares) of surface and mineral rights. The Property is a consolidated parcel of four major historical mines: North Pole, the Excelsior and the Eureka and the Columbia, as further described in this Prospectus. |
| "**Canadian Securities Administrators**" | means the voluntary umbrella organization of Canada's provincial and territorial securities regulators. |
| "**Common Shares**" | means the common shares in the capital of the Corporation. |
| "**Corporation**" | means Lode Metals Corp. |
| "**Environmental Laws**" | means all Laws relating to the environment, occupational health and safety as it pertains to the environment or public health, or hazardous substances, including those relating to the use, generation, disposal, treatment, processing, recycling, handling, transport, distribution, destruction, transfer, import, export or sale of hazardous substances. |
| "**Escrow Agent**" | Means Odyssey Trust Company. |
| "**Escrow Agreement**" | means the NP 46-201 escrow agreement dated November 17, 2021 among the Principals, the Corporation and the Escrow Agent. |
| "**Escrow Release Conditions**" | means: (i) the delivery of the Escrow Release Notice by the Corporation to the Escrow Agent and (ii) the filing of the Final Prospectus by the Corporation and the receipt or deemed receipt therefor from the BCSC. |
| "**Escrow Release Notice**" | means a written notice executed by the Corporation and delivered to the Escrow Agent confirming the filing of the Final Prospectus by the Corporation and the receipt or deemed receipt therefor from the BCSC. |
| "**Escrowed Funds**" | means the funds escrowed pursuant to the Subscription Receipt Financing. |

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| "**Exchange**" | means the Canadian Securities Exchange. |
| "**Final Prospectus**" | means the long form prospectus of the Corporation to be filed with the BCSC to qualify the distribution of the Qualified Shares. |
| "**First Special Warrant Financing**" | means the private placement of 2,307,142 Special Warrants at $0.35 per Special Warrant for total gross proceeds of $807,499.70. |
| "**Governmental Entity**" | means: (a) any multinational, federal, provincial, territorial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau, agency or entity, domestic or foreign; (b) any stock exchange, including the Exchange; (c) any subdivision, agent, commission, board or authority of any of the foregoing; or (d) any quasi-governmental or private body, including any tribunal, commission, regulatory agency or self-regulatory organization, exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing. |
| "**IFRS**" | means International Financial Reporting Standards, as adopted by the International Accounting Standards Board. |
| "**Law**" or "**Laws**" | means all laws (including common law), by-laws, statutes, rules, regulations, principles of law and equity, orders, rulings, ordinances, judgements, injunctions, determinations, awards, decrees or other requirements, whether domestic or foreign, and the terms and conditions of any permit of or from any Governmental Entity or self-regulatory authority (including the Exchange), and the term "applicable" with respect to such Laws and in a context that refers to a party, means such Laws as are applicable to such party and/or its subsidiaries or their business, undertaking, property or securities and emanate from a Person having jurisdiction over the party and/or its subsidiaries or its or their business, undertaking, property or securities. |
| "**Lead Author**" | means Michael Dufresne, M.Sc., P. Geol. P.Geo. |
| "**Listing Date**" | means the date on which the Common Shares are listed on the Exchange. |
| "**NI 43-101**" | means National Instrument 43-101 - *Standards of Disclosure of Disclosure for Mineral Projects* of the Canadian Securities Administrators. |
| "**NI 52-110**" | means NI 52-110 – *Audit Committees* of the Canadian Securities Administrators. |
| "**NP 46-201**" | means National Policy 46-201 – *Escrow for Initial Public Offerings* of the Canadian Securities Administrators. |
| "**NSR**" | means net smelter returns royalty. |
| "**Option Agreement**" or "**EPOM**" | means the Exploration and Purchase Option Agreement between the Corporation and CCGC signed on November 9, 2020. |

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| "**Person**" | includes an individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, trustee, executor, administrator or other legal representative, government (including any Governmental Entity) or any other entity, whether or not having legal status. |
| "**Principals**" | means Kenneth Tullar, James Yates, Thomas Lewis, and David Patterson. |
| "**Qualified Shares**" | means the Special Warrant Shares and the Subscription Receipt Shares. |
| "**Registered Plan**" | means a trust governed by a registered retirement savings plan, a registered retirement income fund, a registered disability savings plan, a deferred profit sharing plan, a tax-free savings account or a registered education savings plan. |
| "**Second Special Warrant Financing**" | means the private placement of 1,224,284 Special Warrants at $0.35 per Special Warrant for total gross proceeds of $428,499. |
| "**SEDAR**" | means the System for Electronic Document Analysis and Retrieval, which can be accessed online at http://www.sedar.com. |
| "**Share Exchange Agreement**" | means the share exchange agreement among the Corporation, 226, and the 226 Shareholders dated March 26, 2021. |
| "**Special Warrant**" | means a special warrant of the Corporation entitling the holder to acquire, without any further payment, one Special Warrant Share for each Special Warrant. |
| "**Special Warrant Financings**" | means the First Special Warrant Financing and the Second Special Warrant Financing. |
| "**Special Warrant Shares**" | means the 3,531,426 Common Shares to be issued upon the exercise or deemed exercise of the Special Warrants, such Common Shares qualified under this Prospectus. |
| "**Stock Option**" | means the option to purchase one Common Share. |
| "**Stock Option Plan**" | means the Corporation's stock option plan, approved by the Board on April 27, 2021 and by the shareholders of the Corporation on June 4, 2021. |
| "**Subscription Receipt**" | means a subscription receipt issued by the Corporation entitling the holder to acquire, without any further payment, one Subscription Receipt Share for each Subscription Receipt held upon satisfaction of the Escrow Release Conditions. |
| "**Subscription Receipt Agreement**" | means the subscription receipt agreement between the Corporation and the Escrow Agent dated September 22, 2021. |
| "**Subscription Receipt Financing**" | means the private placement of 3,612,316 Subscription Receipts at $0.35 per Subscription Receipt for total gross proceeds of $1,264,310.60 and which will result, subject to the satisfaction of the Escrow Release Conditions, in the deemed exercise of Subscription Receipts into Subscription Receipt Shares. |

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| "**Subscription Receipt Shares**" | means the 3,612,316 Common Shares of the Corporation to be issued on exercise or deemed exercise of the Subscription Receipts, such Common Shares qualified under this Prospectus. |
| "**Tax Act**" | means the *Income Tax Act* (Canada) and the regulations promulgated thereunder, as amended from time to time. |
| "**Technical Report**" | means the NI 43-101 Technical Report, for the Cracker Creek Property, Baker County, Oregon, USA, prepared by the Authors. |
| "**United States**" or "**U.S.**" or "**USA**" | means the United States of America, its territories and possessions, any State of the United States, and the District of Columbia. |
| "**226**" | means 2262496 Alberta Ltd. |
| "**226 Shareholders**" | means the shareholders of 226. |

## GLOSSARY OF TECHNICAL TERMS

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

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| **°C** | degree Celsius | **m** | metre |
| **C$** | Canadian dollars | **$m^3$/h** | cubic metres per hour |
| **cm** | centimetre | **mm** | millimetre |
| **ft** | foot | **oz** | Troy ounce (31.1035g) |
| **g/t** | gram per tonne | **ppb** | part per billion |
| **ha** | hectare | **ppm** | part per million |
| **km** | kilometre | **oz/st** | ounces per short ton (2,000 lbs or 907.2 kg) |
| **$km^2$** | square kilometre | **g/t** | grams per metric ton (1,000 kg or 2,204.6 lbs). |

## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

Except for statements of historical fact relating to the Corporation, certain statements in this Prospectus may constitute forward-looking information, future oriented financial information, or financial outlooks (collectively, "**forward-looking information**") within the meaning of Canadian securities laws. Forward-looking information may relate to this Prospectus, the Corporation's future outlook and anticipated events or results and, in some cases, can be identified by terminology such as "may", "will", "could", "should", "expect", "plan", "anticipate", "believe", "intend", "estimate", "projects", "predict", "potential", "targeted", "possible", "continue" or other similar expressions concerning matters that are not historical facts and include, but are not limited in any manner to, those with respect to commodity prices, capital and operating expenditures, the timing of receipt of permits, rights and authorizations, and any and all other timing, development, operational, financial, economic, legal, regulatory and political factors that may influence future events or conditions, as such matters may be applicable. In particular, this Prospectus contains forward-looking statements pertaining to the following:

- the principal business carried on and intended to be carried on by the Corporation;
- the use of knowledge of management of the Corporation to leverage the attributes of the Cracker Creek Property; and
- expectations generally regarding the ability and intention to raise further capital for corporate purposes.

Such forward-looking statements are based on a number of material factors and assumptions, and include the ultimate determination of mineral resources, if any, the availability and final receipt of required approvals, licenses and permits, sufficient working capital to develop and operate any proposed mine, access to adequate services and supplies, economic conditions, commodity prices, foreign currency exchange rates, interest rates, access to capital and debt markets and associated costs of funds, availability of a qualified work force, and the ultimate ability to mine, process and sell mineral products on economically favourable terms. While the Corporation considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect. Actual results may vary from such forward-looking information for a variety of reasons, including but not limited to risks and uncertainties disclosed in this Prospectus. Forward-looking statements are based upon management's beliefs, estimates and opinions on the date the statements are made and the Corporation does not intend, and undertakes no obligation to update any forward-looking information to reflect, among other things, new information or future events, other than as and to the extent required by Canadian securities laws.

Investors are cautioned against placing undue reliance on forward-looking statements. See "*Risk Factors*".

## SCIENTIFIC AND TECHNICAL INFORMATION

Scientific and technical information relating to the Cracker Creek Property contained in this Prospectus is derived from, and in some instances is a direct extract from, and based on the assumptions, qualifications and procedures set out in, the technical report (the "**Technical Report**") entitled "NI 43-101 Technical Report, for the Cracker Creek Property, Baker County, Oregon, USA" with an effective date of January 31, 2021, prepared by Michael Dufresne, M.Sc., P. Geol. P.Geo. (the "**Lead Author**") and Anetta Banas, M.Sc., P.Geo. (together with the Lead Author, the "**Authors**"). Reference should be made to the full text of the Technical Report, which is available for review under the Corporation's profile on SEDAR at www.sedar.com.

## SUMMARY

*The following is a summary of the principal features of this distribution and should be read together with, and is qualified in its entirety by, the more detailed information and financial data and statements contained elsewhere in this Prospectus. Readers are directed to carefully review this Prospectus in its entirety.*

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

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| **Corporation** | Lode Metals Corp. |
| **Business of the Corporation** | The Corporation was incorporated pursuant the *Business Corporations Act* (British Columbia) on March 7, 2018 under the name "Crane Capital Corp.". The Corporation's principal business carried on and intended to be carried on is the exploration for and development of base and precious mineral resources. It is the intention of the Corporation to remain in the mineral exploration business, and should the Cracker Creek Property not be deemed viable, the Corporation will evaluate other mineral exploration assets. See "*Business of the Corporation*" for further details. |
| **Cracker Creek Property** | The Cracker Creek Property is located in Baker County, Oregon, USA, in the Elkhorn Mountains, which are a part of the Blue Mountains of northeastern Oregon (OR) and southeastern Washington (WA). The Property is approximately 30 kilometers (km) (18.6 miles) west of the city of Baker City and 9 km (5.6 miles) north of Sumpter, OR. The Property comprises 82 claims including patented lode claims, patented placer claims, patented mill site claims, and fee property lands, totalling approximately 1,540 acres (620 hectares) of surface and mineral rights. The Property is a consolidated parcel of four major historical mines: North Pole, the Excelsior, the Eureka and the Columbia.<br><br>The Property is the subject of the Option Agreement. Pursuant to the Option Agreement, the Corporation can acquire a 100% interest in the Cracker Creek Property with the initial payment of US$100,000 on signing (which has been completed) and a further US$60,000 every six (6) months thereafter until either May 10, 2024 or until the option to purchase is exercised by paying US$3,000,000. CCGC retains a 2.5% net smelter royalty ("**NSR**").<br><br>See "*Business of the Corporation*" and "*Cracker Creek Property*" for further details. |
| **Directors and Officers** | Kenneth Tullar – President, Chief Executive Officer and Director<br>Gavin Cooper – Chief Financial Officer and Corporate Secretary<br>James Yates – Director<br>Thomas Lewis – Director<br>David Patterson – Director |
| **Subscription Receipts** | This Prospectus is being filed to also qualify the distribution in British Columbia of 3,612,316 Subscription Receipt Shares issuable upon the |

conversion of the Subscription Receipts. The Subscription Receipts will automatically convert on satisfaction of the Escrow Release Conditions.

Each Subscription Receipt was acquired by the holder thereof for $0.35 per Subscription Receipt, and there will be no additional proceeds to the Corporation from the exercise of the Subscription Receipt. The gross proceeds, less certain finder's fees, are held in escrow until satisfaction of the Escrow Release Conditions.

**Special Warrants**

This Prospectus is being filed to also qualify the distribution in British Columbia of 3,531,426 Special Warrant Shares issuable upon the conversion of the Special Warrants. Each Special Warrant will be automatically converted and immediately thereupon cancelled, without any further action by the holder of such Special Warrant, and for no additional consideration, into one Special Warrant Share on the second Business Day following the date on which a receipt for the Final Prospectus is issued by the BCSC.

Each Special Warrant was acquired by the holder thereof for $0.35 per Special Warrant, and there will be no additional proceeds to the Corporation from the exercise of the Special Warrants.

**Listing**

The Corporation has applied to list the Common Shares on the Exchange. Listing will be subject to the Corporation fulfilling all of the listing requirements of the Exchange.

**Use of Available Funds**

As at January 31, 2021 (the Corporation's financial year end) the Corporation had total assets of $53,989. As at October 31, 2021, the most recent month-end before the date of this Prospectus, the Corporation had working capital of approximately $2,400,000.

For a more detailed discussion on the Corporation's available funds, see "*Use of Available Funds*" and "*Business of the Corporation*".

The Corporation will require funding from other sources to continue operations beyond 2022. Such additional funds would likely be raised through a private placement of securities. There is no assurance that such funding will be available.

**Risk Factors**

The Corporation has identified certain risks relevant to its business and operations, which could materially affect the Corporation's operating results, financial performance and the value of the Common Shares. Such risk factors relate to, but are not limited to, the following:

- the Corporation is in the business of exploring mineral properties, which is a highly speculative endeavour;
- the continued operation of the Corporation will be dependent upon its ability to procure additional financing;
- there is no assurance that the Corporation's mineral exploration and development activities will result in any discoveries of commercial bodies of gold and base metals;
- there is no current market through which the Corporation's securities may be sold and listing of the Common Shares on the Exchange is subject to the Corporation fulfilling all of the listing requirements of the Exchange;

- the Corporation has only recently commenced operations, has no history of earnings, and there is no assurance that the Corporation can generate revenues, operate profitably, or provide a return on investment, or that it will successfully implement its plans;
- an investment in the Common Shares is speculative and there is little probability of dividends being paid on the Common Shares in the foreseeable future;
- liquidity concerns and future financing requirements may affect the future value of the Common Shares;
- the Corporation's business is dependent on the maintenance of access and exploration rights to the Cracker Creek Property;
- there is no assurance that future financing opportunities will be available to the Corporation;
- the Corporation has negative operating cash flow;
- there is no guarantee that if the Corporation loses or abandons its interest in the Cracker Creek Property that it will be able to acquire another mineral property;
- there are uninsurable risks relating to the business of the Corporation;
- the effects of the COVID-19 pandemic on the Corporation's business, operations and financial condition;
- the future operations of the Corporation may require permits from various federal, state and local governmental authorities and certain approvals may need to be obtained;
- Environmental Laws and regulations may affect the operations of the Corporation;
- the Cracker Creek Property may be subject to prior unregistered agreements, transfers or claims and title may be affected by undetected defects;
- First Nations or other aboriginal title claims may affect the ability of the Corporation to pursue exploration, development and mining on its properties;
- fluctuating mineral prices and currency risks may affect the Corporation;
- the success of the Corporation is dependent on management of the Corporation;
- the mining industry is competitive in all its phases; price volatilities of publicly traded securities may affect the value of the Common Shares and the Corporation;
- situations may arise where directors and officers of the Corporation will be in direct competition with the Corporation; and
- general stress in the global economy may affect the Corporation.

These risk factors, together with all of the other information contained in this Prospectus, including information contained in the section entitled "*Cautionary Statement Regarding Forward-Looking Information*" should be carefully reviewed and considered. Prospective investors should carefully consider their personal circumstances and consult their broker, lawyer, accountant or other professional adviser before making an investment decision. See "*Risk Factors"* for further details.

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| **Summary of Selected Financial Information of the Corporation** | The following table sets forth selected financial information of the Corporation for the six months ended July 31, 2021 and the financial years ended January 31, 2021 and 2020. This summary financial information should be read in conjunction with the financial statements of the Corporation and related notes as well as the Management's Discussion and Analysis attached as Schedule C. See "*Selected Financial Information*" for further details. |

| | **Six months ended July 31, 2021 (Unaudited)**<br>**($)** | **Year ended January 31, 2021 (Audited)**<br>**($)** | **Year ended January 31, 2020 (Audited)**<br>**($)** |
|---|---|---|---|
| **Total Revenue** | Nil | Nil | Nil |
| **Net Loss and Comprehensive Loss for the Period** | 184,143 | 18,715 | 8,515 |
| **Basic and Diluted Loss Per Share** | 0.01 | 0.00 | 0.00 |
| **Total assets** | 2,973,380 | 53,989 | 61,573 |
| **Total non-current liabilities** | Nil | Nil | Nil |
| **Distributions or cash dividends declared per-share** | Nil | Nil | Nil |

## CORPORATE STRUCTURE

### Name, Address and Incorporation

The Corporation was incorporated on March 7, 2018 pursuant to the *Business Corporations Act* (British Columbia) under the name Crane Capital Corp. The Corporation changed its name to "Lode Metals Corp." on March 3, 2021. The head office of the Corporation is located at 918 – 1030 West Georgia Street, Vancouver, British Columbia V6E 2Y3. The registered and records office is located at Suite 400, 725 Granville Street, Vancouver, British Columbia V7Y 1G5.

### Intercorporate Relationships

The Corporation has two wholly-owned subsidiaries, 2262496 Alberta Ltd. and Elkhorn Gold Exploration LLC.

The current organization structure of the Corporation is as follows:


## BUSINESS OF THE CORPORATION

### Overview

The Corporation is a junior mining, exploration and development company that was formed primarily to acquire the Cracker Creek Property, as discussed further below. The principal business carried on and intended to be carried on by the Corporation is the exploration for and development of base and precious mineral resources in Oregon, U.S.A.

The Corporation intends to consider and follow the recommendations included in the Technical Report in exploring and developing the Cracker Creek Property. See "*Cracker Creek Property*".

The Corporation is led by a management team and the board of directors of the Corporation (the "**Board**") with significant capital markets and mining industry experience, which includes the acquisition, exploration, permitting and development of mineral properties. The Corporation intends to use such knowledge and expertise from its management team and Board to leverage some of the attributes of the Cracker Creek Property. The Corporation is currently pursuing listing of the Common Shares on the Exchange.

### History

#### *Private Placement Financings*

<u>Private Placement of Subscription Receipts</u>

On September 22, 2021, the Corporation issued an aggregate of 3,612,316 Subscription Receipts at a price of $0.35 per Subscription Receipt and received gross proceeds of $1,264,310.60 from the sale of the Subscription Receipts pursuant to the Subscription Receipt Financing. There will be no additional proceeds to the Corporation from the exercise of the Subscription Receipts. The gross proceeds from the sale of the Subscription Receipts, less $15,445.50 representing finder's fees paid to certain finders, were deposited in escrow and held by the Escrow Agent, with such Escrowed Funds not to be released until the satisfaction of the Escrow Release Conditions at which time the balance of the Escrowed Funds together with the interest earned therein will be accessible by the Corporation in accordance with the terms of the Subscription Receipt Agreement. The Corporation anticipates to use the Escrowed Funds for the exploration and drilling program on the Cracker Creek Property, general and administrative expenses and working capital purposes.

Private Placement of Special Warrants

On September 7, 2021, the Corporation issued an aggregate of 2,307,142 Special Warrants at a price of $0.35 per Special Warrant and received gross proceeds of $807,499.70 from the sale of the Special Warrants pursuant to the First Special Warrant Financing. On October 1, 2021, the Corporation issued an aggregate of 1,224,284 Special Warrants at a price of $0.35 per Special Warrant and received gross proceeds of $428,499 from the sale of the Special Warrants pursuant to the Second Special Warrant Financing. Finder's fees of $14,999.96 were paid to certain finders in connection with the Second Special Warrant Financing.

March 2021 Private Placement of Common Shares

On March 16, 2021, the Corporation completed a non-brokered private placement of 8,225,000 Common Shares at a price of $0.10 per Common Share for gross proceeds of $822,500. See "*Prior Sales*".

February 2021 Private Placement of Common Shares

On February 9, 2021, the Corporation completed a non-brokered private placement of 7,900,000 Common Shares at a price of $0.02 per Common Share for gross proceeds of $158,000. See "*Prior Sales*".

### *Acquisition of the Cracker Creek Property*

The Corporation acquired the Cracker Creek Property by way of a share exchange agreement with 2262496 Alberta Ltd. ("**226**") and the shareholders of 226 (the "**226 Shareholders**") dated March 26, 2021 (the "**Share Exchange Agreement**"). 226 held rights to the Cracker Creek Property through agreements with Cracker Creek Gold Corporation and Minefinders LLC. Pursuant to the Share Exchange Agreement, the Corporation purchased and acquired all of the issued and outstanding shares of 226 in consideration for the issuance of 17,485,715 Common Shares to the 226 Shareholders.

### *Red Cloud Letter Agreement*

On July 27, 2021, the Corporation and Red Cloud Financial Services Inc. ("**RCFS**") and Red Cloud Securities Inc. ("**RCS**", and together with RCFS, "**Red Cloud**") executed a letter agreement (the "**RC Agreement**") to confirm the appointment of RCFS and RCS as non-exclusive independent contractors to the Corporation with RCFS to provide marketing and similar advisory services for the Corporation and RCS to discuss with potential investors ("**Interested Parties**") with a view to resulting in a potential transaction between the Corporation and one or more Interested Parties, for a minimum term of twelve (12) months and subject to renewal upon mutual agreement of the parties. In consideration for the services provided by Red Cloud under the RC Agreement, the Corporation agreed to pay to RCFS: (i) a marketing fee of $120,000 payable through the issuance of 343,000 Common Shares (and if the RC Agreement is extended, a fee of $10,000 per month payable in cash for the duration of the RC Agreement); (ii) in the event that an equity offering ("**Equity Securities Offering**") involving an Interested Party is consummated during the term of the RC Agreement or within a period of six months thereafter, the Corporation will pay to RCS a cash commission that is equal to 7.0% of the gross proceeds raised from the sale of securities under such Equity Securities Offering to an Interested Party and finders warrants exercisable for a period of 24 months following such closing date, to acquire in aggregate that number of Common Shares or other securities of the Corporation sold under such Equity Securities Offering which is equal to 7.0% of the number securities under the Equity Securities Offering sold to the Identified Party at an exercise price equal to the offering price of such securities under the Equity

Securities Offering; and (iii) in the event that a transaction, other than an Equity Securities Offering, involving an Interested Party is consummated during the term of the RC Agreement (a "**Transaction**") or within a period of six months thereafter, the Corporation will pay RCS a fee in respect of such Transaction but, in any event, the transaction fee for a Transaction shall not be less than $75,000.

**Competitive Conditions**

The Corporation competes for financing with other resource companies, many of whom have more advanced properties. There is no assurance that additional capital or other types of financing will be available to the Corporation if needed or that, if available, the terms of such financing will be favourable to the Corporation. See "*Risk Factors*".

**Trends**

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

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

## CRACKER CREEK PROPERTY

**Current Technical Report**

Unless otherwise stated, the information that follows in this section relating to the Cracker Creek Property is derived from, and in some instances is an extract from, the Technical Report. The Technical Report was prepared for the Corporation by the Authors. The Authors reviewed and approved the scientific and technical information contained in this Prospectus and are "qualified persons" and "independent" of the Corporation within the meanings of National Instrument 43-101 – *Standards for Disclosure for Mineral Projects* ("**NI 43-101**").

The following information is based on the assumptions, qualifications and procedures which are set out in the Technical Report and are not fully described herein. The following information does not purport to be a complete summary of the Technical Report. Reference should be made to the full text of the Technical Report, which has been filed with certain Canadian securities regulatory authorities pursuant to NI 43-101 and is available for review under the Corporation's profile on SEDAR at www.sedar.com.

**Cracker Creek Property Description and Location**

As at the date of the Technical Report, the Property comprised 84 claims, consolidated into 61 parcels, including 42 patented lode claims, 17 patented placer claims, 5 patented mill site claims, located in Townships 8 South and 9 South, Range 37 East and 20 fee property land parcels in Sections 28, 29, 30, 32, and 33, Township 8 South, Range 37 East of the Willamette Meridian in Oregon. Subsequent to the Technical Report, the Company completed staking 128 additional claims on the Cracker Creek claim block. These claims are not discussed in the Technical Report. See "*Cracker Creek Property – Additional Claims*".

The claims have been recently acquired by Lode Metals under an Exploration and Purchase Option Agreement (‘EPOM’) with CCGC signed on November 9th, 2020. Lode Metals can acquire a 100% interest in the Cracker Creek Property with the initial payment of US$100,000 on signing (which has been completed) and a further US$60,000 every six (6) months thereafter until either May 10th, 2024 or until the option to purchase is exercised by paying US$3,000,000. Cracker Creek retains a 2.5% Net Smelter Returns Royalty (NSR). A service agreement was also signed with Minefinders, LLC on November 21st, 2020, which included an initial payment of US$40,000 (which has been completed) and further payments of US$40,000 every six months until May 1st, 2024. Minefinders, LLC retains a 0.5% NSR which can be purchased outright for US$500,000. If the NSR is purchased all payments stop at that time.

*Figure 1: Property Location*

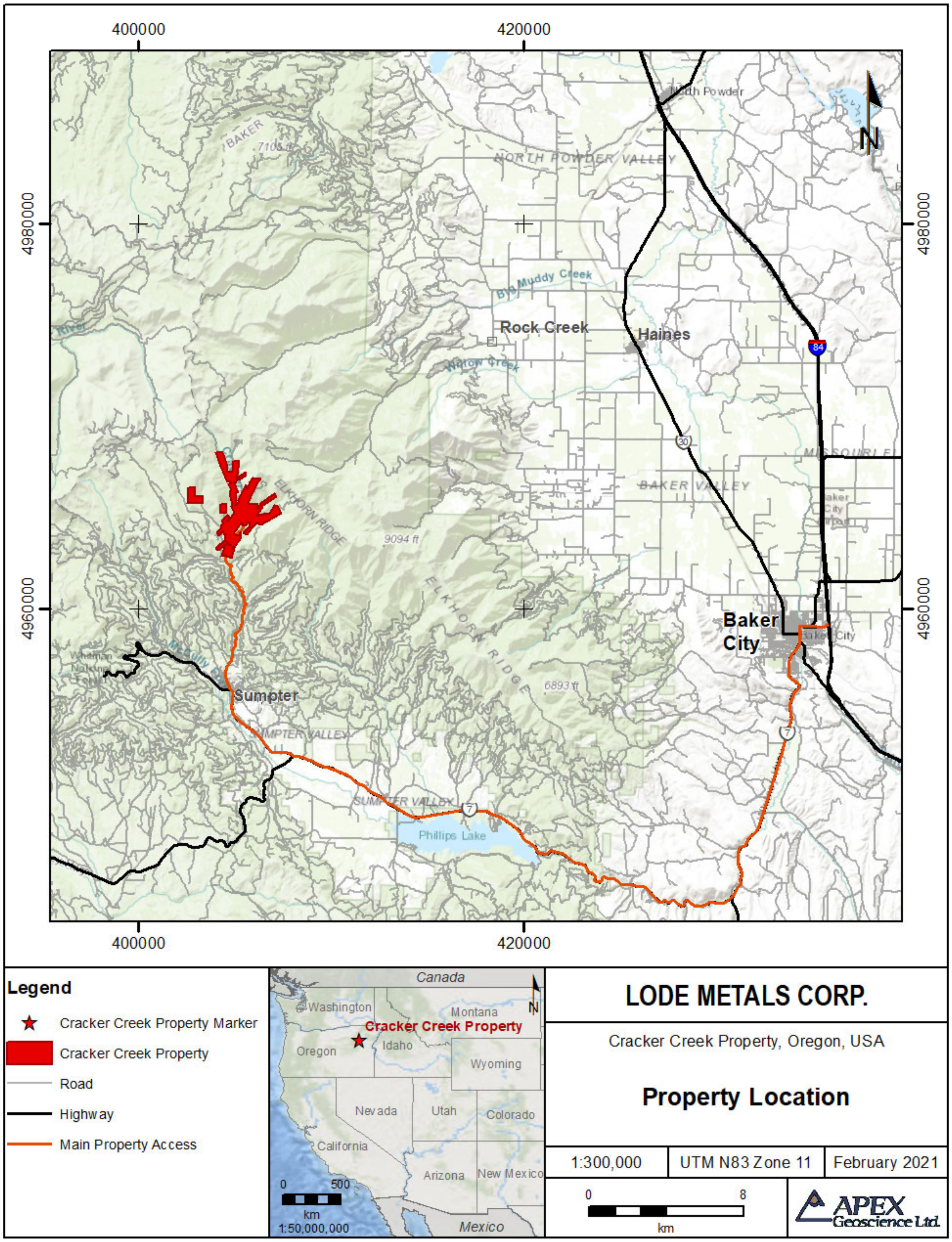
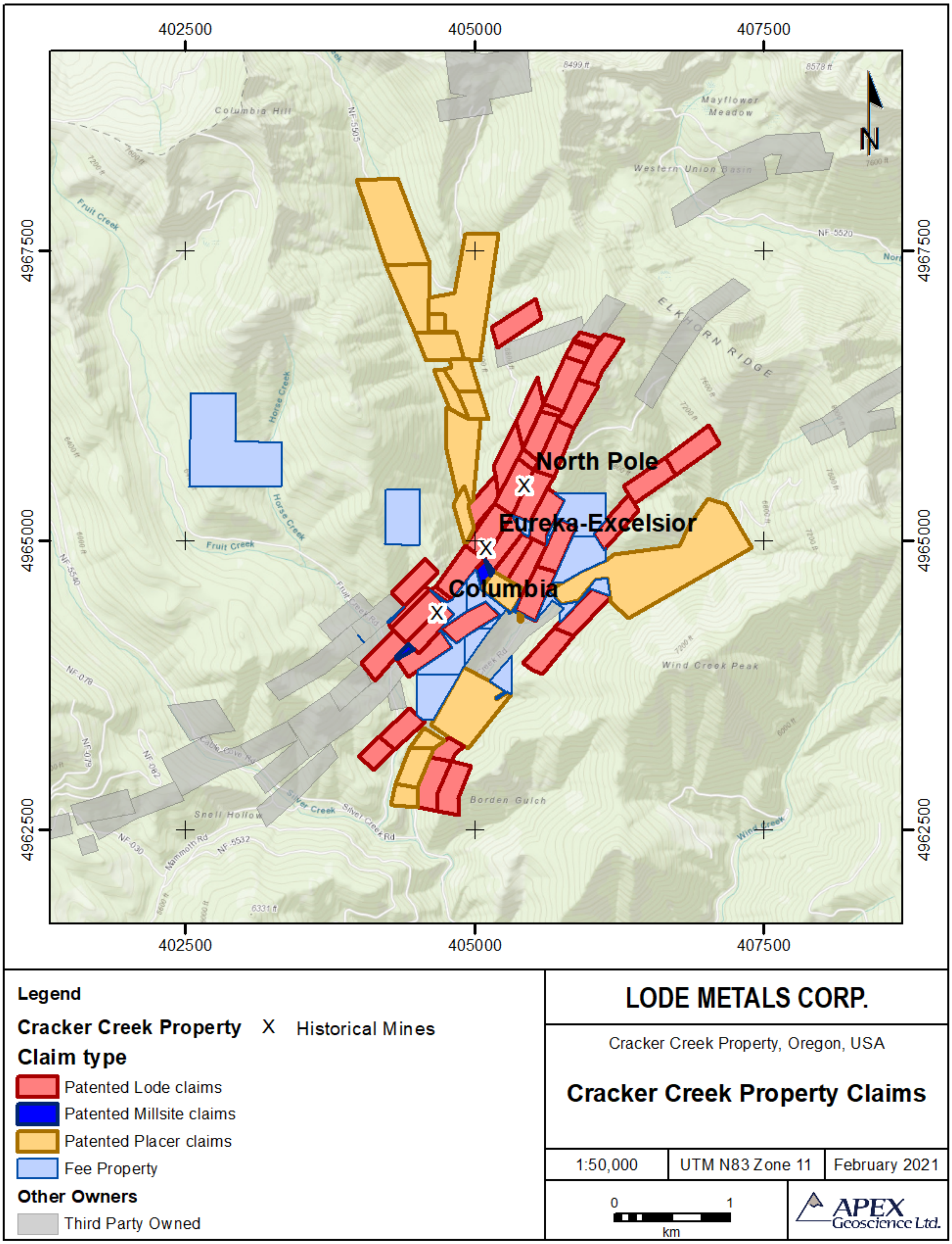


*Figure 2: Claim Blocks*



*Environmental Liabilities, Permitting and Significant Factors*

The Property consists entirely of fee owned land and patented claims, and hence does not require federal permits. Subsequent to the Technical Report, the Company has located an additional 128 Federal mining claims around the fee owned land and patented claims. These claims will require permitting on US Forest Service lands. These claims are not discussed in the Technical Report. See "*Cracker Creek Property – Additional Claims*".

The issuance of permits is the sole responsibility of the Oregon Department of Geology and Mineral Industries (DOGAMI) who coordinate the permitting effort among other state agencies. An Oregon Exploration Permit which authorizes exploration and preliminary development work short of production needs to be acquired. Cracker Creek has established a good rapport with DOGAMI personnel and have a cooperative and supportive relationship with them. Permits for water appropriation need to be renewed through the Oregon Water Resources Department. Permits for water discharge, subject to appropriate standards, will need to be renewed by the Oregon Department of Environmental Quality (DEQ).

In Oregon, mine operators are required to obtain an operating permit from DOGAMI only if they disturb an area greater than 1 acre per year up to a maximum of 5 acres in 5 years, or mine more than 5,000 cubic yards of material annually (for reference, this is equivalent to removing about 3.5 ft of material over an acre). Starting in 2016, surface mining operations below the permit threshold are required to register with DOGAMI and obtain an Exclusion Certificate that will provide a better understanding of the extent of small-scale mining in Oregon, although operators will not be required to report their production (Madin et al., 2016).

The Property is densely forested with evidence of historical logging however no present day logging is occurring. Continued maintenance of the forestry roads on the Property suggests that there is future logging potential on the Property.

Exploration and anticipated mining will have minimal impacts on the local and regional environment. Operations will be restricted to underground workings and surface disturbance restricted to the vicinity of mine openings. Upon completion of mining, the workings would be backfilled, and all mine openings permanently closed off. Infrastructure and other installations would be removed, the site will be regraded and revegetated compatible with surrounding land. All reclamation will be in compliance with applicable permits and regulatory authorities.

The author is not aware of any environmental liabilities, or any other known significant factors or risks related to the Cracker Creek Property that may affect access, title or the right or ability to perform work on the Property.

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

***Accessibility***

The Property is situated in Baker County in northeast Oregon, within the Elkhorn Mountain Range of the Blue Mountains. Access to the Property from Baker City is via Highway OR-7 S (Sumpter Stage Highway) for 46 km (29 miles) to the town of Sumpter. The route from Sumpter continues 12 km (7.5 miles) north on the unpaved Cracker Creek Road (Rd) to the Property Centre. The Cracker Creek Rd passes through the small ghost town of Bourne, OR, a town once integral to the mining development of the Cracker Creek area in the late 1800's.

Alternatively, the Property can be accessed from the north from Rock Creek, or by traveling north on Rock Creek Town Rd (which transitions into Foothill Rd) for 4 km (2.5 miles). Then by heading west on Bulger Flat Lane (Ln) for 8 km (5 miles), Bulger Flat Ln transitions into NF-7301 for 12 km (7.5 miles). After 12 km (7.5 miles) on NF-7301, turning south onto NF-5505 for 2 km (1.2 miles) to reach the northern tip of the Property. Travelling an additional 3 km along NF-5505 reaches the Property centre. The southern claims can be reached via this route by remaining on NF-7301 and heading west for an additional 3 km (1.9 miles) and taking Fruit Creek Rd south for 5 km (3.1 miles) to the Property. A second option to access the southern claims is remaining on NF-7301 for 6 km (3.7 miles) then head south on NF-5540 for 7 km (4.3 miles), continuing on this road as it transitions in to Cable Creek Rd which will pass through the Property and eventually connect to Cracker Creek Rd.

Throughout the Property numerous access roads were developed during the mineral exploration boom of the late 1800's to early 1900's, many of these follow the stream beds. These roads provide access to the historical mine workings on the Property. As well, there are many forestry access roads on the Property which remain well maintained.

***Site Topography, Elevation and Vegetation***

The Property is defined by ridges and small valleys. Elevation on the Property varies from approximately 1,600 m (5250 ft) to 2,100 m (6,900 ft), which is characteristic of the rugged and variable topography of the Elkhorn Mountain Range. Steep terrain gives way to many tributaries including Cracker Creek, Silver Creek, and Fruit Creek.

Streams on the Property are alpine in origin and are in pristine condition. Fruit Creek, Cracker Creek, and various unnamed tributaries flow south through the valleys and drain into Silver Creek and eventually into Phillips Lake.

The Property lies within the Wallowa-Whitman National Forest (WWNF). The WWNF encompasses 930,000 ha (2.3 million acres) of northeastern Oregon and extends from the Wallowa Mountains to the Snake River which denotes the Oregon-Idaho border (US Dep. Of Agriculture, 1990). Douglas fir forest are found on the Property and in addition to Douglas fir include larch, ponderosa pine, lodgepole pine and white fir (Thomas, 1979). Numerous species of woodpeckers, sapsuckers, and nuthatches inhabit the forest's canopy. Mammals in the area include elk, deer, and black bears (Thomas, 1979).

***Climate***

The mountainous terrain creates unpredictable weather in the area and great variability with elevation. Low valleys on the Property, and the town of Bourne have a continental climate. Bourne is located approximately 100 m (328 ft) east of the Property at an elevation of 1,640 masl (5,380 ft). The summer average high temperature is 28°C (82°F) and the average winter low is -1°C (30°F). Annual precipitation is estimated at 530 mm (20 in) and is primarily rain.

Higher elevations experience more drastic temperature variance and heavy snow fall between October and March. Though no temperature ranges are recorded for the specific Property area, surrounding weather information indicates lows of -28°C (-20°F) in the winter and highs of up to 32°C (90°F) in the summer. The heavy snowfall in the winter limits work on the Property to the summer months. Average annual snowfall accumulations of approximately 6 m (20 ft) are common at higher elevations.

***Local Resources and Infrastructure***

The information about historical Property infrastructure and underground workings is summarized and/or reproduced from Gerick et al. (1999). Rehabilitation of the main historical underground workings was completed by BMI-AMAX in 1981 as part of their work on the Property. A detailed outline of their rehabilitation efforts is given in Section 6 of the Technical Report. This restoration has since deteriorated and will require assessment and re-rehabilitation prior to entry.

The Property surrounds the abandoned town of Bourne, formerly Cracker City. With the discovery of gold in the area, Bourne became a booming mining town supporting local operations. In present day, Bourne has no amenities and is used as a summer vacation area. The nearest town to the Property, Sumpter, has a population of approximately 200 with historical mining tourism supporting much of local economy, including the Cracker Creek Museum of Mining. Food, lodging, and basic supplies are available in Sumpter.

The closest full-service center to the Property, Baker City, has a population of approximately 9,800 with a hospital, restaurants, grocery and hardware stores, lodging, mechanical shops, and an airport. Saint Alphonsus Medical Center has an emergency department and a suite of medical services. The Baker City airport, 9 km (5.6 miles) north of Baker City, facilitates chartered flights.

The Property itself consists of four historical underground mines: North Pole, Excelsior, Eureka, and Columbia. These mines are comprised of various underground and interconnected networks of vertical shafts, drifts, raises, sumps and levels all accessing the Cracker Creek vein.

During the site visit, the author located 3 adits and 2 shafts related to the old mine workings. Historical workings on the Property were found to be partially or fully rehabilitated or in disrepair and inaccessible. The Jevne adit is the only historical adit which remains accessible. All mining equipment and facilities have been removed and old foundations and timbers are all that remain. The core is stored in a dry storage facility in Baker City. Descriptions of the main mine levels are given below.

*Jevne Adit (1600 level)*

The Jevne Adit is located at UTM 404922E/4963743N at an elevation 1,600 m (5,250 ft). Historically it was designed to be the main haulageway. It is 2.4 m by 3 m (8 ft by 10 ft) in cross section and a with 24-inch gauge track. The Jevne tunnel was driven 210 m (700 ft) to the northwest in an attempt to get under the Columbia - E&E workings, but was never completed and is about 460 m (1,500 ft) short of the historical workings. At one time, the Jevne Adit area was selected as a potential mill site.

*Excelsior and Eureka (E & E) Shaft*

The E & E shaft is located at UTM 405056E/4964818N. The shaft is approximately 225 m (740 ft) deep and would need to be de-watered and would require significant rehabilitation prior to any use. This shaft does not have a headframe.

*Excelsior No. 1 Adit (1720 Level)*

At an elevation of approximately 1,700 m (5,600 ft), the Excelsior No. 1 adit extends 915 m (3,000 ft) to the northeast along the vein structure and then 183 m (600 ft) into the footwall. Two bypass drifts were driven into the hanging wall where the original drift had badly caved. Crosscuts were driven into the hanging wall to serve as diamond drill pads for the level below.

*Clark Level*

Driven off a winze from the North Pole No. 1 level, the Clark Level is connected by raises to the Excelsior No. 1 level and includes crosscuts to delineate the footwall and hanging wall.

*North Pole No. 1 (1780 Level)*

The North Pole No. 1 level consists of a 305 m (1,000 ft) crosscut into the vein and 427 m (1,400 ft) drift along the footwall with crosscuts into the structure. Stopes above have collapsed. All of the North Pole adits appear to have been reclaimed and are inaccessible and likely would require significant rehabilitation to be used in future.

*North Pole No. 5 (2150 Level)*

The North Pole No. 5 level is at an elevation of approximately 2,164 m (7,100 ft) and the drift was driven 152 m (500 ft) by BMI and AMAX during rehabilitation.

## History

The property history outlined below is largely compiled and reproduced from Gerick et al. (1999), Brooks Minerals Inc. (1982) and Amax Exploration Inc. (1982). For the purposes of this Technical Report, early property history considers work on the Property pre-1980 (pre-AMAX-BMI work) and modern exploration history considers work thereafter. A summary overview of historical exploration activities is provided in Table 1.

*Table 1 - Summary of exploration activities on the Cracker Creek Property.*

| Company Name | Year | Work Conducted | Zone |
|---|---|---|---|
| H. W. Turner | 1907 | Sampled a section of the vein formerly accessible from the old E & E shaft plus two adits on the Eureka claim | E&E shaft and two adits on the Eureka claim |
| Omega Mining | 1968-1969 | reopened the E & E adit and completed 1,500 feet of new drift | E & E |
| Chapman, Wood and Griswold (CWG) | 1969 | Sampled 400m of the new drift on the E & E Level | E & E Level |
| BMI-AMAX | 1980-1982 | Geological mapping and geochemical surveys. Drilled 24 core holes underground on the E & E level, 6 core holes underground in the North Pole No. 1 level, & 2 holes for geological reasons at Jevne decline. Total length drilled was 900m. Accurate information is only available for 29 of these holes. | E & E Level, North Pole No. 1, Jevne. |
| Simplot Exploration | 1989-1991 | Sampling and re-assaying. Drilled 30 core holes underground on the E & E level. Ten core holes drilled from the North Pole No. 1 level. Drilled 33 RC holes on surface over Columbia Claim Block. | E & E Level, North Pole No. 1, Columbia. |

### *District and Early Property History – Pre-1980*

The Property is located in the Cracker Creek mining district within the Bourne Quadrangle of northeastern Oregon, USA. Using historical values of gold and silver at the time of mining, the total value of production from the mines in the Bourne quadrangle is estimated to be between US$8 - US$11 million from vein deposits and US$3 million from placers. Most of the lode production occurred between 1895 and 1916 and most placer production is recorded from 1938-1941 (Brooks et al., 1980). The gold price averaged about US$19 per ounce between 1895 and 1916, and US$34 per ounce between 1938 and 1941.

Historically, the Cracker Creek mining district is one of the most important mining districts in Oregon (Figure 3). This district is one of several that were discovered and explored in eastern

Oregon during the latter part of the 19th century. The Cracker Creek vein itself was discovered in the bed of Cracker Creek in 1873 and full-scale mining began in 1895 and continued to 1916. Four separate companies produced from four mines that lie within the current consolidated Cracker Creek Property. The four mines included the Eureka, Excelsior, North Pole and Columbia (Figure 4). The Eureka and Excelsior collectively became known as the E & E Mine. Total production is estimated at 450,000 ounces gold (Au) totalling approximately US$9,000,000 at US$19 per oz. Mill head grades ran about 0.55 oz/st (19 g/t) Au and recovery is estimated at about 65% with tailings dumped into the creek. No subsequent investment in more efficient mills was made.

In 1907, H.W. Turner sampled a section of the Cracker Creek vein formerly accessible from the old E & E shaft plus two adits on the Eureka claim. Subsequent sampling was conducted over some of these areas by other explorers including Knight and Porter in 1941. The results of this subsequent sampling verified and confirmed Turner's original results. Even so, there are still gaps in Turner's coverage that can be attributed to timbered backs or to the drift being off the ore structure. More recent check sampling of the E & E No. 1 or 1720 level is discussed below in Section 6.2.1.

Minor operations were conducted from 1916 to 1942. In 1946 and 1947, the property was optioned by Cominco Ltd. Co. and Solar Mining Co. Exploration focused on reopening the North Pole mine to test for downward projections of possible ore, as well as surface trenching and drilling. They option was dropped in late 1947.

*Figure 3 - Historical mines surrounding the Cracker Creek Property - regional.*

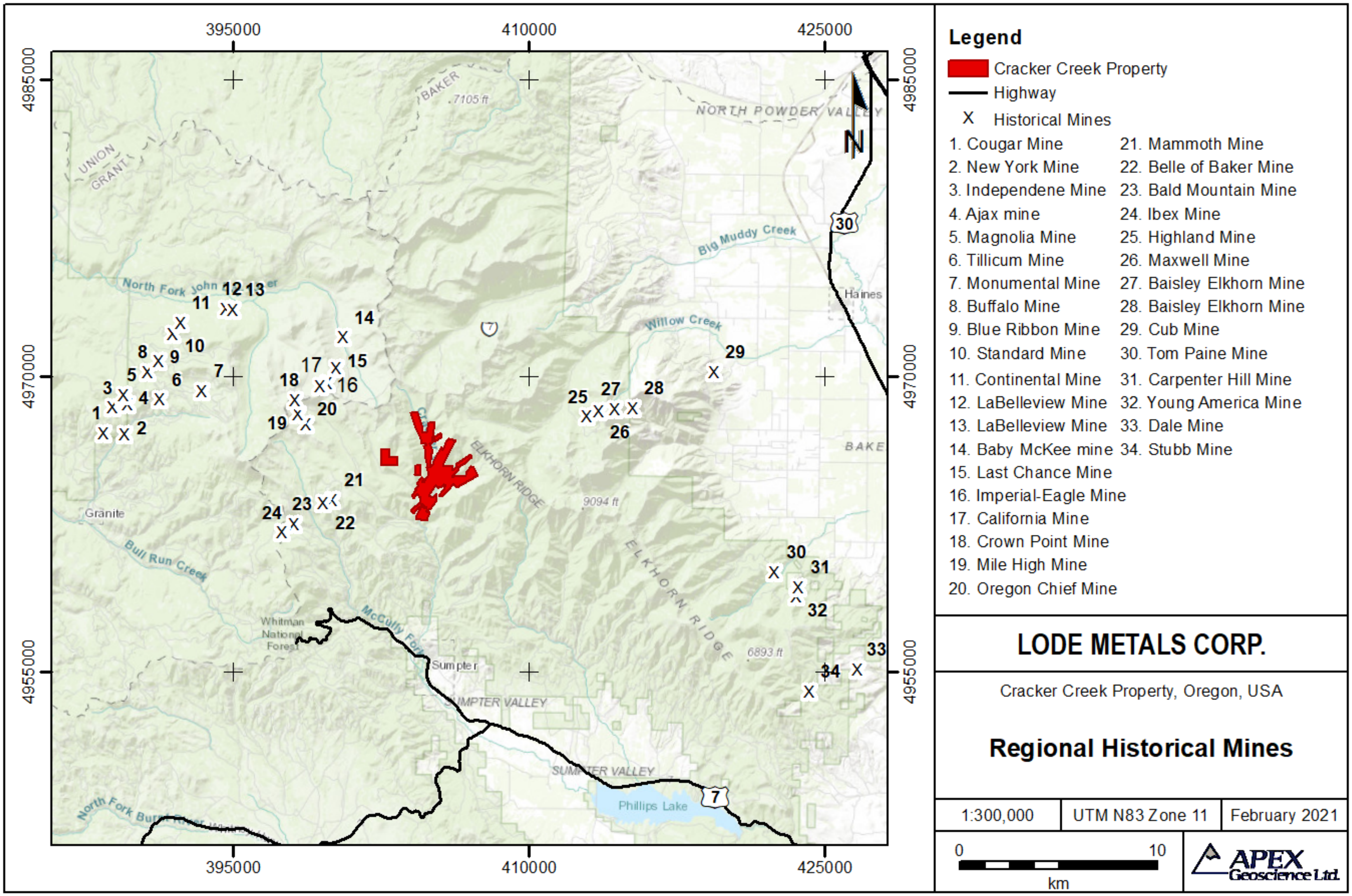
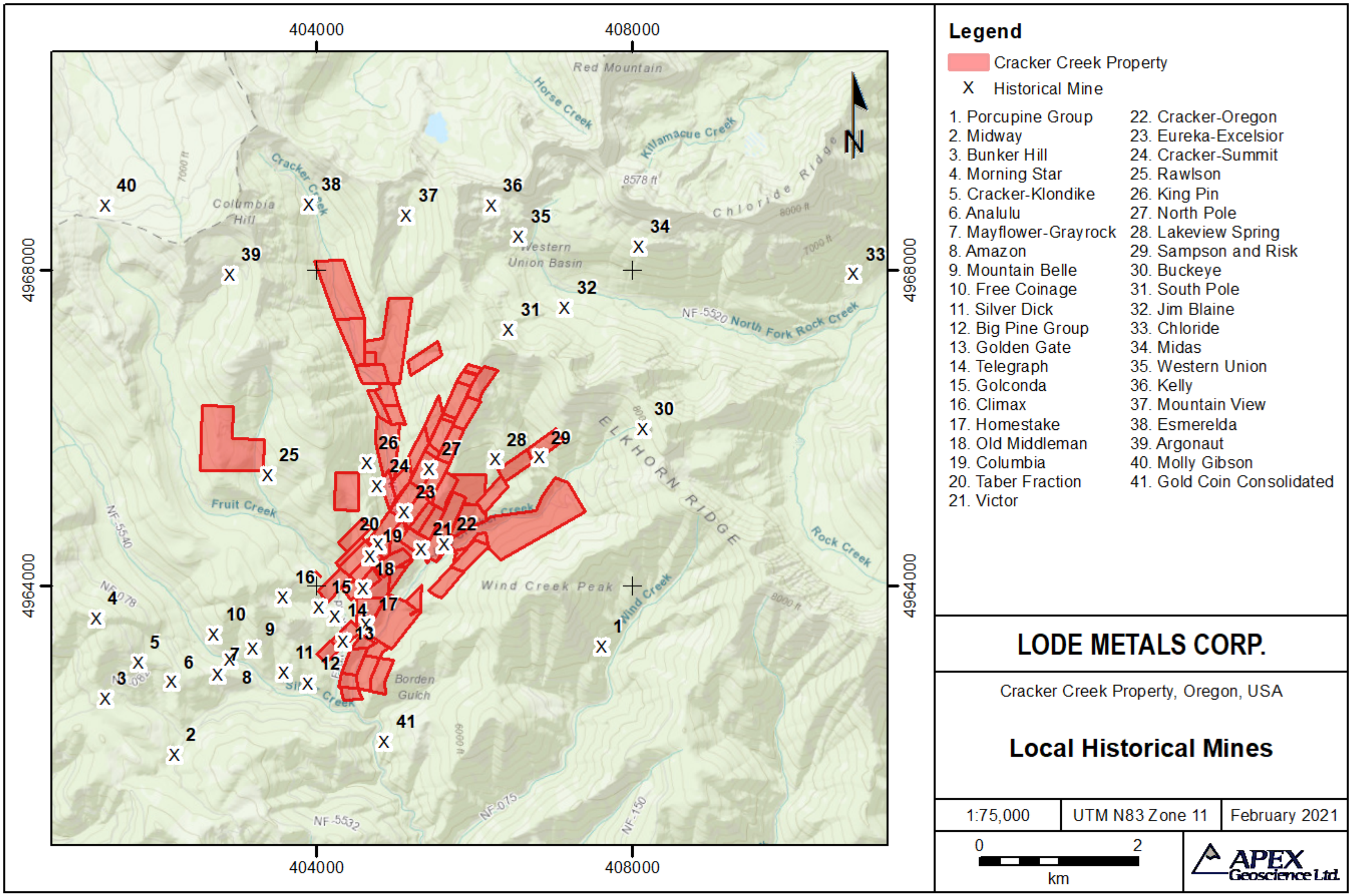


*Figure 4 - Historical mines on and near the Cracker Creek Property - local.*



In 1968-69, a Canadian company Omega Mining (Omega) reopened the E & E adit and completed 1,500 ft of new drift. Along the drift they encountered almost continuous mineralized vein grading 12 g/t (0.35 oz/st) over an average width of 1.5 m. However, mining of the narrow vein was considered uneconomical at the time and Omega withdrew from the property. During Omega's tenure, Chapman, Wood and Griswold (CWG) sampled 400 m of the new drift on the E & E level in 1969. Their sampling returned an average grade and width of 11.8 g/t (0.344 oz/st) Au over 1.3 m.

***Modern Exploration History – Post 1980***

*BMI-AMAX Joint Venture*

In 1980 Amax Exploration, Inc. (AMAX) in joint venture with Brook Minerals, Inc. (BMI), collectively known as "BMI-AMAX", began exploring the Property.

They reopened the North Pole and E & E mines to delineate ore reserves and rehabilitate the old mines. AMAX Exploration financed this work and AMAX personnel supervised the geologic mapping and underground sampling. AMAX proposed to develop a 200 tonne per day mine-mill operation by 1983. They concluded that from the geologic interpretation of the known structure and mineralization, the property (Columbia, E & E and North Pole mines) has a potential ore reserve of 4 to 5 million tonnes, grading 10.5 grams gold per tonne (0.31 opt) and 21 grams silver per tonne (0.60 opt). Work up to that date, coupled with old data, indicated a current ore reserve (measured and indicated) of 290,400 tonnes (320,000 tons) averaging 10.2 grams Au per tonne (0.30 opt) over 1.5 meters (4.8 feet). Inferred reserves total 967,100 tonnes (1.07 million tons). Details of all the historical reserve and/or resource estimations completed on the Property are given below.

The historical mineral reserve and resource estimates discussed in this Technical Report were calculated prior to the implementation of the Canadian Institute of Mining (CIM) "Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines" dated November 23rd, 2003 (and the updated document in 2019) and the CIM "Definition Standards for Mineral Resources and Mineral Reserves" dated May 10th, 2014, as well as the reporting requirements within the Canadian Securities Administrators (CSA) NI 43-101. Furthermore, a Qualified Person has not reviewed and validated the resource estimate or its underlying data and calculation parameters. As a result, the resource estimate provided above is to be treated by the reader as a historical estimate, and not a current mineral resource estimate. The estimate has been provided simply as an indication of the mineral potential of the property.

Under the joint venture agreement with AMAX, BMI spent some US$5.5 million reopening 5,000 feet of old drift, driving 3,000 feet of new drift, constructing 400 feet of raises, completing some 32 diamond drill holes and reopening the old E & E shaft. All primary mining equipment and the surface mining plant was installed, and a suitable area was found for the mill site. They concluded that there were no major problems associated with an orderly development of the project. However, due to cash flow problems, AMAX withdrew from the project in October 1982 removing all equipment and facilities.

BMI-AMAX performed the following work beginning in March 1980 and ending in October 1982:

*Jevne Adit and Mill Site (1600 Level)*

The Jevne Adit portal area was picked as a potential mill site. The Jevne Adit, which was designed to be the main haulageway was collared at an elevation of 1600 meters (5,249 feet) and has been advanced approximately 700 feet. This adit has an 8' x 10' cross section and is equipped with 24-

inch gauge track. Waste rock from the adit has been used to fill in the old placer tailings along Cracker Creek at the proposed mill site. To allow use of the site, the county road was relocated to the south side of the creek for a distance of one-half mile, and culverts installed. The power line was also rerouted to follow the new road and was upgraded to allow transmission of the anticipated load. The local power provider has since removed this power line; thus, power will need to be re-established or an alternative source obtained.

*E & E No. 1 Level 1720*

BMI-AMAX rehabilitated and re-sampled an accessible portion of the 1,500 ft (457 m) drift opened by Omega in 1968-1969 on the E & E No. 1. The BMI-AMAX sampling returned results of 18.0 g/t Au (0.525 oz/st) over an average width of 1.6 m. These results compare favourably with the CWG's results over the same interval which yielded 11.9 g/t Au (0.344 oz/st) over 1.3 m. Additional floor sampling by BMI-AMAX of approximately 180 m of the preceding section of an older portion of the E & E level returned an average 13.1 g/t Au over 1.5 m. This section has not been stoped below the level.

*Excelsior and Eureka (E & E) Shaft*

The shaft was reopened down to the existing water table (68 feet) and rehabilitated. A culvert was placed in the creek and backfilled to allow passage to the shaft. Currently there is no headframe and the shaft will need to be de-watered and rehabilitated. The shaft is an estimated 225 meters (750 feet) deep.

*Excelsior No. 1 Adit (1720 Adit)*

This adit, although in disrepair, extended 3,000 feet to the northeast along the vein structure at the time the property was taken over by BMI. It is at an elevation of 5,600 feet. It was repaired and retimbered to the face. At two locations, where the old drift was badly caved, by-pass drifts were driven in the hanging wall of the vein.

The drift face was advanced for an additional 600 feet in the footwall, with crosscuts back to the vein at intervals. Several short crosscuts were driven into the hanging wall to serve as diamond drill stations for holes intersecting the vein below the level.

*North Pole No. 1 (1780 Level)*

The first portion of this level consists of a 1,000-foot crosscut into the vein. The caved portal was reopened, drained and timbered, and the crosscut was rehabilitated. Along the vein, stopes above had collapsed on the drift timbers, and a new drift was put in along the footwall, with crosscuts back into the structure at intervals, for 1,400 feet. Old workings were sampled where possible.

*North Pole 5 (2150 Level)*

This is the most northerly of the major workings along the structure, with the portal at an elevation of about 7,100 feet. The old drift was rehabilitated for 500 feet.

*Clarke Level*

This drift was originally driven off a winze sunk from the North Pole No. 1 level, 200 feet above. It was connected by raises from the Excelsior No. 1 level, rehabilitated, extended about 150 feet with crosscuts at intervals to delineate the foot and hanging walls of the structure, and sampled.

*Raises*

An inclined raise at the north end of the old workings and connected to the North Pole No. 1 level was rehabilitated. A five-foot borehole between the two levels, put in by the Omega group, was fitted with ladders, and three crosscuts, each intercepting the foot and hanging wall of the structure, were put in and sampled. A new raise, about halfway between the two discussed above, was driven. As this raise advanced, three crosscuts were installed and each was sampled.

*Surface Work*

Access roads were improved and office facilities were established. The main road to Bourne was relocated to provide space for the mill. Power and telephone lines were installed in anticipation of placing the mine into production.

*Engineering*

A survey net was established and tied to the Oregon State grid system. All patented claim comers that could be identified have been re-established, marked with brass caps and surveyed. Seventy-two lode and placer claims have been located and recorded. For the most part, these are fractional claims to cover gaps that were found, and in some cases, both placer and lode claims were staked on the same parcel of ground to prevent the possibility of outside interference.

*Geology*

The entire area was mapped and geochemical surveys were completed in 1980-81. Also, in conjunction with the Oregon Department of Geology and Mineral Industries, the entire Bourne quadrangle was mapped. This map has been published by the Department as GMS-19 and authored by Brooks at al. 1980.

Currently, some of the surface and underground geochemical survey data is available in hard copy to review and any future work programs should have an allowance to compile this data.

*Work on Other Veins*

On the hill to the southwest of the E & E shaft is a parallel vein in the hanging wall of the main structure about 600 feet from the main lode, known as the “Ralph” or “Victor” vein. An old northwest trending crosscut had been reopened which intersects the vein about 800 feet from the portal. At that point, the vein is 4’-5’ wide, and had been drifted on for about 100 feet. This had been sampled and indicates 1.3 feet of mineralization averaging 13 g/t (0.38 opt) Au. No work has been done on any of the other veins except for surface sampling.

*Simplot Resources Exploration*

Simplot Resources (Simplot) visited the E & E and North Pole mines in January and February of 1989. Numerous samples were collected and assayed to verify the AMAX data. AMAX and Cominco data were analyzed, and meetings were held with BMI and former AMAX personnel to discuss the potential of the property. Simplot concluded that enough potential existed to put together the Bourne-Simplot mining venture and begin exploration for extensions of known ore bodies and to search for new ore bodies. Simplot focused on exploration of untested underground targets, exploration for a shallow, open pit resource on the Columbia vein system and metallurgical test work involving gold recovery by bio-leaching. Simplot completed 41 underground core holes and 39 surface core holes between 1990 and 1991. Additional information about the drill program is provided in Section 6.3 of the Technical Report. A couple of reports suggest that some of the surface drilling was completed as RC holes. The author has found only evidence of core holes to date.

No further mineral exploration has been completed on the property since Simplot withdrew from metallic mineral exploration and development sector in 1991.

*Cracker Creek Gold Mining Company*

In the 1990's and 2000's Cracker Creek Gold Mining Company carried out maintenance and reclamation on the Property. They demolished and removed deteriorating buildings and structures and undertook various environmental initiatives to eliminate problem areas identified by the Oregon DEQ (Jevne, 2008). The water permit was maintained until at least 2012 (BHLK, 2012a).

Several attempts were made by Cracker Creek Gold Mining to sell the Property. In 1999, Arrowhead Resources (Arrowhead) reviewed the Project and recommended additional exploration and development drilling to enhance underground ore reserves (Gerick et al., 1999). The historical resource estimations completed by Arrowhead are discussed in Section 6.4.3. No follow up exploration is reported. Subsequently in 2008 Minera S.A. commissioned a scoping level study for the project. The study primarily focused on updating/developing capital and operating costs for a 400 tonne per day underground mine and a surface plant producing a bulk sulphide concentrate (Sipols, 2008). No follow up is reported. In 2012, the BHLK Group reviewed the Property and also recommended additional exploration and delineation work (BHLK, 2012b). However, no follow-up exploration is reported.

***Historical Drilling***

Two documented historical drill programs were completed on the Property: 1981-82 by BMI-AMAX and 1990-91 by Simplot.

In 1981 and 1982, BMI-AMAX drilled a total of 32 core holes: 24 underground holes on the E & E No. 1 level, six underground holes on the North Pole No. 1 level, and two holes on the Jevne decline (Figure 5). Total length drilled was 900 meters. One of the Jevne surface holes, drilled from near the top of the ridge northeast of the mine workings, intersected the structure with very poor core recovery. The second hole was not completed because of weather conditions. Accurate drill hole information is available for 29 of the drill holes. Assay information is available for 22 of the 32 core holes.

Numerous holes drilled along the E & E No. 1 (1720) level returned excellent assay results with more than 60% of the holes (with assay data) providing at least one assay greater than 5 g/t (Table 2; Figure 5). Holes with excellent grades were distributed over 550 m (1,800 ft) of strike length along the E & E No. 1 Level where it is positioned below the North Pole 2 to 4 portals and workings. The area where the drilling was conducted starts about 550 m (1,800 ft) northeast along strike from the main E & E Portal on the No. 1 (1720) level (Figure 5). At least 12 core holes yielded greater than 10 g/t over more than 1 m thickness with highlights including 59.1 g/t (1.724 oz/st) over 1.2 m core length in EE14, 64.28 g/t (1.875 oz/st) over 1.4 m core length in hole EE17, and 23.21 g/t (0.677 oz/st) over 4 m core length in EE30 (Table 2).

It is reported that a total of 40 underground core holes and 33 surface RC holes were completed in 1990-1991 by Simplot. The author has found evidence of 41 underground core holes and 39 surface holes, most of which appear to be core holes based upon the geological logs and core remnants in a storage unit. The underground holes were typically drilled from the hanging wall into the footwall at minus 45 and 60 degree angles. A total of 30 core holes were completed on the E & E level. The other 11 core holes were drilled from the North Pole No. 1 level. Of the 41 core holes drilled, only 38 had enough drill hole information to allow them to be useful in the database. A total of 33 surface holes over the Columbia claim block were completed to test the potential of a near surface open-pitable resource. The other six 1991 holes were completed at the E & E and North Pole prospects. Based upon the author's visit to the core storage facility it appears that most if not all the 1991 surface holes were core holes.

Numerous holes from the E & E No. 1 level completed during 1991 returned excellent results including 13.03 g/t (0.38 oz/st) Au over 2.79 m core length in hole EE40, 10.32 g/t (0.301 oz/st) Au over 1.31 m core length in hole EE43 and 12.89 g/t (0.376 oz/st) Au over 2.63 m core length in hole EE61, with all of the holes drilled in the same area of the 1981-1982 BMI-Amax drilling along the E & E No. 1 (1720) Level (Table 2 and Figure 5).

Simplot conducted a surface drilling program in 1990-1991 employing core drilling. With the exception of a few holes, most of the holes were drilled at the Columbia Mine area and over the hill to the northeast into the Eureka Mine area (Figure 6).

Based upon the historical mining long sections it is apparent there was less underground mining on the Eureka claim coming down the hill to the E & E No.1 (1720) portal and main E & E workings. Simplot conducted the drilling with the goal of identifying potential mineralization that could be mined by open pit. Some workings were intersected by the drilling, however there were a number of good intersections obtained from a couple of the surface Columbia holes with gold highlights including 41.11 g/t (1.2 oz/st) over 1.6 m core length in hole 90-01, 11.90 g/t (0.347 oz/st) over 2.3 m core length in hole 90-03, 14.64 g/t (0.427 oz/st) over 1.48 m core length in hole 90-06, 13.24 g/t (0.386 oz/st) over 2.63 m core length in hole 91-1-45, 15.98 g/t (0.466 oz/st) over 11.16 m core length in hole 91-2-45 and 5.45 g/t (0.159 oz/st) over 7.02 m core length in hole 91-7-60. (Table 2 and Figure 6).

Historical drilling on the Property is illustrated in Figures 5 and 6. No drilling has been completed on the property since 1991.

***Historical Reserve/Resource Estimations***

Several historical reserve/resource estimates have been completed by past exploration companies that include: BMI (Brooks Minerals Inc., 1981, 1982; Walker, 1981, 1982), AMAX (Rostad, 1982; 1983), and a joint AMAX/Brooks estimation (1983) and Arrowhead Resources, LLC (Gerick et al., 1999).

The historical reserve/resource estimations summarized in the text that follows include: 1) AMAX (Rostad, 1982); 2) a comparison between AMAX and BMI resource estimations conducted by Behre Dolbear – Riverside Inc. (1987); and 3) Arrowhead Resources, LLC (Gerick et al., 1999). The Rostad (1982) and Gerick et al. (1999) internal or in-house assessments of reserves/resources include discussion on the delineation and computation of the reserves/resources, and therefore, the lead QP considers documentation of the estimations relevant background information in this Technical Report. In addition, a comparison between several AMAX-Brooks internal 1982-1983 reserve/ resource estimations – as conducted by Behre Dolbear – Riverside Inc. (1987) – is provided as background information.

*Table 2 - Assay highlights from 1981-1982 BMI-AMAX and 1990-1991 Simplot drilling.*

| | | | Intercept | | Au | | Ag | |
|---|---|---|---|---|---|---|---|---|
| **Hole ID** | **From (m)** | **To (m)** | **Width (m)** | **Width (ft)** | **(g/t)** | **(oz/st)** | **(g/t)** | **(oz/st)** |
| 90-01 | 11.16 | 12.77 | 1.61 | 5.28 | 41.11 | 1.20 | - | - |
| 90-01 | 39.04 | 47.24 | 8.20 | 26.91 | 4.46 | 0.13 | - | - |
| 90-03 | 45.93 | 48.23 | 2.30 | 7.54 | 11.90 | 0.35 | - | - |
| 90-03 | 61.68 | 62.34 | 0.66 | 2.15 | 6.24 | 0.18 | - | - |
| 90-04 | 42.98 | 45.28 | 2.30 | 7.54 | 5.38 | 0.16 | - | - |
| 90-05 | 22.97 | 25.92 | 2.95 | 9.69 | 6.82 | 0.20 | - | - |
| 90-06 | 60.37 | 61.84 | 1.48 | 4.84 | 14.64 | 0.43 | - | - |
| 91-1-45 | 33.79 | 36.42 | 2.63 | 8.61 | 13.24 | 0.39 | - | - |
| 91-1-45 | 42.65 | 44.62 | 1.97 | 6.46 | 9.94 | 0.29 | - | - |
| 91-2-45 | 27.56 | 38.71 | 11.16 | 36.60 | 15.98 | 0.47 | - | - |
| 91-4-37 | 35.43 | 36.75 | 1.31 | 4.30 | 6.79 | 0.20 | - | - |
| 91-7-45 | 24.28 | 26.35 | 2.07 | 6.78 | 6.82 | 0.20 | - | - |
| 91-7-60 | 32.02 | 39.04 | 7.02 | 23.03 | 5.45 | 0.16 | - | - |
| 91-8-45 | 23.95 | 24.61 | 0.66 | 2.15 | 16.42 | 0.48 | - | - |
| 91-8-45 | 28.54 | 33.14 | 4.59 | 15.07 | 6.48 | 0.19 | - | - |
| 91-10-45 | 23.62 | 27.56 | 3.94 | 12.92 | 3.74 | 0.11 | - | - |
| 91-12-35 | 21.33 | 23.95 | 2.63 | 8.61 | 3.63 | 0.11 | - | - |
| 91-13-45 | 15.09 | 15.75 | 0.66 | 2.15 | 9.05 | 0.26 | - | - |
| 91-13-60 | 13.12 | 13.78 | 0.66 | 2.15 | 7.61 | 0.22 | - | - |
| EE10 | 5.20 | 6.10 | 0.90 | 2.95 | 5.20 | 0.15 | 4.10 | 0.12 |
| EE14 | 9.50 | 10.70 | 1.20 | 3.94 | 59.10 | 1.72 | 26.40 | 0.77 |
| EE15 | 14.60 | 15.40 | 0.80 | 2.62 | 67.70 | 1.97 | 30.50 | 0.89 |
| EE16 | 13.70 | 17.10 | 3.40 | 11.15 | 9.27 | 0.27 | 50.70 | 1.48 |
| EE16 - including | 13.70 | 16.20 | 2.50 | 8.20 | 11.76 | 0.34 | 64.75 | 1.89 |
| EE17 | 15.20 | 17.70 | 2.50 | 8.20 | 46.80 | 1.37 | 109.23 | 3.19 |
| EE17- including | 16.30 | 17.70 | 1.40 | 4.59 | 64.28 | 1.87 | 286.20 | 8.35 |
| EE18 | 17.30 | 19.30 | 2.00 | 6.60 | 15.25 | 0.44 | 20.75 | 0.61 |
| EE19 | 13.10 | 14.40 | 1.30 | 4.27 | 6.00 | 0.18 | 7.75 | 0.23 |
| EE21 | 21.00 | 22.00 | 1.00 | 3.28 | 31.70 | 0.92 | 0.34 | 0.01 |
| EE23 | 13.40 | 14.30 | 0.90 | 2.95 | 28.30 | 0.83 | 12.70 | 0.37 |
| EE30 | 56.10 | 60.10 | 4.00 | 13.12 | 23.30 | 0.68 | 10.07 | 0.29 |
| EE30 - including | 56.10 | 57.40 | 1.30 | 4.27 | 13.00 | 0.38 | 8.60 | 0.25 |
| EE30 - including | 57.40 | 58.80 | 1.40 | 4.59 | 19.80 | 0.58 | 7.90 | 0.23 |
| EE30 - including | 58.80 | 60.10 | 1.30 | 4.27 | 37.10 | 1.08 | 13.70 | 0.40 |
| EE31 | 53.40 | 55.20 | 1.80 | 5.91 | 12.90 | 0.38 | 9.60 | 0.28 |
| EE40 | 13.45 | 16.24 | 2.79 | 9.15 | 13.03 | 0.38 | - | - |
| EE41 | 41.01 | 42.65 | 1.64 | 5.38 | 7.61 | 0.22 | - | - |
| EE43 | 23.29 | 24.61 | 1.31 | 4.30 | 10.32 | 0.30 | - | - |
| EE61 | 12.47 | 15.09 | 2.63 | 8.61 | 12.89 | 0.38 | - | - |
| EE63B | 24.93 | 28.22 | 3.28 | 10.76 | 9.53 | 0.28 | - | - |
| EE64 | 17.88 | 18.87 | 0.98 | 3.23 | 12.28 | 0.36 | - | - |

| Hole ID | From (m) | To (m) | Intercept Width (m) | Width (ft) | Au (g/t) | (oz/st) | Ag (g/t) | (oz/st) |
|---|---|---|---|---|---|---|---|---|
| EE65 | 16.40 | 17.39 | 0.98 | 3.23 | 6.21 | 0.18 | - | - |
| EE67 | 14.76 | 16.40 | 1.64 | 5.38 | 14.40 | 0.42 | - | - |
| EE68 | 9.84 | 11.48 | 1.64 | 5.38 | 7.03 | 0.21 | - | - |
| EE69 | 36.42 | 37.40 | 0.98 | 3.23 | 17.93 | 0.52 | - | - |
| EE70 | 24.28 | 25.75 | 1.48 | 4.84 | 6.31 | 0.18 | - | - |
| EE71 | 31.17 | 32.48 | 1.31 | 4.30 | 11.62 | 0.34 | - | - |
| EE73 | 21.33 | 22.64 | 1.31 | 4.30 | 8.30 | 0.24 | - | - |
| EE76 | 16.90 | 18.04 | 1.15 | 3.77 | 9.64 | 0.28 | - | - |
| NP 90-01 | 29.53 | 31.66 | 2.13 | 7.00 | 5.45 | 0.16 | - | - |

*Figure 5 - Historical drill holes over the E&E area.*

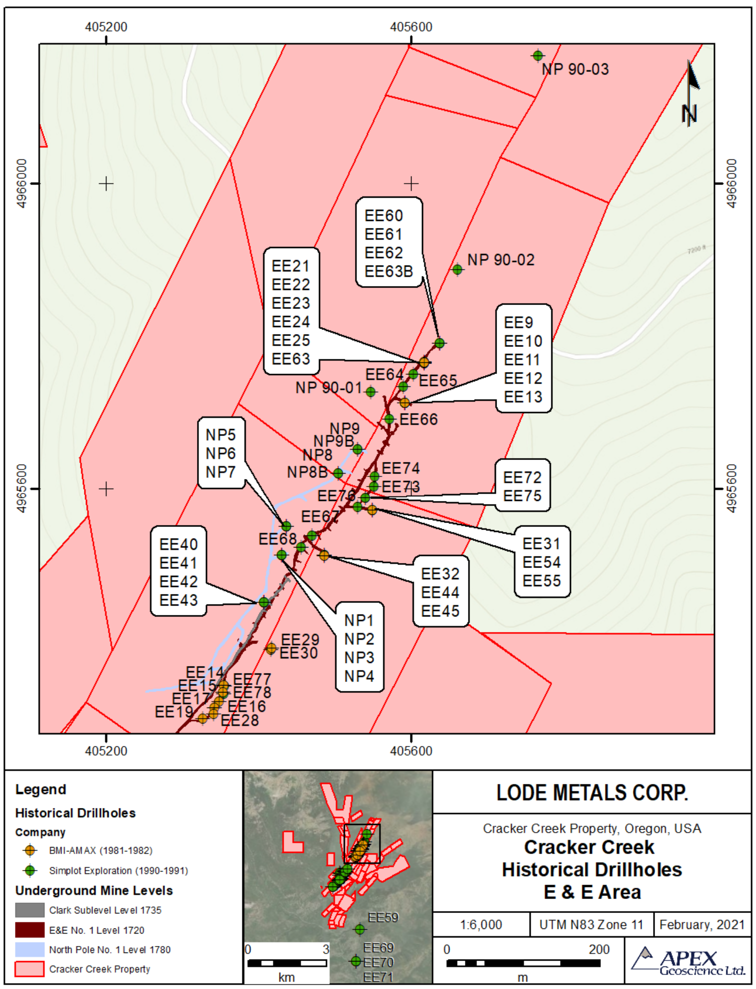
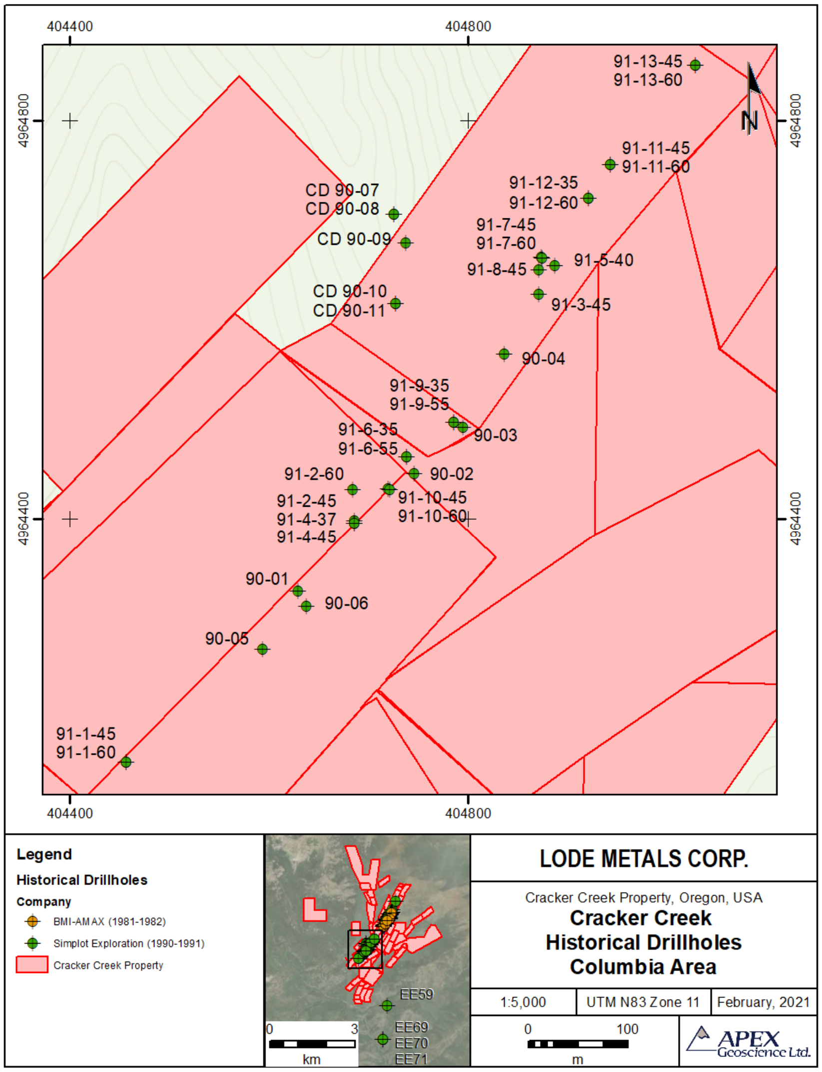


*Figure 6 - Historical drill holes over the Columbia area.*




Comparisons between the historical resource estimations are subjective due to a number of factors, including but not limited to: 1) different assay and geological databases available when the resource estimates were calculated; 2) different resource estimation methodologies; 3) the lack of uniform cutoff grades used in the resource estimates; and 4) the lack of uniformly applied dilution factors.

The historical mineral reserves/resources presented in this sub-section have not been validated by a QP or the authors of this report and are being treated as historical in nature. These historical estimates all predate CIM Definition Standards on Mineral Resources and Mineral Reserves (May 10, 2014) and the CIM Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines provided in 2003 and updated in 2019. A QP has not done sufficient work to classify the historical estimations as current mineral resources, and the Authors and Lode Metals are not treating any of the historical estimates as a current mineral reserve or resource. The historical reserves or resources are presented only to highlight the historical references to potential mineralization that may be present at the project and to provide information with respect to the potential grade and volumes that might be targeted in future with further work.

The historical resource estimates were completed prior to the implementation of NI 43-101 Standards of Disclosure for Mineral Projects and the author's use categories other than those stipulated by CIM Definition Standards on Mineral Resources and Mineral Reserves. For example, definition terms used to define these historical resource estimations include the U.S. Bureau of Mines, Dictionary of Mining, Mineral and Related Terms (Rostad, 1982). In addition, all estimations are presented as mineral reserves with no reference to mineral resources. Consequently, the historical reserve and/or resource estimations are not compliant with CIM Definition Standards on Mineral Resources and Mineral Reserves as required by NI 43-101.

The historical reserves/resources are presented for the purposes of illustrating the potential extent of mineralization that may be present at Cracker Creek.

*Historical Reserve/Resource Estimations: AMAX Exploration Inc. (Rostad, 1982)*

AMAX completed an assessment of the geology and ore reserves at the Cracker Creek Project in April 1982. The information presented in this text, with selected extracts (in quotations and italicized), is taken directly from Rostad (1982).

The estimations focus on a major vein structure identified as the North Pole – E & E – Columbia vein system. Gold showings included in the estimations – identified as sectors – included the North Pole, Excelsior, Eureka and Columbia zones. A summary of the number of rock samples, trenches, drill holes and/or assay datasets used in the resource estimations is not provided. It appears a polygonal method was used to calculate the mineral reserves on each individual block, which in this case, refers to estimations conducted individually on the individual mineral claims.

Rostad (1982) states that the reserve estimation has substantially lower tonnage than reported by Brooks Minerals Inc. (1981, 1982) and Walker (1981, 1982) due to more rigorous application of cutoff limitations and tighter limitations on the inferred blocks.

The estimations were classified into two categories of:

- "Probable ore reserves [split into Probable A and Probable B] with the lower of the two (Probable B) as just a shade above rank inferred"; and
- "Inferred ore" designated to blocks where "the vein is presumed to exist and for which no assay information is available".

Probable A reserves includes material that is exposed and sampled on one or more sides of the block (or claim) and has generally more than one assay available. Probable B reserves include small blocks (or claims) that have only one assay available or there is greater uncertainty than the Probable A blocks.

The ore reserve estimated does not include any blocks classified as proven or measured because "assays are generally limited to one side of the block" (or claim).

The estimations are divided into "geological reserve with assumption that minimum mining width is one metre" and "diluted reserve which assumes that the minimum mining width will be 4.5 ft [1.37 m] and that dilution will average 0.5 ft [0.15 m] on each side of the pay streak".

The minimum mining width was estimated to be one metre (3.3 feet). Cutoff grade is generally one metre averaging 0.18 oz/st (6.17 g/t) Au "except where low-grade samples must be included within the stope block". A density of 12.2 short tons per cubic foot was used (roughly 2.62 tonnes/m3).

As per Rostad (1982), “the computed tonnage and grade are judged to be accurate within limits which are stated, and no such limit is judged to differ from the computed tonnage or grade by more than 20 per cent”. In addition, “Most of our blocks have assays on only one side and thus the limits are not clearly established and certainly not within ±20%”.

The estimation results are presented in Table 3. Total gold in the Probable A, Probable B and Inferred categories were estimated by Rostad (1982) at: 49,978 ounces, 42,944 ounces and 165,923 ounces gold, respectively. Neither the Authors nor a QP have done sufficient work to classify the historical estimate as current mineral resources, and neither the Authors nor the Corporation are treating any part of the historical estimate as current mineral reserves or resources.

A “reduced ore reserve summary” was also reported in the event ore-grade continuity cannot be established at Blocks (Claims) 5 and 6. The recalculation affected mainly the inferred category which, for example, reduced the estimated geological reserves inferred tonnage from 473,500 short tons to 292,000 short tons and the estimated mineable (diluted) reserves from 581,000 short tons to 360,000 short tons.

Nicol (1993) reports that additional low grade or development dump material was not included in the estimation. Preliminary sampling by Simplot and others indicated the old dumps contained approximately 170,000 tons averaging 0.070 ounces per ton (2.40 g/t) Au (Nicol, 1993). Neither the Authors nor a QP have done sufficient work to classify the historical estimate as current mineral resources, and neither the Authors nor the Corporation are treating any part of the historical estimate as current mineral reserves or resources.

*Historical Reserve/Resource Estimations: Comparison of AMAX-Brooks 1982-1983 Estimations*

The AMAX April 1982 reserve estimation was followed up by several additional Cracker Creek reserve estimations completed by AMAX (October 1982), BMI (October 1982) and AMAX/BMI (March 1983). The follow-up estimations were summarized by Behre Dolbear – Riverside Inc. (1987), the results of which are presented in Table 4. Neither the Authors nor a QP have done sufficient work to classify the historical estimates as current mineral resources, and neither the Authors nor the Corporation are treating any part of the historical estimates as current mineral reserves or resources.

The separate estimations used a volume/tonnage factor of 12 (roughly 2.67 tonnes/m3) and polygonal reserve calculations were conducted on a block-by-block basis (note: including on non-contiguous blocks). A dilution factor has not been uniformly applied in any of the 3 estimations.

*Table 3 - Geological and Mineable (Diluted) Reserves as estimated by AMAX Exploration Inc. (Rostad, 1982).*

**A) Geologic Reserves**

| | Tonnage (short tons) | Width (feet) | Grade (ounces Au) |
|---|---|---|---|
| **Probable A** | 126,500 | 5.97 | 0.378 |
| **Probable B** | 117,400 | 5.57 | 0.366 |
| **Probable (A+B)** | 243,900 | 5.78 | 0.372 |
| **Inferred** | 473,500 | 5.04 | 0.350 |
| **Total** | 717,400 | 5.29 | 0.358 |

**B) Mineable (Diluted) Reserves**

| | Tonnage (short tons) | Width (feet) | Grade (ounces Au) |
|---|---|---|---|
| **Probable A** | 149,000 | 6.82 | 0.322 |
| **Probable B** | 139,100 | 6.46 | 0.309 |
| **Probable (A+B)** | 288,100 | 6.65 | 0.315 |
| **Inferred** | 581,000 | 6.00 | 0.286 |
| **Total** | 869,100 | 6.22 | 0.296 |

Note: The estimates provided above are historical reserve and resource estimations that predate CIM Definition Standards on Mineral Resources and Mineral Reserves .and NI 43-101 Regulations. A QP has not done sufficient work to classify the historical estimations as current mineral resources, and neither the Authors nor the Corporation are treating any of the historical estimations as a current mineral reserves or resources.

*Historical Reserve/Resource Estimations: Arrowhead Resources, LLC (Gerick et al., 1999)*

Arrowhead Resources, LLC (Arrowhead) completed an assessment of the ore reserves at the Cracker Creek Project in August 1999. The information presented in this text is taken directly from Gerick et al. (1999). Neither the Authors nor a QP have done sufficient work to classify the historical estimate as current mineral resources, and neither the Authors nor the Corporation are treating any part of the historical estimate as current mineral reserves or resources. Neither the Authors nor a QP have done sufficient work to classify the historical estimate as current mineral resources, and neither the Authors nor the Corporation are treating any part of the historical estimate as current mineral reserves or resources.

The historical resource model and estimation were completed on a well-defined vein structure that occurs between the Excelsior No. 1 level (also referred to as the E & E No. 1) and the North Pole No. 1 level including the Clark Sub-level (Figures 5 and 7).

The resource work was completed using the Medsystem and Minesight mine evaluation programs developed by Mintec, Inc. A total of 286 assay intervals were used to wireframe the mineralized portion of the vein. A three dimensional (3-D) solid, representing the main vein, had a total volume of 107,480 m3 (283,747 tonnes). The reserves do not include consideration of known ore-grade material in the adjacent veins known as the Victor, Dutchman, Lakeview and Sampson-Risk (Gerick et al., 1999). From the description it also does not appear to take into account any other vein zones along the main trend from the E & E No. 1 – North Pole modelled area. The material that was modelled was over a 600 m strike length of the E & E No. 1 (1720) Level and looks to have covered material about 50 m to 60 m above and below the level.

The assay data was geologically coded as ‘within vein’ or ‘outside vein’ using the vein wireframe and composited at one-metre intervals. A total of 573 composites were generated. A 1 m wide by 2 m thick by 2.5 m high block model was created with each block representing 13.2 tonnes. Variogram parameters were used along with the kriging algorithm to interpolate grade values into blocks within the vein.

*Table 4 - Mineral reserve estimation comparison between Amax Exploration Inc., Brooks Minerals Inc. and a combined estimation conducted in October 1982 and March 1983.*

**A) Reserve estimation parameters**

| Reserve estimation company | Date of estimate | Number of blocks | | Average width (feet) | | Cutoff grade (oz/ ton) |
|---|---|---|---|---|---|---|
| | | Proven | Probable | Proven | Probable | |
| AMAX | Oct. 1982 | 32 | 18 | 5.3 | 5.3 | 0.18 |
| Brooks Minerals | Oct. 1982 | 15 | 13 | 4.6 | 5.1 | 0.18 |
| AMAX/Brooks | Mar. 1983 | ? | ? | ? | ? | ? |

**B) In situ, reserve estimations - proven and probable**

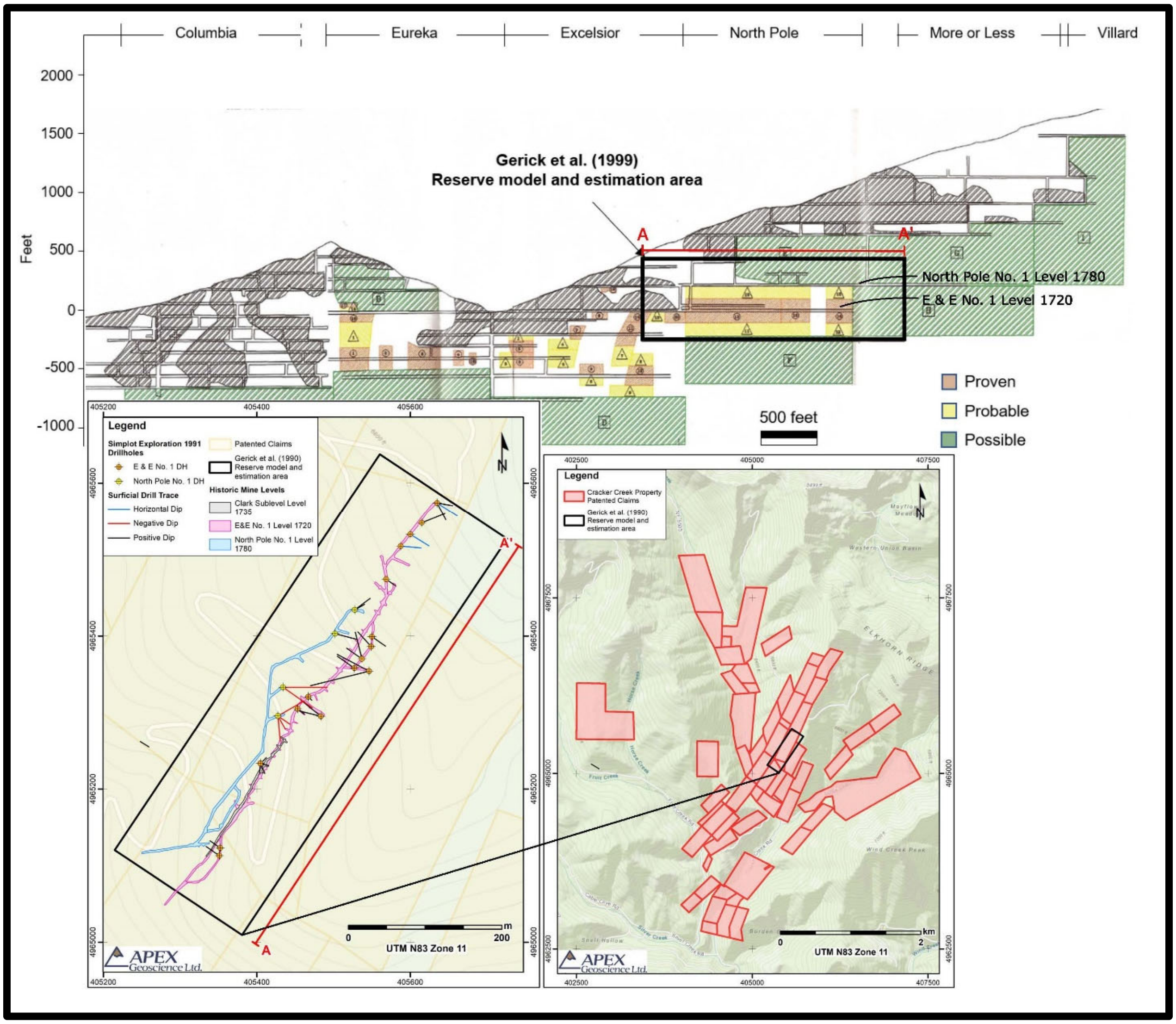
| Reserve estimation company | Date of estimate | Proven | | Probable | | Total | |
|---|---|---|---|---|---|---|---|
| | | Short tons ('000) | Grade (oz/ton) | Short tons ('000) | Grade (oz/ton) | Short tons ('000) | Grade (oz/ton) |
| AMAX | Oct. 1982 | 100.0 | 0.38 | 33.2 | 0.36 | 133.2 | 0.38 |
| Brooks Minerals | Oct. 1982 | 164.0 | 0.32 | 139.8 | 0.29 | 303.8 | 0.31 |
| AMAX/Brooks | Mar. 1983 | 135.3 | 0.36 | 66.7 | 0.32 | 202.0 | 0.34 |

**C) In situ, reserve estimations - inferred**

| Reserve estimation company | Date of estimate | Inferred | |
|---|---|---|---|
| | | Short tons ('000) | Grade (oz/ton) |
| AMAX | Oct. 1982 | 639.8 | 0.38 |
| Brooks Minerals | Oct. 1982 | 1,078.9 | 0.31 |
| AMAX/Brooks | Mar. 1983 | 1,198.0 | 0.31 |

Note: The estimates provided above are historical reserve and resource estimations that predate CIM Definition Standards on Mineral Resources and Mineral Reserves and NI 43-101 Regulations. A QP has not done sufficient work to classify the historical estimations as current mineral resources, and neither the Authors nor the Corporation are treating any of the historical estimations as a current mineral reserves or resources.

*Figure 7 - Area of the Cracker Creek mineral inventory as estimated by Arrowhead Resources, LLC. (Gerick et al., 1999).*




Arrowhead (Gerick et al.,1999) describes a historical reserve/resource produced by AMAX/BMI or both that "*indicated a current ore reserve (measured and indicated) of 290,400 tonnes (320,000 tons) averaging 10.2 grams Au per tonne (0.30 opt) over 1.5 meters (4.8 feet). Inferred reserves total 967,100 tonnes (1.07 million tons)" (Table 5).* It is unclear what the source for this historical estimate is but it approximates the numbers produced by BMI in 1982 and are provided in Table 4. Gerick et al. (1999) provide a fair amount of detail for this historic reserve/resource including the details of each block, however the numbers have not been validated and therefore the estimate is considered historical in nature. A long section showing the locations of each block, is reproduced here as part of Figure 7. This long section is also presented in one of the AMAX/BMI reports from 1982-1983.

Gerick et al. (1999) indicate that a cut-off grade of 6.0 g/t Au (0.18 oz/st) and a tonnage factor of 12.2 (2.64 t/m3) were used to estimate the historical resource for Cracker Creek. At US$300 per ounce gold (1999 prices) and mining/milling costs associated with a 400 tonne per day operation, they suggested a cut-off grade of 6.0 g/t Au would most likely be required. Minimum mining width is considered to be 1.0 m. Dilution was estimated at 0.25 tonnes dilution per tonne of ore.

In a concluding statement, Gerick et al. (1999) noted that given the "geological interpretation from known geological structure and mineralization in the district indicates a potential ore reserve of 4 to 5 million tonnes grading greater than 9.3 g/t Au and 20.0 g/t Ag". This statement, however, indicates a considerably higher estimate than any calculated resource estimations and should be treated with caution.

*Table 5 - Cracker Creek mineral inventory as estimated by Arrowhead based on AMAX Exploration Inc. (Gerick et al., 1999).*

| | **Tonnage (metric tons)** | **Average width (m)** | **Grade (g/t Au)** |
|---|---|---|---|
| **Proven (Measured)** | 169,400 | 1.4 | 10.6 |
| **Probable (Indicated)** | 121,000 | 1.5 | 9.7 |
| **Proven + Probable** | 290,400 | 1.5 | 10.2 |
| **Inferred** | 967,100 | 1.2 | 9.7 |
| **Total** | 1,257,500 | 5.29 | 9.8 |

Note: The estimates provided above are historical reserve and resource estimations that predate CIM Definition Standards on Mineral Resources and Mineral Reserves and NI 43-101 Regulations. A QP has not done sufficient work to classify the historical estimations as current mineral resources, and neither the Authors nor the Corporation are treating any of the historical estimations as a current mineral reserves or resources.

Gerick et al. (1999) report that the resource did not include known ore-grade material in the adjacent veins (i.e. Victor, Dutchman, Lakeview and Sampson-Risk), or open-pitable potential over the Columbia area. Several estimates have been reported for open-pitable resources on the Property. Simplot completed surface drilling over the old Columbia workings to assess the potential of an open-pitable resource. They estimated the near surface resource at 270,400 tonnes grading 4.7 g/t Au (Gerick et al. 1999). Kimball, (1991) reports 298,000 tons of shallow "open-pitable" in situ mineralized material over Columbia and Eureka that averages 0.15 ounces per ton (5.14 g/t) Au. Neither the Authors nor a QP have done sufficient work to classify the historical estimates as current mineral resources, and neither the Authors nor the Corporation are treating any part of the historical estimates as current mineral reserves or resources.

Kimball (1991) additionally reports the presence of 180,681 tonnes grading at an average of 0.074 oz/st (2.53 g/t) Au from low grade surface dumps at North Pole No. 2, North Pole No. 3, North Pole No. 4, Columbia and Eureka No. 2.

### *Historical Metallurgy and Gold-Silver Production at the Cracker Property*

At the Effective Date of this Technical Report, Lode Metals has not carried out any production, mineral processing, or metallurgical test work at the Cracker Creek Property. The metallurgical information presented in this sub-section is for background historical information purposes only. The Authors consider the work dated and, as a result, historical results of the metallurgical test work have not been verified or validated. The Authors and Lode Metals do not view the metallurgical test work as current going forward.

The Cracker Creek Property has undergone several variations of historical metallurgical testing for the recovery of gold from high-grade gold veins. Bench-scale investigations include Dawson Laboratories (1980); Colorado School of Mines Research Institute (1981); Lakefield Research of Canada Ltd. (1981) and AMAX Metallurgical Research (1982).

Two types of gold mineralization from Cracker Creek have been evaluated to date: gouge and highly siliceous vein material. It is reported that the gouge material represents approximately 20% of the mineralized material and requires de-sliming to provide acceptable gold and silver recoveries and high-grade concentrates.

The metallurgical results overall have been erratic, with most of the variability due to variations in sample mineralogy and head grade, the lack of sample control and identification, and differences between the practices of the metallurgical laboratories used. Additional metallurgical testing is required to, for example, to firm up the expected flotation concentrate gold grades and to establish the gold recovery by flotation/de-sliming/re-grind methods.

It is not known if the test sample feed for the metallurgical work were representative or if there were any processing factors or deleterious elements that could have had a serious effect on bench scale historical work.

*Historical Metallurgy: Lakefield Research of Canada Ltd. (Wyslouzil and Yen, 1981)*

An investigation of the recovery of gold and silver from a Cracker Creek sample submitted by AMAX was reported by Lakefield Research of Canada Ltd. (Wyslouzil and Yen, 1981). The Cracker Creek head sample had a specific gravity of 2.64 g/cm3 and the XRF semi-quantitative analysis included: 12.24 g/t Au, 28.32 g/t Ag, 2.19 g/t Fe, 0.0087% Cu, 0.0025% Ni, 0.0027% Pb, 0.0054% Zn, 78.3% $SiO_2$, 0.17% As and 1.66% S.

The preliminary flotation results found that the best gold-silver recovery was about 70% using a simple flowsheet. The fineness of primary grind and the type of collector had little effect on the results. The activating agents, on the other hand, were important in the flotation procedure. The best results were obtained with a coarse primary grind, using activating, agents, a slime—sand separation and regrind and flotation of the sand fraction. The overall gold-silver recovery depended upon the size distribution of slime fractions. If the slime fraction was all minus 200 mesh, the gold-silver recovery from the rougher stage was about 94-95% leaving 2-3% gold-silver in the sand tailing and the slime fraction.

Better results were obtained in the cleaning stage when regrinding the rougher concentrate and cleaning three times with the addition of small amounts of collector. The best 3rd cleaner concentrate obtained in this investigation contained 164.7 g/t Au and 397.0 g/t Ag with recoveries of 80.6% gold and 82.0% silver.

The direct cyanidation on the flotation rougher concentrate was not successful. Only 32% of the gold and 90% of the silver could be extracted even with very severe conditions (Test 5). Autoclave leaching and roasting followed by cyanidation improved the gold recovery to 53% but the silver recovery fell to 70% (Test 8a). Roasting followed by cyanidation gave better gold extraction than autoclave leaching, 83% but the silver recovery was only 17%.

Acid producing potential was negative for all flotation tailings: sand and slime fraction. The arsenic content is also low for the flotation tailing. The percolation rate of the sand fraction was 13 inches per hour, which was considered acceptable for backfill operation.

*Historical Metallurgy: Brooks Minerals Inc. (1982)*

The mineralization of the Cracker Creek deposit consists of sulphide (arsenopyrite, pyrite and pyrrhotite) that contain gold in solid solution, some free gold, and a quartzitic to shaley host rock. A composite sample prepared from channel cuttings from several locations in the mine and were subjected to cyanidation under a variety of conditions, including varying solution strengths, leaching time, etc. Results from these tests confirmed earlier findings that the concentrates are refractory to conventional leaching techniques. Subsequent autoclaving or roasting of the concentrates did result in substantial increases in recovery during cyanidation of the leach residue or the calcine.

Optimization of the flotation recovery of gold and silver was then investigated by work at Dawson Laboratories of Salt Lake City, Lakefield Research of Ontario, Canada, the Colorado School of Mines Research Institute, and the AMAX Metallurgical Research Facility of Golden, Colorado.

The two types of ore: curly quartz and sheared footwall, have different concentration characteristics. On the curly quartz, tests showed recovery of gold and silver in the 95% range. Tests on the sheared footwall material showed recovery in the 70% range.

Tests on a composite made of 80% quartz, 20% footwall gave average recoveries of about 90% for gold and 92%-94% silver,

A mineralogical examination of the tailing indicates that gold losses are due to submicron free gold as well as submicron sulphide losses, with the losses mainly in the slimes fraction.

The optimum autoclaving/roasting conditions applicable to the concentrates have not yet been determined. The flotation concentrate has a concentration ratio of about 12.5:1. Based on these tests, a preliminary flowsheet has been developed incorporating conventional crushing and grinding, followed by rougher flotation to produce a rougher and cleaner concentrate. For the purposes of this study, it will be assumed that dewatered flotation concentrates will be sold directly to a smelter. The decision to roast or autoclave these concentrates with subsequent gold and silver recovery by cyanidation must wait until more definitive testing has been completed.

Testing to date along these lines by Dawson and AMAX R&D indicate that an acid autoclaving followed by cyanide leach can recover up to 98% of the gold, but with silver recovery less than 75%. The remaining silver is believed to be tied up in an artificial argentojarosite.

Leaching under alkaline conditions has been proposed, but no work has been done. Results of roasting tests do not appear to be encouraging.

### *Historical Production*

The Cracker Creek Property consists of several old, inactive mines that occur contiguously, from southwest to northeast, the Columbia, Eureka and Excelsior (E & E) and North Pole. Mineralization associated with these historical mining camps is believed to be contiguous within the same vein system, which was historically known as the Cracker Creek “Mother Lode” vein. A series of narrow claims were developed by separate owners along the lode for approximately 3.2 km (with the mineralization believed to extend for approximately 8 km).

The most intense period of historical mining occurred between the 1890’s and 1916 when some 477,000 short tons of ore was mined (Table 6). Production rates of 50 to 100 tons per day were achieved. Gold was the main product although silver content ranged from 1:1 to several times the gold assay. The profitable operations ceased prior to World War I when costs exceeded the fixed gold price and depth increased the mining costs (Lorain, 1937).

A summary of the historical production and infrastructure developed from the Columbia, E & E and North Pole mine sites is provided in the following text.

The production information presented in this sub-section is for background historical information only. The QP has not verified the historical gold production, and therefore, the QP and Lode Metals do not view the production history as current going forward.

*Columbia Mine*

The Columbia Mine consists of approximately 50,000 ft of drifts, crosscuts, and raises from a shaft 918 feet deep with adits. Mine infrastructure included a 20-stamp amalgamation and concentration mill and a 60-ton cyanidation plant. Mine production between 1887 and 1916 reportedly included 112,067 ounces, which contained 58,063 fine ounces of gold and 26,366 fine ounces of silver (Brooks and Ramp, 1968). The 1887-1916 totalled US$3,638,960 (Elmer, 1930).

The ratio of gangue to sulphide is 10:1 to 15:1. Recovery averaged about 75% and free gold is approximately 40%.

*Table 6 - Summary of historical mine production at the Columbia, E & E and North Pole mines.*

| Mine | Short tons produced | Grade (ounce / ton) | Ag to Au ratio |
|---|---|---|---|
| Columbia | 203,341 | 0.67 | 1:1 |
| E&E | 115,000 | 0.45 | 2:1 |
| North Pole | 158,917 | 0.76 | 1:1 |
| Total | 477,258 | | |

*E & E Mine:*

Mine infrastructure included a 760 ft deep shaft on the north bank of Cracker Creek and 8 adits totalling about 20,000 ft. Three adits extended north and 5 adits south from Cracker Creek. Stoping was conducted mainly above the 300-ft level. A 100-ton flotation mill was constructed on the Property. The main periods of mining activity were 1891, 1894-1898, 1903-1905 and 1920-1922 (Elmer, 1930). The total production output was US$1,064,833.57 (Brooks and Ramp, 1968).

The ratio of gangue to sulphide is 25:1 to 20:1. The gold to silver ration is 1 to 2. Free gold is <5%.

In 1968-69 a Canadian firm, Omega Mining, reopened the E & E adit and drove 1,500 ft of new drift and opened up a zone of fairly continuous mineralized rock grading 12 g/t Au over a width of 1.5 m. Narrow vein mining, with gold selling for USD$41 per oz, was considered uneconomic at that grade and Omega withdrew.

*North Pole Mine:*

Full-scale mining reportedly began in 1895 and continued to 1916. The mine comprised 5 adits totalling approximately 13,000 feet. Total recovery between 1895 and 1908 included 100,045 fine ounces gold and 103,616 fine ounces silver from 158,917 dry tons of ore (Brooks and Ramp, 1968). With mining over a 12-year period, this would indicate a recoverable grade of approximately 0.63 ounces per ton. Mill heads ran about 19 grams per tonne gold (0.55 opt) and recovery was approximately 65% (Brooks and Ramp, 1968).

In 1946 and 1947, Cominco Ltd. Co. as Solar Mining Co., took an option on the property. They reopened the North Pole mine to test for downward projections of possible ore and completed surface trenching and drilling. The project was discontinued in late 1947 at which time, the price of gold was $35 per ounce.

There are several other accounts of Past Production. AMAX (1982) reports gross production revenue for the Columbia, E & E and North Pole at about $US7.94 Million dollars, which at $US 20 per ounce yields close to 400,000 ounces. Using a 73% reported recovery for the mining yields total ounces mined of well over 500,000 ounces.

Behre Dolbear – Riverside report production also by value referring to figures provided by Brooks and Ramp (1968) and Longyear (1938). The historical production, using $US20.67 per ounce works out to just over 500,000 ounces of gold with an overall grade of 0.64 oz/st (21.9 g/t) Au.

**Geological Setting and Mineralization**

***Regional Geology***

The Cracker Creek Property is located within the Basin and Range Geological Province of the Western United States. The Cracker Creek mining district is part of the Blue Mountains gold belt described in detail by Waldemar Lindgren (1901). Further work is reported by J.T. Pardee (1909) in USGS Bulletin 380A which discusses the stratigraphy and structural geology of the region. In the late 1970's – early 1980's mapping of the Bourne quadrangle was completed by Howard Brooks and others with the Oregon Department of Geology and Mineral Industries (DOGAMI) and was published as map GMS-19 (1982). No significant geological mapping has been completed in the area since that time.

The Blue Mountains province consists of a complex collage of Middle Devonian – Late Jurassic island arc and related melange and or sedimentary terranes that accreted to western North America in the Early Cretaceous and were intruded by Late Jurassic – Early Cretaceous plutonic complexes (Schwartz et al., 2014). The Blue Mountains are comprised of three terranes: the Wallowa, Baker, and Olds Ferry (Figure 8).

All 3 terranes were subject to widespread Late Jurassic faulting and folding resulting from a north south – directed contractional event. The Property lies within the structurally complex Baker terrane: a long-lived subduction zone accretionary complex consisting of extensively disrupted fragments of ocean floor and island arc volcanic, plutonic and sedimentary rocks of Middle Devonian to Early Jurassic age. More specifically the Property lies within the Bourne subterrane which is characterized by extensive exposures of chert and argillite of the Permian to Early Jurassic Elkhorn Ridge Argillite (Dorsey and LaMaskin, 2008; Schwartz et al., 2010 and references therein). In the Early Cretaceous the Elkhorn Argillite was intruded by the Bald Mountain Batholith (Figures 8 and 9). Fractures and fissures associated with the batholith filled with circulating, gold-bearing fluids that eventually led to veins. Most gold deposits occur along steep, northeast – trending faults in argillite. Some such as the Mountain View, Argonaut and Mammoth veins are very near the tonalite contact and may locally cut the tonalite (ref: Au and Ag in Oregon book).

*Figure 8 - Regional setting of the Cracker Creek Property*

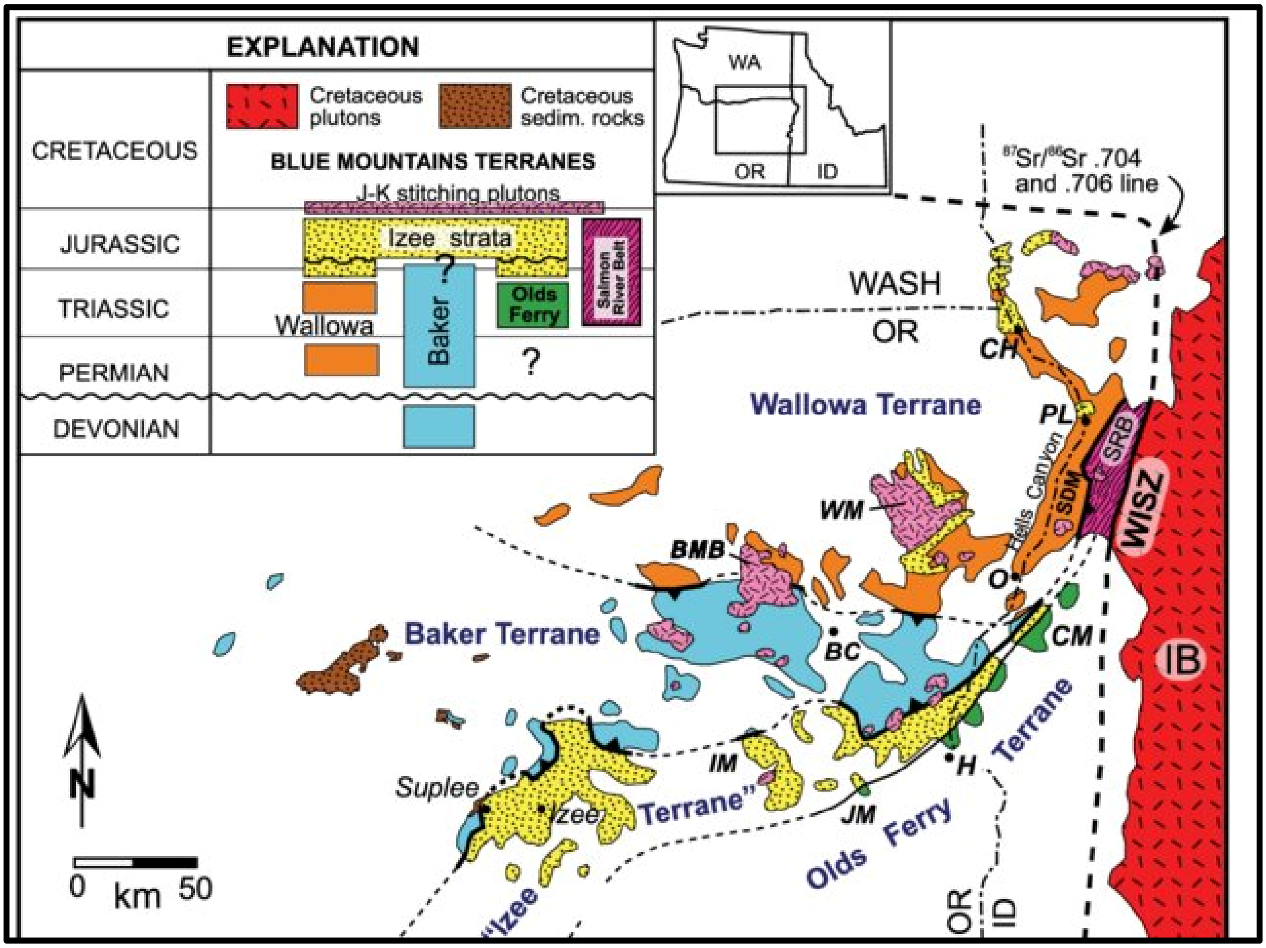
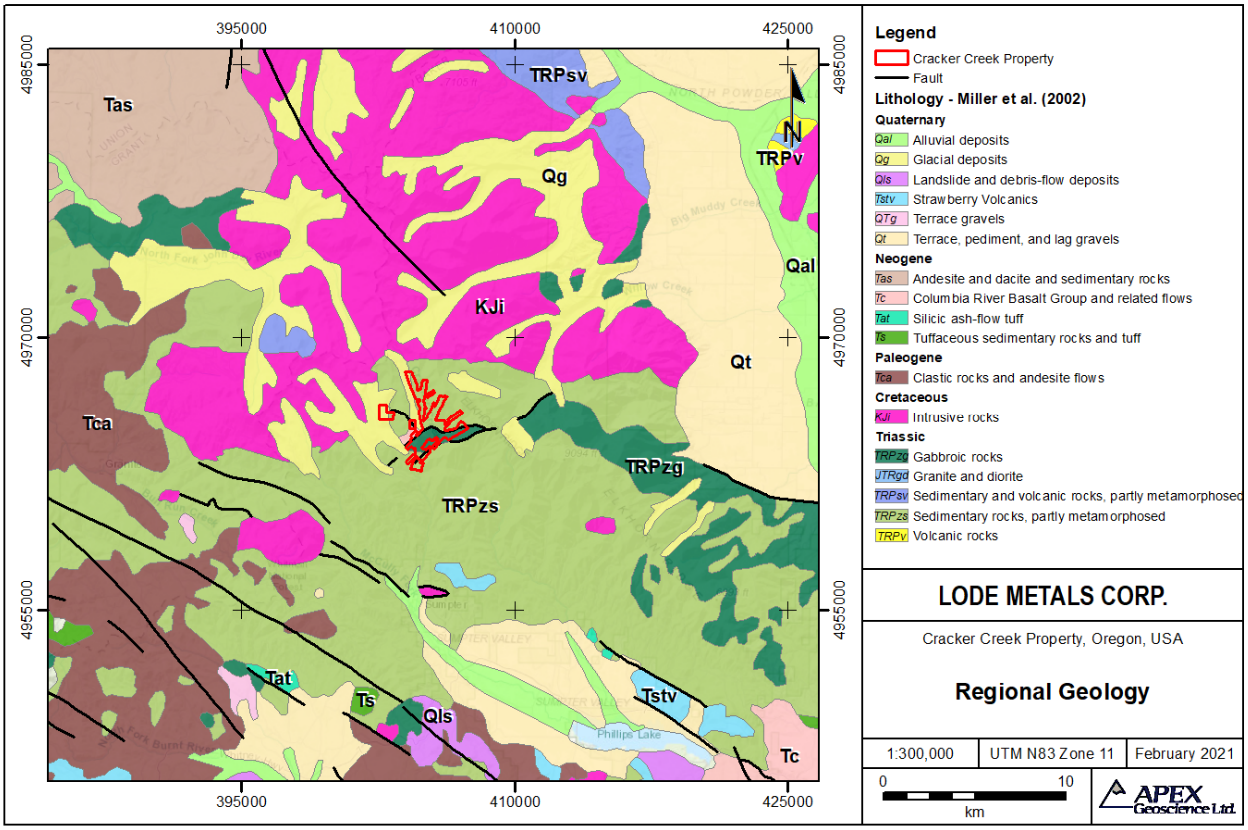


*Figure 9 - Regional geology surrounding the Cracker Creek Property.*




### *Property Geology*

Property geology is summarized from Rostad (1982) and Leheup (1982).

In the area of the Cracker Creek Property the Elkhorn Ridge Argillite comprises tightly folded, tuffaceous argillites. These argillites are mainly cherts, especially near the Cracker Creek vein. Locally, they are graphitic as noted in some of the drifting on the North Pole No. 1 level. A discontinuous, east-northeast trending band of metagabbro and/or hornfels crosses the main vein trend at the southern end of the Property. The metagabbro is suspected to be in fault contact with and not intrusive to the Elkhorn Argillite. The southern contact of the Cretaceous Bald Mountain Batholith extends along the northern and western edge of the district (Figures 9, 10 and 11). Many dykes related to the latter intrusive are found in the argillite series.

*Figure 10 - Stratigraphic chart for the Bourne Quadrangle (Brooks et al., 1982)*

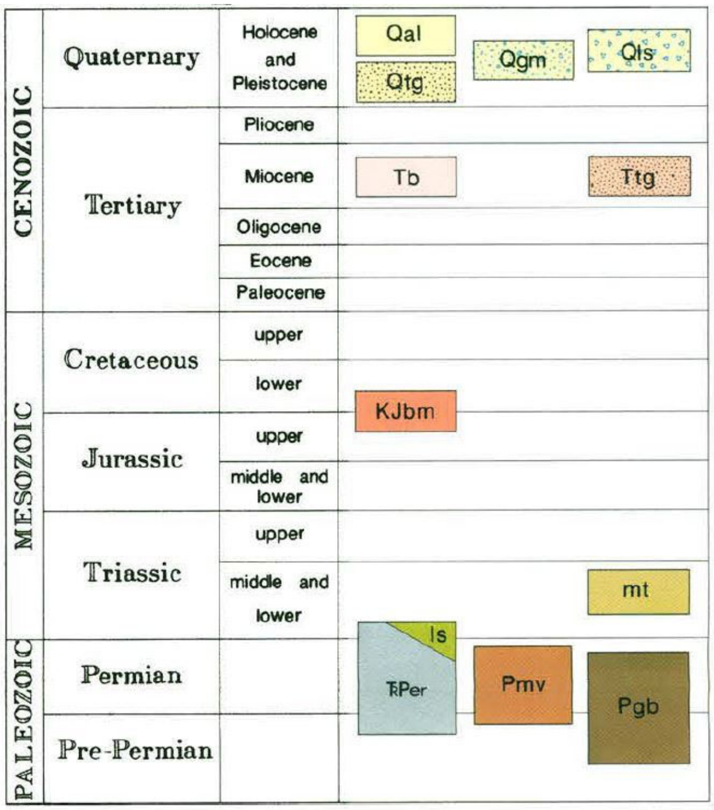
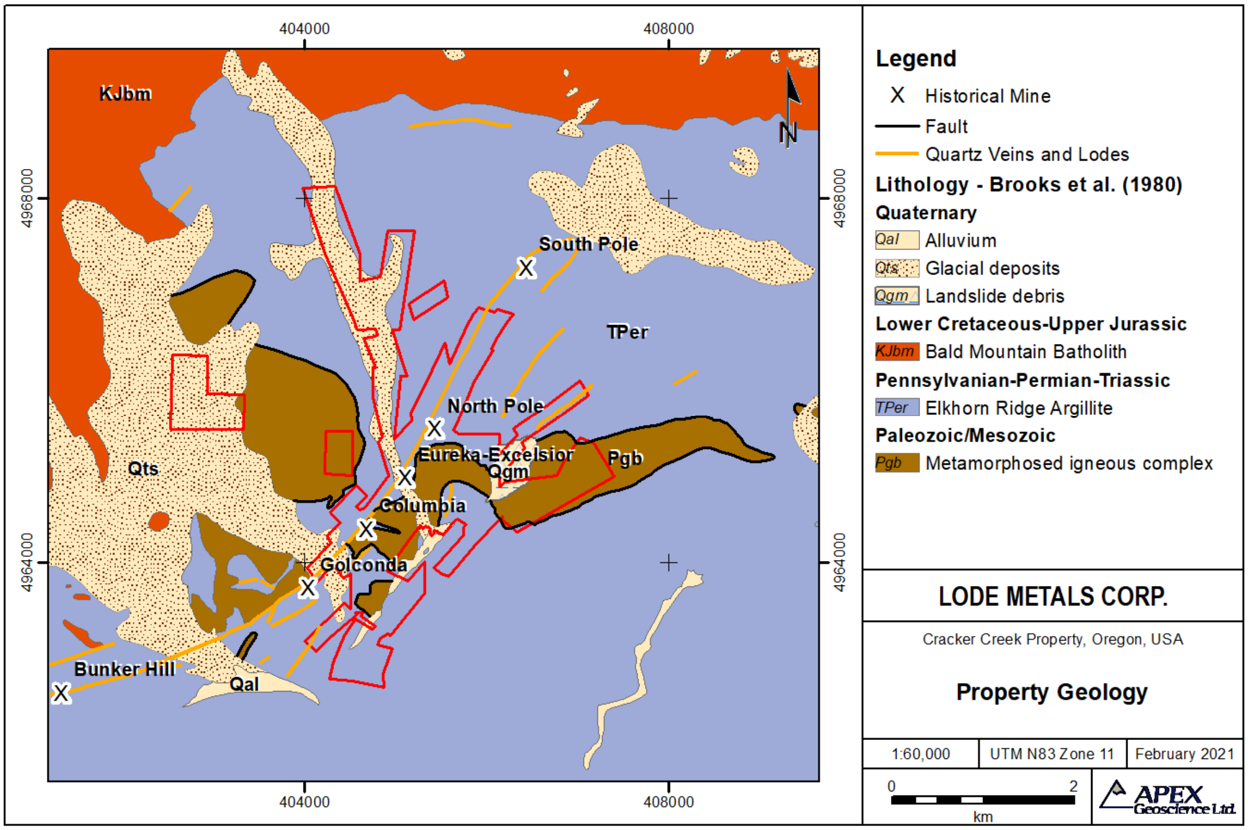



*Figure 11 - Property Geology of the Cracker Creek Property.*




*Lithology*

*Elkhorn Ridge Argillite*

The host Elkhorn Ridge Argillite series is composed largely of blue gray, very fine-grained laminated cherts. The lamina range from 1 to 4 cm thick and are separated by thin films of very fine grained, dark pyrite bearing argillite. The lamina are usually lensy indicating boudinage. In places the intervening argillite films can be slightly graphitic. The remainder of the series is a dark greenish gray, very fine grained, slightly chloritic argillite containing about 1% to 2% fine cubic pyrite. Bedding is poorly developed for the most part.

Limey units can be found in parts of the argillites. These were probably dirty limestones and are now largely recrystallized. Considerable tremolite or related minerals are usually found in these recrystallized limey beds. As exposures are limited, the size and extent of the limey units are unknown.

From underground exposures, one would deduce that the Elkhorn series is basically fairly flat lying with dips ranging for 20° or less to as much as 45° to the south or east. However, this would be misleading as on surface, where weathering has accentuated the bedding in some areas, the argillites are seen to have been folded into tight chevron folds with flat axial planes. These sediments are believed to have been formed on the ocean floor and during diastrophism, instead of the oceanic plate being completely subducted, it was in part buckled against the continental margin giving rise to the tight folds. This action also thrust the metagabbro and argillites together explaining the lack of intrusive features at their contacts.

*Metagabbro*

The metagabbro is a metamorphosed igneous complex consisting mainly of gabbro with some diorite and quartz diorite that have been metamorphosed to greenschist facies. Locally the unit is foliated and grades into amphibolite. The unit is interpreted to be in fault contact with the Elkhorn Ridge Argillite. The age of the complex in this area is unknown (Brooks et al., 1982). The metagabbro units have previously been described as greenstone.

Surface exposures of the metagabbro indicates that it is adjacent to the main structure at the former Columbia Mine. From old longitudinal sections of the mine, this would coincide with an unstoped area. Old records suggest that the main structure was dispersed in this area and afforded little opening for mineralization (Leheup, 1982).

There were limited exposures of the metagabbro reported in the underground workings. At a reported occurrence in the Jevne Adit, about 1,200 feet (365 m) southeast of the vein, the metagabbro is fairly fine grained, dense, dark and green-gray. It is quite blocky and where sheared can be very talcose. It contains a few very fine grained sulphides, probably pyrrhotite. Mariposite was noted ~180 meters from the portal (Leheup, 1982). Rostad 1982, reported a small dike of apparent metagabbro on the North Pole No. 1 level indicating the potential of at least some of the metagabbro to be intrusive. The metagabbro could potential be a source rock for the gold, but is not as the cause of mineralization in the area.

*Bald Mountain Batholith*

The Bald Mountain batholith comprises a diachronous plutonic suite of an older, mafic-felsic suite of lesser areal extent and a younger, laterally extensive, tonalite-granodiorite suite (Schwartz et al., 2014 and references there-in). Near the project area the Bald Mountain batholith is characterized by a large mass of biotite-hornblende tonalite that was emplaced at shallow depths, perhaps as little as 5 km (8 miles) below the old land surface in the Late Jurassic to Early Cretaceous. Recent dating of tonalite samples give dates ranging from 140 to 145 million years (Schwartz et al, 2014). The main mass of the batholith is exposed 2 to 3 miles to the north and west of the Property (Figure 10). Outcrops of the tonalite occur within 1 mile of the southwestern portion of the Cracker Creek vein. Gold mineralization associated with the Bald Mountain batholith is also primarily located in and around the southern part of the batholith (Brooks et al., 1982; Ferns et al., 1982).

*Dykes*

Intermittent exposures of dyke material occur in the hanging wall of the main structure as exposed on the Excelsior # 1 level and the Clarke sub-level. This unit ranges in thickness from a film to nearly a meter and is so highly altered and sheared that its original texture is destroyed. Color varies from light brown to a dark green where chloritized. Pyrite content ranges from 2% to 5% as disseminated 1 mm cubes. The dyke predates mineralization as fragments of it can be found within the vein (Leheup, 1982).

Some altered porphyry dikes, which are possibly related to the granodiorite, are reported to be cut by ore-grade quartz vein in the Columbia mine (Rostad, 1982).

*Veins*

The Cracker Creek vein, which hosts the mineralization, is the most prominent vein in the area. It is a composite vein that is approximately 5 miles in length, striking northeast, dipping southeast and averaging 20 feet in thickness (Figure 10). It appears to have been formed by several periods of shearing alternating with introductions of hydrothermal material. The net result is a gouge and crushed argillite bounded vein of quartz cemented argillite breccia. Within the breccia are lenses up to 100 meters long and 2 meters wide of banded quartz, or quartz and carbonate and fine sulphides. Most of the ore shoots are within this structure. Braided shearing occurs throughout the vein, especially in areas without the banded quartz (Leheup, 1982).

Historically, several roughly parallel veins have been identified in the Cracker Creek area but none of them has been responsible for any significant production. Their presence is based on limited surface exposure and old dumps as historical records are lacking for most of them. The Cracker Oregon vein is located about 2,000 feet to the southeast of the Cracker Creek vein. The Cracker Summit vein is located about 1,000 to 1,500 ft to the northwest of the Cracker Creek vein. From the limited information available they range from 150 to 400 metres in length and are composed of quartz, quartz-carbonate or quartz cemented argillite breccia. The majority of veins strike northeast and have near vertical dips. The most notable exception is the Cracker Summit (Dutchman) vein which strikes north and dips west (Leheup, 1982; Rostad, 1982).

*Structure*

*General Structure*

The structural setting at Cracker Creek is very complex. In the Bourne-Sumpter area the bedded chert-argillite sequences have been coherently folded. Pervasive imbricate faulting on all scales has created a broken formation but complete stratal disruption is rare (Coward, 1983).

Dynamic forces, which converted the rocks to metasediments and greenschist facies were also responsible for tight recumbent folding, which is evident on the Property (i.e. North Pole No. 1 level and the E & E level). The axis of these folds is trending from N75°E to S85°E or roughly E-W. Faults, which are younger than the Bald Mountain batholith, formed in the zone peripheral to the batholith and were mineralized. Some fault structures within the batholith are also reported to be mineralized (Rostad, 1982).

*Vein Structure*

The Cracker Creek vein (also known as the “North Pole - E & E - Columbia - Golconda vein”) is the strongest and most continuous vein in this part of the Blue Mountains and potentially in the entire Blue Mountains region. The main Cracker Creek vein follows a broad S shaped shear zone generally trending north 35 degrees east and dipping 75-85 degrees to the southeast. It is about five miles (8 km) long extending from the South Pole mine located northeast of the Property to the Bunker Hill mine located southwest of the Property and hosts nearly all the former producers on the Property. Several small structures with indications of gold and silver also lie within the area (Kimball, 1991).

In detail the strike of the vein is almost E-W in the vicinity of the Bunker Hill mine, near the south end of the vein (south of the Property), it curves northward so that it’s strike is about N50°W at the Golconda mine (south of the Property), N40°W at the Columbia mine, N25°W at the North Pole mine, then curves back to about N70°E at the South Pole mine (north of the Property). The vein dips steeply to the southeast from the Golconda to the North Pole mine but is generally less steep at the north end of the North Pole mine. The dip is reported to average 86.5° to the southeast at the Columbia mine and about 76° to the southeast in the North Pole section (North Pole 4 down to E & E level, over 1,080 ft vertical range; Rostad, 1982). From the Columbia Mine and to the Golconda Mine (south of the Property) the vein is reported to split into two and potentially three parallel strands where it cuts through metagabbro (Rostad, 1982; Leheup, 1982).

Pardee (1909) reports movement on the vein structure has resulted in an effective displacement of the metasedimentary units by of 400 ft vertically and 1,800 ft horizontally.

The vein has been subjected to repeated reopening. Some of the fractures which opened after the first heavy introduction of quartz allowed the introduction of quartz and sulphides to produce en-echelon lenses which cross from footwall to hangingwall at a more north-easterly strike than the main structure. Gold-bearing quartz-sulphide veins show banding which has been interrupted and re-healed with more sulphide-banded quartz.

Some of the gold-bearing quartz mineralization has been crushed and sheared by post mineralization movement. Slickensides have been noted that rake south at an angle of 50 to 60°. Other slickensides have been observed which rake down to the north at angles from 100 to 30°. Some low-angle faults cross from footwall to hangingwall and offset mineralization a foot or more, yet do not cross out of the major structure. Other low-angle faults have been noted which do cross through the main structure. Some steep faults which do not appear to be mineralized cross the vein and also the bounding FW & HW faults.

Leheup (1982) proposed the sequence of events that resulted in the current vein structure/mineralization were as follows:

1. Initial shearing.
2. Introduction of dyke material.
3. Refracturing (2nd stage): Formation of argillite breccia and locally brecciation of the dyke. Breccia fragments range from 0.5 cm to 20 cm.
4. Introduction of quartz, cementing and replacing the argillite fragments. Degree of replacement ranges from nil to total. Where total, all that remains of the fragment is its “ghost”.
5. Re-shearing (3rd stage fracturing): One main break although occasionally two or more openings along and within the quartz cemented breccia
6. Introduction of more quartz, carbonate, pyrite, arsenopyrite, gold and silver. This formed the main ore shoots- “curly quartz”.
7. 4th stage fracturing: Introduction or remobilization of quartz and carbonate and deposition as fine fracture filling.

There were at least one and probably several later periods of shearing and fracturing. At the base of Raise 710-112-12 the vein is very blocky from several horizontal and vertical fractures. Further up the same raise is evidence of the vein being pulled apart by a shear passing from hanging to footwall as one goes up the raise.

One post vein offset has been located. This is a cross fault striking N40W and dipping 35° to 45° southwest. It appears to form the northeast margin of Block 0, 2, and 3. Horizontal displacement (right lateral) is 14 meters on the North Pole #1 and 5.5 meters on the Excelsior # 1.

*Mineralization*

The Cracker Creek vein is reported to range from a few feet in width up to 300 ft (91 m) in width but generally is in the range of 12 to 30 ft (3.5 - 9 m) wide. The most productive portion of the vein was the 7,500 ft (2,286 m) length from the North Pole mine (on the Property) to the Golconda mine (180 m south of the Appomattox claim at the southern end of the Property). The historical ore that was mined was commonly restricted to a much narrower width than the total vein width.

The vein material is predominantly a combination of quartz and fragments and “horses” of country rock. Other gangue minerals are dolomite, calcite, montmorillonite and sericite. The ore zones are characterized by very fine brown sulphides in wispy streaks and bands (Leheup, 1982). The minerals of economic interest are so fine grained that they can not be identified in hand specimens. The sulphides are believed to be largely pyrite and constitute about 2% to 3% of the ore. Other sulphides and ore-related minerals reported include arsenopyrite, marcasite, chalcopyrite, tetrahedrite or schwartzite (a mercury-antimony-bearing variety of tetrahedrite), pyrargyrite, cinnabar, stibnite, sphalerite, gold, hessite, sylvanite, some native copper (Columbia), mariposite and roscoelite. Roscoelite is reported to be very closely associated with free gold. Mariposite, is present but does not have a close association with gold in this area. Marcasite appears to be predominantly associated with fractures in the argillite and may not be related to mineralization. Locally coarser grained, cubic pyrite forming patches up to several centimeters in size can comprise up to locally 15% to 20% of the ore. The amount of coarse pyrite appears to not be related to gold content whereas the presence of fine brown sulphides appears to have a positive association with gold (Leheup, 1982; Rostad 1982).

Microscopic and electron microprobe analyses completed by AMAX reported the gold to occur as electrum containing 85% gold and 15% silver. The electrum grains were generally 3 to 5 μm in size with 80-90% of the electrum being associated with tellurides as inclusions in pyrite. The remainder of the electrum was not associated with tellurides but was locked with either pyrite or quartz and carbonates. The majority (60-70%) of the tellurides are hessite (Ag2Te) and the remainder is coloradoite (HgTe). Silver that did not occur in hessite was in tetrahedrite. Arsenopyrite was noted to occur as rims on pyrite. Electron microprobe analyses of pyrite and arsenopyrite indicated that they did not contain any detectable amounts of gold in solid solution (Leheup, 1982).

The first phase, and apparently the most massive phase, of quartz vein filling appears to have been essentially barren of sulphides and of gold. Fragments of argillite in the E & E mine are surrounded by quartz which gives the vein the appearance of a quartz-cemented breccia. Some of the fragments are moderately to strongly silicified, others are still very dark (Rostad, 1982). Following the heavy introduction of quartz, the vein structure was reopened several times and at least two and probably three or more pulses of gold mineralization took place. At least two of these gold-bearing pulses were characterized by quartz with more or less sulphide and dolomite. The sulphides are relatively fine grained and commonly occur in fine bands with or without dolomite in the quartz. This sulphide-banded quartz has been referred to as “curly quartz” in the historical reports. Some of the banded sulphide mineralization in the quartz has clearly been broken and re-healed by later sulphide-banded quartz. Some of the banding surrounds fragments of quartz indicating open fracture filling and brecciation of earlier quartz by renewed tectonic movement (Rostad, 1982).

The “pay-streak”, or ore-bearing zone of mineralization within the vein, is generally along the footwall of the vein. However, it may be in the middle or along the hangingwall or in en echelon pods crossing from footwall to hangingwall. There is a strong suggestion that some of the northernmost ore-grade mineralization on the E & E level may be of the en echelon type indicating that in certain areas there may be two roughly parallel “pay streaks”. In these areas it may be possible to mine both together with a low-grade intervening zone to produce stopes up to 25 ft wide. In general, the pay streak is relatively narrow (Rostad, 1982).

Some ore-grade mineralization is present in the footwall gougy zone. This zone is characterized by strongly sheared country rock consisting of argillite in the portions of the E & E and North Pole No. 1 levels. In areas where this zone is significantly mineralized it contains some quartz and some sulphide. Rostad (1982) reports that the footwall gougy zone in the E&E/North Pole area averages approximately 1 to 3 ft wide but can be up to 7 ft wide. Historical assays indicate that most of the gougy material was too low-grade to be considered ore.

The continuity of the overall mineralized structure is well established but the continuity of ore shoots, both along strike and down dip, is not as well established. Overall, there appears to be a general trend or zone of ore shoots which rakes down at a low angle to the south. Individual shoots within the general trend rake down steeply to the south. In more detail, and within the ore shoots which rake down steeply to the south, there appears to be a low-angle rake down to the north. The reasons for these rakes are not immediately apparent but may be related to movements in and along the vein structure. Alternatively, these rakes may be due to low-angle recumbent folding in the metasediments. The major low-angle rake down to the south might possibly be explained as stratigraphic, caused by the influence of different strata in the argillites on the deposition of gold values. More detailed geological information is required to address these questions (Rostad, 1982).

**Deposit Types**

On the Cracker Creek Property mineralized zones were formed during compressional deformation processes at a convergent plate margin in an accretionary and collisional orogeny in close proximity to a felsic intrusion. Gold mineralization at the Cracker Creek Property comprises one or more phases of quartz+sulphide veining within earlier (mostly barren) quartz veining hosted in a shear zone/brittle fault structure extending across the Property from southwest to northeast.

Mineralization of the Cracker Creek vein is proposed to be sourced from the nearby Bald Mountain Batholith. Based on the geological setting, rock types and field observations two deposit models should be used to guide future exploration on the Property: Intrusion-Related Gold (IRG) and epithermal gold deposits.

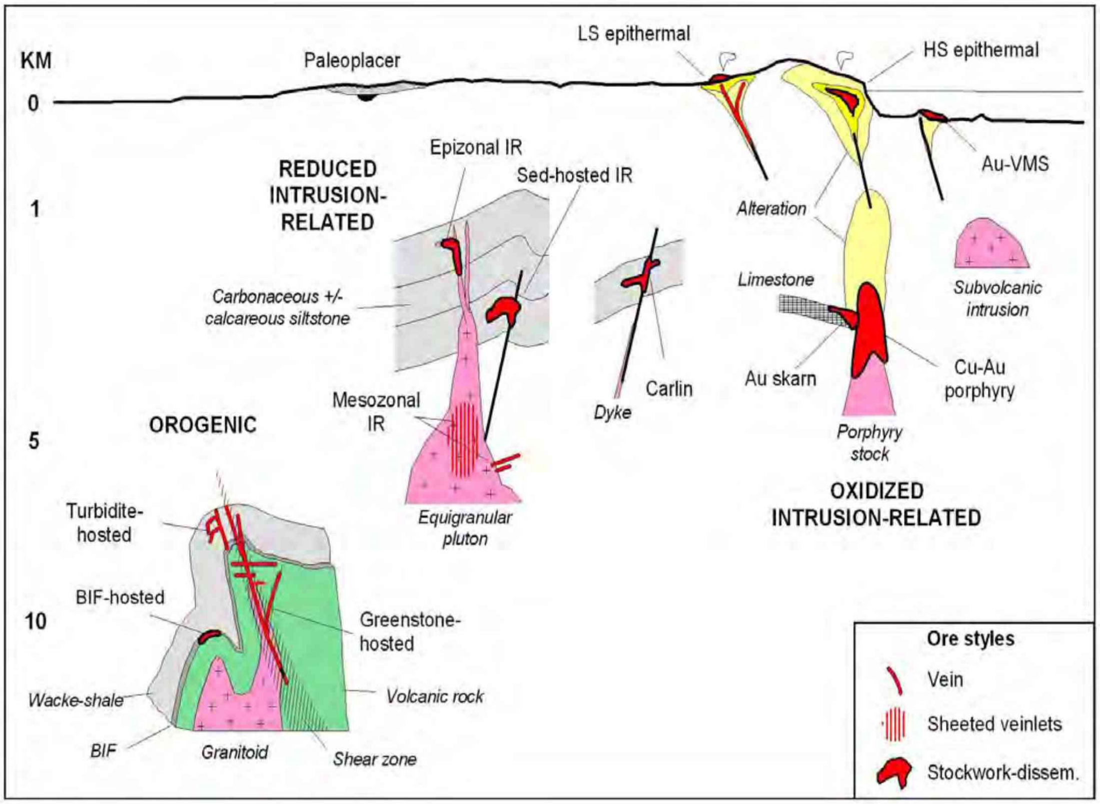
***Intrusion-Related Gold Systems (IRGS)***

Deposit models for gold-only deposits associated with moderately reduced intrusions have seen significant development since the late 1990’s (Richard et al., 2007). The style of gold mineralization described at Cracker Creek is conducive to classification within the recently described Intrusive Related Gold System (IRGS) (Figure 8.1). Reduced-IRGS encompass a wide range of gold-only mineral deposit styles whose formation is genetically linked with a cooling felsic intrusion. These deposits occur mainly in reduced siliciclastic sedimentary rock sequences and are commonly orogenic deposits. A wide range of styles and depths of formation has been documented for reduced-IRGS, including intrusion-hosted deposits of mesozonal to epizonal character, and more distal, sediment-hosted mesozonal equivalents (Richard et al., 2007). Associated deposit styles include skarns, veins, disseminations, stockworks, replacements, and breccias. The most diagnostic deposit style within the reduced-IRGS classification is intrusion-hosted, sheeted arrays of thin, low sulphide quartz veins with a Au-Bi-Te-W signature, which typically comprise bulk tonnage, low-grade Au resources. However, other deposit styles associated with reduced-IRGS form within the region of hydrothermal influence surrounding the pluton, and are characterized by proximal Au-W-As and distal Ag-Pb-Zn metal associations. The depositional style at Cracker Creek are mineralized veins of mesothermal character associated with the intrusive Bald Mountain batholith which is of Jurassic to early Cretaceous age.

Plutons that generate reduced-IRGS form in tectonic settings characterized by weak post-collisional extension behind a thickened continental margin. There is still quite a bit of controversy as to which deposits truly are reduced-IRGS however the Phanerozoic appears to be the most favorable time for the formation of reduced-IRGS, particularly the Cretaceous and the mid-Paleozoic (Devonian to Carboniferous). The grades and tonnages of deposits classified as reduced-IRGS are wide-ranging due to the variation of deposit styles within the classification (Hart, 2005, 2007).

Mesothermal veins are formed at moderate temperature (250 – 450°C) and depth (1-10 km). They are associated with fissures or fractures that form in areas of structural dilation in brittle to brittle-ductile shear zones (Peters, 1993). The veins often occur in parallel sets that continue to depth. The veins contain complex mixtures of mineralized quartz, gouge, fault rocks and altered wall-rock that reflect the environment of formation. Macroscopic textures include comb, ribbon, buck and breccia quartz. Veins often contain multiple generations of quartz that were involved in cracking, stress corrosion and dissolution due to porosity changes and dilation prior to and during faulting (Peters, 1993). Typical mineralization includes the sulphides chalcopyrite, sphalerite, galena, tetrahedrite, bornite and chalcocite. Gangue includes quartz, carbonates and pyrite.

*Figure 12 - Schematic cross-section of main gold systems (Richard et al., 2007).*




## *Epithermal Gold Deposits*

Observations made by the author during the site visit indicate that the mineralization at Cracker Creek may not be strictly mesothermal in origin. The author observed multi-episodic breccia's, hints of boiling, open space, vuggy texture, bladed characteristics and coxcomb textures in the vein rocks indicating potential for low-intermediate sulfidation epithermal deposition.

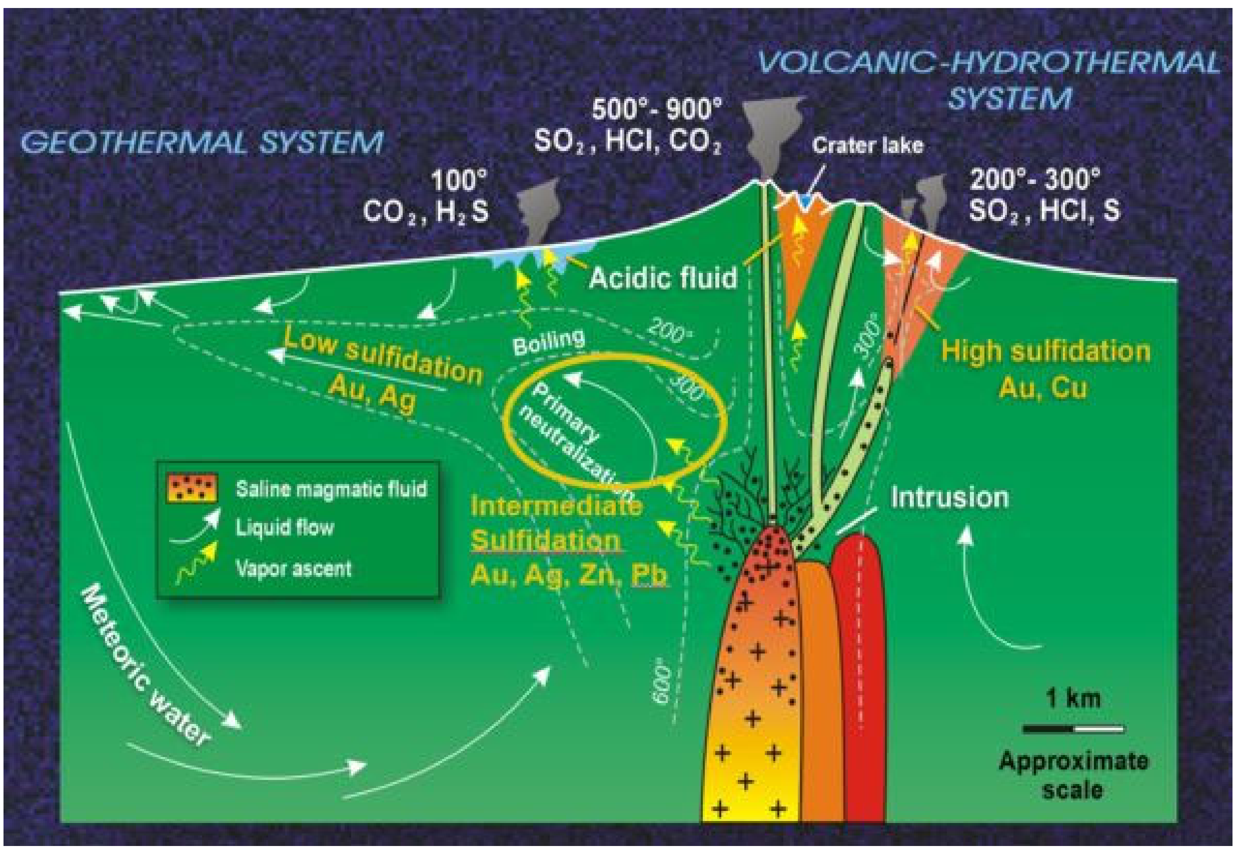
Low-intermediate sulphidation veins are a subtype of epithermal deposits formed in subduction-related arc settings or post-collisional orogenic belts. The occurrence of low-intermediate deposits is interpreted to be controlled by tectono-magmatic settings and fluid evolution paths. Low-intermediate sulphidation epithermal deposits represent the mid to uppermost parts of intrusion-related hydrothermal systems (Figure 13). Although formation usually occurs at shallow depths, within 500 metres of surface, occasionally they may form between 1-2 kilometres depth. Epithermal ore deposition occurs at temperatures below 250°C through processes of fluid boiling, fluid mixing and vapour release (Hedenquist et al., 2000; Wang, 2019). Gold and/or silver are the primary products however copper, lead, zinc, and (or) mercury can be important by-products in some deposits. Host rocks often contain bladed calcite, colloform quartz, and adularia. Associated advanced argillic and argillic alteration blankets form as a result of the generation of steam-heated waters. (Hedenquist et al., 2000).

Differences in form and metal content between low- and intermediate-sulfidation deposits can be described as follows (John et al., 2018):

- Low-sulfidation deposits commonly consist of multiple stages of concordant and discordant banded or layered minerals and breccias, sheeted veins, and (or) vein stockworks and breccias adjacent to layered veins and faults that were mined exclusively for gold and silver.

- Intermediate-sulfidation deposits consist of multistage veins and associated breccias that contain significant amounts of other metals in addition to gold and silver, and were (a) mined exclusively for gold and (or) silver, with no or minor production of copper, lead, and zinc, or (b) mined primarily because of their gold and silver contents but also produced appreciable copper, lead, and zinc.

*Figure 13 - Schematic cross-section showing the environments for the formation of epithermal ore deposits (modified from Arribas et al., 2000; Hedenquist et al., 2000).*




## Exploration

Lode Metals has conducted surface exploration at the Property in the form of ground geophysical surveys to date. A summary of all historical exploration activities is provided in Section 6 of this Technical Report.

### *Historical Data Compilation*

Lode Metals commissioned APEX to complete a data compilation and review of historical data for the Property. The data compilation focused on assembling all available historical drill data into a digital database, reviewing historical reserve and resource estimates, collating historical maps of underground workings and all geological data. The compilation was based on all publicly available and proprietary reports for the Property. Drill hole locations and assay results were compiled in an Excel database and spatially as ArcGIS shapefiles. Drill hole locations and assay results were compiled for 109 surface and underground drill holes extending across the main area of mineralization on the Property. The locations of several historical drill holes which were found to be incorrectly recorded were rectified based on the Authors' site visit and investigative work. The majority of historical drilling from 1981-82 and 1990-91 was concentrated in the areas of the historical mines: E & E, North Pole and Columbia (Figures 5 and 6).

### *Author's site visit*

The Lead Author completed a site visit to the Property and examined historical drill core stored in Baker City on September 15 and 16, 2020. Details are provided in Section 12. Grab samples of quartz and argillite were collected from across the Property near and around the North Pole, Columbia and E & E historical workings; a total of 8 rock samples were collected. The Lead Author examined drill core from four high interest holes from the 1991 Simplot drill program which is stored in Baker City. A total of 12 composite samples of broken up core pieces trying to effectively quarter the core were collected from 2 holes for re-assay. The samples were sent to ALS labs in North Vancouver, BC, Canada for analysis.

### *Ground Geophysical Surveys*

Lode Metals commissioned APEX to conduct ground magnetic (MAG) and Very Low Frequency (VLF) surveying over the Cracker Creek Property (Figure 13). The MAG and VLF survey was completed over the area encompassing the main mineralized zone including the areas covering the historical E & E, North Pole and Columbia mines. The ground geophysical surveying was completed over two field programs over the course of 15 field days. The first program was completed between December 15 and 19, 2020 and a second program was completed between January 18 and 27, 2021.

The MAG and VLF surveys were completed over the same grid which encompassed an area covering approximately 300 hectares (ha). The survey grid consisted of 24 traverse lines oriented approximately northwest/southeast (125°/305°) and spaced approximately 100 m apart. The survey lines totalled approximately 29-line kilometers of magnetic survey data. The VLF measurements were collected along the survey lines at 20 m intervals totalling approximately 1,450 stations. Preliminary data processing and interpretation of the magnetics data indicate that regional structures are clearly delineated by the data: the Cracker Creek vein is associated with a clear trend of demagnetization along the length of the vein. Final data processing and interpretation of the MAG and VLF data is currently ongoing. The MAG data and survey grid are presented in Figure 14.

### *Drilling*

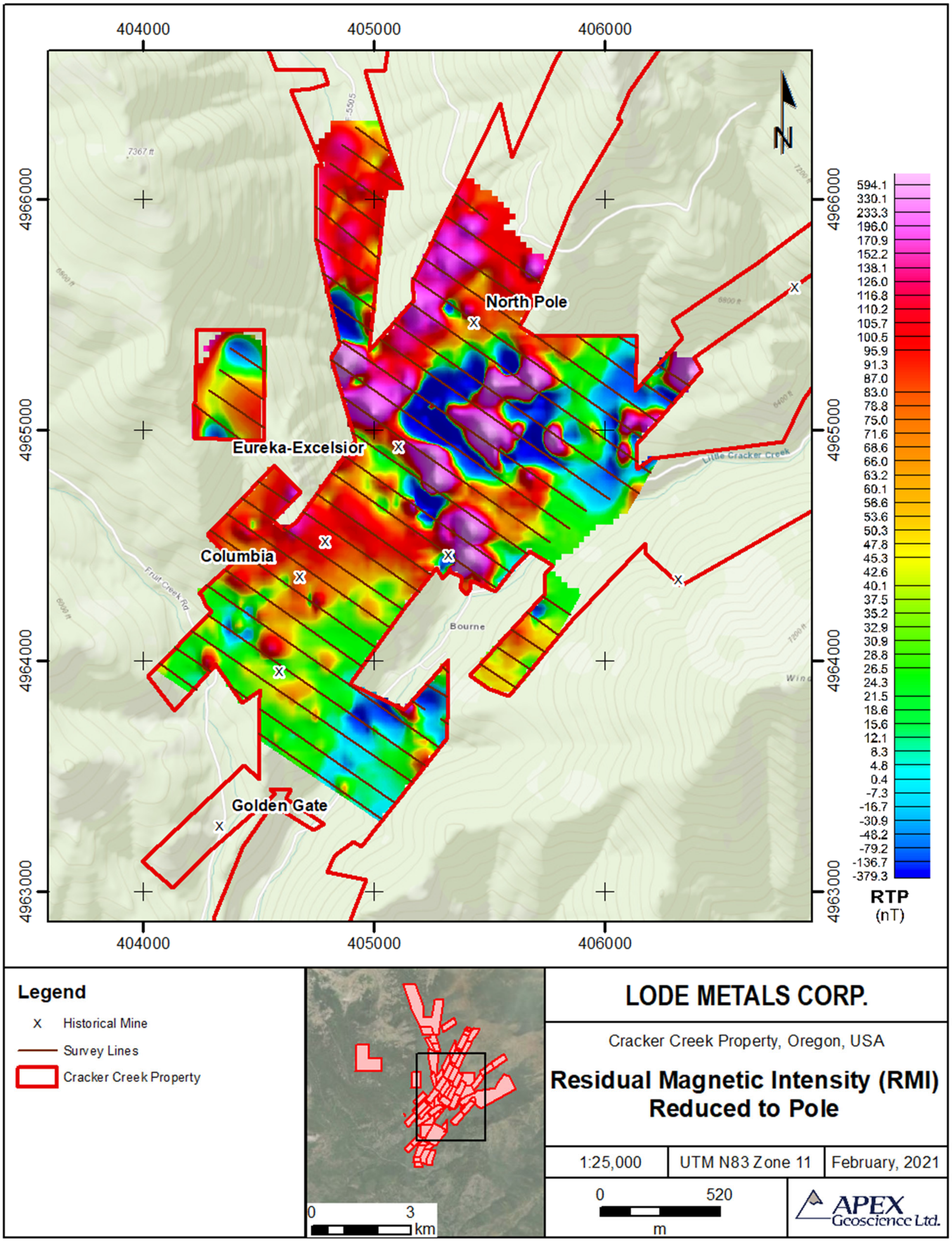
Lode Metals has not conducted any drilling on the Property to date. Previous drilling was completed by BMI-AMAX in 1981-1982 and Simplot in 1990-1991 and is detailed in the History section of this report.

***Sample Collection, Preparation and Security***

The Lead Author collected 8 rock samples during his site visit on September 16, 2020. Grab samples of quartz and argillite were collected from across the Property near and around the North Pole, Columbia and E&E historical workings. Samples were placed in labeled plastic bags and sealed with zip ties. Core samples (n=12) were collected from remaining core from 2 holes that had been selected prior to the site visit as high interest holes. The core samples consisted of broken up pieces of core that were left in the core boxes. To facilitate sampling some of the larger core pieces were additionally broken by the Author using a rock hammer.

The Lead Author was in possession of the samples from the time they were collected until they reached the APEX office in Edmonton. In Edmonton, the samples were packaged in plastic buckets and sealed. They were shipped to ALS Global laboratories in North Vancouver, BC, Canada ("**ALS**") via courier. ALS reported no issues with the samples upon arrival. No standards or blanks accompanied the samples.

*Figure 14 - 2020/2021 Ground Magnetics survey – Residual Magnetic Intensity*



The samples were assayed at ALS Vancouver, BC, Canada, which is entirely independent of APEX and Lode Metals. ALS is certified with ISO 9001:2015 for survey/inspection activity and ISO/IEC 17025:2017 UKAS ref 4028 for laboratory analysis.

***Analytical Procedures***

The samples were assayed at ALS North Vancouver, BC, Canada. The rock samples were prepared using ALS process PULP-31 in which the samples are crushed to 70% less than 2mm, then a rifle split 250 g aliquot is extracted and pulverised to better than 85% passing 75 µm. The core samples were prepared using ALS procedure PREP-31D in which samples were crushed to 90% less than 2 mm, then riffle split up to 1kg, with the split pulverised to >85% passing 75 µm.

The analytical procedure used for both sets of samples was the same. Analytical procedure ME-MS61 was used which involves a 0.25 g aliquot undergoing 4 acid digestion followed by geochemical analysis with Inductively Coupled Plasma Mass Spectrometry (ICP-MS). Pulps were assayed for Au with Au-ICP21 where a 30 g aliquot was fire assayed and then analyzed with ICP atomic emission spectroscopy (AES). Samples which returned Au over limit values were reanalysed with Au-GRA21 in which a 30 g sample is fire assayed with a gravimetric finish.

***Quality Assurance – Quality Control***

These samples were collected to verify and confirm historical mineralization on the Property. No external QA/QC samples were inserted into the sample stream. Internal standards and blanks inserted by ALS returned results within acceptable ranges.

**Data Verification**

The Lead Author completed a Property visit on September 15 and 16, 2020. The Lead Author collected rock samples, examined and sampled historical core and visit several historical workings while at the Property. Historical workings on the Property were found to be partially reclaimed and inaccessible. The Jevne adit is the only historical adit which remains accessible. A total of 8 rock samples were collected (Figure 15). Grab samples of quartz and argillite were collected from across the Property near and around the North Pole, Columbia and EE historical workings. Core from historical Simplot drill holes is well organized and stored in a dry storage unit in Baker City. During the site visit the Lead Author examined drill core from 4 high interest holes from the 1991 Simplot drill program. A total of 12 composite samples of broken up core pieces trying to effectively quarter the core were collected from 2 holes for assay (Figure 15). Core samples were collected over depths spanning 2 feet to 19 feet and consisted of all quartz, argillite and silicified and brecciated argillite. The samples were sent to ALS Global in North Vancouver, BC, Canada for geochemical analysis.

*Figure 15 – 2020 Samples and Site Visit Locations*

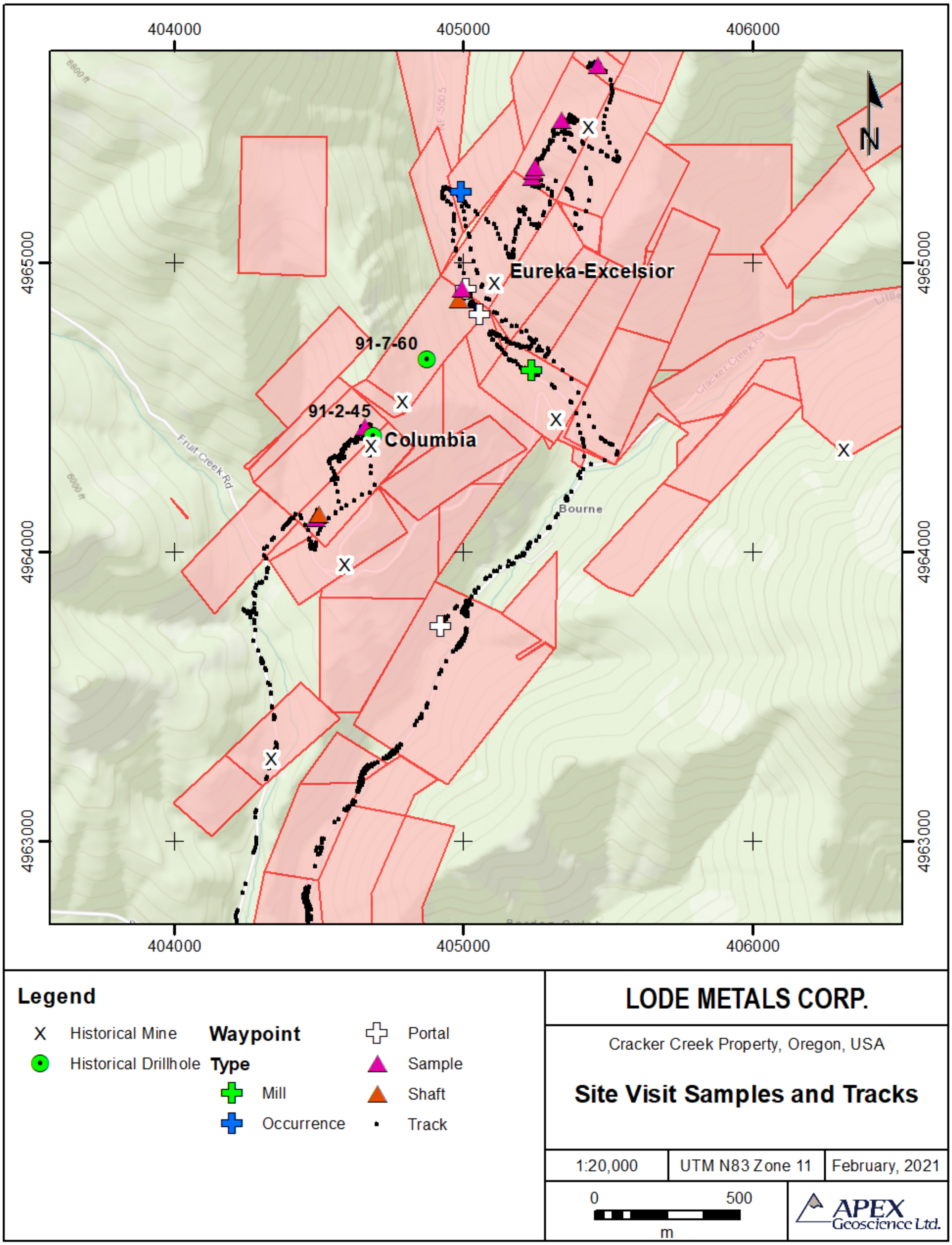


*Table 7 - Geochemical results for 2020 rock grab samples.*

| Sample | Au g/t 30g FA ICP21 | Ag g/t ME MS61 | As ppm ME MS61 | Sb ppm ME MS61 | Cu ppm ME MS61 | Pb ppm ME MS61 | Zn ppm ME MS61 |
|---|---|---|---|---|---|---|---|
| 20MDP500 | 0.073 | 0.41 | 44.8 | 4.59 | 9.1 | 6.2 | 22 |
| 20MDP501 | 0.025 | 0.46 | 20.9 | 1.78 | 15.5 | 23.3 | 44 |
| 20MDP502 | 1.96 | 2.21 | 365 | 7.51 | 53.5 | 6 | 16 |
| 20MDP503 | 0.075 | 1.1 | 131.5 | 5.85 | 39.2 | 24.2 | 84 |
| 20MDP504 | 0.467 | 1.26 | 63.2 | 9.04 | 27.4 | 7.3 | 18 |
| 20MDP505 | 0.009 | 0.72 | 15.4 | 2.94 | 32.1 | 14.4 | 29 |
| 20MDP506 | 3.72 | 20.4 | 370 | 43.8 | 101 | 18.3 | 53 |
| 20MDP507 | 0.013 | 0.73 | 13.7 | 6.41 | 18.9 | 9.7 | 19 |

From the rock grab samples 3 samples returned significantly anomalous gold results (Table 7). A grab sample from the trench above North Pole adit consisting of 20 ft composite of a quartz vein and bleached altered, hematite stained, argillite returned 1.96 g/t Au and 2.21 g/t Ag. Further north in the North Pole area a composite grab sample of quartz-silicified argillite from a dump site returned 0.47 g/t Au and 1.26 g/t Ag. From the Columbia workings area, a composite of oxidized dump material comprising silicified argillite, quartz and quartz breccia returned 3.72 g/t Au and 20.4 g/t Ag (Table 7).

A total of 9 composite samples were collected from historical drill hole 91-2-45 between 92 ft (28 m) and 121 ft (36.9 m) depth (Table 8). The samples were collected as equivalent to quartering the remaining core. Over this 29 ft (8.8 m) interval the samples returned an average grade of 12.43 g/t Au. This compares favourably with historically reported assay results for a similar interval from 27.6m to 41.99 m which returned a grade of 15.98 g/t Au (see Table 2). Samples collected from hole 91-7-60, also returned assay results that were comparable with historically reported assays. Two samples collected over an interval of 8.4 ft (2.56 m) from 103.6 ft to 112 ft (31.58 – 34.14 m) returned average assays of 4.57 g/t Au (Table 8), which compare favourably with a reported assay of 5.45 g/t Au over 23 ft (7.02 m) from interval 105.1 to 128 ft (32.02-39.04 m).

*Table 8 - Geochemical results for 2020 re-sampling of historical 1991 drill core.*

| Drill Hole ID: Footage From-To | Au g/t 30g FA ICP21 | Ag g/t ME MS61 | As ppm ME MS61 | Sb ppm ME MS61 | Cu ppm ME MS61 | Pb ppm ME MS61 | Zn ppm ME MS61 |
|---|---|---|---|---|---|---|---|
| **91-2-45: 92-97** | 26.7 | 28.8 | 124.5 | 53.5 | 31.5 | 26 | 16 |
| **91-2-45: 97-99** | 8.82 | 15.7 | 196 | 32.2 | 15 | 17.2 | 11 |
| **91-2-45: 99-101** | 8.97 | 2.65 | 716 | 21.9 | 13.4 | 5.3 | 11 |
| **91-2-45: 101-104** | 17.9 | 21.4 | 1545 | 63 | 34.5 | 10.4 | 15 |
| **91-2-45: 104-106** | 34.9 | 27.2 | 3140 | 57 | 26.9 | 15.7 | 11 |
| **91-2-45: 106-108** | 8.34 | 10.5 | 1455 | 33.4 | 44.5 | 6.6 | 13 |
| **91-2-45: 108-110** | 0.148 | 2.19 | 161.5 | 5.35 | 14.9 | 3 | 10 |
| **91-2-45: 110-112.2** | 2.96 | 20 | 690 | 32.9 | 46.2 | 9.5 | 26 |
| **91-2-45: 112-2-121** | 3.22 | 2.75 | 1085 | 20.5 | 59.3 | 5.4 | 28 |
| **91-7-60: 73-92** | 0.138 | 2.07 | 322 | 17.85 | 25.8 | 6.3 | 249 |
| **91-7-60: 103.6-107.2** | 5.72 | 23.7 | 705 | 30.4 | 35.4 | 7.7 | 17 |

| Drill Hole ID: Footage From-To | Au g/t 30g FA ICP21 | Ag g/t ME MS61 | As ppm ME MS61 | Sb ppm ME MS61 | Cu ppm ME MS61 | Pb ppm ME MS61 | Zn ppm ME MS61 |
|---|---|---|---|---|---|---|---|
| 91-7-60: 109.2-112 | 3.42 | 4.86 | 430 | 22.3 | 26.3 | 45 | 70 |

### *Data Verification Procedures*

Drill hole locations and available assay results were compiled in an Excel database and as ArcGIS shapefiles. The initial drill hole compilation from the historical reports identified errors in the locations of several Simplot drill holes which plotted off the Property. Based on the author's site visit and some investigative work these holes were rectified to their appropriate locations within the Property Boundary. Historically, drilling was concentrated in the areas of the historical mines: Columbia and E&E (see Figures 5 and 6).

Historical documentation including production records, mining and exploration reports, drilling assays, surface sampling, property maps and drill core from historical programs was well maintained by Cracker Creek. All available documentation has been acquired and is available in pdf format only. All data will need to be digitized and compiled into a digital drill hole and assay database that can be used to create a 3D model. This effort is currently underway.

### *Adequacy of the Data*

Based on the preliminary data compilation described above and Mr. Dufresne's site visit, the lead author believes that the historical drill hole data is sufficiently reliable for use in ongoing exploration and modeling studies.

## Mineral Processing and Metallurgical Testing

No mineral processing or metallurgical testing has been completed by Lode Metals. Results of previous metallurgical test work are summarized in the History section of the Technical Report.

## Mineral Resource Estimates

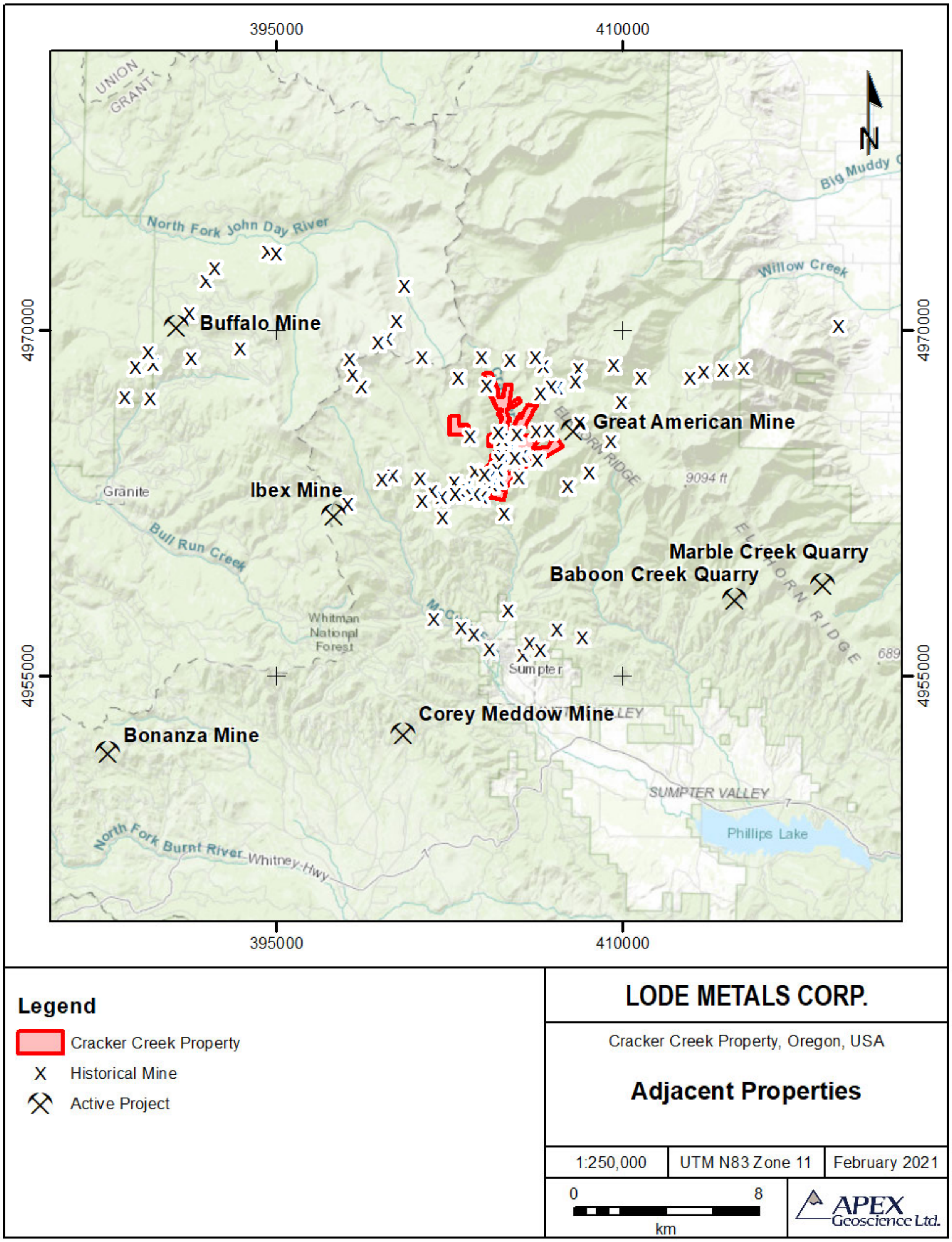
There are no current resources for the Project. Historical resource estimates are discussed in the "History" section.

## Adjacent Properties

The Blue Mountains province is responsible for approximately 75% of Oregon's gold production. The majority of the production was derived from a 40 mile wide by 120 mile long strip extending from John Day to the Snake River and continuing into Idaho (Orr and Orr, 2010). Due to the prolific mineralization in this area numerous historical mines are present in the area surrounding the Cracker Creek Property. Madin et al. (2016) identified 20 historical mines in the immediate vicinity of the Property with significant recorded production or extensive workings (Figure 16). The majority of historical mining operations were small and focused on extracting high value ore from surface and relatively shallow depths compared to modern standards. Surface, underground and placer mining was conducted in the area with the most mines ceasing production by the end of WWII. It is widely reported that the majority of mines ceased production without exhausting their resources (Madin et al., 2016).

As of 2016, there are 4 metal mines: Buffalo Mine, Corey Meadow Mine, Great American Mine, and Golden Ibex and 2 Industrial Minerals Mines: Baboon Creek and Marble Creek Quarry that are listed as active mines in the immediate vicinity of the Property (Madin et al., 2016). The Buffalo and Golden Ibex Mines are discussed briefly below. No additional information is available for any of the other operations. In the greater vicinity, the active Bonanza Mine is located 20 miles (30km).

*Figure 16 - Adjacent Properties*



The Buffalo Mine is located approximately 9 miles (15 km) northwest of the Property. Gold mineralization is hosted in quartz veins chiefly contained in argillite which are similar to those seen at Cracker Creek (Lindgren, 1901). The Buffalo deposit was discovered in mid-1880's with production beginning in 1903. From 1903 to 1958 the mine was continually active. From 1958-2016 activity was confined to exploration and development of veins at greater depth and reprocessing of tailings material. There is about 10,000 feet of drifts and crosscuts divided among four adit level (USDAFS, 2006). The ownership of the Property was the subject of a lawsuit in the late 2010's. Current status could not be confirmed.

The Bonanza Property, currently held by Marathon Gold Corp., is located 20 km southwest of the Cracker Creek Property. The Bonanza property encompasses the Bonanza Mine, a historical underground mine along with 6 other historical mines/occurrences. Production from the Bonanza mine totalled approximately 99,937.4 oz of gold from 128,514 tons (short tons) of ore mined from small scale underground workings. Underground workings were developed to a depth of 365.8 m (1,200 ft) in the late 1890s and early 1900s. Subsequently, limited exploration was completed by various companies in the 1950's, 1970's and in 2011. Gold mineralization is hosted in several, sub-vertical quartz veins that are associated with shear zones and faults in the Elkhorn Ridge Argillite. The mineralization is interpreted to be of hydrothermal replacement origin related to a nearby Jurassic-Cretaceous granitoid pluton. Marathon Gold acquired the Property in 2011 to assess the potential of economic mineralization below the 200-ft level, along the lateral extensions of the Bonanza vein, North vein and South vein, the presence of zones of higher grade disseminated mineralization, and additional mineralization along the contacts or under the Tertiary cover. Marathon has completed no exploration on the Property to date (Marathon Gold, 2013, 2019).

The Golden Ibex Property is currently held Golden Ibex Inc. The property consists of 13 patented mining claims located approximately 10 miles (16 km) west of Sumpter and 5 miles (8 km) southwest of the Cracker Creek Property. The Golden Ibex property hosts the historical Ibex Mine. The Ibex Mine was an underground mining operation with one known shaft and reached subsurface depths of 183 meters (600 feet). Mineralization in the area is hosted in a composite quartz vein consisting of a silicified argillite-quartz breccia cut by strands of quartz. The quartz vein cuts through Cretaceous granodiorite-tonalite of the Bald Mountain Batholith and the Elkhorn Ridge Argillite. Mined ore comprised cinnabar, marcasite and pyrargyrite with waste material consisting primarily of quartz and calcite. The mineralized vein extends 4,267 meters (14,000 feet) in length and is 7 meters (25 feet) wide. No recent exploration on the property is reported.

The authors have been unable to verify the information for the Adjacent Properties described in this section. The information described for the Adjacent Properties in this section is not necessarily indicative of the mineralization on the Property that is the subject of this Technical Report.

## Interpretation and Conclusions

### *Results and Interpretations*

The Cracker Creek Project is an intermediate stage exploration project that has seen moderate exploration, drilling and small scale mining completed on the Property in the early and mid 1900's and then intermittently from 1981-1991. Previous work includes sampling, drilling, metallurgical studies, historical reserve and resource estimates and small scale mining. The Authors have reviewed the historical data provided by Lode Metals.

The Property comprises 84 claims, consolidated into 61 parcels, consisting of 42 patented lode claims, 17 patented placer claims, 3 patented mill site claims, and 20 fee land parcels. The claims have been recently acquired by Lode Metals under an EPOM with CCGC signed on November 9th, 2020. Lode Metals can acquire a 100% interest in the Cracker Creek Property with the payment of a number of cash payments over time. Cracker Creek retains a 2.5% NSR.

The Cracker Creek Property is located in the Blue Mountains province which historically has accounted for approximately 75% of Oregon's gold production. Four historical mines are located on the Property: North Pole, Eureka and Excelsior, and Columbia. Additionally, the Property lies within a prolific belt, with numerous historical mines located in the immediate vicinity of the Property including Bonanza, Buffalo, Corey Meadow and Ibex.

Modern exploration on the Property was completed between 1980 and 1991 by two joint ventures BMI-AMAX (1980-1982) and Simplot (1990-1991). During these periods the companies re-opened several of the historical mines, drove new drifts and completed surface and underground sampling, and core drilling. In total 112 drill holes were completed on the Property both from surface and underground.

Numerous underground core holes completed in 1981-1982 and 1990-1991 along the E & E No. 1 level returned excellent assay results. Holes with grades greater than 10 g/t (0.292 oz/st) Au were distributed over 550 m (1,800 ft) of strike length along the E & E No. 1 Level where it is positioned below the North Pole 2 to 4 portals and workings. The area where the drilling was conducted starts about 550 m (1,800 ft) northeast along strike from the main E & E Portal on the 1720 ft level. Gold highlights including 59.1 g/t (1.724 oz/st) over 1.4 m core length in EE14, 64.28 g/t (1.875 oz/st) over 1.4 m core length in hole EE17, and 23.21 g/t (0.677 oz/st) over 4 m core length in EE30 by AMAX/BMI, and 13.03 g/t (0.38 oz/st) over 2.79 m core length in hole EE40, 10.32 g/t (0.301 oz/st) over 1.31 m core length in hole EE43 and 12.89 g/t (0.376 oz/st) over 2.63 m core length in hole EE61 in holes drilled by Simplot.

Surface drilling in 1990 – 1991 at the Columbia – Eureka mine areas yielded a number of gold highlights including 41.11 g/t (1.2 oz/st) over 1.6 m core length in hole 90-01, 11.90 g/t (0.347 oz/st) over 2.3 m core length in hole 90-03, 14.64 g/t (0.427 oz/st) over 1.48 m core length in hole 90-06, 13.24 g/t (0.386 oz/st) over 2.63 m core length in hole 91-1-45, 15.98 g/t (0.466 oz/st) over 11.16 m core length in hole 91-2-45 and 5.45 g/t (0.159 oz/st) over 7.02 m core length in hole 91-7-60.

No drilling has been completed on the property since 1991.

In 2020, Lode Metals commissioned APEX to complete a data compilation and review of historical data for the Property and conduct a ground geophysical surveying program. The data compilation focused on assembling all available historical drill data into a digital database, reviewing historical mining, exploration, resource estimates, collating historical maps of underground workings and all geological data. Drill hole locations and assay results were compiled for 109 drill holes extending across the main area of mineralization on the Property, including a number of holes associated with the historical mines: Eureka and Excelsior, North Pole and Columbia.

The ground geophysical surveys included the capture of ground MAG and VLF data between December 15, 2020 and January 27, 2021. The surveys were completed over the area encompassing the main mineralized zone including the areas underlain by the historical E & E, North Pole and Columbia mines. The survey grid encompassed an area covering approximately 300 hectares (ha). The MAG and VLF surveys were completed over the same grid which totalled approximately 29-line kilometers with lines spaced at approximately 100 m. Preliminary data processing and interpretation of the magnetics data indicate that regional structures are clearly delineated by the data; the Cracker Creek vein is associated with a clear trend of demagnetization along the length of the vein. Final data processing and interpretation of the MAG and VLF data is currently ongoing.

At the Effective Date of this Technical Report, Lode Metals has not carried out any production, mineral processing, or metallurgical test work at the Property, however, past property owners have produced several variations of historical metallurgical testing for the recovery of gold from high-grade gold veins.

Two types of gold mineralization from Cracker Creek have been evaluated to date: gouge and highly siliceous vein material. Historical studies indicated that the gouge material represents approximately 20% of the mineralized material and requires de-sliming to provide acceptable gold and silver recoveries and high-grade concentrates.

The historical metallurgical results have been erratic, with most of the variability due to variations in sample mineralogy and head grade, the lack of sample control and identification, and differences between the practices of the metallurgical laboratories used. Modern and well constrained metallurgical testing is required to establish the gold recovery by gravity, flotation and other appropriate methods.

Several resources have been calculated for the Cracker Creek vein from 1981-1999 as summarized in Table 9 and are briefly discussed below. Neither the Authors nor a QP have conducted sufficient work to classify any of the estimates discussed below as current mineral resources or reserves as per the CIM Definition Standards for Mineral Resources & Mineral Reserves (2014) and the CIM Estimation of Mineral Resources & Mineral Reserves Best Practice Guidelines (2019). The Authors have not done sufficient work to classify any of the estimates discussed below as current mineral resources or reserves and is treating these estimates as historical in nature and not current mineral resources or mineral reserves. These historical estimates are presented only for the purpose of describing the extent of gold mineralization and to outline the exploration potential.

The historical reserve and resource estimates are backed up by four generations of either underground channel sampling and/or surface and underground core drilling. The historical proven and probable reserves range from 133,200 tons at a grade of 0.38 oz/st (13 g/t) Au to 320,100 tons at a grade of 0.3 oz/st (10.3 g/t) Au. The historical inferred resources (often termed possible reserves) range from 639,800 tons at a grade of 0.38 oz/st (13 g/t) Au up to 1,198,000 tons at a grade of 0.31 oz/st (10.6 g/t) Au (Table 9). The Authors have not done sufficient work to classify any of the estimates discussed as current mineral resources or reserves and is treating these estimates as historical in nature and not current mineral resources or mineral reserves. These historical estimates are presented only for the purpose of describing the extent of gold mineralization and to outline the exploration potential of the Cracker Creek vein to provide a future mineral resource with further work.

Mr. Dufresne visited the Cracker Creek Property on September 15 and 16, 2020. The Lead Author collected samples for assay and located several historical workings. The Lead Author collected rock samples, examined and sampled historical core and visited several historical workings while at the Property. Most of the historical workings on the Property were found to be completely or partially reclaimed and inaccessible. The Jevne adit is the only historical adit which remains accessible. A total of 8 rock samples of quartz and argillite were collected near and around the North Pole, Columbia and E & E historical workings. A total of 3 surface rock grab samples returned anomalous gold and/or silver results including 1.96 g/t Au and 2.21 g/t Ag from a sample above North Pole adit; 0.47 g/t Au and 1.26 g/t Ag from a composite grab sample from the North Pole area and 3.72 g/t Au and 20.4 g/t Ag from Columbia dump material.

*Table 9 - Summary of historical mineral reserve and resource estimations completed on the Cracker Creek Property.*

**A) In situ, reserve estimations - proven and probable**

| | | Proven | | Probable | | Proven and Probable Total | | | |
|---|---|---|---|---|---|---|---|---|---|
| **Reserve estimation company** | **Date of estimate** | **Short tons ('000)** | **Grade (oz/st)** | **Short tons ('000)** | **Grade (oz/st)** | **Short tons ('000)** | **Grade (oz/st)** | **Cutoff (oz/st)** | **Total Oz (*000)** |
| AMAX | Oct. 1982 | 100.0 | 0.38 | 33.2 | 0.36 | 133.2 | 0.38 | 0.18 | 50.6 |
| Brooks Minerals | Oct. 1982 | 164.0 | 0.32 | 139.8 | 0.29 | 303.8 | 0.31 | 0.18 | 94.2 |
| AMAX/Brooks | Mar. 1983 | 135.3 | 0.36 | 66.7 | 0.32 | 202.0 | 0.34 | ? | 68.7 |
| Arrowhead | 1999 | 186.7 | 0.31 | 133.4 | 0.28 | 320.1 | 0.19 | 0.19 | 96 |

**B) In situ, reserve estimations - inferred**

| | | Inferred | | |
|---|---|---|---|---|
| **Reserve estimation company** | **Date of estimate** | **Short tons ('000)** | **Grade (oz/ton)** | **Total Oz (*000)** |
| AMAX | Oct. 1982 | 639.8 | 0.38 | 243.1 |
| Brooks Minerals | Oct. 1982 | 1,078.9 | 0.31 | 334.5 |
| AMAX/Brooks | Mar. 1983 | 1,198.0 | 0.31 | 371.4 |
| Arrowhead | 1999 | 1,063.8 | 0.28 | 297.9 |

Note: The estimates provided above are historical reserve and resource estimations that predate CIM Definition Standards on Mineral Resources and Mineral Reserves and NI 43-101 Regulations. A QP has not done sufficient work to classify the historical estimations as current mineral resources, and the Authors and the Corporation, are not treating any of the historical estimations as current mineral reserves or resources.

Core from historical Simplot 1990 – 1991 drill holes is well organized and stored in a dry storage unit in Baker City. During the site visit the Authors examined drill core from 4 high interest holes from the 1991 Simplot drill program. A total of 12 composite samples of broken up core pieces were collected effectively quartering the core from 2 holes for assay. The samples were sent to ALS labs in North Vancouver, BC, Canada for analysis.

The quarter core composite samples returned assay results comparable with historical assays for similar zones. Samples from drill hole 91-2-45 returned an average grade of 12.43 g/t (0.363 oz/st) Au over 29 ft (8.8 m); historical assays for a similar zone returned an average grade of 15.98 g/t (0.466 oz/st) Au. Composite samples from drill hole 91-7-60 returned and average grade of 4.57 g/t (0.133 oz/st) Au over an interval of 8.4 ft (2.56 m); comparable to historical assays of 5.45 g/t (0.159 oz/st) Au over 23 ft (7.02 m) from a large zone that included the 2020 sampled core. The sampling by the Author partially validates a portion of the historical drill core sample assay results.

Based on the review of historical information, the Property visit by the QP and recent assay results, the Lead Author considers the Cracker Creek Property a property of significant merit that requires further exploration and delineation work. The Cracker Creek vein deposit lies in a prolific mining district with past production from historical mines on the Property of approximately 450,000 to greater than 500,000 oz Au averaging 0.55 oz/st (18.9 g/t) to 0.64 oz/st (21.9 g/t) Au. The mineralized Cracker Creek vein has been delineated across the length of the Property. Historical drilling has defined excellent strike continuity and a steep downward dip. Additionally, other adjacent veins and the on-strike projections of the Cracker Creek vein remain essentially unexplored. Historical mining focused on relatively shallow underground workings indicates that the deeper mineralization needs to be assessed with modern exploration techniques.

### *Risks and Uncertainties*

Additional work needs to be completed at Cracker Creek to develop information on the grade and continuity of mineralized shoots within the vein system at all four mine areas. Based on the work to date, how the vein and grades persist to depth is undefined.

Although the Cracker Creek vein is manifest as a strong, continuous and wide structure, the high grade mineralized zone within the structure is narrower than the full vein width, and often comprises multiple shoots on the hangingwall, footwall and sometimes within the vein structure. Additionally, economic type grades may have continuity issues both along strike and up and down dip.

Potentially economic grade zones appear to be mostly concentrated along the footwall of the main vein but can also occur as en echelon quartz cutting across the main vein at an acute angle, as breccia zones and as gougy material with lesser quartz in the footwall of the main structure. Historical metallurgical testing suggests there could be different recoveries for each of the different mineralization types, with some of the recoveries considered to be poor.

Repeated fault movements in, across and along the main vein have been documented pre- syn- and post mineralization complicating control on the localization of the ore shoots. There is some evidence of bottoming out of the mineralized zones that has been presented by AMAX including a general decrease in grade with depth, a decrease in stoping with depth and the fact that few of the historical reserve/resource blocks are greater than 0.5 oz/st (17.14 g/t) Au given the historical mill head average grades of well over these grades.

There is no modern information on the metallurgy and processing to determine realistic costs and eventual cutoff grades. The cutoff grade employed could significantly affect any future resource estimation. A significant amount of reclamation has been conducted and many of the old portals and shafts are in disrepair or completely reclaimed. Discussion with an engineer who was involved with much of the rehabilitation of the underground workings in the 1980's indicated the workings were in very poor shape then and even with the 1980's effort to rehabilitate a number of the workings, would most likely be in poor shape now. Environmental and permitting issues need to be addressed.

DOGAMI representatives have expressed a willingness to approve a mining permit application for the Cracker Creek Property with the proviso that they would not look favourably on an application that contemplated the use of cyanide on the property although it is permitted in Oregon (BHLK, 2012a)

### Recommendations

Cracker Creek offers an excellent opportunity to explore for and develop a small to mid-size precious metal deposit. The mineralized Cracker Creek vein structure has been delineated across the length of the Property and extends for over 5 miles (8 km). Other adjacent veins and the on-strike projections of the Cracker Creek vein remain essentially underexplored. Historically, the Cracker Creek vein structure is reported to have produced more than 450,000 oz to 500,000 oz of gold at an average grade of 0.55 to 0.64 oz/st (18.86 to 21.94 g/t) gold. Drilling and underground sampling by AMAX-BMI and Simplot during the 1980's to early 1990's identified unmined mineralization that could be targeted for mineral resources and potentially future mining development.

No modern exploration techniques have been employed at the Property to either extend the known mineralization along strike and at depth, to identify new mineralization along strike or to assess parallel veins historically identified and mined in the area. A phased approach is recommended starting with a Phase 1 surface exploration program comprised of detailed geological mapping, resampling of historical drill core, rock and soil sampling in combination with additional ground geophysical surveys, a LIDAR survey to produce a detailed digital terrain model in combination with a structural study. Phase 1 should also include historical data compilation and validation, the initiation of drill permitting for the Phase 2 drill program, and the initiation of any required baseline monitoring surveys. An airborne geophysical survey such as a Versatile Time Domain Electromagnetic (VTEM) and magnetic survey should be considered as part of the Phase 1 program. The estimated cost of the Phase 1 program is US$400,000 (CDN$500,000; Table 10).

The Phase 2 program is contingent on the positive results from Phase 1 and will only be completed if the Phase 1 results warrant further work. Historical drilling and underground sampling has delineated significant gold mineralization along 2.5 km of the Cracker Creek vein structure. Confirmation drilling is recommended along the extent of the vein to verify assays, continuity and the depth extent of mineralization. In addition, a modern metallurgical program is required, therefore a number of PQ core holes should be completed as part of the confirmation drilling program. The Phase 2 core drilling program should include approximately 15 confirmation core holes drilled with HQ core and 5 metallurgical holes completed using PQ core. The Phase 2 program should comprise about 4,000 m of core drilling and include a small amount of follow-up field work along with a number of metallurgical studies. The estimated cost to conduct the Phase 2 program is US$1,520,000 (CDN$1,900,000; Table 10). The Phase 2 program should culminate with 3D geological modelling of the historical and new drilling leading to a maiden mineral resource estimate.

*Table 10 - (APEX 43-101) Recommended 2020-2021 Program and Budget*

| **Phase 1** | |
|---|---|
| **Activity Type** | **Cost** |
| Geological Mapping & Structural Interpretation | $50,000 |
| Rock & Soil Sampling (4 weeks) along with Historical Core sampling | $100,000 |
| Ground Geophysical Surveying, Processing and Interpretation | $50,000 |
| Drone/Lidar DTM and Structural mapping | $50,000 |
| Data compilation and Validation | $50,000 |
| Airborne VTEM and Magnetic Survey | $110,000 |
| Permitting, Base Line Data Surveys & Consultation | $50,000 |
| Contingency ~10% | $40,000 |
| **Phase 1 Activities Subtotal** | CDN$500,000 |

| Phase 2 | | | | | |
|---|---|---|---|---|---|
| **Property** | **Cost/ft (All-in)** | **Cost/m (approx.)** | **Quantity (ft)** | **Quantity (m)** | **Cost** |
| Follow Up Sampling & Mapping | | | | | $100,000 |
| HQ Core 15 holes (Infill Holes) | $106/ft | $350/m | 9,840 | 3,000 | $1,050,000 |
| PQ Core 5 holes (Met Holes) | $137/ft | $450/m | 3,280 | 1,000 | $450,000 |
| Mineral Resource Modelling | | | | | $50,000 |
| Metallurgical Studies | | | | | $100,000 |
| Contingency ~10% | | | | | $150,000 |

| Phase 2 | |
|---|---|
| **Phase 2 Activities Subtotal** | CDN$1,900,000 |
| **Grand Total** | CDN$2,600,000 |

### Additional Claims Staked

Between December 2020 and June 2021, the Company completed staking 128 additional claims on the Cracker Creek claim block. The newly acquired claims are contiguous with the existing claims, adding approximately 1,800 acres to the existing Cracker Creek claim block. These newly acquired claims are not discussed in the Technical Report.

## USE OF AVAILABLE FUNDS

### Proceeds

The Corporation is not raising any funds in conjunction with this Prospectus. Accordingly, there are no proceeds to the Corporation in connection with the filing of this Prospectus.

### Investment To Date

The Corporation has spent approximately $905,000 from January 2021 through October 2021 to complete most of the Phase 1 objectives and some of the Phase 2 objectives, including mineral resource modelling and metallurgical studies. In addition, a digital database and a 3D digital model using the available historic data are being developed to use both as a spatial library/archive and predictive tool for mineralized trends - the Corporation expects that these projects will be completed by the end of Q1 2022.

### Funds Available

The Corporation has working capital of approximately $2,400,000 as of October 31, 2021, being the most recent month end before this Prospectus, which includes $1,248,865 held in escrow under the Subscription Receipt Financing and the residual of $1,220,999 representing the net proceeds of the Special Warrant Financings. The Corporation anticipates that the remaining costs to list on the Exchange will be $75,000. As a result, the Corporation will have $2,325,000 funds available for the purposes described below.

### Use of Available Funds

Management anticipates applying its available funds in the following manner over the next 12 months:

| **Use of Funds** | **Funds to be Expended ($)** |
|---|---|
| Phase 2 Exploration Program(1) | $1,400,000 |
| General and administrative expenses(2) | $550,000 |
| Cash payment required under the Option Agreement | $250,000 |
| Unallocated working capital | $125,000 |
| **Total** | $2,325,000 |

Notes:

(1) See "*Business Objectives and Milestones*" below.

(2) General and administrative expenses are summarized as follows: Balance of the Exchange's application fee, Exchange's listing fees and transfer agent fees ($35,000), general office costs ($213,000), professional fees ($72,000) and management fees ($230,000).

Notwithstanding the foregoing, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary for the Corporation to achieve its objectives. There can be no assurance that additional funding required by the Corporation will be available if required. However, it is anticipated that the available funds will be sufficient to satisfy the Corporation's objectives over the next 12 months.

The Corporation had negative cash flow from operating activities for the six months ended July 31, 2021 and the financial year ended January 31, 2021 that was not sufficient to cover its capital expenditures and debt servicing requirements. To the extent the Corporation has negative cash flows in future periods, the Corporation may use a portion of its general working capital to fund such negative cash flow. Operating cash flow may decline in certain circumstances, many of which are beyond the Corporation's control. If the Corporation does not achieve positive cash flow, it will be necessary for the Corporation to raise additional equity or debt. There is no assurance that additional equity or debt will be available to the Corporation or on terms acceptable to the Corporation.

Due to the nature of the business of mineral exploration, budgets are regularly reviewed with respect to both the success of the exploration program and other opportunities which may become available to the Corporation.

**The Corporation intends to spend the net funds available to it as stated in this Prospectus. However, there may be situations where, due to change of circumstance, outlook, research results and or business judgment, a reallocation of funds is necessary in order for the Corporation to achieve its overall business objectives.**

**Business Objectives and Milestones**

The Corporation intends to use $1,400,000 of its available funds to further Phase 2 exploration objectives as outlined above. See *"Cracker Creek Property*".

The Corporation is focused on discovering economic ounces and expanding and converting its existing historic resource base within its flagship project Cracker Creek, located in northeastern Oregon. The Corporation will use a systematic phase-based exploration program to advance its Cracker Creek project over the next few years. The Cracker Creek Phase 1 and 2 programs will be focused on the conversion and expansion of the historic resource through core drilling and geotechnical holes to conduct metallurgical work as indicated by the build-out of the 3D digital model utilizing historic data (underground & surface geology, structure, channel samples, rock and soil sampling and drilling).

The ongoing 2021 Phase 1 program has consisted of relogging and sampling historical core (circa 1990), compiling and validating historic data (geologic mapping, rock & soil samples, drill hole compilation and survey data), 3D digital model (+16 adit miles of workings, channel samples and underground drilling), airborne Lidar acquisition, ground based geophysics (Vlf & magnetics) acquisition and interpretation, structural data compilation and interpretation, drill program permitting and initial metallurgical and mining scoping work. The Corporation expects that the Phase 1 program will be completed by the end of Q4 2021.

The Phase 2 program is contingent on the positive results from Phase 1 and will only be completed if the Phase 1 results warrant further work. Historical drilling and underground sampling has delineated significant gold mineralization along 2.5 km of the Cracker Creek vein structure. Confirmation drilling is recommended along the extent of the vein to verify assays, continuity and the depth extent of mineralization. The Phase 2 core drilling program should include approximately 15 confirmation core holes drilled with HQ core and 5 metallurgical holes completed using PQ core. The Phase 2 program should comprise about 4,000 m of core drilling and include a small amount of follow-up field work along with a number of metallurgical studies. The Phase 2 program should culminate with 3D geological modelling of the historical and new drilling leading to a maiden mineral resource estimate.

## DIVIDEND POLICY

The Corporation has not, since the date of its incorporation, declared or paid any dividends on the Common Shares and does not currently have a policy with respect to the payment of dividends. For the foreseeable future, the Corporation anticipates that it will retain future earnings and other cash resources for the operation and development of its business. As such, there are no plans to pay dividends. The payment of dividends in the future, if any, will be determined by the Board in its sole discretion on the basis of the earnings and financial requirements of the Corporation as well as other conditions existing at such time.

## SELECTED FINANCIAL INFORMATION

The following table sets forth selected financial information for the six months ended July 31, 2021 and the financial years ended January 31, 2021 and 2020. This summary financial information should be read in conjunction with the audited financial statements of the Corporation and related notes as well as the Management's Discussion and Analysis attached as Schedule C.

| | **Six months ended July 31, 2021 (Unaudited) $** | **Financial year ended January 31, 2021 (Audited) $** | **Financial year ended January 31, 2020 (Audited) $** |
|---|---|---|---|
| Total Revenue | Nil | Nil | Nil |
| Net Loss and Comprehensive Loss for the Period | 184,143 | 18,715 | 8,515 |
| Basic and Diluted Loss Per Share | 0.01 | 0.00 | 0.00 |
| Total assets | 2,973,380 | 53,989 | 61,573 |
| Total non-current liabilities | Nil | Nil | Nil |
| Distributions or cash dividends declared per-share | Nil | Nil | Nil |

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The Corporation's management's discussion and analysis for the six months ended July 31, 2021 and the financial years ended January 31, 2021 and 2020 (audited) are attached as Schedule C.

## DESCRIPTION OF THE SECURITIES DISTRIBUTED

### Authorized Capital

The Corporation is authorized to issue an unlimited number of Common Shares without nominal or par value. As of the date hereof, 39,425,719 Common Shares are issued and outstanding as fully paid and non-assessable.

### Description of the Common Shares

Holders of Common Shares have the following rights and restrictions:

Holders of Common Shares are entitled to receive notice of, attend and vote at, all meetings of the shareholders of the Corporation (except with respect to matters requiring the vote of a specified class or series voting separately as a class or series) and are entitled to one vote for each Common Share on all matters to be voted on by shareholders at meetings of the shareholders of the Corporation.

Holders of Common Shares are entitled to receive such dividends, if, as and when declared by the Board, in its sole discretion. All dividends which the Board may declare shall be declared and paid in equal amounts per Common Share on all Common Shares at the time outstanding.

On liquidation, dissolution or winding up of the Corporation, the holders of Common Shares will be entitled to receive the property of the Corporation remaining after payment of all outstanding debts on a pro rata basis, but subject to the rights, privileges, restrictions and conditions of any other class of shares issued by the Corporation.

There are no pre-emptive, redemption, sinking or purchase fund provisions or conversion rights attached to the Common Shares. All Common Shares, when issued, are and will be issued as fully paid and non-assessable Common Shares without liability for further calls or to assessment.

### Description of the Subscription Receipts

The Corporation closed the Subscription Receipt Financing on September 22, 2021 and issued an aggregate of 3,612,316 Subscription Receipts. Pursuant to and in accordance with the Subscription Receipt Agreement, upon satisfaction of the Escrow Release Conditions, each Subscription Receipt will be automatically converted and immediately thereupon cancelled, without any further action by the holder of such Subscription Receipt, and for no additional consideration, into one Subscription Receipt Share.

The Corporation has provided to each Subscription Receipt holder a contractual right of rescission of the prospectus exempt transaction under which the Subscription Receipt was initially acquired.

The contractual right of rescission provides that if a Subscription Receipt holder who acquires another of the Corporation's securities on exercise of the Subscription Receipt as provided for in this Prospectus is, or becomes, entitled under the securities legislation of a jurisdiction to the remedy of rescission because of the Prospectus or an amendment to the Prospectus containing a misrepresentation, then:

(a) the Subscription Receipt holder is entitled to rescission of the conversion of the Subscription Receipt and the Offering;

(b) the Subscription Receipt holder is entitled in connection with the rescission to a full refund of all consideration paid to the Corporation on the acquisition of the Subscription Receipt; and

(c) if the Subscription Receipt holder is a permitted assignee of the interest of the original Subscription Receipt subscriber, the holder is entitled to exercise the rights of rescission and refund as if such holder was the original subscriber.

Upon conversion of the Subscription Receipts into Common Shares, holders of the Common Shares shall be entitled to vote at all meetings of the holders of Common Shares and, subject to the rights of holders of any shares ranking in priority to or on a parity with the Common Shares, to participate rateably in any distribution of the Corporation's property or assets upon liquidation or winding-up.

**Description of the Special Warrants**

On September 7, 2021, the Corporation issued an aggregate of 2,307,142 Special Warrants at a price of $0.35 per Special Warrant and received gross proceeds of $807,499.70 from the sale of the Special Warrants pursuant to the First Special Warrant Financing. On October 1, 2021, the Corporation issued an aggregate of 1,224,284 Special Warrants at a price of $0.35 per Special Warrant and received gross proceeds of $428,499 from the sale of the Special Warrants pursuant to the Second Special Warrant Financing. Finder's fees of $14,999.96 were paid to certain finders in connection with the Second Special Warrant Financing.

The Corporation has provided to each Special Warrant holder a contractual right of rescission of the prospectus exempt transaction under which the Special Warrant was initially acquired.

The contractual right of rescission provides that if a Special Warrant holder who acquires another of the Corporation's securities on exercise of the Special Warrant as provided for in this Prospectus is, or becomes, entitled under the securities legislation of a jurisdiction to the remedy of rescission because of the Prospectus or an amendment to the Prospectus containing a misrepresentation, then:

(a) the Special Warrant holder is entitled to rescission of both the holder's exercise of its Special Warrant and the private placement transaction under which the Special Warrant was initially acquired;

(b) the Special Warrant holder is entitled in connection with the rescission to a full refund of all consideration paid to the Corporation on the acquisition of the Special Warrant; and

(c) if the Special Warrant holder is a permitted assignee of the interest of the original Special Warrant subscriber, the holder is entitled to exercise the rights of rescission and refund as if such holder was the original subscriber.

Upon conversion of the Special Warrants into Common Shares, holders of the Common Shares shall be entitled to vote at all meetings of the holders of Common Shares and, subject to the rights of holders of any shares ranking in priority to or on a parity with the Common Shares, to participate rateably in any distribution of the Corporation's property or assets upon liquidation or winding-up.

## CONSOLIDATED CAPITALIZATION

The following table summarizes the Corporation's consolidated capitalization as at the date hereof, July 31, 2021, January 31, 2021, and January 31, 2020. The table should be read in conjunction with the financial statements, including the notes thereto, included elsewhere in this Prospectus.

| Description | As at the date of this Prospectus | As at July 31, 2021 (Unaudited) | As at January 31, 2021 (Audited) | As at January 31, 2020 (Audited) |
|---|---|---|---|---|
| Common Shares | 39,425,719 | 39,082,719 | 5,472,004 | 5,472,004 |
| Subscription Receipts | 3,612,316 | Nil | Nil | Nil |
| Special Warrants | 3,531,426 | Nil | Nil | Nil |

| Description | As at the date of this Prospectus | As at July 31, 2021 (Unaudited) | As at January 31, 2021 (Audited) | As at January 31, 2020 (Audited) |
|---|---|---|---|---|
| Options | 3,832,500 | 3,632,500 | Nil | Nil |

## OPTIONS TO PURCHASE SECURITIES

### *Stock Options*

As of the date of this Prospectus, there are 3,832,500 Stock Options issued and outstanding.

| Optionee | Number of Stock Options | Exercise Price | Expiry Date |
|---|---|---|---|
| Present and past executive officers as a group(1) | 1,050,000 | $0.15 | April 30, 2026 |
| Present and past directors as a group(2) | 750,000 | $0.15 | April 30, 2026 |
| Present and past employees as a group | Nil | N/A | N/A |
| Present and past consultants as a group | 1,082,500 | $0.15 | April 30, 2026 |
| | 750,000 | $0.15 | May 12, 2026 |
| | 200,000 | $0.15 | August 30, 2026 |

**Notes**

(1) This information applies to two present and past executive officers of the Corporation, one of which is also a director of the Corporation.

(2) This information applies to three directors of the Corporation. Directors who are also executive officers are excluded from this figure.

## PRIOR SALES

The following table summarizes issuances of securities by the Corporation for the 12-month period before the date of this Prospectus.

| Date | Number/Type of Securities | Issue/Exercise Price per Security | Nature of Issuance |
|---|---|---|---|
| October 1, 2021 | 1,224,284 Special Warrants | $0.35 | Private Placement |
| September 22, 2021 | 3,612,316 Subscription Receipts | $0.35 | Private Placement |
| September 7, 2021 | 2,307,142 Special Warrants | $0.35 | Private Placement |
| August 30, 2021 | 200,000 Options | $0.15 | Option Grant(1) |
| August 6, 2021 | 343,000 Common Shares | N/A | Consideration Shares(2) |
| May 12, 2021 | 750,000 Options | $0.15 | Option Grant(3) |
| April 30, 2021 | 2,882,500 Options | $0.15 | Option Grant(4) |
| March 26, 2021 | 17,485,715 Common Shares | N/A | Consideration Shares(5) |
| March 12, 2021 | 8,225,000 Common Shares | $0.10 | Private Placement |
| February 9, 2021 | 7,900,000 Common Shares | $0.02 | Private Placement |

**Notes:**

(1) Issued to a consultant of the Corporation. Each Option is exercisable for one Common Share at a price of $0.15 until August 30, 2026.

(2) Issued pursuant to the RC Agreement. See *"Business of the Corporation – History*".
(3) Issued to Romatex Trading AG in consideration for consulting services. Each Option is exercisable for one Common Share at a price of $0.15 until May 12, 2026.
(4) Issued to officers, directors and consultants of the Corporation. Each Option is exercisable for one Common Share at a price of $0.15 until April 30, 2026.
(5) Issued pursuant to the Share Exchange Agreement. See "*Business of the Corporation – History*".

## ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

### Escrowed Securities

#### *Securities Subject to Escrow Pursuant to NP 46-201*

In accordance with National Policy 46-201 – *Escrow for Initial Public Offerings* ("**NP 46-201**"), all securities of an company that are owned or controlled by its principals (or spouses of its principals) will be escrowed at the time of the Corporation's initial public offering ("**IPO**"), unless the securities held by the Principals, or issuable to the Principals upon conversion of convertible securities held by the principals, collectively represent less than 1% of the total issued and outstanding shares of the Corporation after giving effect to the offering.

Uniform terms of automatic timed-release escrow apply to principals of exchange-listed issuers, differing only according to the classification of the Corporation. As it is expected that the Corporation will be classified as an "emerging issuer" for the purposes of NP 46-201, it is anticipated that the following automatic timed releases will apply to the securities held by its principals:

| **Date** | **% of Escrowed Securities Released** |
|---|---|
| The Listing Date | 1/10 of the escrowed securities |
| On the date 6 months following the Listing Date | 1/6 of the remaining escrowed securities |
| On the date 12 months following the Listing Date | 1/5 of the remaining escrowed securities |
| On the date 18 months following the Listing Date | 1/4 of the remaining escrowed securities |
| On the date 24 months following the Listing Date | 1/3 of the remaining escrowed securities |
| On the date 30 months following the Listing Date | 1/2 of the remaining escrowed securities |
| On the date 36 months following the Listing Date | The remaining escrowed securities |

To the knowledge of the Corporation, as of the date of this Prospectus, a total of 3,150,001 Common Shares and 1,550,000 Stock Options will be deposited into escrow pursuant to the terms of an escrow agreement (the "**Escrow Agreement**") dated November 17, 2021 among Kenneth Tullar, James Yates, Thomas Lewis, David Patterson (collectively, the "**Principals**"), the Corporation and the Escrow Agent.

Pursuant to the terms of the Escrow Agreement, the securities of the Corporation held in escrow may be transferred within escrow to an individual who is a director or senior officer of the Corporation or of a material operating subsidiary of the Corporation, subject to the approval of the Board, or to a person or company that before the proposed transfer holds more than 20% of the voting rights attached to the Corporation's outstanding securities, or to a person or company that after the proposed transfer will hold more than 10% of the voting rights attached to the Corporation's outstanding securities and that has the right to elect or appoint one or more directors or senior officers of the Corporation or of any of its material operating subsidiaries.

Pursuant to the terms of the Escrow Agreement, upon the bankruptcy of a holder of escrowed securities, the securities held in escrow may be transferred within escrow to the trustee in bankruptcy or other person legally entitled to such securities. Upon the death of a holder of escrowed securities, all securities of the deceased holder will be released from escrow to the deceased holder's legal representative.

The Escrow Agreement also provides that escrowed securities can be transferred within escrow to a financial institution on the realization of escrowed securities pledged, mortgaged or charged by the holder of such escrowed securities to the financial institution as collateral for a loan. Pursuant to the terms of the Escrow Agreement, escrowed securities may also be transferred within escrow to or between registered retirement savings plans, registered retirement income funds or other similar registered plans or funds with a trustee, where the annuitant of such plans or funds, or the beneficiaries of the other registered plan or funds are limited to the holder and his or her spouse, children and parents, or in the case of a trustee of such a registered plan or fund, to the annuitant of the registered plan or fund, or a beneficiary of the registered plan or fund, as applicable, or his or her spouse, children and parents.

Pursuant to the terms of the Escrow Agreement, 10% of each Principal's escrowed securities (a total of 315,000 Common Shares and 155,000 Stock Options) will be released from escrow on the date the Common Shares are listed on the Exchange (the "**Listing Date**"). The remaining 2,835,001 Common Shares which will be held in escrow immediately following the Listing Date will represent 7.19% of the Common Shares issued and outstanding as at the date of this Prospectus.

### Other Contractual Restrictions on Transfer

The 17,485,715 Common Shares issued to the 226 Shareholders pursuant to the Share Exchange Agreement are subject to contractual restrictions on transfer. The Share Exchange Agreement provides that these Common Shares will be released from these transfer restrictions over 18 months from the Listing Date as follows: 20% three (3) months after the Listing Date, 15% six (6) months after the Listing Date, 15% nine (9) months after the Listing Date, 20% 12 months after the Listing Date, 15% 15 months after the Listing Date and 15% 18 months after the Listing Date. See "*Business of the Corporation – Acquisition of the Cracker Creek Property*" for more information on the Share Exchange Agreement.

## PRINCIPAL SHAREHOLDERS

To the knowledge of the directors and officers of the Corporation, as of the date of this Prospectus, (i) no person beneficially owns or exercises control or direction over Common Shares carrying more than 10% of the votes attached to the currently outstanding Common Shares and (ii) assuming the exercise of the Subscription Receipts and the Special Warrants, no person beneficially will own or exercise control or direction over Common Shares carrying more than 10% of the votes attached to then outstanding Common Shares.

## DIRECTORS AND EXECUTIVE OFFICERS

The following table and notes below set forth the name, province or state and country of residence, position held with the Corporation, principal occupation during the preceding five years, date of initial appointment as a director and/or executive officer of the Corporation (if applicable) and the number of Common Shares beneficially owned by each person who is a director and/or an executive officer of the Corporation.

As of the date of this Prospectus, the Board consists Kenneth Tullar, James Yates, Thomas Lewis, and David Patterson. Directors will be elected annually, and they are expected to hold office until the Corporation's next annual meeting of shareholders, at which time they may be re-elected or replaced.

| | | | | **Number of Common Shares Owned or Controlled** | |
|---|---|---|---|---|---|
| **Name and Province or State of Residence** | **Age** | **Position(s) with the Corporation** | **First Appointed as Director/Executive Officer** | **As at the date of this Prospectus[(3)]** | **Following the exercise of the Subscription Receipts[(4)]** |
| Kenneth Tullar<br>Nevada | 64 | President, Chief Executive Officer and Director | Apr 12, 2021 | 2,000,001<br>(5.07%) | 2,000,001<br>(4.29%) |
| Thomas Lewis[(1)]<br>Washington State | 67 | Director | Apr 12, 2021 | 350,000<br>(0.89%) | 350,000<br>(0.75%) |
| James Yates[(1)]<br>British Columbia | 79 | Director | Apr 12, 2021 | 350,000<br>(0.89%) | 350,000<br>(0.75%) |
| David Patterson[(1)(2)]<br>British Columbia | 67 | Director | Apr 12, 2021 | 100,000<br>(0.25%) | 100,000<br>(0.21%) |
| Gavin Cooper<br>British Columbia | 74 | Chief Financial Officer and Corporate Secretary | Aug 5, 2021 | 350,000<br>(0.89%) | 350,000<br>(0.75%) |

**Notes:**
(1) Member of the Audit Committee.
(2) Chair of the Audit Committee.
(3) Percentage is based on 39,425,719 Common Shares issued and outstanding as of the date of this Prospectus.
(4) Percentage is based on 46,569,461 Shares issued and outstanding following the exercise of all the Subscription Receipts and the Special Warrants.

### Term of Office

The term of office of the directors expires annually at the time of the Corporation's annual general meeting. The term of office of the executive officers expires at the discretion of the Corporation's directors. None of the Corporation's directors or executive officers have entered into non-competition or non-disclosure agreements with the Corporation.

As at the date of this Prospectus, the directors and executive officers of the Corporation as a group beneficially own, directly or indirectly, or exercised control or discretion over an aggregate of 3,150,001 Common Shares of the Corporation, which is equal to 8.0% of the Common Shares issued and outstanding as at the date hereof.

Following the exercise of all the Subscription Receipts, the directors and executive officers of the Corporation as a group beneficially own, directly or indirectly, or exercised control or discretion over an aggregate of 3,150,001 Common Shares of the Corporation, which is equal to 6.8% of the Common Shares issued and outstanding following the exercise of all the Subscription Receipts and the Special Warrants.

**Biographical Information**

The principal occupations of each of the Corporation's directors and executive officers within the past five years are disclosed in the brief biographies set forth below.

*Kenneth Tullar, President, Chief Executive Officer and Director*

Mr. Tullar is the President, Chief Executive Officer and a director of the Corporation. Mr. Tullar has more than 20 years of experience in the development and operation of resource companies. Mr. Tullar was the Chief Operating Officer of Nevada Exploration Inc., a Nevada-based public gold exploration company, from July 2006 to October 2020.

Mr. Tullar holds a Bachelor of Science (Geological Engineering) from the University of Alaska, Fairbanks. Mr. Tullar is a member of the American Institute of Professional Geologists.

Mr. Tullar serves in his capacity with the Corporation on a full-time basis, devoting approximately 90% of his time to the Corporation.

*James Yates, Director*

Mr. Yates is a director of the Corporation. Mr. Yates is an independent businessman with more than 20 years of experience in corporate development and the financing of resource companies. Mr. Yates financed and developed to production the Crowfoot Lewis open-pit gold mine in Nevada. He was formerly a director of ESO Uranium Corp., a mineral exploration company focused on uranium exploration, a former director of Canyon Copper, an exploration and resource company with an advanced mineral resource property in Nevada and a founding director of Alpha Exploration, which developed a uranium deposit and merged with Fission Uranium.

Mr. Yates serves in his capacity with the Corporation on a part-time basis, devoting approximately 5% of his time to the Corporation.

*Thomas Lewis, Director*

Mr. Lewis is a director of the Corporation. Mr. Lewis is the President, Chief Executive Officer and a director of Lithium Corporation, a Nevada-based public exploration company, since October 2009. Mr. Lewis has more than 38 years' experience in the oil and gas and mineral exploration industries. He has held various positions including project geologist, project manager, senior project geologist, and vice president exploration. He also was an integral member of the development team that explored, and developed the Cortez Hills deposit in Crescent Valley Nevada.

Mr. Lewis holds a Bachelor of Science (Geology) from Brandon University, and a Diploma (Petroleum and Mineral Land Management) from Mount Royal University, Calgary.

Mr. Lewis serves in his capacity with the Corporation on a part-time basis, devoting approximately 5% of his time to the Corporation.

*David Patterson, Director*

Mr. Patterson is a director of the Corporation. Mr. Patterson is currently the Chief Executive Officer of Vested.ca, a Vancouver-based crowdfunding platform. Mr. Patterson has been involved with the administration of exploration companies based in North America for more than 30 years. He has also been a director and/or officer of several public companies listed on the TSXV and the CSE.

Mr. Patterson holds a Master of Business Administration from Simon Fraser University (1991) and a Bachelor of Arts from Simon Fraser University (1977).

Mr. Patterson serves in his capacity with the Corporation on a part-time basis, devoting approximately 5% of his time to the Corporation.

*Gavin Cooper, Chief Financial Officer and Corporate Secretary*

Mr. Cooper is the Chief Financial Officer and Corporate Secretary of the Corporation. Mr. Cooper is a Chartered Professional Accountant with extensive experience in all aspects of corporate and financial management. For the past 35 years, Mr. Cooper has been providing strategic and financial advice and corporate administration services and has held senior positions with a number of public and private companies with local and international operations. He is currently the CFO of Gold Bull Resources Corp., Kutcho Copper Corp., and MineHub Technologies Corp. and acts as CFO, corporate secretary and director of various other public and private companies.

Mr. Cooper holds a Hons. Bachelor of Accounting from the University of South Africa and is a member of the Chartered Professional Accountants of British Columbia.

Mr. Cooper serves in his capacity with the Corporation on a part-time basis, devoting approximately 15% of his time to the Corporation.

## Cease Trade Orders, Bankruptcies, Penalties or Sanctions and Conflicts Of Interest

### *Cease Trade Orders*

No director or executive officer of the Corporation (nor any personal holding corporation of any of such persons) is, as of the date of this Prospectus, or was within 10 years before the date of this Prospectus, a director, CEO or CFO of any corporation (including the Corporation), that: (i) was subject to an Order that was issued while the director or executive officer was acting in the capacity as a director, CEO or CFO; or (ii) was subject to an Order that was issued after the director or executive officer ceased to be a director, CEO or CFO and which resulted from an event that occurred while that person was acting in the capacity as a director, CEO or CFO.

An “Order” means a cease trade order, an order similar to a cease trade order or an order that denied the relevant corporation access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days.

### *Bankruptcies*

No director or executive officer of the Corporation (nor any personal holding corporation of any of such persons), or shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation, (i) is as of the date of this Prospectus or has been within 10 years before the date of this Prospectus, a director or executive officer of a corporation (including the Corporation) that while that person was acting in such 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 (ii) has within the 10 years before the date of this Prospectus become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or has been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such director, executive officer or shareholder.

### *Penalties or Sanctions*

Other than as disclosed below, to the knowledge of the Corporation, no director or executive officer of the Corporation (nor any personal holding corporation of any of such persons), or shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation, has been subject to: (i) 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 (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Mr. Patterson, a director of the Corporation, entered into a settlement agreement and agreed statement of facts with the BCSC on October 13, 2000 for failing to file certain insider trading reports pertaining to trades by a trust over which he had no direction or control. Mr. Patterson was fined $40,000 (and $10,000 costs) and was prohibited from acting as a director or officer of public companies for a period of 15 months (expired January 14, 2021).

### *Conflicts of Interest*

To the knowledge of the Corporation, there are no known existing or potential conflicts of interest between the Corporation and its directors or officers as a result of their outside business interests except that certain of the Corporation's directors and officers serve as directors and officers of other companies, which means that a conflict may arise between their duties to the Corporation and their duties as a director or officer of such other companies.

## EXECUTIVE COMPENSATION

"**Named Executive Officer**" or "**NEO**" means the CEO, CFO and each of the three most highly-compensated executive officers, other than the CEO and the CFO, who were serving as executive officers at the end of the most recently completed fiscal year 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 Corporation at the end of the most recently completed financial year end. Kenneth Tullar (CEO) and Gavin Cooper (CFO) are the current NEOs of the Corporation. Both were appointed to their roles subsequent to year end.

The Corporation relies solely on board discussion to determine compensation paid to executives and directors, without any formal objectives, criteria or analysis. As the Corporation is still in the developmental stage as a junior mining company, it is anticipated that the Corporation's compensation program will consist primarily of stock options.

### Summary Compensation Table

The following table sets out information concerning the compensation paid to each of the Corporation's NEOs and directors, excluding compensation securities, for the financial years ending January 31, 2021 and 2020.

| Table of Compensation (excluding compensation securities) | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Name and position(s)** | **Year Ended January** | **Salary, consulting fee, retainer or commission ($)** | **Bonus ($)** | **Committee or meeting fees ($)** | **Value of perquisites ($)** | **Value of all other compensation ($)** | **Total Compensation ($)** |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Kenneth Tullar, President, Chief Executive Officer and Director(1) | 2021 | N/A | N/A | N/A | N/A | N/A | N/A |
| | 2020 | N/A | N/A | N/A | N/A | N/A | N/A |
| Gavin Cooper, CFO and Corporate Secretary(2) | 2021 | N/A | N/A | N/A | N/A | N/A | N/A |
| Marlis Yassin, Former CFO and Corporate Secretary(3) | 2021 | Nil | Nil | Nil | Nil | Nil | Nil |
| | 2020 | N/A | N/A | N/A | N/A | N/A | N/A |
| Marcelin O'Neill, Former CEO, CFO and Former Director(4) | 2021 | 6,375 | Nil | Nil | Nil | Nil | 6,375 |
| | 2020 | 6,000 | Nil | Nil | Nil | Nil | 6,000 |

**Notes:**

(1) Kenneth Tullar was appointed CEO and President after the financial year end on April 12, 2021

(2) Gavin Cooper was appointed as CFO and Corporate Secretary on August 5, 2021.

(3) Marlis Yassin was appointed CFO on January 27, 2021 and resigned as CFO and Corporate Secretary on August 5, 2021.

(4) Marcelin O'Neill resigned as CFO on January 27, 2021 and as CEO and a director on April 12, 2021

### Stock Options and Other Compensation Securities

The following table sets out information regarding compensation securities granted or issued to each NEO and director by the Corporation as of the date of this Prospectus. As of the date of this Prospectus, 3,832,500 Stock Options have been granted. The Corporation has adopted a 10% rolling stock option plan (the "**Stock Option Plan**").

| Compensation Securities | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Name and position(s)** | **Type of compensation security** | **Number of compensation securities, number of underlying securities, and percentage of class** | **Date of grant** | **Issue, conversion or exercise price ($)** | **Closing price of security or underlying security on date of grant ($)** | **Closing price of security or underlying security at year end ($)** | **Expiry date** |
| Kenneth Tullar President, Chief Executive Officer and Director | Stock Options | 800,000 (20.87%) | April 30, 2021 | $0.15 | N/A | N/A | April 30, 2026 |
| Gavin Cooper, CFO and Corporate Secretary(1) | Stock Options | Nil | N/A | N/A | N/A | N/A | N/A |
| Marlis Yassin, Former CFO and Corporate Secretary(2) | Stock Options | 250,000 (6.52%) | April 30, 2021 | $0.15 | N/A | N/A | April 30, 2026 |
| James Yates, Director | Stock Options | 250,000 (6.52%) | April 30, 2021 | $0.15 | N/A | N/A | April 30, 2026 |
| Thomas Lewis, Director | Stock Options | 250,000 (6.52%) | April 30, 2021 | $0.15 | N/A | N/A | April 30, 2026 |
| David Patterson Director | Stock Options | 250,000 (6.52%) | April 30, 2021 | $0.15 | N/A | N/A | April 30, 2026 |

**Notes:**
(1) Gavin Cooper was appointed as CFO and Corporate Secretary on August 5, 2021.
(2) Marlis Yassin resigned as CFO and Corporate Secretary on August 5, 2021.

## Stock Option Plan

The Stock Option Plan reserves for issuance a maximum of 10% of the Common Shares at the time of a grant of options under the Stock Option Plan. The Stock Option Plan will be administered by the Board (or, if the Board elects, a committee) and provides for grants of non-transferable options under the Stock Option Plan to eligible persons who are bona fide employees, consultants, directors or corporations employing or wholly owned by such employees, consultants, or directors, to whom Stock Options should be granted (each an "**Eligible Person**").

The exercise price of Stock Options granted under the Stock Option Plan will be determined by the Board. Following listing of the Common Shares on the Exchange, the exercise price must not be lower than the greater of the closing market prices of the Common Shares on: (a) the trading day prior to the date of grant of the Stock Options; and (b) the date of grant of the Stock Options.

The number of Common Shares reserved for issuance under the Plan shall not exceed 5% of the issued Common Shares of the Corporation to any one person (and companies wholly owned by that person) in any 12- month period, calculated on the date the Stock Option is granted.

The term of any Stock Options granted under the Stock Option Plan will be fixed by the Board.

If an option holder holds his or her Stock Options as an employee, management company employee or consultant and such option holder ceases to be an employee, management company employee or consultant for any reason other than death, such employee, management company employee or consultant shall have rights to exercise any Stock Option not exercised prior to such termination (but only to the extent that such Stock Option has vested on or before the date the option holder ceased to be so employed or provide services to the Corporation) within a reasonable period of time after the date of termination, as set out in the option holder's Option Certificate, such "reasonable period" not to exceed ninety (90) days after termination. However, if: (i) the option holder ceases to be an employee as a result of termination for cause; (ii) a management company employee of a person providing management services to the Corporation as a result of termination for cause; or (iii) an employee, management company employee or consultant of the Corporation as a result of an order made by any regulatory authority having jurisdiction to so order, in which case the expiry date shall be the date the option holder is terminated by the Corporation. In no case will a Stock Option be exercisable later than the expiry date of such Stock Option fixed by the Board at the time the Stock Option is awarded to the option holder. If such cessation as an Eligible Person is on account of death, the Stock Options terminate on within the lesser of one (1) year from the date of the Option Holder's death or the Expiry Date of the Option.

If a director, consultant or employee dies prior to the expiry of his or her Stock Option, his or her legal representatives may, within the lesser of one (1) year from the date of the option holder's death or the expiry date of the Stock Option, exercise that portion of an Option granted to the director, consultant or employee under the Stock Option Plan which remains outstanding.

The Stock Option Plan also provides for adjustments to outstanding options if the Corporation is a party to a reorganization, merger, amalgamation, arrangement, sale of assets or undertaking, winding up or dissolution or its Common Shares are exchanged or reclassified in any way, whether or not the Corporation is the surviving entity. Moreover, upon a change of control, all Stock Options outstanding under the Stock Option Plan shall become immediately vested.

The directors of the Corporation may, at their discretion at the time of any grant, impose a schedule over which period of time Stock Options will vest and become exercisable by the optionee. If a Stock Option is cancelled before its expiry date, the Corporation may not grant new Stock Options to the same holder until 30 days have elapsed from the date of cancellation.

Subject to any required approval of the Exchange, the Board may, by resolution, amend or terminate this Plan, but no such amendment or termination shall, except with the written consent of the Option Holders concerned, affect the terms and conditions of Options previously granted under this Plan which have not then been exercised or terminated.

**Director Compensation**

The Corporation intends to grant Stock Options to the directors of the Corporation under the Stock Option Plan at an exercise price determined in accordance with the Stock Option Plan, and vesting in accordance with the terms of the Stock Option Plan. The Corporation does not currently pay any other compensation to the Corporation's directors. Directors will be reimbursed for their out-of-pocket expenses incurred in connection with rendering services to the Corporation.

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As of the date hereof, there was no indebtedness owing to the Corporation from any of its directors or executive officers or any associate of such person, including in respect of indebtedness to others where the indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement provided by the Corporation.

## AUDIT COMMITTEE

### Composition of the Audit Committee

The Audit Committee is comprised of David Patterson, Thomas Lewis and James Yates. David Patterson is the Chair of the Audit Committee. Each of the members of the Audit Committee is considered to be "independent" and "financially literate" within the meaning of NI 52-110 – *Audit Committees* ("**NI 52-110**"). For the purposes of NI 52-110, 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 Corporation's financial statements. All members of the Audit Committee have experience reviewing financial statements and dealing with related accounting and auditing issues. Set out below is a description of the education and experience of each Audit Committee member that is relevant to the performance of his or her responsibilities as an audit committee member.

| Audit Committee Member | Relevant Education and Experience |
|---|---|
| David Patterson | Member of the audit committee and board of directors of various publicly listed companies trading on the TSXV and CSE. In that capacity, has reviewed and approved financial statements prior to filing. |
| Thomas Lewis | Executive officer of publicly listed companies trading in the TSXV and VSE. |
| James Yates | Member of the audit committee and board of directors of a publicly listed company trading on the TSXV. In that capacity, has reviewed and approved financial statements prior to filing. |

### Pre-Approval Policies and Procedures

Pursuant to the Audit Committee Charter, a copy of which is attached as Schedule "A", external auditors must obtain the Audit Committee's pre-approval before commencing any non-audit service not prohibited by law.

### External Auditor Service Fees

The approximate aggregate fees billed by the Corporation's external auditors for the financial years ended January 31, 2021 and 2020 are as follows:

| Financial Years | Audit Fees(1) | Tax Fees(2) | All Other Fees(3) | Total |
|---|---|---|---|---|
| 2021 | Nil | Nil | Nil | Nil |
| 2020 | Nil | Nil | Nil | Nil |

Notes:

(1) "Audit Fees" are the fees necessary to perform the audit of the Corporation's financial statements for the financial years ended January 31, 2021 and 2020, including accounting consultations, a review of matters reflected in the financial statements and audit or other services required by legislation or regulation, such as comfort letters, consents and reviews of securities filings.

(2) "Tax Fees" are fees other than those included in Audit Fees for tax services.

(3) "All Other Fees" include all other non-audit services.

### Exemption for Venture Issuers

Pursuant to Section 6.1 of NI 52-110, the Corporation is exempt from the requirements of Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110.

## CORPORATE GOVERNANCE

### The Board

The Board is comprised of Kenneth Tullar, James Yates, Thomas Lewis, and David Patterson. Mr. Tullar is not considered to be independent within the meaning of NI 52-110. For the purposes of NI 52-110, a director is considered "independent" if he or she has no direct or indirect material relationship with the Corporation. A material relationship is one which could, in the view of the Corporation's board, be reasonably expected to interfere with the exercise of a member's independent judgment. Mr. Tullar is not considered to be independent because Mr. Tullar is the President and Chief Executive Officer of the Corporation.

To safeguard independence, the independent directors are encouraged to have open and frank discussions at the regularly scheduled meetings and, if necessary, require that the non-independent directors leave the meeting while such discussions are undertaken.

The following directors of the Corporation are also directors of other reporting issuers:

| Director | Name of Other Reporting Issuer and Exchange |
|---|---|
| Kenneth Tullar | N/A |
| James Yates | Gold Bull Resources Corp., TSXV |
| Thomas Lewis | Lithium Corporation, OTCQB |
| David Patterson | Blockmint Technologies Inc., TSXV<br>XPLORE Resource Corp., TSXV<br>Snowy Owl Gold Corp., CSE<br>Quebec Nickel Corp., CSE |

### Board Mandate

The Board is responsible for managing the business and affairs of the Corporation and, in doing so, must act honestly and in good faith with a view to the best interests of the Corporation. Pursuant to the Board Mandate, the Board is responsible for approving long-term goals and objectives for the Corporation, ensuring the plans and strategies necessary to achieve those objectives are in place and supervising senior management who is responsible for the implementation of long-term strategies and day-to-day management of the Corporation. The Board retains a supervisory role and ultimate responsibility for all matters relating to the Corporation and its business. The Board discharges its responsibilities both directly and through its standing committee (the Audit Committee) and any ad hoc committee it may establish to address issues of a more short-term nature.

### Orientation

The Corporation has not yet developed an official orientation or training program for directors. If and when new directors are added, however, they have the opportunity to become familiar with the Corporation by meeting with other directors and officers of the Corporation. As each director has a different skill set and professional background, orientation and training activities are and will continue to be tailored to the particular needs and experience of each director.

**Ethical Business Conduct**

The Board conducts itself with high business and moral standards and follows all applicable legal and financial requirements. The Board have not adopted a written code of ethics for its directors, officers, employees and consultants.

The Board has concluded that the fiduciary duties placed on individual directors by the Corporation's governing corporate legislation and the common law, as well as the restrictions placed by applicable corporate legislation on the individual director's participation in decisions of the Board in which the director has an interest, are sufficient to ensure that the Board operates independently of management and in the best interests of the Corporation and its shareholders.

**Nomination of Directors**

The full Board will be involved in the nomination of new candidates for board positions. Board members will be asked for recommendations of people that they know of or have heard of that would contribute to the success of the Corporation if added to the board of directors.

**Compensation**

The Corporation does not have a compensation committee. The Board is responsible for determining all forms of compensation, including long-term incentives in the form of Stock Options to be granted to directors, officers and consultants of the Corporation. The Board is also responsible for reviewing recommendations for compensation of the Chief Executive Officer and other officers of the Corporation, to ensure such arrangements reflect the responsibilities and risks associated with each position.

When determining the compensation of its officers, the Board will consider: (i) recruiting and retaining officers critical to the success of the Corporation and the enhancement of shareholder value; (ii) providing fair and competitive compensation (iii) balancing the interests of management and the Corporation's shareholders; and (iv) rewarding performance, both on an individual basis and with respect to operations in general.

**Other Board Committees**

The Corporation has no other committees other than the audit committee.

**Assessments**

Any committee of the directors and individual directors are assessed on an ongoing basis by the Board in their entirety. The Board has not yet, adopted formal procedures for assessing the effectiveness of the board, the audit committee or individual directors.

## PLAN OF DISTRIBUTION

This Prospectus qualifies the distribution of 3,612,316 Subscription Receipt Shares to be issued, without additional payment, upon the exercise or deemed exercise of 3,612,316 Subscription Receipts, and the distribution of 3,531,426 Special Warrant Shares to be issued, without additional payment, upon the automatic exercise of 3,531,426 Special Warrants.

No securities are being offered or sold pursuant to this Prospectus. This Prospectus is being filed by the Corporation with its overseeing regulators. Since no securities are being offered pursuant to this Prospectus, no proceeds will be raised and no agent or underwriter is involved.

### Listing of Common Shares

The Corporation has applied to list the Common Shares on the Exchange. Listing will be subject to the Corporation fulfilling all of the listing requirements of the Exchange.

As at the date of the Prospectus, the Corporation 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, a U.S. marketplace, or a marketplace outside of Canada and the United States of America. See "*Risk Factors*".

## RISK FACTORS

The Corporation has identified the following risks relevant to its business and operations, which could materially affect the Corporation's operating results, financial performance and the value of the Common Shares. Prospective investors should carefully consider their personal circumstances and consult their broker, lawyer, accountant or other professional adviser before making an investment decision. The information below does not purport to be an exhaustive summary of the risks affecting the Corporation, and additional risks and uncertainties not currently known to the officers or directors of the Corporation or not currently perceived as being material may have an adverse effect on the business of the Corporation.

### General

The Corporation is in the business of exploring mineral properties, which is a highly speculative endeavor. A purchase of any of the securities offered hereunder involves a high degree of risk and should be undertaken only by purchasers whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. An investment in the securities offered hereunder should not constitute a major portion of an individual's investment portfolio and should only be made by persons who can afford a total loss of their investment. Prospective purchasers should evaluate carefully the following risk factors associated with an investment in the Corporation's securities prior to purchasing any of the securities offered hereunder.

### Insufficient Capital

The Corporation does not currently have any revenue producing operations and may, from time to time, report a working capital deficit. To maintain its activities, the Corporation will require additional funds which may be obtained either by the sale of equity capital or by entering into an option or joint venture agreement with a third party providing such funding. There is no assurance that the Corporation will be successful in obtaining such additional financing; failure to do so could result in the loss or substantial dilution of the Corporation's interest in the Cracker Creek Property.

The continued operation of the Corporation will be dependent upon its ability to procure additional financing. The Corporation does not generate revenue and there is no timeline established as to when revenue may be generated for operations, if ever. There can be no assurance that any revenue can be generated or that other financing can be obtained. If the Corporation is unable to generate such revenue in the future or obtain such additional financing, any investment in the Corporation may be lost. In such event, the probability of resale of the Common Shares purchased would be diminished.

### Exploration and Development

Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by the Corporation may be affected by numerous factors which are beyond the control of the Corporation and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection, the combination of which factors may result in the Corporation not receiving an adequate return of investment capital.

There is no assurance that the Corporation's mineral exploration and development activities will result in any discoveries of commercial bodies of gold or base metals. The long-term profitability of the Corporation's operations will in part be directly related to the costs and success of its exploration programs, which may be affected by a number of factors. Substantial expenditures are required to establish mineral resources and mineral reserves through drilling and subsequent economic evaluation activities and 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.

**No Established Market**

Concurrently with the filing of this Prospectus, the Corporation will make an application for listing on the Exchange. Listing is subject to the Corporation fulfilling all of the listing requirements of the Exchange, including meeting all minimum listing requirements.

There is currently no market through which the Corporation's securities may be sold. Even if a market develops, there is no assurance that the price of the Common Shares purchased by shareholders will reflect the market price of the Common Shares once a market has developed. If an active public market for the Common Shares does not develop, the liquidity of a shareholder's investment may be limited and the Common Share price may decline below the price paid by the shareholder.

**Limited Business History**

The Corporation has only recently commenced operations and has no history of operating earnings. The likelihood of success of the Corporation must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any business. The Corporation has limited financial resources and there is no assurance that additional funding will be available to it for further operations or to fulfill its obligations under applicable agreements. There is no assurance that the Corporation can generate revenues, operate profitably, or provide a return on investment, or that it will successfully implement its plans.

**High Risk, Speculative Nature of Investment**

An investment in the Common Shares carries a high degree of risk and should be considered speculative by purchasers. There is little probability of dividends being paid on the Common Shares in the foreseeable future.

**Liquidity Concerns and Future Financing Requirements**

The Corporation may require additional financing in order to fund its ongoing exploration program on the Cracker Creek Property. The ability of the Corporation to arrange such financing in the future will depend in part upon prevailing capital market conditions, as well as the business success of the Corporation. There can be no assurance that the Corporation will be successful in its efforts to arrange additional financing on terms satisfactory to the Corporation. If additional financing is raised by the issuance of Common Shares from treasury, control of the Corporation may change and shareholders may suffer additional dilution. The further exploration and development of the Cracker Creek Property and any other mineral properties in which the Corporation may hold an interest will also require additional equity or debt financing. Failure to obtain additional financing could result in delay or indefinite postponement of further exploration and development or forfeiture of some rights in the Corporation's mineral properties. Events in the equity market may impact the Corporation's ability to raise additional capital in the future.

If available, future equity financing may result in substantial dilution to current shareholders of the Corporation. At present, it is impossible to determine what amounts of additional funds, if any, may be required.

**Cracker Creek Property Interest**

The Corporation maintains access and exploration rights to the Cracker Creek Property through the acquisition and maintenance of patented and unpatented mining claims. There is no guarantee the Corporation will be able to raise sufficient funding in the future to explore and develop the Cracker Creek Property. If the Corporation loses or abandons its interest in the Cracker Creek Property, there is no assurance that it will be able to acquire another mineral property of merit or that such an acquisition would be approved by the Exchange. There is also no guarantee that the Exchange will approve the acquisition of any additional properties by the Corporation, whether by way of option or otherwise, should the Corporation wish to acquire any additional properties.

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 the funds required for development can be obtained on a timely basis. The discovery of mineral deposits is dependent upon a number of factors. The commercial viability of a mineral deposit once discovered is also dependent upon a number of factors, some of which relate to particular attributes of the deposit, such as size, grade and proximity to infrastructure, and some of which are more general factors such as metal prices and government regulations, including environmental protection. Most of these factors are beyond the control of the Corporation. In addition, because of these risks, there is no certainty that the expenditures to be made by the Corporation on the exploration of the Cracker Creek Property as described herein will result in the discovery of commercial quantities of gold or base metals.

The Corporation has no history of operating earnings and the likelihood of success must be considered in light of problems, expenses, etc., which may be encountered in establishing a business.

**Financing Risks**

The Corporation has no history of earnings and, due to the nature of its business, there can be no assurance that the Corporation will be profitable. The Corporation has paid no dividends on its Common Shares since incorporation and does not anticipate doing so in the foreseeable future. The only present source of funds available to the Corporation is through the sale of its securities.

Even if the results of exploration are encouraging, the Corporation may not have sufficient funds to conduct the further exploration that may be necessary to determine whether or not a commercially mineable deposit exists on the Cracker Creek Property. While the Corporation may generate additional working capital through further equity offerings or through the sale or possible syndication of its one or more of its properties, there is no assurance that any such funds will be available. If available, future equity financing may result in substantial dilution to current shareholders of the Corporation. At present it is impossible to determine what amounts of additional funds, if any, may be required.

**COVID-19**

The Corporation's business, operations and financial condition could be materially and adversely affected by the outbreak of epidemics or pandemics or other health crises, including the recent outbreak of COVID-19. On January 30, 2020, the World Health Organization declared the outbreak a global health emergency, on March 12, 2020, the World Health Organization declared the outbreak a pandemic. To date, there have been temporary business closures, quarantines and a general reduction in consumer activity in nearly all parts of the world. The outbreak has caused companies and most international jurisdictions to impose travel, gathering and other public health restrictions. While these effects are expected to be temporary, the duration of the various disruptions to businesses locally and internationally and the related financial impact cannot be reasonably estimated at this time. If the pandemic is prolonged, including through subsequent waves, or if additional variants of COVID-19 emerge which are more transmissible or cause more severe disease, or if other diseases emerge with similar effects, the adverse impact on the economy could worsen.

Such public health crises can result in volatility and disruptions in the supply and demand for minerals, global supply chains and financial markets, as well as declining trade and market sentiment and reduced mobility of people, all of which could affect commodity prices, interest rates, credit ratings, credit risk and inflation. The risks to the Corporation of such public health crises also include risks to employee health and safety, a slowdown or temporary suspension of operations impacted by an outbreak, increased labour and fuel costs, regulatory changes, political or economic instabilities or civil unrest. The extent to which the COVID-19 pandemic continues to impact the Corporation's results, business, financial condition or liquidity will depend on future developments in Canada, the U.S. and globally, including the development and widespread availability of efficient and accurate testing options, effective treatment options or vaccines and the spread of new variant strains of the virus. Despite the approval of certain vaccines by the regulatory bodies in Canada and the U.S., the ongoing evolution of the COVID-19 outbreak continues to raise uncertainty.

**Negative Operating Cash Flow**

The Corporation has negative operating cash flow. The failure of the Corporation to achieve profitability and positive operating cash flows could have a material adverse effect on the Corporation's financial condition and results of operations. To the extent that the Corporation has negative cash flow in future periods, the Corporation may need to deploy a portion of its cash reserves to fund such negative cash flow. The Corporation expects to continue to sustain operating losses in the future until it generates revenue from the commercial production of its properties. There is no guarantee that the Corporation will ever be profitable.

**Acquisition of Additional Mineral Properties**

If the Corporation loses or abandons its interest in the Cracker Creek Property, there is no assurance that it will be able to acquire another mineral property of merit or that such an acquisition would be approved by the Exchange. There is also no guarantee that the Exchange will approve the acquisition of any additional properties by the Corporation, whether by way of option or otherwise, should the Corporation wish to acquire any additional properties.

**Uninsurable Risks**

In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. It is not always possible to fully insure against such risks and the Corporation 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 increasing costs and a decline in the value of the securities of the Corporation.

**Permits and Government Regulations**

The future operations of the Corporation may require permits from various federal, state and local governmental authorities and will be governed by laws and regulations governing prospecting, development, mining, production, export, taxes, labour standards, occupational health, waste disposal, land use, environmental protections, mine safety and other matters. Before production can commence on any properties, the Corporation must obtain regulatory and environmental approvals. There is no assurance that such approvals can be obtained on a timely basis or at all. The cost of compliance, with changes in governmental regulations, has the potential to reduce the profitability of operations.

**Environmental and Safety Regulations and Risks**

Environmental laws and regulations may affect the operations of the Corporation. These laws and regulations set various standards regulating certain aspects of health and environmental quality. They provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are or were conducted. The permission to operate can be withdrawn temporarily where there is evidence of serious breaches of health and safety standards, or even permanently in the case of extreme breaches. Significant liabilities could be imposed on the Corporation for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of acquired properties or noncompliance with environmental laws or regulations. In all major developments, the Corporation generally relies on recognized designers and development contractors from which the Corporation will, in the first instance, seek indemnities. The Corporation intends to minimize risks by taking steps to ensure compliance with environmental, health and safety laws and regulations and operating to applicable environmental standards. There is a risk that environmental laws and regulations may become more onerous, making the Corporation’s operations more expensive.

**Mineral Titles**

The Cracker Creek Property may be subject to prior unregistered agreements, transfers or claims and title may be affected by undetected defects. There is no guarantee that title to such properties will not be challenged or impugned. The Corporation’s claims may be subject to prior unregistered agreements or transfers and title may be affected by unidentified or unknown defects. If title to the Corporation’s properties is disputed it may result in the Corporation paying substantial costs to settle the dispute or clear title and could result in the loss of the property, which events may affect the economic viability of the Corporation.

### Fluctuating Mineral Prices and Currency Risk

The ability of the Corporation to raise funds to continue exploration of the mineral properties in which it has an interest will be significantly affected by changes in the market price for raw materials. Prices for precious and base metals fluctuate on a daily basis, have historically been subject to wide fluctuations and are affected by numerous factors beyond the control of the Corporation such as global demand growth, world mine supply dynamics, currency fluctuations, interest rate changes, capital availability, speculative activities, and political developments. The effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Corporation not being able to continue its planned exploration programs. Declining market prices for these metals could materially adversely affect the Corporation’s operations and financial condition. Factors beyond the control of the Corporation may affect the marketability of metals discovered, if any. In addition, currency fluctuations may affect the cash flow which the Corporation may realize from its operations, since most mineral commodities are sold in a world market in U.S. dollars while the majority of the costs incurred by the Corporation are valued in Canadian dollars.

### Competition for Resources

The mining industry is intensely competitive in all its phases. The Corporation competes for the acquisition of mineral properties, claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees with many companies, some possessing greater financial resources and technical facilities than the Corporation. The competition in the mineral exploration and development business could have an adverse effect on the Corporation’s ability to acquire suitable properties or prospects for mineral exploration in the future. In addition, the Corporation’s ability to consummate and integrate effectively any future acquisitions on terms that are favourable may be limited by the number of attractive acquisition targets, internal demands on resources, competition from other mining companies and, to the extent necessary, the Corporation’s ability to obtain financing on satisfactory terms, if at all.

### Dependence on Management

The success of the Corporation is currently largely dependent on the performance of its directors and officers. The loss of the services of any of these persons could have a materially adverse effect on the Corporation’s business and prospects. There is no assurance the Corporation can maintain the services of its directors, officers or other qualified personnel required to operate its business. As the Corporation’s business activity grows, the Corporation will require additional key financial, administrative and mining personnel as well as additional operations staff. There can be no assurance that these efforts will be successful in attracting, training and retaining qualified personnel as competition for persons with these skill sets increase. If the Corporation 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 the Corporation’s operations and financial condition.

### Dilution

Subsequent issuances of securities including, but not limited to, Common Shares and Stock Options will result in a substantial dilution of the equity interests of existing shareholders.

### Tax Issues

Income tax consequences in relation to the Common Shares will vary according to the circumstances by each purchaser. Prospective purchasers should seek independent advice from their own tax and legal advisors prior to subscribing for Common Shares.

### Price Volatility of Publicly Traded Securities

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

### Conflicts of Interest

Some of the directors and officers are engaged and will continue to be engaged in the search for additional business opportunities on behalf of other corporations, and situations may arise where these directors and officers will be in direct competition with the Corporation. Conflicts, if any, will be dealt with in accordance with the relevant provisions of the *Business Corporations Act* (British Columbia). Some of the directors and officers of the Corporation are or may become directors or officers of other companies engaged in other business ventures.

### Stress in the Global Economy

Reduction in credit, combined with reduced economic activity and the fluctuations in global currencies, may adversely affect businesses and industries that purchase commodities, affecting commodity prices in more significant and unpredictable ways than the normal risks associated with commodity prices. The availability of services such as drilling contractors and geological service companies and/or the terms on which these services are provided may be adversely affected by the economic impact on the service providers. The adverse effects on the capital markets generally make the raising of capital by equity or debt financing much more difficult and the Corporation is dependent upon the capital markets to raise financing. Any of these events, or any other events caused by turmoil in world financial markets, may have a material adverse effect on the Corporation's business, operating results, and financial condition.

## LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Other than as disclosed elsewhere in this Prospectus, there are no legal proceedings material to the Corporation to which the Corporation is or was a party, or of which its property is or was the subject matter, since the date of the Corporation's incorporation and the Corporation knows of no such proceedings to be currently contemplated.

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

## INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed elsewhere in this Prospectus, no director, executive officer or principal shareholder or any of their respective associates or affiliates has any material interest, direct or indirect, in any transaction within the period from the date of incorporation to the date of this Prospectus, or in any proposed transaction, which has materially affected or is reasonably expected to materially affect the Corporation or any of its subsidiaries.

## AUDITORS

The auditors of the Corporation are Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants, located at 1500 - 1140 West Pender Street, Vancouver, British Columbia V6E 4G1.

## REGISTRAR AND TRANSFER AGENT

The registrar and transfer agent of the Corporation is Odyssey Trust Company, located at United Kingdom Building, 350-408 Granville Street, Vancouver, British Columbia V6C 1T2.

## MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business, the only material contracts which the Corporation has entered into since its incorporation before the date of this Prospectus or to which the Corporation will become a party on or prior to the filing of the final long form prospectus are the Share Exchange Agreement, the Subscription Receipt Agreement and the Escrow Agreement.

A copy of these material contracts will be available under the Corporation's profile on SEDAR at www.sedar.com.

## INTEREST OF EXPERTS

The legal matters relating to the securities offered hereby will be passed upon by Miller Thomson LLP, on behalf of the Corporation.

Dale Matheson Carr-Hilton Labonte LLP audited the financial statements of the Corporation for the financial years ended January 31, 2021 and 2020. Dale Matheson Carr-Hilton Labonte LLP have advised the Corporation that they are independent of the Corporation in accordance with the Rules of Professional Conduct of the Chartered Professional Accountants of British Columbia.

Certain information in this Prospectus relating to the Cracker Creek Property is summarized or extracted from the Technical Report, which was prepared for the Corporation by Michael Dufresne, M. SC, P. Geol., P. Geo. and Anetta Banas, M.Sc., P.Geo., whom are "qualified persons" and "independent" as defined in NI 43-101.

To the best knowledge of the Corporation, as at the date hereof, the aforementioned persons do not beneficially own, directly or indirectly, any securities of the Corporation.

## AGENT FOR SERVICE OF PROCESS

Kenneth Tullar, the President, Chief Executive Officer and a director of the Corporation, and Thomas Lewis, a director of the Corporation, both reside outside of Canada and have appointed the Corporation at its head office set forth above as its agent for service of process. Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person that resides outside of Canada, even if the person has appointed an agent for service of process.

# SCHEDULE A
# AUDIT COMMITTEE CHARTER

## LODE METALS CORP.

**LODE METALS CORP.**
**(the "Corporation" or "Company")**

**AUDIT COMMITTEE CHARTER**

## 1. Purpose

The Audit Committee (the "**Committee**") is a standing committee of the Board of Directors (the "**Board**") of the Corporation with the responsibility under the governing legislation of the Company to review the financial statements, accounting policies and reporting procedures of the Company.

The primary function of the Committee is to assist the Board of Directors in fulfilling its oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to any governmental body or the public, the systems of internal controls of the Company regarding finance, accounting and legal compliance that management and the Board have established, and the auditing, accounting and financial reporting processes of the Company generally. Consistent with this function, the Committee should encourage continuous improvement of, and should foster adherence to, the policies, procedures and practices at all levels of the Company.

The primary duties and responsibilities of the Committee are to:

- Serve as an independent and objective party to monitor the financial reporting process and the system of internal controls of the Company.
- Monitor the independence and performance of the auditor of the Company (the "Auditor") and the internal audit function of the Company.
- Provide an open avenue of communication among the Auditor, financial and senior management and the Board of Directors.

The Committee will primarily fulfill these responsibilities by carrying out the activities set out in Section 4 of this Charter.

## 2. Composition

- The Committee shall be comprised of two or more directors as determined by the Board of Directors. The composition of the Committee shall adhere to all applicable corporate and securities laws and all requirements of the stock exchanges on which shares of the Company are listed. In particular, the composition of the Committee shall be in accordance with Multilateral Instrument 52-110 – Audit Committees, and the required qualifications and experience of the members of the Committee, subject to any exemptions or other relief that may be granted from time to time.
- All members of the Committee shall have a working familiarity with basic finance and accounting practices, and at least one member of the Committee shall be a "financial expert" in accordance with applicable laws and all requirements of the stock exchanges on which shares of the Company are listed.
- Members of the Committee shall be elected by the Board at the meeting of the Board held immediately after the annual meeting of shareholders or such other times as shall be determined by the Board and shall serve until the next such meeting or until their successors shall be duly elected and qualified.
- Any member of the Committee may be removed or replaced at any time by the Board of Directors and shall cease to be a member of the Committee as soon as such member ceases to be a director. Subject to the foregoing, each member of the Committee shall hold such office until the next annual meeting of shareholders after his or her election as a member of the Committee.
- The members of the Committee shall be entitled to receive such remuneration for acting as members of the Committee as the Board of Directors may from time to time determine.

## 3. **Meetings**

- The Committee may appoint one of its members to act as Chairman of the Committee. The Chairman will appoint a secretary who will keep minutes of all meetings (the "Secretary"). The Secretary does not have to be a member of the Committee or a director and can be changed by written notice from the Chairman.

- No business may be transacted by the Committee except at a meeting at which a quorum of the Committee is present or by a consent resolution in writing signed by all members of the Committee. A majority of the members of the Committee shall constitute a quorum, provided that if the number of members of the Committee is an even number, one half of the number of members plus one shall constitute a quorum.

- The Committee will meet as many times as is necessary to carry out its responsibilities, but in no event will the Committee meet less than four times a year. The Committee shall meet at least once annually with the Auditor. As part of its duty to foster open communication, the Committee should meet at least annually with management and the Auditor in separate executive sessions to discuss any matters that the Committee or each of these parties believe should be discussed privately. In addition, the Committee shall meet with the Auditor and management at least quarterly to review the financial statements of the Company.

- The time at which, and the place where, the meetings of the Committee shall be held, the calling of meetings and the procedure in all respects of such meetings shall be determined by the Chairman, unless otherwise provided for in the Articles of the Company or otherwise determined by resolution of the Board of Directors.

- The Committee may invite to, or require the attendance at, any meeting of the Committee, such officers and employees of the Company, legal counsel or other persons as it deems necessary in order to perform its duties and responsibilities. They should also be requested or required to attend meetings of the Committee and make presentations to the Committee as appropriate.

- Subject to the provisions of the governing legislation of the Company and applicable regulations the Chairman of the Committee may exercise the powers of the Committee in between meetings of the Committee. In such event, the Chairman shall immediately report to the members of the Committee and the actions or decisions taken in the name of the Committee shall be recorded in the proceedings of the Committee.

## 4. **Responsibilities and Duties**

To fulfill its responsibilities and duties the Committee shall:

**Documents/Reports Review**

- Review and recommend for approval to the Board of Directors of the Company any revisions or updates to this Charter. This review should be done periodically, but at least annually, as conditions dictate.

- Review the interim unaudited quarterly financial statements and the annual audited financial statements, and the related press releases of the Company and report on them to the Board of Directors.

- Satisfy itself, on behalf of the Board of Directors, that the unaudited quarterly financial statements and annual audited financial statements of the Company are fairly presented both in accordance with generally accepted accounting principles and otherwise, and recommend to the Board of Directors whether the quarterly and annual financial statements should be approved.

- Satisfy itself, on behalf of the Board of Directors, that the information contained in the quarterly financial statements of the Company, annual report to shareholders and similar documentation required pursuant to the laws of Canada does not contain any untrue statement of any material fact or omit to state a material fact that is required or necessary to make a statement not misleading, in light of the circumstances under which it was made.

- Review any reports or other financial information of the Company submitted to any governmental body, or the public, including any certification, report, opinion or review rendered by the Auditor.

- Review, and if deemed advisable, approve all related party transactions as defined in the governing legislation of the Company.

- Have the right, for the purpose of performing their duties: (i) to inspect all the books and records of the Company and its subsidiaries; (ii) to discuss such accounts and records and any matters relating to the financial position of the Company with the officers and auditors of the Company and its subsidiaries and the Auditor; (iii) to commission reports or supplemental information relating to the financial information; (iv) to require the Auditor to attend any or every meeting of the Committee; and (v) to engage such independent counsel and other advisors as are necessary in the determination of the Committee.

- Permit the Board of Directors to refer to the Committee such matters and questions relating to the financial position of the Company and its affiliates or the reporting related to it as the Board of Directors may from time to time see fit.

**Independent Auditor**

- Be directly and solely responsible for the appointment, compensation, and oversight of the work of the Auditor upon shareholder approval of the appointment, with such Auditor being ultimately accountable to the shareholders, the Board and the Committee.

- Act as the Auditor's channel of direct communication to the Company. In this regard, the Committee shall, among other things, receive all reports from the Auditor, including timely reports of:

    1. all critical accounting policies and practices to be used;

    2. all alternative treatments of financial information within generally accepted accounting principles that have been discussed with the management of the Company, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the Auditor; and

    3. other material written communications between the Auditor and the management of the Company, including, but not limited to, any management letter or schedule of unadjusted differences.

- Satisfy itself, on behalf of the Board of Directors that the Auditor is "independent" of management, within the meaning given to such term in the rules and pronouncements of the applicable regulatory authorities and professional governing bodies. In furtherance of the foregoing, the Committee shall request that the Auditor at least annually provide a formal written statement delineating all relationships between the Auditor and the Company, and request information from the Auditor and management to determine the presence or absence of a conflict of interest. The Committee shall actively engage the Auditor in a dialogue with respect to any disclosed relationships or services that may impact the objectivity and independence of the Auditor. The Committee shall take, or recommend that the full Board take, appropriate action to oversee the independence of the Auditor.

- Be responsible for pre-approving all audit and non-audit services provided by the Auditor; provided, however, that the Committee shall have the authority to delegate such responsibility to one or more of its members to the extent permitted under applicable law and stock exchange rules.

- Review the performance of the Auditor and make recommendations to the Board of Directors as to whether or not to continue to engage the Auditor.

- Determine and review the remuneration of the Auditor and any independent advisors (including independent counsel) to the Committee.

- Satisfy itself, on behalf of the Board of Directors, that the internal audit function has been effectively carried out and that any matter which the Auditor wishes to bring to the attention of the Board of Directors has been addressed and that there are no "unresolved differences" with the Auditor.

**Financial Reporting Process and Risk Management**

- Review the audit plan of the Auditor for the current year and review advice from the Auditor relating to management and internal controls and the responses of the Company to the suggestions made put forth.

- Monitor the internal accounting controls, informational gathering systems and management reporting on internal controls of the Company.

- Review with management and the Auditor the relevance and appropriateness of the accounting policies of the Company and review and approve all significant changes to such policies.

- Satisfy itself, on behalf of the Board of Directors, that the Company has implemented appropriate systems of internal control over financial reporting and the safeguarding of the assets of the Company and other "risk management" functions (including the identification of significant risks and the establishment of appropriate procedures to manage those risks and the monitoring of corporate performance in light of applicable risks) affecting the assets of the Company, management, financial and business operations and the health and safety of employees and that these systems are operating effectively.

- Review and approve the investment and treasury policies of the Company and monitor compliance with such policies.

- Establish procedures for the receipt and treatment of (i) complaints received by the Company regarding accounting, controls, or auditing matters and (ii) confidential, anonymous submissions by employees of the Company as to concerns regarding questionable accounting or auditing.

**Legal and Regulatory Compliance**

- Satisfy itself, on behalf of the Board of Directors, that all material statutory deductions have been withheld by the Company and remitted to the appropriate authorities.

- Without limiting its rights to engage counsel generally, review, with the principal legal external counsel of the Company, any legal matter that could have a significant impact on the financial statements of the Company.

- Satisfy itself, on behalf of the Board of Directors, that all regulatory compliance issues have been identified and addressed.

**Budgets**

- Assist the Board of Directors in the review and approval of operational, capital and other budgets proposed by management.

**General**

- Perform any other activities consistent with this Charter, the By-laws and governing law, as the Committee or the Board of Directors deem necessary or appropriate.

**As adopted by the Board of Directors on April 27, 2021.**

**SCHEDULE B**
**FINANCIAL STATEMENTS**

Interim Financial Statements for the six months ended July 31, 2021 and Audited financial statements for the financial years ended January 31, 2021 and 2020

# LODE METALS CORP. (formerly Crane Capital Corp.)

## Condensed Consolidated Interim Financial Statements

For the Six Months Ended July 31, 2021 and 2020

(Expressed in Canadian Dollars)

**LODE METALS CORP. (formerly Crane Capital Corp.)**
**Condensed Consolidated Interim Statements of Financial Position**
(Expressed in Canadian Dollars)

| | July 31, 2021 | January 31, 2021 (Audited) |
|---|---|---|
| **ASSETS** | | |
| **Current asset** | | |
| Cash | $ 235,979 | $ 52,476 |
| GST and other receivable | 7,515 | 1,513 |
| Prepaid expenses | 21,446 | - |
| | 264,940 | 53,989 |
| Advances (Note 5) | 67,061 | - |
| Exploration and evaluation asset (Note 5) | 2,641,379 | - |
| **TOTAL ASSETS** | $ 2,973,380 | $ 53,989 |
| **LIABILITIES** | | |
| **Current liabilities** | | |
| Accounts payable and accrued liabilities (Note 6) | $ 83,644 | $ 11,131 |
| Loans payable (Notes 7 and 9) | 137,310 | - |
| **TOTAL LIABILITIES** | 220,954 | 11,131 |
| **SHAREHOLDERS' EQUITY** | | |
| Share capital (Note 8) | 2,855,872 | 126,800 |
| Subscriptions received in advance (Notes 8 and 13) | 70,587 | - |
| Reserve (Note 9) | 94,052 | - |
| Accumulated deficit | (268,085) | (83,942) |
| **TOTAL SHAREHOLDERS' EQUITY** | 2,752,426 | 42,858 |
| **TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY** | $ 2,973,380 | $ 53,989 |

Subsequent Events (Note 13)

These financial statements were authorized for issue by the Board of Directors on November 29, 2021. They are signed on behalf of the Board of Directors by:

*/s/ "Ken Tullar"*
Director

*/s/ "James Yates"*
Director

**LODE METALS CORP. (formerly Crane Capital Corp.)**
**Condensed Consolidated Interim Statements of Loss and Comprehensive Loss**
(Expressed in Canadian Dollars)

| | For the Six Months Ended July31, 2021 | For the Six Months Ended July31, 2020 |
|---|---|---|
| **EXPENSES** | | |
| General and administrative costs | $ 27,265 | $ 322 |
| Marketing | 14,781 | - |
| Professional fees | 57,330 | - |
| Stock-based compensation expense (Notes 9 and 10) | 94,052 | - |
| Transfer agent, regulatory and filing fees | 25,247 | 805 |
| Foreign exchange gain (Note 7) | (34,532) | - |
| **NET AND COMPREHENSIVE LOSS** | $ 184,143 | $ 1,127 |
| **BASIC AND DILUTED LOSS PER SHARE** | $ (0.01) | $ (0.00) |
| **WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING** | 29,921,050 | 5,472,000 |

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

**LODE METALS CORP. (formerly Crane Capital Corp.)**
**Condensed Consolidated Interim Statements of Cash Flow**
(Expressed in Canadian Dollars)

| | For the Six Months Ended July31, 2021 | For the Six Months Ended July31, 2020 |
|---|---|---|
| **Cash flows provided from (used in):** | | |
| **OPERATING ACTIVITIES** | | |
| **Net loss** | $ (184,143) | $ (1,127) |
| **Non-cash items:** | | |
| Listing expense | 94,052 | - |
| Foreign exchange gain on loans | (1,700) | - |
| **Net changes in non-cash working capital items:** | | |
| GST and other receivable | (6,002) | (30) |
| Prepaid expenses | (21,446) | - |
| Accounts payable and accrued liabilities | (381,419) | 405 |
| **Net cash flows used in operating activities** | (500,658) | (752) |
| | | |
| **INVESTING ACTIVITY** | | |
| Advances | (67,061) | - |
| Mineral property acquisition and exploration costs | (299,865) | - |
| **Net cash flows used in investing activities** | (366,926) | - |
| | | |
| **FINANCING ACTIVITY** | | |
| Proceeds from private placement | 1,051,087 | - |
| **Net cash flows provided by financing activities** | 1,051,087 | - |
| | | |
| **Net increase (decrease) in cash** | 183,503 | (752) |
| **Cash, beginning of the period** | 52,476 | 61,573 |
| **Cash, end of the period** | $ 235,979 | $ 60,821 |
| | | |
| **Non-cash investing activity:** | | |
| Exploration and evaluation expenditures included within accounts payable | $ 68,466 | $ - |
| Fair value of shares issued for exploration and evaluation asset | $ 1,748,572 | $ - |

**LODE METALS CORP. (formerly Crane Capital Corp.)**
**Condensed Consolidated Interim Statements of Changes in Shareholders' Equity**
(Expressed in Canadian Dollars)

| | Number of shares | Amount | Subscriptions received in advance | Reserve | Accumulated deficit | Total |
|---|---|---|---|---|---|---|
| **Balance at January 31, 2020** | **5,472,000** | **$ 126,800** | **$ -** | **$ -** | **$ (65,227)** | **$ 61,573** |
| Net and comprehensive loss for the period | - | - | - | - | (1,127) | (1,127) |
| **Balance at July 31, 2020** | **5,472,000** | **126,800** | **-** | **-** | **(66,354)** | **60,446** |
| Net and comprehensive loss for the period | **-** | **-** | **-** | **-** | **(17,588)** | **(17,588)** |
| **Balance at January 31, 2021** | **5,472,000** | **126,800** | **-** | **-** | **(83,942)** | **42,858** |
| Shares issued in private placements (Note 8) | 16,125,000 | 980,500 | 70,587 | - | - | 1,051,087 |
| Shares issued for exploration and evaluation asset (Notes 4 and 8) | 17,485,719 | 1,748,572 | - | - | - | 1,748,572 |
| Stock-based compensation (Note 9) | - | - | - | 94,052 | - | 94,052 |
| Net and comprehensive loss for the period | - | - | - | - | (184,143) | (184,143) |
| **Balance at July 31, 2021** | **39,082,719** | **$ 2,855,872** | **$ 70,587** | **$ 94,052** | **$ (268,085)** | **$ 2,752,426** |

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

## 1. NATURE OF OPERATIONS AND GOING CONCERN

Lode Metals Corp. (formerly Crane Capital Corp.) (the "Company" or "Lode Metals") is a gold focused Canadian exploration company. The Company's registered office is located at Suite 400, 725 Granville Street, Vancouver, BC, V7Y 1G5.

On April 12, 2021, Lode Metals acquired all of the outstanding shares of 2262496 Alberta Ltd. ("226") by way of share exchange agreement (Note 4). These condensed consolidated interim financial statements include the results of operations of 226 from April 12, 2021. The transaction is intended to provide the Company with business operations for the purposes of a proposed listing of the Company's common shares on the Canadian Securities Exchange ("CSE"). The Company is currently filing a non-offering prospectus with the British Columbia Securities Commission ("BCSC") to enable the Company to apply for listing on the CSE.

These condensed consolidated interim financial statements have been prepared on a going concern basis, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and settle its liabilities in the normal course of business. At July 31, 2021, the Company had cash of $235,979 (January 31, 2021 – $52,476) and its current assets exceed its current liabilities by $43,986 (January 31, 2021 – $42,858). The Company has not generated any revenue since inception. It has incurred losses and negative cash flows from operations since inception and had an accumulated deficit of $268,085 as at July 31, 2021 (January 31, 2021 – $83,942). Whether and when the Company can obtain profitability and positive cash flows from operations is uncertain. These uncertainties may cast significant doubt on the ability of the Company to continue as a going concern. The Company's ability to continue its operations is dependent on its success in raising equity through share issuances, suitable debt financing and/or other financing arrangements. While the Company has been successful in raising equity in the past, there can be no guarantee that it will be able to raise sufficient funds to fund its activities and general and administrative costs in the next twelve months and in the future. These financial statements do not give effect to the required adjustments to the carrying amounts and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material.

On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. The duration and impact of COVID-19 is unknown at this time, and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial results and condition of the Company in future periods, including the possible impact on future financing opportunities. There are various community restrictions and health and safety measures in Oregon, USA that may prohibit or delay exploration programs from proceeding. Operations will depend on obtaining necessary permits, field supplies, and contractor services, and safeguarding personnel during the outbreak, which may be prohibitive or costly.

## 2. BASIS OF PREPARATION

### (a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting, using accounting policies consistent with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

### (b) Basis of presentation

These financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss ("FVTPL"), which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The significant accounting policies, as disclosed, have been applied consistently to all periods presented in these financial statements.

### (c) Basis of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, 226. Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

## 2. BASIS OF PREPARATION (continued)

### (d) Presentation and functional currency

The presentation and functional currency of the Company is the Canadian dollar. All amounts in these financial statements are expressed in Canadian dollars, unless otherwise indicated.

### (e) Significant accounting judgments and estimates

The preparation of financial statements in accordance with IFRS requires management to make certain critical accounting estimates and assumptions about the future and to exercise judgment in applying the Company's accounting policies. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. The impacts of changes to estimates are recognized in the period estimates are revised and in future periods affected. The critical judgments and assumptions made by management and other major sources of measurement uncertainty.

## 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies followed by the Company are set out in Note 3 to the audited financial statements for the year ended January 31, 2021 of Lode Metals and 226 and have been consistently followed in the preparation of these condensed consolidated interim financial statements. Other accounting pronouncements with future effective dates are either not applicable or are not expected to have a material impact on the Company's financial statements.

## 4. ACQUISITION OF 226

On April 12, 2021, the Company closed the acquisition of 226 contemplated in the letter of intent (the "LOI") dated January 28, 2021 (the "Amalgamation") (Note 1). Pursuant to the transaction, 226 shareholders were issued an aggregate of 17,486,715 common shares of the Company in exchange for all of the issued and outstanding shares of 226, with 226 continuing as a wholly owned subsidiary of the Company.

The Amalgamation will be accounted for in accordance with guidance provided in IFRS 2, Share-based payments. As the Transaction did not qualify as a business according to the definition in IFRS 3, this Transaction does not constitute a business combination; rather, it is treated as an asset acquisition.

The purchase price is allocated as follows:

| | Amount |
|---|---|
| Fair value of the Company's shares | |
| (17,485,719 common shares at $0.10 per share) | $ 17,485,719 |
| Consideration | 1,748,572 |
| | |
| Net assets acquired | |
| Cash | 25,174 |
| Prepaid expenses | 3,766 |
| Loans payable | (430,180) |
| Net assets | (401,240) |
| | |
| **Exploration and evaluation assets (Note 5)** | **$ 2,149,812** |

(Expressed in Canadian Dollars)

## 5. EXPLORATION AND EVALUATION ASSET

| | | **Cracker Creek** |
|---|---|---|
| **Acquisition Costs** | | |
| Balance, January 31, 2021 and 2020 | $ | - |
| Additions (Note 4) | | 2,273,049 |
| Balance, July 31, 2021 | $ | 2,273,049 |
| | | |
| **Deferred Exploration Costs** | | |
| Balance, January 31, 2021 and 2020 | $ | - |
| Consulting (Note 10) | | 288,248 |
| Land maintenance | | 40,309 |
| Geophysics | | 5,847 |
| Other | | 33,926 |
| Balance, July 31, 2021 | $ | 368,330 |
| | | |
| **Total** | | |
| Balance, January 31, 2021 | $ | - |
| **Balance, July 31, 2021** | **$** | **2,641,379** |

*Cracker Creek Gold Property, Oregon, USA*

On November 9, 2020, 226 entered into an Exploration and Purchase Option Agreement (the "Option Agreement") with Cracker Creek Gold Corporation ("Cracker Creek") whereby 226 has the option (the "Option") to acquire an undivided 100% legal and beneficial right, title and interest in and to the Cracker Creek Gold Property (the "Property") located in Bourne, Oregon, USA for a total purchase price of US$3,000,000 (the "Purchase Price").

To maintain the Option Agreement in good standing, 226 must:

i) Pay US$100,000 in cash upon signing (paid $131,503 prior to April 12, 2021); and
ii) Pay US$60,000 every six months after the signing date until the date that the Company exercises the Option as provided under the Option Agreement or until the date that the Option Agreement is terminated according to its terms ($74,180 paid during the six months ended July 31, 2021).

If the Option Agreement has been maintained in good standing, 226 may exercise its option to purchase the Property at any time after the signing date as follows:

i) On or before May 1, 2024, deliver notice to Cracker Creek of the Company's decision to exercise the Option (the "Exercise Notice");
ii) Concurrently with the Company's delivery of the Exercise Notice to Cracker Creek, pay Cracker Creek by wire transfer US$300,000 immediately as a deposit towards the Purchase Price; and
iii) Perform certain closing requirements including payment in full of the remaining balance of the Purchase Price.

The Property is subject to a 2.5% net smelter returns ("NSR") royalty held by Cracker Creek.

On November 21, 2020, 226 entered into a Services Agreement (the "Services Agreement") with Minefinders LLC ("Minefinders") for services provided by Minefinders related to the signing of the Option Agreement with Cracker Creek. As consideration for services rendered, 226 has agreed to make certain payments to Minefinders and to grant to Minefinders a 0.5% NSR royalty (the "Minefinders NSR") at the commencement of commercial production at the Property. 226 shall have the option (the "Royalty Option") to purchase the Minefinders NSR at any time within two years of signing the Services Agreement for US$500,000. The payments for services rendered shall be made by 226 as follows:

(Expressed in Canadian Dollars)

## 5. EXPLORATION AND EVALUATION ASSETS (continued)

i) US$40,000 in cash upon signing (paid $68,796 prior to April 12, 2021);
ii) US$40,000 every six months after the signing date until the earlier of (i) the date that 226 exercises its Option as provided under the Option Agreement, (ii) the date that the Option Agreement is terminated according to its terms and (iii) May 1, 2024 (paid $49,057 during the six months ended July 31, 2021);
iii) Unless the Royalty Option has been exercised by 226, US$500,000 on the date that commercial production is achieved; and
iv) Unless the Royalty Option has been exercised by 226, US$500,000 on the date that is 12 months from the date that commercial production is achieved.

On April 12, 2021, the Company completed the acquisition of 226, which was accounted for as an asset acquisition. Accordingly, the excess paid over the fair value of the net assets of 226 of $2,149,812 was recorded as an acquisition cost for the Cracker Creek project (Note 4).

As at July 31, 2021, the Company had advanced $67,061 (January 31, 2021 - $Nil) towards deferred exploration costs.

## 6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The Company's accounts payable and accrued liabilities are composed of the following:

| | | July 31, 2021 | | January 31, 2021 |
|---|---|---|---|---|
| Accounts payable | $ | 75,974 | $ | 1,600 |
| Accrued liabilities | | 7,670 | | 9,531 |
| **Total** | **$** | **83,644** | **$** | **11,131** |

## 7. LOANS PAYABLE

On June 26, 2020, 226 entered into a Bridge Loan Agreement (the "First Loan") with two arms' length parties and one related party (the "Lenders") for a total of US$50,000 ($68,797). The First Loan is unsecured, non-interest bearing and repayment is due within 45 days of written demand by the Lenders. On July 31, 2021, 226 revalued the loans to $62,010 and accordingly, recorded a foreign exchange gain of $1,700, which is included within foreign exchange gain on the statement of loss and comprehensive loss for the six months ended July 31, 2021 (2020 - $Nil).

On October 26, 2020, 226 entered into a second Bridge Loan Agreement (the "Second Loan") with the Lenders for a total of $75,000. The Second Loan is also unsecured, non-interest bearing and repayment is due within 45 days of written demand by the Lenders.

Included within loans payable is $Nil and $15,000 owing to a related party as at July 31, 2021 and January 31, 2021, respectively (Note 10).

## 8. SHARE CAPITAL

### a) Authorized

Unlimited number of common shares without par value.

### b) Issued

During the six months ended July 31, 2021 and 2020, the Company issued 16,125,000 and Nil common shares for gross proceeds of $980,500 and $Nil, respectively. The Company also received $70,587 in advance for a subscription receipt financing closed subsequent to period end (Note 13).

On April 12, 2021, the Company issued 17,485,719 common shares with a fair value of $1,748,572 to 226 shareholders in accordance with the Transaction (Note 4).

(Expressed in Canadian Dollars)

## 9. RESERVE

### a) Stock Options

On April 30, 2021, the Company granted 2,482,500 stock options to officers, directors and consultants. Each stock option is exercisable into one common share of the Company at a price of $0.15 per common share for five years, with 1/2 vesting one year from the grant date and the remaining 1/2 vesting two years from the grant date. The fair value of the stock options was determined to be $170,521 using the Black-Scholes Option Pricing Model using the following assumptions: risk-free rate of 0.93%, expected life of 5 years, volatility factor of 100% and dividend yield of Nil. During the six months ended July 31, 2021, the Company recognized $32,235 in stock-based compensation expense for vested stock options.

On April 30, 2021, the Company granted 400,000 stock options to consultants. Each stock option is exercisable into one common share of the Company at a price of $0.15 per common share for five years, with 1/2 vesting six months from the grant date and the remaining 1/2 vesting twelve months from the grant date. The fair value of the stock options was determined to be $27,476 using the Black-Scholes Option Pricing Model using the following assumptions: risk-free rate of 0.93%, expected life of 5 years, volatility factor of 100% and dividend yield of Nil. During the six months ended July 31, 2021, the Company recognized $10,332 in stock-based compensation expense for vested stock options.

On May 12, 2021, the Company granted 750,000 stock options to a consultant. Each stock option is exercisable into one common share of the Company at a price of $0.15 per common share for five years, with all stock options vesting immediately. The fair value of the stock options was determined to be $51,485 using the Black-Scholes Option Pricing Model using the following assumptions: risk-free rate of 0.93%, expected life of 5 years, volatility factor of 100% and dividend yield of Nil. During the six months ended July 31, 2021, the Company recognized $51,485 in stock-based compensation expense for vested stock options.

A continuity schedule of the Company's outstanding stock options as at July 31 and January 31, 2021 are as follows:

| | July 31, 2021 | | January 31, 2021 | |
|---|---|---|---|---|
| | Number outstanding | Weighted average exercise price | Number outstanding | Weighted average exercise price |
| **Outstanding, beginning of year** | - | $ - | - | $ - |
| Granted | 3,632,500 | 0.15 | - | - |
| **Outstanding, end of period/year** | 3,632,500 | $ 0.15 | - | $ - |
| **Exercisable, end of period/year** | 750,000 | $ 0.15 | - | $ - |

At July 31, 2021, the Company had outstanding stock options exercisable to acquire common shares of the Company as follows:

| Expiry date | Options outstanding | Options exercisable | Exercise price | Weighted average remaining contractual life (in years) |
|---|---|---|---|---|
| April 30, 2026 | 2,882,500 | Nil | $ 0. 15 | 4.75 |
| May 12, 2026 | 750,000 | Nil | $ 0. 15 | 4.78 |
| | 3,632,500 | Nil | $ 0. 30 | 4.76 |

## 10. RELATED PARTY TRANSACTIONS

The Company's related parties consist of its key management personnel, including its directors and officers.

During the six months ended July 31, 2021 and 2020, the Company incurred management fees of $51,459 (2020 – $Nil) with the CEO, which was capitalized to the Company's exploration and evaluation asset (Note 5). During the six months ended July 31, 2021, the Company incurred stock-based compensation expense of $23,373 for related parties.

Included within loans payable is $Nil and $15,000 owing to a related party as at July 31, 2021 and January 31, 2021, respectively (Note 7).

(Expressed in Canadian Dollars)

## 11. FINANCIAL INSTRUMENTS

### a) Categories of financial instruments and fair value measurements

The Company's financial assets and liabilities are classified as follows:

| | | July 31, 2021 | | January 31, 2021 |
|---|---|---|---|---|
| **Financial assets:** | | | | |
| ***Fair value through profit and loss*** | | | | |
| Cash | $ | 235,979 | $ | 52,476 |
| GST receivable | | 7,515 | | - |
| **Financial liabilities:** | | | | |
| ***Amortized cost*** | | | | |
| Accounts payable | $ | 75,974 | $ | 1,600 |
| Loans payable | | 137,310 | | - |

The fair values of the Company's GST receivable, accounts payable and loans payable approximate their carrying amounts due to the short-term nature of these instruments.

### b) Management of financial risks

The Company's financial instruments expose the Company to certain financial risks, including credit risk, liquidity risk, interest rate risk and foreign currency risk.

**Credit risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. At July 31, 2021, the Company was exposed to credit risk on its cash.

The Company's cash is held with a high credit quality financial institution in Canada and as at July 31, 2021, management considers its exposure to credit risk to be low.

**Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. The Company manages liquidity risk by maintaining adequate cash and managing its capital and expenditures.

At July 31, 2021, the Company had cash of $235,979 (January 31, 2021 – $52,476) and current liabilities of $220,954 (January 31, 2021 – $11,131) with contractual maturities of less than one year. The Company had sufficient cash to meet its current liabilities at July 31, 2021. The Company assessed its liquidity risk as high as at July 31, 2021.

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates.

The Company's financial assets and financial liabilities are not exposed to interest rate risk due to their short-term nature and maturity. The Company is not exposed to interest rate risk at July 31, 2021.

**Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency risk to the extent that it has monetary assets and liabilities denominated in foreign currencies. As at July 31, 2021, management considers its exposure to foreign currency risk to be low.

## 12. CAPITAL MANAGEMENT

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of equity composed of issued share capital.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issuances or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements.

## 13. SUBSEQUENT EVENTS

On August 6, 2021, the Company issued 343,000 common shares with a fair value of $120,050 to an arm's length consultant (the "Consultant") pursuant to a one-year marketing agreement (the "Agreement"). The Agreement also stipulates a cash payment of $10,000 per months for twelve months from the agreement date (the "Initial Term"). If the Company undertakes an offering of equity securities, the Consultant is entitled to a cash commission equal to 7% of the gross proceeds raised from the sale of securities and common shares or other securities equal to 7% of the number of securities sold to those parties introduced to the Company by the Consultant. In the event that a transaction other than an equity securities offering involved a party introduced to the Company by the Consultant, the Consultant is entitled to a minimum transaction fee of $75,000.

On August 26, 2021, the Company signed a consultant to provide fiscal advisory services to the Company for a two-month period in exchange for a fee of $48,000.

On August 30, 2021, the Company granted 200,000 stock options to a consultant. Each stock option is exercisable into one common share of the Company at a price of $0.15 per common share for five years, with 1/2 vesting one year from the grant date and the remaining 1/2 vesting two years from the grant date.

On September 7, 2021, the Company closed a special warrant financing by issuing 2,307,142 special warrants (the "Special Warrants") at a price of $0.35 per Special Warrant for aggregate gross proceeds of $807,500 (the "Special Warrant Offering"). Each Special Warrant is convertible into one common share of the Company on the date that is the earlier of (i) the date which is four months and one day following the closing of the Special Warrant Offering; and (ii) the second business day after the date on which a receipt for the Company's final long form prospectus is issued by the British Columbia Securities Commission (the "BCSC").

On September 22, 2021, the Company closed a subscription receipt financing by issuing 3,612,316 subscription receipts (the "Subscription Receipts") at a price of $0.35 per Subscription Receipt for aggregate gross proceeds of $1,264,311, which are held in escrow (the "Escrowed Funds"). As at July 31, 2021, the Company had collected $70,587 in subscriptions received in advance relating the sale of Subscription Receipts. Each Subscription Receipt is convertible into one common share of the Company on the same date that the Escrowed Funds are released, which will be upon filing of a final long form prospectus of the Company with certain provincial securities regulatory authorities in Canada in order to qualify the distribution of the common shares underlying the Subscription Receipts.

On October 1, 2021, the Company closed a second special warrant financing by issuing 1,224,284 special warrants ("Second Special Warrants") at a price of $0.35 per Second Special Warrant for aggregate gross proceeds of $428,500 (the "Second Special Warrant Offering"). Each Second Special Warrant is convertible into one common share of the Company on the date that is the earlier of (i) the date which is four months and one day following the closing of the Second Special Warrant Offering; and (ii) the second business day after the date on which a receipt for the Company's final long form prospectus is issued by the BCSC.

# LODE METALS CORP. (formerly Crane Capital Corp.)

Financial Statements
For the Years Ended January 31, 2021 and 2020
(Expressed in Canadian Dollars)

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

# INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Lode Metals Corp. (formerly Crane Capital Corp.)

**Opinion**
We have audited the financial statements of Lode Metals Corp. (the "Company"), which comprise the statements of financial position as at January 31, 2021 and 2020, and the statements of loss and comprehensive loss, cash flows and changes in shareholders' equity for the years ended January 31, 2021 and 2020, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at January 31, 2021 and 2020, and its financial performance and its cash flows for the years ended January 31, 2021 and 2020 in accordance with International Financial Reporting Standards.

**Basis for Opinion**
We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Material Uncertainty Related to Going Concern**
We draw attention to note 1 in the financial statements which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

**Other information**
Management is responsible for the other information. The other information comprises the information included in the Management's Discussion and Analysis. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

**Responsibilities of Management and Those Charged with Governance for the Financial Statements**
Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

**DALE MATHESON CARR-HILTON LABONTE LLP**
**CHARTERED PROFESSIONAL ACCOUNTANTS**
Vancouver, Canada
June 18, 2021

**LODE METALS CORP. (formerly Crane Capital Corp.)**
**Statements of Financial Position**
(Expressed in Canadian Dollars)

| | | January 31, 2021 | | January 31, 2020 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Current assets** | | | | |
| Cash | $ | 52,476 | $ | 61,573 |
| Other receivable | | 1,513 | | - |
| **TOTAL ASSETS** | $ | 53,989 | $ | 61,573 |
| **LIABILITIES** | | | | |
| **Current liabilities** | | | | |
| Accounts payable | $ | 1,600 | $ | - |
| Accrued liabilities | | 9,531 | | - |
| **TOTAL LIABILITIES** | | 11,131 | | - |
| **SHAREHOLDERS' EQUITY** | | | | |
| Share capital (Note 6) | | 126,800 | | 126,800 |
| Accumulated deficit | | (83,942) | | (65,227) |
| **TOTAL SHAREHOLDERS' EQUITY** | | 42,858 | | 61,573 |
| **TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY** | $ | 53,989 | $ | 61,573 |

Subsequent Events (Note 11)

These financial statements were authorized for issue by the Board of Directors on June 18, 2021. They are signed on behalf of the Board of Directors by:

*/s/ "Ken Tullar"*
Director

*/s/ "James Yates"*
Director

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

**Statements of Loss and Comprehensive Loss**
(Expressed in Canadian Dollars)

| | For the Year Ended January 31, 2021 | For the Year Ended January 31, 2020 |
|---|---|---|
| **EXPENSES** | | |
| General and administrative costs | $ 20 | $ 5 |
| Management fees (Note 7) | 6,694 | 6,300 |
| Professional fees | 10,618 | 238 |
| Transfer agent, regulatory and listing fees | 1,383 | 1,972 |
| **NET AND COMPREHENSIVE LOSS FOR THE YEAR** | $ 18,715 | $ 8,515 |
| **Basic and diluted loss per share for the year** | $ 0.00 | $ 0.00 |
| **Weighted average number of common shares outstanding** | 5,472,001 | 5,472,001 |

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

**Statements of Cash Flow**
(Expressed in Canadian Dollars)

| | For the Year Ended January 31, 2021 | For the Year Ended January 31, 2020 |
|---|---|---|
| **Cash flows provided from (used in):** | | |
| **OPERATING ACTIVITIES** | | |
| **Net loss for the year** | $ (18,715) | $ (8,515) |
| **Net changes in non-cash working capital items:** | | |
| Other receivable | (1,513) | - |
| Accounts payable and accrued liabilities | 11,131 | - |
| **Net cash flows used in operating activities** | (9,097) | (8,515) |
| | | |
| **Net decrease in cash** | (9,097) | (8,515) |
| **Cash, beginning** | 61,573 | 70,088 |
| | | |
| **Cash, ending** | $ 52,476 | $ 61,573 |

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

**LODE METALS CORP. (formerly Crane Capital Corp.)**
**Statements of Changes in Shareholders' Equity**
(Expressed in Canadian Dollars)

| | Number of shares | | Amount | | Accumulated deficit | | Total |
|---|---|---|---|---|---|---|---|
| **Balance at January 31, 2019** | **5,472,000** | **$** | **126,800** | **$** | **(56,712)** | **$** | **70,088** |
| Net and comprehensive loss for the year | - | | - | | (8,515) | | (8,515) |
| **Balance at January 31, 2020** | **5,472,000** | | **126,800** | | **(65,227)** | | **61,573** |
| Net and comprehensive loss for the year | - | | - | | (18,715) | | (18,715) |
| **Balance at January 31, 2021** | **5,472,000** | **$** | **126,800** | **$** | **(83,942)** | **$** | **42,858** |

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

## 1. NATURE OF OPERATIONS AND GOING CONCERN

Lode Metals Corp. (formerly Crane Capital Corp.) (the "Company" or "Lode Metals") was incorporated under the provincial laws of the Province of British Columbia on March 7, 2018. On March 3, 2021, the Company changed its name to Lode Metals Corp. The Company's registered office is located at Suite 400, 725 Granville Street, Vancouver, BC, V7Y 1G5. The Company is in the process of completing a share purchase transaction with 2262496 Alberta Ltd., which holds an option over mineral property interests in Oregon, USA (Note 5).

These financial statements have been prepared on a going concern basis, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and settle its liabilities in the normal course of business. At January 31, 2021, the Company had cash of $52,476 (2020 – $61,573) and its current assets exceed its current liabilities by $42,858 (2020 – $61,573). The Company had sufficient cash to continue operations for at least the next twelve months. The Company currently has no active business and is not generating any revenues. It has incurred losses and negative cash flows from operations since inception and had an accumulated deficit of $83,942 as at January 31, 2021 (2020 – $65,227). Whether and when the Company can obtain profitability and positive cash flows from operations is uncertain. These uncertainties may cast significant doubt on the ability of the Company to continue as a going concern. The Company's ability to continue its operations is dependent on its success in raising equity through share issuances, suitable debt financing and/or other financing arrangements. While the Company has been successful in raising equity in the past, there can be no guarantee that it will be able to raise sufficient funds to fund its activities and general and administrative costs in the next twelve months and in the future. These financial statements do not give effect to the required adjustments to the carrying amounts and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material.

On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. The duration and impact of COVID-19 is unknown at this time and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial results and condition of the Company in future periods, including the possible impact on future financing opportunities.

## 2. BASIS OF PREPARATION

### (a) Statement of compliance

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

### (b) Basis of presentation

These financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss ("FVTPL"), which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The significant accounting policies, as disclosed, have been applied consistently to all periods presented in these financial statements.

### (c) Presentation and functional currency

The presentation and functional currency of the Company is the Canadian dollar. All amounts in these financial statements are expressed in Canadian dollars, unless otherwise indicated.

### (d) Significant accounting judgments and estimates

The preparation of financial statements in accordance with IFRS requires management to make certain critical accounting estimates and assumptions about the future and to exercise judgment in applying the Company's accounting policies. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. The impacts of changes to estimates are recognized in the period estimates are revised and in future periods affected. The critical judgments and assumptions made by management and other major sources of measurement uncertainty are discussed in Note 4.

## 3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in the preparation of these financial statements are as follows:

### (a) Foreign currency transactions

Transactions in currencies other than the Canadian dollar ("foreign currencies"), the Company's functional currency, are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the date of the statement of financial position. Non-monetary items that are denominated in foreign currencies and measured at other than fair value are translated using the rates of exchange at the transaction dates. Foreign exchange gains and losses are included in net loss for the period.

### (b) Financial instruments

i) Classification and measurement

Financial asset

The classification and measurement of financial assets is based on the Company's business models for managing its financial assets and whether the contractual cash flows represent solely payments of principal and interest ("SPPI"). Financial assets are initially measured at fair value less, for an item not at fair value through profit or loss, transaction costs directly attributable to its acquisition or issue, and are subsequently measured at either (i) amortized cost; (ii) fair value through other comprehensive income, or (iii) at FVTPL.

*Amortized cost*

Financial assets classified and measured at amortized cost are those assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and the contractual terms of the financial asset give rise to cash flows that are SPPI. Financial assets classified at amortized cost are measured using the effective interest method. The Company does not have any assets classified and measured at amortized cost.

*Fair value through other comprehensive income ("FVTOCI")*

Financial assets classified and measured at FVTOCI are those assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise to cash flows that are SPPI. The Company does not have any assets classified and measured at FVTOCI.

*FVTPL*

Financial assets classified and measured at FVTPL are those assets that do not meet the criteria to be classified at amortized cost or at FVTOCI. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets held at FVTPL are included in profit or loss in the period in which they arise. The Company's cash and other receivable are classified in this category.

Financial liabilities

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument. A financial liability is derecognized when it is extinguished, discharged, cancelled or when it expires. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or financial liabilities subsequently measured at amortized cost. All interest-related charges are reported in profit or loss within interest expense, if applicable.

Other financial liabilities are non-derivatives and are initially recognized at fair value net of any transaction costs directly attributable to the issuance of the instrument and subsequently carried at amortized cost using the effective interest rate method. This ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statements of financial position. Interest expense in this context includes initial transaction costs and premiums payable on redemption, as well as any interest or coupon payable while the liability is outstanding. Accounts payable are included in this category and represent liabilities for goods and services provided to the Company prior to the end of the period that are unpaid.

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (b) Financial instruments (continued)

ii) Derecognition of financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in profit or loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

iii) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to twelve month expected credit losses. The Company shall recognize in the statements of loss and comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

### (c) Share capital

*Common shares*

Common shares issued are classified as share capital, a component of shareholders' equity. Transaction costs directly attributable to the issuance of common shares are recognized as a deduction from share capital.

### (d) Income taxes

Income tax on profit or loss comprises current and deferred tax. Income tax is recognized in profit or loss, except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on taxable income for the period.

Deferred tax is provided for using the asset and liability method of accounting, whereby deferred tax assets and liabilities are recognized for the future tax effects of differences between the carrying amounts of assets and liabilities in the statement of financial position and the tax bases of the assets and liabilities (temporary differences), unused tax losses and other income tax deductions. Temporary differences on the initial recognition of assets or liabilities that affect neither accounting nor taxable profit or loss are not provided for. Deferred tax assets and liabilities are measured based on the expected manner of realization or settlement of the carrying amounts of the related assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date. Deferred tax assets are recognized for deductible temporary differences, unused tax losses and other income tax deductions only to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unused tax losses and other income tax deductions can be utilized.

Income tax on profit or loss comprises current and deferred tax. Income tax is recognized in profit or loss, except deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

### (e) Loss per share

Loss per share is calculated by dividing loss attributable to common shareholders of the Company by the weighted average number of shares outstanding during the period. Diluted loss per share is determined by adjusting loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares. The calculation of diluted loss per share excludes the effects of various conversions and exercises of options and warrants that would be anti-dilutive.

### (f) Recent accounting pronouncements

There are no other IFRS or International Financial Reporting Interpretations Committee interpretations that are not yet effective that would be expected to have a material impact on the Company's financial statements.

## 4. SIGNIFICANT ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Key sources of estimation uncertainty

The key assumptions management has made about the future and other major sources of estimation uncertainty at the date of the statement of financial position that have significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

*Income taxes*

The Company recognizes deferred tax assets for deductible temporary differences, unused tax losses and other income tax deductions only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and other income tax deductions can be utilized. In assessing the probability of realizing the income tax benefits of deductible temporary differences, unused tax losses and other income tax deductions, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. The likelihood that tax positions taken will be sustained upon examination by applicable tax authorities is assessed based on individual facts and circumstances of the relevant tax position evaluated in light of all available evidence.

As at January 31, 2021, the Company has not recognized any deferred tax assets for deductible temporary differences. Changes in any of the above-mentioned estimates can materially affect the amount of income tax assets recognized. In addition, where applicable tax laws and regulations are either unclear or subject to varying interpretations, changes in these estimates can occur that materially affect the amounts of income tax assets recognized. The Company reassesses unrecognized income tax assets at the end of each reporting period.

## 5. PROPOSED TRANSACTION

On January 28, 2021, the Company entered into a letter of intent (the “LOI”) with 2262496 Alberta Ltd. (“226”), whereby the Company will acquire 100% of the issued and outstanding shares of 226 (the “Proposed Transaction”). 226 is party to an exploration and purchase option agreement with Cracker Creek Gold Corporation and a services agreement with Minefinders LLC with respect to certain mineral claims that collectively are referred to as the Cracker Creek gold project (“Cracker Creek”) located in Oregon, USA. On closing of the Proposed Transaction, the holders of the issued and outstanding shares of 226 will exchange such shares in consideration for an equal amount of common shares of the Company on a 1:1 basis.

The Proposed Transaction is intended to provide the Company business operations for the purposes of a proposed listing of the Company’s common shares on the Canadian Securities Exchange (“CSE”). Following the closing of the Proposed Transaction, the Company and 226 will work to file a non-offering prospectus with the British Columbia Securities Commission (“BCSC”) to enable the Company to apply for listing on the CSE.

Subsequent to January 31, 2021, the Company completed a share exchange agreement with 226 (Note 11).

## 6. SHARE CAPITAL

### a) Authorized

Unlimited number of common shares without par value.

### b) Issued

The Company did not issue any shares during the years ended January 31, 2021 and 2020. Subsequent to January 31, 2021, the Company issued an aggregate of 16,125,000 common for aggregate proceeds of $980,500 (Note 11).

## 7. RELATED PARTY TRANSACTIONS

The Company’s related parties consist of its key management personnel, including its directors and officers.

During the year ended January 31, 2021, the Company incurred management fees of $6,375 (2020 – $6,000) with the CEO.

(Expressed in Canadian Dollars)

## 8. FINANCIAL INSTRUMENTS

### a) Categories of financial instruments and fair value measurements

The Company's financial assets and liabilities are classified as follows:

| | | January 31, 2021 | | January 31, 2020 |
|---|---|---|---|---|
| **Financial assets:** | | | | |
| ***Fair value through profit and loss*** | | | | |
| Cash | $ | 52,476 | $ | 61,573 |
| Other receivable | $ | 1,513 | $ | - |
| **Financial liabilities:** | | | | |
| ***Amortized cost*** | | | | |
| Accounts payable | $ | 1,600 | $ | - |

The fair values of the Company accounts payable approximate their carrying amounts due to the short-term nature of these instruments.

### b) Management of financial risks

The Company's financial instruments expose the Company to certain financial risks, including credit risk, liquidity risk, interest rate risk and foreign currency risk.

**Credit risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. At January 31, 2021, the Company was exposed to credit risk on its cash.

The Company's cash is held with a high credit quality financial institution in Canada and as at January 31, 2021, management considers its exposure to credit risk to be low.

**Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. The Company manages liquidity risk by maintaining adequate cash and managing its capital and expenditures.

At January 31, 2021, the Company had cash of $52,476 (2020 – $61,573) and current liabilities of $11,131 (2020 – $Nil) with contractual maturities of less than one year. The Company had sufficient cash to meet its current liabilities at January 31, 2021. The Company assessed its liquidity risk as high as at January 31, 2021.

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates.

The Company's financial assets and financial liabilities are not exposed to interest rate risk due to their short-term nature and maturity. The Company is not exposed to interest rate risk at January 31, 2021.

**Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency risk to the extent that it has monetary assets and liabilities denominated in foreign currencies. As at January 31, 2021, the Company was not exposed to foreign currency risk.

(Expressed in Canadian Dollars)

## 9. CAPITAL MANAGEMENT

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of equity composed of issued share capital.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issuances or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements.

## 10. INCOME TAXES

The tax effect (computed by applying the Canadian federal and provincial statutory rate) of the significant temporary differences, which comprise deferred income tax assets and liabilities, are as follows:

| | January 31, 2021 $ | January 31, 2020 $ |
|---|---|---|
| Net loss for the period | (18,715) | (8,515) |
| Canadian statutory income tax rate | 27% | 27% |
| Income tax recovery at statutory rate | (5,000) | (2,000) |
| Tax effect of: | | |
| Change in unrecognized deferred income tax assets | 5,000 | 2,000 |
| Income tax provision | – | – |

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

| | January 31, 2021 $ | January 31, 2020 $ |
|---|---|---|
| Deferred income tax assets | | |
| Non-capital losses carried forward | 23,000 | 18,000 |
| Unrecognized deferred income tax assets | (23,000) | (18,000) |
| Net deferred income tax asset | – | – |

As at January 31, 2021, the Company has non-capital losses carried forward of $84,000, which are available to offset future years' taxable income. These losses expire between 2039 and 2041.

## 11. SUBSEQUENT EVENTS

On February 9, 2021, the Company closed a non-brokered private placement offering, pursuant to which the Company issued an aggregate of 7,900,000 common shares at a price of $0.02 per common share for aggregate proceeds of $158,000 (Note 6).

On March 17, 2021, the Company closed a non-brokered private placement offering, pursuant to which the Company issued an aggregate of 8,225,000 common shares at a price of $0.10 per common share for aggregate proceeds of $822,500 (Note 6).

On March 26, 2021, the Company completed a share exchange agreement with 226 and the shareholders of 226 ("226 Shareholders") whereby the Company acquired all of the issued and outstanding shares of 226 from the 226 Shareholders by the issuance of 17,485,715 common shares of the Company (Note 5).

**SCHEDULE C**
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

Management's Discussion and Analysis for the six months ended July 31, 2021 and the financial years ended January 31, 2021 and 2020

# LODE METALS CORP. (formerly Crane Capital Corp.)
# Management Discussion and Analysis
# For the six months ended July 31, 2021

This management's discussion and analysis ("MD&A") is management's interpretation of the financial condition and results of operations of Lode Metals Corp. (the "Company" or "Lode Metals") for the six months ended July 31, 2021. This MD&A should be read in conjunction with the audited financial statements of the Company for the six months ended July 31, 2021, prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). This MD&A complements and supplements, but does not form part of, the Company's financial statements.

This MD&A contains forward-looking statements. Statements regarding the adequacy of cash resources to carry out the Company's exploration programs or the need for future financing are forward-looking statements. All forward-looking statements, including those not specifically identified herein, are made subject to cautionary language included in this MD&A. Readers are advised to refer to the cautionary language when reading any forward-looking statements.

All dollar amounts contained herein are expressed in Canadian dollars unless otherwise indicated. This MD&A has been prepared as of November 29, 2021.

**BUSINESS OVERVIEW**

Lode Metals Corp. (formerly Crane Capital Corp.) (the "Company" or "Lode Metals") is a gold focused Canadian exploration company. The Company's registered office is located at Suite 400, 725 Granville Street, Vancouver, BC, V7Y 1G5.

On April 12, 2021, Lode Metals acquired all of the outstanding shares of 2262496 Alberta Ltd. ("226") by way of share exchange agreement (the "Transaction"). These condensed consolidated interim financial statements include the results of operations of 226 from April 12, 2021. The Transaction is intended to provide the Company business operations for the purposes of a proposed listing of the Company's common shares on the Canadian Securities Exchange ("CSE"). The Company is currently filing a non-offering prospectus with the British Columbia Securities Commission ("BCSC") to enable the Company to apply for listing on the CSE.

On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. The duration and impact of COVID-19 is unknown at this time, and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial results and condition of the Company in future periods, including the possible impact on future financing opportunities. There are various community restrictions and health and safety measures in Oregon, USA that may prohibit or delay exploration programs from proceeding. Operations will depend on obtaining necessary permits, field supplies, and contractor services, and safeguarding personnel during the outbreak, which may be prohibitive or costly.

**ACQUISITION OF 226**

On April 12, 2021, the Company closed the acquisition of 226 contemplated in the letter of intent (the "LOI") dated January 28, 2021. Pursuant to the Transaction, 226 shareholders were issued an aggregate of 17,486,715 common shares of the Company in exchange for all of the issued and outstanding shares of 226, with 226 to continue as a wholly owned subsidiary of the Company.

The Transaction has been accounted for in accordance with guidance provided in IFRS 2, Share-based payments. As the Transaction did not qualify as a business according to the definition in IFRS 3, this Transaction does not constitute a business combination; rather, it is treated as an asset acquisition.

The purchase price is allocated as follows:

| | | Amount |
|---|---|---|
| Fair value of the Company’s shares | | |
| (17,485,719 common shares at $0.10 per share) | $ | 17,485,719 |
| Consideration | | 1,748,572 |
| | | |
| Net assets acquired | | |
| Cash | | 25,174 |
| Prepaid expenses | | 3,766 |
| Loans payable | | (430,180) |
| Net assets | | (401,240) |
| | | |
| **Exploration and evaluation assets (Note 5)** | **$** | **2,149,812** |

**Financings and Other Equity Security Issuances**

During the six months ended July 31, 2021 and 2020, the Company issued 16,125,000 and Nil common shares for gross proceeds of $980,500 and $Nil, respectively. The Company also received $70,587 in advance for a subscription receipt financing closed subsequent to period end.

On August 6, 2021, the Company issued 343,000 common shares with a fair value of $120,050 to a consultant (the “Consultant”) pursuant to a one-year marketing agreement (the “Agreement”). The Agreement also stipulates a cash payment of $10,000 per months for twelve months from the agreement date (the “Initial Term”). If the Company undertakes an offering of equity securities, the Consultant is entitled to a cash commission equal to 7% of the gross proceeds raised from the sale of securities and common shares or other securities equal to 7% of the number of securities sold to those parties introduced to the Company by the Consultant. In the event that a transaction other than an equity securities offering involved a party introduced to the Company by the Consultant, the Consultant is entitled to a minimum transaction fee of $75,000.

On August 30, 2021, the Company granted 200,000 stock options to a consultant. Each stock option is exercisable into one common share of the Company at a price of $0.15 per common share for five years, with 1/2 vesting one year from the grant date and the remaining 1/2 vesting two years from the grant date.

On September 7, 2021, the Company closed a special warrant financing by issuing 2,307,142 special warrants (the “Special Warrants”) at a price of $0.35 per Special Warrant for aggregate gross proceeds of $807,500 (the “Special Warrant Offering”). Each Special Warrant is convertible into one common share of the Company on the date that is the earlier of (i) the date which is four months and one day following the closing of the Special Warrant Offering; and (ii) the second business day after the date on which a receipt for the Company’s final long form prospectus is issued by the British Columbia Securities Commission (the “BCSC”).

On September 22, 2021, the Company closed a subscription receipt financing by issuing 3,612,316 subscription receipts (the “Subscription Receipts”) at a price of $0.35 per Subscription Receipt for aggregate gross proceeds of $1,264,311, which are held in escrow (the “Escrowed Funds”). As at July 31, 2021, the Company had collected $76,587 in subscriptions received in advance relating the sale of Subscription Receipts. Each Subscription Receipt is convertible into one common share of the Company on the same date that the Escrowed Funds are released, which will be upon filing of a final long form prospectus of the Company with certain provincial securities regulatory authorities in Canada in order to qualify the distribution of the common shares underlying the Subscription Receipts.

On October 1, 2021, the Company closed a second special warrant financing by issuing 1,224,284 special warrants (“Second Special Warrants”) at a price of $0.35 per Second Special Warrant for aggregate gross proceeds of $428,500 (the “Second Special Warrant Offering”). Each Second Special Warrant is convertible into one common share of the Company on the date that is the earlier of (i) the date which is four months and one day following the closing of the Second Special Warrant Offering; and (ii) the second business day after the date on which a receipt for the Company’s final long form prospectus is issued by the BCSC.

For a discussion of the factors affecting the Company’s losses see “Results of operations” and “Summary of quarterly results below”.

**Results of operations for the six months ended July 31, 2021 and 2020**

The Company incurred a loss and comprehensive loss of $184,143 for the six months ended July 31, 2021 compared to a loss of $1,127 for the six months ended July 31, 2020. The increase in loss and comprehensive loss of $183,016 was primarily driven by:

- Stock-based compensation expense of $94,052 due to the granting of stock options to officers, directors and consultants; and
- Professional fees of $57,330 incurred primarily relating to the Transaction with 226.

All other costs incurred were in the normal course of business and due to increased corporate activity.

**Summary of quarterly results**

The following table provides a summary of financial data for the Company for the last eight fiscal quarters:

| | Quarter ended | | Loss and comprehensive (loss) / recovery | | Basic and diluted income (loss) per common share |
|---|---|---|---|---|---|
| Q2/22 | July 31, 2021 | $ | (108,896) | $ | (0.03) |
| Q1/22 | April 30, 2021 | $ | (75,247) | $ | (0.00) |
| Q4/21 | January 31, 2021 | $ | (13,881) | $ | (0.00) |
| Q3/21 | October 31, 2020 | $ | (3,707) | $ | (0.00) |
| Q2/21 | July 31, 2020 | $ | (304) | $ | (0.00) |
| Q1/21 | April 30, 2020 | $ | (823) | $ | (0.00) |

**LIQUIDITY AND CAPITAL RESOURCES**

At July 31, 2021, the Company had cash of $235,979 and its current assets exceed its current liabilities by $43,986. The Company had sufficient cash to continue operations for at least the next twelve months.

**Cash flows**

Cash used in operating activities for the six months ended July 31, 2021 was $500,658 (2020 – $752).

Cash used in investing activities for the six months ended July 31, 2021 was $366,926 (2020 – $Nil). In 2021, cash was spent on the Company's exploration and evaluation asset.

Cash provided by financing activities for the six months ended July 31, 2021 was $1,051,087 (2020 – $Nil). In 2021, cash the cash received was from the issuance of common shares and subscription receipts.

**TRANSACTIONS WITH RELATED PARTIES**

The Company's related parties consist of its key management personnel, including its directors and officers.

During the six months ended July 31, 2021 and 2020, the Company incurred management fees of $51,459 (2020 – $Nil) with the CEO, which was capitalized to the Company's exploration and evaluation asset. During the six months ended July 31, 2021, the Company incurred stock-based compensation expense of $23,373 for related parties. Included within loans payable is $Nil and $15,000 owing to a related party as at July 31, 2021 and January 31, 2021, respectively.

**CRITICAL JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

The critical judgements and estimates that management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the financial statements for the six months ended July 31, 2021 are as follows:

<u>Key sources of estimation uncertainty</u>

The key assumptions management has made about the future and other major sources of estimation uncertainty at the date of the statement of financial position that have significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

*Income taxes*

The Company recognizes deferred tax assets for deductible temporary differences, unused tax losses and other income tax deductions only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and other income tax deductions can be utilized. In assessing the probability of realizing the income tax benefits of deductible temporary differences, unused tax losses and other income tax deductions, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. The likelihood that tax positions taken will be sustained upon examination by applicable tax authorities is assessed based on individual facts and circumstances of the relevant tax position evaluated in light of all available evidence.

As at July 31, 2021, the Company has not recognized any deferred tax assets for deductible temporary differences. Changes in any of the above-mentioned estimates can materially affect the amount of income tax assets recognized. In addition, where applicable tax laws and regulations are either unclear or subject to varying interpretations, changes in these estimates can occur that materially affect the amounts of income tax assets recognized. The Company reassesses unrecognized income tax assets at the end of each reporting period.

## NEW ACCOUNTING STANDARDS AND ACCOUNTING STANDARDS NOT YET EFFECTIVE

None.

## OFF-BALANCE SHEET ARRANGEMENTS

The Company did not enter into any off-balance sheet arrangements during the six months ended July 31, 2021.

## FINANCIAL INSTRUMENTS AND RELATED RISKS

### Classifications

The Company's financial assets and liabilities are classified as follows:

| | | July 31, 2021 | | January 31, 2021 |
|---|---|---|---|---|
| **Financial assets:** | | | | |
| ***Fair value through profit and loss*** | | | | |
| Cash | $ | 235,979 | $ | 52,476 |
| GST receivable | | 7,515 | | - |
| **Financial liabilities:** | | | | |
| ***Amortized cost*** | | | | |
| Accounts payable | $ | 75,974 | $ | 1,600 |
| Loans payable | | 137,310 | | - |

The fair values of the Company's GST receivable, accounts payable and loans payable approximate their carrying amounts due to the short-term nature of these instruments.

### Financial instrument risk exposure

The Company's financial instruments expose the Company to certain financial risks, including credit risk, liquidity risk, interest rate risk and foreign currency risk.

### Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. At July 31, 2021, the Company was exposed to credit risk on its cash.

The Company's cash is held with a high credit quality financial institution in Canada and as at July 31, 2021, management considers its exposure to credit risk to be low.

### Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. The Company manages liquidity risk by maintaining adequate cash and managing its capital and expenditures.

At July 31, 2021, the Company had cash of $235,979 (January 31, 2021 – $52,476) and current liabilities of $220,954 (January 31, 2021 – $11,131) with contractual maturities of less than one year. The Company had sufficient cash to meet its current liabilities at July 31, 2021. The Company assessed its liquidity risk as high as at July 31, 2021.

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates.

The Company's financial assets and financial liabilities are not exposed to interest rate risk due to their short-term nature and maturity. The Company is not exposed to interest rate risk at July 31, 2021.

**Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency risk to the extent that it has monetary assets and liabilities denominated in foreign currencies. As at July 31, 2021, management considers its exposure to foreign currency risk to be low.

## RISKS AND UNCERTAINTIES

The Company's business remains mineral property acquisition, exploration and development business and as a result it may be exposed to a number of operational, financial, regulatory and other risks and uncertainties that are typical in the natural resource industry and common to other companies in the exploration and development stage. These risks may not be the only risks faced by the Company. Additional risks and uncertainties not presently known by the Company or which are presently considered immaterial could adversely impact the Company's business, results of operations, and financial performance in future periods.

## OUTSTANDING SHARE CAPITAL DATA

At the date of this MD&A, the Company had 39,425,719 common shares issued and outstanding.

The Company has authorized an unlimited number of common shares without par value.

At the date of this MD&A, the Company had 3,531,426 Special Warrants, 3,612,316 Subscription Receipts and 3,832,500 stock options outstanding.

## CONFLICTS OF INTEREST

The Company's directors and officers may serve as directors or officers, or may be associated with, other reporting companies, or have significant shareholdings in other companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions, or ventures in which the Company may participate, the directors and officers of the Company may have a conflict of interest in negotiating and concluding on terms with respect to the transaction. If a conflict of interest arises, the Company will follow the provisions of the BC *Business Corporations Act* ("BCBCA") dealing with conflict of interest. These provisions state that where a director has such a conflict, that director must, at a meeting of the Company's directors, disclose his or her interest and refrain from voting on the matter unless otherwise permitted by the BCBCA. In accordance with the laws of the Province of British Columbia, the directors and officers of Lode Metals are required to act honestly, in good faith, and in the best interest of Lode Metals.

## CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This MD&A includes "forward-looking statements" and "forward-looking information" within the meaning of Canadian securities legislation. All statements included in this MD&A, other than statements of historical fact, are forward-looking statements. When used in this MD&A, words such as "may", "would", "could", "will", "intend", "expect", "believe", "plan", "anticipate", "estimate", "scheduled", "forecast", "predict", "foresee" and other similar terminology, or sentences/statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved are intended to identify forward-looking statements, which, by their very nature, are not guarantees of the Company's future operational or financial performance.

These statements reflect the Company's current expectations regarding future events, performance and results, and is accurate only at the time of this MD&A, and may be superseded by more current information. Forward-looking statements also involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Company or its mineral projects to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements or information.

In making such statements, the Company has made assumptions regarding, among other things: general business and economic conditions; the availability of additional; the supply and demand for, inventories of, and the level and volatility of the prices of metals; the timing and receipt of governmental permits and approvals; changes in regulations; political factors; the accuracy of the Company's interpretation of the geology of the Company's properties and prospective properties; the availability of equipment, skilled labour and services needed for the exploration of mineral properties; and currency fluctuations.

Although the forward-looking statements or information contained in this MD&A are based upon what management of the Company believes are reasonable assumptions, the Company cannot assure investors that actual results will be consistent with these forward-looking statements. They should not be read as guarantees of future performance or results. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to: the factors discussed below and under "Risks and Uncertainties"; unanticipated changes in general business and economic conditions or conditions in the financial markets; fluctuations in the price of metals; stock market volatility; the availability of exploration capital and financing generally; changes in national and local government legislation; changes to taxation; changes in interest or currency exchange rates; loss of key personnel; inaccurate geological assumptions; competition; unavailability of materials and equipment; government action or delays in the receipt of permits or government approvals; and unanticipated events related to health, safety and environmental matters, including the impact of epidemics.

Forward-looking information is designed to help readers understand management's current views of the Company's near and longer-term prospects, and it may not be appropriate for other purposes. The Company will not update any forward-looking statements or forward-looking information unless required to by applicable securities laws.

# LODE METALS CORP. (formerly Crane Capital Corp.)
# Management Discussion and Analysis
# For the year ended January 31, 2021

This management's discussion and analysis ("MD&A") is management's interpretation of the financial condition and results of operations of Lode Metals Corp. (the "Company" or "Lode Metals") for the year ended January 31, 2021. This MD&A should be read in conjunction with the audited financial statements of the Company for the year ended January 31, 2021, prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). This MD&A complements and supplements, but does not form part of, the Company's financial statements.

This MD&A contains forward-looking statements. Statements regarding the adequacy of cash resources to carry out the Company's exploration programs or the need for future financing are forward-looking statements. All forward-looking statements, including those not specifically identified herein, are made subject to cautionary language included in this MD&A. Readers are advised to refer to the cautionary language when reading any forward-looking statements.

All dollar amounts contained herein are expressed in Canadian dollars unless otherwise indicated. This MD&A has been prepared as of June 18, 2021.

## BUSINESS OVERVIEW

The Company was incorporated under the *Business Corporations Act* of British Columbia on March 7, 2018. The Company is in the process of completing a share purchase transaction with 2262496 Alberta Ltd., which holds certain mineral property interests in Oregon, USA.

The Company is a junior mineral exploration stage company in the business of acquiring, exploring, and evaluating natural resource properties, and either developing these properties further or disposing of them when the evaluation is complete.

On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. The duration and impact of COVID-19 is unknown at this time and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial results and condition of the Company in future periods, including the possible impact on future financing opportunities.

### Proposed Transaction

On January 28, 2021, the Company entered into a letter of intent (the "LOI") with 2262496 Alberta Ltd. ("226"), whereby the Company will acquire 100% of the issued and outstanding shares of 226 (the "Proposed Transaction"). 226 is party to an exploration and purchase option agreement with Cracker Creek Gold Corporation and a services agreement with Minefinders LLC with respect to certain mineral claims that collectively are referred to as the Cracker Creek gold project ("Cracker Creek") located in Oregon, USA. On closing of the Proposed Transaction, the holders of the issued and outstanding shares of 226 will exchange such shares in consideration for an equal amount of common shares of the Company on a 1:1 basis.

The Proposed Transaction is intended to provide the Company business operations for the purposes of a proposed listing of the Company's common shares on the CSE. Following the closing of the Proposed Transaction, the Company and 226 will work to file a non-offering prospectus with the British Columbia Securities Commission ("BCSC") to enable the Company to apply for listing on the CSE.

On March 26, 2021, the Company completed a share exchange agreement with 226 and the shareholders of 226 ("226 Shareholders") whereby the Company acquired all of the issued and outstanding shares of 226 from the 226 Shareholders by the issuance of 17,485,715 common shares of the Company.

### Subsequent Financings

On February 9, 2021, the Company closed a non-brokered private placement offering, pursuant to which the Company issued an aggregate of 7,900,000 common shares at a price of $0.02 per common share for aggregate proceeds of $158,000.

On March 17, 2021, the Company closed a non-brokered private placement offering, pursuant to which the Company issued an aggregate of 8,225,000 common shares at a price of $0.10 per common share for aggregate proceeds of $822,500.

**Selected Annual Information**

| | Years ended December 31, | | |
|---|---|---|---|
| | 2021 | 2020 | 2019 |
| Revenue | $ - | $ - | $ - |
| Loss of the year before extraordinary items | $ 18,715 | $ 8,515 | $ 56,712 |
| Basic and Diluted Loss per Share | $ 0.00 | $ 0.00 | $ 0.02 |
| Loss for the Year | $ 18,715 | $ 8,515 | $ 56,712 |
| Total Assets | $ 53,989 | $ 61,573 | $ 70,088 |
| Liabilities (L.T.) | $ - | $ - | $ - |
| Cash dividends | $ - | $ - | $ - |

For a discussion of the factors affecting the Company's losses see "Summary of quarterly results" and "Results of operations" below.

**Results of operations for the years ended January 31, 2021 and 2020**

The Company incurred a loss and comprehensive loss of $18,715 for the year ended January 31, 2021 compared to a loss of $8,515 for the year ended January 31, 2020. The increase in loss and comprehensive loss pf $10,200 was primarily driven by:

- Professional fees of $10,618 in fiscal 2021 compared with $238 in fiscal 2020; an increase of $10,380 due to legal fees incurred in fiscal 2021 related to the Proposed Transaction.

All other costs incurred were nominal and similar for both fiscal years.

**Summary of quarterly results**

The following table provides a summary of financial data for the Company for the last eight fiscal quarters:

| | Quarter ended | Loss and comprehensive (loss) / recovery | Basic and diluted income (loss) per common share |
|---|---|---|---|
| Q4/21 | January 31, 2021 | $ (13,881) | $ (0.00) |
| Q3/21 | October 31, 2020 | $ (3,707) | $ (0.00) |
| Q2/21 | July 31, 2020 | $ (304) | $ (0.00) |
| Q1/21 | April 30, 2020 | $ (823) | $ (0.00) |
| Q4/20 | January 31, 2020 | $ 194 | $ (0.00) |
| Q3/20 | October 31, 2019 | $ (6,001) | $ (0.00) |
| Q2/20 | July 31, 2019 | $ (1) | $ (0.00) |
| Q1/20 | April 30, 2019 | $ (2,707) | $ (0.00) |

**LIQUIDITY AND CAPITAL RESOURCES**

At January 31, 2021, the Company had cash of $52,476 and its current assets exceed its current liabilities by $42,858. The Company had sufficient cash to continue operations for at least the next twelve months.

**Cash flows**

Cash used in operating activities for the year ended January 31, 2021 was $9,097 (2020 – 8,515).

**TRANSACTIONS WITH RELATED PARTIES**

The Company's related parties consist of its key management personnel, including its directors and officers.

During the normal course of business, the Company enters into transactions with its related parties that are considered to be arm's length transactions and made at normal market prices and on normal commercial terms.

During the year ended January 31, 2021, the Company incurred management fees of $6,375 (2020 – $6,000) with the CEO.

**CRITICAL JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

The critical judgements and estimates that management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the financial statements for the year ended January 31, 2021 are as follows:

Key sources of estimation uncertainty

The key assumptions management has made about the future and other major sources of estimation uncertainty at the date of the statement of financial position that have significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

*Income taxes*

The Company recognizes deferred tax assets for deductible temporary differences, unused tax losses and other income tax deductions only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and other income tax deductions can be utilized. In assessing the probability of realizing the income tax benefits of deductible temporary differences, unused tax losses and other income tax deductions, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. The likelihood that tax positions taken will be sustained upon examination by applicable tax authorities is assessed based on individual facts and circumstances of the relevant tax position evaluated in light of all available evidence.

As at January 31, 2021, the Company has not recognized any deferred tax assets for deductible temporary differences. Changes in any of the above-mentioned estimates can materially affect the amount of income tax assets recognized. In addition, where applicable tax laws and regulations are either unclear or subject to varying interpretations, changes in these estimates can occur that materially affect the amounts of income tax assets recognized. The Company reassesses unrecognized income tax assets at the end of each reporting period.

**NEW ACCOUNTING STANDARDS AND ACCOUNTING STANDARDS NOT YET EFFECTIVE**

None.

**OFF-BALANCE SHEET ARRANGEMENTS**

The Company did not enter into any off-balance sheet arrangements during the year ended January 31, 2021.

**FINANCIAL INSTRUMENTS AND RELATED RISKS**

**Classifications**

The Company's financial assets and liabilities are classified as follows:

| | January 31, 2021 | January 31, 2020 |
|---|---|---|
| **Financial assets:** | | |
| ***Fair value through profit and loss*** | | |
| Cash | $ 52,476 | $ 61,573 |
| Other receivable | $ 1,513 | $ - |
| **Financial liabilities:** | | |
| ***Amortized cost*** | | |
| Accounts payable | $ 1,600 | $ - |

The fair values of the Company's cash, other receivable and accounts payable approximate their carrying amounts due to the short-term nature of these instruments.

**Financial instrument risk exposure**

The Company's financial instruments expose the Company to certain financial risks, including credit risk, liquidity risk, interest rate risk and foreign currency risk.

**Credit risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. At January 31, 2021, the Company was exposed to credit risk on its cash.

The Company's cash is held with a high credit quality financial institution in Canada and as at January 31, 2021, management considers its exposure to credit risk to be low.

**Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. The Company manages liquidity risk by maintaining adequate cash and managing its capital and expenditures.

At January 31, 2021, the Company had cash of $52,476 (2020 – $61,573) and accounts payable and accrued liabilities of $11,131 (2020 – $Nil) with contractual maturities of less than one year. The Company had sufficient cash to meet its current liabilities at January 31, 2021. The Company assessed its liquidity risk as low as at January 31, 2021.

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates.

The Company's financial assets and financial liabilities are not exposed to interest rate risk due to their short-term nature and maturity. The Company is not exposed to interest rate risk at January 31, 2021.

**Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency risk to the extent that it has monetary assets and liabilities denominated in foreign currencies.

As at January 31, 2021, the Company was not exposed to foreign currency risk.

## RISKS AND UNCERTAINTIES

The Company's business remains mineral property acquisition, exploration and development business and as a result it may be exposed to a number of operational, financial, regulatory and other risks and uncertainties that are typical in the natural resource industry and common to other companies in the exploration and development stage. These risks may not be the only risks faced by the Company. Additional risks and uncertainties not presently known by the Company or which are presently considered immaterial could adversely impact the Company's business, results of operations, and financial performance in future periods.

## OUTSTANDING SHARE CAPITAL DATA

At the date of this MD&A, the Company had 21,597,000 common shares issued and outstanding.

The Company has authorized an unlimited number of common shares without par value.

At the date of this MD&A, the Company has no share purchase warrants or stock options outstanding.

## CONFLICTS OF INTEREST

The Company's directors and officers may serve as directors or officers, or may be associated with, other reporting companies, or have significant shareholdings in other companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions, or ventures in which the Company may participate, the directors and officers of the Company may have a conflict of interest in negotiating and concluding on terms with respect to the transaction. If a conflict of interest arises, the Company will follow the provisions of the BC *Business Corporations Act* ("BCBCA") dealing with conflict of interest. These provisions state that where a director has such a conflict, that director must, at a meeting of the Company's directors, disclose his or her interest and refrain from voting on the matter unless otherwise permitted by the BCBCA. In accordance with the laws of the Province of British Columbia, the directors and officers of Lode Metals are required to act honestly, in good faith, and in the best interest of Lode Metals.

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These statements reflect the Company's current expectations regarding future events, performance and results, and is accurate only at the time of this MD&A, and may be superseded by more current information. Forward-looking statements also involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Company or its mineral projects to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements or information.

In making such statements, the Company has made assumptions regarding, among other things: general business and economic conditions; the availability of additional; the supply and demand for, inventories of, and the level and volatility of the prices of metals; the timing and receipt of governmental permits and approvals; changes in regulations; political factors; the accuracy of the Company’s interpretation of the geology of the Company’s properties and prospective properties; the availability of equipment, skilled labour and services needed for the exploration of mineral properties; and currency fluctuations.

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Forward-looking information is designed to help readers understand management’s current views of the Company’s near and longer-term prospects, and it may not be appropriate for other purposes. The Company will not update any forward-looking statements or forward-looking information unless required to by applicable securities laws.

## CERTIFICATE OF THE CORPORATION

Dated: November 29, 2021

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

| | |
|---|---|
| *"Kenneth Tullar"* | *"Gavin Cooper"* |
| Kenneth Tullar<br>President, Chief Executive Officer and Director | Gavin Cooper<br>Chief Financial Officer |

On behalf of the Board

| | |
|---|---|
| *"James Yates"* | *"Thomas Lewis"* |
| James Yates<br>Director | Thomas Lewis<br>Director |