

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and only by persons permitted to sell those securities. The securities offered by this prospectus have not been, and will not be, registered under the United States Securities Act of 1933, as amended, and, subject to certain exceptions, may not be offered or sold within the United States of America. See “Plan of Distribution”.

PROSPECTUS

Initial Public Offering

January 26, 2023

XCITE RESOURCES INC.

\$420,000

4,200,000 Units

PRICE: \$0.10 per Unit

This prospectus (the “**Prospectus**”) qualifies an offering (the “**Offering**”) to the public of 4,200,000 units (the “**Units**”) of Xcite Resources Inc. (“**Xcite**” or the “**Company**”) at a price of \$0.10 per Unit for gross proceeds of \$420,000. The minimum size of the Offering is 4,200,000 Units. Each Unit will consist of one common share in the capital of the Company (each, a “**Common Share**”, and each Common Share comprising a Unit, a “**Unit Share**”) and one-half of one common share purchase warrant (with each whole common share purchase warrant being a “**Unit Warrant**”). Each Unit Warrant will entitle the holder thereof to acquire one Common Share (each, a “**Unit Warrant Share**”) at an exercise price of \$0.30, until 5:00 p.m. (Vancouver time) on the date that is 12 months from the date of issuance, subject to the terms of the warrant indenture (the “**Warrant Indenture**”) to be entered into as of the date of closing between the Company and Odyssey Trust Company (the “**Warrant Agent**”). The Units will immediately separate on issuance into Unit Shares and Unit Warrants. The Offering is being made pursuant to the terms of an agency agreement dated January 26, 2023 (the “**Agency Agreement**”) between the Company and Haywood Securities Inc. (the “**Agent**”).

| | Price to the Public | Agent’s Commission ⁽¹⁾ | Proceeds to the Company ⁽²⁾ |
|--------------------------------------|---------------------|--------------------------------------|---|
| Per Unit ⁽³⁾ | \$0.10 | \$nil | \$0.10 |
| Total Offering ⁽⁴⁾ | \$420,000 | \$nil | \$420,000 |

(1) The Agent will receive a commission of 10% of the gross amount raised in the Offering, payable in units of the Company (each, a “**Fee Unit**”), with each Fee Unit having a deemed price of \$0.10 per Fee Unit. Each Fee Unit will be comprised of one Common Share of the Company (each, a “**Fee Share**”) and one Common Share purchase warrant (each, a “**Fee Warrant**”), with each Fee Warrant exercisable for one Common Share of the Company (each, a “**Fee Warrant Share**”) at an exercise price of \$0.10 for 24 months from the date of issuance. In addition, the Agent will receive non-transferable compensation options (each, a “**Compensation Option**”) to purchase that number of Common Shares (each, a “**Compensation Option Share**”) as is equal to 10% of the number of Units sold pursuant to the Offering. Each Compensation Option will be exercisable for a period of 24 months from the date of issuance at a price of \$0.10 per Compensation Option Share. See “Plan of Distribution”.

(2) Before deducting a corporate finance fee of \$25,000 (plus GST) (the “**Corporate Finance Fee**”) payable to the Agent and the Agent’s Offering expenses estimated at \$26,000.

(3) The price per Unit was determined by negotiation between the Company and the Agent.

(4) A total of 4,200,000 Units are offered hereunder, not including the Fee Shares, the Fee Warrants or the Compensation Options. The Company has granted the Agent an option (the “**Over-Allotment Option**”), exercisable, in whole or in part by the Agent, in its sole discretion, by giving notice to the Company at any time not later than the 30th day following the closing date of the Offering to acquire up to an additional 630,000 Units (the “**Additional Units**”) to cover the Agent’s over-allocation position, if any, and for market stabilization purposes. This Prospectus qualifies the grant of the Over-Allotment Option and the distribution of the Additional Units upon exercise of the Over-Allotment Option. A purchaser who acquires securities forming part of the Agent’s over-allocation position acquires those securities under this Prospectus, regardless of whether the over-

allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. “See Plan of Distribution”.

Unless the context otherwise requires, when used herein, all references to “Offering” include the exercise of the Over-Allotment Option and all references to “Units” include the Additional Units issuable upon exercise of the Over-Allotment Option.

The Agent, or registered sub-agents who assist the Agent in the distribution of the Units offered hereunder, conditionally offers the Units, subject to prior sale, on a “commercially reasonable efforts” basis, if, as and when issued by the Company and accepted by the Agent in accordance with the conditions contained in the Agency Agreement and subject to the approval of certain legal matters, on behalf of the Company by Beadle Raven LLP and on behalf of the Agent by Miller Thomson LLP. Subscriptions for Units will be subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice.

It is expected that certificates evidencing the Unit Shares and Unit Warrants in definitive form will be available for delivery at the closing of the Offering unless the Agent elects for electronic delivery through the non-certificated inventory (“NCI”) system of CDS Clearing and Depository Services Inc. (“CDS”) or its nominee. If delivered in NCI form, purchasers of Units will receive only a customer confirmation from the registered dealer that is a CDS participant and from or through which the Units were purchased.

Completion of the Offering is subject to the sale of at least 4,200,000 Units on or before 90 days after the issuance of the final receipt for the final prospectus respecting the Offering, unless an amendment to the final prospectus is filed and a receipt for the amendment is issued, in which case the latest date that the distribution is to remain open is 90 days after the date of issuance of a receipt for the amendment, and in any event no later than 180 days from the date of the receipt for the final prospectus. There will be no closing unless a minimum of 4,200,000 Units are sold.

A copy of this prospectus has been filed with the securities regulatory authorities in the provinces of British Columbia, Alberta, Manitoba and Ontario but has not yet become final for the purpose of the sale of securities. Information contained in this prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the prospectus is obtained from the securities regulatory authorities.

There is no market through which the Unit Shares or Unit Warrants may be sold and purchasers may not be able to resell Unit Shares or Unit Warrants purchased under this Prospectus. This may affect the pricing of the Unit Shares or Unit Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Unit Shares or Unit Warrants, and the extent of issuer regulation. See “Risk Factors”.

The Company has applied to the Canadian Securities Exchange (the “CSE” or the “Exchange”) to list its Common Shares for trading on such exchange. The CSE has conditionally approved the listing of the Common Shares. Listing is subject to the Company satisfying the CSE’s listing requirements. See “*Stock Exchange Listing*”.

An investment in the Units is speculative and involves a high degree of risk that should be considered by potential purchasers. An investment in the Units is suitable only for those purchasers who are willing to risk a loss of some or all of their investment and who can afford to lose some or all of their investment. The risk factors included in this Prospectus should be reviewed carefully and evaluated by prospective purchasers of Units. See “Risk Factors” and “Forward-Looking Information”.

The following table sets out the maximum number of securities that may be issued by the Company, assuming full exercise of the Over-Allotment Option and the issuance of an additional 630,000 Units thereunder:

| Agent's Position | Maximum Number of Common Shares Available | Exercise Period | Exercise Price |
|-------------------------------------|---|---|----------------------------|
| Over-Allotment Option | 945,000 ⁽¹⁾ | Not later than the 30 th day after the closing of the Offering | \$0.10 per Additional Unit |
| Fee Shares ⁽²⁾ | 420,000 | N/A | N/A |
| Fee Warrants ⁽²⁾ | 420,000 | 24 months from the date of issuance | \$0.10 |
| Compensation Options ⁽³⁾ | 420,000 | 24 months from the date of issuance | \$0.10 |

(1) This number includes up to 630,000 Unit Shares and 315,000 Unit Warrant Shares issuable on exercise of 315,000 Unit Warrants that would be issued if the Over-Allotment Option is fully exercised.

(2) On closing, the Agent will receive a commission of 10% of the gross amount raised in the Offering, payable in Fee Units of the Company (each Fee Unit comprised of one Fee Share and one Fee Warrant), with each Fee Unit having a deemed price of \$0.10 per Fee Unit.

(3) On closing, the Agent will be granted Compensation Options entitling the Agent to purchase that number of Common Shares that is equal to 10% of the number of Units sold under the Offering.

Section 11.2 of National Instrument 41-101 – *General Prospectus Requirements* restricts the maximum number of securities issued to the Agent that may be qualified under the Prospectus to 10% of the total number of securities distributed under the Prospectus. For the purposes of this Offering, any combination of the Fee Units and Compensation Options totaling up to 10% of the number of Units sold under the Offering, are qualified compensation securities (“**Qualified Compensation Securities**”) and are qualified for distribution by this Prospectus. To the extent that the Agent is entitled to receive securities as compensation exceeding 10% of the Units sold, those securities exceeding the 10% threshold will not be Qualified Compensation Securities, will not be qualified for distribution under this Prospectus, and will be subject to a four month hold period in accordance with applicable securities laws.

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References to “\$” are references to Canadian dollars.

GLOSSARY

“**Additional Units**” means up to 630,000 additional Units that may be offered under the Over-Allotment Option.

“**Agency Agreement**” means the agency agreement dated January 26, 2023 between the Company and the Agent.

“**Agent**” means Haywood Securities Inc.

“**Amended Purchase Agreement**” means a Purchase and Sale Agreement dated as of April 12, 2021 between the Company and Bullion, as amended, pursuant to which the Company may acquire from Bullion a 100% interest in and to the Turgeon Lake Property.

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

“**Bullion**” or the “**Vendor**” means Bullion Gold Resources Corp., the vendor under the Amended Purchase Agreement and an arm’s length party to the Company.

“**Bullion NSR**” means the 2% net smelter returns royalty granted by Xcite to Bullion under the Amended Purchase Agreement.

“**Claims**” means 39 mineral claims located in the Province of Québec comprising the Turgeon Lake Property.

“**Common Shares**” means common shares in the capital of the Company.

“**Compensation Option**” means a non-transferable compensation option of the Company granted to the Agent, each exercisable for a Compensation Option Share.

“**Compensation Option Share**” means a Common Share issuable upon exercise of a Compensation Option.

“**Corporate Finance Fee**” means a corporate finance fee of \$25,000 (plus GST) payable by the Company to the Agent under the Agency Agreement.

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

“**Escrow Agreement**” means the escrow agreement dated as of January 3, 2023 among the Company, the Escrow Shareholders and the Trustee.

“**Escrowed Securities**” means the Common Shares that are subject to escrow pursuant to the Escrow Agreement.

“**Escrow Shareholders**” means Chris Cooper, Elaine Cooper and Etienne Gouin-Proulx.

“**Execution Date**” means April 12, 2021, being the date designated as the “Execution Date” under the Amended Purchase Agreement.

“**Fee Share**” means a Common Shares included as part of a Fee Unit.

“**Fee Unit**” means a unit of the Company, each comprised of a Fee Share and a Fee Warrant.

“**Fee Warrant**” means a Common Share purchase warrant of the Company included as part of a Fee Unit, exercisable for one Fee Warrant Share.

“**Fee Warrant Share**” means a Common Share issuable upon exercise of a Fee Warrant.

“**First Release Date**” means the date the Common Shares are listed on the CSE.

“**Guidelines**” means and National Policy 58-201 – *Corporate Governance Guidelines*.

“**MD&A**” means the Company’s Management’s Discussion and Analysis included in this Prospectus as Appendix II.

“**MERN**” means the Québec Ministry of Natural Resources.

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

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

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

“**Offering**” means the offering of the Units to the public pursuant to this Prospectus.

“**Over-Allotment Option**” means the option granted by the Company to the Agent to sell the Additional Units.

“**Plan**” means the Company’s stock option plan.

“**Prospectus**” means this prospectus filed by the Company.

“**Technical Report**” means an independent geological report dated May 9, 2022 prepared by Carl Corriveau, P. Geo., and Raphaël Morand, P. Geo., respecting the Turgeon Lake Property.

“**Transaction**” means the Company’s pending acquisition of 100% of Bullion’s right, title and interest in and to the Turgeon Lake Property pursuant to the Amended Purchase Agreement, as more particularly governed by the Amended Purchase Agreement and described in this Prospectus.

“**Trustee**” means Odyssey Trust Company.

“**Turgeon Lake Property**” or “**Property**” means the mineral exploration property that is the subject of the Amended Purchase Agreement, comprised of the Claims.

“**Underlying NSR**” means the 2% net smelter returns royalty granted by Bullion to the prospectors who initially staked the Claims.

“**Unit**” means a unit of the Company being offered to the public pursuant to this Prospectus, each comprised of a Unit Share and one-half of a Unit Warrant.

“**Unit Share**” means a Common Share included as part of a Unit.

“**Unit Warrant**” means a Common Share purchase warrant of the Company, one-half of which is included as part of each Unit, each whole Unit Warrant exercisable for one Unit Warrant Share.

“**Unit Warrant Share**” means a Common Share issuable upon exercise of a Unit Warrant.

“**Warrant Agent**” has the meaning given to it on page 1 of this Prospectus.

“**Warrant Indenture**” has the meaning given to it on page 1 of this Prospectus.

“**Xcite**” or the “**Company**” means Xcite Resources Inc., a company incorporated under the laws of the Province of British Columbia.

PROSPECTUS SUMMARY

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

The Company

The Company was incorporated under the *Business Corporations Act* (British Columbia) on February 8, 2021 under the name “Xcite Resources Inc.”.

The Company’s head office is located at #1910-1030 West Georgia Street, Vancouver, British Columbia, V6C 2Y3 and its registered and records office is located at #600-1090 West Georgia Street, Vancouver, BC V6E 3V7. The Company has no subsidiaries and does not hold securities in any corporation, partnership, trust or other corporate entity. The Company is currently engaged in the business of mineral exploration in Québec, Canada.

See “Description and General Development of the Business”.

Turgeon Lake Property

The Company is party to the Amended Purchase Agreement with Bullion pursuant to which the Company may acquire a 100% interest in and to the Turgeon Lake Property, comprised of the Claims. Bullion holds a 100% interest in the Claims comprising the Property. Bullion is an arm’s length party to the Company.

An independent geological report (the “**Technical Report**”) prepared by Carl Corriveau, P. Geo., and Raphaël Morand, P.Geo., each of whom is a “Qualified Person” as defined in National Instrument 43-101 – *Standards of Disclosure for Mineral Properties* (“**NI 43-101**”), was completed in relation to the Property on May 9, 2022. The Technical Report recommends that the Company conduct a two phase exploration program: Phase 1, having an estimated budget of \$128,800 and consisting of a complete compilation of all the geological data on the Property and its surroundings, an MMI soil sampling program, rock sampling and mapping, in order to possibly generate drilling targets; and Phase 2, depending and contingent on the results of Phase 1, having an estimated budget of \$252,150 and consisting of a 1,700 metre drill program. The total estimated budget of Phase 1 and Phase 2 is \$380,950 (including 15% contingencies).

See “Description and General Development of the Business” and “Turgeon Lake Property”.

The Offering

The Company is offering for sale 4,200,000 Units for gross proceeds of \$420,000. On closing, the Agent will receive a commission of 10% of the gross amount raised in the Offering, payable in Fee Units of the Company, a Corporate Finance Fee of \$25,000 (plus GST) and an option entitling the Agent to purchase that number of Common Shares of the Company that is equal to 10% of the number of Units sold in the Offering. The Company has granted the Agent an option, exercisable, in whole or in part by the Agent giving notice to the Company at any time not later than the 30th day following the closing date of the Offering to sell up to 630,000 Additional Units.

Completion of the Offering is subject to the sale of at least 4,200,000 Units on or before 90 days after the issuance of the final receipt for the final prospectus respecting the Offering, unless an amendment to the final prospectus is filed and a receipt for the amendment is issued, in which case the latest date that the distribution is to remain open is 90 days after the date of issuance of a receipt for the amendment, and in any event no later than 180 days from the date of the receipt for the final prospectus. There will be no closing unless a minimum of 4,200,000 Units are sold.

See “Plan of Distribution”.

Use of Proceeds

The Company will receive gross proceeds of \$420,000 from the Offering (not including any proceeds that would be received if the Over-Allotment Option is exercised, in whole or in part, by the Agent). Applying these gross proceeds

to the estimated working capital deficit of the Company as at December 31, 2022 of approximately \$18,000 will provide the Company with \$402,000 in available funds on a pro forma basis. The Company intends to use the available funds as follows over the next 12 months:

| Use of Proceeds | Amount |
|---|------------------|
| Prospectus and CSE Listing costs ⁽¹⁾ | \$85,000 |
| Exploration of the Property ⁽²⁾ | \$200,000 |
| Property Payments ⁽³⁾ | \$35,000 |
| General & Administrative Expenses for 12 months | \$75,000 |
| Unallocated Working Capital ⁽⁴⁾⁽⁵⁾ | \$7,000 |
| Total | \$402,000 |

- (1) This amount includes: \$25,000 Corporate Finance Fee; \$50,000 in legal fees of the Company and the Agent (not including the \$10,000 in Agent expenses already pre-paid by the Company); and CSE filing fees of \$10,000.
- (2) This amount includes the estimated budget of \$128,800 for the Phase 1 work program recommended by the Technical Report. Under the Amended Purchase Agreement, the Company must incur minimum exploration expenditures of \$200,000 on or before April 12, 2023 and additional minimum exploration expenditures of \$300,000 on or before April 12, 2024.
- (3) This amount reflects the cash payment required to be made by the Company to Bullion on the earlier of the CSE listing date and January 31, 2023, pursuant to the terms of the Amended Purchase Agreement. An additional cash payment by the Company to Bullion of \$150,000 on April 12, 2024 is also required pursuant to the terms of the Amended Purchase Agreement.
- (4) To the extent necessary, the Company will utilize these funds to fund any negative cash flow in future periods.
- (5) In the event the Over-Allotment Option is exercised in whole or in part, any additional net proceeds will be added to the Company's working capital. If the Over-Allotment Option is exercised in full, the Company will receive additional gross proceeds of \$63,000.

It is the intention of the Company to remain in the mineral exploration business. Should the Turgeon Lake Property not be deemed viable, or if the Company's funds are not required for further work on the Turgeon Lake Property, those funds will be allocated to the acquisition, exploration or development of other properties, including the Turgeon Lake Property or other properties that may be identified by the Company in the future.

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

See "Use of Proceeds".

Risk Factors

An investment in the Units should be considered highly speculative due to the nature of the Company's business and the present stage of its development and should only be considered by investors who can afford the total loss of their investment.

A prospective purchaser of Units should be aware that there are various risks that could have a material adverse effect on, among other things, the properties, business and condition (financial or otherwise) of the Company. These risk factors, together with all of the other information contained in this Prospectus, including information contained in the sections entitled "Risk Factors" and "Cautionary Statement Regarding Forward-Looking Information", should be carefully reviewed and considered before the decision to purchase Units is made.

The Company has a limited operating history upon which to evaluate the Company. The Company has no history of earnings and the Company may need to raise additional capital in the future. The intended use of proceeds described in this Prospectus is an estimate only and is subject to change. The Company's ability to continue as a going concern is dependent upon achieving profitable operations and upon obtaining additional financing. It is anticipated that the Company will continue to report negative operating cash flow in future periods, likely until one or more of its mineral properties are placed into production. The Company's ability to generate sufficient cash flow from operations to make

scheduled payments to its contractors, service providers and merchants will depend on future financial performance. There are no known commercial quantities of mineral reserves on our properties. Factors beyond the Company's control may affect the marketability of metals discovered, if any. The Company cannot guarantee that title to its mineral properties will not be challenged. Any delay or failure to receive any required land use approvals or permits could negatively impact the Company's future exploration of its mineral properties. 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 from finding mineral deposits which, though present, are insufficient in quantity and quality to return a profit from production. The Company's activities are subject to environmental regulation and may require permits or licences that may not be granted. The Company may be liable for environmental contamination and natural resource damages relating to its mineral properties that occurred before the Company owned its mineral properties. The Property or the roads or other means of access which the Company intends to utilize may be subject to interests or claims by third party individuals, groups or companies. The Company and its assets may become subject to uninsurable risks. The Company competes with other companies with greater financial resources and technical facilities. The Company is currently largely dependent on the performance of its directors and management and there is no assurance that their services can be maintained. If the Company fails to meet its commitments under the Amended Purchase Agreement, it may lose its interest in the Property. In recent years both metal prices and publicly traded securities prices have fluctuated widely. The Company has an unlimited number of Common Shares that may be issued by the board of directors without further action or approval of the Company's shareholders. Income tax consequences in relation to the securities offered will vary according to the circumstances of each purchaser. Situations may arise where the interests of certain of the Company's directors and officers could conflict with the interests of the Company. The Company has not declared or paid any dividends and does not currently have a policy on the payment of dividends. Preparation of its financial statements requires the Company to use estimates and assumptions, and actual amounts could differ from those based on these estimates and assumptions. Legal, accounting and other expenses associated with public company reporting requirements have increased significantly in recent years. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions.

Summary of Financial Information

The following is selected historical financial information of the Company. The Company has a financial year ending October 31.

The summary presented below contains selected financial information of the Company that is derived from, and should be read in conjunction with, the financial statements of the Company and notes thereto, "Consolidated Capitalization" and Management's Discussion and Analysis that are included elsewhere in this Prospectus. All of the financial information presented below is prepared in accordance with International Financial Reporting Standards ("IFRS").

| | For the financial year ended October 31, 2021 (\$) (audited) | For the nine months ended July 31, 2022 (\$) (unaudited) |
|---|---|---|
| Deposit on exploration and evaluation asset | 30,000 | 30,000 |
| Total assets | 189,122 | 73,397 |
| Current assets | 159,122 | 43,397 |
| Total liabilities | 30,337 | 21,646 |
| Net income (loss) | (91,215) | (107,034) |
| Shareholders' equity (deficit) | 158,785 | 51,751 |

To the date of this Prospectus, the Company has issued 9,360,000 Common Shares. The proceeds of these issuances have been and will be used for general corporate purposes of the Company.

The Company has not declared or paid any dividends since incorporation and does not envisage declaring or paying any dividends until such time as it earns sufficient profits from which to declare a dividend.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This Prospectus contains forward-looking information which deals with intentions, beliefs, expectations and future results as they pertain to the Company and the Company's industry. This forward-looking information also includes information regarding the financial condition and business of the Company, as they exist at the date of this Prospectus. Forward-looking information is often, but not always, identified by the use of words such as "seeks", "believes", "plans", "expects", "intends", "estimates", "anticipates" and statements that an event or result "may", "will", "should", "could" or "might" occur or be achieved and other similar expressions. This forward-looking information includes, without limitation, information about the Company's opportunities, strategies, competition, expected activities and expenditures as the Company pursues its business plan, the adequacy of the Company's available cash resources and other statements about future events or results. In particular, and without limiting the generality of the foregoing, this Prospectus contains forward-looking information concerning its exploration of the Property, which information has been based on exploration on the Property to date and the recommended work program set forth in the Technical Report concerning the Turgeon Lake Property. Forward-looking information is information about the future and is inherently uncertain, and actual achievements of the Company or other future events or conditions may differ materially from those reflected in the forward-looking statements due to a variety of risks, uncertainties and other factors, such as business and economic risks and uncertainties, including, without limitation, those referred to under the heading "Risk Factors". The forward-looking information is based on a number of assumptions, including assumptions regarding general market conditions, the availability of financing for proposed transactions and programs on reasonable terms, and the ability of outside service providers to deliver services in a satisfactory and timely manner. The Company's forward-looking information is based on the beliefs, expectations and opinions of management of the Company on the date the information is provided. For the reasons set forth above, investors should not place undue reliance on forward-looking information. The Company does not intend, and expressly disclaims any intention or obligation to, update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required by applicable law.

This Prospectus includes many cautionary statements, including those stated under the heading "Risk Factors". You should read these cautionary statements as being applicable to all related forward-looking information wherever it appears in this Prospectus.

CORPORATE STRUCTURE

The Company was incorporated under the *Business Corporations Act* (British Columbia) on February 8, 2021 under the name "Xcite Resources Inc."

The Company's head office is located at #1910-1030 West Georgia Street, Vancouver, British Columbia, V6C 2Y3 and its registered and records office is located at #600-1090 West Georgia Street, Vancouver, BC V6E 3V7. The Company has no subsidiaries and does not hold securities in any corporation, partnership, trust or other corporate entity. The Company is currently engaged in the business of mineral exploration in Québec, Canada.

DESCRIPTION AND GENERAL DEVELOPMENT OF THE BUSINESS

History

On February 8, 2021, the Company issued an aggregate of 3,900,000 Common Shares at a price of \$0.005 per Common Share, for gross proceeds of \$19,500. 3,900,000 Common Share purchase warrants, each exercisable for one Common Share at an exercise price of \$0.10 until February 8, 2026, were issued in conjunction with the issuance of these Common Shares.

On April 12, 2021, the Company entered into the Purchase and Sale Agreement with Bullion, pursuant to which the Company may acquire from Bullion a 100% interest in and to the Turgeon Lake Property. The agreement was amended by the parties on October 1, 2021, November 24, 2021, April 6, 2022, June 27, 2022, September 30, 2022, and November 22, 2022. See "The Amended Purchase Agreement", below, for further details respecting the agreement.

On May 19, 2021, the Company issued an aggregate of 4,610,000 Common Shares at a price of \$0.05 per Common Share, for gross proceeds of \$230,500.

On November 22, 2021, the Company issued an aggregate of 400,000 stock options, each option exercisable for one Common Share at an exercise price of \$0.10 per share for five years from date of listing of the Common Shares on the CSE.

On May 16, 2022, the Company filed a final prospectus respecting a public offering of an aggregate of \$800,000 worth of securities of the Company with the securities regulatory authorities in the provinces of British Columbia, Alberta and Ontario. However, the offering contemplated by that prospectus was not completed.

On December 5, 2022, the Company issued an aggregate of 850,000 Common Shares at a price of \$0.10 per Common Share, for gross proceeds of \$85,000. 425,000 Common Share purchase warrants, each exercisable for one Common Share at an exercise price of \$0.30 until December 5, 2023, were issued in conjunction with the issuance of these Common Shares.

Turgeon Lake Property

Bullion is the 100% legal and beneficial owner of 39 mineral claims located in the Province of Québec referred to the Turgeon Lake Property, covering a total area of approximately 2,203.28 hectares. Bullion is an arm's length party to the Company. The Company is party to the Amended Purchase Agreement with Bullion pursuant to which the Company may acquire up to an 100% interest in and to the Turgeon Lake Property.

The Property was map designated by two prospectors on July 16, 2020. The prospectors transferred all of their interest in the Property to Bullion pursuant to a purchase and sale agreement dated August 31, 2020, subject to a 2% net smelter returns royalty (the "**Underlying NSR**"), 1% to each prospector. Bullion and Xcite subsequently entered into the Amended Purchase Agreement.

If the Project is brought into commercial production, then Xcite shall grant Bullion an additional 2% net smelter returns royalty (the "**Bullion NSR**") on the Property. Xcite shall have the right to repurchase half of the Bullion NSR (1%) from Bullion at any time by making a payment of \$1,000,000 to Bullion.

The Amended Purchase Agreement

The Company is party to the Amended Purchase Agreement, pursuant to which the Company may acquire 100% of Bullion's right, title and interest in and to the Turgeon Lake Property. The Transaction will be effected in accordance with the Amended Purchase Agreement, a copy of which has been filed by the Company on SEDAR at www.sedar.com as a material document. The Amended Purchase Agreement includes a number of conditions which must be satisfied or waived in order for the Transaction to be completed. The Amended Purchase Agreement also contains certain varying covenants, representations and warranties made by each of Bullion and the Company concerning matters relevant to the Transaction. The Transaction will close on the date which is three business days after the date on which all of the conditions to the Transaction set forth in the Amended Purchase Agreement have been satisfied or waived, unless the parties otherwise agree in writing. Following closing of the Transaction, the Claims will be registered in the Company's name.

Covenants

In consideration for 100% of Bullion's right, title and interest in and to the Turgeon Lake Property, the Company agreed to make cash payments totalling \$250,000 in aggregate to Bullion, on the following schedule:

- (a) \$30,000 on the Execution Date (paid);
- (b) \$35,000 on or before November 30, 2022 (paid);
- (c) \$35,000 on the earlier of (i) the date on which the Common Shares are listed on the CSE; and (ii) January 31, 2023; and
- (d) \$150,000 on the date that is three years from the Execution Date.

In addition, the Company agreed to issue 1,500,000 Common Shares in aggregate to Bullion, on the following schedule:

- (a) 250,000 Common Shares upon the closing date of the Transaction;
- (b) 750,000 Common Shares on the earlier of (i) the date on which the Common Shares are listed on the CSE; and (ii) January 31, 2023; and
- (c) 500,000 Common Shares on the date that is three years from the Execution Date.

In addition, the Company agreed to complete a work commitment of a minimum aggregate total of \$500,000 in exploration expenditures on the Turgeon Lake Property, on the following schedule:

- (a) \$200,000 on or before the date that is two years from the Execution Date; and
- (b) an additional \$300,000 on or before the date that is three years from the Execution Date.

Bullion will manage the exploration and technical work on the Turgeon Lake Property described above, under the supervision of the Company and in accordance with such budgets, exploration plans and other materials approved in writing by the parties to the Transaction.

Conditions

The closing of the Transaction is subject to certain conditions agreed to in the Amended Purchase Agreement, consisting of the following:

- (a) conditions for the benefit of the Company:
 - (i) receipt of all necessary approvals and consents to the Transaction;
 - (ii) the result of due diligence investigations by the Company regarding the Claims, the Turgeon Lake Property and anything else the Company may deem as necessary being satisfactory to the Company in all material respects; and
 - (iii) Bullion's material compliance with, and avoidance of material breach of, Bullion's covenants contained in the Amended Purchase Agreement.
- (b) conditions for the benefit of Bullion:
 - (i) receipt of all necessary approvals and consents to the Transaction;
 - (ii) the Company's material compliance with, and avoidance of material breach of, the Company's covenants contained in the Amended Purchase Agreement; and
 - (iii) any Common Shares of the Company issued to Bullion in connection with the Transaction being issued free and clear of any and all encumbrances, liens, charges, demands of whatsoever nature, except for any resale restrictions required under applicable securities legislation or policies of any applicable stock exchange.

Such conditions may be waived in writing, in whole or in part, by the party for whose benefit they are inserted in the Amended Purchase Agreement, in that party's absolute discretion. If any of the conditions in favour of a party is not satisfied or waived on or before January 31, 2023, then that party will have the right to terminate the Amended Purchase Agreement at any time thereafter by provide written notice of termination to the other party.

Representations and Warranties

The Amended Purchase Agreement contains varying representations and warranties made by each of the Company and Bullion relating to, among other things: the party's right and authority to enter into the Amended Purchase Agreement and carry out its intentions and obligations thereunder; incorporation and standing of the party; enforceability of the Amended Purchase Agreement against the party, and the party's conduct of the Transaction not contravening laws, judgements, or approvals; the absence of actions, suits or proceedings pertaining to the party or the Turgeon Lake Property; commitments to make commercially reasonable efforts to obtain all approvals and consents necessary for the Transaction; in the case of the Company, certain representations and warranties related to the issuance of Common Shares to the Vendor; and in the case of the Vendor, certain representations and warranties related to the description of the Claims and the Property in the Amended Purchase Agreement, the Vendor's ownership interests therein, the standing and compliance of the Property with applicable laws (including environmental laws),

and the absence of hazardous substances, underground storage tanks, landfills or waste disposal sites in or upon the Property.

The assertions embodied in the Amended Purchase Agreement's representations and warranties are solely for the purposes of the Amended Purchase Agreement and should not be relied on as statements of factual information.

Technical Report

An independent geological report (the "**Technical Report**") prepared by Carl Corriveau, P. Geo., and Raphaël Morand, P. Geo., each of whom is a "Qualified Person" as defined in National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("**NI 43-101**"), was completed in relation to the Property on May 9, 2022. The Technical Report recommends that the Company conduct a two phase exploration program: Phase 1, having an estimated budget of \$128,800 and consisting of a complete compilation of all the geological data on the Property and its surroundings, an MMI soil sampling program, rock sampling and mapping, in order to possibly generate drilling targets; and Phase 2, depending and contingent on the results of Phase 1, having an estimated budget of \$252,150 and consisting of a 1,700 metre drill program. The total estimated budget of Phase 1 and Phase 2 is \$380,950 (including 15% contingencies).

Future Plans

The Company has applied to the CSE to list its Common Shares for trading on such exchange. The CSE has conditionally approved the listing of the Common Shares. Listing is subject to the Company satisfying the CSE's listing requirements.

In relation to the Turgeon Lake Property, the Company plans to follow recommendations made in the Technical Report, described above. The Company also intends to fulfill its obligations under the Amended Purchase Agreement.

Trends

There are significant uncertainties regarding the prices of gold and silver and other minerals and the availability of equity financing for the purposes of mineral exploration and development. For instance, the price of gold, silver and other minerals has fluctuated widely in recent years and wide fluctuations are expected to continue. Apart from this risk, and the risk factors noted under the heading "Risk Factors," we are not aware of any other trends, commitments, events or uncertainties that would have a material adverse effect on our business, financial condition or results of operations.

Competitive Conditions

The Company is a grassroots mineral exploration company. The mineral exploration industry is competitive, with many companies competing for the limited number of precious and base metals acquisition and exploration opportunities that are economic under current or foreseeable metals prices, as well as for available investment funds. Competition also exists for the recruitment of qualified personnel and equipment. See "Risk Factors."

Government Regulation

Mining operations and exploration activities in Canada are subject to various federal, provincial and local laws and regulations which govern prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, protection of the environment, mine safety, hazardous substances and other matters.

The Company believes that it is and will continue to be in compliance in all material respects with applicable statutes and the regulations passed in Canada. There are no current orders or directions relating to the Company with respect to the foregoing laws and regulations.

Environmental Regulation

The various federal, provincial and local laws and regulations governing protection of the environment are amended often and are becoming more restrictive. The Company's policy is to conduct its business in a way that safeguards public health and the environment. The Company believes that its operations are conducted in material compliance with applicable environmental laws and regulations.

Since its incorporation, the Company has not had any environmental incidents or non-compliance with any applicable environmental laws or regulations. The Company estimates that it will not incur material capital expenditures for environmental control facilities during the current fiscal year.

TURGEON LAKE PROPERTY

The Technical Report, prepared by Carl Corriveau, P. Geo., and Raphaël Morand, P.Geo., each of whom is a "Qualified Person" as defined in National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101"), was completed in relation to the Turgeon Lake Property on May 9, 2022. The Technical Report recommends that the Company conduct a two phase exploration program: Phase 1, having an estimated budget of \$128,800 and consisting of a complete compilation of all the geological data on the Property and its surroundings, an MMI soil sampling program, rock sampling and mapping, in order to possibly generate drilling targets; and Phase 2, depending and contingent on the results of Phase 1, having an estimated budget of \$252,150 and consisting of a 1,700 metre drill program. The total estimated budget of Phase 1 and Phase 2 is \$380,950 (including 15% contingencies).

Unless stated otherwise, the information in this section is summarized, compiled or extracted from the Technical Report. The Technical Report was prepared in accordance with NI 43-101 and has been filed with the securities regulatory authorities in British Columbia.

Portions of the following information are based on assumptions, qualifications and procedures which are not fully described herein. The Technical Report is available for review under the Company's profile on the SEDAR website at www.sedar.com.

Property Description and Location

Location

The Turgeon Lake Property is located in Chazel and Lavergne Townships, NTS 32D15 and 32E02, 95 kilometers north of the Rouyn-Noranda mining district and 45 kilometers northeast of La Sarre in the Abitibi-Temiscamingue region in northwestern Québec, Canada. The center of the Property is located at 652 700E, 5 430 300N UTM Zone 17 (see Figure 2.1 from the Technical Report, below).



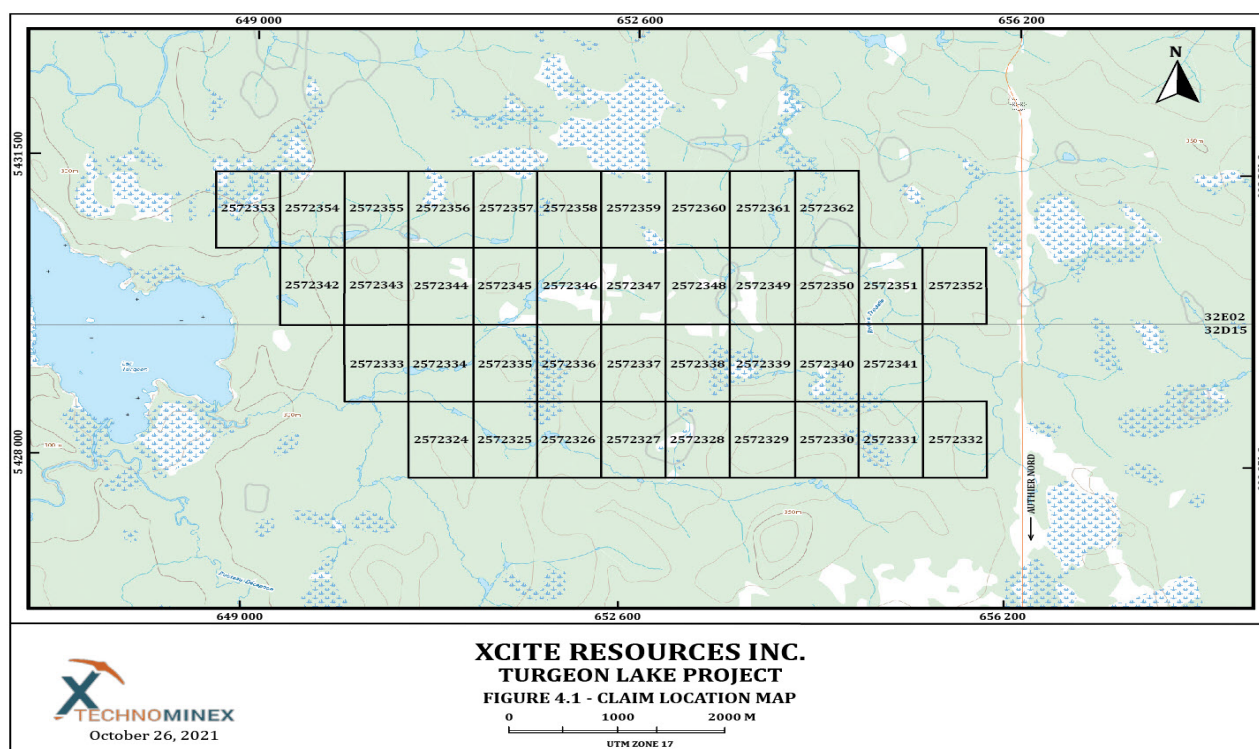
Mining Rights in the Province of Québec

In the Province of Québec, mining is principally regulated by the provincial government. The Ministère de l'Énergie et des Ressources Naturelles du Québec ("MERN"; the Ministry of Natural Resources) is the provincial agency entrusted with the management of mineral substances in Québec. The ownership and granting of mining titles for mineral substances are primarily governed by the *Mining Act* (Québec) and related regulations. In Québec, land surface rights are distinct property from mining rights. Rights in or over mineral substances in Québec form part of the domain of the State (the public domain), subject to limited exceptions for privately owned mineral substances. Mining titles for mineral substances within the public domain are granted and managed by the MERN. The granting of mining rights for privately owned mineral substances is a matter of private negotiations, although certain aspects of the exploration for and mining of such mineral substances are governed by the *Mining Act* (Québec).

The Claims

A claim is the only exploration title for mineral substances (other than surface mineral substances, petroleum, natural gas and brine) currently issued in Québec. A claim gives its holder the exclusive right to explore for such mineral substances on the land subject to the claim but does not entitle its holder to extract mineral substances, except for sampling and only in limited quantities. In order to mine mineral substances, the holder of a claim must obtain a mining lease. The electronic map designation is the most common method of acquiring new claims from MERN whereby an applicant makes an online selection of available pre-mapped claims. In rare territories, claims can be obtained by staking.

The Turgeon Lake Property consists of 39 Claims covering a total area of 2,203.28 hectares (see Figure 4.1 from the Technical Report, below). All Claims are in good standing and are expiring on July 15, 2023. Xcite does not own any surface rights in the area, the land is either private or crown.



Carl Corriveau is not aware of any foreseeable problems relating to: access, weather, surface rights for mining operations, the availability and sources of power and water, mining personnel, potential tailings storage areas, potential waste disposal areas, environmental liabilities, and potential processing plant sites.

A regular permit provided by the Québec Ministry of Forest, Wildlife and Parks is required for trenching and drilling works. Xcite has not yet applied for such a permit.

Mining Leases

Mining leases are extraction (production) mining titles that give their holder the exclusive right to mine mineral substances (other than surface mineral substances, petroleum, natural gas and brine). A mining lease is granted to the holder of one or several claims upon proof of the existence of indicators of the presence of a workable deposit on the area covered by such claims and compliance with other requirements prescribed by the *Mining Act* (Québec). A mining

lease has an initial term of twenty (20) years but may be renewed for three additional periods of ten (10) years each. Under certain conditions, a mining lease may be renewed beyond the three statutory renewal periods.

Mining Concessions

Mining concessions are extraction (production) mining titles that give their holder the exclusive right to mine mineral substances (other than surface mineral substances, petroleum, natural gas and brine).

Mining concessions were issued prior to January 1, 1966. After that date, grants of mining concessions were replaced by grants of mining leases. Although similar in certain respects to mining leases, mining concessions granted broader surface and mining rights and are not limited in time. A grantee must commence mining operations within five years from December 10, 2013. As is the case for a holder of a mining lease, a grantee may be required by the government, on reasonable grounds, to maximize the economic spinoffs within Québec of mining the mineral resources authorized under the concession. The grantee must also, within three years of commencing mining operations and every twenty (20) years thereafter, send the Minister a scoping and market study as regards processing in Québec.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

Accessibility

The Turgeon Lake Property is accessible from Macamic by driving east for 10 km on Highway 111 and then north towards Authier-Nord for 26 km. This road runs along the eastern border of the Property. Property access is provided by a gravel road leading west from the main road which cuts across the southeastern corner of the Property in Chazel Township, and crosses the entire Property and by good three- wheel or skidoo trails along the Range X and Township boundary lines. A site visit was carried out by Carl Corriveau on December 10, 2020. One purpose of the visit was to assess the quality of access to the Property. It is confirmed that the Property is easily accessible all year long by the main road from Authier Nord and many cross cutting forestry roads straddling the Property East to West. Raphaël Morand visited the Property on March 27, 2022, and confirmed accessibility at that time.

Climate

The region has a mid-latitude continental climate, with temperatures ranging from 30° C in the summer to -30° C in the winter. Winters are long and cold, with mean monthly temperatures below freezing for five months of the year (November to March). Annual precipitation is about 975 mm, with half of that in the summer months.

The winter snow pack averages 50 cm to 90 cm. Lake ice forms by mid-November and usually melts by mid-April. Field operations are possible year round with the exception of limitations imposed by lakes and swamps and the periods of break-up and freeze-up.

Local Resources

Rouyn-Noranda and Val-d'Or are linked together via the Trans-Canada Highway 117. Skilled labor, including drillers and mining services, can be found in these two mining towns. Rouyn-Noranda is a regional center of 42,000 habitants offering all the advantages of a modern city (provincial government buildings, hospital, university, sports center, international movie festival).

There are also services available in Normetal and La Sarre, such as food, road and rail transport, machinery, electricity, telephone etc. There is a high voltage electric line passing through Normetal. A regional airport in the national network is located in Rouyn-Noranda. Airstrips, small planes and helicopters are available in the vicinity of La Sarre. The project lands are suitable for mining activities given the presence of following possibilities: the sufficiency of surface rights for mining, the supply of electricity and water.

Physiography

The mean elevation of the Property is approximately 320 m. Much of the Property is covered with thick accumulations of clay and sandy till with local gravel and boulder ridges. Topographic relief between the sand hills covering 50 per cent of the Property and intervening muskeg areas can be up to 20 meters.

Several creeks dissect the Property along east-west and north-south trends. Prolific beaver activity has created many extensive ponds in lower-lying areas. Most of the southern portion of the Property has been timbered leaving extensive, open (scarified) cut-over areas with variable amounts of second growth.

History and Historical Exploration

Description of Historical Work on the Property

Exploration work started in the area after the discovery of a sulphide showing on the eastern shore of Turgeon Lake in 1936 by Erie Canadian Mines Limited. The showing is located at approximately 400 m west of the Property claim group. Sulphides consisted mainly of pyrite and pyrrhotite with minor marcasite and sphalerite found in a shear zone. Exploration work started on part the Property in 1958.

In 1958, Kerr-Addison conducted ground magnetometer and electromagnetic surveys on the most western 400 m of the Property. No significant results were found on the Property (GM 06486-A).

In 1967, Dome Exploration conducted a limited reconnaissance electromagnetic survey (no records available) and drilled two holes, P9-1 and P9-2, on two electromagnetic conductors. Both holes intersected 20-70% pyrite and pyrrhotite over widths ranging from 20 cm to 1m in andesite and tuff. No assays were reported. The two holes totalled 227 m (GM21629).

In 1968, Dome Exploration conducted a systematic electromagnetic survey to verify the lateral continuity of the previously identified conductors. The survey did not find any extensions to the conductors (GM23651).

In 1969, Dome Exploration drilled one more hole, P9-3B, on a magnetic anomaly. The anomaly was explained by a 2.6 m intersection carrying 15% pyrrhotite in andesite. The hole also intersected 25% pyrite and pyrrhotite in two small zones of 0.5 and 0.7 m in width in rhyolite tuffs. The core was assayed for Au, Ag, Cu, Zn, and Ni. The best intersection returned 0.10% Cu and 0.40% Zn over 0.6 m (GM 25655).

In 1972, the Québec government sponsored an INPUT MARK V airborne electromagnetic survey over most of the southern portion of the Abitibi volcanic belt. Five clusters of electromagnetic conductors were found on the Property (DP-104).

In 1973, Selco Mining Exploration Ltd performed magnetic and electromagnetic (VHEM) on two small grids where INPUT conductors have been identified in the northwest of the Property. One weak conductor was found and was verified by drill hole V-9-1, V-10-1 and V-10-2. These holes encountered 50-100% pyrrhotite on widths varying from 2 to 60 cm explaining the conductor (GM 28819).

In 1976, SOQUEM conducted ground magnetic and electromagnetic surveys and an airborne gravity survey over one of the INPUT electromagnetic cluster of conductors located in the northwestern part of the Property in Lavergne Township. The survey delineated six conductors, one of which a drilling recommendation was made (GM32795).

In 1977, Matagami Lake Mines Ltd. ran magnetic and horizontal loop electromagnetic surveys in Lavergne Township in the northwest portion of the Property. The survey found two conductors and drilling was recommended on one of the conductors.

In 1979, Utah Mines Ltd ran magnetic and horizontal loop electromagnetic surveys in the southwestern part of the Property in Chazel Township. The survey found two conductors one of which is coincident with a magnetic anomaly (GM 36202).

In 1981, Utah Mines Ltd. drilled 6 holes on conductors delineated from their geophysical surveys, two of which, LT-2 and LT-3, were drilled on claim CDC 2572342 in the western part of the Property. The two holes totalled 217 m. Both holes intersected sulphides, mainly pyrrhotite with minor pyrite, chalcopyrite and sphalerite usually under 1 m in width. The best mineralized intersections were assayed for Au, Ag, Cu, Zn and Ni and only traces of these elements are reported. The drill hole logs mentioned that the core has been left on the Property (GM 41285).

In 1986, Syngold Exploration Inc. ran a magnetometer survey on a small portion of their Property in the far east portion of the Property (GM 43194). Later during the year, they surveyed the rest of the Property (GM 44237). A large ENE-WSW trending, oval-shaped magnetic high extends across the area surveyed with a magnetic low developed in its center. A dome and/or basin style of folding in magnetic volcanic rocks was interpreted as being the cause of the anomaly. The company also conducted a geological survey on the Property. Although the outcrops are very scarce, rock samples revealed that they range in composition from iron-rich tholeiites to intermediate and felsic volcanic. Moderately anomalous gold (78 ppb Au) is present in a local quartz vein in the north east corner of the Property. Minor sulphide mineralization (pyrite and pyrrhotite) occurs in one or more highly carbonate-rich, rusty quartz bearing shear zones in the north outcrop area and as disseminations associated with the more siliceous bands in the central and southern outcrop areas (GM 44236).

In 1987, Syngold Exploration conducted a till sampling program on the eastern half of the Property. 34 reverse circulation holes were drilled for a total 688 m in overburden and 53 m in bedrock. Gold background in the till concentrates averages 160 ppb. Sixteen heavy mineral gold anomalies were detected in overburden samples, but of these only four are in till. Three of the four are nugget anomalies and are of no significance. The remaining anomaly, located 200 m east of the Property, is strong (13,020 ppb) and occurs in till overlying an auriferous quartz-carbonate vein in Hole 23. The till anomaly could represent dispersion from a significant nearby source but more likely results from contamination of the till by drill cuttings of the underlying quartz-carbonate vein which assayed 240 ppb Au (GM 48273).

In 1988, a helicopter borne magnetic, electromagnetic and VLF was flown over the northwest tip of the Property. One conductor was outlined and determined to be a low conductance bedrock conductor associated with a low amplitude magnetic trend (GM 46183).

In 1988, Utah Mines Limited ran a mag and IP survey in the southeastern part of the Property and covered claims CDC 2572331 and 2572332. No anomaly was found on this portion of the survey (GM 46598). A geological survey also took place on the same two claims. Pyrite mineralization (5-15%) was reported in a quartz veins up to 0.4 m in width in sericitized and silicified tuffaceous volcanics. A sample (#44529) was taken from this outcrop but there is no record if it has been assayed (GM 46663).

In 1995, three humus soil samples were taken by the MERN along the Chazel-Lavergne Township line and no anomaly was reports (MB 95-55).

Between 2001 and 2003, Noranda Exploration and Mines d'Or Virginia commissioned an airborne electromagnetic MEGATEM II and magnetic survey over the Abitibi Greenstone Belt, from Rouyn-Noranda to Chibougamau up to Matagami to cover the most prospective ground (DP 2008-16, DP 2008-18). The survey confirmed the 5 conductor clusters outlined in the 1972 INPUT MARK V airborne electromagnetic survey.

In 2003-2004, Noranda Inc. conducted ground follow-up surveys on selected electromagnetic MEGATEM II conductors. On claim CDC 2572346, magnetic, horizontal loop electromagnetic and IP surveys were executed on a small grid and successfully delineated the conductor (GM 61379). Hole CHZ-003-04-01 was drilled to a depth of 251 m and intersected 5-20% Py-Po stringers over 6 m in a basalt. No significant results were reported.

The MEGATEM II conductors and the historical drill holes (both diamond drill holes and till sampling) and their results are presented on a map in Appendix 1 of the Technical Report.

In January 2021, Novatem Inc. was mandated by Bullion to carry out a helicopter-borne very high resolution magnetic on the project, Novatem carried out the 1,010 line-km survey from January 20 to 23, 2021. Lines were flown at 25 m spacing with continuous readings. The cost of the survey was \$26,325.

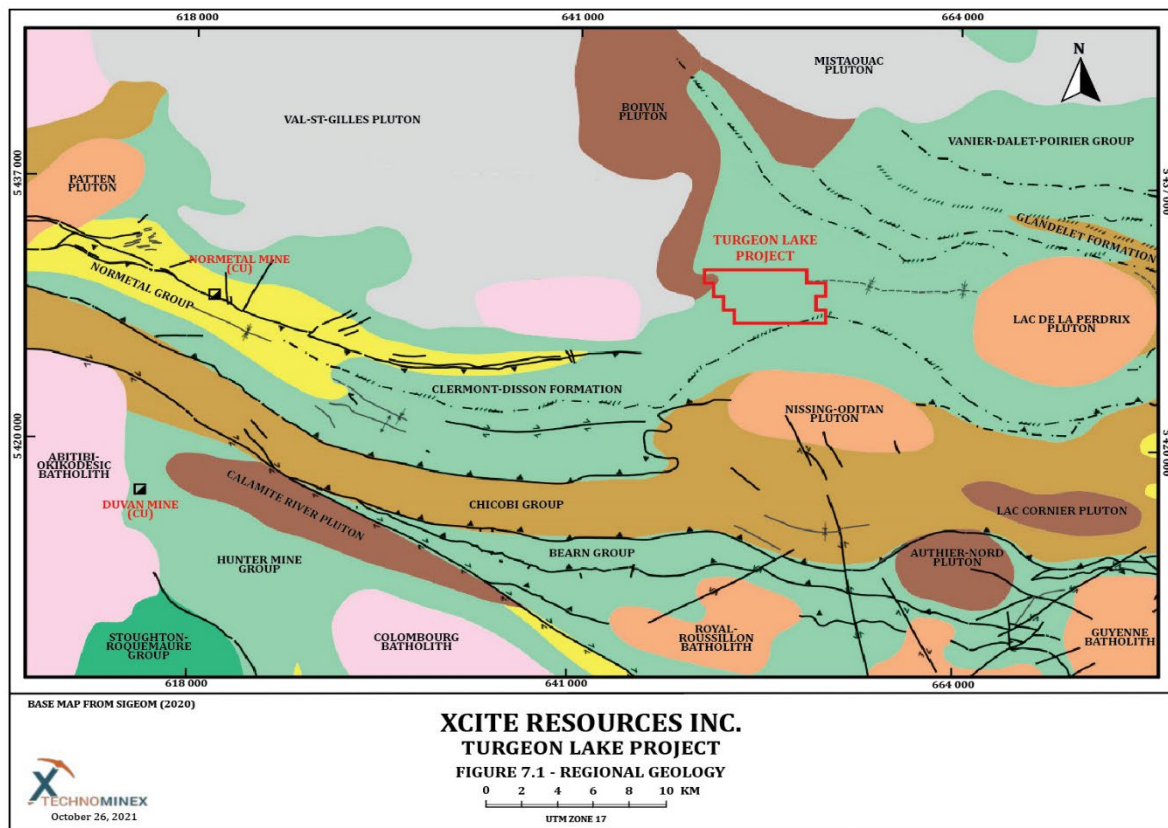
Geological Setting and Mineralization

Regional Geology

Geologically, the Property area lies within the Archean Abitibi Greenstone Belt on the southeast central part of the Superior Province. The Abitibi Belt comprises repeated komatiitic to calc-alkalic cycles of lavas, volcanics, porphyries and layered basic-ultrabasic intrusions with coeval clastic sedimentary rocks and intrusives of potassium-poor dioritic to tonalitic composition. These rocks have been complexly deformed and metamorphosed to the greenschist facies and intruded by late kinematic granodiorite and monzonite plutons.

Regionally, the geology is made up of volcanic formations of mafic to felsic composition with the central portion occupied by the sediments of the Chicobi Group (see Figure 7.1 from the Technical Report, below). The volcanosedimentary belt is bordered to the north by the large Val-St-Gilles and Mistouac plutons and to the south by numerous smaller batholiths. The contact between the various geological formations is generally limited by faults that occurred during the regional deformation.

The formations of the volcanic belt trend generally E-W and dip to the vertical except where locally deformed by the intrusions of the plutons and batholiths.



Property Geology

Due to the lack of outcrops on the Property, the geology of the Property is difficult to characterize. The geological information comes mainly from the few drill holes drilled on the Property. The drill logs seem to confirm the geology interpreted by the Québec government geologists. The Property is generally underlain by the rocks of the Clermont-Disson Formation and the Normetal Formation (see Figure 7.2 from the Technical Report, below).

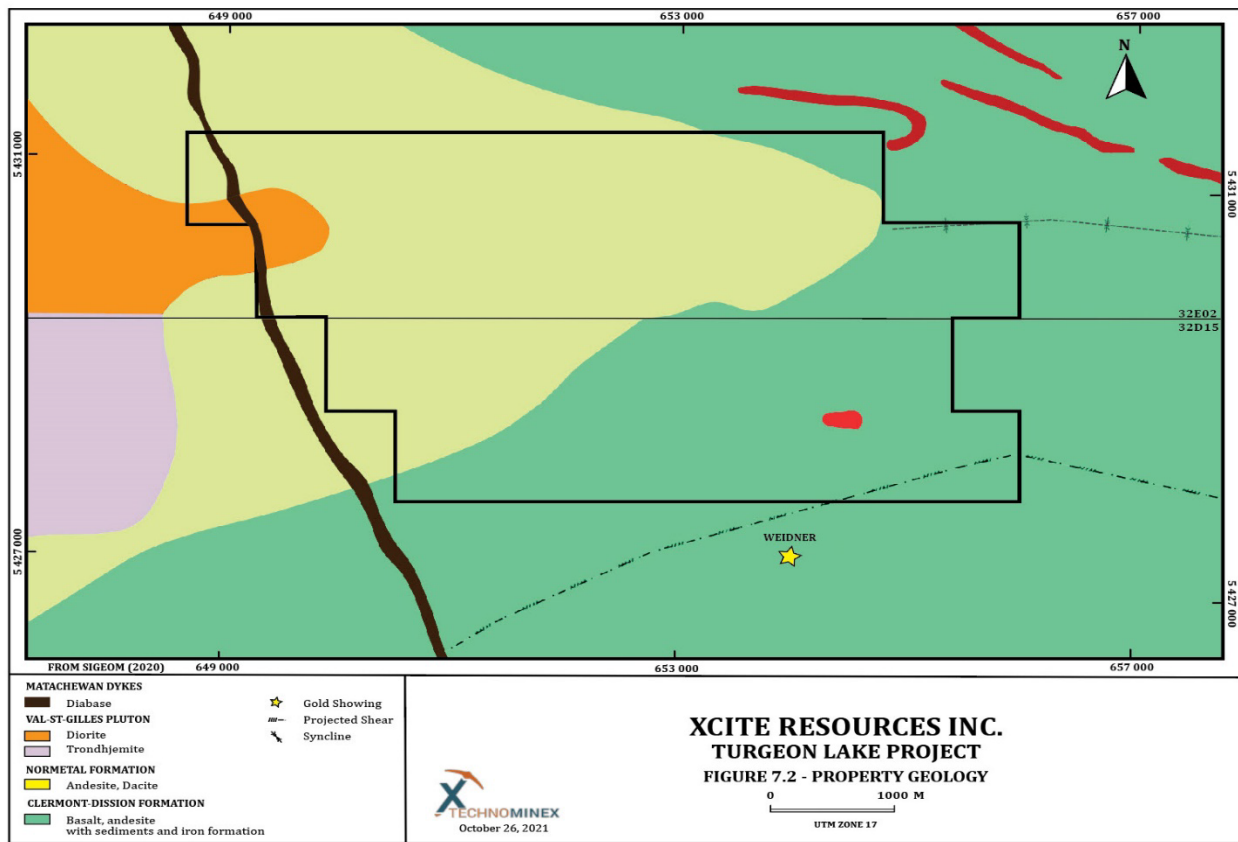
The Clermont-Disson Formation comprises basalt and andesite lava flows interbedded with tuffs. The dominant rocks observed in all outcrop areas on the Property are fine to coarse grained, massive, homogeneous flows or sills of iron

tholeiitic composition. These rocks are medium to dark green, homogeneous and have an ophitic or granular texture. Coarser grained sections are darker and appear gabbroic or even ultramafic. Magnetite (1-3 percent) as 1 mm euhedral crystals is common in the coarser rocks and, occasionally, in sheared finer grained rocks. These rocks are locally interlayered with more siliceous bands and or sheared, silicified or carbonate-rich zones. The mafic volcanics generally contain some fresh to weakly chloritized primary pyroxene in addition to secondary chlorite indicating that metamorphic grade is sub-greenschist to lower greenschist.

The Normetal Formation comprises intermediate andesitic flows, tuffs and agglomerate interbedded with rhyolite tuffs. These rocks show secondary chlorite, carbonate and minor epidote indicating the metamorphic grade is to lower greenschist facies.

All the rocks except the more massive units exhibit a weak to moderate foliation steeply dipping and trend N100° - N110°. Locally more intense shearing is noted at N100° - 120°. Cross fracturing and jointing are common trending N010°, N040° and N070°. The paucity of outcrop precludes any further structural interpretation.

In the northwest corner of the Property, two intrusive rocks are present. The Val-St-Gilles Pluton and the Matachewan dyke. The Val-St-Gilles Pluton is made of trondhjemite and diorite and is believed to be of synvolcanic origin. The Matachewan dyke is diabase rock of Proterozoic age and trends NNW.



Mineralization

The mineralization discovered on the Property has been in diamond drill holes. It consists mainly of disseminated and stringers of pyrite and pyrrhotite ranging from 5-70% and traces of chalcopyrite and sphalerite over widths generally less than 1 m except for hole CHZ-03-04-01 where sulphides were found in a 6 m. interval. Due to the paucity of drill holes, it is not possible to establish to continuity of the mineralization. The sulphide zones assayed less than 0.20% copper. This mineralization was found in drill holes within the Normetal Formation.

Deposit Types

The mineralized zones observed on the Property remain at an early exploration stage and it is difficult to assess a final deposit type model for the origin of the mineralization.

Base Metals

Bimodal felsic-dominated siliciclastic continental back-arc terranes contain some of the world's most economically important VMS districts. Most, but not all, significant VMS mining districts are defined by deposit clusters formed within rifts or calderas. The clustering of VMS deposits is further attributed to a common heat source that triggers large-scale subseafloor fluid convection systems. These subvolcanic intrusions may also supply metals to the VMS hydrothermal systems through magmatic devolatilization. The multiphase Val-St-Gilles may be interpreted as a synvolcanic pluton providing a regional heat flow. As a result of large-scale fluid flow, VMS mining districts are commonly characterized by extensive semi-conformable zones of hydrothermal alteration that intensifies into zones of discordant alteration in the immediate footwall and hanging wall of individual deposits. The deposits comprise stacked massive sulfide lenses. The past producing Normetal Mine located in the Normetal Formation is an example of a VMS deposit in the area.

Gold

Orogenic gold occurrences related to longitudinal shear zones prevails in greenstone-hosted quartz-carbonate vein deposits consisting of simple to complex networks of gold-bearing, laminated quartz-carbonate fault-fill veins in moderately to steeply dipping, compressional brittle-ductile shear zones and faults with locally associated shallow-dipping extensional veins and hydrothermal breccias. They are hosted by greenschist to locally amphibolite facies metamorphic rocks of dominantly mafic composition and formed at intermediate depth in the crust (5-10 km). They are distributed along a major compressional crustal-scale faults zones in deformed greenstone terranes of all ages, but are more abundant and significant, in terms of total gold content, in Archean terranes. Quartz-carbonate veining was reported in Hole 23, located 200 m east of the Property, of the reverse circulation program and bedrock chips assayed 240 ppb Au.

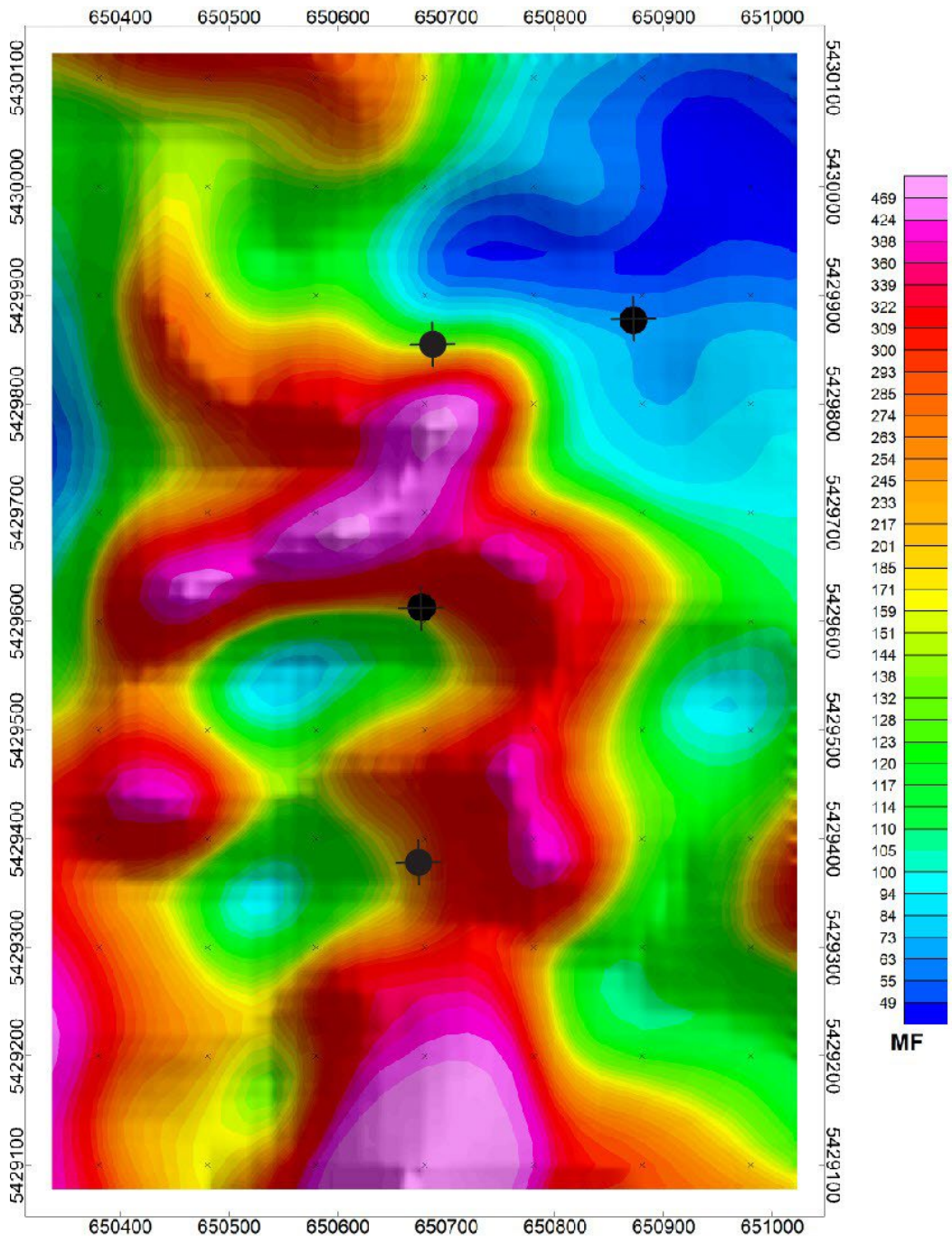
Future exploration on the Property should be directed in identifying favourable geology for VMS and in trying to locate shear zones for gold-hosted shear zones.

Exploration

In September 2021, Xcite mandated Abitibi Géophysique in Val d'or to conduct a 7 km IP survey using the DasVision methodology. This configuration is designed in 3D to produce better inversions compared to traditional 2D surveys to resolve anomalies below the surface; it consisted of 100 m spaced, orthogonal receiver dipoles and 100 m spaced roving current injections coupled with a remote electrode. Additionally, two long bipole injections were placed crossways through the survey block. The completed work consisted of 20 receiver dipoles, 47 current injections plus two large bipole injections. The survey was conducted with 10 Full-waver Receivers distributed on an approximate 300 m X 200 m mesh and a dipole length of 100 m, providing good resolution. The DasVision is a real full 3D field implementation of resistivity/IP. Unlike usual in-line configurations (dipole-dipole for instance), conventional presentation (pseudosection) and qualitative interpretation is not feasible. The DasVision method rely on 3D inversion to recover the underground geoelectrical image and the distribution of polarizable particles in the rocks. Total costs for line cutting and the IP survey amounted to \$50,626.

The survey outlined two conductive anomalies as shown on the Metal Factor 3D inversion (see Figure 9.1 from the Technical Report, below). One is striking NNE and seemingly parallel to the direction of the underlying volcanic rocks and, the other one, NS and parallel to the Megatam electromagnetic conductors outlined in a regional survey in 2001-2003. The IP anomalies are also associated with magnetic anomalies outlined in the airborne magnetic survey flown by of Bullion over the entire Property in 2021. Previous holes 9-1, 9-2 and 9-3B, located 200-300 m to the east, all intersected disseminated to massive pyrrhotite.

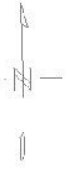
It is likely that the IP anomalies may be caused by pyrrhotite mineralization. N-S discontinuities may also be associated to faulting. This provides good targets for future drilling.



● MegaTEM conductor



Xcite Resources Inc.
 IP Survey - DASVision
 Metal Factor - 250 m Level
 Figure 9.1



Drilling

The Company has not performed any drilling on the Property.

Sample Preparation, Analyses and Security

The Company did not collect any samples from the Property.

Data Verification

Carl Corriveau did not perform any data verification on the Property as there is no historical surface showing on the Property and the drill cores are not available. Carl Corriveau visited the Property on December 10, 2020, but the snow cover impeded supplementary data verification. A visit of the Property, and in particular the 2021 IP survey grid lines, was carried out by Raphaël Morand, P.Ge., on March 27, 2022.

Adjacent Properties

The Wiedner gold showing is located approximately 500 m south of the Turgeon Lake Property. This showing was discovered in hole OJ-5-88 (GM 46747) carried out for Mines BHP-Utah Ltd. This hole, oriented north, discovered an intersection of 1.7 g / t Au over 3 m. The drill log describes the intersection as altered volcanic rocks of intermediate composition, having 6 to 25% sericite, millimeter veinlets of quartz, 5% disseminated and stringers of pyrite and irregular silicification. BHP-Utah Mines Ltd also made a series of trenches in the vicinity of the hole. The northern part of all these trenches shows a rhombic shear oriented N285E and NNE. NNE oriented structural fabric is dominant over an area of at least 200 x 250 meters. Most of the gold values from these trenches are located along a trench called L6 E, oriented NS. Grades of 440 ppb over 1.5 m and 835 ppb Au over 1.5 meters were obtained along a material described as being a chert among NNE oriented structures and another value of 1.4 g / t Au over 1.0 m, further south, in a rock described as ankeritized tuff located near a N285E trending shear at the intersection of the NNE structures (GM 50334). Low zinc values (0.11% Zn over 1.52 m in hole OJ-1-87 (GM 44621) was also discovered on this showing.

In 1958, Kerr Addison Mines drilled 9 holes approximately 800 m west of the Property in Chazel Township. These holes intersected gold and silver values and a few holes also interested low Ni values (GM06486-B). The best intersection is 1.7 g / t Au over 1.5 m in Hole 1 (see map in Appendix 1 of the Technical Report). Three more holes (Holes 7, 8 and 9) were drilled on each side and below the intersection without any significant values. Holes 8 and 9 intersected respectively 13 g / t Ag over 1.5 m and 33.3 g / t Ag over 1.5 in andesite. No sulphides were reported in the vicinity of these intersections.

Conclusions

The authors' mandate was to prepare a Technical Report for the Property to present the historical work done on the Property and to assess its geological environment. Carl Corriveau conducted a site visit on December 10, 2020. At the time of the visit, the snow cover impeded any other data verification on the Property. An additional site visit was carried out on March 27, 2022 by Raphaël Morand, P. Geo., allowing him to inspect the line cutting workings done for IP survey purposes. Carl Corriveau reviewed all the geological information obtained from public sources.

Carl Corriveau believes that the Property is underexplored. Previous work on the Property has been mostly ground or airborne geophysical survey with limited drilling. The presence of a network of forestry roads combined with commercial timber harvesting observed during the site visit should facilitate the ground exploration phase. Trenching and stripping should be evaluated to obtain more structural and geological information if outcropping is not sufficient.

The geological data studied demonstrates that the lithologies ranges from tholeiitic to felsic composition westward. The latter are mineralized with disseminated or stringers of pyrite and pyrrhotite near the interface of the various flows. Recent airborne magnetic survey and results of an IP survey centered on Megatem conductors with correlated magnetic anomalies has outlined the probable presence of pyrrhotite and maybe other sulfides.

Quartz-carbonate veins with anomalous gold have been identified in reverse circulation drill holes 250 m east of the Property. The geological setting of the Property is moderately favorable for VMS deposits as well as shear zone-hosted orogenic gold. Any rock type within a greenstone belt, metamorphosed supracrustal rock (sediments), volcanics and volcanoclastics rocks, dykes or intrusions within or bounding such a belt may host an orogenic gold deposit.

Carl Corriveau is not aware of any significant risks and uncertainties that could reasonably be expected to affect the reliability or confidence in the exploration information. There are risks inherent to mineral exploration such as the predictability of results. There are external risks that apply to all mining projects such as changes in metal prices, exchange rates, availability of investment capital and change in government or regulations.

Recommendations

Carl Corriveau recommends a Phase 1 exploration program consisting of a complete compilation of all the geological data on the Property and its surroundings, an MMI soil sampling program, prospecting and mapping, in order to possibly generate drilling targets. Depending and contingent on the results of Phase 1, a 1,700 m drill program to verify the best targets is also recommended.

Expenditures for the Phase 1 exploration program are estimated to \$128,800 and for the Phase 2 drilling program are estimated to \$252,150. The grand total for recommended expenditures is \$380,950 (incl. 15% contingencies).

Estimated Cost for the Recommended Program

| Phase 1 – Compilation and Surveys | Budget | | |
|--------------------------------------|-------------|---------------------|-------------------|
| | Description | Cost per unit (CAD) | Cost (CAD) |
| Compilation | - | - | 20,000 |
| MMI Soil Sampling | 1440 | 50 | 72,000 |
| Geological Mapping, Prospecting | 10 days | 2,000 | 20,000 |
| Contingencies (15%) Total Phase 1 | | | 16,800 128,800 |
| Phase 2 – Follow-up Drilling | Budget | | |
| | Description | Cost per unit (CAD) | Cost (CAD) |
| Diamond Drilling | 1,700 m | 130 | 221,000 |
| Contingencies (15%) Total Phase 1 | | | 31,150 252,150 |
| Total Phase 1 + 2 | | | 380,950 |

Carl Corriveau is of the opinion that the recommended two-phase work program and proposed expenditures are appropriate and well thought out, and that the character of the Project is of enough merit to justify the recommended program.

USE OF PROCEEDS

The Company will receive gross proceeds of \$420,000 from the Offering (not including any proceeds that would be received if the Over-Allotment Option is exercised, in whole or in part, by the Agent). Applying these gross proceeds to the estimated working capital deficit of the Company as at December 31, 2022 of approximately \$18,000 will provide the Company with \$402,000 in available funds on a pro forma basis. The Company intends to use the available funds as follows over the next 12 months:

| Use of Proceeds | Amount |
|---|------------------|
| Prospectus and CSE Listing costs ⁽¹⁾ | \$85,000 |
| Exploration of the Property ⁽²⁾ | \$200,000 |
| Property Payments ⁽³⁾ | \$35,000 |
| General & Administrative Expenses for 12 months | \$75,000 |
| Unallocated Working Capital ⁽⁴⁾⁽⁵⁾ | \$7,000 |
| Total | \$402,000 |

- (1) This amount includes: \$25,000 Corporate Finance Fee; \$50,000 in legal fees of the Company and the Agent (not including the \$10,000 in Agent expenses already pre-paid by the Company); and CSE filing fees of \$10,000.
- (2) This amount includes the estimated budget of \$128,800 for the Phase 1 work program recommended by the Technical Report. Under the Amended Purchase Agreement, the Company must incur minimum exploration expenditures of \$200,000 on or before April 12, 2023 and additional minimum exploration expenditures of \$300,000 on or before April 12, 2024.
- (3) This amount reflects the cash payment required to be made by the Company to Bullion on the earlier of the CSE listing date and January 31, 2023, pursuant to the terms of the Amended Purchase Agreement. An additional cash payment by the Company to Bullion of \$150,000 on April 12, 2024 is also required pursuant to the terms of the Amended Purchase Agreement.
- (4) To the extent necessary, the Company will utilize these funds to fund any negative cash flow in future periods.
- (5) In the event the Over-Allotment Option is exercised in whole or in part, any additional net proceeds will be added to the Company's working capital. If the Over-Allotment Option is exercised in full, the Company will receive additional gross proceeds of \$63,000.

A breakdown of the estimated general and administration expenses for the 12 months following the Company becoming a public company is set out below:

| 12 Month General & Administrative Expenses | (\$) | (\$) |
|--|--------------|---------------|
| | Monthly | Annual |
| Audit | 1,000 | 12,000 |
| Legal | 1,000 | 12,000 |
| Consulting Fees ⁽¹⁾ | 2,500 | 30,000 |
| Office Expenses | 500 | 6,000 |
| Transfer Agent / Filing Fees | 1,250 | 15,000 |
| Total | 6,250 | 75,000 |

- (1) These amounts reflect the following fees to be paid following listing of the Company's Common Shares on the CSE: a monthly management fee of \$2,000 (plus applicable taxes) to Number 2 Capital Corp., a company controlled by Chris Cooper, a director and the CEO of the Company; and a monthly management fee of \$500 (plus applicable taxes) to Daryn Gordon, a director and the CFO and Corporate Secretary of the Company. See "Executive Compensation".

The Company's working capital available to fund ongoing operations is sufficient to meet administrative costs and exploration expenditures for at least twelve months. The Company has had negative cash flow from its operating activities since its incorporation and expects to continue to have negative cash flow from its operating activities in the future. The Company's source of funds since incorporation has been from the sale of equity capital and the Company expects that equity capital will continue to be its source of funds in the future. See "Risk Factors" for further disclosure of the risk of negative cash flow from its operating activities.

The Company's business objective using the available funds described above is to earn 100% of Bullion's right, title and interest in and to the Turgeon Lake Property. To achieve this business objective, the Company will seek to accomplish the following significant events:

| Significant Event | Specific Time Period for Significant Event | Costs related to Significant Event (\$) |
|---|--|---|
| Make cash payment under Amended Purchase Agreement | Earlier of CSE listing date and January 31, 2023 | 35,000 |
| Issue 750,000 Common Shares under Amended Purchase Agreement | Earlier of CSE listing date and January 31, 2023 | 1,000 ⁽¹⁾ |
| Conduct at least \$200,000 in exploration expenditures on the Property, including the expenditures under the Phase 1 work program recommended by the Technical Report | April 12, 2023 | 200,000 |
| Make cash payment under Amended Purchase Agreement | April 12, 2024 | 150,000 |
| Issue 500,000 Common Shares under Amended Purchase Agreement | April 12, 2024 | 1,000 ⁽¹⁾ |
| Conduct at least an additional \$300,000 in exploration expenditures on the Property | April 12, 2024 | 300,000 |
| Total | | 687,000 |

(1) This amount represent estimated legal fees and transfer agent fees, and does not include the value of the Common Shares to be issued.

The Company does not have sufficient funds available to complete Phase 2 of the exploration program on the Turgeon Lake Property recommended by the Technical Report. The Company will need to raise additional capital by way of an offering of equity securities, an offering of debt securities, or by obtaining financing through a bank or other entity in order to conduct one or both phases of the recommended exploration program. The Company has not established a limit as to the amount of debt it may incur nor has it adopted a ratio of its equity to debt allowance. If the Company needs to obtain additional financing, there is no assurance that financing will be available from any source, that it will be available on terms acceptable to the Company, or that any future offering of securities will be successful. If additional funds are raised through the issuance of equity securities, there may be a significant dilution in the value of the Company's Common Shares. The Company could suffer adverse consequences if it is unable to obtain additional capital which would cast substantial doubt on its ability to continue its operations and growth.

Due to the COVID-19 outbreak, the Company may face future disruption to operations, supply chain delays, travel and trade restrictions and impact on economic activity in affected countries or regions can be expected and can be difficult to quantify. Such pandemics or diseases represent a serious threat to maintaining a skilled workforce and could be a major health-care challenge for the Company. There can be no assurance that the Company's personnel will not be impacted by these pandemics. In addition, the COVID-19 pandemic has created a dramatic slowdown in the global economy. The duration of the COVID-19 outbreak and the resultant travel restrictions, social distancing, government response actions, business closures and business disruptions, can all have an impact on the Company's operations and access to capital. There can be no assurance that the Company and its business objectives will not be impacted by adverse consequences that may be brought about by the COVID-19 pandemic on global financial markets, may reduce resource prices, share prices and financial liquidity and thereby that may severely limit the financing capital available to the Company.

It is the intention of the Company to remain in the mineral exploration business. Should the Property not be deemed viable, or if the Company's funds are not required for further work on the Property, those funds will be allocated to the acquisition, exploration or development of other properties, including the Turgeon Lake Property or other properties that may be identified by the Company in the future.

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

SELECTED FINANCIAL INFORMATION AND MANAGEMENT'S DISCUSSION AND ANALYSIS

Summary of Annual Financial Information

The following is selected historical financial information of the Company. The Company has a financial year ending

October 31.

The financial information has been prepared in accordance with IFRS and is derived from and subject to the detailed information contained in the Company's financial statements, and the notes thereto, attached as Appendix I to this Prospectus.

| | For the financial year ended October 31, 2021 (\$) (audited) | For the nine months ended July 31, 2022 (\$) (unaudited) |
|--|--|--|
| Deposit on exploration and evaluation asset | 30,000 | 30,000 |
| Total assets | 189,122 | 73,397 |
| Current assets | 159,122 | 43,397 |
| Total liabilities | 30,337 | 21,646 |
| Net income (loss) | (91,215) | (107,034) |
| Shareholders' equity (deficit) | 158,785 | 51,751 |

To the date of this Prospectus, the Company has issued 9,360,000 Common Shares. The proceeds of these issuances have been and will be used for general corporate purposes of the Company.

Management's Discussion and Analysis

The Company's Management's Discussion and Analysis ("MD&A") is included in this Prospectus as Appendix II. The MD&A should be read in conjunction with the Company's financial statements and the disclosure contained in this Prospectus.

DIVIDEND RECORD AND POLICY

The Company has not, since the date of its incorporation, declared or paid any dividends on its Common Shares. The Company intends to retain its earnings to finance growth and expand its operations and does not expect to pay any dividends in the foreseeable future. The Company does not currently have a policy with respect to the payment of dividends.

DESCRIPTION OF THE SHARE CAPITAL

Common Shares

The authorized share capital of the Company consists of an unlimited number of Common Shares without par value. At the date of this Prospectus, there are an aggregate of 9,360,000 fully paid Common Shares issued and outstanding.

The holders of the Company's Common Shares are entitled to:

- one vote per share at all meetings of shareholders of the Company, except meetings at which only holders of a specified class of shares are entitled to vote;
- receive, subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of the Company (of which there are none as at the date of this Prospectus), any dividends declared by the Company; and
- receive, subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of the Company (of which there are none as at the date of this Prospectus), the remaining Property of the Company upon the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary.

The following number of Common Shares may be issued by the Company in connection with the Offering: 4,200,000 Unit Shares pursuant to the Offering; up to 630,000 additional Unit Shares pursuant to the Offering if the Over-Allotment Option is exercised in full; and up to 483,000 Fee Shares to the Agent if the Over-Allotment Option is exercised in full.

Warrants

The Company has the following issued and outstanding Common Share purchase warrants:

- 3,900,000 Common Share purchase warrants, each exercisable for one Common Share at an exercise price of \$0.10 until February 8, 2026.
- 425,000 Common Share purchase warrants, each exercisable for one Common Share at an exercise price of \$0.30 until December 5, 2023.

The Company may issue up to 2,415,000 Unit Warrants in connection with the Offering if the Over-Allotment Option is exercised in full. Each Unit Warrant will be exercisable for one Unit Warrant Share at an exercise price of \$0.30 for 12 months from the date of issuance.

All Unit Warrants will be issued and governed by the terms of the Warrant Indenture to be dated as of the closing date of the Offering between the Company and the Warrant Agent. The following summary of certain anticipated provisions of the Warrant Indenture does not purport to be complete and is subject in its entirety to the detailed provisions of the Warrant Indenture. Reference should be made to the Warrant Indenture for the full text of attributes of the Unit Warrants, which will be filed by the Company under its corporate profile on SEDAR following the closing of the Offering.

The Unit Warrants and the Unit Warrant Shares have not been and will not be registered under the U.S. Securities Act or any applicable state securities laws, and the Unit Warrants may not be exercised by or on behalf of a person in the United States unless an exemption from such registration is available and documentation to that effect is provided in accordance with the terms of the Warrant Indenture.

The Unit Warrants may be issued in uncertificated form. Any Unit Warrants issued in certificated form shall be evidenced by a warrant certificate in the form attached to the Warrant Indenture. All Unit Warrants issued in the name of CDS may be in either a certificated or uncertificated form, such uncertificated form being evidenced by a book-entry position on the register of warrant holders to be maintained by the Warrant Agent at its principal offices in Vancouver, British Columbia.

The Warrant Indenture will provide that the share ratio and exercise price of the Unit Warrants will be subject to adjustment in the event of a subdivision or consolidation of the Common Shares. The Warrant Indenture will also provide that if there is: (i) a reclassification or change of the Common Shares, (ii) any consolidation, amalgamation, arrangement or other business combination of the Company resulting in any reclassification, or change of the Common Shares into other shares, or (iii) any sale or conveyance of all or substantially all of the Company's assets to another entity, then each holder of a Unit Warrant which is thereafter exercised shall receive, *in lieu* of Common Shares, the kind and number or amount of other securities or property which such holder would have been entitled to receive as a result of such event if such holder had exercised the Unit Warrants prior to the event.

The Company will also covenant in the Warrant Indenture that, during the period in which the Unit Warrants are exercisable, it will give notice to holders of Unit Warrants of certain stated events, including events that would result in an adjustment to the exercise price of the Unit Warrants or the number of Unit Warrant Shares issuable upon exercise of the Unit Warrants at least 14 days prior to the record date or effective date, as the case may be, of such events.

No fractional Common Shares will be issuable to any holder of Unit Warrants upon the exercise thereof, and no cash or other consideration will be paid *in lieu* of fractional shares. The holding of Unit Warrants will not make the holder thereof a shareholder of the Company or entitle such holder to any right or interest in respect of the Unit Warrants except as expressly provided in the Warrant Indenture. Holders of Unit Warrants will not have any voting or preemptive rights or any other rights of a holder of Common Shares.

From time to time, the Company and the Warrant Agent, without the consent of the holders of Unit Warrants may amend or supplement the Warrant Indenture for certain purposes, including curing defects or inconsistencies or making any change that does not adversely affect the rights of any holder of Unit Warrants. Any amendment or supplement to the Warrant Indenture that adversely affects the interests of the holders of the Unit Warrants may only be made by “extraordinary resolution”, which will be defined in the Warrant Indenture as a resolution either: (i) passed at a meeting of the holders of the Unit Warrants at which there are holders present in person or represented by proxy representing at least 25% of the aggregate number of the then outstanding Unit Warrants and passed by the affirmative vote of holders representing not less than 66⅔% of the aggregate number of all the then outstanding Unit Warrants represented at the meeting and voted on the poll upon such resolution or (ii) adopted by an instrument in writing signed by the holders of not less than 66⅔% of the aggregate number of all of the then outstanding Unit Warrants.

The Company may issue up to 483,000 Fee Warrants to the Agent in connection with the Offering if the Over-Allotment Option is exercised in full. Each Fee Warrant will be exercisable for one Common Share at an exercise price of \$0.10 for 24 months from the date of issuance.

Compensation Options

The Company may issue up to 483,000 Compensation Options to the Agent in connection with the Offering if the Over-Allotment Option is exercised in full. Each Compensation Option will be exercisable for one Common Share at an exercise price of \$0.10 for 24 months from the date of issuance.

ELIGIBILITY FOR INVESTMENT

In the opinion of Fasken Martineau DuMoulin LLP, special tax counsel to the Company, based on the current provisions of the *Income Tax Act* (Canada) and the regulations thereunder (the “**Tax Act**”), and specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof, the Unit Shares, Unit Warrants and Unit Warrant Shares, if issued on the date hereof, would be qualified investments under the Tax Act for a trust governed by a registered retirement savings plan (“**RRSP**”), a registered retirement income fund (“**RRIF**”), a registered education savings plan (“**RESP**”), a deferred profit sharing plan, a registered disability savings plan (“**RDSP**”) and a tax-free savings account (“**TFSA**”), as those terms are defined in the Tax Act (collectively, the “**Deferred Income Plans**”), provided that, at such time (a) in the case of Unit Shares and Unit Warrant Shares, either the Common Shares are listed on a “designated stock exchange” for the purposes of the Tax Act, or the Company is a “public corporation” as defined in the Tax Act, and (b) in the case of the Unit Warrants, (i) either the Unit Warrant Shares acquired on the exercise of the Unit Warrants are listed on a “designated stock exchange” or the Company is a “public corporation” as defined in the Tax Act, and (ii) neither the Company, nor any person with whom the Company does not deal at arm's length for the purposes of the Tax Act, is an annuitant, a beneficiary, an employer or a subscriber under, or a holder of, such Deferred Income Plan.

The Common Shares are not currently listed on a designated stock exchange. It is counsel’s understanding that the Company has applied to list the Common Shares on the CSE as of the day before the closing of the Offering, followed by an immediate halt in trading of the Common Shares in order to allow the Company to satisfy the conditions of the CSE and to have the Common Shares listed and posted for trading prior to the issuance of the Shares on the closing of the Offering. The Company must rely on the CSE to list the Common Shares on the CSE and have them posted for trading prior to the issuance of the Common Shares on the closing of the Offering and to otherwise proceed in such manner as may be required to result in the Common Shares being listed on the CSE at the time of their issuance. If the Common Shares are not listed on a designated stock exchange (which currently includes the CSE) at the time of their issuance on the closing and the Company is not otherwise a “public corporation” at that time, the Common Shares will not be qualified investments under the Tax Act for Tax Deferred Plans at that time. The adverse tax consequences where a Deferred Income Plan acquires or holds Common Shares that are not a “qualified investment” as not discussed in this summary.

Notwithstanding that a Unit Share, Unit Warrant or Unit Warrant Share may be a qualified investment for an RRSP, RRIF, RESP, RDSP or TFSA as discussed above, if the Unit Share, Unit Warrant or Unit Warrant Share is a “prohibited investment” for the purposes of the Tax Act, the holder of a TFSA or RDSP, the annuitant under an RRSP or RRIF, or the subscriber of an RESP, as the case may be, will be subject to penalty taxes as set out in the Tax Act.

A Unit Share, Unit Warrant or Unit Warrant Share generally will not be a prohibited investment for a RRSP, RRIF, RESP, RDSP or TFSA if the annuitant or holder or subscriber, as the case may be, deals at arm's length with the Company for the purposes of the Tax Act and does not have a "significant interest" (as defined in the Tax Act) in the Company. In addition, the Unit Shares and Unit Warrant Shares will not be a prohibited investment if such securities are "excluded property" as defined in the Tax Act, for an RRSP, RRIF, RESP, RDSP or TFSA. **Prospective purchasers who intend to hold the Unit Shares, Unit Warrants or Unit Warrant Shares in a Deferred Income Plan should consult their own tax advisors with respect to the application of these rules in their particular circumstances.**

CONSOLIDATED CAPITALIZATION

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

| Description | Outstanding as at October 31, 2021 | Outstanding as at July 31, 2022 | Outstanding as at the date of this Prospectus | Outstanding after giving effect to the Offering |
|----------------------|------------------------------------|---------------------------------|---|---|
| Common Shares | 8,510,000 | 8,510,000 | 9,360,000 | 14,673,000 ⁽¹⁾ |
| Share Capital | \$250,000 | \$250,000 | \$335,000 | \$866,300 |
| Warrants | 3,900,000 | 3,900,000 | 4,325,000 | 7,223,000 ⁽²⁾ |
| Stock Options | Nil | 400,000 | 400,000 | 400,000 |
| Compensation Options | Nil | Nil | Nil | 483,000 ⁽³⁾ |
| Long-Term Debt | Nil | Nil | Nil | Nil |

- (1) This number includes: 9,360,000 Common Shares currently issued and outstanding; 4,200,000 Unit Shares to be issued pursuant to the Offering; up to 630,000 additional Unit Shares to be issued pursuant to the Offering if the Over-Allotment Option is exercised in full; and up to 483,000 Fee Shares to be issued to the Agent if the Over-Allotment Option is exercised in full.
- (2) This number includes: 3,900,000 Common Share purchase warrants, each exercisable for one Common Share at an exercise price of \$0.10 until February 8, 2026; 425,000 Common Share purchase warrants, each exercisable for one Common Share at an exercise price of \$0.30 until December 5, 2023; 2,415,000 Unit Warrants to be issued pursuant to the Offering if the Over-Allotment Option is exercised in full, each exercisable for one Unit Warrant Share at an exercise price of \$0.30 for 12 months from the date of issuance; and 483,000 Fee Warrants to be issued to the Agent if the Over-Allotment Option is exercised in full, each exercisable for one Common Share at an exercise price of \$0.10 for 24 months from the date of issuance.
- (3) This number assumes that the Over-Allotment Option will be exercised in full.

OPTIONS TO PURCHASE SECURITIES

Stock Option Plan

The Company has adopted a stock option plan (the "Plan") which provides eligible directors, officers, employees and consultants with the opportunity to acquire an ownership interest in the Company and is the basis for the Company's long-term incentive scheme. The key features of the Plan are as follows:

- The maximum number of Common Shares issuable under the Plan shall not exceed 10% of the number of Common Shares of the Company issued and outstanding as of each award date, inclusive of all Common Shares reserved for issuance pursuant to previously granted stock options.
- The options have a maximum term of ten years from the date of issue.
- Options vest as the board of directors of the Company may determine upon the award of the options.
- The exercise price of options granted under the Plan will be determined by the board of directors, but will not be less than the greater of the closing market price of the Company's Common Shares on the Exchange on (a) the trading day prior to the date of grant of the options; and (b) the date of grant of the stock options.

- The expiry date of an option shall be the earlier of the date fixed by the Company's board of directors on the award date, and: (a) in the event of the death of the option holder while he or she is a director or employee (other than an employee performing investor relations activities), 12 months from the date of death of the option holder, or while he or she is a consultant or an employee performing investor relations activities, 30 days from the date of death of the option holder; (b) in the event that the option holder holds his or her option as a director and such option holder ceases to be a director of the Company other than by reason of death, 90 days following the date the option holder ceases to be a director (provided however that if the option holder continues to be engaged by the Company as an employee or consultant, the expiry date shall remain unchanged), unless the option holder ceases to be a director as a result of ceasing to meet the qualifications set forth in section 124 of the *Business Corporations Act* (British Columbia) or a special resolution passed by the shareholders of the Company pursuant to section 128(3) of the *Business Corporations Act* (British Columbia), in which case the expiry date will be the date that the option holder ceases to be a director of the Company; (c) in the event that the option holder holds his or her option as an employee or consultant of the Company (other than an employee or consultant performing investor relations activities) and such option holder ceases to be an employee or consultant of the Company other than by reason of death, 30 days following the date the option holder ceases to be an employee or consultant, unless the option holder ceases to be such as a result of termination for cause or an order of the British Columbia Securities Commission, the Exchange or any regulatory body having jurisdiction to so order, in which case the expiry date shall be the date the option holder ceases to be an employee or consultant of the Company; and (d) in the event that the option holder holds his or her option as an employee or consultant of the Company who provides investor relations activities on behalf of the Company, and such option holder ceases to be an employee or consultant of the Company other than by reason of death, the expiry date shall be the date the option holder ceases to be an employee or consultant of the Company.

The Plan may be terminated at any time by resolution of the board of directors, but any such termination will not affect or prejudice rights of participants holding options at that time. If the Plan is terminated, outstanding options will continue to be governed by the provisions of the Plan.

Outstanding Stock Options

As of the date of this Prospectus, there are 400,000 stock options, each exercisable for one Common Share in the capital of the Company for \$0.10, issued and outstanding to the directors and officers of the Company as follows:

| Name | Number of Common Shares under Option | Exercise Price per Common Share | Expiry Date |
|----------------------|--------------------------------------|---------------------------------|--|
| Chris Cooper | 100,000 | \$0.10 | 5 years from date of listing of the Common Shares on the CSE |
| Daryn Gordon | 100,000 | \$0.10 | 5 years from date of listing of the Common Shares on the CSE |
| Etienne Gouin-Proulx | 100,000 | \$0.10 | 5 years from date of listing of the Common Shares on the CSE |
| Kim Oishi | 100,000 | \$0.10 | 5 years from date of listing of the Common Shares on the CSE |
| Total | 400,000 | | |

- (1) As a group, all executive officers of the Company, namely Chris Cooper (CEO) and Daryn Gordon (CFO and Corporate Secretary), hold an aggregate of 200,000 stock options.
- (2) As a group, all directors of the Company who are not also executive officers, namely Etienne Gouin-Proulx and Kim Oishi, hold an aggregate of 200,000 stock options.

Each of the option holders is a director and/or an executive officer of the Company.

The Company will not issue any further stock options unless the issuance is in accordance with section 2.25 of National Instrument 45-106 – *Prospectus Exemptions*.

PRIOR SALES

The following table summarizes the sales of securities by the Company from incorporation to the date of this Prospectus.

| Allotment Date | Price per Security | No. and Type of Securities | Reason for Issuance |
|-------------------|--------------------|---|-------------------------------|
| February 8, 2021 | \$0.005 | 3,900,000 Common Shares and 3,900,000 Warrants ⁽¹⁾ | Private Placement |
| May 19, 2021 | \$0.05 | 4,610,000 Common Shares | Private Placement |
| November 22, 2021 | - | 400,000 Stock Options ⁽²⁾ | Incentivize Option Recipients |
| December 5, 2022 | \$0.10 | 850,000 Common Shares and 425,000 Warrants ⁽³⁾ | Private Placement |
| Total: | | 9,360,000 Common Shares; 4,325,000 Warrants; 400,000 Stock Options | |

(1) Each warrant is exercisable for one Common Share at an exercise price of \$0.10 until February 8, 2026.

(2) Each stock option is exercisable for one Common Share at an exercise price of \$0.10 for five years from date of listing of the Common Shares on the CSE.

(3) Each warrant is exercisable for one Common Share at an exercise price of \$0.30 until December 5, 2023.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

In accordance with the policies of the Exchange, Chris Cooper, Elaine Cooper and Etienne Gouin-Proulx (the “**Escrow Shareholders**”) have entered into an agreement (the “**Escrow Agreement**”) with the Company and Odyssey Trust Company (the “**Trustee**”), whereby they have agreed to deposit in escrow their Common Shares (the “**Escrowed Securities**”).

The number of Escrowed Securities is as follows:

| Designation of class | Number of securities held in escrow or that are subject to a contractual restriction on transfer | Percentage of class |
|----------------------|--|-------------------------|
| Common Shares | 460,000 ⁽¹⁾ | 3.29% ⁽²⁾⁽³⁾ |

(1) 150,000 Common Shares are held by Chris Cooper, 150,000 Common Shares are held by Etienne Gouin-Proulx, and 160,000 Common Shares are held by Elaine Cooper.

(2) Of the securities deposited with the Trustee, 10% will be released to the Escrow Shareholders on the date the Common Shares are listed on the CSE (the “**First Release Date**”), and an additional 15% will be released to the Escrow Shareholders on each of the dates that are 6, 12, 18, 24, 30 and 36 months after the First Release Date, or at any time prior thereto with the consent of the applicable regulatory authorities.

(3) Based on an aggregate of 13,980,000 Common Shares to be issued and outstanding on the closing of the Offering, assuming the Agent does not exercise the Over-Allotment Option.

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

Section 11.2 of National Instrument 41-101 – General Prospectus Requirements restricts the maximum number of securities issued to the Agent that may be qualified under the Prospectus to 10% of the total number of securities

distributed under the Prospectus. For the purposes of this Offering, any combination of the Fee Units and Compensation Options totaling up to 10% of the number of Units sold under the Offering, are qualified compensation securities (“**Qualified Compensation Securities**”) and are qualified for distribution by this Prospectus. To the extent that the Agent is entitled to receive securities as compensation exceeding 10% of the Units sold, those securities exceeding the 10% threshold will not be Qualified Compensation Securities, will not be qualified for distribution under this Prospectus, and will be subject to a four month hold period in accordance with applicable securities laws.

PRINCIPAL HOLDERS OF COMMON SHARES

Except as disclosed below, to the knowledge of the directors and officers of the Company, as of the date of this Prospectus, no person beneficially owns or exercises control or direction over, directly or indirectly, Common Shares carrying more than 10% of the votes attached to the Common Shares:

| Name of Shareholder | Type of Ownership | Number of Common Shares Owned by Shareholder | Percentage of Ownership ⁽¹⁾⁽²⁾ | Percentage of Ownership on Closing of the Offering ⁽³⁾⁽⁴⁾ |
|------------------------|---------------------------|--|---|--|
| Jean-Francois Meilleur | Registered and Beneficial | 1,725,000 | 18.43% | 12.34% |
| Carl Desjardins | Registered and Beneficial | 1,725,000 | 18.43% | 12.34% |

(1) Based on 9,360,000 Common Shares issued and outstanding as at the date of this Prospectus.

(2) Each shareholder noted above owns 12.25% of the issued and outstanding Common Shares on a fully-diluted basis as at the date of this Prospectus, based on 14,085,000 Common Shares issued and outstanding on a fully-diluted basis as at the date of this Prospectus, comprised of 9,360,000 Common Shares, 4,325,000 Common Share purchase warrants and 400,000 stock options.

(3) Based on 13,980,000 Common Shares issued and outstanding on closing of the Offering, comprised of the 9,360,000 Common Shares currently issued and outstanding and the issuance of 4,200,000 Unit Shares and 420,000 Fee Shares pursuant to the Offering, assuming that each shareholder does not participate in the Offering and that the Agent does not exercise the Over-Allotment Option in whole or in part.

(4) On closing of the Offering, each shareholder will own 7.97% of the issued and outstanding Common Shares on a fully-diluted basis, based on 13,980,000 Common Shares issued and outstanding on closing, 4,325,000 Common Share purchase warrants issued and outstanding on closing, 400,000 stock options issued and outstanding on closing, and the issuance of 2,100,000 Unit Warrants, 420,000 Fee Warrants and 420,000 Compensation Options pursuant to the Offering, assuming that each shareholder does not participate in the Offering and that the Agent does not exercise the Over-Allotment Option in whole or in part.

DIRECTORS AND OFFICERS

Name, Occupation and Security Holdings

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

| Name and Province of Residence and Position with the Company | Director/ Officer Since ⁽¹⁾ | Principal Occupation for the Past Five Years ⁽²⁾ | Securities Beneficially Owned Directly or Indirectly (at the date of this Prospectus) |
|---|--|---|---|
| Chris Cooper ⁽³⁾ British Columbia, Canada Director and CEO | February 8, 2021 | Independent consultant and advisor. | 150,000 Common Shares; 100,000 Stock Options; 125,000 Warrants |
| Daryn Gordon Alberta, Canada Director, CFO and Corporate Secretary | August 27, 2021 | Independent consultant and advisor. | Nil Common Shares; 100,000 Stock Options |
| Etienne Gouin-Proulx ⁽³⁾ Québec, Canada Director | February 8, 2021 | Independent consultant and advisor. | 150,000 Common Shares; 100,000 Stock Options; 125,000 Warrants |
| Kim Oishi ⁽³⁾ British Columbia, Canada Director | August 27, 2021 | Independent consultant and advisor. | Nil Common Shares; 100,000 Stock Options |

(1) Each director of the Company ceases to hold office immediately before an annual general meeting for the election of directors is held but is eligible for re-election or re-appointment.

(2) Unless otherwise indicated, to the knowledge of the applicable officer or director, the organization at which the officer or director was occupied or employed is still carrying on business.

(3) Audit Committee member.

As at the date of this Prospectus, the directors and executive officers of the Company as a group beneficially own, directly or indirectly, or exercise control or discretion over an aggregate of 300,000 Common Shares, which is equal to 3.21% of the Common Shares issued and outstanding as at the date of this Prospectus.

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

The Board has one committee, the Audit Committee, the members of which are Chris Cooper, Etienne Gouin-Proulx and Kim Oishi.

Directors' and Officers' Biographies

Chris Cooper – Chief Executive Officer and Director (Age: 52)

Mr. Cooper has over 20 years of extensive business experience in all facets of corporate development, senior management, finance and operations, in both the private and public sectors. His experience includes spearheading growth strategies, financial reporting, quarterly and annual budgets, overseeing corporate administration, while achieving company objectives and maintaining internal cost controls. Chris has held director and executive officer positions in several private and public companies over the past 20 years. He received his Bachelor of Business Administration from Hofstra University and his Master's in Business Administration from Dowling College in New York. To his knowledge, all of his employers during the last five years are carrying on business as of the date of this Prospectus. Mr. Cooper has not signed a non-disclosure agreement or non-competition agreement with the Company. Mr. Cooper intends to dedicate approximately 25% of his working time to the affairs of the Company.

Daryn Gordon – Director, Chief Financial Officer and Corporate Secretary (Age: 45)

Mr. Gordon is a Chartered Professional Accountant with over 20 years' experience. Previously he was CFO, Secretary & Non-Independent Director at Aroway Energy, Inc., Chief Financial Officer & Secretary for Reparo Energy Partners

Corp., Chief Financial Officer for Silver Mountain Mines, Inc., Chief Financial Officer & Non-Independent Director at Emperor Oil Ltd., Chief Financial Officer of Sparta Capital Ltd., and Principal at Abacus Financial Corp. Mr. Gordon is a member of the Institute of Chartered Professional Accountants of Alberta. To his knowledge, all of his employers during the last five years are carrying on business as of the date of this Prospectus. Mr. Gordon has not signed a non-disclosure agreement or non-competition agreement with the Company. Mr. Gordon intends to dedicate approximately 25% of his working time to the affairs of the Company.

Etienne Gouin-Proulx – Director (Age:29)

Mr. Gouin-Proulx is a Chartered Financial Analyst (CFA) and a Candidate to the Engineering Profession (CEP) with previous experience in project evaluation, merger and acquisition and strategic marketing. Mr. Gouin-Proulx holds a Bachelor of Engineering from McGill University with a specialization in Mining and Mineral Engineering. To his knowledge, all of his employers during the last five years are carrying on business as of the date of this Prospectus. Mr. Gouin-Proulx has not signed a non-disclosure agreement or non-competition agreement with the Company. Mr. Gouin-Proulx intends to dedicate approximately 10% of his working time to the affairs of the Company.

Kim Oishi – Director (Age: 59)

Mr. Oishi has over 20 years of experience in financing and advising growth companies and has served in senior management and board positions on a number of public and private companies. Mr. Oishi is the Founder and President of Grand Rock Capital Inc., a company that invests in growth companies and provides consulting services for investor relations, corporate finance, business development, mergers and acquisitions for companies listed on the Toronto Stock Exchange. Mr. Oishi served from June 2007 until December 2012 on the board of directors of Zongshen PEM Power Systems Inc. (TSX), a company that manufactured and sold gas and electric motorcycles in China. He was the Senior Vice President, Finance and Business Development of Hanwei Energy Services Corp. (TSX), an energy services company with products for oil, wind power and clean coal in China, a position he held from May 2007 to May 2010. Mr. Oishi was also a director of Hanfeng Evergreen Inc. (TSX), a specialty fertilizer manufacturer in China from March 2006 to March 2008 and served as President until March 2006. Mr. Oishi was a director of Cantronic Systems Inc. (TSXV), a developer of infrared imaging and night vision systems, from March 2009 to June 2010, and was a director of Grand Power Logistics Group Inc. (TSXV), a logistics and freight forwarding company from December 2007 until November 2010. Mr. Oishi received a Bachelor of Sciences degree and a MBA from the University of British Columbia. Mr. Oishi has not signed a non-disclosure agreement or non-competition agreement with the Company. Mr. Oishi intends to dedicate approximately 10% of his working time to the affairs of the Company.

Management of the Company

The Company's Chief Executive Officer provides overall leadership and vision in developing the strategic direction of the Company, in consultation with the Company's board of directors (the "**Board**"). The Chief Executive Officer also manages the overall business of the Company to ensure its strategic plan is effectively implemented and the results are monitored and reported to the Board. The Company's Chief Financial Officer is responsible for establishing and maintaining financial disclosure controls and procedures for the Company in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No director or executive officer of the Company is, as at the date of this Prospectus, or was within 10 years before the date of this Prospectus, a director, chief executive officer or chief financial officer of any company (including the Company), that:

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

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

Other than as disclosed below, no director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

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

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

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) 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. Chris Cooper, a director and CEO of the Company, is an officer and a director of Reparo Energy Partners Corp. (“Reparo”), the shares of which were delisted from the TSX Venture Exchange following the issuance of a cease trade order on March 6, 2015. In addition, Mr. Cooper was an officer and a director of Reparo when it submitted a notice of intention to make a proposal under the *Bankruptcy and Insolvency Act* (Canada) on August 1, 2008, which proposal was certified as having been fully performed as of August 17, 2009.

On October 29, 2015, Mr. Cooper was subject to a management cease trade order in respect of Aroway Energy Inc., for failure to file financial statements, and subsequently Aroway Energy Inc. was cease traded and was the subject of enforcement of security pursuant to the *Bankruptcy and Insolvency Act* (Canada). Mr. Cooper was a director of Edge Resources Inc. when it was cease traded on August 5, 2018, subsequent to which it was delisted. Mr. Cooper was also a director of StartMonday Technology Corp., which was subject to a management cease trade order dated May 1, 2019, for unfiled financial statements. StartMonday Technology Corp. was subsequently delisted while the management cease trade order remained in effect.

On April 29, 2016, Edge Resources Inc., (“Edge”), of which Mr. Cooper was a director, (received an order of the Court of Queen’s Bench of Saskatchewan appointing Grant Thornton as receiver over the company’s Saskatchewan-based assets and, on September 2, 2016, received an order of the Court of Queen’s Bench of Alberta appointing Grant Thornton as receiver over the company’s Alberta-based assets. The receiver was discharged on the Alberta-based assets on December 19, 2016 and on the Saskatchewan-based assets on February 1, 2017. On August 5, 2016, Edge received a cease trade order from the Alberta Securities Commission for failure to file financial statements. Since a receiver had been appointed for Edge on April 29, 2016, the officers and directors of Edge were no longer in control of the assets or undertaking of Edge, being replaced by Grant Thornton as receiver. This made it impossible, following such date, for the directors of Edge to affect the continuance of Edge’s public filings.

On June 10, 2015, a cease trade order was issued for Emperor Oil Ltd., of which Daryn Gordon was a director and officer, for failure to file financial statements by the applicable due date. The financial statements were subsequently filed, and the cease trade order was lifted on October 27, 2016.

Conflicts of Interest

Our directors are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interests that they may have in any property or opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. To the best of our knowledge, and other than as disclosed in the following paragraph, there are no known existing or potential conflicts of interest among the Company, our directors and officers or other members of management or of any proposed promoter, director, officer or other member of management as a result of their outside business interests.

Certain of the directors and officers currently serve as directors and officers of other private and public companies (including resource exploration companies). 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 (including resource exploration properties), and situations may arise where these directors and officers may be serving another corporation with interests that are in direct competition with the Company. In the event of any conflicts of interest, such conflicts must be disclosed to the Company and dealt with in accordance with the provisions of the *Business Corporations Act* (British Columbia).

EXECUTIVE COMPENSATION

The Company is a venture issuer and is disclosing the compensation of its directors and named executive officers in accordance with Form 51-102F6V *Statement of Executive Compensation – Venture Issuers*.

Director and Named Executive Officer Compensation, excluding Compensation Securities

The following table provides information regarding compensation paid, payable, awarded to, or earned by the Company’s Chief Executive Officer and Chief Financial Officer, (together, the “**Named Executive Officers**”) and any director who is not a Named Executive Officer for the financial years ended October 31, 2021 and 2022. There were no other executive officers of the Company or individuals who individually earned more than \$150,000 in total compensation.

| Name and Position | Year | Salary, consulting fee, retainer or commission (\$) | Bonus (\$) | Committee or meeting fees (\$) | Value of perquisites (\$) | Value of All Other Compensation (\$) | Total Compensation (\$) |
|---|------|---|------------|--------------------------------|---------------------------|--------------------------------------|-------------------------|
| Chris Cooper CEO and Director ⁽¹⁾ | 2022 | 35,000 | Nil | Nil | Nil | 1,850 ⁽²⁾ | 36,850 |
| | 2021 | 20,500 | Nil | Nil | Nil | 1,065 ⁽²⁾ | 21,565 |
| Daryn Gordon Calgary, Alberta, Canada CFO, Director and Corporate Secretary ⁽³⁾ | 2022 | 9,900 | Nil | Nil | Nil | Nil | 9,900 |
| | 2021 | 5,000 | Nil | Nil | Nil | Nil | 5,000 |
| Etienne Gouin- Proulx Director ⁽⁴⁾ | 2022 | Nil | Nil | Nil | Nil | Nil | Nil |
| | 2021 | Nil | Nil | Nil | Nil | Nil | Nil |
| Kim Oishi British Columbia, Canada Director ⁽⁵⁾ | 2022 | Nil | Nil | Nil | Nil | Nil | Nil |
| | 2021 | Nil | Nil | Nil | Nil | Nil | Nil |

(1) Mr. Chris Cooper was appointed as a director and CEO on February 8, 2021.

(2) This amount was paid to a company controlled by the CEO for office rent.

(3) Mr. Daryn Gordon was appointed as a director, CFO and Corporate Secretary on August 27, 2021.

(4) Mr. Etienne Gouin-Proulx was appointed as a director on February 8, 2021.

(5) Mr. Kim Oishi was appointed as a director on August 27, 2021.

Following listing of the Company's Common Shares on the CSE, the Company will pay a monthly management fee of \$2,000 (plus applicable taxes) to Number 2 Capital Corp., a company controlled by Chris Cooper, a director and the CEO of the Company and a monthly management fee of \$500 (plus applicable taxes) to Daryn Gordon, a director and the CFO and Corporate Secretary of the Company. No other compensation is anticipated to be paid to any other officer or director of the Company following completion of the listing on the CSE has been determined.

Stock Options and Other Compensation Securities

No stock options or other compensation securities were granted to any director or Named Executive Officer of the Company by the Company in the most recently completed financial year for services provided, directly or indirectly, to the Company.

Stock Option Plans and Other Incentive Plans

The Company has adopted a stock option plan (the "Plan") which provides eligible directors, officers, employees and consultants with the opportunity to acquire an ownership interest in the Company and is the basis for the Company's long-term incentive scheme. See "Options to Purchase Securities".

Employment, Consulting and Management Agreements

The Company is not party to any employment, consulting or management agreements.

Oversight and Description of Director and Name Executive Officer Compensation

The board of directors has the responsibility for determining compensation for the directors and senior management (including the Named Executive Officers). A peer group is not used to determine compensation, and there are no performance-based compensation arrangements for any directors or officers.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director or executive officer has any indebtedness owing to the Company as at the date of this Prospectus.

AUDIT COMMITTEE

General

As the Company is a "venture issuer" (as defined in National Instrument 52-110 – *Audit Committees* ("NI 52-110")), it is relying on the exemptions provided to it under section 6.1 of NI 52-110 with respect to the composition of the audit committee and with respect to audit committee reporting obligations. The Audit Committee is responsible for reviewing the Company's financial reporting procedures, internal controls and the performance of the financial management and external auditors of the Company. The Audit Committee also reviews the annual and interim financial statements and makes recommendations to the Board.

Composition of Audit Committee

The members of the Company's Audit Committee are:

| Name | Independence | Financially Literate |
|----------------------|--------------------------------|-------------------------------------|
| Chris Cooper (Chair) | Not Independent ⁽¹⁾ | Financially literate ⁽²⁾ |
| Etienne Gouin-Proulx | Independent ⁽¹⁾ | Financially literate ⁽²⁾ |
| Kim Oishi | Independent ⁽¹⁾ | Financially literate ⁽²⁾ |

- (1) A member of an audit committee is independent if the member has no direct or indirect material relationship with the Company, which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment.
- (2) An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

Mr. Chris Cooper is not "independent" as defined in NI 52-110 as he is an executive officer of the Company. Mr. Etienne Gouin-Proulx and Mr. Kim Oishi are independent. The Company, as a 'venture issuer', is exempt from the Audit Committee composition requirements in NI 52-110 which require all Audit Committee members to be independent.

All of the Audit Committee members are "financially literate", as defined in NI 52-110, as all of the Audit Committee members have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

Relevant Education and Experience

Each member of the Company's Audit Committee has adequate education and experience that is relevant to their performance as an Audit Committee member and, in particular, the requisite education and experience that have provided the member with:

- (a) an understanding of the accounting principles used by the Company to prepare its financial statements and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- (b) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements or experience actively supervising individuals engaged in such activities; and
- (c) an understanding of internal controls and procedures for financial reporting.

See "Directors and Officers".

Audit Committee Oversight

At no time since the beginning of the fiscal year ended October 31, 2021 was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Reliance on Certain Exemptions

At no time since the beginning of the fiscal year ended October 31, 2021 has the Company relied on the exemption provided in section 2.4 of NI 52-110 (De Minimis Non-Audit Services), 6.1.1(4), (5) and (6), or an exemption from NI 52-110, in whole or in part, granted under Part 8 (Exemptions). It is not anticipated that the Company will rely on any of the above exemptions.

Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services but all such services will be subject to the prior approval of the Audit committee. It is not anticipated that the Company will adopt specific policies and procedures.

External Auditor Service Fees

The aggregate fees billed by the external auditors to the Company for the fiscal years ended October 31, 2021 and 2022 are:

| Fiscal Year Ended October 31 | Audit Fees | Audit-Related Fees ⁽¹⁾ | Tax Fees ⁽²⁾ | All Other Fees ⁽³⁾ |
|---|------------------------|--|--------------------------------|--------------------------------------|
| 2021 | \$6,800 | \$Nil | \$Nil | \$Nil |
| 2022 | \$7,200 ⁽⁴⁾ | \$Nil | \$Nil | \$Nil |

(1) Fees charged for assurance and related services that are reasonably related to the performance of an audit, and not included under Audit Fees.

(2) Fees charged for tax compliance, tax advice and tax planning services.

(3) Fees for services other than disclosed in any other column.

(4) Estimated.

Exemption

The Company is relying on the exemption provided by section 6.1 of NI 52-110 which provides that the Company, as a venture issuer, is not required to comply with Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

Charter

The Audit Committee's charter is as follows:

General

The primary function of the Audit Committee is to assist the Board of Directors of the Company (the "Board") in fulfilling its oversight responsibilities by reviewing the financial information to be provided to the shareholders and others, the systems of internal controls and management information systems established by management and the Company's external audit process and monitoring compliance with the Company's legal and regulatory requirements with respect to its financial statements.

The Audit Committee is accountable to the Board. In the course of fulfilling its specific responsibilities hereunder, the Audit Committee is expected to maintain an open communication between the Company's external auditors and the Board.

The responsibilities of a member of the Audit Committee are in addition to such member's duties as a member of the Board.

The Audit Committee does not plan or perform audits or warrant the accuracy or completeness of the Company's financial statements or financial disclosure or compliance with generally accepted accounting procedures as these are the responsibility of management and the external auditors.

Relationship with External Auditors

The external auditor is required to report directly to the Audit Committee. Opportunities shall be afforded periodically to the external auditor and to members of senior management to meet separately with the Audit Committee.

Composition of Audit Committee

The Committee membership shall satisfy the laws governing the Company and the independence, financial literacy and experience requirements under securities law, stock exchange and any other regulatory requirements as are applicable to the Company.

Responsibilities

1. The Audit Committee shall be responsible for making the following recommendations to the Board:

- (a) the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company; and
 - (b) the compensation of the external auditor.
- 2. The Audit Committee shall be directly responsible for overseeing the work of the external auditor, including the resolution of disagreements between management and the external auditor regarding financial reporting. This responsibility shall include:
 - (a) reviewing with management and the external auditor any proposed changes in major accounting policies, the presentation and impact of significant risks and uncertainties, and key estimates and judgments of management that may be material to financial reporting;
 - (b) questioning management and the external auditor regarding significant financial reporting issues discussed during the fiscal period and the method of resolution;
 - (c) reviewing audited annual financial statements, in conjunction with the report of the external auditor;
 - (d) reviewing any problems experienced by the external auditor in performing the audit, including any restrictions imposed by management or significant accounting issues on which there was a disagreement with management; and
 - (e) reviewing the evaluation of internal controls by the external auditor, together with management's response.
- 3. The Audit Committee shall review interim unaudited financial statements before release to the public.
- 4. The Audit Committee shall review all public disclosures of audited or unaudited financial information before release, including any prospectus, annual report, annual information form, and management's discussion and analysis.
- 5. The Audit Committee shall review the appointments of the chief financial officer and any other key financial executives involved in the financial reporting process, as applicable.
- 6. Except as exempted by securities regulatory policies, the Audit Committee shall pre-approve all non-audit services to be provided to the Company or its subsidiary entities by the external auditor.
- 7. The Audit Committee shall ensure that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, and shall periodically assess the adequacy of those procedures.
- 8. The Audit Committee shall establish procedures for:
 - (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
 - (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
- 9. The Audit Committee shall periodically review and approve the Company's hiring policies, if any, regarding partners, employees and former partners and employees of the present and former external auditor of the Company.

10. Meetings of the Audit Committee shall be scheduled to take place at regular intervals and, in any event, not less frequently than quarterly.

Authority

The Audit Committee shall have the authority to:

1. to engage independent counsel and other advisors as it determines necessary to carry out its duties;
2. to set and pay the compensation for any advisors employed by the Audit Committee; and
3. to communicate directly with the external auditors.

CORPORATE GOVERNANCE

On June 30, 2005, National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) and National Policy 58-201 – *Corporate Governance Guidelines* (the “**Guidelines**”), came into force. The Guidelines address matters such as the constitution of and the functions to be performed by the Company’s board. NI 58-101 requires that the Company disclose its approach to corporate governance with reference to the Guidelines. The board of the Company is committed to ensuring that the Company has an effective corporate governance system, which adds value and assists the Company in achieving its objectives.

Board of Directors

Etienne Gouin-Proulx and Kim Oishi are independent for the purposes of NI 52-110. Chris Cooper and Daryn Gordon are not independent as they are currently executive officers of the Company.

The independent Directors believe that their knowledge of the Company’s business and their independence are sufficient to facilitate the functioning of the Board independently of management. To facilitate open and candid discussion among the Board’s independent Directors, the independent Directors have the discretion to meet in private in the absence of the other Directors whenever they believe it is appropriate to do so. To date, the independent Directors have not held a meeting at which non-independent Directors and members of management were not in attendance.

Other Directorships

The directors of the Company are presently directors of other reporting issuers, as follows:

| Name | Name of Reporting Issuer | Exchange | Position(s) | From | To |
|----------------------|------------------------------|----------|------------------|------------|---------|
| Chris Cooper | Reparo Energy Partners Corp. | TSXV | Director and CEO | Jan 2003 | Present |
| | Planet Ventures Inc. | TSXV | Director | Jan 2016 | Present |
| | Alpha Lithium Corporation | NEO | Director | April 2018 | Present |
| | Coloured Ties Capital Inc. | TSXV | Director | April 2020 | Present |
| | Sweet Earth Holdings Corp. | CSE | Director and CFO | May 2020 | Present |
| | New Leaf Ventures Inc. | CSE | Director | Feb 2020 | Present |
| | Manning Ventures Inc. | TSXV | Director | Oct 2019 | Present |
| | Level 14 Ventures Ltd. | CSE | Director | Sept 2020 | Present |
| | Global Helium Corp. | CSE | Director | Nov 2013 | Present |
| | Spod Lithium Corp. | CSE | Director and CEO | April 2020 | Present |
| | Beta Energy Corp. | N/A | Director | Aug 2021 | Present |
| Atco Mining Inc. | CSE | Director | July 2021 | Present | |
| Etienne Gouin-Proulx | N/A | | | | |
| Daryn Gordon | Canamera Energy Metals Corp. | CSE | CFO | April 2021 | Present |
| | Alpha Copper Corp. | CSE | CFO | Jan 2022 | Present |
| Kim Oishi | X-Terra Resources Inc. | TSXV | Director | Nov 2018 | Present |
| | Datable Technology Corp. | TSXV | Director | July 2011 | Present |
| | Valencia Capital Inc. | TSXV | Vice President | Aug 2020 | Present |

Orientation and Continuing Education

Management will ensure that a new appointee to the Board receives the appropriate written materials to fully apprise him or her of the duties and responsibilities of a director pursuant to applicable law and policy. Each new director brings a different skill set and professional background, and with this information, the Board is able to determine what orientation to the nature and operations of the Company's business will be necessary and relevant to each new director.

Ethical Business Conduct

The Board expects management to operate the business of the Company in a manner that enhances shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Company's business plan and to meet performance objectives and goals. In addition, the Board must comply with conflict of interest provisions in Canadian corporate law, including relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.

Nomination of Directors

Given the Company's current stage of development and size of the Board, the Board is presently of the view that it functions effectively as a committee of the whole with respect to the nomination of directors. The entire Board will assess potential nominees and take responsibility for selecting new directors. Any nominees are expected to be generally the result of recruitment efforts by the Board members, including both formal and informal discussions among Board members and the Chief Executive Officer of the Company.

Compensation

The Company does not have a Compensation Committee. Compensation matters for the Company's directors and officers are dealt with by the full Board. The Board meets to discuss and determine Director and management compensation without reference to formal objectives, criteria or analysis.

Other Board Committees

The only Board committee of the Company is the Audit Committee.

Assessments

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

The Board is of the view that the Company's corporate governance practices are appropriate and effective for the Company, given its relatively small size and limited operations. The Company's method of corporate governance allows for the Company to operate efficiently, with simple checks and balances that control and monitor management and corporate functions without excessive administrative burden.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following summary describes, as of the date of this Prospectus, the principal Canadian federal income tax considerations pursuant to the Tax Act, generally applicable to a holder who acquires, as beneficial owner, Units pursuant to the Offering, holds Common Shares, Unit Warrants and Unit Warrant Shares, as the case may be, as "capital property" for purposes of the Tax Act, deals at arm's length with the Company and the Agent, and is not affiliated with the Company or the Agent for purposes of the Tax Act and has not entered into a "derivative forward agreement" or "synthetic disposition arrangement" in respect of Common Shares, as each of those terms is defined in the Tax Act ("**Holder**"). Generally, Common Shares and Unit Warrants will be considered to be capital property to a Holder unless they are held in the course of carrying on a business of trading or dealing in securities or as part of an adventure or concern in the nature of trade. For purposes of this summary, references to Common Shares include Unit Shares and Warrant Shares unless otherwise indicated.

This summary is based upon the provisions of the Tax Act in force as of the date hereof, all specific proposals to amend the Tax Act that have been publicly announced prior to the date hereof ("**Proposed Amendments**") and counsel's understanding of the current published administrative and assessing policies and practices of the Canada Revenue Agency. This summary assumes that the Proposed Amendments will be enacted in the form proposed; however, no assurance can be given that the Proposed Amendments will be enacted in the form proposed, if at all. This summary is not exhaustive of all possible Canadian federal income tax considerations and, except for the Proposed Amendments, does not take into account any changes in the law, whether by legislative, governmental or judicial action, nor does it take into account provincial, territorial or foreign tax considerations, which may differ from those discussed herein.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Holder, and no representations with respect to the income tax consequences to any Holder are made. Consequently, Holders and prospective holders of Common Shares and Unit Warrants should consult their own tax advisors for advice with respect to the tax consequences to them of acquiring Units pursuant to the Offering, having regard to their particular circumstances. This summary does not address any tax considerations applicable to persons other than Holders and such persons should consult their own tax advisors regarding the consequences of acquiring, holding and disposing of Common Shares and Unit Warrants, as the case may be, under the Tax Act and any jurisdiction in which they may be subject to tax.

Allocation of Cost

A Holder who acquires Units pursuant to this Offering will be required to allocate the purchase price paid for each Unit on a reasonable basis between the Unit Share and the one-half of a Unit Warrant included in each Unit in order to determine their respective costs to such Holder for the purposes of the Tax Act.

For its purposes, the Company has advised counsel that, of the \$0.10 subscription price for each Unit, it intends to allocate \$0.095 to each Unit Share and \$0.005 to each one-half of Unit Warrant and believes that such allocation is reasonable. The Company's allocation, however, is not binding on the CRA or on a Holder.

The adjusted cost base to a Holder of each Unit Share comprising a part of a Unit acquired pursuant to this Offering will be determined by averaging the cost of such Unit Share with the adjusted cost base to such Holder of all other Common Shares (if any) held by the Holder as capital property immediately prior to the acquisition.

Exercise of Unit Warrants

No gain or loss will be realized by a Holder of a Unit Warrant upon the exercise of such Unit Warrant. When a Unit Warrant is exercised, the Holder's cost of the Unit Warrant Share acquired thereby will be equal to the adjusted cost base of the Unit Warrant to such Holder, plus the amount paid on the exercise of the Unit Warrant. For the purpose of computing the adjusted cost base to a Holder of each Unit Warrant Share acquired on the exercise of a Unit Warrant, the cost of such Unit Warrant Share must be averaged with the adjusted cost base to such Holder of all other Common Shares (if any) held by the Holder as capital property immediately prior to the exercise of the Unit Warrant.

Residents of Canada

This section of the summary is generally applicable to a Holder who, at all relevant times for purposes of the Tax Act is, or is deemed to be, resident in Canada ("**Resident Holder**"). Certain Resident Holders whose Common Shares do not otherwise qualify as capital property may, in certain circumstances, make an irrevocable election in accordance with subsection 39(4) of the Tax Act to have their Common Shares and every other "Canadian security" (as defined in the Tax Act) owned by such holder in the taxation year of the election and in all subsequent taxation years deemed to be capital property. Such election is not available in respect of Unit Warrants. Resident Holders are advised to consult their own tax advisors to determine whether such an election is available and desirable in their particular circumstances.

This summary is not applicable to a Resident Holder: (i) that is a "financial institution" for the purposes of the "mark-to-market" rules contained in the Tax Act; (ii) that is a "specified financial institution"; (iii) an interest in which would be a "tax shelter investment"; or (iv) that has elected to report its Canadian tax results in a currency other than the Canadian currency. Additional considerations, not discussed herein, may apply to a Resident Holder that is a corporation and is, or becomes, or does not deal at arm's length for purposes of the Tax Act with a corporation resident in Canada that is or becomes, as part of a transaction or event or series of transactions or events that include the acquisition of Units, controlled by a non-resident person, or group of non-resident persons not dealing with each other at arm's length, for purposes of the "foreign affiliate dumping" rules in section 212.3 of the Tax Act. Any such Resident Holder should consult its own tax advisor with respect to an investment in Units.

Dividends

Dividends received or deemed to be received on Common Shares by a Resident Holder who is an individual (other than certain trusts) will be included in computing the individual's income for tax purposes and will be subject to the gross-up and dividend tax credit rules normally applicable to dividends received from "taxable Canadian corporations" (as defined in the Tax Act), including the enhanced gross-up and dividend tax credit in respect of dividends designated by the Company as "eligible dividends". A dividend will be an eligible dividend if the recipient receives written notice (which may include a notice published on the Company's website) from the Company designating the dividend as an "eligible dividend". There may be limitations on the Company's ability to designate dividends as "eligible dividends".

A Resident Holder that is a corporation will be required to include dividends received or deemed to be received on Common Shares in computing its income for tax purposes and generally will be entitled to deduct the amount of such dividends in computing its taxable income, with the result that no tax will be payable by it in respect of such dividends. In certain circumstances, subsection 55(2) of the Tax Act will treat a taxable dividend received or deemed to be received by a Resident Holder that is a corporation as proceeds of disposition or a capital gain. Resident Holders that are corporations should consult their own tax advisors having regard to their own circumstances.

A Resident Holder that is a "private corporation" or a "subject corporation" (as such terms are defined in the Tax Act) may be liable under Part IV of the Tax Act to pay a refundable tax on dividends received or deemed to be received on the Common Shares to the extent that such dividends are deductible in computing the corporation's taxable income.

Dispositions of Common Shares and Unit Warrants

A disposition or deemed disposition of a Common Share or Unit Warrant (other than on the exercise of a Unit Warrant) by a Resident Holder will generally result in the Resident Holder realizing a capital gain (or capital loss) equal to the amount by which the proceeds of disposition of the Common Share or Unit Warrant, as the case may be, net of any reasonable costs of disposition, are greater (or less) than the Resident Holder's adjusted cost base of the Common Share or Unit Warrant, as the case may be. Such capital gain (or capital loss) will be subject to the tax treatment described below under "Residents of Canada – Taxation of Capital Gains and Capital Losses".

Generally, the expiry of an unexercised Unit Warrant will give rise to a capital loss equal to the adjusted cost base to the Resident Holder of such expired Unit Warrant.

Taxation of Capital Gains and Capital Losses

Generally, one-half of any capital gain, or a taxable capital gain, realized by a Resident Holder in a taxation year must be included in computing the Resident Holder's income for the year, and one-half of any capital loss, or an allowable capital loss, realized by a Resident Holder in a taxation year must be deducted from taxable capital gains realized by the Resident Holder in that year. Allowable capital losses for a taxation year in excess of taxable capital gains for that year generally may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years, to the extent and under the circumstances described in the Tax Act.

The amount of any capital loss realized by a Resident Holder that is a corporation on the disposition of a Common Share may be reduced by the amount of certain dividends received or deemed to have been received on such Common Share (or on a share for which such Common Share has been substituted) to the extent and under the circumstances described in the Tax Act. Analogous rules apply to a partnership or trust of which a corporation, trust or partnership is a member or beneficiary. Resident Holders should consult their own tax advisors for specific advice regarding the application of the relevant "stop-loss" provisions in the Tax Act.

Other Income Taxes

A Resident Holder that is throughout the relevant taxation year a "Canadian-controlled private corporation" (as defined in the Tax Act) or a "substantive CCPC" (as defined in the Proposed Amendments) may be liable to pay a refundable tax on its "aggregate investment income" (as defined in the Tax Act) for the year, including taxable capital gains.

In general terms, a Resident Holder that is an individual (other than certain trusts) that receives or is deemed to have received taxable dividends on the Common Shares or realizes a capital gain on the disposition or deemed disposition of Common Shares or Unit Warrants may be liable for alternative minimum tax under the Tax Act. Resident Holders that are individuals should consult their own tax advisors in this regard.

Non-Residents of Canada

This section of the summary is generally applicable to a Holder who, at all relevant times for purposes of the Tax Act and any applicable tax treaty or convention (a) is not, and is not deemed to be, resident in Canada, and (b) does not use or hold, and is not deemed to use or hold, Common Shares or Unit Warrants, as the case may be, in the course of carrying on a business in Canada (“**Non-Resident Holder**”). Special rules which are not discussed in this summary may apply to a Non-Resident Holder that is an insurer which carries on an insurance business in Canada and elsewhere.

Dividends

Dividends paid or credited (or deemed to be paid or credited) on Common Shares to a Non-Resident Holder are generally subject to Canadian withholding tax. Under the Tax Act, the rate of withholding tax is 25% of the gross amount of such dividends, which rate may be subject to reduction under the provisions of an applicable tax treaty or convention. Under the Convention Between Canada and the United States of America with Respect to Taxes on Income and on Capital, signed September 26, 1980, as amended (the “**Canada-U.S. Tax Convention**”) a Non-Resident Holder who is resident in the U.S. for the purposes of the Canada-U.S. Tax Convention and who is entitled to the benefits of such treaty will generally be subject to Canadian withholding tax at a rate of 15% of the amount of such dividends. In addition, under the Canada-U.S. Tax Convention, dividends may be exempt from Canadian withholding tax if paid to certain Non-Resident Holders that are qualifying religious, scientific, literary, educational or charitable tax-exempt organizations, or are qualifying trusts, companies organizations or other arrangements operated exclusively to administer or provide pension, retirement or employee benefits which are exempt from tax in the U.S., and that have complied with specific administrative procedures.

Dispositions of Common Shares and Warrants

A Non-Resident Holder will not be subject to tax under the Tax Act in respect of any capital gain realized on a disposition or deemed disposition of a Common Share or Unit Warrant unless the Common Share or Unit Warrant (as applicable) is, or is deemed to be, “taxable Canadian property” of the Non-Resident Holder for the purposes of the Tax Act and the Non-Resident Holder is not entitled to an exemption under an applicable income tax convention between Canada and the country in which the Non-Resident Holder is resident.

Generally, a Common Share or Unit Warrant (as applicable) will not constitute taxable Canadian property of a Non-Resident Holder provided that the Common Shares are listed on a “designated stock exchange” for the purposes of the Tax Act (which currently includes the CSE) unless at any time during the 60 month period immediately preceding the disposition, (i) at least 25% of the issued shares of any class or series of the capital stock of the Company were owned by or belonged to any combination of (a) the Non-Resident Holder, (b) persons with whom the Non-Resident Holder did not deal at arm’s length, and (c) partnerships in which the Non-Resident Holder or a person described in (b) holds a membership interest directly or indirectly through one or more partnerships; and (ii) at such time, more than 50% of the fair market value of such shares was derived, directly or indirectly, from any combination of real or immovable property situated in Canada, “Canadian resource property” (as defined in the Tax Act), “timber resource property” (as defined in the Tax Act), or options in respect of, interests in, or for civil law rights in such properties, whether or not such property exists. Notwithstanding the foregoing, a Common Share or a Unit Warrant may otherwise be deemed to be taxable Canadian property to a Non-Resident Holder for purposes of the Tax Act in certain circumstances.

In cases where a Non-Resident Holder disposes (or is deemed to have disposed) of a Common Share or Unit Warrant that is taxable Canadian property to that Non-Resident Holder, and the Non-Resident Holder is not entitled to an exemption under an applicable income tax convention, the consequences described above under the headings “*Holdings Resident in Canada – Dispositions of Common Shares and Warrants*” and “*Holdings Resident in Canada – Taxable Capital Gains and Losses*” will generally be applicable to such disposition. Such Non-Resident Holders should consult their own tax advisors.

PLAN OF DISTRIBUTION

The Offering

Pursuant to the Agency Agreement, the Company has appointed the Agent to act as its exclusive agent to offer for sale, on a commercially reasonable efforts basis, of 4,200,000 Units for gross proceeds of \$420,000, subject to the Over-Allotment Option. The Company has granted the Agent the Over-Allotment Option, exercisable, in whole or in part by the Agent giving notice to the Company at any time not later than the 30th day following the closing date of the Offering to acquire up to 630,000 Additional Units to cover over-allotments, if any, and for market stabilization purposes. A purchaser who acquires securities forming part of the Agent's over-allocation position acquires those securities under this Prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. The price of the Units was determined by negotiation between the Company and the Agent.

The Agent, or registered sub-agents who assist the Agent in the distribution of the Units offered hereunder, conditionally offer the Units, subject to prior sale, if, as and when issued by the Company and accepted by the Agent in accordance with the conditions contained in the Agency Agreement and subject to the approval of certain legal matters, on behalf of the Company by Beadle Raven LLP, and on behalf of the Agent by Miller Thomson LLP. Subscriptions for Units will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice.

It is expected that certificates evidencing the Unit Shares and Unit Warrants in definitive form will be available for delivery at the closing of the Offering unless the Agent elects for electronic delivery through the non-certificated inventory ("NCI") system of CDS Clearing and Depository Services Inc. ("CDS") or its nominee. If delivered in NCI form, purchasers of Units will receive only a customer confirmation from the registered dealer that is a CDS participant and from or through which the Units were purchased.

The obligations of the Agent under the Agency Agreement may be terminated by it at its discretion on the basis of its assessment of the state of the financial markets and may also be terminated in certain stated circumstances and upon the occurrence of certain stated events.

Provided that the Offering is completed, the Company agrees that it will not, directly or indirectly, issue, sell, offer, grant an option or right in respect of, or otherwise dispose of, or agree to or announce any intention to issue, sell, offer, grant an option or right in respect of, or otherwise dispose of, any additional Common Shares or any securities convertible into or exchangeable for Common Shares, other than pursuant to (i) the exercise of the Over-Allotment Option; (ii) the grant or exercise of stock options and other similar issuances pursuant to any stock option plan or similar share compensation arrangements in place prior to the closing of the Offering or issuable pursuant to the Offering; (iii) the issue of Common Shares upon the exercise of convertible securities, warrants or options outstanding prior to the closing of the Offering; and (iv) previously scheduled property and/or other corporate acquisitions from the date hereof and continuing for a period of 90 days from the closing of the Offering without the prior written consent of the Agent, such consent not to be unreasonably withheld or delayed.

The Company's officers and directors agree not to sell, or agree to sell (or announce any intention to do so), any Common Shares or securities exchangeable or convertible into Common Shares of the Company for a period of 90 days from the closing of the Offering without the prior written consent of the Agent, such consent not to be unreasonably withheld.

If, within 12 months after the closing of the Offering, the Company (a) proposes to issue debt or equity securities, (b) proposes to acquire or dispose of any assets or securities out of the ordinary course of business, (c) proposes a material corporate transaction, such as an amalgamation, recapitalization, merger, take-over bid, joint venture, plan of arrangement or reorganization, or (d) receives an unsolicited take-over bid or merger proposal, the Company hereby grants to the Agent a 5-day right of first refusal to lead manage (minimum of 60% economic interest), as agent/underwriter and/or to act as exclusive financial advisor (as the case may be, depending upon the nature of the transaction and provided that the Company intends to appoint a financial advisor in connection with the transaction in question) in connection with such transaction, subject to the Company and the Agent agreeing on mutually acceptable

fee arrangements and provided that the terms and conditions of any such engagement shall be no more favourable on the whole to such other financial institution than the terms and conditions offered by the Company to the Agent.

The directors, officers and other insiders of the Company may purchase Units pursuant to the Offering.

Minimum Subscription and Conditions of Closing

Closing of the Offering is subject to conditions which are set out in the Agency Agreement. The principal conditions are the following:

- A minimum of 4,200,000 Units for gross proceeds of \$420,000 must be sold under the Offering; and
- The Exchange must approve the Company's Common Shares for listing. Listing of the Common Shares will be subject to the Company fulfilling all of the listing requirements and conditions of the Exchange. The listing conditions of the Exchange include, among other things, that at least 10% of the issued and outstanding Common Shares be held by members of the public following the Offering. The Company expects that this requirement will be met if the Offering is completed.

All subscription proceeds will be paid to the Agent in trust, and held by the Agent in trust, pending completion of the Offering and fulfillment of the other conditions set out in the Agency Agreement. The Agent will release those funds to the Company on closing of the Offering. If a minimum of 4,200,000 Units for gross proceeds of \$420,000 are not subscribed for, the Agent must return all funds received to the subscribers without any deductions.

Completion of the Offering is subject to the sale of at least 4,200,000 Units on or before 90 days after the issuance of the final receipt for the final prospectus respecting the Offering, unless an amendment to the final prospectus is filed and a receipt for the amendment is issued, in which case the latest date that the distribution is to remain open is 90 days after the date of issuance of a receipt for the amendment, and in any event no later than 180 days from the date of the receipt for the final prospectus. There will be no closing unless a minimum of 4,200,000 Units are sold.

Agent's Compensation

In consideration for its services in connection with the Offering, the Company has agreed to pay to the Agent a commission of 10% of the gross proceeds of the Offering, payable in Fee Units at a deemed price of \$0.10 per Fee Unit, as well as a Corporate Finance Fee of \$25,000 (plus GST). Each Fee Unit is comprised of one Fee Share and one Fee Warrant. Each Fee Warrant will be exercisable for one Fee Warrant Share at a price of \$0.10 per Fee Warrant Share for a period of 24 months from the date of issuance. The Company has also agreed to grant to the Agent Compensation Options to purchase that number of Compensation Option Shares which is equal to 10% of the number of Units sold pursuant to the Offering, at a price of \$0.10 per Compensation Option Share for a period of 24 months from the date of issuance.

The Company has also agreed to reimburse the Agent for its expenses and legal fees and disbursements incurred in connection with the Offering and the Company has paid to the Agent an advance of \$10,000 (plus GST) for these expenses, fees and disbursements.

Section 11.2 of National Instrument 41-101 – *General Prospectus Requirements* restricts the maximum number of securities issued to the Agent that may be qualified under the Prospectus to 10% of the total number of securities distributed under the Prospectus. For the purposes of this Offering, any combination of the Fee Units and Compensation Options totaling up to 10% of the number of Units sold under the Offering, are qualified compensation securities (“**Qualified Compensation Securities**”) and are qualified for distribution by this Prospectus. To the extent that the Agent is entitled to receive securities as compensation exceeding 10% of the Units sold, those securities exceeding the 10% threshold will not be Qualified Compensation Securities, will not be qualified for distribution under this Prospectus, and will be subject to a four month hold period in accordance with applicable securities laws.

Subject to the foregoing, the Fee Shares, any Fee Warrant Shares acquired by the Agent pursuant to the exercise of Fee Warrants, and any Compensation Option Shares acquired by the Agent pursuant to the exercise of the Compensation Options may be resold by the Agent without further qualification through the facilities of the Exchange

at the market price at the time of the sale. The Company will not receive any of the proceeds from the sale of any such securities by the Agent.

Listing Application

The Company has applied to the CSE to list its Common Shares for trading on such exchange. The CSE has conditionally approved the listing of the Common Shares. Listing is subject to the Company satisfying the CSE's listing requirements, which include distribution of the Common Shares under the Offering to a minimum number of public shareholders.

None of the securities comprising the Units have been or will be registered under the U.S. Securities Act, or any state securities laws, and accordingly may not be offered, sold or delivered within the United States (as such term is defined in Regulation S under the U.S. Securities Act) except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws. Except as permitted in the Agency Agreement, and as expressly permitted by applicable laws of the United States, the Agent will not offer, sell or deliver the securities comprising the Units within the United States.

RISK FACTORS

An investment in the Units is speculative and involves a high degree of risk due to the nature of the Company's business and the present stage of exploration and development of its mineral properties. The following risk factors, as well as risks not currently known to the Company, could materially adversely affect the Company's future business, operations and financial condition and could cause them to differ materially from the estimates described in forward-looking statements relating to the Company. Prospective investors should carefully consider the following risk factors along with the other matters set out or incorporated by reference in this Prospectus.

Limited Operating History

The Company has a limited operating history upon which an evaluation of the Company, its current business and its prospects can be based. You should consider any purchase of the Company's securities in light of the risks, expenses and problems frequently encountered by all companies in the early stages of their corporate development.

Uncertain Liquidity and Capital Resources

The Company may need to raise additional capital by way of an offering of equity securities, an offering of debt securities, or by obtaining financing through a bank or other entity. In particular, the Company may not have sufficient funds to complete the Phase 2 of the exploration program on the Property recommended in the Technical Report. The Company has not established a limit as to the amount of debt it may incur nor has it adopted a ratio of its equity to debt allowance. If the Company needs to obtain additional financing, there is no assurance that financing will be available from any source, that it will be available on terms acceptable to the Company, or that any future offering of securities will be successful. If additional funds are raised through the issuance of equity securities, there may be a significant dilution in the value of the Company's Common Shares. The Company could suffer adverse consequences if it is unable to obtain additional capital which would cast substantial doubt on its ability to continue its operations and growth.

Going Concern and Requirement to Generate Cash Flow for Financial Obligations

While the information in this Prospectus has been prepared in accordance with IFRS on a going concern basis, which presumes the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future, there are conditions and events that cast significant doubt on the validity of this presumption. The Company's ability to continue as a going concern is dependent upon achieving profitable operations and upon obtaining additional financing. While the Company is making its best efforts in this regard, the outcome of these matters cannot be predicted at this time. The Company's ability to generate sufficient cash flow from operations to make scheduled payments to its contractors, service providers and merchants will depend on future financial performance, which will be affected by a range of economic, competitive, regulatory, legislative and business factors, many of which are outside of its control. If the Company does not generate sufficient cash flow from operations to satisfy its contractual

obligations, it may have to undertake alternative financing plans. The Company's inability to generate sufficient cash flow from operations or undertake alternative financing plans would have an adverse effect on its business, financial condition and results of operations, as well as its ability to satisfy its contractual obligations. Any failure to meet its financial obligations could result in termination of key contracts, which could harm the Company's ability to provide its products and services.

Negative Cash Flow

The Company reported negative cash flow from operations for the year ended October 31, 2021. It is anticipated that the Company will continue to report negative operating cash flow in future periods, likely until one or more of its mineral properties are placed into production. To the extent that the Company has negative operating cash flows in future periods, it may need to deploy a portion of its existing working capital to fund such negative cash flow.

Mineral Exploration Risks

The Company is an exploration stage company, and the Property is at an early stage of exploration. The mineral exploration business is very speculative. Mineral exploration involves a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to avoid. Few properties that are explored are ultimately developed into producing mines. Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, explosions, cave-ins, landslides and the inability to obtain adequate machinery, equipment and/or labour are some of the risks involved in mineral exploration activities. The Company has relied on and may continue to rely on consultants and others for mineral exploration expertise. Substantial expenditures are required to establish mineral reserves and resources through drilling, to develop metallurgical processes to extract the metal from the material processed and to develop the mining and processing facilities and infrastructure at any site chosen for mining. There can be no assurance that commercial or any quantities of ore will be discovered. There is also no assurance that even if commercial quantities of ore are discovered, that the Property will be brought into commercial production or that the funds required to exploit any mineral reserves and resources discovered by the Company will be obtained on a timely basis or at all. The commercial viability of a mineral deposit once discovered is also dependent on a number of factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure, as well as gold prices. Most of the above factors are beyond the control of the Company. There can be no assurance that the Company's mineral exploration activities will be successful. In the event that such commercial viability is never attained, the Company may seek to transfer its Property interests or otherwise realize value or may even be required to abandon its business and fail as a "going concern".

Fluctuations in Metal Prices

Factors beyond the Company's control may affect the marketability of metals discovered, if any. Metal prices have fluctuated widely, particularly in recent years. The effect of these factors on the Company's exploration activities cannot be predicted. For example, gold prices are affected by numerous factors including central bank sales, producer hedging activities, the relative exchange rate of the U.S. dollar with other major currencies, global and regional demand and political and economic conditions. Worldwide gold production levels also affect gold prices. As well, the price of gold has on occasion been subject to rapid short-term changes due to speculative activities.

Title Risk

The Company cannot guarantee that title to its mineral properties will not be challenged. Title insurance is generally not available for mineral properties and the Company's ability to ensure that it has obtained secure claim to individual mineral properties or mining concessions may be severely constrained. The Company's mineral properties may be subject to prior unregistered agreements, transfers or claims, and title may be affected by, among other things, undetected defects. The Company has not conducted surveys of all of the claims in which it holds direct or indirect interests. A successful challenge to the precise area and location of these claims could result in the Company being unable to operate on its properties as permitted or being unable to enforce its rights with respect to its properties.

First Nations Land Claims

First Nations rights may be claimed on Crown properties or other types of tenure with respect to which mining rights have been conferred. The Supreme Court of Canada's 2014 decision in *Tsilhqot'in Nation v. British Columbia* marked the first time in Canadian history that a court has declared First Nations title to lands outside of a reserve. The Company is not aware of any First Nations land claims having been asserted or any legal actions relating to native issues having been instituted with respect to any of the land which is covered by the Property. The legal basis of a land claim is a matter of considerable legal complexity and the impact of a land claim settlement and self-government agreements cannot be predicted with certainty. In the event that First Nations title is asserted and proved on the Property, provincial and federal laws will continue to be valid provided that any infringements of First Nations title, including mining and exploration, are either consented to by First Nations groups or are justified. However, no assurance can be given that a broad recognition of First Nations rights by way of a negotiated settlement or judicial pronouncement would not have an adverse effect on the Company's activities. Such impact could be marked and, in certain circumstances, could delay or even prevent the Company's exploration or mining activities.

Land Use Approvals and Permits

The proposed exploration program described in the Technical Report is expected to include exploration work for which land use approvals or permits must be obtained from the Québec government. The Company cannot guarantee that it will be able to obtain all such approvals or permits in a timely manner or at all, and any delay or failure to receive any required land use approvals or permits could negatively impact the Company's future exploration of the Property.

Exploration and Development Risk

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 from finding mineral deposits which, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by the Company may be affected by numerous factors which are beyond the control of the Company 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 Company not receiving an adequate return of investment capital.

Substantial expenditures are required to establish ore reserves through drilling, to develop metallurgical processes to extract the metal from the ore and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities and grades to justify commercial operations or that funds required for development can be obtained on a timely basis. Estimates of reserves, mineral deposits and production costs can also be affected by such factors as environmental permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. In addition, the grade of ore ultimately mined may differ from that indicated by drilling results. Short term factors relating to reserves, such as the need for orderly development of ore bodies or the processing of new or different grades, may also have an adverse effect on mining operations and on the results of operations. Material changes in ore reserves, grades, stripping ratios or recovery rates may affect the economic viability of any Property.

Environmental Laws and Regulations

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

The operations of the Company including exploration and any development activities or commencement of production on its properties, require permits from various federal, provincial and local governmental authorities and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. To the extent that such approvals are required and not obtained, the Company may be delayed or prohibited from proceeding with planned exploration or development of its mineral properties.

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

Exploration and mining operations involve a potential risk of releases to soil, surface water and groundwater of metals, chemicals, fuels, liquids having acidic properties and other contaminants. In recent years, regulatory requirements and improved technology have significantly reduced those risks. However, those risks have not been eliminated, and the risk of environmental contamination from present and past exploration or mining activities exists for mining companies. The Company may be liable for environmental contamination and natural resource damages relating to its properties that occurred before the Company had any rights in or to the properties. No assurance can be given that potential liabilities for such contamination or damages caused by past activities at these properties do not exist.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or require abandonment or delays in development of new mining properties.

Influence of Third Party Stakeholders

The Property or the roads or other means of access which the Company intends to utilize in carrying out its work programs or general business mandates on the Property may be subject to interests or claims by third party individuals, groups or companies. In the event that such third parties assert any claims, the Company's work programs may be delayed even if such claims are not meritorious. Such delays may result in significant financial loss and loss of opportunity for the Company.

Uninsurable Risks

Exploration, development and production of mineral properties is subject to 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 insure fully against such risks and we may decide not to take out insurance against such risks as a result of high premiums or for other reasons. Should such liabilities arise, they could have an adverse impact on our operations and could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Company.

Competition

Significant and increasing competition exists for the limited number of mineral acquisition opportunities available. As a result of this competition, some of which is with large established mining companies with substantial capabilities and greater financial and technical resources than the Company, the Company may be unable to acquire attractive mineral properties on terms it considers acceptable. The Company also competes with other companies for the recruitment and retention of qualified employees and other personnel.

Management

The Company's prospects depend in part on the ability of its senior management and directors to operate effectively and the loss of the services of such persons could have a material adverse effect on the Company. To manage its

growth, the Company may have to attract and retain additional highly qualified management, financial and technical personnel and continue to implement and improve operational, financial and management information systems. The Company does not have key man insurance in place in respect of any of its directors or officers.

Offering Risks

There is no current public market for the Company's Common Shares. If an active public market for the Company's Common Shares does not develop, the trading price of the Common Shares may decline below the offering price of the Units.

There is no market through which the Unit Shares or Unit Warrants may be sold and purchasers may not be able to resell Unit Shares or Unit Warrants purchased under this Prospectus. This may affect the pricing of the Unit Shares or Unit Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Unit Shares or Unit Warrants, and the extent of issuer regulation.

The market price of publicly traded shares is affected by many variables not directly related to the success of the Company. These variables include macroeconomic developments in North America and globally, market perceptions of the attractiveness of particular industries, changes in commodity prices, currency exchange fluctuation and the extent of analytical coverage available to investors concerning the business of the Company.

In recent years, the securities markets have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly those in the development stage, has experienced wide fluctuations which have not necessarily been related to operating performance, underlying asset values or prospects of such companies. There can be no assurance that such fluctuations will not affect the price of the Company's Common Shares.

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

The financial risk of the Company's future activities will be borne to a significant degree by purchasers of the Units, who, on completion of the Offering, will incur immediate and substantial dilution in the net tangible book value per Unit Share of \$0.046 or 46% of the Offering Price, assuming the Over-Allotment Option is not exercised in whole or in part and assuming no exercise of the Unit Warrants, the Fee Warrants, the Compensation Options or any incentive stock options that are or may be granted. If the Company issues Common Shares from its treasury for financing purposes, control of the Company may change and purchasers may suffer additional dilution.

Tax Issues

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

Conflicts of Interest

Certain directors and officers of the Company are, and may continue to be, involved in the mining and mineral exploration industry through their direct and indirect participation in corporations, partnerships or joint ventures which are potential competitors of the Company. In particular, the CEO and CFO of the Company will only be devoting 25% and 25% of their time, respectively, to the business and affairs of the Company. Situations may arise in connection with potential acquisitions or investments where the other interests of these directors and officers may conflict with the interests of the Company. Directors and officers of the Company with conflicts of interest will be subject to and will follow the procedures set out in applicable corporate and securities legislation, regulations, rules and policies.

Dividends

The Company has not declared or paid any dividends on its Common Shares and does not currently have a policy on the payment of dividends. For the foreseeable future, the Company anticipates that it will retain future earnings and other cash resources for the operation and developments of its business. The payment of any future dividends will depend upon earnings and the Company's financial condition, current and anticipated cash needs and such other factors as the directors of the Company consider appropriate.

Estimates and Assumptions

Preparation of its financial statements requires the Company to use estimates and assumptions. Accounting for estimates requires the Company to use its judgment to determine the amount to be recorded on its financial statements in connection with these estimates. If the estimates and assumptions are inaccurate, the Company could be required to write down its recorded values. On an ongoing basis, the Company re-evaluates its estimates and assumptions. However, the actual amounts could differ from those based on estimates and assumptions.

Costs and Compliance Risks

Legal, accounting and other expenses associated with public company reporting requirements are significant. The Company anticipates that costs may increase with corporate governance related requirements, including, without limitation, requirements under National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*, National Instrument 52-110 – *Audit Committees* and National Instrument 58-101 – *Disclosure of Corporate Governance Practices*.

The Company also expects these rules and regulations may make it more difficult and more expensive for it to obtain director and officer liability insurance, and it may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult for the Company to attract and retain qualified individuals to serve on its board of directors or as executive officers.

COVID-19

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. The extent to which the coronavirus may impact the Company's business activities will depend on future developments, such as the ultimate geographic spread of the disease, the duration of the outbreak, travel restrictions, business disruptions, and the effectiveness of actions taken in Canada, the United States of America and other countries to contain and treat the disease. These events are highly uncertain and as such, the Company cannot determine their financial impact at this time.

The Company may face future disruption to operations, supply chain delays, travel and trade restrictions and impact on economic activity in affected countries or regions can be expected and can be difficult to quantify. Such pandemics or diseases represent a serious threat to maintaining a skilled workforce and could be a major health-care challenge for the Company. There can be no assurance that the Company's personnel will not be impacted by these pandemics. In addition, the COVID-19 pandemic has created a dramatic slowdown in the global economy. The duration of the COVID-19 outbreak and the resultant travel restrictions, social distancing, government response actions, business closures and business disruptions, can all have an impact on the Company's operations and access to capital. There can be no assurance that the Company will not be impacted by adverse consequences that may be brought about by the COVID-19 pandemic on global financial markets, may reduce resource prices, share prices and financial liquidity and thereby that may severely limit the financing capital available to the Company.

PROMOTERS

Mr. Chris Cooper may be considered to be a promoter of the Company in that he took the initiative in founding and organizing the current business of the Company. See “Directors and Executive Officers” for additional information regarding Mr. Cooper. As at the date of this Prospectus, Mr. Cooper directly and beneficially owns: (i) 150,000 Common Shares, representing 1.60% of the 9,360,000 Common Shares currently issued and outstanding; (ii) 100,000 stock options, representing 25% of the 400,000 stock options currently issued and outstanding; and (iii) 125,000 Common Share purchase warrants, representing 2.89% of the 4,325,000 Common Share purchase warrants currently issued and outstanding. Except for the issuance of such securities by the Company to Mr. Cooper or as disclosed under “Executive Compensation” or elsewhere in this Prospectus, Mr. Cooper has not received and does not anticipate receiving, directly or indirectly, anything of value from the Company and the Company has not received and does not anticipate receiving any assets, services or other consideration in return.

Mr. Cooper is an officer and a director of Reparo Energy Partners Corp. (“Reparo”), the shares of which were delisted from the TSX Venture Exchange following the issuance of a cease trade order on March 6, 2015. In addition, Mr. Cooper was an officer and a director of Reparo when it submitted a notice of intention to make a proposal under the *Bankruptcy and Insolvency Act* (Canada) on August 1, 2008, which proposal was certified as having been fully performed as of August 17, 2009.

On October 29, 2015, Mr. Cooper was subject to a management cease trade order in respect of Aroway Energy Inc., for failure to file financial statements, and subsequently Aroway Energy Inc. was cease traded and was the subject of enforcement of security pursuant to the *Bankruptcy and Insolvency Act* (Canada). Mr. Cooper was a director of Edge Resources Inc. when it was cease traded on August 5, 2018, subsequent to which it was delisted. Mr. Cooper was also a director of StartMonday Technology Corp., which was subject to a management cease trade order dated May 1, 2019, for unfiled financial statements. StartMonday Technology Corp. was subsequently delisted while the management cease trade order remained in effect.

On April 29, 2016, Edge Resources Inc., (“Edge”), of which Mr. Cooper was a director, received an order of the Court of Queen’s Bench of Saskatchewan appointing Grant Thornton as receiver over the company’s Saskatchewan-based assets and, on September 2, 2016, received an order of the Court of Queen’s Bench of Alberta appointing Grant Thornton as receiver over the company’s Alberta-based assets. The receiver was discharged on the Alberta-based assets on December 19, 2016 and on the Saskatchewan-based assets on February 1, 2017. On August 5, 2016, Edge received a cease trade order from the Alberta Securities Commission for failure to file financial statements. Since a receiver had been appointed for Edge on April 29, 2016, the officers and directors of Edge were no longer in control of the assets or undertaking of Edge, being replaced by Grant Thornton as receiver. This made it impossible, following such date, for the directors of Edge to affect the continuance of Edge’s public filings.

Mr. Etienne Gouin-Proulx may be considered to be a promoter of the Company in that he took the initiative in founding and organizing the current business of the Company. See “Directors and Executive Officers” for additional information regarding Mr. Gouin-Proulx. As at the date of this Prospectus, Mr. Gouin-Proulx directly and beneficially owns: (i) 150,000 Common Shares, representing 1.60% of the 9,360,000 Common Shares currently issued and outstanding; (ii) 100,000 stock options, representing 25% of the 400,000 stock options currently issued and outstanding; and (iii) 125,000 Common Share purchase warrants, representing 2.89% of the 4,325,000 Common Share purchase warrants currently issued and outstanding. Except for the issuance of such securities by the Company to Mr. Gouin-Proulx or as disclosed elsewhere in this Prospectus, Mr. Gouin-Proulx has not received and does not anticipate receiving, directly or indirectly, anything of value from the Company and the Company has not received and does not anticipate receiving any assets, services or other consideration in return.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Neither the Company nor the Property is or have been the subject of any legal proceedings, penalties or sanctions imposed by a court or regulatory authority, or settlement agreements before a court or regulatory, and no such legal proceedings, penalties or sanctions are known by the Company to be contemplated.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed below or under “Executive Compensation”, “Options to Purchase Securities” or “Directors and Officers” no director, executive officer of the Company or any shareholder beneficially holding or controlling, directly or indirectly, more than 10% of the issued and outstanding Common Shares of the Company, or any of their respective associates or affiliates, had any material direct or indirect interest in any transaction within the three years preceding the date of this Prospectus which has materially affected or would materially affect the Company.

Carl Desjardins currently owns 1,725,000 Common Shares, representing approximately 18.43% of the currently issued and outstanding Common Shares. On February 8, 2021, he purchased 900,000 units at a price of \$0.005 per unit, each unit comprised of one Common Share and one Common Share purchase warrant (each warrant exercisable for an additional Common Share at an exercise price of \$0.10 per share until February 8, 2026) for a total subscription price of \$4,500; on May 19, 2021, he purchased 160,000 Common Shares at a price of \$0.05 per Common Share and 640,000 “flow-through” Common Shares at a price of \$0.05 per Common Share, for a total subscription price of \$40,000; and on December 5, 2022, he purchased 25,000 units at a price of \$0.10 per unit, each unit comprised of one Common Share and one-half of one Common Share purchase warrant (each whole warrant exercisable for an additional Common Share at an exercise price of \$0.30 per share until December 5, 2023) for a total subscription price of \$2,500 .

Jean Francois Meilleur currently owns 1,725,000 Common Shares, representing approximately 18.43% of the currently issued and outstanding Common Shares. On February 8, 2021, he purchased 900,000 units at a price of \$0.005 per unit, each unit comprised of one Common Share and one Common Share purchase warrant (each warrant exercisable for an additional Common Share at an exercise price of \$0.10 per share until February 8, 2026) for a total subscription price of \$4,500; on May 19, 2021, he purchased 160,000 Common Shares at a price of \$0.05 per Common Share and 640,000 “flow-through” Common Shares at a price of \$0.05 per Common Share, for a total subscription price of \$40,000; and on December 5, 2022, he purchased 25,000 units at a price of \$0.10 per unit, each unit comprised of one Common Share and one-half of one Common Share purchase warrant (each whole warrant exercisable for an additional Common Share at an exercise price of \$0.30 per share until December 5, 2023) for a total subscription price of \$2,500.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Company are K.R. Margetson Ltd. of North Vancouver, British Columbia.

The registrar and transfer agent for the Company’s Common Shares is Odyssey Trust Company, at #350 – 409 Granville Street, Vancouver, British Columbia V6C 1T2. The Company and Odyssey Trust Company have entered into an agreement governing their respective rights and duties pertaining to this relationship.

MATERIAL CONTRACTS

The only material contracts entered into by the Company within the period from incorporation until the date of this Prospectus, other than contracts entered into in the ordinary course of business, are as follows:

1. The Amended Purchase Agreement. See “Description and General Development of the Business – The Amended Purchase Agreement”.
2. The Escrow Agreement. See “Escrowed Securities”.
3. The Agency Agreement. See “Plan of Distribution”.
4. The Warrant Indenture. See “Plan of Distribution”.

Copies of the above material contracts are available through the internet on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) website at www.sedar.com and will be available for inspection at the registered and records office of the Company, at Beadle Raven LLP, #600 – 1090 West Georgia Street, Vancouver, British Columbia, V6E 3V7, during regular business hours during the distribution of the Common Shares and for a period of 30 days thereafter.

EXPERTS

Certain legal matters related to this Offering will be passed upon on behalf of the Company by Beadle Raven LLP and Fasken Martineau DuMoulin LLP (as special tax counsel).

Technical information regarding the Turgeon Lake Property included in this Prospectus is based on the Technical Report prepared by Carl Corriveau, P. Geo., and Raphaël Morand, P. Geo., each of whom is a “Qualified Person” as such term is defined in NI 43-101 and is independent of the Company within the meaning of NI 43-101.

None of Beadle Raven LLP, Fasken Martineau DuMoulin LLP, Carl Corriveau, P. Geo., or Raphaël Morand, P. Geo., or any director, officer, employee or partner thereof, as applicable, received or has received a direct or indirect interest in the Company’s Property or the property of any associate or affiliate of the Company. As at the date hereof the aforementioned persons, and the directors, officers, employees and partners, as applicable, of each of the aforementioned companies and partnerships, do not beneficially own, directly or indirectly, any securities of the Company.

None of the aforementioned persons, nor any director, officer, employee or partner, as applicable, of the aforementioned companies or partnerships, is currently expected to be elected, appointed or employed as a director, officer or employee of the Company or of any associate or affiliate of the Company.

The Company’s auditors, K.R. Margetson Ltd., report that they are independent from the Company in accordance with the Rules of Professional Conduct of the Institute of Chartered Professional Accountants of British Columbia, Canada.

OTHER MATERIAL FACTS

There are no material facts relating to the Company other than as disclosed herein.

STATUTORY RIGHT OF WITHDRAWAL AND RESCISSION

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

In an offering of Warrants, investors are cautioned that the statutory right of action for damages for a misrepresentation contained in the prospectus is limited, in certain provincial securities legislation, to the price at which the Warrants is offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces, if the purchaser pays additional amounts upon exercise of the security, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province for the particulars of this right of action for damages or consult with a legal adviser.

APPENDIX I
FINANCIAL STATEMENTS

XCITE RESOURCES INC.

FINANCIAL STATEMENTS

For the Period from Inception, February 8, 2021 to October 31, 2021

Stated in Canadian Dollars

XCITE RESOURCES INC.

INDEX TO THE AUDITED FINANCIAL STATEMENTS

For the Period from Inception, February 8, 2021 to October 31, 2021

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K. R. MARGETSON LTD.

331 East 5th Street
North Vancouver BC, V7L 1M1

Chartered Professional Accountant

Tel: 604.220.7704
Fax: 1.855.603.3228

INDEPENDENT AUDITOR'S REPORT

To the Shareholders and Directors of Xcite Resources Inc.:

I have audited the accompanying financial statements of Xcite Resources Inc. (the "Company") which comprise the statements of financial position as at October 31, 2021, and the statements of loss and comprehensive loss and changes in equity and cash flows for the period from Inception, February 8, 2021 to October 31, 2021, and the related notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at October 31, 2021, and its financial performance and its cash flows for the period from Inception, February 8, 2021 to October 31, 2021 in accordance with International Financial reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditors Responsibilities for the Audit of the Financial Statements section of my reports. I am independent of the Company in accordance with the ethical requirements that are relevant to my audits of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Material Uncertainty Related to Going Concern

I draw attention to Note 1 in the financial statements, which indicates that the Company, as of that date, had an accumulated deficit of \$91,215. As stated in Note 1, this condition, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. My opinion is not modified in respect of this matter.

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

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that I identify during my audits. I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

R. Mangione Ltd.

Chartered Professional Accountant

January 18, 2022
North Vancouver, Canada

XCITE RESOURCES INC.

Statement of Financial Position
(Stated in Canadian dollars)

As at October 31, 2021

Assets

Current assets:

| | | |
|-------------------------------------|----|----------------|
| Cash | \$ | 145,798 |
| Goods and services taxes receivable | | 2,824 |
| Prepaid and deposits (Note 4) | | 10,500 |
| Total current assets | | 159,122 |

Deposit on exploration and evaluation asset (Note 5) 30,000

| | | |
|---------------------|-----------|----------------|
| Total assets | \$ | 189,122 |
|---------------------|-----------|----------------|

Liabilities and Shareholders' Equity

Current liabilities:

| | | |
|---|----|---------------|
| Accounts payable and accrued liabilities (Note 6) | \$ | 22,830 |
| Due to related parties (Note 8) | | 7,507 |
| Total current liabilities | | 30,337 |

Shareholders' equity:

| | | |
|---|-----------|----------------|
| Share capital (Note 7) | | 250,000 |
| Deficit | | (91,215) |
| Total shareholder's equity | | 158,785 |
| Total liabilities and shareholder's equity | \$ | 189,122 |

Nature of operations and continuance of business (Note 1)

Commitments (Note 12)

Subsequent event (Note 13)

XCITE RESOURCES INC.

Statement of Loss and Comprehensive Loss
(Stated in Canadian dollars)

For the Period from Inception, February 8, 2021 to October 31, 2021

| | |
|--|-------------|
| Expenses | |
| Exploration and evaluation expenses | \$ 35,790 |
| Management consulting fees (Note 8) | 25,500 |
| Professional fees | 24,583 |
| General and administrative expenses | 5,297 |
| Bank charges | 45 |
| | <hr/> |
| | 91,215 |
| Net loss and comprehensive loss | <hr/> |
| | \$ (91,215) |
| Weighted average shares outstanding | 6,770,377 |
| Loss per share | <hr/> |
| | \$ (0.01) |

XCITE RESOURCES INC.

Statement of Changes in Shareholders' Equity
(Stated in Canadian dollars)

For the Period from Inception, February 8, 2021 to October 31, 2021

| | Share Capital | | Deficit | Total Equity |
|---|------------------|-------------------|--------------------|-------------------|
| | # of shares | \$ | | |
| Inception, February 8, 2021 | 1 | \$ - | \$ - | - |
| Share cancelled | (1) | - | - | - |
| Shares issued for cash at \$0.005/share | 3,900,000 | 19,500 | - | 19,500 |
| Shares issued for cash at \$0.05/share | 4,610,000 | 230,500 | - | 230,500 |
| Net loss for the period | - | - | (91,215) | (91,215) |
| Balance, October 31, 2021 | 8,510,000 | \$ 250,000 | \$ (91,215) | \$ 158,785 |

XCITE RESOURCES INC.

Statement of Cash Flows
(Stated in Canadian dollars)

For the Period from Inception, February 8, 2021 to October 31, 2021

Cash provided by (used in):

Operating activities

| | | |
|--|----|-----------------|
| Net loss | \$ | (91,215) |
| Change in non-cash working capital | | |
| Good and services taxes receivable | | (2,824) |
| Prepaid and deposits | | (10,500) |
| Accounts payable and accrued liabilities | | 22,830 |
| Due to related parties | | 7,507 |
| Net cash used in operations | | (74,202) |

Investing activities

| | | |
|--|--|-----------------|
| Acquisition of exploration and evaluation assets | | (30,000) |
| Net cash from investing activities | | (30,000) |

Financing activities

| | | |
|--|--|----------------|
| Issuance of common shares | | 250,000 |
| Net cash provided from financing activities | | 250,000 |

| | | |
|----------------------------|-----------|----------------|
| Increase in cash | | 145,798 |
| Cash, beginning of period | | - |
| Cash, end of period | \$ | 145,798 |

XCITE RESOURCES INC.

Notes to the Financial statements
(Stated Amounts in Canadian dollars)

For the Period from Inception, February 8, 2021 to October 31, 2021

1. NATURE OF OPERATIONS AND CONTINUANCE OF BUSINESS

Xcite Resources Inc. (“Xcite” or the “Company”) is an exploration company incorporated on February 8, 2021 under the laws of the Province of British Columbia, Canada. The Company’s head office and principal address is Suite 1910, 1030 West Georgia Street, Vancouver, British Columbia, Canada, V6E 2Y3.

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company has incurred losses from inception of \$91,215 and does not currently have the financial resources to sustain operations in the long-term. While the Company has been successful in obtaining its required funding for this year, there is no assurance that such future financing will be available or be available on favourable terms. These material uncertainties may cast significant doubt about the Company’s ability to continue as a going concern.

The financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. Continued operations of the Company are dependent on the Company’s ability to receive financial support, necessary financings, or generate profitable operations in the future.

The Company actively manages its cash flow and investment in exploration and evaluation expenses to match its cash generated from financing activities. In order to maximize cash generated from operations, the Company plans to focus on developing its mineral properties with positive indicators of recoverable resources; minimize operating expenses where possible; and limit capital expenditures. As the Company continues to expend on exploration and evaluation expenses, investments will be financed through external financing. Management believes that successful execution of its business plan will result in sufficient cash flow and new financing to fund projected operational and investment requirements. However, no assurances can be given that the Company will be able to achieve all or part of the objectives discussed above, or that sufficient financing from outside sources will be available. Further, if the Company’s operations are unable to generate cash flow levels at or above current projections, the Company may not have sufficient funds to meet its obligations over the next twelve months.

Should such events occur, management is committed to implementing all or a portion of its contingency plan. This plan has been developed and designed to provide additional cash flow, and includes, but is not limited to, deferring certain additional exploration activities, and reducing general and administrative expenses, while seeking outside financing or seeking a potential partner in the development of its mineral properties.

The failure of the Company to achieve one or all of the above items may have a material adverse impact on the Company’s financial position, results of financial performance and cash flows. These factors indicate the existence of material uncertainty that may cast significant doubt on the Company’s ability to continue as a going concern.

XCITE RESOURCES INC.

Notes to the Financial statements
(Stated Amounts in Canadian dollars)

For the Period from Inception, February 8, 2021 to October 31, 2021

1. NATURE AND CONTINUANCE OF OPERATIONS *(continued)*

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It has also disrupted the normal operations of many businesses, including the Company's. This outbreak could decrease spending, adversely affect demand for the Company's product and harm the Company's business and results of operations. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These financial statements have been prepared in accordance with IFRS, as issued by the International Accounting Standards Board ("IASB") and the interpretations of the IFRS interpretations committee ("IFRIC") and in effect at October 31, 2021.

These financial statements have been prepared on a historical cost basis and presented in Canadian Dollars, which is the Company's functional and presentation currency. They were approved and authorized for issuance by the Board of Directors on January 18, 2022.

Use of accounting estimates and judgments

The preparation of these financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the reporting period. Actual results could differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the revision affects both current and future periods. Assumptions about the future and other sources of estimation and judgment uncertainty that management has made at the end of the reporting year, relate to:

(i) Going concern

The assessment of the Company's ability to execute its strategy by funding future working capital involves judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstance. There is a material uncertainty regarding the Company's ability to continue as a going concern. The Company's principal source of cash is from private placements. The Company is dependent on raising funds in order to have sufficient capital to be able to identify, evaluate and then acquire an interest in assets or a business.

XCITE RESOURCES INC.

Notes to the Financial statements
(Stated Amounts in Canadian dollars)

For the Period from Inception, February 8, 2021 to October 31, 2021

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(ii) The recoverability and measurement of deferred tax assets and liabilities

Tax interpretations, regulations, and legislation are subject to change. The determination of income tax expense and deferred tax involves judgment and estimates as to the future taxable earnings, expected timing of reversals of deferred tax assets and liabilities, and interpretations of laws in the countries in which the Company operates. The Company is subject to assessments by tax authorities who may interpret the tax law differently. Changes in these estimates may materially affect the final amount of deferred taxes or the timing of tax payments.

Financial instruments

The Company follows IFRS 9, Financial Instruments, which applies a single approach to determine whether a financial asset is measured at amortized cost or fair value. The classification is based on two criteria: the Company's business objectives for managing the assets; and whether the financial instruments' contractual cash flows represent "solely payments of principal and interest" on the principal amount outstanding (the "SPPI test"). Financial assets are required to be reclassified only when the business model under which they are managed has changed. All reclassifications are to be applied prospectively from the reclassification date.

Financial liabilities under IFRS 9 are generally classified and measured at fair value at initial recognition and subsequently measured at amortized cost.

Financial assets

The Company initially recognizes financial assets at fair value on the date that the Company becomes a party to the contractual provisions of the instrument. The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

Classification and measurement under IFRS 9, requires financial assets to be initially measured at fair value. In the case of a financial asset not categorized as fair value through profit or loss ("FVTPL"), transaction costs are included. Transaction costs of financial assets carried at FVTPL are expensed in net income (loss). Subsequent classification and measurement of financial assets depends on the Company's business objective for managing the asset and the cash flow characteristics of the asset:

- (i) Amortized cost – Financial assets held for collection of contractual cash flows that meet the SPPI test are measured at amortized cost. Interest income is recognized as Other income (expense) in the financial statements, and gains/losses are recognized in net income (loss) when the asset is derecognized or impaired.
- (ii) Fair value through other comprehensive income ("FVOCI") – Financial assets held to achieve a particular business objective other than short-term trading are designated at FVOCI. IFRS 9 also provides the ability to make an irrevocable election at initial recognition of a financial asset, on an instrument-by-instrument basis, to designate an equity investment that would otherwise be classified as FVTPL and that is neither held for trading nor contingent consideration arising from a business combination to be classified as FVOCI. There is no recycling of gains or losses through net income (loss). Upon derecognition of the asset, accumulated gains or losses are transferred from other comprehensive income ("OCI") directly to Deficit.

XCITE RESOURCES INC.

Notes to the Financial statements
(Stated Amounts in Canadian dollars)

For the Period from Inception, February 8, 2021 to October 31, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- (iii) FVTPL – Financial assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL.

The Company measures cash and deposits at amortized cost

Financial liabilities

The Company initially recognizes financial liabilities at fair value on the date at which the Company becomes a party to the contractual provisions of the instrument. The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The subsequent measurement of financial liabilities is determined based on their classification as follows:

- (i) FVTPL Derivative financial instruments entered into by the Company that do not meet hedge accounting criteria are classified as FVTPL. Gains or losses on these types of financial liabilities are recognized in net income (loss).
- (ii) Amortized cost – All other financial liabilities are classified as amortized cost using the effective interest method. Gains and losses are recognized in net income (loss) when the liabilities are derecognized as well as through the amortization process.

The Company measures accounts payable and accrued liabilities and due to related parties at amortized cost.

Classification of financial instruments

IFRS 7, *Financial instruments: disclosures*, establishes a fair value hierarchy that reflects the significance of inputs in measuring fair value as the following:

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

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

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

The classification of a financial instrument in the fair value hierarchy is based upon the lowest level of input that is significant to the measurement of fair value.

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

Exploration and evaluation assets

Exploration and evaluation assets include the costs of acquiring mineral concession and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. All costs related to the acquisition of mineral properties are capitalized by property as an intangible asset. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in the statement of loss and comprehensive loss. In addition, all costs incurred until an appropriate economic assessment has been completed and there is confidence that permits can be obtained to develop the

XCITE RESOURCES INC.

Notes to the Financial statements
(Stated Amounts in Canadian dollars)

For the Period from Inception, February 8, 2021 to October 31, 2021

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

project are expensed. Afterwards, all costs incurred for the development of mineral properties are capitalized.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

Recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Taxes

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

Deferred tax is recorded using the liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for relating to goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting or taxable loss, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, it does not recognize the asset. The Company has assessed that it is improbable that such assets will be realized and has accordingly not recognized a value for deferred taxes as at October 31, 2021.

Related party transactions

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

Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

XCITE RESOURCES INC.

Notes to the Financial statements
(Stated Amounts in Canadian dollars)

For the Period from Inception, February 8, 2021 to October 31, 2021

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Warrants

When the Company issues private placement units, the value attributed to the warrants is measured using the residual method. This method allocates value first to the more easily measurable component based on fair value and the residual to the less easily measurable component, if any. The Company considers the fair value of its shares to be the more easily measurable component and is valued with reference to the market price. The residual value is attributed to the warrants, if any is recorded as a separate component of equity.

Earnings (Loss) per share

The Company presents basic and diluted earnings per share ("EPS") data for its common shares. Basic EPS is calculated by dividing the profit or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. Diluted loss per share is calculated using the treasury stock method.

Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the reporting periods.

However, in periods where a net loss is reported, outstanding options and warrants are excluded from the calculation of diluted loss per share, as they are anti-dilutive and as a result diluted loss per share is equal to the basic loss per share.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. An amount equivalent to the discounted provision is capitalized within tangible fixed assets and is depreciated over the useful lives of the related assets. The increase in the provision due to passage of time is recognized as interest expense.

3. RECENT ACCOUNTING PRONOUNCEMENTS AND ADOPTED POLICIES

The Company did not adopt any new accounting standard changes or amendments in the current year that had a material impact on the Company's financial statements.

The Company has not yet begun the process of assessing the impact of other new and amended standards that are effective for annual periods beginning on or after February 8, 2021 will have on its financial statements or whether to early adopt any of the new requirements. The Company does not expect the impact of such changed on the financial statements to be material, although additional disclosure may be required.

XCITE RESOURCES INC.

Notes to the Financial statements
(Stated Amounts in Canadian dollars)

For the Period from Inception, February 8, 2021 to October 31, 2021

4. PREPAID AND DEPOSITS

Pursuant to an independent contract entered into effective June 10, 2021, the Company prepaid \$10,500 for expenses related to its initial public offering. (See Note 12 *Commitments*.)

5. DEPOSIT ON EXPLORATION AND EVALUATION ASSETS

Turgeon Lake, Quebec

On April 12, 2021, the Company entered into a purchase and sale agreement to acquire 100% interest in the Turgeon Lake Gold Project located in the province of Quebec, consisting of 39 mineral claims covering 2,203.28 hectares. Under the terms of that agreement and further amendments of October 1, 2021 and November 24, 2021, the Company is committed to the following in order to earn its 100% interest:

- a) Make cash payments totaling \$250,000 as follows:
 - \$30,000 on execution of the agreement (paid);
 - \$70,000 1 year from execution of the agreement (outstanding); and
 - \$150,000 3 years from execution of the agreement (outstanding).

- b) Issue 1,500,000 common shares to the vendor as follows:
 - 250,000 shares on the closing date once approved by the Canadian Securities Exchange (outstanding);
 - 750,000 shares 1 year from the date of execution (outstanding); and
 - 500,000 shares 3 years from the date of execution (outstanding).

- c) Complete a minimum work commitment totaling \$500,000 as follows:
 - \$200,000 on or before 2 years from the date of execution (outstanding); and
 - \$300,000 on or before 3 years from the date of execution (outstanding).

If the project is brought into commercial production, the Company is also required to grant a 2% Net Smelter Returns Royalty ("NSR") to the vendor. The Company maintains the right to purchase half of the 2% NSR from the vendor by making a payment of \$1,000,000 to the vendor. In addition, the Turgeon Lake Property is subject to an additional 2% NSR in favour of the prospectors who staked the property.

This agreement is subject to, amongst other considerations, the approval by the Canadian Securities Exchange ("CSE"), and title to the mineral claims does not pass until three business days after such approval has been received by the vendor.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The Company's accounts payable and accrued liabilities are non-interest bearing and detailed below:

| | | |
|--------------------------|----|---------------|
| Trade accounts payable | \$ | 12,830 |
| Accrued accounts payable | | 10,000 |
| | \$ | 22,830 |

XCITE RESOURCES INC.

Notes to the Financial statements
(Stated Amounts in Canadian dollars)

For the Period from Inception, February 8, 2021 to October 31, 2021

7. SHARE CAPITAL

(a) Common shares

The company is authorized to issue an unlimited number of common shares without par value.

As at October 31, 2021, the Company had 8,510,000 common shares issued and outstanding. Transactions in the Company's shares were as follows for the period ended October 31, 2021:

- On February 8, 2021, the Company closed a private placement of 3,900,000 units of the Company at \$0.005 per unit for gross proceeds of \$19,500. Each unit consists of one common share and one common share warrant, with each warrant exercisable for an additional common share for a period of 5 years from the date of the closing at a price of \$0.10.
- On May 19, 2021, the Company closed a private placement of 3,560,000 flow-through common shares of the Company at \$0.05 per share for gross proceeds of \$178,000.
- On May 19, 2021, the Company closed a private placement of 1,050,000 common shares of the Company at \$0.05 per share for gross proceeds of \$52,500.

There were no share issue costs incurred in relation to the above issuances

(b) Options

Subsequent to the year end, (See Note 13 *Subsequent Events*.) the Company adopted an incentive stock option plan (the "Plan"). The essential elements of the Plan provide that the aggregate number of shares of the Company's capital stock issuable pursuant to options granted under the Plan may not exceed 10% of the Company's issued and outstanding shares at the date of grant of the options. Options granted under the Plan may have a maximum term of five years. The exercise price of options granted under the Plan will not be less than the greater of the closing market price of the Company's shares on the CSE on (a) the date on which the Board of Directors grants and announces options (the "Award Date") and (b) the day prior to the Award Date. The Board of Directors may at any time and from time to time, fix limits, vesting requirements or restrictions in respect of which an Option Holder may exercise part of any Option held by him/her.

As at October 31, 2021, the Company had not issued any share options. (See Note 13 *Subsequent Events*.)

(c) Warrants

As at October 31, 2021, the Company had 3,900,000 warrants outstanding. All warrants expire in 4.28 years on February 8, 2026.

8. RELATED PARTY TRANSACTIONS

Key management personnel include persons having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined the key personnel to be officers and directors of the Company.

Payments and accrual were made to the following officers and directors or to companies controlled by these officer and directors.

XCITE RESOURCES INC.

Notes to the Financial statements
(Stated Amounts in Canadian dollars)

For the Period from Inception, February 8, 2021 to October 31, 2021

8. RELATED PARTY TRANSACTIONS (continued)

| | Management fees | Rent | Total |
|------------------|------------------|-----------------|------------------|
| CEO and Director | \$ 20,500 | \$ 1,065 | \$ 21,565 |
| CFO and Director | 5,000 | - | 5,000 |
| | \$ 25,500 | \$ 1,065 | \$ 26,565 |

As at October 31, 2021, \$7,508 were owed to related parties for the above services.

On February 8, 2021, the CEO and Director subscribed for 100,000 common shares at \$.005 per share for cash of \$500.

Transactions with related parties are in the normal course of business and initially recorded at fair value.

9. RISK AND CAPITAL MANAGEMENT

The Company's primary objectives in capital management are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain sufficient funds to finance the development of mineral property assets. Capital is comprised of the Company's shareholders' equity. The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital and is not subject to externally imposed capital requirements. There have been no changes from the prior year.

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

Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at October 31, 2021, the Company had a cash balance of \$145,798 to settle current liabilities of \$30,337. All of the Company's accounts payable and accrued liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms. To maintain liquidity, the Company is currently investigating financing opportunities.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. The Company does not have a practice of trading derivatives.

XCITE RESOURCES INC.

Notes to the Financial statements
(Stated Amounts in Canadian dollars)

For the Period from Inception, February 8, 2021 to October 31, 2021

9. RISK AND CAPITAL MANAGEMENT (continued)

Interest rate risk

The Company's financial assets exposed to interest rate risk consist of cash balances. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. As at October 31, 2021, the Company did not have any investments in investment-grade short-term deposit certificates.

Price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to significant other price risk.

10. INCOME TAXES

The Company's income tax provision differs from that which would be expected from applying the combined effective federal and provincial tax rate of 27% to the net loss before income taxes as follows:

| | |
|--|-------------|
| Net loss for the period | \$ (91,215) |
| Expected income tax recovery at statutory rate | (25,000) |
| Permanent Difference | |
| Impact of flow-through shares | 10,000 |
| Deferred tax assets not recognized | 15,000 |
| Income tax recovery recognized | <u>\$ -</u> |

A summary of the gross tax balances in which a deferred tax asset was not recognized is as follows:

| | |
|-------------------------------|-------------|
| Non-capital loss carryforward | \$ 15,000 |
| Valuation allowance | (15,000) |
| Deferred tax asset recognized | <u>\$ -</u> |

The Company's non-capital loss carry forward balance will expire in 2041.

11. SEGMENT INFORMATION

The Company has one reportable segment, being the exploration and development of mineral property in the province of Quebec, Canada.

XCITE RESOURCES INC.

Notes to the Financial statements
(Stated Amounts in Canadian dollars)

For the Period from Inception, February 8, 2021 to October 31, 2021

12. COMMITMENTS

The Company has engaged Haywood Securities Inc. (the “Agent”) to act as lead agent in connection with a proposed initial public offering of common shares. Under that agreement, upon closing, the Company is committed to paying to the Agent a corporate finance fee of \$25,000 (plus GST), issuing to the Agent 1,000,000 common shares of the Company, and paying the Agent’s expenses in connection with the offering. The agreement also includes commissions of (a) 7% fee payable in units of the Company, each unit consisting of one common share and one common share purchase warrant with an exercise price of \$0.10 for a period of 24 months, and (b) 7% compensation options for common shares of the Company at a price per common share of \$0.10 until the date that is 24 months after the closing date. The Company has also pre-paid \$10,000 in expenses of Haywood Securities related to the proposed initial public offering (See Note 4 *Deposits and prepaids*).

13. SUBSEQUENT EVENT

On November 22, 2021, the Board of Directors created an incentive stock option plan (See Note 7(b) *Share Capital, Options*) and authorized 100,000 stock options be issued to each of the 4 directors. The options are exercisable at a price of \$0.10 and expire 5 years from the date of listing of the Company’s shares on the CSE.

14. CORRECTION OF ERROR

Previously released financial statements incorrectly referenced Exploration and evaluation expenses as (Note 8) on the Statement of Loss and Comprehensive Loss. That reference has been eliminated as it was not applicable.

XCITE RESOURCES INC.

FINANCIAL STATEMENTS

For the Three and Nine-Months Ended July 31, 2022

Stated in Canadian Dollars

(Unaudited)

XCITE RESOURCES INC.

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For the Three and Nine-Months Ended July 31, 2022

REVIEW ENGAGEMENT REPORT

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Chartered Professional Accountant

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INDEPENDENT REVIEW ENGAGEMENT REPORT

I have reviewed the interim financial statements of Xcite Resources Inc. that comprise the interim statement of financial position as at July 31, 2022, and interim statements of loss and comprehensive loss, changes in equity and cash flows for the nine months then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these interim 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.

Practitioner's Responsibility

My responsibility is to express a conclusion on the accompanying interim financial statements based on my review. I conducted my review in accordance with International Financial Reporting Standards, which require me to comply with relevant ethical requirements. A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures - primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures - and evaluates the evidence obtained. The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, I do not express an audit opinion on these interim financial statements.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the interim financial statements do not present fairly, in all material respects, the financial position of Xcite Resources Inc. as at July 31, 2022, and the results of its operations, changes in equity and its cash flows for the nine months then ended in accordance with Interim International Financial Reporting Standards.

Emphasis of matter – Going concern

Without qualifying my conclusion, I draw attention to Note 1 in the interim financial statements which describes conditions and matter that indicate the existence of a material uncertainty that may cast significant doubt about Xcite Resources Inc.'s ability to continue as a going concern.



Chartered Professional Accountant
October 26, 2022
North Vancouver, Canada

XCITE RESOURCES INC.

Statements of Financial Position
(Stated in Canadian dollars)
(Unaudited)

As at July 31, 2022 and October 31, 2021

| | July 31, 2022 | October 31, 2021 |
|--|------------------|---------------------|
| Assets | | |
| Current assets: | | |
| Cash | \$ 25,671 | \$ 145,798 |
| Goods and services taxes receivable | 7,226 | 2,824 |
| Prepaid and deposits (Note 3) | 10,500 | 10,500 |
| Total current assets | 43,397 | 159,122 |
| Deposit on exploration and evaluation asset (Note 4) | 30,000 | 30,000 |
| Total assets | \$ 73,397 | \$ 189,122 |
| Liabilities and Shareholders' Equity | | |
| Current liabilities: | | |
| Accounts payable and accrued liabilities (Note 5) | \$ 10,837 | \$ 22,830 |
| Due to related parties (Note 7) | 10,809 | 7,507 |
| Total current liabilities | 21,646 | 30,337 |
| Shareholders' equity: | | |
| Share capital (Note 6) | 250,000 | 250,000 |
| Deficit | (198,249) | (91,215) |
| Total shareholder's equity | 51,751 | 158,785 |
| Total liabilities and shareholder's equity | \$ 73,397 | \$ 189,122 |

Nature of operations and continuance of business (Note 1)
Commitments (Note 10)

Approved on behalf of the Board:

"Chris Cooper"

Director

"Daryn Gordon"

Director

XCITE RESOURCES INC.

Statements of Loss and Comprehensive Loss
(Stated in Canadian dollars)
(Unaudited)

For the Three and Nine-Months Ended July 31, 2022 and 2021 and the Period from Inception, February 8, 2021 to July 31, 2021

| | For the Three-Months Ended July 31, | | Nine-Months | From the |
|--|-------------------------------------|-------------|----------------|--------------|
| | 2022 | 2021 | Ended July 31, | period of |
| | | | 2022 | Inception at |
| | | | | February 8, |
| | | | | 2021 to |
| | | | | July 31, |
| | | | | 2021 |
| Expenses | | | | |
| Exploration and evaluation expenses | \$ 1,147 | \$ - | \$ 31,397 | \$ - |
| Management consulting fees (Note 7) | 12,950 | 6,100 | 32,400 | 14,500 |
| Filing fees | 915 | - | 20,076 | - |
| Professional fees | 1,500 | 2,879 | 9,874 | 4,807 |
| General and administrative expenses | 8,313 | 3,012 | 12,984 | 3,170 |
| Bank charges | 253 | 10 | 303 | 24 |
| | 25,078 | 12,001 | 107,034 | 22,501 |
| Net loss and comprehensive loss | \$ (25,078) | \$ (12,001) | \$ (107,034) | \$ (22,501) |
| Weighted average shares outstanding | 8,510,000 | 7,557,935 | 8,510,000 | 5,845,260 |
| Loss per share | \$ (0.00) | \$ (0.00) | \$ (0.01) | \$ (0.00) |

XCITE RESOURCES INC.

Statements of Changes in Shareholders' Equity
(Stated in Canadian dollars)
(Unaudited)

For the Nine-Months Ended July 31, 2022 and the Period from Inception, February 8, 2021 to July 31, 2021

| | Share Capital | | Deficit | Total Equity |
|----------------------------------|------------------|-------------------|---------------------|------------------|
| | # of shares | \$ | | |
| Inception, February 8, 2021 | 1 | \$ - | \$ - | \$ - |
| Share cancelled | (1) | - | - | - |
| Shares issued for cash | 8,510,000 | 250,000 | - | 250,000 |
| Net loss for the period | - | - | (22,501) | (22,501) |
| Balance, July 31, 2021 | 8,510,000 | 250,000 | (22,501) | 227,499 |
| Net loss for the period | - | - | (68,714) | (68,714) |
| Balance, October 31, 2021 | 8,510,000 | 250,000 | (91,215) | 158,785 |
| Net loss for the period | - | - | (107,034) | (107,034) |
| Balance, July 31, 2022 | 8,510,000 | \$ 250,000 | \$ (198,249) | \$ 51,751 |

XCITE RESOURCES INC.

Statements of Cash Flows
(Stated in Canadian dollars)
(Unaudited)

For the Nine-Months Ended July 31, 2022 and the Period from Inception, February 8, 2021 to July 31, 2021

| | Nine-Months Ended July 31, 2022 | From the period of Inception at February 8, 2021 to July 31, 2021 |
|--|------------------------------------|---|
| Cash provided by (used in): | | |
| Operating activities | | |
| Net loss | \$ (107,034) | \$ (22,501) |
| Change in non-cash working capital | | |
| Good and services taxes receivable | (4,402) | (264) |
| Prepaid and deposits | - | (10,500) |
| Accounts payable and accrued liabilities | (11,993) | - |
| Due to related parties | 3,302 | 2,258 |
| Net cash used in operations | (120,127) | (31,007) |
| Investing activities | | |
| Acquisition of exploration and evaluation assets | - | (30,000) |
| Net cash from investing activities | - | (30,000) |
| Financing activities | | |
| Issuance of common shares | - | 250,000 |
| Net cash provided from financing activities | - | 250,000 |
| Increase in cash | (120,127) | 188,993 |
| Cash, beginning of period | 145,798 | - |
| Cash, end of period | \$ 25,671 | \$ 188,993 |

XCITE RESOURCES INC.

Notes to the Financial statements
(Stated Amounts in Canadian dollars)
(Unaudited)

For the Three and Nine-Months Ended July 31, 2022

1. NATURE OF OPERATIONS AND CONTINUANCE OF BUSINESS

Xcite Resources Inc. (“Xcite” or the “Company”) is an exploration company incorporated on February 8, 2021 under the laws of the Province of British Columbia, Canada. The Company’s head office and principal address is Suite 1910, 1030 West Georgia Street, Vancouver, British Columbia, Canada, V6E 2Y3.

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company has incurred losses from inception and does not currently have the financial resources to sustain operations in the long-term. While the Company has been successful in obtaining its required funding for this year, there is no assurance that such future financing will be available or be available on favourable terms. These material uncertainties may cast significant doubt about the Company’s ability to continue as a going concern.

The financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. Continued operations of the Company are dependent on the Company’s ability to receive financial support, necessary financings, or generate profitable operations in the future.

The Company actively manages its cash flow and investment in exploration and evaluation expenses to match its cash generated from financing activities. In order to maximize cash generated from operations, the Company plans to focus on developing its mineral properties with positive indicators of recoverable resources; minimize operating expenses where possible; and limit capital expenditures. As the Company continues to expend on exploration and evaluation expenses, investments will be financed through external financing. Management believes that successful execution of its business plan will result in sufficient cash flow and new financing to fund projected operational and investment requirements. However, no assurances can be given that the Company will be able to achieve all or part of the objectives discussed above, or that sufficient financing from outside sources will be available. Further, if the Company’s operations are unable to generate cash flow levels at or above current projections, the Company may not have sufficient funds to meet its obligations over the next twelve months.

Should such events occur, management is committed to implementing all or a portion of its contingency plan. This plan has been developed and designed to provide additional cash flow, and includes, but is not limited to, deferring certain additional exploration activities, and reducing general and administrative expenses, while seeking outside financing or seeking a potential partner in the development of its mineral properties.

The failure of the Company to achieve one or all of the above items may have a material adverse impact on the Company’s financial position, results of financial performance and cash flows. These factors indicate the existence of material uncertainty that may cast significant doubt on the Company’s ability to continue as a going concern.

XCITE RESOURCES INC.

Notes to the Financial statements
(Stated Amounts in Canadian dollars)
(Unaudited)

For the Three and Nine-Months Ended July 31, 2022

1. NATURE AND CONTINUANCE OF OPERATIONS *(continued)*

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It has also disrupted the normal operations of many businesses, including the Company's. This outbreak could decrease spending, adversely affect demand for the Company's product and harm the Company's business and results of operations. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time.

2. BASIS OF PREPARATION

Statement of Compliance and basis of presentation

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

These condensed interim financial statements have been prepared on the basis of accounting policies, methods of computation, and estimates and judgements consistent with those applied in the Company's October 31, 2021 annual financial statements.

These condensed interim financial statements do not include all of the information required of full audited financial statements and therefore these condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended October 31, 2021.

Functional and presentation currency

The financial statements are presented in Canadian Dollars, which is the Company's functional and presentation currency.

Approval of the financial statements

The condensed interim financial statements of the Company for the period ended July 31, 2022, were approved and authorized for issuance by the Board of Directors on October 26, 2022.

3. PREPAID AND DEPOSITS

Pursuant to an independent contract entered into effective June 10, 2021, the Company prepaid \$10,500 for services on an Initial Public Offering.

4. EXPLORATION AND EVALUATION ASSETS

Turgeon Lake, Quebec

On April 12, 2021, the Company entered into a purchase and sale agreement to acquire 100% interest in the Turgeon Lake Gold Project located in the province of Quebec, consisting of 39 claims covering 2,203.28 hectares. Under the terms of that agreement, as amended, the Company is committed to the following in order to earn its 100% interest:

XCITE RESOURCES INC.

Notes to the Financial statements
(Stated Amounts in Canadian dollars)
(Unaudited)

For the Three and Nine-Months Ended July 31, 2022

4. EXPLORATION AND EVALUATION ASSETS *(continued)*

- a) Make cash payments totaling \$250,000 as follows:
- \$30,000 on execution of the agreement (paid);
 - \$70,000 on the earlier of (i) the date on which the Company's shares are listed on the Canadian Securities Exchange, and (ii) November 30, 2022 (outstanding); and
 - \$150,000 3 years from execution of the agreement (outstanding).
- b) issue 1,500,000 common shares to the vendor as follows:
- 250,000 shares on the closing date once approved by the Canadian Securities Exchange (outstanding);
 - 750,000 shares on the earlier of (i) the date on which the Company's shares are listed on the Canadian Securities Exchange, and (ii) November 30, 2022 (outstanding); and
 - 500,000 shares 3 years from the date of execution (outstanding).
- c) complete a minimum work commitment totaling \$500,000 as follows:
- \$200,000 on or before 2 years from the date of execution (outstanding); and
 - \$300,000 on or before 3 years from the date of execution (outstanding).

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The Company's accounts payable and accrued liabilities are non-interest bearing and detailed below:

| As at | July 31, 2022 | October 31, 2021 |
|-------------------------------------|------------------|------------------|
| Trade accounts payable | \$ 570 | \$ 12,830 |
| Accrued trade and professional fees | 10,267 | 10,000 |
| | \$ 10,837 | \$ 22,830 |

6. SHARE CAPITAL

The company is authorized to issue an unlimited number of common shares without par value.

As at July 31, 2022, the Company had 8,510,000 common shares issued and outstanding. Transactions in the Company's shares were as follows for the period ended July 31, 2022:

On February 8, 2021, the Company closed a private placement of 3,900,000 units of the Company at \$0.005 per unit for gross proceeds of \$19,500. Each unit consists of one common share and one common share warrant, with each warrant exercisable for an additional common share for a period of 5 years from the date of the closing at a price of \$0.10.

On May 19, 2021, the Company closed a private placement of 3,560,000 flow-through common shares of the Company at \$0.05 per share for gross proceeds of \$178,000.

On May 19, 2021, the Company closed a private placement of 1,050,000 common shares of the Company at \$0.05 per share for gross proceeds of \$52,500.

There were no share issue costs incurred in relation to the above issuances.

XCITE RESOURCES INC.

Notes to the Financial statements
(Stated Amounts in Canadian dollars)
(Unaudited)

For the Three and Nine-Months Ended July 31, 2022

6. SHARE CAPITAL (continued)

Stock options

The Company has authorized 100,000 stock options to be issued to each of the 4 directors. The options are exercisable at a price of \$0.10 and expire 5 years from the date of listing of the Company's shares on the CSE.

Warrants

As at October 31, 2021 and July 31, 2022, the Company had 3,900,000 warrant outstanding. All warrants expire on February 8, 2026. The number of years to expiry at July 31, 2022 is 3.53 years (October 31, 2021 – 4.28 years).

7. RELATED PARTY TRANSACTIONS

Key management personnel include persons having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined the key personnel to be officers and directors of the Company.

Payments and accrual were made to the following officers and directors or to companies controlled by these officer and directors.

| | Nine-Months Ended July 31, 2022 | | | Period Ended July 31, 2021 | | |
|------------------|---------------------------------|-----------------|------------------|----------------------------|---------------|------------------|
| | Management fees | Rent | Total | Management fees | Rent | Total |
| CEO and Director | \$ 25,500 | \$ 1,850 | \$ 23,850 | \$ 14,500 | \$ 615 | \$ 15,115 |
| CFO and Director | 6,900 | - | 6,900 | - | - | - |
| | \$ 32,400 | \$ 1,850 | \$ 30,750 | \$ 14,500 | \$ 615 | \$ 15,115 |

As at July 31, 2022, \$10,809 (October 31, 2021 - \$7,507) were owed to related parties for the above services.

On February 8, 2021, the CEO and Director subscribed for 100,000 common shares at \$.005 per share for cash of \$500.

On April 15, 2021, the CEO and Director advanced the Company \$13,500 for working capital purposes. This amount is unsecured, non-interest bearing, and no specific terms of repayment. This amount was repaid May 13, 2021.

Transactions with related parties are in the normal course of business and initially recorded at fair value.

XCITE RESOURCES INC.

Notes to the Financial statements
(Stated Amounts in Canadian dollars)
(Unaudited)

For the Three and Nine-Months Ended July 31, 2022

8. RISK AND CAPITAL MANAGEMENT

The Company's primary objectives in capital management are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain sufficient funds to finance the development of mineral property assets. Capital is comprised of the Company's shareholders' equity. The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital and is not subject to externally imposed capital requirements. There have been no changes from the prior year.

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

Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at July 31, 2022, the Company had a cash balance of \$25,671 (October 31, 2021 - \$145,798) to settle current liabilities of \$21,646 (October 31, 2021 - \$30,337). All of the Company's accounts payable and accrued liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms. To maintain liquidity, the Company is currently investigating financing opportunities.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. The Company does not have a practice of trading derivatives.

Interest rate risk

The Company's financial assets exposed to interest rate risk consist of cash balances. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. As at July 31, 2022 and October 31, 2021, the Company did not have any investments in investment-grade short-term deposit certificates.

Price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to significant other price risk.

XCITE RESOURCES INC.

Notes to the Financial statements
(Stated Amounts in Canadian dollars)
(Unaudited)

For the Three and Nine-Months Ended July 31, 2022

9. SEGMENT INFORMATION

The Company has one reportable segment, being the exploration and development of mineral property in the province of Quebec, Canada.

10. COMMITMENTS

As a result of the acquisition of the Turgeon Lake Property described in Note 4, the Company is required to grant a 2% Net Smelter Returns Royalty ("NSR") to the vendor. The Company maintains the right to purchase half of the royalty from the vendor by making a payment of \$1,000,000 to the vendor. In addition, the Turgeon Lake Property is subject to an additional 2% NSR in favour of the prospectors who staked the property.

APPENDIX II
MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("MD&A") is dated January 18, 2022 and should be read in conjunction with the audited consolidated financial statements of Xcite Resources Inc. ("Xcite" or the "Company") for the period of inception at February 8, 2021 to October 31, 2021. Xcite prepares its audited financial statements in accordance with International Financial Reporting Standards ("IFRS"), as set out in Part 1 of the Handbook of the Canadian Institute of Chartered Professional Accountants.

FORWARD-LOOKING INFORMATION

Certain statements in this MD&A that are not based on historical facts constitute forward-looking information. Forward-looking information is not a promise or guarantee of future performance but is only a prediction that relates to future events, conditions or circumstances or the Company's future results, performance, achievements or developments and is subject to substantial known and unknown risks, assumptions, uncertainties and other factors that could cause the Company's actual results, performance, achievements or developments in its business or industry to differ materially from those expressed, anticipated or implied by such forward-looking information. Forward-looking statements include statements regarding the outlook for the Company's future operations, plans and timing for the introduction or enhancement of its services and products, statements concerning strategies or developments, statements about future market conditions, supply conditions, end customer demand conditions, channel inventory and sell through, revenue, gross margin, operating expenses, profits, forecasts of future costs and expenditures, and other expectations, intentions and plans that are not historical fact. The forward-looking statements in this MD&A are based on certain factors and assumptions regarding expected growth, results of operations, performance and business prospects and opportunities. Specifically, management has assumed that the Company's performance will meet management's internal projections. While management considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect.

Readers are cautioned not to place undue reliance upon any such forward-looking statements, which speak only as of the date they are made. Readers are also advised to consider such forward-looking statements in light of the risk factors and uncertainties that may affect the Company's actual results, performance, achievements or developments.

The Company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except to the extent required by applicable law. Further information concerning risks and uncertainties associated with these forward-looking statements and the Company's business may be found in the Company's other filings.

OVERVIEW

Xcite Resources Inc. is an exploration company incorporated on February 8, 2021 under the laws of the Province of British Columbia, Canada. The Company's head office and principal address is Suite 1910, 1030 West Georgia Street, Vancouver, British Columbia, Canada, V6E 2Y3.

The Company is engaged in the investigation, acquisition and exploration of potentially economically viable mineral properties. The recoverability of the cost of the mineral properties is dependent upon the existence of economically recoverable resources, the ability to secure necessary financing to complete the exploration and development programs to generate future profitable production.

HIGHLIGHTS AND NOTABLE EVENTS

On April 12, 2021, the Company entered into a purchase and sale agreement to acquire a 100% interest in the Turgeon Lake Gold Property ("Turgeon Lake Property"), which was amended October 1, 2021 and November 24, 2021. The Turgeon Lake Property consists of 39 mineral claims covering 2,203.28 hectares.

To earn 100% interest, the Company must make cash payments totaling \$250,000 as follows:

- \$30,000 on execution of the agreement (paid);
- \$70,000 1 year from execution of the agreement (outstanding); and
- \$150,000 3 years from execution of the agreement (outstanding).

In addition, to earn a 100% interest the Company must issue 1,500,000 common shares to the vendor as follows:

- 250,000 shares on the closing date once approved by the Canadian Securities Exchange (outstanding);
- 750,000 shares 1 year from the date of execution (outstanding); and
- 500,000 shares 3 years from the date of execution (outstanding).

Finally, to earn a 100% interest the Company must complete a minimum work commitment totaling \$500,000 as follows:

- \$200,000 on or before 2 years from the date of execution (outstanding); and
- \$300,000 on or before 3 years from the date of execution (outstanding).

The Company has also agreed to grant a 2% Net Smelter Returns Royalty ("NSR") to the vendor. The NSR requires will require the Company to pay a 2% royalty on production and the Company will have the right to acquire 1% of the NSR by making a payment of \$1,000,000 to the vendor. In addition, the Turgeon Lake Property is subject to an additional 2% NSR in favour of the prospectors who staked the property.

OVERALL PERFORMANCE

Key Performance Indicators

| | 2021 |
|--------------------------------|-------------|
| Revenue | \$ - |
| Net loss | \$ (91,215) |
| Loss per share | \$ (0.01) |
| Total assets | \$ 189,122 |
| Purchase of mineral properties | \$ 30,000 |

The Company incurred a net loss of \$91,215 from the period at inception February 8, 2021 to October 31, 2021. The net loss is attributed to expenses incurred for the analysis of the mineral properties \$35,790, management and consulting fees of \$25,500, professional fees for legal and accounting services of \$24,583, and general and administrative expenses of \$5,297 mainly attributed to rent and investor relations. The Company has \$189,122 of total assets at October 31, 2021. Total assets mainly consisted of cash and mineral properties, resulting from the issuance of common shares and from above mentioned acquisition. From the period of inception at February 8, 2021 to October 31, 2021, the Company purchased \$30,000 of mineral properties resulting from the acquisition of the Turgeon Lake Property.

Results of Operations

| | 2021 |
|-------------------------------------|-----------|
| Exploration and evaluation expenses | \$ 35,790 |

During the period of inception on February 8, 2021 to October 31, 2021, the Company incurred \$35,790 of exploration and evaluation expenses. The expenses relate to the analysis and work performed on the Turgeon Lake Property.

| | 2021 |
|--------------------------------|-----------|
| Management and consulting fees | \$ 25,500 |

During the period of inception on February 8, 2021 to October 31, 2021, the Company incurred \$25,500 of management and consulting fees. These expenses relate to the fees paid to management of the Company for the day-to-day management requirements.

| | 2021 |
|-------------------|-----------|
| Professional fees | \$ 24,583 |

During the period of inception on February 8, 2021 to October 31, 2021, the Company incurred \$24,583 of professional fees. These expenses relate to the fees paid for legal and accounting services for the corporate matters resulting from the acquisition of the Turgeon Lake Property and for the annual filings required for the Company.

| | 2021 |
|-------------------------------------|----------|
| General and administration expenses | \$ 5,297 |

General and administrative fees were \$5,297 resulting from office rent and investor meetings.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity

Management has determined that cash flows for operating, exploration and evaluation expenses, and general and administrative expenses will be funded by Xcite's existing cash on hand. Any expected short fall of cash required for these expenses will be funded by the issuance of common shares through private placements.

Cash Flow Summary

| | |
|--|------------|
| Cash on hand, February 8, 2021 | \$ - |
| Cash flow from net loss | (91,215) |
| Changes in non-cash working capital | 17,013 |
| Cash flow from financing activities | 250,000 |
| Cash flow used in investing activities | (30,000) |
| Cash on hand, October 31, 2021 | \$ 145,798 |

Cash flow used in operations for the period ended October 31, 2021 was \$74,202 resulting from the expenses incurred on the analysis and investigation of the mineral properties in addition to the general operating costs incurred for the day-to-day management of the Company. In addition, fluctuations from non-cash working capital resulted in cash inflow of \$17,013 for the period ended October 31, 2021 resulting

from the timing of payment of the accounts payable, the collection of the goods and service taxes, and the receipt of services from the prepaid expenses.

Xcite had \$250,000 of cash flows from financing from the period at inception to October 31, 2021. During this period, the Company issued 8,510,000 common shares for gross proceeds of \$250,000.

From February 8, 2021 to October 31, 2021, the Company incurred \$30,000 of cash outflow from investing. This relates to the payment made for the acquisition of Turgeon Lake.

The following table represents the net capital of the Company:

| | 2021 |
|----------------------|------------|
| Shareholders' equity | \$ 158,785 |
| Net capital | \$ 158,785 |

Xcite uses net working capital to monitor leverage. The net capital is the result of the issuance of common shares offset by the operating loss of the Company in the current period.

Working Capital

The Company has a working capital surplus of \$128,785 as at October 31, 2021. The working capital is comprised of current assets of \$159,122 and current liabilities of \$30,337.

Current assets is comprised of cash of \$145,798, resulting from the issuance of common shares offset by payment of operating expenses, goods and services tax receivable of \$2,824, and prepaids and deposits of \$10,500 resulting from the payment for assistance with the initial public offering.

Current liabilities is the result of accounts payable of \$22,830 resulting from the timing of vendor payments and due to related parties of \$7,507 representing outstanding payment of management fees and rent.

Contractual Obligations

There are no outstanding contractual obligations.

Contingencies

Contingent liabilities

The Company does not have any contingent liabilities.

Contingent assets

The Company does not have any contingent assets.

SELECTED QUARTERLY FINANCIAL INFORMATION

| | Oct 31, 2021 | July 31, 2021 | April 30, 2021 |
|----------------|--------------|---------------|----------------|
| Revenue | \$ - | \$ - | \$ - |
| Net loss | (68,714) | (12,001) | (10,500) |
| Loss per share | (0.01) | (0.00) | (0.00) |

For the period of inception at February 8, 2021 to April 30, 2021, the Company incurred a loss of \$10,500, resulting from management and consulting fees for services on the day-to-day operations and legal fees. For the quarter ended July 31, 2021, the Company incurred a net loss of \$12,001 resulting from the management and consulting fees of \$6,100, for to manage day-to-day operations of the Company, legal fees of \$2,879 for general corporate matters, and general and administrative fees were \$2,870 resulting

from office rent and investor meetings . For the quarter ended October 31, 2021, the Company incurred a net loss of \$68,714 resulting from the analysis of the mineral properties totaling \$35,790, professional fees of \$19,775 from legal services and management and consulting fees of \$11,000 due to general management of the Company, including preparation of financial records for annual filings.

CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

Exploration and evaluation assets

The Company has acquired exploration and evaluation assets, which consists of mineral claims, for use in its business activities. Amortization is recognized using the unit of production basis, once available for use, based upon management's estimate of the useful life.

Taxes

The determination of taxes is inherently complex and requires making certain estimates and assumptions about future events. While income tax filings are subject to audits and reassessments, the Company has adequately provided for all income tax obligations. However, changes in facts and circumstances as a result of income tax audits, reassessments, jurisprudence and any new legislation may result in an increase or decrease in our provision for taxes. The value of deferred tax assets is evaluated based on the probability of realization; the Company has assessed that it is improbable that such assets will be realized and has accordingly not recognized a value for deferred taxes.

Going concern

The assessment of the Company's ability to execute its strategy by funding future working capital involves judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstance. There is a material uncertainty regarding the Company's ability to continue as a going concern. The Company's principal source of cash is from private placements. The Company is dependent on raising funds in order to have sufficient capital to be able to identify, evaluate and then acquire an interest in assets or a business.

Impairment of non-current assets

To determine the recoverable amount, management estimates expected future cash flows from each asset or cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management makes assumptions about future operating results. These assumptions relate to future events and circumstances. Actual results may vary and may cause significant adjustments to the Company's assets within the next financial year.

In addition, when determining the applicable discount rate, estimation is involved in determining the appropriate adjustments to market risk and asset-specific risk factors.

Decommissioning and restoration provision

The decommissioning and restoration provision is based on future cost estimates using information available at the reporting date. The decommissioning and restoration provision is adjusted at each reporting period for changes to factors such as the expected amount of cash flows required to discharge the liability, the timing of such cash flows, and the discount rate. The decommissioning and restoration provision requires other significant estimates and assumptions such as requirements of the relevant legal and regulatory framework, and the timing, extent, and costs of required decommissioning and restoration activities. Actual costs may differ from these estimates. As at October 31, 2021 and 2019, the Company has no material decommissioning and restoration provision

NEW ACCOUNTING PRONOUNCEMENTS

The Company has not applied the following amendments to standards that have been issued but are not yet effective:

The Company did not adopt any new accounting standard changes or amendments in the current year that had a material impact on the Company's financial statements.

The Company has not yet begun the process of assessing the impact of other new and amended standards that are effective for annual periods beginning on or after February 8, 2021 will have on its financial statements or whether to early adopt any of the new requirements. The Company does not expect the impact of such changed on the financial statements to be material., although additional disclosure may be required.

RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

Risk is inherent in all business activities and cannot be eliminated. However, shareholder value can be maintained and enhanced by identifying, mitigating, and where possible, insuring against these risks. The following section addresses some, but not all, risk factors that could affect Xcite's future results, as well as activities used to mitigate such risks. These risks do not occur in isolation but must be considered in conjunction with each other.

The Board of Directors have overall responsibility for the establishment and oversight of Xcite's risk management framework. The Board is responsible for developing and monitoring Xcite's compliance with risk management policies and procedures.

Xcite's risk management policies are established to identify and analyze the risks faced by Xcite, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Xcite's activities.

Financial risks and financial instruments

Cash is carried at fair value using a level 1 fair value measurement. The carrying value of cash and accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments.

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

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

Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at October 31, 2021, the Company had a cash balance of \$145,798 to settle current liabilities of \$30,337. All of the Company's accounts payable and accrued liabilities have contractual

maturities of 30 days or due on demand and are subject to normal trade terms. To maintain liquidity, the Company is currently investigating financing opportunities.

Mark Price risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. The Company does not have a practice of trading derivatives.

Interest rate risk

The Company's financial assets exposed to interest rate risk consist of cash balances. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. As at October 31, 2021, the Company did not have any investments in investment-grade short-term deposit certificates.

Foreign currency risk

The Company is exposed to foreign currency risk to the extent expenditures incurred or funds received and balances maintained by the Company are denominated in currencies other than Canadian dollars. As at October 31, 2021, the Company did not have foreign currency risk.

Commodity price risk

Commodity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in commodity prices. The ability of the Company to develop its mineral properties and the future profitability of the Company are directly related to the market price of gold. The Company has not hedged any of its future gold sales. The Company's input costs are also affected by the price of fuel. The Company closely monitors gold and fuel prices to determine the appropriate course of action to be taken from interest rate risk or foreign currency risk. The Company is not exposed to significant other price risk

RELATED PARTY TRANSACTIONS

During the period of inception at February 8, 2021 to October 31, 2021, the Company paid to a Number 2 Capital Corp., a company wholly-owned by the Chief Executive Officer and director, \$20,500 for management and consulting services.

During the period of inception at February 8, 2021 to October 31, 2021, the Company paid to a Daryn Gordon Professional Corporation, a company wholly-owned by the Chief Financial Officer and director \$5,000 for consulting services.

As at October 31, 2021 \$7,508 were owed to related parties for the above services.

On February 8, 2021, the Chief Executive Officer and Director subscribed to 100,000 common shares for \$500. The amount has been received by the Company.

There are no amounts outstanding at October 31, 2021.

SUBSEQUENT EVENT

On November 22, 2021, the Board of Directors created an incentive stock option plan (See Note 7(b) *Share Capital, Options*) and authorized 100,000 stock options be issued to each of the 4 directors. The options are exercisable at a price of \$0.10 and expire 5 years from the date of listing of the Company's shares on the CSE.

OTHER INFORMATION

Outstanding share data:

| | |
|---|------------|
| Issued and outstanding shares at October 31, 2021 | 8,510,000 |
| Warrants | 3,900,000 |
| Options | 400,000 |
| Issued and outstanding shares (fully diluted) at January 18, 2022 | 12,810,000 |

INDUSTRY RISKS

The Company's principal business activities are the acquisition, exploration, and definition of potentially economically viable mineral resource deposits on mineral properties, which, by nature, are speculative. Companies in this industry are subject to many and varied kinds of risks, including but not limited to; environmental, fluctuating commodity prices, social, political, financial and economics. Additionally, few exploration projects successfully achieve development due to factors that cannot be predicted or foreseen. While risk management cannot eliminate the impact of all potential risks, the Company strives to manage such risks to the extent possible and practicable. Due to the high-risk nature of the Company's business and the present stage of the Company's various mineral properties, an investment in the Company's common shares should be considered a highly speculative investment that involves significant financial risks, and prospective investors should carefully consider all of the information disclosed in this MD&A, the risk factors discussed below, and the Company's other public disclosures, including the risks described in the "Risk Factors" section of the Company's MD&A for the period of inception at February 8, 2021 to October 31, 2021, prior to making any investment in the Company's common shares.

The risk factors described below do not necessarily comprise all of the risks and uncertainties that the Company faces. Additional risks and uncertainties not presently known to the Company or that the Company currently considers immaterial may also adversely affect the Company's business, results of operations, financial results, prospects and price of common shares. These risk factors could materially affect the Company's future operating results and could cause actual events to differ materially from those described in forward-looking statements relating to the Company.

Mineral property exploration and mining risk

Mineral exploration and development are highly speculative and are characterized by a number of significant inherent risks, which may result in the inability to successfully develop a project for commercial, technical, political, regulatory or financial reasons, or if successfully developed, may not remain economically viable for their mine life owing to any of the foregoing reasons.

The Company's ability to identify Mineral Resources in sufficient quantity and quality to justify development activities and/or its ability to commence and complete development work and/or commence and/or sustain commercial mining operations at any of its projects will depend upon numerous factors, many of which are beyond its control, including exploration success, the obtaining of funding for all phases of exploration, development and commercial mining, the adequacy of infrastructure, geological characteristics, metallurgical characteristics of any deposit, the availability of processing and smelting capacity, the availability of storage capacity, the supply of and demand for silver and other metals, the availability of equipment and facilities necessary to commence and complete development, the cost of consumables and mining and processing equipment, technological and engineering problems, accidents or acts of sabotage or terrorism, civil unrest and protests, currency fluctuations, changes in regulations, the availability of water, the availability and productivity of skilled labour, the receipt of necessary consents, permits and licenses (including mining licenses), and political factors, including unexpected changes in governments or governmental policies towards exploration, development and commercial mining activities.

Furthermore, cost over-runs or unexpected changes in commodity prices in any future development could make the projects uneconomic, even if previously determined to be economic under feasibility studies. Accordingly, notwithstanding the positive results of one or more feasibility studies on the projects, there is a risk that the Company would be unable to complete development and commence commercial mining operations at one or more of the mineral properties which would have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Key management

The success of the Company is dependent upon the ability, expertise, judgment, discretion, and good faith of its senior management. While employment agreements are customarily used as a primary method of retaining the services of key employees, these agreements cannot assure the continued services of such employees. Any loss of the services of such individuals could have a material adverse effect on the Company's business, operating results, or financial condition.

Limited operating history

The Company has no present prospect of generating revenue from the sale of products. The Company is therefore subject to many of the risks common to early-stage enterprises, including undercapitalization, cash shortages, limitations with respect to personnel, financial, and other resources, and lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered considering the early stage of operations.

Ability to continue as a going concern

The Company's auditors' opinion on its October 31, 2021 financial statements includes an explanatory paragraph in respect of there being substantial doubt about its ability to continue as a going concern.

Financing and share price fluctuation risk

The Company has no source of operating cash flow and has no assurance that additional funding will be available to it for further exploration and development of its mineral properties. Future exploration and development of the Company's mineral properties may be dependent upon the Company's ability to obtain financing through equity, debt or other means. There can be no assurance that needed financing will be available in a timely or economically advantageous manner, or at all. Failure to obtain sufficient financing could result in delay or indefinite postponement of further exploration and development of on any or all of its mineral properties which could result in the loss of its property, in which case, the Company's ability to operate would be adversely affected. To obtain substantial additional financing, the Company may have to sell additional securities including, but not limited to, its Common Shares or some form of convertible securities, the effect of which may result in substantial dilution of the present equity interests of the Company's shareholders.

Securities markets have at times in the past experienced a high degree of price and volume volatility, and the market price of securities of many companies, particularly those considered to be exploration stage companies such as the Company, have experienced wide fluctuations in share prices which have not necessarily been related to their operating performance, underlying asset values or prospects. There can be no assurance that these kinds of share price fluctuations will not occur in the future, and if they do occur, how severe the impact may be on the Company's ability to raise additional funds through equity issues.

Commodity prices risk

The Company, along with all mineral exploration and development companies, is exposed to commodity price risk. A decline in the market price of gold, silver, base metals and other minerals may adversely affect the Company's ability to raise capital in order to fund its ongoing operations. Commodity price declines

could also reduce the amount the Company would receive on the disposition of its mineral property to a third party.

Title risk

Title on mineral properties and mining rights involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history of many mining properties. The Company has diligently investigated and continues to diligently investigate and validate title to its mineral claims; however, this should not be construed as a guarantee of title. The Company cannot give any assurance that title to properties it acquired will not be challenged or impugned and cannot guarantee that the Company will have or acquire valid title to these mineral properties

Insured and uninsurable risks

In the course of exploration, development and production of mineral properties, the Company is subject to a number of hazards and risks in general, including adverse environmental conditions, operational accidents, labor disputes, unusual or unexpected geological conditions, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods, and earthquakes. Such occurrences could result in damage to the Company's properties or facilities and equipment, personal injury or death, environmental damage to properties of the Company or others, delays, monetary losses and possible legal liability.

Although the Company maintains insurance to protect against certain risks in such amounts as it considers reasonable, its insurance may not cover all the potential risks associated with its operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums or for other reasons. Should such liabilities arise, they could reduce or eliminate future profitability and result in increased costs, have a material adverse effect on the Company's results and could cause a decline in the value of the securities of the Company.

Competition risk

Significant and increasing competition exists in the mining and mineral exploration industry. The Company faces strong competition from other mining and exploration companies in connection with the acquisition of properties producing, or capable of producing, minerals. Many of these companies are larger, more established, and have greater financial resources, operational experience and technical capabilities than the Company and make it difficult to compete for the acquisition of mineral claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel. As a result of this competition, the Company may be unable to acquire additional attractive mining or exploration properties on terms it considers acceptable or at all. Consequently, the Company's business, results of operation, financial conditions and prospects could be adversely affected

Government regulations

Exploration and evaluation companies operate in a high-risk regulatory environment. The mining activities is governed by numerous statutes and regulations in the United States, Canada, and other countries where Xcite intends to market its products. The subject matter of such legislation includes approval of mining facilities and environmental regulations.

The process of completing exploration and evaluation activities and obtaining required approvals is likely to take several years and require the expenditure of substantial resources. Furthermore, there can be no assurance that the regulators will not require modification to any submissions which may result in delays or failure to obtain regulatory approvals. Any delay or failure to obtain regulatory approvals could adversely affect the ability of Xcite to utilize its assets, thereby adversely affecting operations. Further, there can be no assurance that Xcite's properties will achieve levels of sensitivity and specificity sufficient for regulatory

approval or market acceptance. There is no assurance that Xcite will be able to timely and profitably produce its products while complying with all the applicable regulatory requirements. Foreign markets, other than the United States and Canada, generally impose similar restrictions.

Conflicts of interest risk

Certain of the Company's directors and officers do, and may in the future, serve as directors, officers, promoters and members of management of other mineral exploration and development companies and, therefore, it is possible that a conflict may arise between their duties as a director, officer, promoter or member of the Company's management team and their duties as a director, officer, promoter or member of management of such other companies. The Company's directors and officers are aware of the laws establishing the fiduciary duties of directors and officers including the requirement that directors act honestly and in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the Board, any director in a conflict is required under the Business Corporations Act (British Columbia) to disclose their interest.

Environmental risk

All phases of the Company's operations are subject to extensive environmental regulations. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation, mitigation of impact of activities to wildlife and plant life, and provide for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry activities and operations. They also set forth limitations on the generation, transportation, storage and disposal of hazardous waste. A breach of these regulations may result in the imposition of fines and penalties. In addition, certain types of mining operations require the submission and approval of environmental-related permits and/or environmental impact assessments. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. The cost of compliance with changes in governmental regulations has a potential to impact the timing of execution of work plans and reduce the viability or profitability of operations. Environmental hazards may exist on the properties in which the Company holds its interests or on properties that will be acquired which are unknown to the Company at present and which have been caused by previous or existing owners or operators of those properties.

Community relations risk

The Company's relationships with the communities in which it operates, and other stakeholders are critical to ensure the future success of the development of its properties. There is an increasing level of public concern relating to the perceived effect of mining activities on the environment and on communities impacted by such activities. Publicity adverse to the Company, its operations or extractive industries generally, could have an adverse effect on the Company and may impact relationships with the communities in which the Company operates and other stakeholders. While the Company is committed to operating in a socially responsible manner, there can be no assurance that its efforts in this respect will mitigate this potential risk. Further, damage to the Company's reputation can be the result of the perceived or actual occurrence of any number of events, and could include any negative publicity, whether true or not. The increased usage of social media and other web-based tools used to generate, publish and discuss user-generated content and to connect with other users has made it increasingly easier for

individuals and groups to communicate and share opinions and views in regard to the Company and its activities, whether true or not. While the Company strives to uphold and maintain a positive image and reputation, the Company does not ultimately have control over how it is perceived by others. Reputation

loss may lead to increased challenges in developing, maintaining community relations and advancing its projects and decreased investor confidence, all of which may have a material adverse impact on the financial performance and growth of the Company.

Litigation risk

All industries, including the mining industry, may be made subject to legal claims and proceedings, with and without merit. Defence and settlement costs can be substantial, even with respect to claims that have no merit. The Company may also in the future become the subject of a legal claim or proceeding at any time, and without advance notice of the commencement of the proceeding. To the extent the Company becomes subject to any such claim or proceeding, it may materially impact management's time and the Company's financial resources to defend, even if it is without merit. As well, due to the inherent uncertainty of the litigation process, the resolution of any particular legal claim or proceeding could have a material adverse effect on the Company's business, results of operations, financial condition (including its cash position) and prospects.

Climate change risk

The potential physical impacts of climate change on the Company's exploration projects is highly uncertain and are particular to the geographic circumstances. These may include changes in rainfall and storm patterns and intensities, water shortages, changing sea levels and changing temperatures. The Company's future exploration programs in the United States may require water and a lack of necessary water could disrupt exploration programs and adversely impact future development and mining activities. Climate change is an international concern and as a result poses the risk of changes in government policy including introducing climate change legislation and treaties at all levels of government that could result in increased costs. The trend towards more stringent regulations and carbon-pricing mechanisms aimed at reducing the effects of climate change could impact the Company's decision to pursue future opportunities, or maintain our existing exploration programs, which could have an adverse effect on our business.

No Anticipated Dividends

The Company does not intend to pay dividends on any investment in the shares of stock of the Company. The Company has never paid any cash dividends and currently do not intend to pay any dividends for the foreseeable future. To the extent that the Company requires additional funding currently not provided for in its financing plan, its funding sources may prohibit the payment of a dividend. Because the Company does not intend to declare dividends, any gain on an investment in the Company will need to come through an increase in the stock's price. This may never happen, and investors may lose all their investment in the Company.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("MD&A") is dated October 26, 2022 and should be read in conjunction with the unaudited financial statements of Xcite Resources Inc. ("Xcite" or the "Company") for the three and nine-months ended July 31, 2022 compared to period of inception at February 8, 2021 to July 31, 2021, along with the audited financial statements of Xcite for the period at inception of February 8, 2021 to October 31, 2021. Xcite prepares its audited financial statements in accordance with International Financial Reporting Standards ("IFRS"), as set out in Part 1 of the Handbook of the Canadian Institute of Chartered Professional Accountants.

FORWARD-LOOKING INFORMATION

Certain statements in this MD&A that are not based on historical facts constitute forward-looking information. Forward-looking information is not a promise or guarantee of future performance but is only a prediction that relates to future events, conditions or circumstances or the Company's future results, performance, achievements or developments and is subject to substantial known and unknown risks, assumptions, uncertainties and other factors that could cause the Company's actual results, performance, achievements or developments in its business or industry to differ materially from those expressed, anticipated or implied by such forward-looking information. Forward-looking statements include statements regarding the outlook for the Company's future operations, plans and timing for the introduction or enhancement of its services and products, statements concerning strategies or developments, statements about future market conditions, supply conditions, end customer demand conditions, channel inventory and sell through, revenue, gross margin, operating expenses, profits, forecasts of future costs and expenditures, and other expectations, intentions and plans that are not historical fact. The forward-looking statements in this MD&A are based on certain factors and assumptions regarding expected growth, results of operations, performance and business prospects and opportunities. Specifically, management has assumed that the Company's performance will meet management's internal projections. While management considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect.

Readers are cautioned not to place undue reliance upon any such forward-looking statements, which speak only as of the date they are made. Readers are also advised to consider such forward-looking statements in light of the risk factors and uncertainties that may affect the Company's actual results, performance, achievements or developments.

The Company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except to the extent required by applicable law. Further information concerning risks and uncertainties associated with these forward-looking statements and the Company's business may be found in the Company's other filings.

OVERVIEW

Xcite Resources Inc. is an exploration company incorporated on February 8, 2021 under the laws of the Province of British Columbia, Canada. The Company's head office and principal address is Suite 1910, 1030 West Georgia Street, Vancouver, British Columbia, Canada, V6E 2Y3.

The Company is engaged in the investigation, acquisition and exploration of potentially economically viable mineral properties. The recoverability of the cost of the mineral properties is dependent upon the existence of economically recoverable resources, the ability to secure necessary financing to complete the exploration and development programs to generate future profitable production.

HIGHLIGHTS AND NOTABLE EVENTS

On April 12, 2021, the Company entered into a purchase and sale agreement to acquire a 100% interest in the Turgeon Lake Gold Property (“Turgeon Lake Property”), which was amended October 1, 2021 and November 24, 2021. The Turgeon Lake Property consists of 39 mineral claims covering 2,203.28 hectares.

To earn 100% interest, the Company must make cash payments totaling \$250,000 as follows:

- \$30,000 on execution of the agreement (paid);
- \$70,000 on the earlier of (i) the date on which the Company’s shares are listed on the Canadian Securities Exchange, and (ii) November 30, 2022 (outstanding); and
- \$150,000 3 years from execution of the agreement (outstanding).

In addition, to earn a 100% interest the Company must issue 1,500,000 common shares to the vendor as follows:

- 250,000 shares on the closing date once approved by the Canadian Securities Exchange (outstanding);
- 750,000 shares on the earlier of (i) the date on which the Company’s shares are listed on the Canadian Securities Exchange, and (ii) November 30, 2022 (outstanding); and
- 500,000 shares 3 years from the date of execution (outstanding).

Finally, to earn a 100% interest the Company must complete a minimum work commitment totaling \$500,000 as follows:

- \$200,000 on or before 2 years from the date of execution (outstanding); and
- \$300,000 on or before 3 years from the date of execution (outstanding).

The Company has also agreed to grant a 2% Net Smelter Returns Royalty (“NSR”) to the vendor. The NSR requires will require the Company to pay a 2% royalty on production and the Company will have the right to acquire 1% of the NSR by making a payment of \$1,000,000 to the vendor. In addition, the Turgeon Lake Property is subject to an additional 2% NSR in favour of the prospectors who staked the property.

OVERALL PERFORMANCE

Key Performance Indicators

| | Three-Months Ended July 31, | | Nine-Months Ended July 31, 2022 | From February 8, 2021 to July 31, 2021 |
|-------------------------------|-----------------------------|-------------|---------------------------------------|--|
| | 2022 | 2021 | | |
| Revenue | \$ - | \$ - | \$ - | \$ - |
| Net loss | \$ (25,078) | \$ (12,001) | \$ (107,034) | \$ (22,501) |
| Loss per share | \$ (0.00) | \$ (0.00) | \$ (0.01) | \$ (0.00) |
| Total assets | \$ 73,397 | \$ 229,756 | \$ 73,397 | \$ 229,756 |
| Deposit on mineral properties | \$ 30,000 | \$ 30,000 | \$ 30,000 | \$ 30,000 |

The Company incurred a net loss of \$25,078 for the three-months ended July 31, 2022 compared to \$12,001 from the three-months ended July 31, 2021. The net loss is attributed to expenses incurred for management and consulting fees of \$12,950 for the day-to-day management activities, and general and administrative expenses of \$8,313 mainly attributed to rent and investor relation meetings. For the three-months ended July 31, 2021, the Company incurred a net loss of \$12,001 attributed to management and consulting fees of \$6,100 for the day-to-day management of the Company, \$2,879 of professional fees for general corporate matters, and \$3,012 for general and administrative expenses related to rent and investor relations. For the nine-months ended July 31, 2022, the Company incurred a net loss of \$107,034. The

loss is attributed to exploration and evaluation expenses of \$31,397 related to work on the property acquisition, management and consulting fees of \$32,400 related to the day-to-day management of the Company, filing fees of \$20,076 related to the listing fees, professional fees of \$9,874 related to legal fees and accounting fees regarding general corporate matters and the costs associated with the public listing, and general and administrative expenses of \$12,984 related to rent and investor relations. The Company has \$73,397 in assets at July 31, 2022 compared to \$189,122 at October 31, 2021 representing a decrease of \$115,725. The decrease results from the operating activities for that period. From the period of inception at February 8, 2021 to October 31, 2021, the Company has advanced \$30,000 to the vendor for mineral properties resulting from the acquisition of the Turgeon Lake Property.

Results of Operations

| | Three-Months Ended July 31, 2022 | Three-Months Ended July 31, 2021 | Nine-months Ended July 31, 2022 | For the Period at Inception at February 8, 2021 to July, 2021 |
|-------------------------------------|--|--|---------------------------------------|---|
| Exploration and evaluation expenses | \$ 1,147 | \$ - | \$ 31,397 | \$ - |

For the three-months ended July 31, 2022, the Company incurred \$1,147 of exploration and evaluation expenses compared to nil for the same period at July 31, 2021. For the nine-months ended July 31, 2022, the Company incurred expenses of \$31,397. The expenses for both periods relate to the analysis and work performed on the Turgeon Lake Property.

| | Three-Months Ended July 31, 2022 | Three-Months Ended July 31, 2021 | Nine-months Ended July 31, 2022 | For the Period at Inception at February 8, 2021 to July 31, 2021 |
|--------------------------------|--|--|---------------------------------------|--|
| Management and consulting fees | \$ 12,950 | \$ 6,100 | \$ 32,400 | \$ 14,500 |

For the three-months ended July 31, 2022, the Company incurred \$12,950 of management and consulting fees compared to \$6,100 for the three-months ended July 31, 2021. In addition, for the nine-months ended July 31, 2022, the Company incurred \$32,400 of management and consulting fees compared to \$14,500 from the period at inception at February 8, 2021 to July 31, 2021. These expenses relate to the fees paid to management of the Company for the day-to-day management requirements.

| | Three-Months Ended July 31, 2022 | Three-Months Ended July 31, 2021 | Nine-months Ended July 31, 2022 | For the Period at Inception at February 8, 2021 to July 31, 2021 |
|-------------|--|--|---------------------------------------|--|
| Filing fees | \$ 915 | \$ - | \$ 20,076 | \$ - |

For the three-months ended July 31, 2022, the Company incurred \$915 of filing fees compared to nil for the three-months ended July 31, 2021. For the nine-months ended July 31, 2022 the Company incurred filing fees of \$20,076 compared to nil for the period of inception on February 8, 2021 to July 31, 2021. These costs relate to the filing fees on the listing application and other system fees.

| | Three-Months Ended July 31, 2022 | Three-Months Ended July 31, 2021 | Nine-months Ended July 31, 2022 | For the Period at Inception at February 8, 2021 to July 31, 2021 |
|-------------------|--|--|---------------------------------------|--|
| Professional fees | \$ 1,500 | \$ 2,879 | \$ 9,874 | \$ 4,807 |

For the three-months ended July 31, 2022, the Company incurred \$1,500 of professional fees compared to \$2,879 for the three-months ended July 31, 2021. Professional fees for the nine-months ended July 31, 2022 was \$9,874 compared to \$4,807 for the period of inception on February 8, 2021 to July 31, 2021. These expenses relate to the fees paid for legal and accounting services for the corporate matters resulting from the acquisition of the Turgeon Lake Property and for the costs associated with the preparation of the initial public offering for the Company.

| | Three-Months Ended July 31, 2022 | Three-Months Ended July 31, 2021 | Nine-months Ended July 31, 2022 | For the Period at Inception at February 8, 2021 to April 31, 2021 |
|-------------------------------------|--|--|---------------------------------------|---|
| General and administration expenses | \$ 8,313 | \$ 3,012 | \$ 12,984 | \$ 3,170 |

General and administrative fees were \$8,313 for the three-months ended July 31, 2022, compared to \$3,012 for the three-months ended July 31, 2021. For the nine-months ended July 31, 2022, the Company incurred general and administrative expenses of \$12,984 compared to \$3,170 for the period at inception of February 8, 2021 to July 31, 2021. These expenses result from office rent and investor meetings.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity

Management has determined that cash flows for operating, exploration and evaluation expenses, and general and administrative expenses will be funded by Xcite's existing cash on hand. Any expected short fall of cash required for these expenses will be funded by the issuance of common shares through private placements.

Cash Flow Summary

| | Nine-months July 31, 2022 | From inception at February 8, 2021 to July 31, 2021 |
|--|------------------------------|--|
| Cash on hand, beginning of period | \$ 145,798 | \$ - |
| Cash flow from net loss | (107,034) | (22,501) |
| Changes in non-cash working capital | (13,093) | (8,506) |
| Cash flow from financing activities | - | 250,000 |
| Cash flow used in investing activities | - | (30,000) |
| Cash on hand, end of period | \$ 25,671 | \$ 188,993 |

Cash flow used in operations for the nine-months ended July 31, 2022 was \$120,127 compared to \$31,007, for the period at inception at February 8, 2021 to July 31, 2021, resulting from the expenses incurred on the analysis and investigation of the mineral properties in addition to the general operating costs incurred for the day-to-day management of the Company.

There were no financing activities for the nine-months ended July 31, 2022. The Company received \$250,000 of cash flows from financing by issuing 8,510,000 common shares for gross proceeds of \$250,000 and the issuance of a short-term note to a related party for \$13,500, which was repaid during the period, from the period at inception at February 8, 2021 to July 31, 2021.

From February 8, 2021 to July 31, 2021, the Company incurred \$30,000 of cash outflow from investing. This relates to the payment made for the acquisition of Turgeon Lake. There were no investing activities for the nine-months ended July 31, 2022.

The following table represents the net capital of the Company:

| | July 31, 2022 | October 31, 2021 |
|----------------------|---------------|------------------|
| Shareholders' equity | \$ 51,751 | \$ 158,785 |
| Net capital | \$ 51,751 | \$ 158,785 |

Xcite uses net working capital to monitor leverage. The net capital is the result of the issuance of common shares offset by the operating loss of the Company in the current period.

Working Capital

The Company has a working capital surplus of \$21,751 as at July 31, 2022 compared to \$128,785 as at October 31, 2021 representing a decrease of \$107,034. The decrease in working capital is comprised of a decrease in current assets of \$115,725 and a decrease in current liabilities of \$8,691.

The decrease in current assets was due to a decrease of cash of \$120,127, resulting from the payment of the cash operating expenses and offset by the increase in goods and services tax receivable of \$4,402.

The decrease in current liabilities is the result of the decrease in accounts payable and accruals of \$11,993 resulting from the timing of vendor payments, and an increase in due to related party of a \$3,302 resulting from the timing of the payments for management consulting and rent.

Contractual Obligations

There are no outstanding contractual obligations.

Contingencies

Contingent liabilities

The Company does not have any contingent liabilities.

Contingent assets

The Company does not have any contingent assets.

SELECTED QUARTERLY FINANCIAL INFORMATION

| | July 31, 2022 | April 30, 2022 | Jan 31, 2022 | Oct 31, 2021 | July 31, 2021 | April 30, 2021 |
|----------------|---------------|----------------|--------------|--------------|---------------|----------------|
| Revenue | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Net loss | (25,078) | (37,683) | (44,273) | (68,714) | (12,001) | (10,500) |
| Loss per share | (0.00) | (0.00) | (0.01) | (0.01) | (0.00) | (0.00) |

For the period of inception at February 8, 2021 to April 30, 2021, the Company incurred a loss of \$10,500, resulting from management and consulting fees for services on the day-to-day operations and legal fees.

For the quarter ended July 31, 2021, the Company incurred a net loss of \$12,001 resulting from the management and consulting fees of \$6,100, for to manage day-to-day operations of the Company, legal fees of \$2,879 for general corporate matters, and \$2,555 resulting from office rent and investor meetings.

For the quarter ended October 31, 2021, the Company incurred a net loss of \$68,714 resulting from the analysis of the mineral properties totaling \$35,790, professional fees of \$19,775 from legal services and management and consulting fees of \$11,000 due to general management of the Company, including preparation of financial records for annual filings.

For the three-months ended January 31, 2022, the Company incurred a net loss of \$44,273 resulting from exploration and evaluation expenses of \$27,617 due to the analysis of the Turgeon Lake Property, management and consulting fees of \$8,450 due to day-to-day management operations, and professional fees of \$6,277 due to legal fees resulting from charges related to the initial public offering.

For the three-months ended April 30, 2022, the Company incurred a net loss of \$37,683 resulting from management and consulting fees of \$11,000 due to day-to-day management of the Company, filing fees of \$19,161 for the expenses related to the listing fee application and system fees, professional fees of \$2,097 related to legal fees for general corporate matters.

For the three-months ended July 31, 2022, the Company incurred a net loss of \$25,078 resulting from management and consulting fees of \$12,950 due to day-to-day management of the Company, filing fees of \$951 for the expenses related to the listing fee application and system fees; professional fees of \$1,500 relating to accounting charges for services incurred for the initial public offering, and general and administrative expenses of \$8,313 resulting from rent and investor relation costs.

CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

Exploration and evaluation assets

The Company has acquired exploration and evaluation assets, which consists of mineral claims, for use in its business activities. Amortization is recognized using the unit of production basis, once available for use, based upon management's estimate of the useful life.

Taxes

The determination of taxes is inherently complex and requires making certain estimates and assumptions about future events. While income tax filings are subject to audits and reassessments, the Company has adequately provided for all income tax obligations. However, changes in facts and circumstances as a result of income tax audits, reassessments, jurisprudence and any new legislation may result in an increase or decrease in our provision for taxes. The value of deferred tax assets is evaluated based on the probability of realization; the Company has assessed that it is improbable that such assets will be realized and has accordingly not recognized a value for deferred taxes.

Going concern

The assessment of the Company's ability to execute its strategy by funding future working capital involves judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstance. There is a material uncertainty regarding the Company's ability to continue as a going concern. The Company's principal source of cash is from private placements. The Company is dependent on raising funds in order to have sufficient capital to be able to identify, evaluate and then acquire an interest in assets or a business.

Impairment of non-current assets

To determine the recoverable amount, management estimates expected future cash flows from each asset or cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management makes assumptions about future operating results. These assumptions relate to future events and circumstances. Actual results may vary and may cause significant adjustments to the Company's assets within the next financial year.

In addition, when determining the applicable discount rate, estimation is involved in determining the appropriate adjustments to market risk and asset-specific risk factors.

Decommissioning and restoration provision

The decommissioning and restoration provision is based on future cost estimates using information available at the reporting date. The decommissioning and restoration provision is adjusted at each reporting period for changes to factors such as the expected amount of cash flows required to discharge the liability, the timing of such cash flows, and the discount rate. The decommissioning and restoration provision requires other significant estimates and assumptions such as requirements of the relevant legal and regulatory framework, and the timing, extent, and costs of required decommissioning and restoration activities. Actual costs may differ from these estimates. As at July 31, 2022 and October 31, the Company has no material decommissioning and restoration provision

NEW ACCOUNTING PRONOUNCEMENTS

The Company has not applied the following amendments to standards that have been issued but are not yet effective:

Amendments to IAS 1, Presentation of Financial Statements (effective January 1, 2023) clarifies the presentation of liabilities in the statement of financial position. The classification of liabilities as current or noncurrent is based on contractual rights that are in existence at the end of the reporting period and is unaffected by expectations about whether an entity will exercise its right to defer settlement. A liability not due over the next twelve months is classified as non-current even if management intends or expects to settle the liability within twelve months. The amendment also introduces a definition of 'settlement' to make clear that settlement refers to the transfer of cash, equity instruments, other assets, or services to the counterparty. Management is currently assessing the impact of this amendment.

RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

Risk is inherent in all business activities and cannot be eliminated. However, shareholder value can be maintained and enhanced by identifying, mitigating, and where possible, insuring against these risks. The following section addresses some, but not all, risk factors that could affect Xcite's future results, as well as activities used to mitigate such risks. These risks do not occur in isolation but must be considered in conjunction with each other.

The Board of Directors have overall responsibility for the establishment and oversight of Xcite's risk management framework. The Board is responsible for developing and monitoring Xcite's compliance with risk management policies and procedures.

Xcite's risk management policies are established to identify and analyze the risks faced by Xcite, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Xcite's activities.

Financial risks and financial instruments

Cash is carried at fair value using a level 1 fair value measurement. The carrying value of cash and accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments.

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

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

Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at July 31, 2022, the Company had a cash balance of \$25,671 (October 31, 2021 - \$145,798) to settle current liabilities of \$21,646 (October 31, 2021 - \$30,337). All of the Company's accounts payable and accrued liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms. To maintain liquidity, the Company is currently investigating financing opportunities.

Mark Price risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. The Company does not have a practice of trading derivatives.

Interest rate risk

The Company's financial assets exposed to interest rate risk consist of cash balances. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. As at July 31, 2022 and October 31, 2021, the Company did not have any investments in investment-grade short-term deposit certificates.

Foreign currency risk

The Company is exposed to foreign currency risk to the extent expenditures incurred or funds received, and balances maintained by the Company are denominated in currencies other than Canadian dollars. As at July 31, 2022 and October 31, 2021, the Company did not have foreign currency risk.

Commodity price risk

Commodity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in commodity prices. The ability of the Company to develop its mineral properties and the future profitability of the Company are directly related to the market price of gold. The Company has not hedged any of its future gold sales. The Company's input costs are also affected by the price of fuel. The Company closely monitors gold and fuel prices to determine the appropriate course of action to be taken from interest rate risk or foreign currency risk. The Company is not exposed to significant other price risk.

RELATED PARTY TRANSACTIONS

For the three-months ended July 31, 2022 and 2021, along with the nine-months ended July 31, 2022 and for the period of inception at February 8, 2021 to July 31, 2021 Number 2 Capital Corp., a company wholly-owned by Chris Cooper, the Chief Executive Officer ("CEO") Director, charged \$11,000, \$6,100, \$25,500

and \$14,500 for management and consulting services, respectively. In addition, \$750 of rent was paid for the three-months ended July 31, 2022 (2021 - \$457), \$1,850 for the nine-months ended July 31, 2022 and \$615 for the period at inception at February 8, 2021 to July 31, 2021.

For the three-months ended July 31, 2022 and 2021, along with the nine-months ended July 31, 2022 and for the period of inception at February 8, 2021 to July 31, 2021, Daryn Gordon Professional Corporation, a company wholly-owned by Daryn Gordon, the Chief Financial Officer (“CFO”) and Director, charged \$1,950, nil, \$6,900 and nil for consulting services, respectively.

As at July 31, 2022, \$10,819 (October 31, 2021 - \$7,507) was owed to related parties for the above services.

On February 8, 2021, the CEO and Director subscribed for 100,000 common shares for \$500. The amount has been received by the Company.

On April 15, 2021, the CEO and Director advanced the Company \$13,500 for working capital purposes. This amount is unsecured, non-interest bearing, and no specific terms of repayment. This amount was repaid May 13, 2021.

SUBSEQUENT EVENTS

There have been no subsequent events.

OTHER INFORMATION

Outstanding share data:

| | |
|---|-----------|
| Issued and outstanding shares at July 31, 2022 | 8,510,000 |
| Issued and outstanding shares at October 26, 2022 | 8,510,000 |

INDUSTRY RISKS

The Company’s principal business activities are the acquisition, exploration, and definition of potentially economically viable mineral resource deposits on mineral properties, which, by nature, are speculative. Companies in this industry are subject to many and varied kinds of risks, including but not limited to; environmental, fluctuating commodity prices, social, political, financial and economics. Additionally, few exploration projects successfully achieve development due to factors that cannot be predicted or foreseen. While risk management cannot eliminate the impact of all potential risks, the Company strives to manage such risks to the extent possible and practicable. Due to the high-risk nature of the Company’s business and the present stage of the Company’s various mineral properties, an investment in the Company’s common shares should be considered a highly speculative investment that involves significant financial risks, and prospective investors should carefully consider all of the information disclosed in this MD&A, the risk factors discussed below, and the Company’s other public disclosures, including the risks described in the “Risk Factors” section of the Company’s MD&A for the period of inception at February 8, 2021 to October 31, 2021, prior to making any investment in the Company’s common shares.

The risk factors described below do not necessarily comprise all of the risks and uncertainties that the Company faces. Additional risks and uncertainties not presently known to the Company or that the Company currently considers immaterial may also adversely affect the Company’s business, results of operations, financial results, prospects and price of common shares. These risk factors could materially affect the Company’s future operating results and could cause actual events to differ materially from those described in forward-looking statements relating to the Company.

Mineral property exploration and mining risk

Mineral exploration and development are highly speculative and are characterized by a number of significant inherent risks, which may result in the inability to successfully develop a project for commercial,

technical, political, regulatory or financial reasons, or if successfully developed, may not remain economically viable for their mine life owing to any of the foregoing reasons.

The Company's ability to identify Mineral Resources in sufficient quantity and quality to justify development activities and/or its ability to commence and complete development work and/or commence and/or sustain commercial mining operations at any of its projects will depend upon numerous factors, many of which are beyond its control, including exploration success, the obtaining of funding for all phases of exploration, development and commercial mining, the adequacy of infrastructure, geological characteristics, metallurgical characteristics of any deposit, the availability of processing and smelting capacity, the availability of storage capacity, the supply of and demand for silver and other metals, the availability of equipment and facilities necessary to commence and complete development, the cost of consumables and mining and processing equipment, technological and engineering problems, accidents or acts of sabotage or terrorism, civil unrest and protests, currency fluctuations, changes in regulations, the availability of water, the availability and productivity of skilled labour, the receipt of necessary consents, permits and licenses (including mining licenses), and political factors, including unexpected changes in governments or governmental policies towards exploration, development and commercial mining activities.

Furthermore, cost over-runs or unexpected changes in commodity prices in any future development could make the projects uneconomic, even if previously determined to be economic under feasibility studies. Accordingly, notwithstanding the positive results of one or more feasibility studies on the projects, there is a risk that the Company would be unable to complete development and commence commercial mining operations at one or more of the mineral properties which would have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Key management

The success of the Company is dependent upon the ability, expertise, judgment, discretion, and good faith of its senior management. While employment agreements are customarily used as a primary method of retaining the services of key employees, these agreements cannot assure the continued services of such employees. Any loss of the services of such individuals could have a material adverse effect on the Company's business, operating results, or financial condition.

Limited operating history

The Company has no present prospect of generating revenue from the sale of products. The Company is therefore subject to many of the risks common to early-stage enterprises, including undercapitalization, cash shortages, limitations with respect to personnel, financial, and other resources, and lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered considering the early stage of operations.

Ability to continue as a going concern

The Company's auditors' opinion on its October 31, 2021 financial statements includes an explanatory paragraph in respect of there being substantial doubt about its ability to continue as a going concern.

Financing and share price fluctuation risk

The Company has no source of operating cash flow and has no assurance that additional funding will be available to it for further exploration and development of its mineral properties. Future exploration and development of the Company's mineral properties may be dependent upon the Company's ability to obtain financing through equity, debt or other means. There can be no assurance that needed financing will be available in a timely or economically advantageous manner, or at all. Failure to obtain sufficient financing could result in delay or indefinite postponement of further exploration and development of on any or all of its mineral properties which could result in the loss of its property, in which case, the Company's ability to operate would be adversely affected. To obtain substantial additional financing, the Company may have to sell additional securities including, but not limited to, its Common Shares or some form of convertible securities, the effect of which may result in substantial dilution of the present equity interests of the Company's shareholders.

Securities markets have at times in the past experienced a high degree of price and volume volatility, and the market price of securities of many companies, particularly those considered to be exploration stage companies such as the Company, have experienced wide fluctuations in share prices which have not necessarily been related to their operating performance, underlying asset values or prospects. There can be no assurance that these kinds of share price fluctuations will not occur in the future, and if they do occur, how severe the impact may be on the Company's ability to raise additional funds through equity issues.

Commodity prices risk

The Company, along with all mineral exploration and development companies, is exposed to commodity price risk. A decline in the market price of gold, silver, base metals and other minerals may adversely affect the Company's ability to raise capital in order to fund its ongoing operations. Commodity price declines could also reduce the amount the Company would receive on the disposition of its mineral property to a third party.

Title risk

Title on mineral properties and mining rights involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history of many mining properties. The Company has diligently investigated and continues to diligently investigate and validate title to its mineral claims; however, this should not be construed as a guarantee of title. The Company cannot give any assurance that title to properties it acquired will not be challenged or impugned and cannot guarantee that the Company will have or acquire valid title to these mineral properties

Insured and uninsurable risks

In the course of exploration, development and production of mineral properties, the Company is subject to a number of hazards and risks in general, including adverse environmental conditions, operational accidents, labor disputes, unusual or unexpected geological conditions, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods, and earthquakes. Such occurrences could result in damage to the Company's properties or facilities and equipment, personal injury or death, environmental damage to properties of the Company or others, delays, monetary losses and possible legal liability.

Although the Company maintains insurance to protect against certain risks in such amounts as it considers reasonable, its insurance may not cover all the potential risks associated with its operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums or for other reasons. Should such liabilities arise, they could reduce or eliminate future profitability and result in increased costs, have a material adverse effect on the Company's results and could cause a decline in the value of the securities of the Company.

Competition risk

Significant and increasing competition exists in the mining and mineral exploration industry. The Company faces strong competition from other mining and exploration companies in connection with the acquisition of properties producing, or capable of producing, minerals. Many of these companies are larger, more established, and have greater financial resources, operational experience and technical capabilities than the Company and make it difficult to compete for the acquisition of mineral claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel. As a result of this competition, the Company may be unable to acquire additional attractive mining or exploration properties on terms it considers acceptable or at all. Consequently, the Company's business, results of operation, financial conditions and prospects could be adversely affected

Government regulations

Exploration and evaluation companies operate in a high-risk regulatory environment. The mining activities is governed by numerous statutes and regulations in the United States, Canada, and other countries where

Xcite intends to market its products. The subject matter of such legislation includes approval of mining facilities and environmental regulations.

The process of completing exploration and evaluation activities and obtaining required approvals is likely to take several years and require the expenditure of substantial resources. Furthermore, there can be no assurance that the regulators will not require modification to any submissions which may result in delays or failure to obtain regulatory approvals. Any delay or failure to obtain regulatory approvals could adversely affect the ability of Xcite to utilize its assets, thereby adversely affecting operations. Further, there can be no assurance that Xcite's properties will achieve levels of sensitivity and specificity sufficient for regulatory approval or market acceptance. There is no assurance that Xcite will be able to timely and profitably produce its products while complying with all the applicable regulatory requirements. Foreign markets, other than the United States and Canada, generally impose similar restrictions.

Conflicts of interest risk

Certain of the Company's directors and officers do, and may in the future, serve as directors, officers, promoters and members of management of other mineral exploration and development companies and, therefore, it is possible that a conflict may arise between their duties as a director, officer, promoter or member of the Company's management team and their duties as a director, officer, promoter or member of management of such other companies. The Company's directors and officers are aware of the laws establishing the fiduciary duties of directors and officers including the requirement that directors act honestly and in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the Board, any director in a conflict is required under the Business Corporations Act (British Columbia) to disclose their interest.

Environmental risk

All phases of the Company's operations are subject to extensive environmental regulations. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation, mitigation of impact of activities to wildlife and plant life, and provide for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry activities and operations. They also set forth limitations on the generation, transportation, storage and disposal of hazardous waste. A breach of these regulations may result in the imposition of fines and penalties. In addition, certain types of mining operations require the submission and approval of environmental-related permits and/or environmental impact assessments. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. The cost of compliance with changes in governmental regulations has a potential to impact the timing of execution of work plans and reduce the viability or profitability of operations. Environmental hazards may exist on the properties in which the Company holds its interests or on properties that will be acquired which are unknown to the Company at present and which have been caused by previous or existing owners or operators of those properties.

Community relations risk

The Company's relationships with the communities in which it operates, and other stakeholders are critical to ensure the future success of the development of its properties. There is an increasing level of public concern relating to the perceived effect of mining activities on the environment and on communities impacted by such activities. Publicity adverse to the Company, its operations or extractive industries generally, could have an adverse effect on the Company and may impact relationships with the communities in which the Company operates and other stakeholders. While the Company is committed to operating in a socially responsible manner, there can be no assurance that its efforts in this respect will mitigate this potential risk. Further, damage to the Company's reputation can be the result of the perceived or actual occurrence of any number of events, and could include any negative publicity, whether true or not. The increased usage of social media and other web-based tools used to generate, publish and discuss

user-generated content and to connect with other users has made it increasingly easier for individuals and groups to communicate and share opinions and views in regard to the Company and its activities, whether true or not. While the Company strives to uphold and maintain a positive image and reputation, the Company does not ultimately have control over how it is perceived by others. Reputation loss may lead to increased challenges in developing, maintaining community relations and advancing its projects and decreased investor confidence, all of which may have a material adverse impact on the financial performance and growth of the Company.

Litigation risk

All industries, including the mining industry, may be made subject to legal claims and proceedings, with and without merit. Defence and settlement costs can be substantial, even with respect to claims that have no merit. The Company may also in the future become the subject of a legal claim or proceeding at any time, and without advance notice of the commencement of the proceeding. To the extent the Company becomes subject to any such claim or proceeding, it may materially impact management's time and the Company's financial resources to defend, even if it is without merit. As well, due to the inherent uncertainty of the litigation process, the resolution of any particular legal claim or proceeding could have a material adverse effect on the Company's business, results of operations, financial condition (including its cash position) and prospects.

Climate change risk

The potential physical impacts of climate change on the Company's exploration projects is highly uncertain and are particular to the geographic circumstances. These may include changes in rainfall and storm patterns and intensities, water shortages, changing sea levels and changing temperatures. The Company's future exploration programs in the United States may require water and a lack of necessary water could disrupt exploration programs and adversely impact future development and mining activities. Climate change is an international concern and as a result poses the risk of changes in government policy including introducing climate change legislation and treaties at all levels of government that could result in increased costs. The trend towards more stringent regulations and carbon-pricing mechanisms aimed at reducing the effects of climate change could impact the Company's decision to pursue future opportunities, or maintain our existing exploration programs, which could have an adverse effect on our business.

No Anticipated Dividends

The Company does not intend to pay dividends on any investment in the shares of stock of the Company. The Company has never paid any cash dividends and currently do not intend to pay any dividends for the foreseeable future. To the extent that the Company requires additional funding currently not provided for in its financing plan, its funding sources may prohibit the payment of a dividend. Because the Company does not intend to declare dividends, any gain on an investment in the Company will need to come through an increase in the stock's price. This may never happen, and investors may lose all their investment in the Company.

CERTIFICATE OF THE COMPANY

January 26, 2023

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, Alberta, Manitoba and Ontario.

“Chris Cooper”

Chief Executive Officer

“Daryn Gordon”

Chief Financial Officer

On behalf of the Board of Directors

“Kim Oishi”

Director

“Etienne Gouin-Proulx”

Director

CERTIFICATE OF THE PROMOTERS

January 26, 2023

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, Alberta, Manitoba and Ontario.

“Chris Cooper”

Chris Cooper

“Etienne Gouin-Proulx”

Etienne Gouin-Proulx

CERTIFICATE OF THE AGENT

January 26, 2023

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

Haywood Securities Inc.

"Don Wong"

Per: _____

Don Wong

Vice President, Investment Banking