

**FORM 2B
LISTING APPLICATION**



ATACAMA COPPER CORPORATION

Application for Listing on the TSX Venture Exchange of the common shares in the capital of 1246773 B.C. Ltd. (Atacama Copper Corporation) the issuer resulting from the transactions described herein.

As of August 16, 2021

No securities regulatory authority or the TSX Venture Exchange has expressed an opinion about the securities which are the subject of this application.

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ITEM 2A: GLOSSARY

In this Listing Application, unless there is something in the subject matter inconsistent therewith, the following terms shall have the respective meanings set out below, words importing the singular number shall include the plural and vice versa and words importing any gender shall include all genders. Capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the policies of the TSX Venture Exchange and applicable securities laws. In the event of a conflict between a term defined in this Glossary and a term defined in the policies of the TSX Venture Exchange, the definition of the TSX Venture Exchange will govern.

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| “773” | means 1246773 B.C. Ltd., a corporation existing under the laws of the Province of British Columbia. |
| “773 Financial Statements” | means the audited consolidated financial statements of 773 for the period of incorporation on April 8, 2020 to December 31, 2020, available on 773's SEDAR profile at www.sedar.com . |
| “773 Shareholders” | means the holders of 773 common shares from time to time. |
| “773 Common Shares” | means the common shares in the capital of 773. |
| “ABCA” | means the <i>Business Corporations Act</i> (Alberta), as amended, including the regulations promulgated thereunder. |
| “Aconcagua” | means Aconcagua Minerals SpA. |
| “Affiliate” | means, with respect to any specified Person, any other Person who, directly or indirectly, controls, is controlled by or is under common control with such Person. |
| “Amalco” | means the corporation resulting from the Amalgamation. |
| “Amalco Common Shares” | means the common shares in the capital of Amalco. |
| “Amalgamating Parties” | means, collectively, TargetCo and Subco. |
| “Amalgamation” | means the amalgamation of TargetCo and Subco under the provisions of the ABCA on the terms set forth in the Amalgamation Agreement. |
| “Amalgamation Agreement” | means the agreement dated as of March 12, 2021 by and among TargetCo, 773 and Subco to effect the Amalgamation. |
| “Audit Committee” | means the audit committee of the Resulting Issuer, as defined by NI 52-110. |
| “Board Reconstitution” | has the meaning ascribed to it under “ <i>Item 2C: Description of the RTO – Summary of the RTO and Related Transactions.</i> ” |
| “CEO” | means chief executive officer. |
| “CFO” | means chief financial officer. |
| “Cobalt” | means Cobalt Chile SpA, |
| “Code” | means the code of business conduct and ethics to be adopted by the Resulting Issuer Board following the completion of the RTO. See “ <i>Item 19: Audit Committees And Corporate Governance – Ethical Business Conduct.</i> ” |
| “Corporate Governance and Compensation Committee” | has the meaning ascribed to it under “ <i>Item 17 – Executive Compensation – Objective, Oversight, and Description of Director and Named Executive Officer Compensation.</i> ” |

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| “Concurrent Financing” | means the non-brokered private placement offering for aggregate gross proceeds of at least \$4,000,000.00 of TargetCo Subscription Receipts at a price of \$0.50 per TargetCo Subscription Receipt, which closed on May 10, 2021. |
| “DC&P” | has the meaning ascribed to it under <i>“Item 21: Risk Factors – Internal Controls”</i> . |
| “Effective Date” | means the effective date shown on the certificate of amalgamation issued by the Registrar giving effect to the Amalgamation. |
| “Effective Time” | means the effective time shown on the certificate of amalgamation issued by the Registrar giving effect to the Amalgamation. |
| “Eligible Persons” | has the meaning ascribed to it under <i>“Item 12: Equity Incentive Plan.”</i> |
| “Escrow Agent” | means TSX Trust, as escrow agent in respect of the Resulting Issuer Escrow Shares. |
| “Escrow Release Conditions” | has the meaning ascribed to it under <i>“Item 6: Financing.”</i> |
| “Escrow Release Date” | means the date the Escrowed Funds will be released to TargetCo upon the satisfaction or waiver of the Escrow Release Conditions. |
| “Escrowed Funds” | has the meaning ascribed to it under <i>“Item 6: Financing.”</i> |
| “Exchange Policy 5.4” | means <i>Policy 5.4 – Escrow, Vendor Consideration and Resale Restrictions</i> of the TSXV. |
| “Final Exchange Bulletin” | means the TSXV Bulletin which is issued following the submission of all required documentation and that evidences the final TSXV acceptance of the Listing. |
| “Finders” | means Haywood Securities Inc. and PI Financial Corp. |
| “Governance and Nominating Committee” | has the meaning ascribed to it under <i>“Item 19: Audit Committees and Corporate Governance – Corporate Governance – Nomination of Directors”</i> . |
| “ICFR” | has the meaning ascribed to it under <i>“Item 21: Risk Factors – Internal Controls”</i> . |
| “IFRS” | means the International Financial Reporting Standards. |
| “Letter of Intent” | has the meaning ascribed to it under <i>“Item 2C: Description of the RTO – Background of RTO.”</i> |
| “Listing” | means the listing on the TSXV of the Resulting Issuer Common Shares. |
| “Listing Application” | means this TSXV Form 2B – Listing Application to list the Resulting Issuer Common Shares on the TSXV. |
| “Name Change” | means the change of 773's name to “Atacama Copper Corporation” or such other name designated by TargetCo and that is acceptable to the applicable governmental entities. |
| “Named Executive Officer” or “NEO” | has the meaning ascribed to it under <i>“Item 17: Executive Compensation.”</i> |
| “NGOs” | has the meaning ascribed to it under <i>“Item 21: Risk Factors – Relationships with Local Communities and Other Stakeholders”</i> . |
| “NI 52-109” | means National Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings. |
| “NI 52-110” | means National Instrument 52-110 – Audit Committees. |

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| “NI 58-101” | means National Instrument 58-101 – Disclosure of Corporate Governance Practices. |
| “NP 58-201” | means National Policy 58-201 – Corporate Governance Guidelines. |
| “Person” | includes an individual, partnership, association, body corporate, trustee, executor, administrator or legal representative. |
| “Policies” | has the meaning ascribed to it under <i>“Item 19: Audit Committees and Corporate Governance – Corporate Governance.”</i> |
| “Properties” | means the four copper exploration projects known as: (i) El Cofre Project; (ii) Los Naranjos Project; (iii) Caballo Muerto Project; and (iv) Placeton Project. |
| “Qualifying Property” | means the Placeton Project described in <i>“Item 5: Description of the Business – The Properties.”</i> |
| “Qualifying Property Technical Report” | has the meaning ascribed to it under <i>“Item 2B: Notice to Reader – Technical Information.”</i> |
| “Resulting Issuer” | means 773 (which will then be named “Atacama Copper Corporation” or such other name as determined by TargetCo) after giving effect to the RTO. |
| “Resulting Issuer Board” | means the board of directors of the Resulting Issuer as the same is constituted from time to time, following the completion of the RTO. |
| “Resulting Issuer Common Shares” | means the common shares in the capital of the Resulting Issuer, post-RTO. |
| “Resulting Issuer Equity Incentive Plan” | means the equity incentive plan of the Resulting Issuer. |
| “Resulting Issuer Escrow Agreement” | means the escrow agreement in the form of the Exchange's Form 5D to be entered into by and among the Escrow Agent, the Resulting Issuer and certain principals of the Resulting Issuer concurrently with the completion of the RTO. |
| “Resulting Issuer Escrow Shares” | means the Resulting Issuer Common Shares to be held in escrow by the Escrow Agent pursuant to the Resulting Issuer Escrow Agreement. |
| “Resulting Issuer Options” | means the options to purchase Resulting Issuer Common Shares issued pursuant to and governed by the Resulting Issuer Equity Incentive Plan. |
| “Resulting Issuer RSU” | means a restricted share unit issued pursuant to and governed by the Resulting Issuer Equity Incentive Plan. |
| “RTO” | means the business combination of 773, SubCo and TargetCo by way of a “three-cornered” amalgamation under the provisions of the ABCA and will be read to include, collectively, as the context permits or requires, the Amalgamation, the Name Change, the Board Reconstitution and such other transactions contemplated by the Amalgamation Agreement. |
| “SEDAR” | means the System for Electronic Document Analysis and Retrieval accessible at www.sedar.com . |
| “Seed Shares” | means certain 773 Common Shares and TargetCo Common Shares or other securities of 773 or TargetCo that were issued to Persons prior to the Concurrent Financing which are subject to the SSRRs. |
| “SSRRs” | means the seed share resale restrictions pursuant to section 10 of Exchange Policy 5.4. |
| “SubCo” | means 2330281 Alberta Ltd., a wholly-owned subsidiary of 773, newly incorporated under the laws of the Province of Alberta for the sole purpose of effecting the Amalgamation. |

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| “SubCo Common Shares” | means the common shares in the capital of SubCo. |
| “Subscription Receipt Agent” | means TSX Trust, as agent of the TargetCo Subscription Receipts issued pursuant to the Concurrent Financing. |
| “Subscription Receipt Agreement” | means the subscription receipt agreement dated May 10, 2021 by and among the Subscription Receipt Agent, 773 and TargetCo in connection with the Concurrent Financing. |
| “TargetCo” | means 2311548 Alberta Ltd, a corporation organized under the laws of the Province of Alberta. |
| “TargetCo Board” | means the board of directors of TargetCo as the same is constituted from time to time. |
| “TargetCo Common Shares” | means the common shares in the capital of TargetCo. |
| “TargetCo Convertible Securities” | means any securities in the Target that have a right to acquire TargetCo Common Shares. |
| “TargetCo Financial Statements” | means the audited financial statements for the year ended December 31, 2020 and the unaudited interim financial statements for the period ended March 31, 2021, which are attached to this listing application as Appendix “B”. |
| “TargetCo Option” | means an issued, outstanding and unexercised option to acquire TargetCo Common Shares that has been issued to current or former TargetCo employees, consultants or shareholders that has not terminated or expired. |
| “TargetCo Shareholder” | means the holder from time to time of TargetCo Common Shares. |
| “TargetCo Stock Option Plan” | means the stock option plan of TargetCo. |
| “TargetCo Subscription Receipts” | means the subscription receipts issued by TargetCo pursuant to the Concurrent Financing, with each such subscription receipt convertible, for no additional consideration, into one TargetCo Common Share upon the satisfaction of the Escrow Release Conditions on the Effective Date. |
| “TargetCo Subsidiaries” | means Cobalt Chile SpA, Aconcagua Minerals SpA and any other subsidiaries that Target has acquired or may acquire prior to the completion of the Amalgamation, and a Target Subsidiary means any thereof. |
| “TargetCo Subsidiaries Financial Statements” | means the audited annual financial statements of the Target Subsidiaries for the years ended December 31, 2020 and 2019 together with the notes thereto and the management discussion and analysis in respect thereof. |
| “Technical Committee” | has the meaning ascribed to it under <i>“Item 19: Audit Committees and Corporate Governance – Corporate Governance – Other Board Committees”</i> . |
| “Technical Reports” | means the Qualifying Property Technical Report. |
| “Termination Date” | has the meaning ascribed to it under <i>“Item 6: Financing.”</i> |
| “TSX Trust” | means TSX Trust Company. |
| “TSXV” or the “Exchange” | means the TSX Venture Exchange. |

ITEM 2B: NOTICE TO READER

Financial Information

Unless otherwise indicated, all financial information referred to in this Listing Application was prepared in accordance with IFRS.

Currency References and Exchange Rate Information

This Listing Application contains references to the Canadian dollar and the Chilean Peso. Unless otherwise indicated, all references to “\$” or “C\$” or “dollars” in this Listing Application are references to Canadian dollars. Chilean Pesos to as “CP” or “CP\$”. As at August 16, 2021, the rate of exchange between the Chilean Peso and the Canadian dollar was CP\$1.00 = C\$0.0016 or C\$1.00 = CP\$624.90.

Technical Information

Except where indicated, the disclosure contained in this Listing Application that is of an economic, scientific or technical nature has been summarized or extracted from the technical reports titled:

- “Technical Report Resource Estimate for the Qualifying Property, dated February 24, 2021 with an effective date of January 8, 2021 (the “**Qualifying Property Technical Report**”), prepared by Comisión Minera de Chile Register N°0132. The Technical Report was prepared by Christian Feddersen, whom is a “qualified person” as such term is defined in NI 43-101; and

Christian Feddersen consents to the inclusion in this Listing Application of the extract of “*Section 1. – Summary*” the Qualifying Property Technical Report in the form and context in which it appears and confirms that such information is based on and fairly represents the Technical Report. Readers should consult the Technical Report to obtain further particulars regarding the Qualifying Property. The Technical Report, which constitute the current technical report for the Qualifying Property, is available on SEDAR under 773’s issuer profile at www.sedar.com and, other than the extract of “*Section 1. Summary*” thereof, which is included in this Listing Application, are incorporated by reference in their entirety in this Listing Application.

See “*Item 5: Description of the Business – Qualifying Property*” of this Listing Application.

Certain mineral terms and descriptions of mineral deposits appearing in this Listing Application and the Technical Report may not be comparable to similar information made public by U.S. companies subject to the reporting and disclosure requirements under the United States federal securities laws and the rules and regulations thereunder.

Cautionary Note Regarding Forward-Looking Information

This Listing Application contains certain forward-looking statements within the meaning of Canadian securities laws. These statements relate to future events or future performance and reflect management’s expectations regarding the growth, results of operations, performance and business prospects and opportunities of 773, TargetCo and the Resulting Issuer.

All statements other than statements of historical fact are forward-looking statements. Such forward-looking statements reflect management’s current beliefs and are based on information currently available to management. In some cases, forward-looking statements can be identified by terminology such as “may”, “will”, “should”, “expect”, “plan”, “anticipate”, “believe”, “estimate”, “predict”, “potential”, “continue”, “target” or the negative of these terms or other comparable terminology. These statements are only predictions. In addition, this Listing Application may contain forward-looking statements attributed to third party industry sources.

This Listing Application includes certain “forward-looking statements” under applicable Canadian securities legislation. Forward-looking statements include, but are not limited to, statements with respect to: the terms and conditions of the proposed transactions; the terms and conditions of the proposed Concurrent Financing; use of proceeds from the Concurrent Financing; future development plans; and the business and operations of each of 773 and TargetCo after the proposed transactions. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Such factors include, but are not limited to: satisfaction or waiver of all applicable conditions to the completion of the RTO (including receipt of all necessary shareholder, stock exchange and regulatory approvals or consents, and the absence of material changes with respect to the parties and their

respective businesses); ability to close the Concurrent Financing on the proposed terms or at all, the synergies expected from the RTO not being realized; business integration risks; fluctuations in general macroeconomic conditions; fluctuations in securities markets; fluctuations in spot and forward prices of gold, silver, base metals or certain other commodities; fluctuations in currency markets (such as the Canadian dollar to United States dollar exchange rate); change in national and local government, legislation, taxation, controls, regulations and political or economic developments; risks and hazards associated with the business of mineral exploration (including environmental hazards, industrial accidents, unusual or unexpected formations pressures, cave-ins and flooding); inability to obtain adequate insurance to cover risks and hazards; risks related to outbreaks or threats of outbreaks of viruses, other infectious diseases or other similar health threats, such as the novel coronavirus (“**COVID-19**”) outbreak; the presence of laws and regulations that may impose restrictions on the TargetCo or the Resulting Issuer; employee relations; relationships with and claims by local communities and indigenous populations; availability of increasing costs associated with exploration inputs and labour; the speculative nature of mineral exploration (including the risks of obtaining necessary licenses, permits and approvals from government authorities); title to properties; expectations regarding entering into of material contracts and investor relations agreements; expectations regarding escrow restrictions imposed on the Resulting Issuer's securities; expectations regarding principal securityholders of the Resulting Issuer and the identity and shareholdings thereof; expectations regarding compensation of directors, officers and employees of the Resulting Issuer; expectations regarding corporate governance and committees of the board of the Resulting Issuer; and expectations regarding reliance on a waiver from the sponsorship requirements of the TSXV.

In addition, the forward-looking statements herein are based on certain assumptions and involves risks related to the consummation or non-consummation of the RTO and the Concurrent Financing, and the respective businesses and operations of 773, TargetCo and the Resulting Issuer. Forward-looking statements contained herein are based on certain assumptions, including that 773 Shareholders will approve the Consolidation and Name Change, that all other conditions to the RTO will be satisfied or waived and that the RTO will be completed. Other assumptions include, but are not limited to, interest and exchange rates; the price of gold, copper and other metals; competitive conditions in the exploration industry; synergies, if any, created by the formation of the Resulting Issuer; financing and funding requirements; general economic, political and market conditions; and changes in laws, rules and regulations applicable to the 773, TargetCo or the Resulting Issuer.

These forward-looking statements are based on the beliefs of the management of each of 773 and TargetCo as well as on assumptions which management believes to be reasonable, based on information currently available at the time such statements were made. However, there can be no assurance that forward-looking statements will prove to be accurate. Such assumptions and beliefs include, among other things: the ability of each of 773 and TargetCo to realize the benefits of the RTO; the discretion of management of each of 773 and TargetCo and the board of the Resulting Issuer to use the proceeds of the Concurrent Financing and total available funds upon listing on the TSXV other than as disclosed herein; the ability of Resulting Issuer to execute its business plan successfully or as disclosed herein, such that the future growth, results of operations, performance and business prospects and opportunities of Resulting Issuer will be as anticipated; the ability of Resulting Issuer to maintain existing strategic partnerships and attract new partners; the ability for Resulting Issuer to obtain financing on acceptable terms; and the ability for Resulting Issuer to retain skilled management and employees.

This list is not exhaustive of the factors that may affect any of the forward-looking statements regarding each of 773, TargetCo and the Resulting Issuer. Forward-looking statements are statements about the future and are inherently uncertain. Actual events or results could differ materially from those projected in the forward-looking statements including as a result of the matters set out in this Listing Application generally and certain economic and business factors, some of which may be beyond the control of each of 773, TargetCo and the Resulting Issuer. Some of the important risks and uncertainties that could affect forward-looking statements are described under the heading “*Item 21 – Risk Factors*”. 773, TargetCo and the Resulting Issuer do not intend, and do not assume any obligation, to update any of the forward-looking statements after the date of this Listing Application so as to conform such statements to actual results or to changes in the expectations of the Resulting Issuer, other than as required by applicable securities law.

For all these reasons, readers should not place undue reliance on the forward-looking statements contained herein, as the Resulting Issuer's actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements if known or unknown risks, uncertainties or other factors affect Resulting Issuer's business, or if Resulting Issuer's estimates or assumptions prove inaccurate. The forward-looking statements contained in this Listing Application are expressly qualified by this cautionary statement.

ITEM 2C: DESCRIPTION OF THE RTO

Background of RTO

773 was incorporated on April 8, 2020 under the *Business Corporations Act* (British Columbia) as “1246773 B.C. Ltd.” and is a “reporting issuer” (within the meaning of applicable securities legislation) in the Provinces of British Columbia and Alberta. Its head and registered office is located at 1200 Waterfront Centre, 200 Burrard Street, Vancouver, BC, V6C 3L6.

TargetCo was incorporated on December 23, 2020 under the ABCA. Its head and registered office is located at 3F, 14505 Bannister Road SE, Calgary, Alberta T2X 3J3. TargetCo is not a reporting issuer in any jurisdiction of Canada and no public market exists for its securities.

During the month of September 2020, representatives of Cobalt and Aconcagua entered into discussions with representatives of 773 to explore the possibility of combining the business of Cobalt, Aconcagua, 773 and TargetCo through a reverse takeover transaction. On November 5, 2020, Cobalt, Aconcagua, and 773 entered into a letter of intent to set out the basis upon which the parties would continue discussions in connection with a proposed reverse takeover of 773 by TargetCo (the “**Letter of Intent**”). During the months of November to January, the parties conducted customary due diligence investigations on each other and negotiated the terms and conditions of the Amalgamation Agreement and certain other matters ancillary to the RTO. On March 12, 2021, the parties entered into the Amalgamation Agreement which superseded and replaced the Letter of Intent and described the principal terms and conditions of the RTO, and publicly announced their agreement to complete the RTO. As of the date of this Listing Application, neither the 773 Common Shares nor TargetCo Common Shares are listed or quoted for trading on any stock exchange.

Since the execution of the Amalgamation Agreement, each of 773 and TargetCo has taken all actions as were within its power to control and used commercially reasonable efforts to cause other actions to be taken which are not within its power to control, so as to complete the RTO.

Reasons for the RTO

The RTO, together with the release of the Escrowed Funds, will provide TargetCo with capital to pursue its business objectives. The RTO will also provide TargetCo with potentially greater access to capital markets in the future and may facilitate the completion of acquisitions on accretive terms in the future. Further, the RTO provides the potential for liquidity to TargetCo's existing shareholders.

Summary of the RTO and Related Transactions

Pursuant to the Amalgamation Agreement, 773 and TargetCo propose to complete the following transactions:

- (a) the TargetCo Subscription Receipts will be converted into TargetCo Common Shares, which will be exchanged for Resulting Issuer Common Shares on a one-for-one basis;
- (b) the Escrowed Funds will be released from escrow and remitted to TargetCo, subject to the terms of the Subscription Receipt Agreement;
- (c) 773 will cause the current directors and officers of 773 and SubCo to resign, and TargetCo will designate the Resulting Issuer Board and management prior to the Effective Date;
- (d) 773 will acquire TargetCo through the Amalgamation, the steps of which are described further below under the heading “*Item 2C – Description of the RTO – The Amalgamation Agreement and the RTO – Amalgamation Steps*”;
- (e) the Resulting Issuer will be renamed “Atacama Copper Corporation”, or such other name as determined by TargetCo;
- (f) new corporate governance policies will be adopted by the Resulting Issuer;
- (g) a new equity incentive plan will be adopted by the Resulting Issuer; and
- (h) the Resulting Issuer Board will be reconstituted to include: Gino Zandonai, Martyn Buttenshaw, Scott Hicks, and Richard Reinert (the “**Board Reconstitution**”).

The RTO is intended to be completed immediately prior to the Listing and will result in the reverse takeover of 773 by the shareholders of TargetCo. Completion of the RTO is subject to compliance with the terms and conditions set forth in the Amalgamation Agreement, which are discussed further below under the heading “*Item 2C – Description of the RTO – The Amalgamation Agreement and the RTO – Conditions of the RTO*”. If the terms and conditions of the Amalgamation Agreement are satisfied (or waived, as applicable), it is expected that the RTO will be completed and become effective on or about August 19, 2021 or such other date as may be determined by the parties thereto. However, the effective date of the RTO could be delayed for a number of reasons. See “*Item 21 – Risk Factors*”.

A corporate organizational chart reflecting the expected corporate structure of the Resulting Issuer following the Effective Date is set forth below in “*Item 4 – Corporate Structure – Intercompany Relationships of Resulting Issuer*”.

The terms of the RTO, as set out in the Amalgamation Agreement and summarized below, were established through arm's length negotiations between the respective management of 773 and TargetCo.

The Amalgamation Agreement and the RTO

Conditions of the RTO

The Amalgamation Agreement contains a number of conditions precedent to the obligations of 773 and TargetCo. Unless all such conditions are satisfied or waived by the party for whose benefit such conditions exist, to the extent it may be capable of waiver, the RTO will not proceed. There is no assurance that these conditions will be satisfied or waived on a timely basis, or at all. The conditions to the RTO becoming effective are set out in the Amalgamation Agreement and are summarized below. See also “*Item 21 – Risk Factors*”.

The Amalgamation Agreement

On March 12, 2021, TargetCo, 773 and SubCo entered into the Amalgamation Agreement. The Amalgamation is structured as a three-cornered amalgamation under the ABCA whereby SubCo and TargetCo will amalgamate and

continue as one corporation (“**Amalco**”) on terms more particularly set forth in the Amalgamation Agreement and will result in the reverse takeover of 773 by TargetCo. Pursuant to the Amalgamation Agreement, 773 will acquire a 100% interest in Amalco. As a result of the Amalgamation, the former securityholders of TargetCo will become securityholders of the Resulting Issuer.

The following description of certain provisions of the Amalgamation Agreement is a summary only. The summary of certain provisions of the Amalgamation Agreement below and in this Listing Application is not comprehensive and is qualified in its entirety by reference to the full text of the Amalgamation Agreement which may be viewed under the Resulting Issuer's issuer profile on SEDAR at www.sedar.com. This summary may not contain all of the information about the Amalgamation Agreement that is important to shareholders. All such shareholders are encouraged to read the Amalgamation Agreement carefully and in its entirety.

Representations, Warranties and Covenants

773 and TargetCo agreed to certain representations and warranties relating to, among other things: the incorporation and registration of each party; the power and authority to enter into and perform the obligations under the Amalgamation Agreement; required approvals; no conflict; compliance with law; the binding nature and validity of the Amalgamation Agreement; the capitalization of each party; the absence of litigation; the financial statements of each party; the conduct of their business; the payment of taxes, the absence of investment and funding obligations; their material contracts, officers and employees of each party; their status under Canadian securities laws; third party approvals; the availability and accuracy of the information provided; and the accuracy of the statements made by each party. Some of these representations and warranties were also made by 773 in respect of SubCo.

773 and TargetCo entered into the Amalgamation Agreement, which describes the principal terms and conditions of the proposed agreement, whereby 773 would acquire all of the issued and outstanding shares in the capital of TargetCo, by way of the Amalgamation.

Effect of Amalgamation

At the Effective Time:

- (a) the amalgamation of the Amalgamating Parties and their continuation as one company, Amalco;
- (b) the Amalgamating Parties shall cease to exist as entities separate from Amalco;
- (c) the name of Amalco shall be “Atacama Cobre Ltd”;
- (d) the property of each of the Amalgamating Parties shall continue to be the property of Amalco;
- (e) Amalco shall continue to be liable for the obligations of each of the Amalgamating Parties; and
- (f) the authorized capital of Amalco shall consist of an unlimited number of common shares without par value.

Amalgamation Steps

Pursuant to the terms and conditions set forth in the Amalgamation Agreement, at the Effective Time:

- (a) each TargetCo Shareholder will receive one 773 Common Share in exchange for each TargetCo Common Share held by such holder and the TargetCo Common Shares will be cancelled;
- (b) each holder of SubCo Common Shares will receive one Amalco Common Share in exchange for each SubCo Common Share held by such holder and the SubCo Common Shares will be cancelled;

- (c) in consideration of the issuance by 773 of the Resulting Issuer Common Shares pursuant to the above section (a), Amalco shall issue to 773 one fully paid and non-assessable Amalco Common Share for each Resulting Issuer Common Share issued to former holders of TargetCo Common Shares; and
- (d) warrants of the Resulting Issuer shall be issued to the holders of the TargetCo Warrants, in exchange and replacement for, on an equivalent basis, such TargetCo Warrants, which thereafter will be cancelled.

Directors and Officers of the Resulting Issuers

Concurrently with the completion of the Amalgamation, 773 will cause all of the then current directors and officers of 773 and SubCo to resign without payment by or any liability to 773, SubCo, TargetCo or Amalco, and to cause each such director and officer to execute and deliver a release in favour of 773, SubCo, TargetCo or Amalco, in form and substance acceptable to such retiring directors and officers. The Resulting Issuer Board will consist of such number of directors as designated by TargetCo prior to the Effective Time and be comprised of persons designated by TargetCo prior to the Effective Time, and the management of 773 will be comprised of persons designated by TargetCo prior to the Effective Time.

The Concurrent Financing

In connection with the RTO, on May 10, 2021, TargetCo completed the Concurrent Financing of TargetCo Subscription Receipts at a price of \$0.50 per TargetCo Subscription Receipt, for aggregate gross proceeds of \$4,111,578. As part of the Amalgamation, the TargetCo Common Shares underlying the TargetCo Subscription Receipts will be exchanged on a one-for-one basis for Resulting Issuer Common Shares.

See “*Item 6 – Financing – Concurrent Financing*”.

Procedure for the RTO to Become Effective

Procedural Steps

The RTO will be carried out pursuant to the provisions of the ABCA. The following procedural steps must be taken in order for the RTO to become effective:

- (a) the satisfaction or waiver, as applicable, of all conditions precedent to the RTO as set forth in the Amalgamation Agreement, including receipt of TSXV conditional approval for the Listing; and
- (b) articles of amalgamation in the form prescribed by the ABCA must be filed. The RTO will become effective when a certificate of amalgamation is issued in respect of the Amalgamation.

Approvals Necessary for the RTO

Shareholder Approval

No approval of the RTO by the 773 Shareholders is required, however, 773 is required to obtain approval for the Name Change, the Resulting Issuer Equity Incentive Plan and the Board Reconstitution, which 773 expects to have approved by its directors and shareholders, as applicable, by way of unanimous written consent resolutions.

Pursuant to the provisions of the ABCA, the Amalgamation requires the approval of shareholders of TargetCo and the approval of shareholders of 773, in its capacity as the sole shareholder of SubCo. **Shareholders of each of TargetCo and SubCo have approved the Amalgamation.**

TSX Approval

The TSXV conditionally approved the Listing of the Resulting Issuer Common Shares, including those Resulting Issuer Common Shares to be issued pursuant to the Amalgamation to the former shareholders of TargetCo. The Listing is subject to the fulfillment of all of the requirements of the TSXV on or before November 15, 2021.

Legally, the Effective Date of the Amalgamation will be on the date a certificate of amalgamation is issued in respect of the Amalgamation. However, the Listing will be completed on the date the TSXV issues a Final Exchange Bulletin in respect of the Listing, which is expected to be shortly following the Effective Date, provided all required documentation is filed with the TSXV.

ITEM 3: SUMMARY

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

This summary is qualified in its entirety by the more detailed information appearing or referred to elsewhere herein. Unless otherwise specified, the information in this Listing Application has been prepared on a pro forma basis assuming completion of the RTO and the Concurrent Financing. Unless otherwise indicated, all currency amounts are stated in Canadian dollars. Capitalized terms used in this summary are defined in “*Item 2A – Glossary of Terms.*”

773

Incorporation

773 was incorporated on April 8, 2020 under the *Business Corporations Act* (British Columbia). Its head and registered office is located at 1200 Waterfront Centre, 200 Burrard Street, Vancouver, BC, V6C 3L6. 773 is a reporting issuer in the provinces of British Columbia and Alberta.

Business of 773

773 was incorporated for the sole purpose of participating in a reverse takeover or similar transaction and has not carried on any business other than in furtherance of the RTO and related matters.

Capitalization of 773

773 is currently authorized to issue an unlimited number of common shares of which 6,150,000 common shares are issued and outstanding as of the date hereof. Immediately prior to the completion of the Amalgamation, 6,150,000 773 Common Shares will be issued and outstanding.

As of the date of this Listing Application, the 773 common shares are not listed or quoted for trading on any stock exchange.

SubCo

SubCo was incorporated on March 3, 2021 under the ABCA for the sole purpose of effecting the Amalgamation as described in this Listing Application. Since the date of its incorporation, SubCo has never carried out any activities, other than activities ancillary to, and in preparation for, the Amalgamation.

SubCo is currently authorized to issue an unlimited number of common shares SubCo, of which 100 SubCo Common Shares are issued and outstanding as at the date hereof. As of the date of this Listing Application, the SubCo Common Shares are not listed or quoted for trading on any stock exchange.

TargetCo

Incorporation

TargetCo was incorporated on December 23, 2020 under the ABCA. Its head and registered office is located at 3rd Floor, 14505 Bannister Road SE, Calgary, Alberta T2X 3J3. TargetCo is not a reporting issuer in any jurisdiction of Canada and no public market exists for its securities.

Business of TargetCo

The principal business of TargetCo, and the Resulting Issuer upon completion of the RTO, will be the exploration and development of mineral properties in Chile.

Capitalization of TargetCo

TargetCo is currently authorized to issue an unlimited number of common shares and an unlimited number of preferred shares, issuable in series, of which 20,000,000 TargetCo Common Shares are issued and outstanding. There are no preferred shares of TargetCo issued and outstanding as of the date hereof. The following securities of TargetCo are expected to be issued and outstanding immediately prior to the completion of the RTO:

1. 20,000,000 TargetCo Common Shares;
2. 8,223,156 TargetCo Subscription Receipts convertible into 8,223,156 TargetCo Common Shares;
3. Zero (0) TargetCo Options; and
4. 7,000,000 TargetCo Warrants.

As of the date of this Listing Application, none of the TargetCo Common Shares or preferred shares are currently listed or quoted for trading on any stock exchange.

See “*Item 10 – Description of Securities to be Listed.*”

Resulting Issuer

Following the RTO, the Resulting Issuer will be the sole shareholder of Amalco, which itself will continue the business of TargetCo.

Description of Securities to be Listed

This application is made to list the Resulting Issuer Common Shares on the TSXV under the symbol “**ACOP**”. The Listing will be subject to the Resulting Issuer fulfilling all of the minimum listing requirements of the TSXV and obtaining conditional approval of the TSXV. There can be no assurance that the TSXV will list the Resulting Issuer Common Shares. If listing approval is ultimately obtained prior to the Effective Time, trading on the TSXV of the Resulting Issuer Common Shares is expected to commence shortly following the Effective Date.

It is expected that following the RTO, the Resulting Issuer will be authorized to issue an unlimited number of Resulting Issuer Common Shares. Assuming the completion of the RTO, approximately 34,373,156 Resulting Issuer Common Shares will be issued and outstanding following the Effective Time. In addition to the Resulting Issuer Common Shares, the Resulting Issuer is expected to have 7,000,000 Resulting Issuer Warrants outstanding immediately following the completion of the Amalgamation.

See “*Item 10 – Description of Securities to be Listed.*”

Principal Securityholders

The principal securityholder of the Resulting Issuer is expected to be Gino Zandonai which, together with its affiliates, is expected to own, control or direct approximately 31.4% of the issued and outstanding Resulting Issuer Common Shares.

See “Item 15 – Principal Securityholders”.

Concurrent Financing

On May 10, 2021, TargetCo completed the Concurrent Financing of 8,223,156 TargetCo Subscription Receipts at a price of \$0.50 per TargetCo Subscription Receipt, for aggregate gross proceeds of \$4,111,578. As part of the Amalgamation, the TargetCo Common Shares underlying the TargetCo Subscription Receipts will be exchanged on a one-for-one basis for Resulting Issuer Common Shares.

Following listing on the TSXV, the Resulting Issuer expects to have the following total available funds:

| | |
|--|--------------------|
| Gross Proceeds from the Concurrent Financing | \$4,111,578 |
| Listing fees and expenses | (\$150,000) |
| Finders fee and financing cost | (\$155,000) |
| Estimated Consolidated Working Capital | (\$232,573) |
| Estimated Total Available Funds | \$3,574,005 |

Use of Proceeds and Principal Purposes

The following table summarizes the expenditures anticipated by the Resulting Issuer required to achieve its business objectives during the 12 months following the date hereof:

| Principal Purpose | Estimated Amount |
|----------------------------------|-------------------------|
| Placeton Project: | |
| Exploration – Phase 1 | \$719,565 |
| Exploration – Phase 2 | \$918,435 |
| Tenement fees & related expenses | \$127,500 |
| El Cofre: | |
| Exploration | \$30,000 |
| Tenement fees & related expenses | \$90,000 |
| Chilean admin & operating costs | \$355,500 |
| G&A and Working Capital | \$953,000 |
| Total | \$3,194,000 |

Note:

The Resulting Issuer intends to spend the funds available to it as stated in the table above. However, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary for the Resulting Issuer to achieve its objectives or to pursue other opportunities that management believes are in the interests of the Resulting Issuer. See “*Item 21 – Risk Factors – Risks Related to the Operations of the Resulting Issuer – Net Proceeds*”.

See “*Item 6 – Financings*” for further information regarding the Concurrent Financing and the use of proceeds therefrom.

Risk Factors

There are risks associated with the businesses of the Resulting Issuer, including but not limited to: (i) the need for additional capital by the Resulting Issuer, through financings and the risk that such funds may not be raised; (ii) the speculative nature of exploration and the stages of the properties or assets of the Resulting Issuer; (iii) the effect of changes in commodity prices; (iv) reliance on management; (v) the potential for conflicts of interest; and (vi) other risks associated with the Resulting Issuer as described in “*Item 2C – Cautionary Note Regarding Forward-Looking Information*” and “*Item 21 – Risk Factors*” of this Listing Application.

Financial Information

Assuming completion of the RTO, the following table sets out certain unaudited *pro forma* financial information for the Resulting Issuer. The following information should be read in conjunction with the Resulting Issuer Pro Forma Financial Statements set forth in this Listing Application. See “*Appendix “D” – Pro Forma Financial Statements of the Resulting Issuer (Unaudited)*”.

| Item | 773 (as at Mar 31, 2021) | TargetCo (as at Mar 31, 2021) | Pro Forma Adjustments⁽¹⁾ | Resulting Issuer Pro Forma Consolidation |
|----------------------|---|--|--|---|
| Current Assets | 89,914 | 4,552 | 3,806,578 | 3,901,044 |
| Total assets | 89,914 | 8,757,509 | 3,806,578 | 12,654,001 |
| Current Liabilities | 61,575 | 265,464 | - | 327,039 |
| Total liabilities | 61,575 | 265,464 | - | 327,039 |
| Shareholders' Equity | 28,339 | 8,492,045 | 3,806,578 | 12,326,962 |
| Net Loss | (67,500) | (8,757) | (3,196,661) | (3,205,418) |

Escrowed Securities and Securities Subject to Restrictions on Transfer

Pursuant to the policies of the Exchange, approximately 20,000,000 Resulting Issuer Common Shares of the Resulting Issuer anticipated to be held by principals of the Resulting Issuer are expected to be held in escrow pursuant to a value security escrow agreement after giving effect to the RTO.

See “*Item 14 – Escrowed Securities and Securities Subject to Restrictions on Transfer*”.

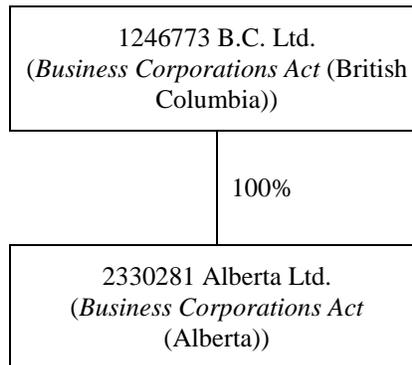
ITEM 4: CORPORATE STRUCTURE

Name, Address and Incorporation of 773

773 was incorporated on April 8, 2020 under the *Business Corporations Act* (British Columbia). Its head and registered office is located at 1200 Waterfront Centre, 200 Burrard Street, Vancouver, BC, V6C 3L6. 773 is a reporting issuer in the provinces of British Columbia and Alberta.

Intercorporate Relationships of 773

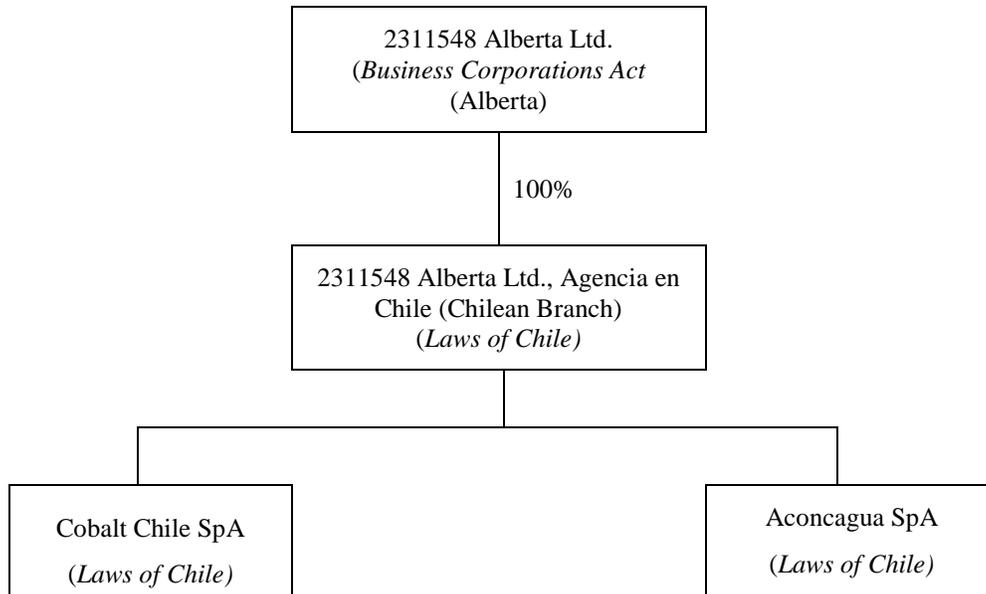
773 has one wholly-owned subsidiary named SubCo. SubCo was incorporated on March 3, 2021 under the ABCA for the sole purpose of effecting the Amalgamation as described in this Listing Application. A corporate organizational chart reflecting the current corporate structure of 773 at the date hereof is set forth below:



Name, Address and Incorporation of TargetCo

TargetCo was incorporated on December 23, 2020 under the ABCA. Its head and registered office is located at 3F, 14505 Bannister Road SE, Calgary, Alberta T2X 3J3. TargetCo is not a reporting issuer in any jurisdiction of Canada and no public market exists for its securities.

Intercorporate Relationships of TargetCo



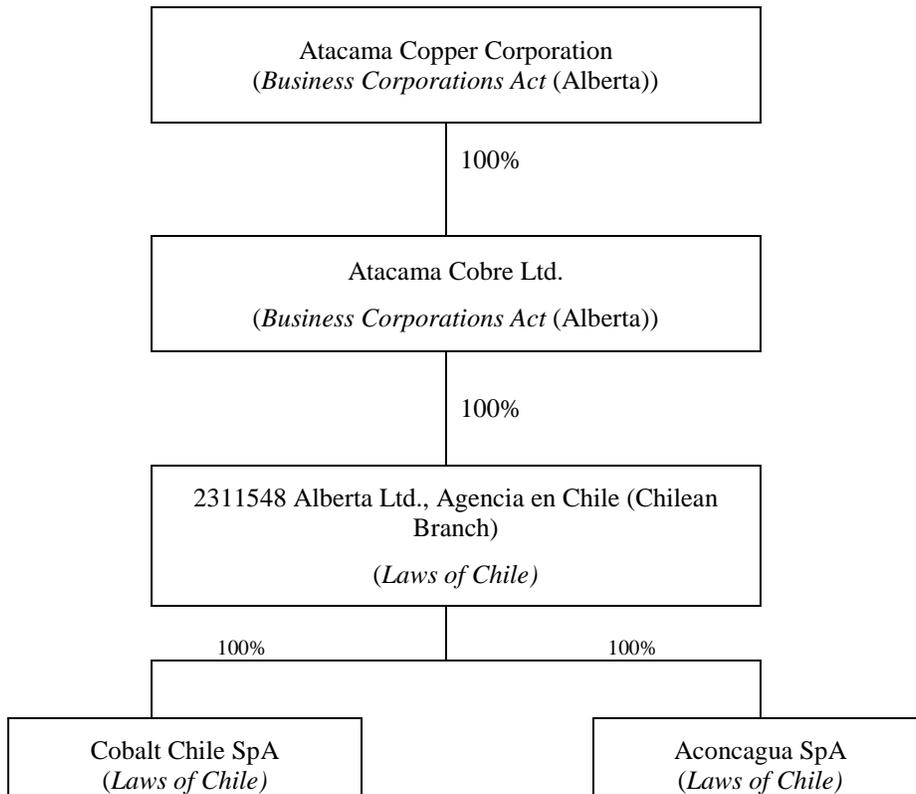
Name, Address and Incorporation of Resulting Issuer

Upon completion of the RTO, the Resulting Issuer will exist under the BCBA. It is expected that, upon completion of the RTO, the Resulting Issuer's full corporate name will be "Atacama Copper Corporation" and its head office and principal place of business and registered office will be located at 3rd Floor, 14505 Bannister Road SE, Calgary, Alberta T2X 3J3.

Intercorporate Relationships of Resulting Issuer

Upon completion of the RTO, the Resulting Issuer will have a 100% indirect interest in both Aconcagua Minerals SpA and Cobalt Chile SpA.

A corporate organizational chart reflecting the expected corporate structure of the Resulting Issuer following the Effective Date is set forth below:



ITEM 5: DESCRIPTION OF THE BUSINESS

General

The principal business of TargetCo is exploration and development of mineral properties in Chile.

Specialized Skill and Knowledge

All aspects of TargetCo's business activities require specialized skills and knowledge. Such skills and knowledge include the fields of copper mineral exploration, geology and Chilean operating experience. Competition in the minerals exploration and development industry has made it more difficult to locate and retain competent employees in such fields.

Competitive Conditions

Competition in the minerals exploration industry is intense. TargetCo competes with other exploration and development companies, many of which have greater financial resources and technical facilities for the acquisition and development of mineral projects, claims, leases and other interests, as well as for the recruitment and retention of qualified employees and consultants.

Business Cycle

Mining is cyclical, with volatile equity prices and investment patterns as a result. The current mining industry context creates a need and an opportunity to address the sector's financing.

Economic Dependence

TargetCo's business is not substantially dependent on any contract such as a contract to see the major part of its products or services or to purchase the major part of its requirements for goods, services or raw materials, or on any franchise, license or other agreement to use a patent, formula, trade secret, process or trade name upon which its business depends.

Employees

As of the date hereof, TargetCo has no employees or contractors. Upon listing on the TSXV, the Resulting Issuer expects to have approximately five (5) employees and three (3) contractors.

Bankruptcy and Similar Procedures

There have been no bankruptcy, receivership or similar proceedings against TargetCo, or any voluntary bankruptcy, receivership or similar proceedings by TargetCo, within the three most recently completed financial years or completed during or proposed for the current financial year.

Business Strategy

TargetCo's strategy is to advance the exploration and developments of its current assets along with opportunistically looking to increase its asset portfolio through the acquisition and development of other high-value Copper exploration, development and production opportunities in Chile.

TargetCo plans for 2021 to:

- (a) The plan for 2021 is to primarily focus on the exploration of the Placeton project. This will involve geological mapping, geochemistry and geophysical surveys, and provided those surveys prove successful in identifying potential targets, a drill program.

- (b) Update NI 43-101 report before end of 2021.

Environmental Protection

Commitment to all the international standards of best environmental practices and compliances of the mining industry

History

The property and rights that currently constitute the majority of the assets of the business of TargetCo were originally staked between 2013 and 2014. These assets were explored between 2014 and 2017 through a joint venture between Aconcagua and Durus Copper Chile SpA, incurring approximately US\$160,000 in expenditure costs. These assets were transferred to Aconcagua between 2015 and 2016.

TargetCo was incorporated on December 23, 2020 under the ABCA, through which the property and rights assets of Aconcagua were acquired by TargetCo. On December 31, 2020, 7,000,000 warrants of TargetCo were issued with an exercise price of CDN\$0.60 per security. From December 23, 2020 through March 15, 2021, 20,000,000 common shares of TargetCo have been issued for an aggregate amount of CDN\$259,445.

The Amalgamation Agreement

On March 12, 2021, TargetCo, 773 and SubCo entered into the Amalgamation Agreement. For a summary of certain provisions of the Amalgamation Agreement, see “*Item 2C: Description of the RTO – The Amalgamation Agreement and the RTO – The Amalgamation Agreement*”. A copy of the Amalgamation Agreement may also be viewed under the 773’s issuer profile on SEDAR at www.sedar.com.

Concurrent Financing

On May 10, 2021, TargetCo completed the Concurrent Financing of 8,223,156 TargetCo Subscription Receipts at a price of \$0.50 per TargetCo Subscription Receipt, for aggregate gross proceeds of \$4,111,578. As part of the Amalgamation, the TargetCo Common Shares underlying the TargetCo Subscription Receipts will be exchanged on a one-for-one basis for Resulting Issuer Common Shares.

See “*Item 6 – Financing – Concurrent Financing*”.

The Properties

Upon completion of the RTO, the Resulting Issuer will have an indirect 100% interest in the Qualifying Property which is located in Chile and is more particularly described below. The Qualifying Property will be the material property of the Resulting Issuer.

(i) Qualifying Property

The following is an extract of “*Section 1 – Summary*” of the Qualifying Property Technical Report. See also “*Item 2B: Notice to Reader – Technical Information*” of this Listing Application. The balance of the Qualifying Property Technical Report is incorporated herein by reference. Capitalized terms used in this section “Qualifying Property Technical Information” but not otherwise defined shall have the meanings ascribed thereto in the Qualifying Property Technical Report. See “*Item 2B: Notice to Reader – Technical Information.*”

SUMMARY

This independent NI 43-101 Report (the “**Report**”) was prepared in connection with a proposed business combination (the “**Transaction**”), whereby 1246773 B.C. Ltd will acquire 2311548 Alberta Ltd which in turn holds a 100% interest in Aconcagua Minerals SpA to form a resulting issuer. Aconcagua holds a 100% interest in the Placeton Project (“Placeton Project” or “Placeton Property”). Upon completion of the Transaction, the Company will control 100% of the Placeton Project.

The Placeton Project is located approximately 650 kilometers north of Santiago and approximately 100 kilometers east of the city of Vallenar in northern Chile. It is centered at 28° 35' Latitude S and 78° 09' Longitude W, with altitudes ranging from 3,000 masl to 4,000 masl.

Aconcagua Minerals SpA is holder and owner of 39 Exploitation Mining Concessions already granted in Placeton, Caballo Muerto and Los Naranjos. The actual surface area covered by the titles totals approximately 7,257 ha (73 km²). This report is concentrated only on the Placeton – Caballo Muerto tenements.

Metallica Resources Inc (MRI) carried out preliminary exploration activities in Placeton in 1996 and 1997 while exploring the El Morro deposit. These areas were recognized as having potential for porphyry copper mineralization, but MRI decided to discontinue exploration and to concentrate their exploration efforts on the El Morro deposit. Aconcagua acquired the Placeton Project in 2011 from the public domain by issuing the exploration tenements, and since then basic geological mapping, surface geochemical and geophysical surveys centered in Placeton have been performed.

Placeton shows geological features of a mineralized sub-volcanic complex with characteristics that are common in the upper part of many porphyry copper systems in the Andean Region. Copper mineralization is primarily hosted by an altered epizonal magmatic-hydrothermal system centered on small porphyritic felsic stocks and dacitic-riolitic dome complexes with probably Tertiary age, hosted in an intrusive, volcanic, and sedimentary basement of Triassic to Upper Cretaceous age. The Placeton Project is located along the 10km wide NW trend that includes Los Colorados iron mine, and Relincho and El Morro deposits. This SE-NW trend is supposed to be a deep structural feature that crosscuts the different magmatic belts favoring the location of magmatic-hydrothermal systems along a significant time interval. See Figure 7.1 & 7.2 of the Qualifying Property Technical Report.

The geological characteristics, surface geochemical and geophysical survey results and structural setting are consistent with porphyry-style mineralization and also their location configure an excellent exploration potential to identify additional porphyry-hosted mineralization.

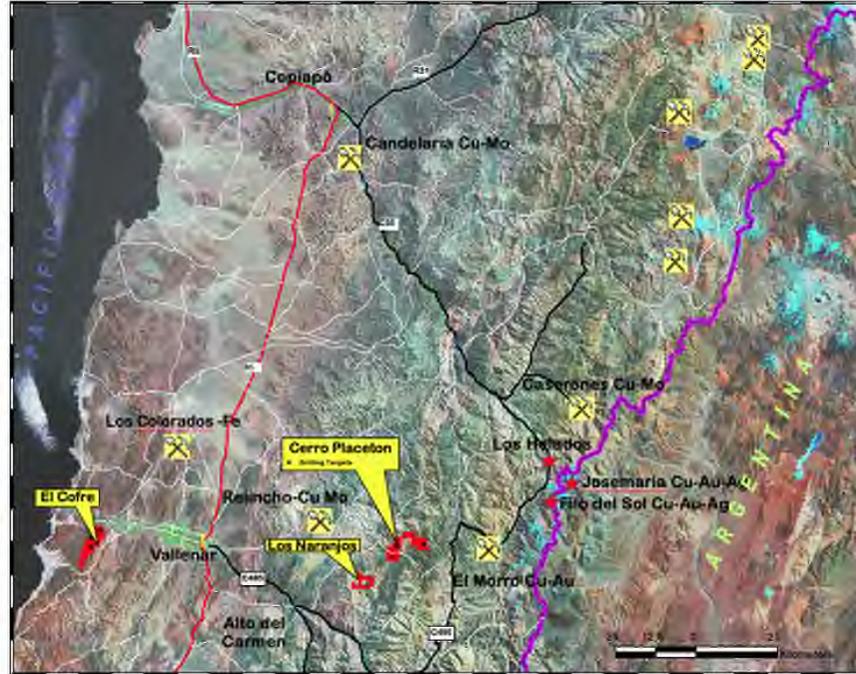
Current Technical Report

The following information regarding the Property is based on a Technical Report on the Property dated April 12, 2021 prepared by the Author. The Technical Report was requested in connection with the Transaction. Unless otherwise stated, the information in this section is as of the date of the Technical Report and included with the consent of the Author. Portions of the following information are based on assumptions, qualifications and procedures that are not fully described herein and include references to other sources that are referred to in the Technical Report. Reference should be made to the full text of the Technical Report, which will be available for review on SEDAR at www.sedar.com. The Technical Report is available for inspection upon request.

Project Description, Location, and Access

The Cerro Placeton Project area is located approximately 630 km north of Santiago via Pan American highway driving north through La Serena and then to Vallenar, a 6-hour journey on two lanes excellent brand new paved road. Alternatively, both La Serena and Copiapó have a modern airport, with several daily flights from and to Santiago and are located 170 km north of Vallenar. The project is centered at 28° 35' Latitude S and 78° 09' Longitude W, with altitudes ranging from 3,000 masl to 4,000 masl.

The Property covers 7,257 ha and is located in the municipality of Alto del Carmen, Region III, near the village of Alto del Carmen. The Placeton area, the most advanced exploration target, lies 83 km east of the city of Vallenar, as shown in the figure below.



History

History of Prior Ownership

The Exploration Mining Concessions were originally staked by Mr. Gino Zandonai and Mrs. Natalie Stevens between 2013 and 2014. The Exploration Mining Concessions were transferred to Aconcagua between 2015 and 2016. The Exploration Mining Concessions were converted to Exploitation Mining Concessions in 2017.

Placeton is in a mining district with significant mining activities with public roads to access to site. Aconcagua Minerals SpA holds the exploitation licenses on a property which is owned one third by the Comunidad Agrícola Huasco-Altinos and two thirds of the surface belongs to NuevaUnion mining project. Mining companies are obliged by law to grant access (easement) to another mining company.

In Chile, the mining law gives you the right to perform exploration work on your claims. Aconcagua Minerals has not identified a risk to start its exploration activities in the southern claims, where the community has their land, however, the exploration plan will integrate the community earlier into the project. The company it is not aware of any other significant factors or risks to carry out the work other than request the access to the land.

History of Exploration Work

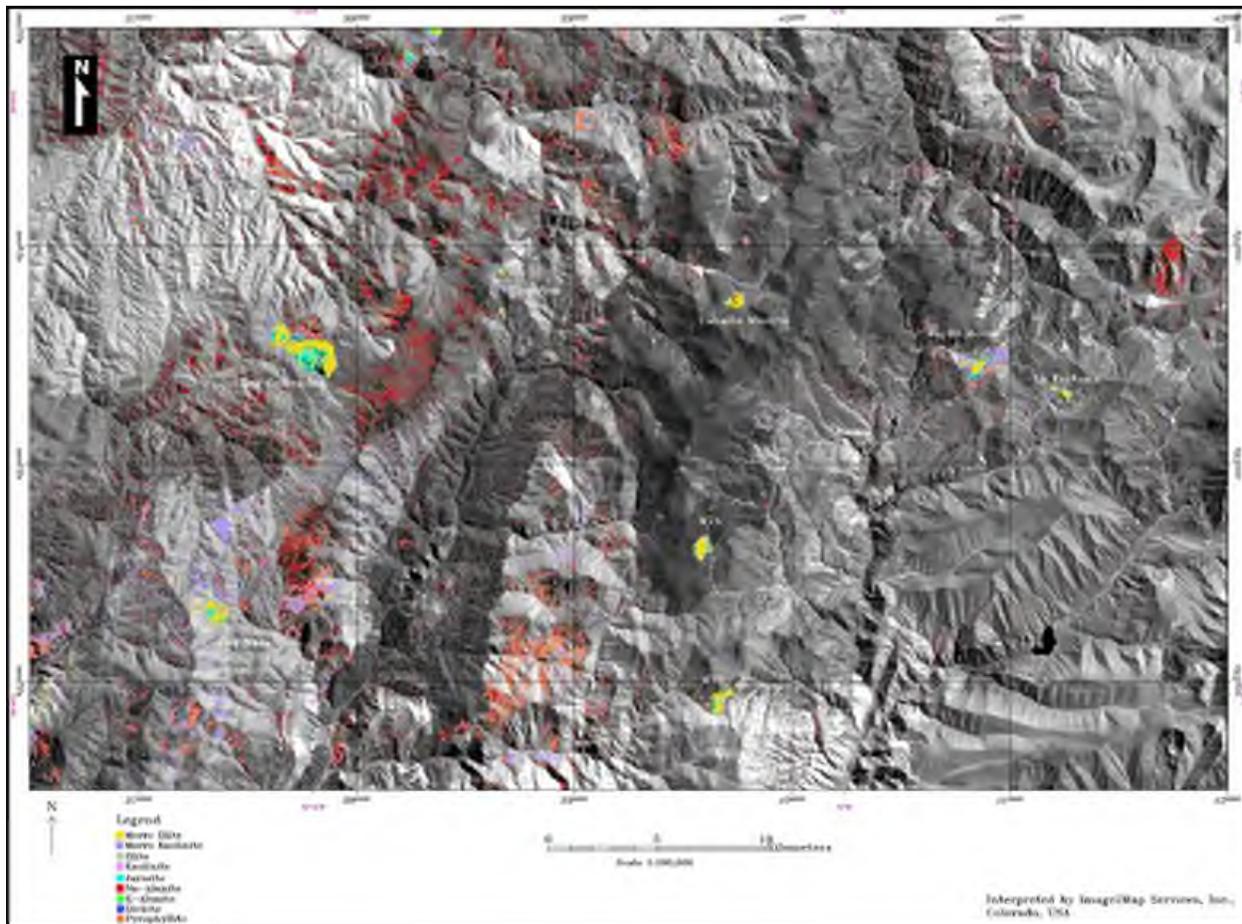
From 1992 to 1996 Anglo American explored the area between El Morro and Relincho, and subsequently by BHP in 1996. In 1997 the project was put up for sale by BHP and Noranda acquired it. No data for the Anglo and BHP programs are currently available

From 1997 to 1998, Noranda conducted surface mapping (lithological, structural, and alteration studies using PIMA) and soil and rock chip sampling (Cu, Au, Mo + multi-element), and two reconnaissance pole-dipole IP lines (200 meter dipoles) across two of three alteration zones in the area. The southern IP line was completed over an area ~3 kilometers south of the area that was of interest to the Metallica's Program called Morro Illite and Morro Kaolinite

(MIMK). The northern IP line was completed over one of two porphyry-related alteration anomalies that comprised the present area of interest. No work was done on the second anomaly located approximately 2 kilometers to the north. Noranda-Metallica JV did not drill any of the targets identified, and dropped the property in 1999 after the Bre-X case occurred and precipitated a collapse in the mining market.

During 2000, Metallica Resources Inc. (“Metallica”) carried out a program to identify alteration patterns similar to “El Morro” using ASTER images analysis, this ended up with the recognition of some similarities at Los Colorados and in Placeton.

The recognition of El Morro/Fortuna-style porphyry and related high sulfidation alteration assemblages was based on a TM spectral imaging technique that integrates specific TM mineral spectra with ground-truthed alteration assemblages identified by PIMA infrared spectral analysis. These assemblages were determined through a combination of systematic talus sampling at El Morro and public domain information available from the USGS spectral library. They also incorporated previous knowledge of alteration signatures for high sulfidation mineralization along the El Indio high sulfidation belt to the south of the Placeton Property. The result is a regional scale map showing areas with the El Morro style of alteration (See Alteration Map below showing PIMA-TM Alteration Zones (Image2map, 1995).



It is important to note that the enhanced TM mineral mapping technique represents an interpretation of possible mineral zonation, but not positive mineral identification. The ability to link specific TM mineral spectra to areas of mapped PIMA alteration assemblages makes the PIMA-TM imaging method a powerful tool for rapidly identifying prospective areas such as El Morro-style porphyry and high sulfidation mineralization.

The table below shows the PIMA-TM Alteration suite built and used to identify prospective areas based on their success in El Morro-style imaging method:

| Mineral | Environment | Source Data |
|-----------------|---|------------------------------|
| Morro Illite | Leached Cap - supergene ox'dn | Metallica '97 El Morro Prgm. |
| Morro Kaolinite | Leached Cap - supergene ox'dn | Metallica '97 El Morro Prgm. |
| Illite | Supergene ox'dn and/or Hypogene argillic alt'n | USGS Spectral Library |
| Kaolinite | High sulfidation and/or supergene ox'dn | USGS Spectral Library |
| Jarosite | Ox'dn of earlier sulfides: Porphyry and/or High Sulf'dn environment | USGS Spectral Library |
| Na-Alunite | High sulfidation and/or supergene ox'dn | USGS Spectral Library |
| K-Alunite | High sulfidation – <i>diagnostic hypogene</i> | USGS Spectral Library |
| Dickite | High sulfidation – <i>diagnostic hypogene</i> | USGS Spectral Library |
| Pyrophyllite | High sulfidation – <i>diagnostic hypogene</i> | USGS Spectral Library |
| Sericite | Hypogene porphyry phyllic alt'n | USGS Spectral Library |

Additionally, exploration work by Metallica involved field reconnaissance sampling for geochemical and PIMA analysis. Alteration mineralogy was determined on samples via PIMA analysis. The samples were collected of the intrusive phases for whole rock analysis, and from various small copper showings and vein stockworks for multi-element analysis.

Metallica intensively explored the area looking for new targets during the period 1998-2002 in the area between Relincho and El Morro. Los Colorados near to Relincho, Cerro Placeton, Los Naranjos and Caballo Muerto were the main exploration targets after the discovery of El Morro deposit.

Between 2002 and 2013, the tenements were owned by a number different companies and private individuals until Aconcagua issued the exploration concessions.

Exploration expenditures conducted in the Placeton, Caballo Muerto and Los Naranjos' targets for the period 1996-2002 by Noranda and Metallica were over US\$600K. A large amount of this data was available electronically but not always physically and Durus Copper and Aconcagua reproduced the key relevant and valuable information to use it during the exploration campaign.

Durus Copper, Aconcagua Minerals and a local mining company "CAP Minería" (CAP) have spent over US\$100K during the period 2018-2020. See Historical Exploration table below.

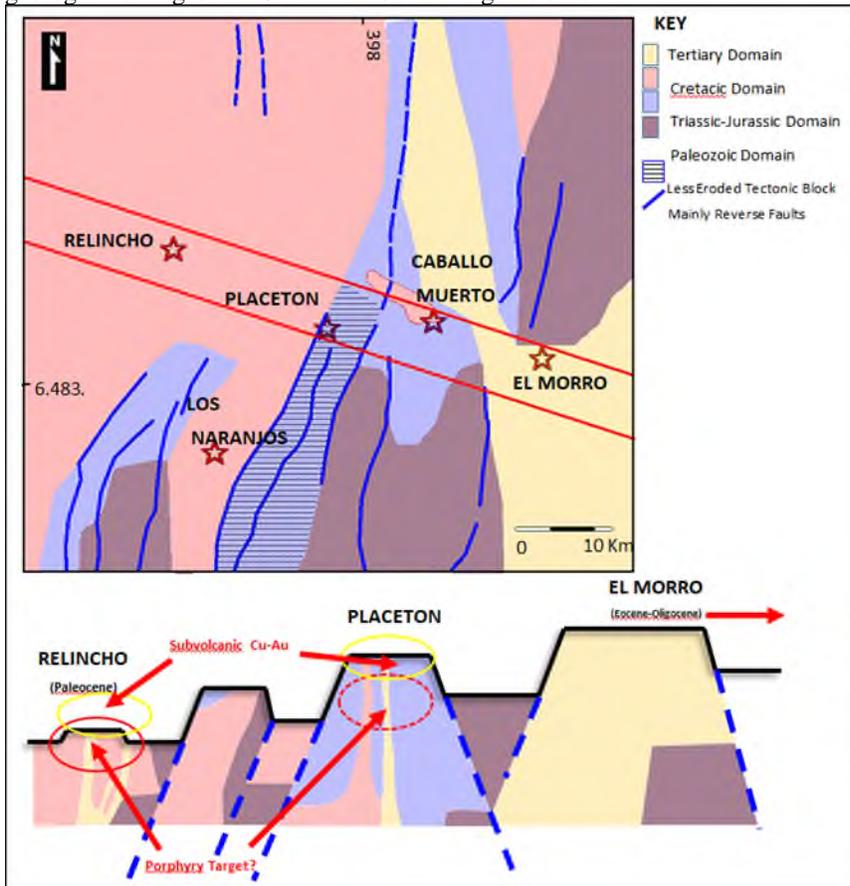
Table Historical Exploration Expenditures Period 2018-2020

| Expense Area | US\$ | Company | Date |
|---------------------------------|----------------|----------------|-------------|
| Geological & Structural Mapping | 40,000 | Durus Copper | Jan2018 |
| Sampling & Geochemistry | 5,000 | Aconcagua | Mar2018 |
| Minerology & Magnetometry | 20,000 | CAP | Apr2018 |
| Geological consulting | 20,000 | CAP | Jun2018 |
| GIS | 6,500 | CAP | Jun2018 |
| Logistics | 15,000 | Aconcagua | 2018 |
| Total | 106,500 | | |

Geological Setting, Mineralization, and Deposit Types

The following chapter is a description of the geological setting of the area of the Placeton Project, which includes three main targets in Placeton and one in Caballo Muerto respectively. The alteration and mineralization background present at the Placeton Project have been taken with modifications from descriptions of public domains of past reports generated by companies such as Goldcorp Inc. and Metallica Resources Inc. and non-published technical reports of Durus Copper Chile SpA and Aconcagua Minerals SpA.

The geological framework of the Placeton Project is defined by volcanic and sedimentary rocks of Triassic and Jurassic ages that dominate in most part of the district. These rocks are exposed as part of a structural block of about 70 km length and 5 to 10 km width, controlled by NNE reverse faults that leave the block in a structurally depressed position in relation to the adjacent structural domains that are deeply eroded. The project is located at the northern end of this block where sedimentary units show marine and continental facies as the volcanics show intermediate to felsic composition. They are affected by intrusive rocks of the Permo-Triassic Chollay granites and gabbro as well as by the Upper Cretacic Los Morteros Complex. Small epizonal stocks of intermediate to felsic composition and probable Tertiary age are widespread through the region; these rocks are commonly associated with alteration zones that frequently show evidence of Cu, Au and Ag mineralization. The project's area is located at the SE border of the Los Morteros Intrusive Complex that extends for more than 40 km to the NW and is part of the Relincho Project's geological background. See the illustrative figures below.



Illustrative description of geological setting (Source: W. Muehlebach, 2020)

The Placeton Project includes three main exploration targets named Placeton, Los Naranjos and Caballo Muerto. Both the Placeton and Caballo Muerto targets are located along the 10 Km wide NW trend that includes the “Los Colorados” Jurassic Fe and the “Relincho” Paleocene Cu-Mo porphyry deposit, both to the West of Placeton and the “El Morro” Late Eocene-Oligocene porphyry Cu-Au deposit to the East. Of the project This SE-NW trend has not

been traced as a structural corridor in the field, however important differences in topographic features and in the distribution of the geological units can be observed between both sides of the trend. Informally, it is supposed to be a deep structural feature that crosscuts the different magmatic belts along a significant time interval. See figure below.



NW Trend alignment (Source: W. Muehlebach, 2020)

As mentioned, both prospects Placeton and Caballo Muerto are located along the Relincho-El Morro NW regional lineament (“Relincho-El Morro Corridor”) and about 20 km distance from each project.

The Placeton Project hosts a magmatic-hydrothermal system forming a cluster of various alteration – mineralization centers characterized by mainly phyllic alteration that spread over about 12 KM in an NNE direction within an extended propylitic background. The district’s lithology is characterized by a basement formed by volcanic rocks interbedded with volcanoclastics as well as marine and continental sedimentary rocks. In the Northern part of the area, a monzodioritic to diorite intrusive belonging to the Los Morteros Complex can be identified. This units are locally intruded by small dioritic to granodioritic stocks with aphanitic to porphyritic textures. All units are extensively covered by recent piedmont deposits. The alteration of the district is characterized by phyllic (sericite > quartz) alteration that affects mainly the intrusive bodies along NW apparent trends and argillic (illite-montmorionite) alteration is present mainly on contact zones. The volcanic and volcanoclastic basement surrounding the intrusive bodies is affected by propylitic alteration (epidote, chlorite, magnetite, and calcite), weakly on the central area and intensely pervasive on the south area of the district. Several Cu and Au-Ag artisanal mines that have been worked in the past can be identified in the area. Locally, the geological background is dominated by Triassic volcanic and volcanoclastic units intruded by intermediate to felsic rocks of probable Paleocene-Eocene age. Horizontal, modern tuff is overlying locally in discordant contact and a significant part of the prospect is covered by recent debris. The most exposed intrusives are partially porphyritic, dioritic-granodioritic and can be registered in the northern and central part of the prospect. In the northern part they affect dioritic-monzodioritic mainly phaneritic intrusions that show some N340° structural control. In the Southern part of the prospect a series of subvertical to -70° dipping, aphanitic and porphyritic granitic as well as granodioritic dikes show N070° and N320° orientations.

Observed hydrothermal alteration is concentrated in three areas and is dominantly sericite > quartz. Alteration develops mainly in the porphyritic diorite-granodioritic rocks and extends partially into the volcanics / volcanoclastics and into the diorite-monzodiorite. In the southern part the phyllic alteration affects part of the granitic-granodioritic dikes. Argillic alteration (illite-montmorillonite) is reported sometimes, apparently on the edges of the intrusive bodies. Close to intrusives the volcanic and volcanoclastic host rock shows an intense phyllic alteration, it is characterized by partial to complete replacements of sericite > quartz that in occasions can obliterate the original rock texture; disseminated and clotted magnetite as well as scarce calcite veinlets are part of the assemblage. Veining can characteristically be described as sheeted quartz vein structures and vary from A type to quartz-sericite veins.

Historical mapping and geochemical results led to the identification of three target areas defined by the outcrop of epizonal intrusive rocks, favorable alteration facies and geochemical values.

Northern Anomaly

The intrusive rocks are represented by a small, partially porphyritic, dioritic-granodioritic stock. This stock intrudes a phaneritic diorite-monzodiorite intrusive that make up an apparently structurally controlled N342° trending body. Host rocks are volcanics that have a widespread expression in the whole area. A newer tuff unit overlays locally the older rocks and modern piedmont debris covers about 80% of the whole area.

Hydrothermal alteration affects mainly the porphyritic diorite-granodiorite and is characterized by moderate to intense phyllic alteration (sericite > quartz) with a minor argillic overprint (illite-montmorillonite). The contact of the intrusive is weakly altered to sericite and the host rock looks almost fresh.

No visible copper mineralization has been registered at the anomaly but plenty of iron oxides can be seen replacing disseminated sulphides, as well as in quartz veins and fractures. Copper values obtained in rock chip samples are mainly concentrated in the dioritic-granodioritic rocks. A small historic artisanal copper mine is emplaced in the dioritic-granodioritic stock.

Central Anomaly

Mafic volcanic rocks dominate in this area and they are intruded by a single porphyritic, dioritic-granodioritic intrusive of elliptical shape. The younger tuff unit overlies the older rocks in some parts and the recent piedmont cover large parts of the area.

Hydrothermal alteration is centered on the porphyritic stock and is characterized by sericite > quartz. Alteration is more intense in the center of the intrusive body and shows a N330° trend controlled by the sheeted vein structures. Weak argillic alteration (illite-montmorillonite) appears on the edges of the intrusive body. The volcanic host rock only shows weak propylitic alteration characterized by epidote veins, minor chlorite replacing mafic minerals and scarce disseminated magnetite.

Copper oxides were detected on three spots on the dioritic - granodioritic porphyry along quartz-sericite - (chalcopyrite-pyrite) veins and veinlets and values between 41 ppm to 4,910 ppm were obtained from rock chip sampling. The mineralization is controlled by two sets of veins and veinlets, an about WNW trending set of vitreous quartz-chalcopyrite veins, and a later NNW-NS set of sutured quartz-sulfide veins with sericitic selvages, within zones of intense silica flooding and sheeted fracturing. A small artisanal Cu mine was developed in the porphyritic stock.

Southern Anomaly

Lithology is dominated by mafic volcanic rocks, interlayered volcanoclastic rocks and sedimentary breccias. These rocks are intruded by aphanitic and porphyritic, riolitic and dacitic dikes with NW, N320° and N10°E trends. At least part of these acid intrusive rocks are interpreted as the roots of acid-intermediate dome complexes. Small breccia structures have been recognized spatially related to the intrusions. Some of the NW trending tabular bodies show an intense phyllic alteration (sericite > quartz) that is projected into the volcanoclastic host rock. The rest of the dikes are affected by weak argillic alteration. The volcanic and volcanoclastic host rock show a partial to complete replacement by sericite > quartz, as well as magnetite and calcite that locally can obliterate completely the original texture.

Copper has been observed mainly in the acid subvolcanic rocks and at a lesser extent in the surrounding volcanic rock, disseminated and in quartz-sericite-(chalcopyrite-pyrite) veinlets and veins. Copper values obtained from rock chip samples ranged between 43 ppm and >10,000 ppm and appeared to be related to high arsenic contents. There was a small historic artisanal copper mine in the granitic-granodioritic dikes.

Caballo Muerto

Information available for this area is more limited than for the Placeton area. The lithological background is dominated by a Permo-Triassic volcanoclastic sequence of volcanic breccias with interlayered sedimentary breccias, dacitic and rhyolitic tuffs and andesitic lavas. Locally these rocks are cut by subvolcanic andesitic dikes that can contain minor copper oxides. Part of the dacitic rocks are interpreted as part of a dacitic dome structure of about 700 m by 600 m that shows a weak quartz-calcite-pyrite alteration overprint. Locally the sequence shows moderate contact metasomatism. Modern piedmont cover extends over about 50% of the zone and clasts of igneous breccia in the float were reported.

Dioritic, granodioritic and granitic intrusions cut the volcanoclastic sequence. The diorite displays the largest areal distribution, it shows a weak potassic alteration (phlogopite on amphibole) and millimeter to centimeter thick quartz veins. The granodiorite shows equigranular to porphyritic textures and displays a possible weak K feldspar alteration. The granitic intrusive shows porphyritic texture, locally narrow quartz veinlets and scarce disseminated Pyrite altered to jarosite.

The main hill at Caballo Muerto is characterized by sparse veining, with sulfide-only/quartz-poor sulfide veinlets present as sub-mm to mm-scale structures; sub-mm to cm-scale quartz-only or sulfide-poor structures are also present. Outcrops display well-developed goethite + jarosite coatings on tectonic fractures and veinlet surfaces, indicating a pyritic protolith and probable first-cycle oxidation-leaching.

A quote from an internal report from William Chavez (Chavez William January 2003) described the following characteristics in Caballo Muerto: “Exposed veinlet surfaces comprise exotic, almost structureless goethite +/- sparse jarosite and indigenous, cellular, well-developed boxworks indicating the former presence of pyrite >> chalcopyrite. Note that triangular cells having partial red hematite +/- goethite fillings are present, and indicate the former presence of chalcopyrite (chalcopyrite is tetragonal, so chalcopyrite cells tend to be triangular, with slightly sinuous borders). The total amount of former chalcopyrite appears to have been much subordinate to that of pyrite, based on preserved cellular structures and the presence of goethite > jarosite > red hematite along fractures and former sulfide-bearing veinlets.”

Outcrops adjacent to and north of the main hill, consisting of mafic-bearing intrusive rocks, suggest that alteration-(mineralization) is locally restricted to the ochre-brown outcrops represented by the main hill area and could indicate a late, post-mineral intrusive event.

Adjacent to the main hill, in terrain consisting of colluvial-alluvial and boulder-berm talus cover, float clasts comprising coarse quartz veins, brecciated quartz and coarse quartz veins, and intrusion-clast breccias. A sulfide-bearing matrix, now represented by goethite +/- sparse red hematite, characterized some breccias. The veining observed in clasts from this covered area indicates multiple-generation fracturing and healing with quartz. In some vein-fragment clasts bladed quartz is observed and probably indicates former calcite; replacement by quartz was likely the result of boiling.

At least three veinlet types are observed in clasts from the colluvial-alluvial field:

- 1) coarse to drusy quartz veins apparently characterized by sparse or no sulfides and having sharp vein borders;
- 2) fine grain quartz in planar (“linear”) structures hosting stringer-style sulfides and having no halos; and
- 3) cockade-style structures having multiple-generation quartz veinlet development and sparse sulfides.

These structures include those having hosted probable former calcite, now replaced by coarse quartz. Veinlet-hosted sulfides appear to have been dominated by pyrite, suggested by the presence of euhedral to anhedral grains of goethite-after-pyrite; however, at least some chalcopyrite or (supergene) chalcocite was likely present because red hematite occupies some cavities in vein fragments. In general, the rock fragments indicate a pyritic sulfide protolith.

Former disseminated sulfides are indicated by the presence of euhedral to anhedral grains of goethite and sparse but notable red hematite; broken veinlet surfaces possess scattered cellular structures, most of which are equant (pyrite), although sparse triangular cusps indicate the former presence of chalcopyrite.

Based on the occurrence of well-developed, multiple-stage veining and attendant goethite +/- red hematite iron oxide “staining”, the talus slope adjacent to the main hill area at Caballo Muerto represents an attractive target area for potential stockwork-style mineralization.

At least six small artisanal mines have been worked in the past for copper, silver and gold, mining small vein structures. Mineralization identified at the different exploration campaigns is related to small epizonal stocks and dikes of intermediate to acid nature. Copper mineralization has been recognized at both Placeton and Caballo Muerto areas and has shown higher and more consistent values in the south anomaly of Placeton. Results from rock chip sampling shows variations from between 41 ppm to 46,600 ppm Cu that occurs as oxides in fractures and in quartz-sericite veins and veinlets. The hypothesis is considered that the alteration and mineralization identified in the three areas of Placeton are the outcropping part of a single sub-volcanic mineralized complex in which the small mines found in the area are distal manifestations. Caballo Muerto has a different geochemical signature, which suggests that it could be a separate system.

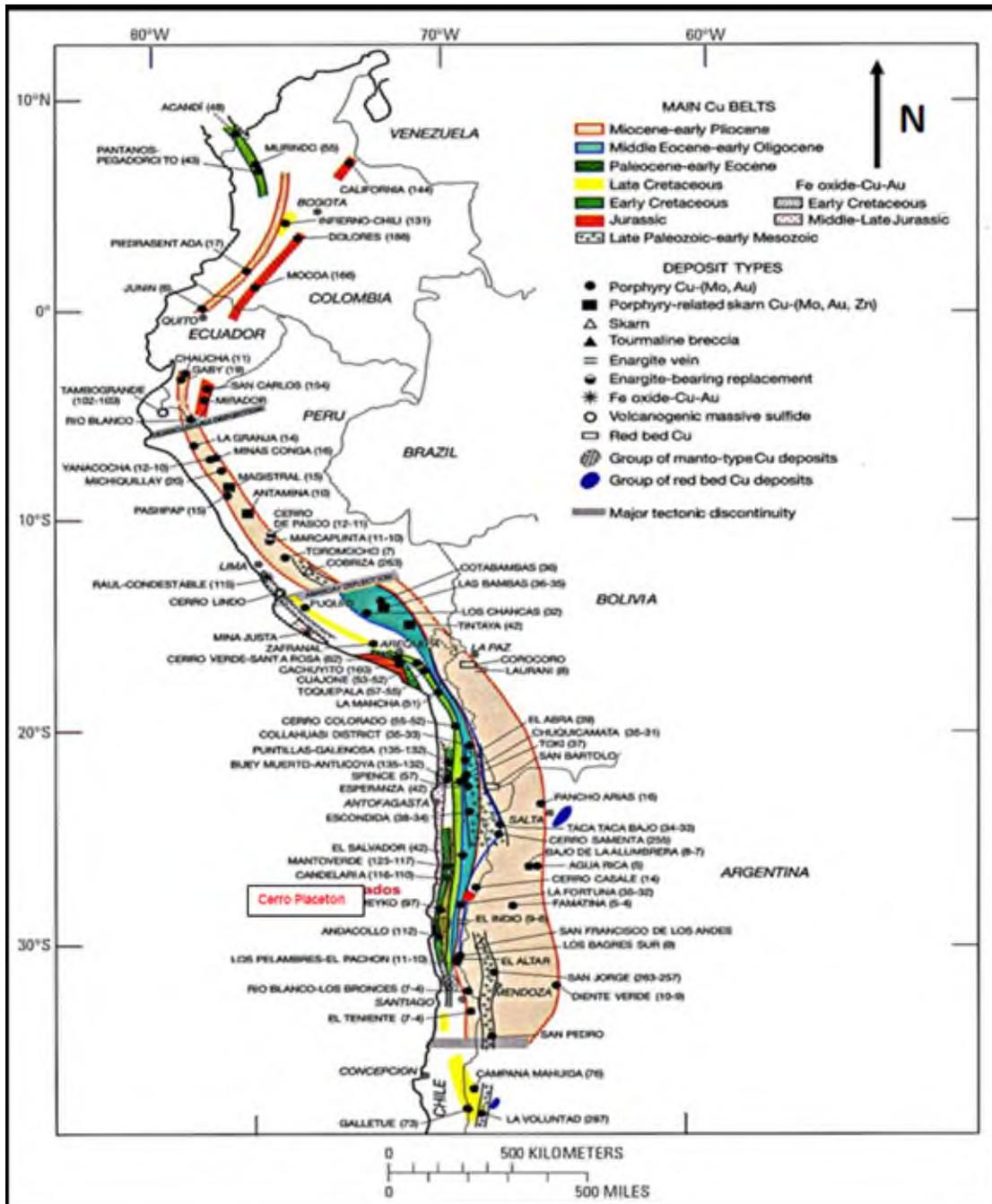
Deposit Types

Based on geological features and location, the Placeton Projects is classified as a porphyry Cu–Mo system. Porphyries are well documented along the Andes and represent a widespread type of deposit in Chile (See Figure below).

Porphyry deposits in general are large, low-to-medium grade magmatic-hydrothermal deposits in which primary (hypogene) sulfide minerals occur as veinlets and disseminations within large volumes of altered rock. They are spatially and genetically related to felsic to intermediate porphyritic intrusions (Seedorf et al., 2005). The large size and styles of mineralization (e.g., veins, vein sets, stockworks, fractures, 'crackled zones', and breccia pipes), and association with intrusions distinguish porphyry deposits from a variety of other deposit types that may be peripherally associated, including skarns, high-temperature mantos, breccia pipes, peripheral geothermal veins, and epithermal precious metal deposits. Secondary minerals may be developed in supergene-enriched zones in porphyry Cu deposits by weathering of primary sulfides. Such zones typically have significantly higher copper grades, thereby enhancing the potential for economic exploitation (Sinclair, 2007).

Porphyry deposits occur throughout the world in extensive, relatively narrow, linear metallogenic provinces. They are predominantly associated with Mesozoic to Cenozoic orogenic belts in western North and South America and around the western margin of the Pacific Basin, particularly within the South East Asian Archipelago. However, major deposits also occur within Paleozoic orogens in Central Asia and eastern North America, and to a lesser extent, within Precambrian terranes (Sinclair, 2007).

Porphyry deposits are large and typically contain hundreds of millions of tonnes of mineralization, although they range in size from tens of millions to billions of tonnes. Grades for the different metals vary considerably but generally average less than 1%. In typical porphyry copper deposits, Cu grades range from 0.2% to more than 1% Cu; Mo content ranges from approximately 0.005% to about 0.03% Mo; Au contents range from 0.004 g/t Au to 0.35 g/t Au; and Ag content ranges from 0.2 g/t to 5 g/t Ag (Sinclair, 2007).



Exploration

Before year 2011, few major companies carried out extensive exploration in the area as mentioned on chapter 6 (History).

In 2014, Durus Copper NL Australia through its Chilean subsidiary Durus Copper Chile SpA (“Durus Copper”) formed a JV with Aconcagua Minerals SpA and explored the Southern, Central and Northern anomalies of Placeton. Various exploration techniques were utilized during the exploration stages, such as geological mapping, geochemical sampling and geophysical survey. No drilling has been conducted on any prospects so far.

Durus Copper and Aconcagua's JV invested in exploration approximately US\$160K between years 2014 and 2017. And in January 2018, the JV carried out geological and structural mapping focused on Caballo Muerto. In March 2018, the JV was terminated.

During the period April 2018 to July 2018, Aconcagua and CAP Minería conducted exploration work on the project to get a better understanding of the broader geological setting of the Placeton Project. Table 6.2 shows the breakdown of expenditures done in this period.

Thematic Mapping

The LandSAT and ASTER satellite imagery interpretation was used as part of early-stage exploration target definition. Two phases of geological mapping were completed at the Placeton Project, with each phase building on and refining the previous phase. The most current geological map was completed by senior geologist Mr. Gabriel Hernandez in 2018. The area covered of Caballo Muerto was 1.5 km by 2.0 km, and in Placeton the area was 4 km by 3 km.

Data compilation and field reconnaissance to all the anomalies were carried out to obtain a basic understanding of the geological settings with respect to local lithologies, structure and alteration.

Durus Copper carried on a geological mapping and geochemical sampling campaign in 2014 to confirm the previous work on three identified alteration anomalies at the Placeton Project. Rock chip samples were collected every 50 m on 200 m separated profiles, and 159 samples were sent to ALS Global for assay on ICP-AES (33), Au (fire assay) and sequential Cu.

Only a few highly anomalous copper samples show residual Cu values comparable with soluble Cu values on the sequential Copper analysis, indicating that the mineralization is almost exclusively composed by oxides, however some copper sulphides are present in the anomalous areas.

A sequential Copper analysis was made to detect the Soluble Copper (CuS), the Cyanide Copper (CuCy) to detect the presence of Chalcocite-Coveline and the Residual Copper (CuR) to detect the existence of Chalcopyrite-Bornite.

Drilling

No drilling campaigns have been carried out at the Placeton Project by 1246773 BC Ltd, Aconcagua, or, to the knowledge of the author, previous owners.

Sampling, Analysis, and Data Verification

The geochemical sampling routine at the Placeton consisted of chip samples allocated on 200 m sections, separated by 50 m on each section. Individual one to two-kilogram samples were collected only from outcrops within a 5 m radius around each sample's central point.

In case of observable copper mineralization on veins, a 1 kg to 2 kg channel sample was obtained crosscutting each vein. The mechanical sample preparation routine corresponds to the standard ALS Chemex PREP31 procedure, that consists on crush sample to 70% less than 2 mm, split 250 g with a riffle splitter and pulverize spit better than 75% passing 75 microns.

The analysis performed to the samples were an exploration package that includes 33 elements via four acid digestion and ICP-AES assay (ALS code ME-ICP61) plus Au by fire and AAS assay (ALS code Au-AA23). In addition, a sequential Cu assay package was performed to these samples.

Data Verification

Aconcagua Minerals SpA has not yet commenced an exploration program at the Property and as such, there is no current data to be verified.

The author examined historic rock chip sample assay data and geophysical analysis information, as well as historic reports and maps. The author observed evidence of roads in the project area and outcrop sampling that are consistent with the sampling programs and geophysical analysis described for the project. The author has no reason to believe the historical data is less than valid and representative.

The historic rock chip assay database and geophysical analysis has not been verified by the author. The rock chip assay database is not considered current, but based on the work reviewed, it is the author's opinion that the historical outcrop assay information, the geophysical analysis and information disclosed in this report is valid and adequate for the purposes used in the technical report, providing a basis for further works.

Mineral Processing and Metallurgical Testing

No metallurgical or mineral processing studies have been conducted.

Mineral Resources and Mineral Reserves

There are no known recorded mineral resource or mineral reserve estimates for the Property, and there is no recorded mineral production from the Property.

Exploration Work Plan

The Placeton Project has the potential to be a significant copper-moly mineralization and clearly warrants additional exploration work. The author recommends a 12-month, 2 stage work exploration program. The first stage comprises of 6-months and encompasses: validation and confirmation of the mineralization indicated by the historic geochemical and geophysical results; extension of the geological mapping including a structural and alteration study complemented with an extensive geochemical surface sampling program; conducting also an advanced geophysical program of IP in areas of interest. The second stage, lasting 6-months, which is conditional upon positive results from the first phase, comprises of a 2400 m diamond core scout drilling program on the targets identified from the first phase as well as continued detailed geological mapping and geophysical surveys of the geological targets identified in Phase I.

The work plan and corresponding budget are set out below and in the table contained in this section.

Phase I

The Phase I work program comprises further exploration to all the main two targets Placeton (Northern, Central and Southern anomalies) and Caballo Muerto. For this, a detailed geological and structural mapping and geochemical surface sampling program is recommended. This program is focused on both the validation of the historic geochemical

and geophysical results and well as significantly extending these programs, and a ground magnetic program, over most of the tenements area.

Additionally, the coverage of Induced Polarization profiles will be extended over the areas of interest. Based on the results obtained, a second phase will be defined to design a drilling campaign for a first test of the priority targets.

The program should commence at the Placeton anomalies, with work on Caballo Muerto taking place between September to May, when weather permits.

If the results are positive, the author advised the company to implement the proposed program of Phase II.

Phase II

A second phase of advanced exploration work is proposed that will consist of a 2400 m scout diamond core drilling program on the targets identified in Phase 1 to validate targets and to enable the delineation of the geological model.

Additionally, the author proposes to continue the structural geological mapping and geochemical analysis identified in Phase 1, along with mineralogical/petrographical analysis and additional IP profiles or advance geophysical methods on the targets of greatest interest that can survey greater depth penetration than the conventional methods.

Recommended Work Plan and Budget

The Table below summarizes the budget costs to complete Phases I and II of the recommendations, exclusive of project holding costs and corporate costs. All Phase II work is contingent upon successful results from Phase I work.

| Program Phase | Area | Estimated Cost US\$ x 1,000 |
|---------------|---------------------|--------------------------------|
| Phase 1 | Community relations | 20 |
| | Logistics | 158 |
| | Geochem | 60 |
| | Geophysics (IP) | 100 |
| | Ground magnetics | 60 |
| | Structural geology | 100 |
| | Surface mapping | 110 |
| | Subtotal | 600 |
| Phase 2 | Community relations | 50 |
| | Logistics | 100 |
| | Geophysics (IP) | 50 |
| | Drilling/assays | 600 |
| | Field operation | 100 |
| | Subtotal | 900 |
| Total | | 1,500 |

(ii) El Cofre Project

The copper and cobalt mineralization is the main target of El Cofre. Due to its structural controlled geology, the geologists believe that the potential size of the deposit could be less than 2 million tons. The deposit is located in the Lower Cretaceous Arc along the coastal trend (cordillera de la costa) of the Atacama region, mainly hosted by the

Atacama Fault System, and to a minor extent in volcanic and sedimentary rock. The cobalt mineral has a close affinity with copper, nickel, arsenic and iron sulfides, commonly forming mineral associations in hydrothermal ore deposits.

El Cofre has been mined by artisanal miners in the past, and the exploration work done in the prospect is not as advanced as that of the Placeton Project. The work to date has been limited to surface mapping; a small amount of geochemistry; and preliminary geophysical survey. Given the potential scale of the project relative to that of Placeton, the El Cofre Project is not the top priority of Aconcagua Copper Corporation.

The El Cofre project is located approximately 125 km West of Placeton. The El Cofre project is located in a very different geological setting to the Placeton project. The El Cofre has the potential for relatively small-scale structurally controlled copper-cobalt mineralization, whereas Placeton has the potential to host large-scale porphyry-style mineralization.

ITEM 6: FINANCINGS

During the 12-month period prior to the date hereof, TargetCo has completed a non-brokered private placement financing of TargetCo Common Shares and the Concurrent Financing (as described below). See also “*Item 13 - Prior Sales*”.

On May 10, 2021, TargetCo completed the Concurrent Financing of 8,223,156 TargetCo Subscription Receipts at a price of \$0.50 per TargetCo Subscription Receipt, for aggregate gross proceeds of \$4,111,578. As part of the Amalgamation, the TargetCo Common Shares underlying the TargetCo Subscription Receipts will be exchanged on a one-for-one basis for Resulting Issuer Common Shares.

Pursuant to the terms and conditions of the Subscription Receipt Agreement, each TargetCo Subscription Receipt will be automatically converted into one TargetCo Common Share. The gross proceeds of the Concurrent Financing, less the fees payable to the Finders (the “**Escrowed Proceeds**”), were delivered to and are being held by the Subscription Receipt Agent in an interest-bearing account (the Escrowed Proceeds, together with all interest and income earned thereon, are referred to herein as the “**Escrowed Funds**”) pending the satisfaction or waiver (to the extent such waiver is permitted) of the Escrow Release Conditions in accordance with the provisions of the Subscription Receipt Agreement. The balance of the Escrowed Funds will be released from escrow to TargetCo (or as it may otherwise direct) upon satisfaction of the following conditions (the “**Escrow Release Conditions**”):

- (a) written confirmation from each of TargetCo and 773 that all conditions precedent to the completion of the RTO in accordance with the terms of the Amalgamation Agreement, without any material amendment, have been satisfied or waived, other than the release of the Escrowed Funds;
- (b) the Resulting Issuer Common Shares being conditionally approved for listing on the Exchange and TargetCo and being satisfied that all conditions have either been fulfilled or waived or are capable of being fulfilled or waived, each acting reasonably;
- (c) the receipt of all regulatory, shareholder and third-party approvals, if any, required in connection with the RTO and the listing of the Resulting Issuer Common Shares on the Exchange;
- (d) TargetCo and 773 will not be in breach or default of any of its covenants or obligations under the Subscription Receipt Agreement, which will all be confirmed to be true in a certificate of a senior officer of each of TargetCo and 773; and
- (e) the delivery of the release certificate confirming that the release conditions have been satisfied or waived in accordance with the terms of the Subscription Receipt Agreement.

If the Escrow Release Conditions are not satisfied at or before 5:00 p.m. (Calgary time) on September 7, 2021 or, if prior to such time, the Amalgamation Agreement is terminated or TargetCo has advised TSX Trust, acting in its capacity as escrow agent under the Subscription Receipt Agreement, or announces to the public that the RTO will not be completed (in any case, a termination event, and the date upon which such event occurs, the “**Termination Date**”), within three business days following the Termination Date, the Escrowed Funds will be used by TargetCo to repurchase the TargetCo Subscription Receipts at a redemption price per TargetCo Subscription Receipt equal to the offering price plus a pro rata amount of any interest and other income accrued in respect of the Escrowed Proceeds to the date of redemption. To the extent that the Escrowed Funds are not sufficient to purchase all of the TargetCo Subscription Receipts on the foregoing terms, TargetCo will be liable for and will contribute such amounts as are necessary to satisfy any shortfall.

TargetCo retained the services of the Finders in connection with the Concurrent Financing, for which the Finders were paid an aggregate sum of \$101,511, and were issued 209,024 TargetCo Broker Warrants. The offering price for the TargetCo Subscription Receipts was based on an assessment of general market conditions, including economic, political or regulatory conditions, inflation, changes in interest or currency rates and investor sentiment.

Junior Issuers

Assuming that the Escrowed Funds are released to TargetCo and that the RTO is completed, the total funds available to the Resulting Issuer as of the Effective Date after giving effect to the RTO would be approximately \$4,010,000.

Principal Purposes – Generally

The aggregate net proceeds of the Concurrent Financing to TargetCo are expected to be approximately \$3,574,005, representing the existing net cash in the business plus the gross proceeds of the Concurrent Financing less \$305,000 for the listing expenses and financing costs.

Subject to the release thereof, the aggregate net proceeds of the Concurrent Financing are expected to be used: (i) for advanced exploration of the Placeton project; (ii) and for general corporate purposes following completion of the RTO.

The following table summarizes the expenditures anticipated by the Resulting Issuer required to achieve its business objectives during the 12 months following the date hereof:

| <u>Principal Purpose</u> | <u>Estimated Amount</u> |
|----------------------------------|-------------------------|
| Placeton Project: | |
| Exploration – Phase 1 | \$719,565 |
| Exploration – Phase 2 | \$918,435 |
| Tenement fees & related expenses | \$127,500 |
| El Cofre: | |
| Exploration | \$30,000 |
| Tenement fees & related expenses | \$90,000 |
| Chilean admin & operating costs | \$355,500 |
| G&A and Working Capital | \$953,000 |
| Total | <u>\$3,194,000</u> |

The Resulting Issuer intends to spend the funds available to it as stated in the table above. However, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary for the Resulting Issuer to achieve its objectives or to pursue other opportunities that management believes are in the interests of the Resulting Issuer.

See “*Item 21 – Risk Factors – Risks Related to the Operations of the Resulting Issuer – Net Proceeds*”.

ITEM 7: DIVIDENDS AND OTHER DISTRIBUTIONS

Neither 773 nor TargetCo has declared or paid any cash dividends to its shareholders during the three most recently completed financial years or during its current financial year. 773’s and TargetCo’s current policy is to retain earnings to finance the growth and development of its business, and it is expected that such policy will continue to be applied by the Resulting Issuer. This policy may be reviewed in the future. TargetCo and 773 are not aware of any restrictions that could prevent the Resulting Issuer from paying dividends.

See “*Item 21 – Risk Factors – Risks Relating to the Operations of the Resulting Issuer – Dividend Policy*”.

ITEM 8: MANAGEMENT'S DISCUSSION AND ANALYSIS

Included as Appendix “E” to this Listing Application is TargetCo's management's discussion and analysis for the fiscal year ended 2020. Each management's discussion and analysis includes financial information from, and should be read in conjunction with, the audited annual financial statements of TargetCo for the year ended 2020 and the notes thereto, which are attached as Appendix “B” to this Listing Application, as well as the disclosure contained throughout this Listing Application.

Included as Appendix “F” to this Listing Application is 773's management's discussion and analysis for the fiscal year ended 2020. It includes financial information from, and should be read in conjunction with, the audited financial statements of 773 for the year ended 2020 and the notes thereto, which are attached as Appendix “C” to this Listing Application, as well as the disclosure contained throughout this Listing Application.

ITEM 9: DISCLOSURE OF OUTSTANDING SECURITY DATA ON A FULLY-DILUTED BASIS

TargetCo is seeking to list the Resulting Issuer Common Shares on the TSXV under the symbol “ACOP”. The following table sets forth the expected fully-diluted share capital of the Resulting Issuer on a *pro forma* basis as at March 31, 2021 based on the share capital of TargetCo and 773 as at the same date.

| Designation of Security | Amount Outstanding Prior to the Completion of the RTO | Amount Outstanding after the Completion of the RTO | Percentage of Total Number of Resulting Issuer Common Shares to be Issued and Outstanding following Completion of the RTO on a Fully-Diluted Basis |
|---|--|--|--|
| Resulting Issuer Common Shares based on the outstanding TargetCo Common Shares prior to the Completion of the RTO | 20,000,000 | 20,000,000 | 48.1% |
| Resulting Issuer Common Shares underlying the TargetCo Subscription Receipts issued in connection with the Concurrent Financing | - | 8,223,156 | 19.8% |
| Resulting Issuer Common Shares based on the outstanding 773 Common Shares prior to the Completion of the RTO | 6,150,000 | 6,150,000 | 14.8% |
| Total (non-diluted) | 26,150,000 | 34,373,156 | 82.7% |
| Resulting Issuer Common Shares reserved for issuance upon exercise of the TargetCo Warrants | 7,000,000 | 7,000,000 | 16.8% |

| Designation of Security | Amount Outstanding Prior to the Completion of the RTO | Amount Outstanding after the Completion of the RTO | Percentage of Total Number of Resulting Issuer Common Shares to be Issued and Outstanding following Completion of the RTO on a Fully-Diluted Basis |
|---|--|---|---|
| Resulting Issuer Common Shares reserved for issuance upon exercise of the TargetCo Broker Warrants issued in connection with the Concurrent Financing | - | 209,024 | 0.5% |
| Resulting Issuer Common Shares reserved for issuance upon exercise of the TargetCo Options | - | - | - |
| Total (fully-diluted) | 33,150,000 | 41,582,180 | 17.3% |

See “*Item 10 – Description of Securities to be Listed*” and “*Item 15 – Principal Securityholders*” for additional details.

ITEM 10: DESCRIPTION OF SECURITIES TO BE LISTED

Resulting Issuer Common Shares

This application is made to list the Resulting Issuer Common Shares on the TSXV under the symbol "ACOP". The Listing will be subject to the Resulting Issuer fulfilling all of the minimum listing requirements of the TSXV and obtaining conditional approval of the TSXV. There can be no assurance that the TSXV will list the Resulting Issuer Common Shares. If listing approval is ultimately obtained prior to the Effective Time, trading on the TSXV of the Resulting Issuer Common Shares is expected to commence shortly following the Effective Date.

773

773 is currently authorized to issue an unlimited number of common shares of which 6,150,000 common shares are issued and outstanding as of the date hereof.

As of the date of this Listing Application, the 773 common shares are not listed or quoted for trading on any stock exchange.

773 Common Shares

Holders of 773 common shares shall be entitled to receive notice of and to attend all meetings of shareholders of the 773, except meetings at which only holders of other classes or series of shares are entitled to attend, and at all such meetings shall be entitled to one vote in respect of each common share held. The holders of common shares shall be entitled to receive dividends if and when declared by the board of directors of 773. Furthermore, subject to the rights of holders of shares of any class ranking prior to the common shares, holders of common shares are entitled to receive the remaining property or assets of 773.

SubCo

SubCo is currently authorized to issue an unlimited number of common shares SubCo, of which 100 are issued and outstanding as at the date hereof. As of the date of this Listing Application, the SubCo Common Shares are not listed or quoted for trading on any stock exchange.

SubCo Common Shares

Holders of SubCo common shares shall be entitled to receive notice of and to attend all meetings of shareholders of the SubCo, except meetings at which only holders of other classes or series of shares are entitled to attend, and at all such meetings shall be entitled to one vote in respect of each common share held. The holders of common shares shall be entitled to receive dividends if and when declared by the board of directors of SubCo. Furthermore, subject to the rights of holders of shares of any class ranking prior to the common shares, holders of common shares are entitled to receive the remaining property or assets of SubCo.

TargetCo

TargetCo is currently authorized to issue an unlimited number of common shares and an unlimited number of preferred shares, issuable in series, of which 20,000,000 TargetCo Common Shares are issued and outstanding. There are no preferred shares of TargetCo issued and outstanding as of the date hereof. The following securities of TargetCo are expected to be issued and outstanding immediately prior to the completion of the RTO:

1. 20,000,000 TargetCo Common Shares; and
2. 7,000,000 TargetCo Warrants.

As of the date of this Listing Application, none of the TargetCo Common Shares or preferred shares are currently listed or quoted for trading on any stock exchange.

TargetCo Common Shares

Holders of TargetCo common shares shall be entitled to receive notice of and to attend all meetings of shareholders of the TargetCo, except meetings at which only holders of other classes or series of shares are entitled to attend, and at all such meetings shall be entitled to one vote in respect of each common share held. The holders of common shares shall be entitled to receive dividends if and when declared by the board of directors of TargetCo. Furthermore, subject to the rights of holders of shares of any class ranking prior to the common shares, holders of common shares are entitled to receive the remaining property or assets of TargetCo.

Resulting Issuer

It is expected that following the RTO, the Resulting Issuer will be authorized to issue an unlimited number of Resulting Issuer Common Shares. Assuming the completion of the RTO, approximately 34,373,156 Resulting Issuer Common Shares will be issued and outstanding following the Effective Time. The following securities of the Resulting Issuer are expected to be outstanding immediately following the completion of the Amalgamation:

1. 34,373,156 Resulting Issuer Common Shares;
2. Zero (0) Resulting Issuer Options;
3. 7,000,000 Resulting Issuer Warrants; and
4. 209,024 Resulting Issuer Broker Warrants.

Resulting Issuer Common Shares

Holders of the Resulting Issuer Common Share shall be entitled to receive notice of and to attend all meetings of shareholders of the Resulting Issuer, except meetings at which only holders of other classes or series of shares are entitled to attend, and at all such meetings shall be entitled to one vote in respect of each common share held. The holders of common shares shall be entitled to receive dividends if and when declared by the board of directors of Resulting Issuer. Furthermore, subject to the rights of holders of shares of any class ranking prior to the common shares, holders of common shares are entitled to receive the remaining property or assets of Resulting Issuer.

ITEM 11: CONSOLIDATED CAPITALIZATION

The following table summarizes the Resulting Issuer's anticipated consolidated capitalization upon completion of the Listing. The table should be read in conjunction with TargetCo's Financial Statements, which are attached as Appendix "B" to this Listing Application, as well as the 773 Financial Statements which are attached as Appendix "C", and the pro forma financial statements of the Resulting Issuer (unaudited) which are attached as Appendix "D".

| | As at Mar 31, 2021 before giving effect to the RTO and Concurrent Financing (a) | As at Mar 31, 2021 after giving effect to the RTO and Concurrent Financing (b) |
|---|--|---|
| Cash | 85,721 | 3,891,851 |
| Liabilities | 61,575 | 327,039 |
| Share Capital | | |
| Common Shares | 26,150,000 | 34,373,156 |
| Options | - | - |
| Warrants | 7,000,000 | 7,209,024 |
| Total Fully-Diluted Issued and Outstanding Resulting Issuer Common Shares | 33,150,000 | 41,582,180 |

ITEM 12: STOCK OPTION PLAN

The board of directors of TargetCo reviews and approves the TargetCo Stock Option Plan . The TargetCo Stock Option Plan was established to attract and retain employees, consultants, officers or directors of TargetCo and to motivate them to advance the interests of TargetCo by affording them with the opportunity to acquire an equity interest in TargetCo. The Resulting Issuer is expected to adopt the Resulting Issuer Equity Incentive Plan in connection with the RTO. 773 expects to have approved by its directors and shareholders, as applicable, the Resulting Issuer Equity Incentive Plan by way of unanimous written consent resolutions prior to completion of the RTO.

Resulting Issuer Equity Incentive Plan

As at the date hereof, TargetCo has zero TargetCo Options outstanding:

The following information is intended as a brief description of the Resulting Issuer Equity Incentive Plan and is qualified in its entirety by the full text of the Resulting Issuer Equity Incentive Plan attached as Appendix "G" to this Listing Application.

The Resulting Issuer Equity Incentive Plan will provide for stock option grants to Eligible Persons (as defined below) from time to time. Up to such number of Resulting Issuer Common Shares as is equal to 10% of the aggregate number of issued and outstanding Resulting Issuer Common Shares from time to time may be reserved for issue upon the exercise of options granted pursuant to the Resulting Issuer Equity Incentive Plan and any other share based incentive plan of the Resulting Issuer.

The purpose of the Resulting Issuer Equity Incentive Plan is to attract, retain and motivate directors, officers, employees and consultants (collectively, the "**Eligible Persons**") by providing them with the opportunity, through share options, to acquire a proprietary interest in the Resulting Issuer and benefit from its growth.

The options are non-assignable and may be granted for a term not exceeding five years. Resulting Issuer Options may be granted under the Resulting Issuer Equity Incentive Plan only to Eligible Persons subject to the rules and regulations

of applicable regulatory authorities and any Canadian stock exchange upon which the Resulting Issuer Common Shares may be listed or may trade from time to time. The total number of Resulting Issuer Common Shares which may be reserved for issuance to any one individual under the Resulting Issuer Equity Incentive Plan and any other share based incentive plan of the Resulting Issuer within any one-year period shall not exceed 5% of the outstanding issue. The maximum number of Resulting Issuer Common Shares which may be reserved for issuance to insiders under the Resulting Issuer Equity Incentive Plan, any other employee stock option plans or options for services, shall be 10% of the Resulting Issuer Common Shares issued and outstanding at the time of the grant (on a non-diluted basis). The maximum number of options which may be granted to insiders under the Resulting Issuer Equity Incentive Plan, together with any other previously established or proposed share compensation arrangements, within any one-year period shall be 10% of the outstanding issue.

The maximum number of Resulting Issuer Stock Options which may be granted to any one consultant under the Resulting Issuer Equity Incentive Plan or any other share based incentive plan of the Resulting Issuer within any 12-month period must not exceed 2% of the Resulting Issuer Common Shares issued and outstanding at the time of the grant (on a non-diluted basis). The maximum number of Resulting Issuer Stock Options which may be granted to any persons performing investor relations services under the Resulting Issuer Equity Incentive Plan or any other share based incentive plan of the Resulting Issuer within any 12-month period must not exceed, in the aggregate, 2% of the Resulting Issuer Common Shares issued and outstanding at the time of the grant (on a non-diluted basis).

The exercise price of options shall be determined by the board of directors or a committee established by the board for this purpose, as applicable, on the basis of “market price” (as defined in the Resulting Issuer Equity Incentive Plan). In the event the Resulting Issuer Common Shares are listed on the TSXV, the price may be the market price less any discounts permitted by the TSXV and subject to limitations in the Resulting Issuer Equity Incentive Plan.

Resulting Issuer Warrants

As of the Effective Date, 7,000,000 TargetCo Warrants will be converted to Resulting Issuer Warrants. As at the date hereof, the following TargetCo Warrants are outstanding:

| Name | Relationship to TargetCo | Number of Warrants |
|-------------------|---------------------------------|---------------------------|
| Martyn Buttenshaw | Director | 1,050,000 |
| Natalie Stevens | Shareholder | 5,950,000 |
| Total: | | 7,000,000 |

Notes:

(1)

Upon completion of the RTO, each Resulting Issuer Warrant will entitle the holder thereof to acquire, upon exercise and payment of the exercise price, one Resulting Issuer Common Share at an exercise price of \$0.60 on or prior to the date that is 60 months following the Effective Date, subject to adjustment in certain customary events, after which time the Resulting Issuer Warrants will expire.

No fractional Resulting Issuer Common Shares will be issuable upon the exercise of any Resulting Issuer Warrants and no cash or other consideration will be paid in lieu of fractional Resulting Issuer Common Shares. Holders of Resulting Issuer Warrants will not have any voting or pre-emptive rights or any other rights which a holder of Resulting Issuer Common Shares would have.

See “Item 17: Executive Compensation - Employment, Consulting and Management Agreements”.

ITEM 13: PRIOR SALES

The following tables set forth the number and price at which securities of TargetCo have been issued within the 12-month period prior to the date hereof.

TargetCo Common Shares

| Date | Number of Securities | Issue Price per Security | Aggregate Issue Price |
|-------------------|-----------------------------|---------------------------------|------------------------------|
| December 23, 2020 | 100 | 0.01 | 1 |
| December 31, 2020 | 2,999,900 | 0.00067 | 1,999 |
| March 15, 2021 | 6,291,225 | 0.0099 | 62,283 |
| March 15, 2021 | 1,784,955 | 0.099 | 17,671 |
| March 15, 2021 | 8,923,820 | 0.01989 | 177,491 |

The TargetCo Common Shares are not currently traded or quoted on a Canadian or foreign marketplace.

TargetCo Warrants

| Date | Number of Securities⁽¹⁾ | Exercise Price per Security |
|-------------------|---|------------------------------------|
| December 31, 2020 | 7,000,000 | 0.60 |

Notes:

- (1) These include securities held by certain directors and senior officers of TargetCo, either directly or through wholly-owned companies.

TargetCo Subscription Receipts

| Date | Number of Securities⁽¹⁾ | Issue Price per Security | Aggregate Issue Price |
|--------------|---|---------------------------------|------------------------------|
| May 10, 2021 | 8,223,156 | 0.50 | 4,111,578 |

Notes:

- (1) TargetCo Subscription Receipts issued in connection with the Concurrent Financing. Each TargetCo Subscription Receipt will automatically convert into one TargetCo Common Share immediately prior to the completion of the RTO. As part of the RTO, each TargetCo Common Share will be exchanged for one Resulting Issuer Common Share.

The following tables set forth the number and price at which securities of 773 have been issued within the 12-month period prior to the date hereof.

773 Common Shares

| Date | Number of Securities | Issue Price per Security | Aggregate Issue Price |
|------------------|-----------------------------|---------------------------------|------------------------------|
| April 8, 2020 | 3,000,000 | \$0.0001 | \$300 |
| October 30, 2020 | 3,150,000 | \$0.05 | \$157,500 |

**ITEM 14: ESCROWED SECURITIES AND SECURITIES
SUBJECT TO RESTRICTION ON TRANSFER**

Escrowed Securities

Upon completion of the RTO, the following Resulting Issuer Common Shares, Resulting Issuer Options and Resulting Issuer Warrants are expected to be held in escrow or subject to contractual restrictions on transfer.

| Designation of Class | Number of securities held in escrow or that are subject to a contractual restrictions on transfer | Percentage of Class |
|--|--|----------------------------|
| Resulting Issuer Common Shares to be received by former TargetCo Common Shareholders which will be subject to escrow | 20,000,000 ⁽¹⁾ | 58.2% |
| Resulting Issuer Common Shares to be received by former TargetCo Common Shareholders which will be subject to contractual restrictions on transfer | - | N/A |
| Resulting Issuer Options to be received by former holders of TargetCo Options which will be subject to escrow | - | N/A |
| Resulting Issuer Warrants to be received by former holders of TargetCo Warrants which will be subject to escrow | 7,000,000 ⁽²⁾ | N/A |
| Resulting Issuer Common Shares to be received by current 773 Shareholders which will be subject to escrow | 375,000 ⁽³⁾ | 1.1% |

Notes:

- (1) Resulting Issuer Common Shares to be held in escrow pursuant to the Resulting Issuer Escrow Agreement.
- (2) Resulting Issuer Warrants to be held in escrow pursuant to the Resulting Issuer Escrow Agreement.
- (3) Resulting Issuer Common Shares to be held in escrow pursuant to the Resulting Issuer Escrow Agreement. These shares are subject to escrow in accordance with the SSRRs and will be held pursuant to a Resulting Issuer Escrow Agreement, as described below.

Resulting Issuer Escrow Agreement (Value Securities)

Pursuant to the policies of the Exchange, the following securities of the Resulting Issuer are expected to be held in escrow after giving effect to the RTO:

| Shareholder | Designation of Class | Number of Resulting Issuer Common Shares held in Exchange Escrow | Percentage of Class |
|--------------------|-----------------------------|---|----------------------------|
| Gino Zandonai | Common Shares | 10,708,775 | 31.2% ⁽¹⁾ |
| Natalie Stevens | Common Shares | 6,291,225 | 18.3% ⁽¹⁾ |
| Martyn Buttenshaw | Common Shares | 3,000,000 | 8.7% ⁽¹⁾ |

| Shareholder | Designation of Class | Number of Resulting Issuer Common Shares held in Exchange Escrow | Percentage of Class |
|-------------------------------|-----------------------------|---|----------------------------|
| SFH Inc. | Common Shares | 500,000 | 1.5% ⁽¹⁾ |
| B. Keast Family Holdings Inc. | Common Shares | 500,000 | 1.5% ⁽¹⁾ |
| R. Keast Family Holdings Inc. | Common Shares | 500,000 | 1.5% ⁽¹⁾ |
| 1261648 BC Ltd. | Common Shares | 1,500,000 | 4.3% ⁽¹⁾ |
| Scott Hicks | Common Shares | 375,000 | 1.1% ⁽¹⁾ |
| Martyn Buttenshaw | Warrants | 1,050,000 | 15% ⁽²⁾ |
| Natalie Stevens | Warrants | 5,950,000 | 85% ⁽²⁾ |

Notes:

(1) Based on 34,373,156 Resulting Issuer Common Shares.

(2) Based on 7,000,000 Resulting Issuer Warrants.

The value securities will be subject to a Resulting Issuer Escrow Agreement upon closing of the RTO among the certain shareholders of the Resulting Issuer and the Escrow Agent, pursuant to the policies of the Exchange. Under the Resulting Issuer Escrow Agreement, the Resulting Issuer Escrow Shares will be released as follows:

- (a) 10% of the securities will be released on the date of the Final Exchange Bulletin;
- (b) 15% of the securities will be released 6 months from the Final Exchange Bulletin;
- (c) 15% of the securities will be released 12 months from the Final Exchange Bulletin;
- (d) 15% of the securities will be released 18 months from the Final Exchange Bulletin;
- (e) 15% of the securities will be released 24 months from the Final Exchange Bulletin;
- (f) 15% of the securities will be released 30 months from the Final Exchange Bulletin; and
- (g) 15% of the securities will be released 36 months from the Final Exchange Bulletin.

The Resulting Issuer Escrow Shares held pursuant to the Resulting Issuer Escrow Agreement may not be sold, assigned, transferred, redeemed, surrendered or otherwise dealt with in any manner except as provided by the Resulting Issuer Escrow Agreement. The Resulting Issuer Escrow Shares may be transferred within escrow to an individual who is a director or senior officer of the Resulting Issuer or a material operating subsidiary of the Resulting Issuer, provided that certain requirements of the Exchange are met, including that the new proposed transferee agrees to be bound by the terms of the Resulting Issuer Escrow Agreement. In the event of the bankruptcy of a holder of Resulting Issuer Escrow Shares, the Resulting Issuer Escrow Shares held by such holder may be transferred within escrow to the trustee in bankruptcy or other Person legally entitled to such Resulting Issuer Escrow Shares provided that certain prescribed Exchange requirements are met.

Seed Share Resale Restrictions

In addition to the above, applicable SSRRs will be imposed on securities purchased by non-principals in certain circumstances at a price which was below 10% of price at which the TargetCo Subscription Receipts were issued (the “Seed Shares”). An aggregate of 2,775,000 Resulting Issuer Common Shares will be subject to SSRRs.

The release schedule of the Seed Shares subject to such resale restrictions is determined based on the price at which such Seed Shares were issued in comparison to the price of the TargetCo Subscription Receipts and the length of time such Seed Shares have been held. To the extent permissible under TSXV policies, SSRRs will be imposed by imprinting legends on the applicable certificates representing such securities which set forth the particulars of the resale restrictions. An aggregate of 2,775,000 Resulting Issuer Common Shares will be subject to a two year hold period, with 20% of those Resulting Issuer Common Shares released every six months, with the first release (20%) on the Effective Date.

Other than as disclosed above, no other securities of the Resulting Issuer are held in escrow or are anticipated to be held in escrow.

ITEM 15: PRINCIPAL SECURITYHOLDERS

Except as set out below, no Person or company beneficially owns, controls or directs, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to any class of voting securities of TargetCo, or will, to 773’s and TargetCo’s knowledge, beneficially own, directly or indirectly, or exercise control or direction over 10% or more of the outstanding Resulting Issuer Common Shares following the RTO:

| Name | Number of TargetCo Common Shares | Percentage of Outstanding TargetCo Common Shares (Undiluted) | Number of Resulting Issuer Common Shares | Percentage of Outstanding Resulting Issuer Common Shares (Undiluted) |
|--------------------------------|----------------------------------|--|--|--|
| Gino Zandonai ⁽¹⁾ | 10,708,775 | 53.5% | 10,708,775 | 31.2% |
| Natalie Stevens ⁽²⁾ | 6,291,225 | 31.5% | 6,291,225 | 18.3% |

Notes:

- (1) On a fully-diluted basis, Mr. Zandonai holds 39.7% of the outstanding TargetCo Common Shares and 25.8% of the outstanding Resulting Issuer Common Shares.
- (2) On a fully-diluted basis, Ms. Stevens holds 12,241,225 TargetCo Common Shares, representing 45.3% of the outstanding TargetCo Common Shares and 29.4% of the outstanding Resulting Issuer Common Shares.

ITEM 16: DIRECTORS AND EXECUTIVE OFFICERS

Name, Occupation and Security Holding

The following table provides the names, province or state and country of residence, position, and principal occupations of each individual expected to be an executive officer and/or director of the Resulting Issuer, as well as the number and percentage of Resulting Issuer Common Shares that are expected to be beneficially owned, directly or indirectly, or which control or direction is expected to be exercised, by each such person. It is expected that the term of each

director listed below will conclude at the end of the Resulting Issuer's next annual meeting of shareholders subject to reappointment by the shareholders of the Resulting Issuer at such meeting.

| Name and Province of Residence | Positions Held with Resulting Issuer | Principal Occupation During Last Five Years | Start Date | Number of Resulting Issuer Common Shares Beneficially Owned, or Controlled⁽¹⁾ | Percentage of Resulting Issuer Common Shares Beneficially Owned, or Controlled⁽²⁾ |
|---|---|--|-------------------|---|---|
| Gino Zandonai (Santiago, Chile) | CEO, Director | Mining executive and consultant | - | 10,708,775 | 31.2% |
| Martyn Buttenshaw (Zug, Switzerland) | Executive Chairman and Director | Mining Executive & Director | Dec 2020 | 3,000,000 | 8.7% |
| Scott Hicks (BC, Canada) | Director | Mining executive and investment banker | - | 375,000 | 1.1% |
| Richard Reinert (Gent, Belgium) | Director | Board Director | - | - | - |
| Eddy Yu (BC, Canada) | CFO | CFO | - | - | - |

Notes:

(1) On a non-diluted basis.

(2) Based on 34,373,156 Resulting Issuer Common Shares

The executive officers and directors of the Resulting Issuer are expected to own, directly or indirectly, or exercise control or direction over 14,083,775 Resulting Issuer Common Shares, representing approximately 41.0% of the Resulting Issuer Common Shares expected to be issued and outstanding following the RTO.

Biographies

Biographical information regarding each such director and executive officer is presented below.

Gino Zandonai, Proposed CEO and Director

Mr. Zandonai has more than thirty years of experience in international mining consulting in over 40 countries and was the South American Managing director of Behre Dolbear Inc., a mineral consulting firm. Mr. Zandonai is a competent person and has been the main geostatistician for NGEx Resources Inc (Lundin Mining) activities in Chile among other listed companies. He is fluent in Spanish, French, Italian and Portuguese and holds a MSc degree in Mining Engineering from the Colorado School of Mines, and a minor in Mineral Economics.

Martyn Buttenshaw, Proposed Executive Chairman and Director

Mr. Buttenshaw is a senior mining executive and experienced non-executive director with over 20 years of mining experience, and is currently Chairman & CEO of Melior Resources Inc. Most recently, he was Managing Director with Pala Investments, a mining focused investment company. Previously, Mr. Buttenshaw has held senior roles with Anglo American in business development and as a senior mining engineer with Rio Tinto. Mr. Buttenshaw is a chartered mining engineer and holds an MBA with distinction from the London Business School and a MEng (First Class) in Mining Engineering from the Royal School of Mines, Imperial College, London

Scott Hicks, Proposed Director

Mr. Hicks is a former investment banker working with RBC Capital Markets and BMO Capital Markets on their respective mining teams. He also served as VP Corporate Development and Communications of Anfield Gold Corp., which was acquired by Equinox Gold Corp. He currently serves as the CEO of Strategic Resources Inc. and as VP Corporate Development and Communications of Lumina Gold Corp. and Luminex Resources Corp. Over the last decade he has worked on a variety of equity, debt and advisory assignments while working in Canada and Australia. Mr. Hicks holds a Bachelor of Commerce with Honours from the University of British Columbia.

Richard Reinert, Proposed Director

Mr. Reinert is the Managing Partner of Citation Capital Management Limited, an FCA authorised and regulated company, and is also a non-executive director of a number of Alternative Investment Funds since 2001. He began his career in 1978 at Compagnie des Metaux Precieux (CMP) in Paris and moved to Gerald Metals Ltd in London in 1979 as a physical base metals trader. In 1980 he became an Account Executive at Drexel Burnham Lambert SA. 1983 saw him move to Refco SA Paris as a Founding Director. In 1989 he was transferred to London to become the Managing Director of Refco Overseas Ltd until September 1999. In October 1999 Mr. Reinert formed Citation and in 2002 became a Board Member of OTEKO the largest independent rail transporter of oil within the FSU. During his time at Refco Overseas Ltd he was appointed Chairman of the International Petroleum Exchange and the Futures Industry Association and a director of the board of the London Metal Exchange Ltd. and the London Commodity Exchange.

Eddy Yu, Proposed CFO

Mr. Eddy Yu currently works with Corex Management Inc. Mr. Yu is a Chartered Professional Accountant (CMA) with over 20 years of experience in business and financial management. For the past several years, Mr. Yu has been providing financial management and reporting services to publicly-traded companies listed in the TSX Venture Exchange. In addition, Mr. Yu also provides strategic planning and management services to companies who want to improve their overall business performance.

Reporting Issuer Experience

The following table describes each director and officer's personal experience as a director or officer of another reporting issuer (or the equivalent in another jurisdiction) in the last five-year period:

| <u>Name</u> | <u>Name and Jurisdiction of Reporting Issuer</u> | <u>Name of Trading Market(s)</u> | <u>Position Held</u> | <u>From</u> | <u>To</u> |
|-------------------|--|----------------------------------|------------------------|-------------|-----------|
| Martyn Buttenshaw | Melior Resources Inc (Canada) | TSXV | Chairman & CEO | March 2014 | Present |
| | Kasbah Resources (Australia) | ASX | Director | Jan 2018 | Jan 2020 |
| | Asian Mineral Resources (Canada) | TSXV | Director | Dec 2014 | Aug 2017 |
| Scott Hicks | Strategic Resources (BC) | TSXV | CEO | June 2019 | Present |
| | Lumina Gold (BC) | TSXV | VP Corp. Dev. & Commun | Mar 2017 | Present |
| | Luminex Resources (BC) | TSXV | VP Corp. Dev. & Commun | Aug 2018 | Present |
| | Anfield Gold (BC) | TSXV | VP Corp. Dev. & Commun | Mar 2017 | Dec 2017 |
| Eddy Yu | Fireweed Zinc Ltd | TSXV | CFO | June 2018 | Present |
| | Western Pacific Resource Corp. | TSXV | CFO | Oct 2018 | July 2020 |

| <u>Name</u> | <u>Name and Jurisdiction of Reporting Issuer</u> | <u>Name of Trading Market(s)</u> | <u>Position Held</u> | <u>From</u> | <u>To</u> |
|-------------|--|----------------------------------|----------------------|-------------|-----------|
| | Far Resources Ltd | TSXV | CFO | April 2019 | Feb 2020 |

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Other than as disclosed below, no person expected to be a director or executive officer of the Resulting Issuer, is, as of the date of this Listing Application, or has been, within the 10 years preceding the date of this Listing Application, a director, chief executive officer or chief financial officer of any company, that:

- (a) was subject to 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, 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 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, 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.

Martyn Buttenshaw was the Chairman and CEO of Melior Resources Inc. when on November 1, 2019, Melior Resources Inc.'s securities were subject to a cease trade order issued by the Ontario Securities Commission relating to delayed filing of annual audited financial statements and associated disclosures for the fiscal years ending June 30, 2019. The CTO was revoked on May 7, 2020.

Other than as disclosed below, no person expected to be a director or executive officer of the Resulting Issuer, or to the best of TargetCo's knowledge, a shareholder holding a sufficient number of shares to materially affect control of the Resulting Issuer:

- (a) is, as of the date of this Listing Application, or has been within 10 years preceding the date of this Listing Application, a director or executive officer of any 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 Listing Application, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement, or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Martyn Buttenshaw was the Chairman and CEO of Melior Resources Inc. when on September 9, 2019, Melior Resources Inc. announced that its wholly-owned subsidiaries, Goondicum Resources Pty. Ltd ("Goondicum") and Melior Australia Pty. Ltd ("Melior Australia" and, together with Goondicum, the "Subsidiaries"), of which Mr. Buttenshaw was a director, appointed a voluntary administrator (the "Administrator") pursuant to Section 436A of the Corporations Act 2001 (Australia). In the opinion of the directors of the Subsidiaries, the Subsidiaries were insolvent or were likely to become insolvent at some future time. The Subsidiaries were unable to obtain additional funding necessary to satisfy the ongoing cash needs of the business resulting from the continuing production underperformance at the Goondicum mine. The Administrator took control of the operations and assets of the Subsidiaries.

No person expected to be a director or executive officer of the Resulting Issuer, or to the best of TargetCo's knowledge, a shareholder holding a sufficient number of shares to materially affect control of the Resulting Issuer, 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 a regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

There are potential conflicts of interest to which the proposed directors and officers of the Resulting Issuer will be subject to in connection with the operations of the Resulting Issuer. In particular, certain of the proposed directors and officers of the Resulting Issuer are involved in managerial or director positions with other mining and exploration companies whose operations may, from time to time, be in direct competition with those of the Resulting Issuer or with entities which may, from time to time, provide financing to, or make equity investments in, competitors of the Resulting Issuer. Conflicts, if any, will be subject to the procedures and remedies available under the ABCA. The ABCA provides that, in the event that a director has an interest in a contract or proposed contract or agreement, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement unless otherwise provided by the ABCA. As at the date of this Listing Application, the Resulting Issuer is not aware of any existing or potential material conflicts of interest between the Resulting Issuer and any proposed director or officer of the Resulting Issuer.

ITEM 17: EXECUTIVE COMPENSATION

TargetCo was not a reporting issuer at any time during the most recently completed financial year and has not yet fully implemented a compensation program. Upon listing on the TSXV, it is anticipated the Resulting Issuer will adopt a compensation program that reflects its stage of development, the main elements of which are expected to be comprised of base salary, grants of Resulting Issuer Options and Resulting Issuer RSUs and annual cash incentives. This section sets out, to the extent currently known and determined, all significant elements of the compensation to be awarded to, earned by, paid to, or payable to directors and officers of the Resulting Issuer. Such details regarding compensation of directors and officers are based on TargetCo's current expectations and upon listing on the TSXV, may be different than as disclosed herein.

In this section “**Named Executive Officer**” or “**NEO**” means the, CEO, the CFO, and the three most highly-compensated other executive officers who were serving as executive officers at December 31, 2020, as well as any additional individuals for whom disclosure would have been provided except that the individual was not serving as an NEO of TargetCo as of December 31, 2020.

It is anticipated that the NEOs of the Resulting Issuer will be: Gino Zandonai, Martyn Buttenshaw and Eddy Yu, such individuals will comprise the NEOs of the Resulting Issuer as at the Effective Date.

Objective, Oversight, and Description of Director and Named Executive Officer Compensation

The Resulting Issuer is expected to adopt executive compensation policies following the completion of the RTO. Upon listing on the TSXV, it is anticipated that the Resulting Issuer will establish a corporate governance and compensation committee (for the purposes of this section, the “**Corporate Governance and Compensation Committee**”) which will recommend how directors and executive officers will be compensated for their services as directors and executive officers. See “*Item 19 – Audit Committees and Corporate Governance – Corporate Governance – Compensation Committee*” for further details.

Executive officer compensation is determined by the board of the Resulting Issuer, based in part on recommendations from the CEO. The board of the Resulting Issuer recognizes the need to provide a compensation package that will

attract and retain qualified and experienced executives, as well as align the compensation level of each executive to that executive's level of responsibility.

The objectives of the Resulting Issuer's compensation policies and practices include the following:

- attracting and retaining highly-qualified individuals;
- creating among directors, officers, consultants and employees, a corporate environment which will align their interests with those of the shareholders; and
- ensuring competitive compensation that is also affordable for the Resulting Issuer.

The compensation program is designed to provide competitive levels of compensation. The Resulting Issuer recognizes the need to provide a total compensation package that will attract and retain qualified and experienced executives as well as align the compensation level of each executive to that executive's level of responsibility. In general, the Resulting Issuer's directors and officers may receive compensation that comprises four components:

- base salary, wages or contractor payments;
- incentive bonuses;
- the Resulting Issuer Option grants; and
- the Resulting Issuer RSU grants.

The objectives and reasons for this system of compensation are to allow the Resulting Issuer to remain competitive compared to its peers in attracting experienced personnel. The salaries are set on the basis of a review and comparison of salaries paid to executives at similar companies.

Grants of the Resulting Issuer Options and the Resulting Issuer RSUs, as applicable, are designed to reward directors and officers for success on a similar basis as the Shareholders, although the level of reward provided by a particular the Resulting Issuer Option grant is dependent upon the volatile stock market.

Any bonuses paid are allocated on an individual basis and are based on review by the board of the Resulting Issuer of the work planned during the year and the work achieved during the year, including work related to exploration project delivery, administration, financing, shareholder relations and overall performance. The bonuses are paid to reward work done above the base level of expectations set by the base salary, wages or contractor payments.

As an exploration and development company, the Resulting Issuer remains at risk of losing qualified personnel to companies with greater financial resources and it attempts to mitigate this risk wherever possible through appropriately written contracts.

Base Salary

The objectives of the base salary are to provide compensation in accord with market value, and to acknowledge the competencies and skills of individuals. The base salary paid to NEOs will be reviewed annually by the board of the Resulting Issuer as part of the annual review of executive officers (and such practice will be continued by the Resulting Issuer Board). The decision whether to grant an increase to the executive's base salary and the amount of any such increase will be in the sole discretion of the Resulting Issuer Board.

Incentive Bonuses

Incentive bonuses in the form of cash payments are designed to add a variable component of compensation, based on corporate and individual performances for executive officers and employees.

Equity Plan

TargetCo has no equity incentive or stock option plan.

Aggregate Options Exercised

No TargetCo Options have been granted to a director or NEO during the most recently completed financial year. No TargetCo Options have been granted to directors and officers of TargetCo for the financial year ended December 31, 2020.

Employment, Consulting and Management Agreements

TargetCo has entered into the following employment or consulting contracts with its NEOs and directors that will be effective upon completion of the RTO:

TargetCo entered into an executive employment agreement dated effective August 1, 2021 with Gino Zandonai whereby Mr. Zandonai agreed to act as Chief Executive Officer and, in consideration of which, TargetCo agreed to pay him an annual base salary of \$200,000. Subject to the terms of the employment agreement, Mr. Zandonai will be eligible for an annual discretionary bonus on the achievement of performance targets established by the board of directors prior to the commencement of each fiscal year. Mr. Zandonai will also be eligible to receive compensation securities in such amounts as approved by the board of directors in accordance with the Omnibus Long-Term Incentive Plan.

Voluntary Termination

In the event Mr. Zandonai voluntarily terminates the employment agreement, provided he provides the requisite written notice of termination, and, upon receipt of his resignation, TargetCo terminates the employment agreement prior to the effective date of the resignation, Mr. Zandonai will be entitled to his base salary and vacation pay accrued until the effective date of his resignation (up to a maximum of three (3) months) and reimbursement for outstanding expenses properly incurred until the date his employment ceases.

Termination for Cause or Cessation on Death

If Mr. Zandonai's employment is terminated for cause or by reason of death of the Mr. Zandonai, he will be entitled to his base salary and vacation pay accrued until the date his employment ceases and reimbursement of the outstanding expenses properly incurred and will be ineligible for any pro-rated bonus.

Termination Without Cause or Resignation on Change of Control

If Mr. Zandonai's employment is terminated without cause or if Mr. Zandonai resigns due to a material adverse change in his terms and conditions of employment within twelve (12) months of the occurrence of a Change in Control (as that term is defined in the employment agreement), Mr. Zandonai shall be entitled to:

- (a) his base salary and vacation pay accrued until the date his employment ceases;
- (b) reimbursement of expenses properly incurred until the date his employment ceases;
- (c) payments equivalent to six (6) months annual compensation in effect at the time of the termination (the "Severance Amount"), to be payable in a single lump sum unless otherwise determined by the parties;
- (d) payment the average of bonus paid to the Executive in the two (2) years preceding the termination;
- (e) notwithstanding the foregoing, in the event that employment is terminated by TargetCo within twelve (12) months of the consummation of an event that constitutes a Change of Control, the Severance Amount shall be equal in the aggregate to the twenty-four (24) months equivalent compensation, as in effect on the date Mr. Zandonai's employment ceases. The calculation of the bonus will be based on the average of bonus paid to the Executive in the two (2) years preceding the termination, to be payable in a single lump sum unless otherwise determined by the parties; and

- (g) the group insured benefit plans for twelve (12) months from the date his employment ceases or an amount equal to the Corporation's required contributions to such benefit plans on behalf of Mr. Zandonai for such period.

All equity or equity-based compensation received and held immediately prior to termination shall fully vest, if not already vested, and shall be exercisable following such termination in accordance with their terms.

TargetCo entered into an executive employment agreement dated effective August 1, 2021 with Martyn Buttenshaw whereby Mr. Buttenshaw agreed to act as Chairman and, in consideration of which, TargetCo agreed to pay him an annual base salary of \$200,000. Subject to the terms of the employment agreement, Mr. Buttenshaw will be eligible for an annual discretionary bonus on the achievement of performance targets established by the board of directors prior to the commencement of each fiscal year. Mr. Buttenshaw will also be eligible to receive compensation securities in such amounts as approved by the board of directors in accordance with the Omnibus Long-Term Incentive Plan.

Voluntary Termination

In the event Mr. Buttenshaw voluntarily terminates the employment agreement, provided he provides the requisite written notice of termination, and, upon receipt of his resignation, TargetCo terminates the employment agreement prior to the effective date of the resignation, Mr. Buttenshaw will be entitled to his base salary and vacation pay accrued until the effective date of his resignation (up to a maximum of three (3) months) and reimbursement for outstanding expenses properly incurred until the date his employment ceases.

Termination for Cause or Cessation on Death

If Mr. Buttenshaw's employment is terminated for cause or by reason of death of the Mr. Buttenshaw, he will be entitled to his base salary and vacation pay accrued until the date his employment ceases and reimbursement of the outstanding expenses properly incurred and will be ineligible for any pro-rated bonus.

Termination Without Cause or Resignation on Change of Control

If Mr. Buttenshaw's employment is terminated without cause or if Mr. Buttenshaw resigns due to a material adverse change in his terms and conditions of employment within twelve (12) months of the occurrence of a Change in Control (as that term is defined in the employment agreement), Mr. Buttenshaw shall be entitled to:

- (a) his base salary and vacation pay accrued until the date his employment ceases;
- (b) reimbursement of expenses properly incurred until the date his employment ceases;
- (c) payments equivalent to six (6) months annual compensation in effect at the time of the termination (the "Severance Amount"), to be payable in a single lump sum unless otherwise determined by the parties;
- (d) payment the average of bonus paid to the Executive in the two (2) years preceding the termination;
and
- (e) notwithstanding the foregoing, in the event that employment is terminated by TargetCo within twelve (12) months of the consummation of an event that constitutes a Change of Control, the Severance Amount shall be equal in the aggregate to the twenty-four (24) months equivalent compensation, as in effect on the date Mr. Buttenshaw's employment ceases. The calculation of the

bonus will be based on the average of bonus paid to the Executive in the two (2) years preceding the termination, to be payable in a single lump sum unless otherwise determined by the parties;

- (g) the group insured benefit plans for twelve (12) months from the date his employment ceases or an amount equal to the Corporation’s required contributions to such benefit plans on behalf of Mr. Buttenshaw for such period.

All equity or equity-based compensation received and held immediately prior to termination shall fully vest, if not already vested, and shall be exercisable following such termination in accordance with their terms.

Pension and Retirement Plans

TargetCo has no pension or retirement plans or other forms of retirement compensation. Furthermore, it is not anticipated that the Resulting Issuer will have any pension or retirement plan or deferred compensation plan in the 12 months following completion of the RTO.

Summary Compensation Table, excluding Compensation Securities

The following table is a summary of compensation paid to NEOs of TargetCo the financial years ended December 31, 2020

| <u>Name and position</u> | <u>Year</u> | <u>Salary, consulting fee, retainer or commission (\$)</u> | <u>Bonus (\$)</u> | <u>Committee or meeting fees (\$)</u> | <u>Value of perquisites (\$)</u> | <u>Value of all other compensation (\$)</u> | <u>Total compensation (\$)</u> |
|--------------------------|-------------|--|-------------------|---------------------------------------|----------------------------------|---|--------------------------------|
| Martyn Buttenshaw | 2020 | Nil | Nil | Nil | Nil | Nil | Nil |

ITEM 18: INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director, executive officer or senior officer of TargetCo, 773, or expected director, executive officer or senior officer of the Resulting Issuer, or any associates of such persons, is indebted to TargetCo, 773 or is expected to be indebted to the Resulting Issuer immediately following the completion of the RTO and no indebtedness of such persons in the Listing Application subject of a guarantee, support agreement, letter of credit or other similar arrangement provided by TargetCo, 773 or the Resulting Issuer.

ITEM 19: AUDIT COMMITTEES AND CORPORATE GOVERNANCE

Audit Committee

Composition of the Audit Committee

The following individuals will be the members of the Resulting Issuer’s Audit Committee: Scott Hicks, Richard Reinert and Martyn Buttenshaw. All audit committee members will be financially literate, and a majority of the Audit Committee shall be independent.

For additional details regarding the relevant experience of each member of the Resulting Issuer's Audit Committee, see the relevant biographical experiences for each of the Resulting Issuer's directors and officers under the heading “Item 16 – Directors and Executive Officers – Name, Occupation and Security Holding of Directors and Officers”.

Audit Committee Oversight

The primary function of the Audit Committee will be to assist the Resulting Issuer Board in fulfilling its financial oversight responsibilities by reviewing the Resulting Issuer's (i) financial statements and other financial information provided by the Resulting Issuer to regulatory authorities and shareholders, and (ii) auditing, accounting and financial reporting processes.

The Resulting Issuer Board will adopt a written charter for the Audit Committee which sets out the Audit Committee's responsibility in reviewing the financial statements of the Resulting Issuer and public disclosure documents containing financial information and reporting on such review to the Resulting Issuer Board, ensuring that adequate procedures are in place for the review of the Resulting Issuer's public disclosure documents that contain financial information, overseeing the work and reviewing the independence of the external auditors, setting policies and procedures for the engagement of non-audit services and reviewing, and evaluating and approving the internal control procedures that are implemented and maintained by management.

Reliance on Certain Exemptions

As the Resulting Issuer will be listed on the TSXV, it will be a "venture issuer" and may avail itself of exemptions from the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110, which require the independence of each member of an audit committee, subject to limited exceptions and the disclosure of audit committee information in an annual information form, respectively.

External Auditor Services Fees

TargetCo's auditor is Davidson & Company LLP. The following table provides the aggregate fees billed by TargetCo's external auditor in each of the last two fiscal years.

| Nature of Services | Fees Billed by Auditor for the fiscal year ended | |
|-----------------------------------|---|--|
| | December 31, 2020 | |
| Audit Fees ⁽¹⁾ | \$32,500 | |
| Audit-Related Fees ⁽²⁾ | \$10,000 | |
| Tax Fees ⁽³⁾ | - | |
| All Other Fees ⁽⁴⁾ | - | |
| Total | \$42,500 | |

Notes:

- (1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of TargetCo's consolidated financial statements. Audit Fees include aggregate fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) "Audit-Related Fees" include fees for services that are traditionally performed by the auditor. These audit-related services include aggregate fees for employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes aggregate fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) "All Other Fees" include all other non-audit services, in the aggregate.

773’s auditor is Baker Tilly WM LLP. The following table provides the aggregate fees billed by 773’s external auditor since incorporation.

| Nature of Services | Fees Billed by Auditor for the fiscal year ended | |
|-----------------------------------|--|----------------|
| | December 31, 2020 | |
| Audit Fees ⁽¹⁾ | | \$3,075 |
| Audit-Related Fees ⁽²⁾ | | - |
| Tax Fees ⁽³⁾ | | - |
| All Other Fees ⁽⁴⁾ | | - |
| Total | | \$3,075 |

Corporate Governance

Canadian securities regulatory policy as reflected in National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) requires that venture issuers like the Resulting Issuer must disclose on an annual basis their approach to corporate governance. National Policy 58-201 – *Corporate Governance Guidelines* (“**NP 58-201**”) provides regulatory staff guidance on preferred governance practices, although the guidelines are not prescriptive, other than for audit committees. The Resulting Issuer’s approach to corporate governance in the context of NI 58-101 and NP 58-201 (together the “**Policies**”) as well as its compliance with the mandatory rules relating to audit committees is set out below.

Board of Directors

The Policies require that the board of directors of a venture issuer determine and disclose the status of each director as independent or not, based on each director’s interest in or other relationship with the issuer. Under the Policies, the applicable definition of independence is that contained in National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”), under which a director is “independent” where he or she “has no direct or indirect material relationship” with the issuer. A “material relationship” is a relationship which could, in the view of the issuer’s board of directors, be reasonably expected to interfere with the exercise of a member’s independent judgement. 52-110 also deems certain individuals as having a material relationship with the issuer, and who are therefore not independent.

The Resulting Issuer intends to have **four** directors. A majority of the directors of the Resulting Issuer will be independent. Gino Zandonai will not be considered to be independent, due to his role as the proposed CEO of the Resulting Issuer.

The Resulting Issuer Board will have responsibility for the stewardship of the Resulting Issuer including responsibility for strategic planning, identification of the principal risks of the Resulting Issuer’s business and implementation of appropriate systems to manage these risks, succession planning (including appointing, training and monitoring senior management), communications with investors and the financial community and the integrity of the Resulting Issuer’s internal control and management information systems.

The Resulting Issuer Board will set long-term goals and objectives for the Resulting Issuer and will formulate the plans and strategies necessary to achieve those objectives and to supervise senior management in their implementation. The Resulting Issuer Board may delegate the responsibility for managing the day-to-day affairs of the Resulting Issuer to senior management but will retain a supervisory role in respect of, and ultimate responsibility for, all matters relating to the Resulting Issuer and its business. The Resulting Issuer Board is responsible for protecting Shareholders’ interests and ensuring that the incentives of the Shareholders and of management are aligned.

Directorships

The following directors act as directors of other reporting issuers (or the equivalent):

| <u>Director</u> | <u>Other Issuer</u> |
|-------------------|--------------------------|
| Martyn Buttenshaw | Melior Resources Inc. |
| Scott Hicks | Strategic Resources Inc. |

Orientation and Continuing Education

It is anticipated that the Resulting Issuer Board will have formal orientation and training programs. Each new director will receive an orientation, minutes of meetings, written mandates, guidelines and other relevant corporate documents needed to understand the Resulting Issuer's business and processes. The commitment needed from directors, particularly the commitment of time and energy, will be emphasized to directors prior to their appointment nomination.

Directors will be encouraged to communicate with management, auditors and technical consultants; to keep themselves current with industry trends and developments and changes in legislation with management's assistance; and to keep themselves up to date with best director and corporate governance practices. The Resulting Issuer intends to provide continuing education for its directors as the need arises. Directors of the Resulting Issuer will have full access to the Resulting Issuer's records.

Ethical Business Conduct

The Resulting Issuer Board intends to adopt a written code of business conduct and ethics for its directors, officers, employees, and contractors (the “**Code**”). The Resulting Issuer Board will be responsible for monitoring compliance with the Code.

The Resulting Issuer Board will take appropriate measures to exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer may have a material interest. Where appropriate, directors will abstain from portions of board or committee meetings to allow independent discussion of points in issue.

Nomination of Directors

The board of directors of the Resulting Issuer will be responsible for filling vacancies on the Resulting Issuer Board and recommending potential nominees for directors. The Resulting Issuer Board will analyze the needs of the board when vacancies arise and identify and propose new nominees who have the necessary competencies and characteristics to meet those needs. In order to foster an objective nomination process, the independent members of the Resulting Issuer Board will be encouraged to recommend nominees for the Resulting Issuer Board.

Compensation

The Resulting Issuer intends to establish a corporate governance and compensation committee (the “**Corporate Governance and Compensation Committee**”). The Corporate Governance and Compensation Committee will be responsible for establishing sound corporate governance practices that are in the interest of shareholders and contribute to effective and efficient decision-making. In addition, the Corporate Governance and Compensation Committee is expected to have responsibilities for, amongst other things, monitoring and ensuring board independence, establishing procedures for Resulting Issuer Board meetings to ensure that board members possess an appropriate balance of skills and areas of expertise needed to effectively govern the Resulting Issuer's affairs, establishing position descriptions for the key members of the Resulting Issuer Board and senior management and overseeing the Resulting Issuer Board's diversity, renewal, orientation and continuing education.

The Corporate Governance and Compensation Committee will also review directors' compensation once a year, taking into consideration the compensation paid to directors of comparable publicly traded Canadian companies. The Corporate Governance and Compensation Committee will decide the compensation of the Resulting Issuer's officers based on industry standards and the Resulting Issuer's financial situation. In addition, the Corporate Governance and Compensation Committee will assist the Resulting Issuer Board in its oversight of executive and director compensation, including with respect to: (i) reviewing and approving corporate goals and objectives relevant to CEO compensation, evaluating the CEO's performance in light of these goals and objectives and, either as a committee or together with other independent directors, determining and approving the CEO's compensation level based on such evaluation; (ii) recommending to the Resulting Issuer Board non-CEO compensation, incentive-based plans, equity-based plans and policies relating to the determination and payment of bonuses, if any; (iii) reviewing compensation disclosure in public documents, and producing the Corporate Governance and Compensation Committee's annual report on executive compensation, in accordance with applicable rules and regulations; and (iv) performing any other activities consistent with the mandate of the Corporate Governance and Compensation Committee.

The following will be the members of the Corporate Governance and Compensation Committee: Martyn Buttenshaw, Scott Hicks and Richard Reinert.

For additional details regarding the relevant experience of each member of the Resulting Issuer's Corporate Governance and Compensation Committee, see the relevant biographical experiences for each of the Resulting Issuer's directors and officers under the heading "*Item 16 – Directors and Executive Officers – Name, Occupation and Security Holding of Directors and Officers*".

Other Board Committees

Other than the Audit Committee and the Corporate Governance and Compensation Committee, the Resulting Issuer intends to have a technical committee (the "**Technical Committee**"), the purpose of which is to assist the Resulting Issuer Board in fulfilling its oversight responsibilities with respect to the operational performance and operating risks of the Resulting Issuer, particularly regarding those areas where technical understanding is required.

The following will be the members of the Technical Committee: Martyn Buttenshaw, Scott Hicks and Gino Zandonai.

For additional details regarding the relevant experience of each member of the Resulting Issuer's Technical Committee, see the relevant biographical experiences for each of the Resulting Issuer's directors and officers under the heading "*Item 16 – Directors and Executive Officers – Name, Occupation and Security Holding of Directors and Officers*".

The Resulting Issuer Board will review its corporate governance practices and consider, among other matters, whether it would be desirable to establish additional committees of the Resulting Issuer Board.

Assessments

The Resulting Issuer Board will monitor the adequacy of information given to directors, communication between the Resulting Issuer Board and management and the strategic direction and processes of the Resulting Issuer Board and its committees.

ITEM 20: AGENT, SPONSOR OR ADVISOR

TargetCo and 773 have applied to the TSXV for an exemption from the sponsorship requirement in connection with its application to list the Resulting Issuer Common Shares on the TSXV. While TargetCo and 773 believe the Resulting Issuer qualifies for an exemption, there can be no assurance that the exemption will be granted by the TSXV.

ITEM 21: RISK FACTORS

An investment in the securities of TargetCo, 773 or the Resulting Issuer is highly speculative, involves a high degree of risk and should be undertaken only by Persons whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. Prior to investing in such securities, you should carefully consider the risks described below, together with other information included in or incorporated by reference into this Listing Application and filed on SEDAR at www.sedar.com. If any of the following risks materialize, the business, financial condition, results of operation and future prospects of TargetCo, 773 and the Resulting Issuer will likely be materially and adversely affected. This could cause actual future events to differ materially from those described in forward-looking statements and may cause the trading price of the Resulting Issuer's securities to decline.

The risks presented below should not be considered exhaustive and may not be all the risks the Resulting Issuer may face. Management of TargetCo believes that factors set out below could cause actual results to be different from expected and historical results. Other sections of this Listing Application include additional factors that could have an effect on the business and financial performance of the Resulting Issuer's business following the completion of the RTO. New risks may emerge from time to time and management may not be able to predict all of them, or be able to predict how they may cause the actual results to be different from those contained in any forward-looking statements. You should not rely upon forward-looking statements as a prediction of future results. Additional risks and uncertainties not presently known to TargetCo and 773 or which TargetCo and 773 currently deem immaterial may also impair the Resulting Issuer's business operations. If any of the possibilities described in such risks actually occurs, the Resulting Issuer's business, financial condition and operating results could be materially adversely harmed. The following risk factors may not be a definitive list of all risk factors associated with the RTO, an investment in the Resulting Issuer or in connection with the Resulting Issuer's business or operations.

References below to "TargetCo" will, as the context permits or requires, be read to include the "Resulting Issuer" upon the completion of the RTO. Furthermore, references below to the "Resulting Issuer" refer to the Resulting Issuer and all of its subsidiaries, as applicable.

Risks Relating to the Amalgamation

The Amalgamation Agreement may be terminated by 773 or TargetCo in certain circumstances

Each of TargetCo and 773 has the right to terminate the Amalgamation Agreement in certain circumstances. Accordingly, there is no certainty that the Amalgamation Agreement will not be terminated by TargetCo and 773 before the completion of the RTO. For example, each of TargetCo and 773 has the right to terminate the Amalgamation Agreement if any party is in material breach of the Amalgamation Agreement. There is no assurance that such a breach will not occur before the Effective Date, in which case TargetCo or 773 could elect to terminate the Amalgamation Agreement and the RTO would not proceed.

There can be no certainty that all conditions precedent to the RTO will be satisfied

The completion of the RTO is subject to several conditions precedent certain of which are outside the control of 773 or TargetCo. There can be no assurance that any of the conditions will be met or that the RTO will be completed on the terms set out in the Amalgamation Agreement. In the event that any of the conditions precedent are not satisfied or waived by the relevant party, the RTO may not be completed. The RTO may not be completed, due to failure to obtain consents or approvals, failure to timely satisfy conditions to closing, termination of the Amalgamation Agreement by either party, or for other reasons. There is no guarantee that (i) the conditions to closing will be timely satisfied, or (ii) the circumstances under which 773 or TargetCo may terminate the Amalgamation Agreement will not occur. As such, the RTO may not occur.

There is no assurance that the RTO will receive necessary regulatory and Exchange approval or approval of any third parties, as applicable.

The TSX may not approve the Resulting Issuer's Listing Application

The Resulting Issuer Common Shares are currently not listed. Although an application has been made to have the Resulting Issuer Common Shares listed on the TSXV, any such listing is subject to the approval of the TSXV in accordance with its original listing requirements and there is no assurance that the TSXV or another stock exchange will approve the Listing Application. The lack of a listing may make it difficult to sell the Resulting Issuer Common Shares and could lead to the price of the Resulting Issuer Common Shares being depressed.

TargetCo and 773 may incur costs even if the RTO is not completed

Certain costs related to the RTO, such as legal, accounting and certain financial advisor fees, must be paid by TargetCo and 773 even if the RTO is not completed. There are also opportunity costs associated with the diversion of management attention away from the conduct of TargetCo's and 773's business in the ordinary course.

Risks Relating to the Operations of the Resulting Issuer

COVID-19

The Resulting Issuer's business, operations and financial condition could be materially adversely affected by the outbreak of pandemics or other health crises, such as the outbreak of COVID-19 that was designated as a pandemic by the World Health Organization on March 11, 2020. The international response to the spread of COVID-19 has led to significant restrictions on travel, temporary business closures, quarantines, global stock market volatility, and a general reduction in consumer activity. Such public health crises can result in operating, supply chain and project development delays and disruptions, global stock market and financial market volatility, declining trade and market sentiment, reduced movement of people and labour shortages, and travel and shipping disruption and shutdowns, including as a result of government regulation and prevention measures, or a fear of any of the foregoing, all of which could affect commodity prices, interest rates, credit risk and inflation. In addition, the current COVID-19 pandemic, and any future emergence and spread of similar pathogens could have an adverse impact on global economic conditions which may adversely impact the Resulting Issuer's operations, and the operations of suppliers, contractors and service providers.

The Resulting Issuer may experience business interruptions, including suspended (whether government mandated or otherwise) or reduced operations relating to COVID-19 and other such events outside of its control, which could have a material adverse impact on its business, operations and operating results, financial condition and liquidity.

As at the date hereof, the duration of the business disruptions internationally and related financial impact of COVID-19 cannot be reasonably estimated. It is unknown whether and how the Resulting Issuer may be affected if the pandemic persists for an extended period of time. The Resulting Issuer's exposure to such public health crises also includes risks to employee health and safety. Should an employee, contractor, community member or visitor become infected with a serious illness that has the potential to spread rapidly, this could place the Resulting Issuer's workforce at risk.

Additional Capital

The Resulting Issuer plans to focus on mineral exploration and development and will use its working capital to carry out such exploration activities. However, mineral exploration may require substantial additional financing. Further the Resulting Issuer may be dependent upon its ability to obtain financing through equity or debt, and there can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and development of the Resulting Issuer's projects.

Lack of Funding to Satisfy Contractual Obligations

It is expected that the Resulting Issuer may in the future enter into partnerships or joint ventures in order to fully exploit the Placeton or El Cofre projects. The Resulting Issuer may, in the future, be unable to meet its share of costs

incurred under agreements to which it is a party and the Resulting Issuer may have its property interests subject to such agreements reduced as a result or even face termination of such agreements.

Development Stage Company and Exploration Risks

The Resulting Issuer will be a junior resource company focused primarily on the acquisition, exploration and development of mineral properties located in Chile. The Resulting Issuer's properties have no established mineral reserves. There is no assurance that any of the Resulting Issuer's projects can be mined profitably. Accordingly, it is not assured that the Resulting Issuer will realize any profits in the short to medium term, if at all. Any profitability in the future from the business of the Resulting Issuer will be dependent upon developing and commercially mining an economic deposit of minerals, which in itself is subject to numerous risk factors.

The exploration and development of mineral deposits involves a high degree of financial risk over a significant period of time that even a combination of management's careful evaluation, experience and knowledge may not eliminate. While discovery of ore-bearing structures may result in substantial rewards, few properties that are explored are ultimately developed into producing mines. Major expenses may be required to establish reserves by drilling and to construct mining and processing facilities at a particular site. It is impossible to ensure that the current exploration and development programs of the Resulting Issuer will result in profitable commercial mining operations. The profitability of the Resulting Issuer's operations will be, in part, directly related to the cost and success of its exploration and development programs, which may be affected by a number of factors. Substantial expenditures are required to establish mineral reserves that are sufficient to support commercial mining operations and to construct, complete and install mining and processing facilities on those properties that are actually developed.

Network Systems

Equipment failures, natural disasters including severe weather, terrorist acts, acts of war, cyber-attacks or other breaches of network systems or security that affect computer systems within the Resulting Issuer's network could disrupt Resulting Issuer's business functions, including Resulting Issuer's exploration and production activities. The mining industry has become increasingly dependent on digital technologies. Mines and mills are automated and networked, and Resulting Issuer relies on digital technologies to conduct certain exploration, development, production, processing and other activities. The mining industry faces various security threats, including cyber-security threats. Such attacks are increasing and include malicious software, attempts to gain unauthorized access to data and other electronic security breaches that could lead to disruptions to critical systems, unauthorized release of confidential information and corruption of data. A cyber-attack could negatively impact Resulting Issuer's operations. A corruption of Resulting Issuer's financial or operational data or an operational disruption of Resulting Issuer's production infrastructure could, among other potential impacts, result in: (i) loss of production or accidental discharge; (ii) expensive remediation efforts; (iii) distraction of management; (iv) damage to Resulting Issuer's reputation or its relationship with customers, vendors employees and joint venture partners; or (v) events of noncompliance, which events could lead to regulatory fines or penalties. Any of the foregoing could have a material adverse impact on Resulting Issuer's reputation, profitability, future cash flows, earnings, results of operations and financial condition.

Land Title and Royalty Risks

General

There are uncertainties as to title matters in the mining industry. Any defects in title could cause the Resulting Issuer to lose rights in its mineral properties and jeopardize its business operations. The Resulting Issuer's mineral properties currently consist of exploitation of mining claims located in Chile.

The Resulting Issuer is also allowed to use the surface of the land solely for purposes related to mining and processing the mineral-bearing ores. The Resulting Issuer remains at risk that the mining claims may be forfeited to rival private claimants due to failure to comply with statutory requirements.

Title to Mineral Property Interests may be Challenged

There may be challenges to title to the mineral properties in which the Resulting Issuer holds a material interest. If there are title defects with respect to any properties, the Resulting Issuer might be required to compensate other persons or perhaps reduce its interest in the affected property. Furthermore, in any such case, the investigation and resolution of these issues would divert the Resulting Issuer's management's time from ongoing exploration and development programs.

Mineral Properties may be Subject to Defects in Title

The Resulting Issuer has taken reasonable measures, in accordance with industry standards for properties at the same stage of exploration as that of the Resulting Issuer, to ensure proper title to the Properties. However, there is no guarantee that title to any of its properties will not be challenged or impugned. The Properties may be subject to prior unregistered liens, agreements, transfers or claims, including native land claims and title may be affected by, among other things, undetected defects. In addition, the Resulting Issuer may be unable to operate the properties as permitted or to enforce its rights with respect to its properties. The failure to comply with all applicable laws and regulations, including a failure to pay taxes or annual BLM claim maintenance fees may invalidate title to portions of the Properties. The Resulting Issuer may incur significant costs related to defending the title to its properties. A successful claim contesting title to a property may cause the Resulting Issuer to reduce its interest in the affected property or lose our rights to explore and, if warranted, develop that property. This could result in the Resulting Issuer not being compensated for its prior expenditures relating to the property. Also, in any such case, the investigation and resolution of title issues would divert management's time from ongoing exploration and, if warranted, development programs.

Natural Resource Properties are Largely Contractual in Nature

Parties to contracts do not always honour contractual terms and contracts themselves may be subject to interpretation or technical defects. Accordingly, there may be instances where the Resulting Issuer would be forced to take legal action to enforce its contractual rights. Such litigation may be time consuming and costly and there is no guarantee of success. Any pending proceedings or actions or any decisions determined adversely to the Resulting Issuer, may have a material and adverse effect on the Resulting Issuer's results of operations, financial condition and the trading price of the Resulting Issuer Common Shares.

Financing Risks

As at the Effective Time, it is expected that the Resulting Issuer will have sufficient cash and cash equivalents, although the Resulting Issuer has no source of operating cash flow and no assurance that additional funding will be available to it for further exploration and development of its projects. Further exploration and development of the Properties or other properties of the Resulting Issuer may be dependent upon its ability to obtain financing through equity or debt and there can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and development of the Resulting Issuer's projects.

Net Proceeds

The Resulting Issuer's management will have broad discretion in using the net proceeds from the Concurrent Financing in ways that it deems most efficient. The application of the proceeds to various items may not benefit the business or increase its value. If proceeds are not applied effectively, this misapplication could adversely affect its business, results of operations and financial condition.

Control of the Resulting Issuer

Following the Effective Date, Gino Zandonai (or his designee) will hold, directly or indirectly, approximately 31.4% of the issued and outstanding Resulting Issuer Common Shares and will be the Resulting Issuer's single largest shareholder and a control person for the purposes of Canadian Securities Law. As a result, Gino Zandonai may have the ability to influence the outcome of matters submitted to the shareholders of the Resulting Issuer for approval,

which could include the election and removal of directors, amendments to the Resulting Issuer's corporate governing documents and business combinations. The Resulting Issuer's interests and those of Gino Zandonai may at times conflict, and this conflict might be resolved against the Resulting Issuer's interests. The concentration of approximately 31.2% of the issued and outstanding Resulting Issuer Common Shares in the hands of a single shareholder may discourage an unsolicited bid for the Resulting Issuer Common Shares, and this may adversely impact the value and trading price of the Resulting Issuer Common Shares.

Global Financial Conditions

Recent global financial conditions have been characterized by increased volatility and access to public financing, particularly for exploration and development companies which have been negatively impacted. These conditions may affect the Resulting Issuer's ability to obtain equity or debt financing in the future on terms favourable to the Resulting Issuer or at all. If such conditions continue, the Resulting Issuer's operations could be negatively impacted.

Commodity Markets

The price of the Resulting Issuer's securities, its financial results, and its access to the capital required to finance its exploration activities may in the future be adversely affected by declines in the price of precious and base metals and, in particular, the price of copper. Precious metal prices fluctuate widely and are affected by numerous factors beyond the Resulting Issuer's control such as the sale or purchase of precious metals by various dealers, central banks and financial institutions, interest rates, exchange rates, inflation or deflation, currency exchange fluctuation, global and regional supply and demand, production and consumption patterns, speculative activities, increased production due to improved production methods, government regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals, environmental protection and international political and economic trends, conditions and events. If these or other factors continue to adversely affect the price of copper, the market price of the Resulting Issuer's securities may decline.

Market Fluctuation and Commercial Quantities

The market for copper is influenced by many factors beyond the Resulting Issuer's control, including without limitation the supply and demand for copper. In addition, the metals industry in general is intensely competitive and there is no assurance that, even if apparently commercial quantities and qualities of metals (such as copper) are discovered, a market will exist for their profitable sale. Commercial viability of precious and base metals and other mineral deposits may be affected by other factors that are beyond the Resulting Issuer's control, including particular attributes of the deposit such as its size, quantity and quality, the cost of processing, proximity to infrastructure, the availability of transportation and sources of energy, financing, government legislation and regulations including those relating to prices, taxes, royalties, land tenure, land use, import and export restrictions, exchange controls, restrictions on production and environmental protection. It is impossible to assess with certainty the impact of various factors that may affect commercial viability such that any adverse combination of such factors may result in the Resulting Issuer not receiving an adequate return on invested capital or having its projects be rendered uneconomic.

Insurance and Uninsured Risks

The Resulting Issuer's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment, natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to production facilities, personal injury or death, environmental damage to the Resulting Issuer's properties or the properties of others, delays in the ability to undertake exploration, monetary losses and possible legal liability.

Although the Resulting Issuer may maintain insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with a mineral exploration company's operations. The Resulting Issuer may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and

production is not generally available to the Resulting Issuer or to other companies in the mineral exploration industry on acceptable terms. The Resulting Issuer might also become subject to liability for pollution or other hazards which it may not be insured against or which the Resulting Issuer may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Resulting Issuer to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Health, Safety and Community Relations

The Resulting Issuer's operations are subject to various health and safety laws and regulations that impose various duties on the Resulting Issuer's operations relating to, among other things, worker safety and obligations in respect of surrounding communities. These laws and regulations also grant the relevant authorities broad powers to, among other things, close unsafe operations and order corrective action relating to health and safety matters. The costs associated with the compliance with such health and safety laws and regulations may be substantial and any amendments to such laws and regulations, or more stringent implementation thereof, could cause additional expenditure or impose restrictions on, or suspensions of, the Resulting Issuer's operations. The Resulting Issuer expects to make significant expenditure to comply with the extensive laws and regulations governing the protection of the environment, waste disposal, worker safety, and protection of endangered and other special status species, and, to the extent reasonably practicable, to create social and economic benefit in the surrounding communities near the Resulting Issuer's properties.

Environmental Risks and Hazards

The mining and minerals industries are subject to extensive governmental regulations for the protection of the environment, including regulations relating to air and water quality, solid and hazardous waste handling and disposal and the promotion of occupational health and safety, which may adversely affect the Resulting Issuer or require it to expend significant funds. There is also a risk that environmental and other laws and regulations may become more onerous, making it costlier for the Resulting Issuer to remain in compliance with such laws and regulations, which could result in the incurrence of additional costs and operational delays. All phases of the Resulting Issuer's operations in Chile will be subject to extensive state environmental regulation.

These environmental regulations require the Resulting Issuer to obtain various operating approvals and licenses and also impose standards and controls relating to exploration, development and production activities. Compliance with federal and state regulations could result in delays in beginning or expanding operations, incurring additional costs, all of which could have an adverse impact on the Resulting Issuer's financial performance and results of operations.

There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Resulting Issuer's operations. Environmental hazards may exist on the properties on which the Resulting Issuer holds interests which are unknown to the Resulting Issuer at present and which have been caused by previous or existing owners or operators of the properties.

The Resulting Issuer cannot give any assurances that breaches of environmental Laws (whether inadvertent or not) will not materially and adversely affect its financial condition. There is no assurance that any future changes to environmental regulation, if any, will not adversely affect the Resulting Issuer.

Option and Joint Venture Agreements

The Resulting Issuer may in the future enter into option agreements and/or joint ventures as a means of acquiring property interests. Any failure of any partner to meet its obligations to the Resulting Issuer or other third parties, or any disputes with respect to third parties' respective rights and obligations, could have a material adverse effect on the Resulting Issuer's rights under such agreements. Furthermore, the Resulting Issuer may be unable to exert direct influence over strategic decisions made in respect of properties that are subject to the terms of these agreements, and the result may be a materially adverse impact on the strategic value of the underlying claims.

Currency Rate Risk

The Resulting Issuer may be subject to currency risks. The Resulting Issuer's reporting currency is the Canadian dollar, which is exposed to fluctuations against other currencies. The Resulting Issuer's primary operations are located in Chile and so subject to fluctuations between the Canadian dollar and the Chilean peso. Should the Resulting Issuer expand its operations into additional countries, its expenditures and obligations may be incurred in foreign currencies. As such, the Resulting Issuer's results of operations may become subject to foreign currency fluctuation risks and such fluctuations may adversely affect the financial position and operating results of the Resulting Issuer. The Resulting Issuer has not undertaken to mitigate transactional volatility in the Chilean peso at this time. The Resulting Issuer may, however, enter into foreign currency forward contracts in order to match or partially offset existing currency exposures.

Infrastructure

Exploration and development activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Resulting Issuer's operations, financial condition and results of operations.

Competitive Industry Environment

The exploration and development industry is highly competitive in all of its phases, both domestically and internationally. The Resulting Issuer's ability to explore in the future will depend not only on its ability to develop its present properties, but also on its ability to secure additional prospective properties, of which there is a limited supply. The Resulting Issuer may be at a competitive disadvantage in acquiring additional properties because it must compete with other individuals and companies, many of which have greater financial resources, operational experience and technical capabilities than the Resulting Issuer. The Resulting Issuer may also encounter competition from other exploration and development companies in its efforts to hire experienced professionals. Competition could adversely affect the Resulting Issuer's ability to attract necessary funding or acquire suitable producing properties or prospects for mineralisation in the future. Competition for services and equipment could result in delays if such services or equipment cannot be obtained in a timely manner due to inadequate availability, and could also cause scheduling difficulties and cost increases due to the need to coordinate the availability of services or equipment, any of which could materially increase project development, exploration or construction costs and result in project delays.

Government Regulation

The Resulting Issuer's exploration operations are subject to government legislation, policies and controls relating to prospecting, development, production, environmental protection, taxes and labour standards. In order for the Resulting Issuer to carry out its activities, its various licences and permits must be obtained and kept current. There is no guarantee that the Resulting Issuer's licences and permits will be granted, or that once granted will be extended. In addition, the terms and conditions of such licences or permits could be changed and there can be no assurances that any application to renew any existing licences will be approved. There can be no assurance that all permits that the Resulting Issuer requires will be obtainable on reasonable terms, or at all. Delays or a failure to obtain such permits, or a failure to comply with the terms of any such permits that the Resulting Issuer has obtained, could have a material adverse impact on the Resulting Issuer. The Resulting Issuer may be required to contribute to the cost of providing the required infrastructure to facilitate the development of its properties. The Resulting Issuer will also have to obtain and comply with permits and licences that may contain specific conditions concerning operating procedures, water use, waste disposal, spills, environmental studies, abandonment and restoration plans and financial assurances. There can be no assurance that the Resulting Issuer will be able to comply with any such conditions. Future taxation of mining and exploration operators cannot be predicted with certainty, so planning must be undertaken using present conditions and best estimates of any potential future changes.

Audit of Tax Filings

The Resulting Issuer's taxes may be affected by a number of factors, some of which are outside of its control, including the application and interpretation of the relevant tax laws and treaties. If the Resulting Issuer's filing position, application of tax incentives or benefits were to be challenged for whatever reason, this could have a material adverse effect on The Resulting Issuer's business, results of operations and financial condition. The Resulting Issuer may be subject to routine tax audits by various tax authorities. Tax audits may result in additional tax, interest payments and penalties which would negatively affect the Resulting Issuer's financial condition and operating results. New laws and regulations or changes in tax rules and regulations or the interpretation of tax laws by the courts or the tax authorities may also have a substantial negative impact on the Resulting Issuer's business. There is no assurance that the Resulting Issuer's current financial condition will not be materially adversely affected in the future due to such changes.

Market for the Resulting Issuer's Common Shares

There can be no assurance that an active market for the Resulting Issuer's Common Shares will develop or be sustained. If an active public market for the Resulting Issuer's Common Shares does not develop, the liquidity of a purchaser's investment may be limited, and the share price may decline.

Market Price of Resulting Issuer Common Shares

The Resulting Issuer Common Shares do not currently trade on any exchange or market. Securities of micro-cap and small-cap companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in Chile, North America and globally and market perceptions of the attractiveness of particular industries. The price of the Resulting Issuer Common Shares is also likely to be significantly affected by short-term changes in copper prices or in its financial condition or results of operations as reflected in its quarterly earnings reports. Other factors unrelated to the Resulting Issuer's performance that may have an effect on the price of the Resulting Issuer Common Shares include the following: (i) the extent of analytical coverage available to investors concerning the Resulting Issuer's business may be limited if investment banks with research capabilities do not follow the Resulting Issuer's securities; (ii) lessening in trading volume and general market interest in the Resulting Issuer's securities may affect an investor's ability to trade significant numbers of Resulting Issuer Common Shares; (iii) the size of the Resulting Issuer's public float may limit the ability of some institutions to invest in the Resulting Issuer's securities; and (iv) a substantial decline in the price of the Resulting Issuer Common Shares that persists for a significant period of time could cause the Resulting Issuer's securities, if listed on an exchange, to be delisted from such exchange, further reducing market liquidity.

As a result of any of these factors, the market price of the Resulting Issuer Common Shares at any given point in time may not accurately reflect the Resulting Issuer's long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Resulting Issuer may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

The fact that no market currently exists for the Resulting Issuer Common Shares may affect the pricing of the Resulting Issuer Common Shares in the secondary market, the transparency and availability of trading prices, the liquidity of the Resulting Issuer Common Shares and the extent of the regulations to which the Resulting Issuer is subject.

Influence of Third Party Stakeholders

Some of the lands in which the Resulting Issuer holds an interest, or the exploration equipment and roads or other means of access which the Resulting Issuer intends to utilize in carrying out its work programs or general business mandates, 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 Resulting Issuer 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 Resulting Issuer.

Dividend Policy

No dividends on the Resulting Issuer Common Shares have been paid by the Resulting Issuer to date. Investors in the Resulting Issuer's securities cannot expect to receive a dividend on their investment in the foreseeable future, if at all. Accordingly, it is unlikely that investors will receive any return on their investment in the Resulting Issuer's securities other than through possible share price appreciation.

Acquisitions and Integration

From time to time, it can be expected that the Resulting Issuer will examine opportunities to acquire additional exploration and/or development assets and businesses. Any acquisition that the Resulting Issuer may choose to complete may be of a significant size, may change the scale of the Resulting Issuer's business and operations, and may expose the Resulting Issuer to new geographic, political, operating, financial and geological risks. The Resulting Issuer's success in its acquisition activities depends upon its ability to identify suitable acquisition candidates, negotiate acceptable terms for any such acquisition, and integrate the acquired operations successfully with those of the Resulting Issuer. Any acquisitions would be accompanied by risks. In the event that the Resulting Issuer chooses to raise debt capital to finance any such acquisitions, the Resulting Issuer's leverage will be increased. If the Resulting Issuer chooses to use equity as consideration for such acquisitions, existing shareholders may suffer dilution. Alternatively, the Resulting Issuer may choose to finance any such acquisitions with its existing resources. There can be no assurance that the Resulting Issuer would be successful in overcoming these risks or any other problems encountered in connection with such acquisitions.

Dilution

While the Resulting Issuer believes that it is well financed to carry out its exploration and development plans in the near term, financing the development of a copper operation through to production, should feasibility studies show it is recommended, would be expensive and the Resulting Issuer would require additional monies to fund development and exploration programs and potential acquisitions. The Resulting Issuer cannot predict the size of future issuances of Resulting Issuer Common Shares or the issuance of debt instruments or other securities convertible into Resulting Issuer Common Shares. Likewise, the Resulting Issuer cannot predict the effect, if any, that future issuances and sales of the Resulting Issuer's securities will have on the market price of the Resulting Issuer Common Shares. If the Resulting Issuer raises additional funds by issuing additional equity securities, such financing may substantially dilute the interests of existing shareholders. Sales of substantial numbers of Resulting Issuer Common Shares, or the availability of such Resulting Issuer Common Shares for sale, could adversely affect prevailing market prices for the Resulting Issuer's securities.

Future Sales of Resulting Issuer Common Shares by Major Shareholder

Sales of a large number of Resulting Issuer Common Shares in the public markets, or the potential for such sales, could decrease the trading price of the Resulting Issuer Common Shares and could impair the Resulting Issuer's ability to raise capital through future sales of Resulting Issuer Common Shares. In particular, at the Effective Time, Gino Zandonai will own, directly or indirectly, approximately 31.4% of the issued and outstanding Resulting Issuer Common Shares. Upon release of its Resulting Issuer Common Shares from escrow pursuant to the policies of the TSXV, if Gino Zandonai decides to liquidate all or a significant portion of its position, it could adversely affect the price of Resulting Issuer Common Shares.

Climate Change and Climate Change Regulations

Climate change could have an adverse impact on the Resulting Issuer's cost of operations. The potential physical impacts of climate change on the operations of the Resulting Issuer are highly uncertain, and would be particular to the geographic circumstances in areas in which it operates. These may include changes in rainfall and storm patterns and intensities, water shortages, changing sea levels and changing temperatures. These changes in climate could have an impact on the cost of development or production on the Resulting Issuer's mines and adversely affect the financial performance of its operations.

Regulations and pending legislation governing issues involving climate change could result in increased operating costs, which could have a material adverse effect on the business of the Resulting Issuer. A number of governments or governmental bodies have introduced or are contemplating regulatory changes in response to various climate change interest groups and the potential impact of climate change. Legislation and increased regulation regarding climate change could impose significant costs on the Resulting Issuer, its venture partners and our suppliers, including costs related to increased energy requirements, capital equipment, environmental monitoring and reporting and other costs to comply with such regulations. Any adopted future climate change regulations could also negatively impact the Resulting Issuer's ability to compete with companies situated in areas not subject to such regulations. Given the emotion, political significance and uncertainty around the impact of climate change and how it should be dealt with, the Resulting Issuer cannot predict how legislation and regulation will affect its financial condition, operating performance and ability to compete. Furthermore, even without such regulation, increased awareness and any adverse publicity in the global marketplace about potential impacts on climate change by the Resulting Issuer or other companies in natural resources industry could harm the reputation of the Resulting Issuer.

Relationships with Local Communities and Other Stakeholders

The Resulting Issuer's relationships with the communities in which it operates are critical to the future success of its existing operations and the construction and development of its projects. In recent years, there has been ongoing and potentially increasing public concern relating to the effects of resource extraction on the natural landscape, communities and the environment. Certain non-governmental organizations, public interest groups and reporting organizations ("NGOs") who oppose globalization and resource development can be vocal critics of the mining and exploration industry and its practices, including the use of hazardous substances in processing activities. In addition, there have been many instances in which local community groups have opposed resource extraction activities, resulting in disruption and delays to the relevant operations. Adverse publicity generated by such NGOs or others related to the copper industry, or to extractive industries generally, could have an adverse effect on the Resulting Issuer's reputation or financial condition and may impact its relationship with the communities in which it operates. While the Resulting Issuer seeks to operate in a socially responsible manner and believes it has good relationships with local communities in the regions in which it operates, there is no guarantee that its efforts in this respect will mitigate this potential risk. NGOs or local community groups could direct adverse publicity against and/or disrupt the operations of the Resulting Issuer in respect of one or more of its properties, despite the Resulting Issuer's successful compliance with social and environmental best practices. Any such actions and the resulting media coverage could have adverse effects on the reputation and financial condition of the Resulting Issuer or its relationships with the communities in which it operates, which could have a material adverse effect on the business, financial condition, results of operations, cash flows or prospects of the Resulting Issuer.

The Resulting Issuer's ability to successfully obtain key permits and approvals to explore for, develop and operate mines and to successfully operate in communities around the world will likely depend on its ability to develop, operate and close mines in a manner that is consistent with the creation of social and economic benefits in the surrounding communities, which may or may not be required by law. Mining operations should be designed to minimize the negative impact on such communities and the environment, for example, by modifying development plans and operations or by relocating those affected to an agreed location. The cost of these measures could increase capital and operating costs and therefore could have an adverse impact upon The Resulting Issuer's financial condition and operations. The Resulting Issuer seeks to promote improvements in health and safety, human rights, environmental performance and community relations. However, the Resulting Issuer's ability to operate could be adversely impacted by accidents or events detrimental (or perceived to be detrimental) to the health, safety and well-being of the Resulting Issuer's employees, human rights, the environment or the communities in which the Resulting Issuer operates.

Risk of Litigation

The Resulting Issuer may become involved in disputes with other parties in the future which may result in litigation. The results of litigation cannot be predicted with certainty. If the Resulting Issuer is unable to resolve these disputes favourably, it may have a material adverse impact on the ability of the Resulting Issuer to carry out its business plan.

Reliance on Key Personnel

The Resulting Issuer's development will depend on the efforts of key management and other key personnel. Loss of any of these people, particularly to competitors, could have a material adverse effect on the Resulting Issuer's business. Further, with respect to future development of the Resulting Issuer's projects, it may become necessary to attract both international and local personnel for such development. The marketplace for key skilled personnel is becoming more competitive, which means the cost of hiring, training and retaining such personnel may increase. Factors outside the Resulting Issuer's control, including competition for human capital and the high level of technical expertise and experience required to execute this development, will affect the Resulting Issuer's ability to employ the specific personnel required. Due to the relatively small size of the Resulting Issuer, the failure to retain or attract a sufficient number of key skilled personnel could have a material adverse effect on the Resulting Issuer's business, results of future operations and financial condition. The Resulting Issuer does not intend to take out 'key person' insurance in respect of any directors, officers or other employees.

Internal Controls

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, and not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation. The Resulting Issuer has a very limited history of operations and has not made any assessment as to the effectiveness of its internal controls. Though the Resulting Issuer intends to put into place a system of internal controls appropriate for its size, and reflective of its level of operations, there are limited internal controls currently in place.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings* (“**NI 52-109**”), the Resulting Issuer's certifying officers, as a venture issuer, are not required to make representations relating to the establishment and maintenance of disclosure controls and procedures (“**DC&P**”) and internal control over financial reporting (“**ICFR**”), as defined in NI 52-109. In particular, the certifying officers of the Resulting Issuer will not be required to make any representations that they have:

- (a) designed, or caused to be designed, DC&P to provide reasonable assurance that information required to be disclosed by the Resulting Issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- (b) designed, or caused to be designed, ICFR to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Conflicts of Interest

Certain of the directors and officers of the Resulting Issuer also serve as directors and/or officers of other companies involved in natural resource exploration and development and consequently there exists the possibility for such directors and officers to be in a position of conflict. Any decision made by any of such directors and officers involving the Resulting Issuer should be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Resulting Issuer and its shareholders. In addition, each of the directors is required to declare and refrain from voting on any matter in which such directors may have a conflict of interest in accordance with the procedures set forth in the *Business Corporations Act* (British Columbia) and other applicable laws.

Interest Rate Risk

The Resulting Issuer's interest rate risk related to interest-bearing debt obligations is currently not material as the Resulting Issuer has no outstanding debt as of the date of the Listing Application and does not expect to have any outstanding debt as at the Effective Date.

Credit Risk

Credit risk arises from cash and cash equivalents held with banks and financial institutions, derivative financial instruments (including forward gold sales contracts) and amounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets.

Liquidity Risk

Liquidity risk arises through the excess of financial obligations due over available financial assets at any point in time. The Resulting Issuer's objective in managing liquidity risk will be to maintain sufficient readily available cash reserves and credit in order to meet its liquidity requirements at any point in time. The total cost and planned timing of acquisitions and/or other development or construction projects is not currently determinable, and it is not currently known precisely when the Resulting Issuer will require external financing in future periods.

Share Price Fluctuations

In recent years, securities markets have experienced a high level of price and volume volatility. The securities of many companies, particularly those considered exploration-stage companies such as the Resulting Issuer, have experienced wide fluctuations in market prices which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. Assuming the Resulting Issuer Common Shares are listed on the TSXV, there can be no assurance that the price of the Resulting Issuer Common Shares will be unaffected by any such volatility. The market price of the shares of mineral exploration companies is also significantly affected by short-term changes in commodity prices, precious and base metal prices or other prices, and the political environment in the Canada and Chile.

ITEM 22: PROMOTERS

Not applicable.

ITEM 23: LEGAL PROCEEDINGS AND REGULATORY ACTIONS

In the ordinary course of business, 773, TargetCo and the Resulting Issuer may become involved in various legal, administrative, regulatory and other proceedings, actions, claims and inquiries relating to its business.

TargetCo is not aware of any existing or contemplated legal proceedings or regulatory actions material to TargetCo to which TargetCo is a party or to which any of its property is subject since the beginning of its most recently completed financial year.

773 is not aware of any existing or contemplated legal proceedings or regulatory actions material to 773 to which 773 is a party or to which any of its property is subject since the beginning of its most recently completed financial year.

Within three years prior to the date of this Listing Application, there have not been any penalties or sanctions imposed against TargetCo or 773 by a court relating to provincial or territorial securities legislation or by a securities regulatory authority, nor have there been any other penalties or sanctions imposed by a court or regulatory body against TargetCo or 773, and each of TargetCo or 773 has not entered into any settlement agreements before a court relating to provincial or territorial securities legislation or with a securities regulatory authority.

ITEM 24: INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as set out in *Item 15 – Principal Securityholders* and *Item 16 – Directors and Executive Officers*, within three years prior to the date of this Listing Application, no director, executive officer, or person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10 percent of any class or series of outstanding voting securities of each of TargetCo or 773, or any known associates or affiliates of such persons, has or has had any material interest, direct or indirect, in any transaction or in any proposed transaction that has materially affected or is reasonably expected to materially affect each of TargetCo or 773.

In addition, other than as set out in *Item 5 – Description of the Business – Summary – History*, *Item 15 – Principal Securityholders*, and *Item 16 – Directors and Executive Officers*, within three years prior to the date of this Listing Application, no director, executive officer, or person expected to be a director, executive officer, or person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10 percent of any class or series of outstanding voting securities of the Resulting Issuer, or any known associates or affiliates of such persons, has any material interest, direct or indirect, in any transaction or in any proposed transaction that is reasonably expected to materially affect the Resulting Issuer.

ITEM 25: INVESTOR RELATIONS ARRANGEMENTS

Neither TargetCo, 773 nor the Resulting Issuer has entered into or presently intends to enter into, any written or oral agreement or understanding with any Person to provide promotional or investor relations services to either of them, or to engage in activities for the purposes of stabilizing the market, either now or in the future.

ITEM 26: AUDITORS, TRANSFER AGENTS AND REGISTRAR

After completion of the RTO, it is proposed that the registrar and transfer agent for the Resulting Issuer be TSX Trust, at its office located at 650 West Georgia Street, Suite 2700, Vancouver, BC V6B 4N9.

The auditor of TargetCo is Davidson & Company LLP of Vancouver, British Columbia and 773 is Baker Tilly WM LLP of Toronto, Ontario. The Auditors are independent of each of TargetCo and 773 within the meaning of the Chartered Professional Accountants of British Columbia Code of Professional Conduct. After completion of the RTO, it is proposed that the auditor of the Resulting Issuer be the current auditor of TargetCo.

ITEM 27: MATERIAL CONTRACTS

Except for contracts entered into by TargetCo or 773 in the ordinary course of business, the only current material contracts entered into or currently anticipated to be entered into by TargetCo or 773 which can reasonably be regarded as presently material are:

- the Amalgamation Agreement;
- the Subscription Receipt Agreement;

After completion of the RTO, the material agreements listed above will be considered to be the material agreements of the Resulting Issuer.

A copy of all material agreements referred to in this Listing Application will be available on the Resulting Issuer's SEDAR profile at www.sedar.com.

ITEM 28: EXPERTS

Davidson and Company LLP of Vancouver, British Columbia is the auditor of TargetCo and Baker Tilly WM LLP, of Toronto, Ontario, is the auditor for 773 and they are independent with respect to each of TargetCo and 773 within the meaning of the Chartered Professional Accountants of British Columbia Code of Professional Conduct.

Certain legal matters relating to the RTO will be passed upon TargetCo's behalf by McLeod Law LLP. Based on security holdings as of the date hereof, the partners and associates of McLeod Law LLP will hold less than 1% of the TargetCo Common Shares, 773 Common Shares or the Resulting Issuer Common Shares on the Effective Date. Certain legal matters relating to the RTO will be passed upon 773's behalf by BLG LLP. Based on security holdings as of the date hereof, the partners and associates of BLG LLP will hold less than 1% of the TargetCo Common Shares, 773 Common Shares or the Resulting Issuer Common Shares on the Effective Date.

ITEM 29: OTHER MATERIAL FACTS

There are no other material facts in respect of the securities to be listed that are not disclosed in this Listing Application, or the documents incorporated herein by reference and that are necessary in order for this Listing Application to contain full, true and plain disclosure of all material facts relating to the securities to be listed.

ITEM 30: ADDITIONAL INFORMATION – MINING OR OIL AND GAS APPLICANTS

The details on the Placeton Project required by this Item 30 are contained elsewhere in this Listing Application. In particular, please see “*Item 5 – Description of the Business – The Properties*”.

ITEM 31: EXEMPTIONS

No discretionary exemption from a securities regulator or securities regulatory authority has been applied for or received by TargetCo or 773 within the 12 months preceding the date of this Listing Application.

ITEM 32: FINANCIAL STATEMENT DISCLOSURE FOR ISSUERS

Included as Appendix “B” to this Listing Application are the audited financial statements of TargetCo for the year ended December 31, 2020, and the notes thereto, and the unaudited interim financial statements of TargetCo for the interim period ended March 31, 2021, and the notes thereto.

Included as Appendix “C” to this Listing Application are the audited consolidated financial statements of 773 from incorporation on February 24, 2020 to December 31, 2020, and the notes thereto.

Included as Appendix “D” to this Listing Application are the Pro Forma Financial Statements of the Resulting Issuer (unaudited) and the notes thereto.

ITEM 33: SIGNIFICANT ACQUISITIONS

Neither 773 nor TargetCo has completed any significant acquisitions requiring disclosure under this Item 33.

ITEM 34: CERTIFICATES

34.1 Certificate of TargetCo.

Each of the undersigned hereby certifies that the foregoing constitutes full, true and plain disclosure of all information required to be disclosed under each item of this Listing Application and of any material fact not otherwise required to be disclosed under an item of this Listing Application.

Dated August 16, 2021.

(signed) “Gino Zandonai”

Chief Executive Officer and President

On Behalf of the Board of Directors of TargetCo

(signed) “Martyn Buttenshaw”

Director

(signed) “Eugene Chen”

Director

34.2 Certificate of 773.

Each of the undersigned hereby certifies that the foregoing constitutes full, true and plain disclosure of all information required to be disclosed under each item of this Listing Application and of any material fact not otherwise required to be disclosed under an item of this Listing Application.

Dated August 16, 2021.

(signed) “James Ward”

Chief Executive Officer and Chief Financial Officer

On Behalf of the Board of Directors of 773

(signed) “Branden Keast”

Director

(signed) “James Ward”

Director

34.3 Certificate of Sponsor

Not applicable.

34.4 Certificate of Sponsor

Not applicable.

34.5 Acknowledgement – Personal Information

“Personal Information” means any information about an identifiable individual.

TargetCo represents and warrants that it has obtained all consents required under applicable law for the collection, use and disclosure by the TSXV of the Personal Information contained in or submitted pursuant to this Listing Application for the purposes described in Appendix “A” to this Listing Application.

Dated August 16, 2021.

(signed) “Gino Zandonai”
Chief Executive Officer, President and Director

773 represents and warrants that it has obtained all consents required under applicable law for the collection, use and disclosure by the TSXV of the Personal Information contained in or submitted pursuant to this Listing Application for the purposes described in Appendix “A” to this Listing Application.

Dated August 16, 2021.

(signed) “James Ward”
Chief Executive Officer, Chief Financial Officer and
Director

Appendix "A"

FORM 2B PERSONAL INFORMATION COLLECTION POLICY

Collection, Use and Disclosure

TSX Venture Exchange Inc. and its affiliates, authorized agents, subsidiaries and divisions, including TSX Venture Exchange and Toronto Stock Exchange, (collectively referred to as the "Exchange") collect the information contained in or submitted pursuant to Form 2B (which may include personal, confidential, non-public or other information) and use it for the following purposes:

- to conduct background checks,
- to verify the Personal Information that has been provided about each individual,
- to consider the suitability of the individual to act as an officer, director, insider, promoter, investor relations provider or, as applicable, an employee or consultant, of the Applicant,
- to consider the eligibility of the Applicant to list on the Exchange,
- to provide disclosure to market participants as to the security holdings of directors, officers, other insiders and promoters of the Applicant, or its associates or affiliates, including information as to such individuals' involvement with any other reporting issuers
- to detect and prevent fraud, and
- to perform other investigations as required by and to ensure compliance with all applicable rules, policies, rulings and regulations of the Exchange, securities legislation and other legal and regulatory requirements governing the conduct and protection of the capital markets in Canada.

Personal Information the Exchange collects may also be disclosed:

- (a) to securities regulators and regulatory authorities in Canada or elsewhere, investigative, law enforcement or self-regulatory organizations, and each of their subsidiaries, affiliates, regulators and authorized agents, for the purposes described above, and these agencies and organizations may use the information in their own investigations;
- (b) on the Exchange's website or through printed materials published by or pursuant to the directions of the Exchange for the purposes described above; and
- (c) as otherwise permitted or required by law.

The Exchange may from time to time use third parties to process information or provide other administrative services. In this regard, the Exchange may share the information with such third party service providers for the purposes described above.

Questions

If you have any questions or enquiries regarding the policy outlined above or about our privacy practices, please send a written request to: Chief Privacy Officer, TMX Group, The Exchange Tower, 130 King Street West, Toronto, Ontario, M5X 1J2.

Appendix "B"

**FINANCIAL STATEMENTS OF TARGETCO FOR THE INTERIM PERIOD ENDED MARCH 31, 2021
(UNAUDITED) AND YEAR ENDED DECEMBER 31, 2020 (AUDITED)**

See attached.

2311548 Alberta Ltd.

FINANCIAL STATEMENTS

**For the period from incorporation on
December 23, 2020 to December 31, 2020**

(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Directors of
2311548 Alberta Ltd.

Opinion

We have audited the accompanying financial statements of 2311548 Alberta Ltd. (the "Company"), which comprise the statement of financial position as at December 31, 2020, and the statements of loss and comprehensive loss, cash flows, and changes in shareholders' equity for the period from incorporation on December 23, 2020 to December 31, 2020, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020, and its financial performance and its cash flows for the period from incorporation on December 23, 2020 to December 31, 2020 in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

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

Material Uncertainty Related to Going Concern

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

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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



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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

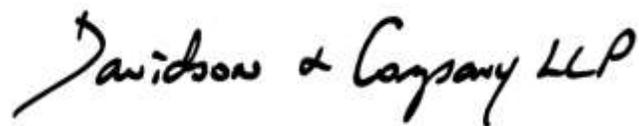
As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Alyson Neil.

A handwritten signature in black ink that reads "Davidson & Coysany LLP". The signature is written in a cursive, flowing style.

Vancouver, Canada

Chartered Professional Accountants

April 20, 2021

2311548 Alberta Ltd.
STATEMENT OF FINANCIAL POSITION
(Expressed in Canadian dollars)

| As at | December 31, 2020 |
|---|-------------------------|
| ASSETS | |
| Current | |
| Cash | \$ 2,001 |
| Total assets | \$ 2,001 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | |
| Current | |
| Accounts payable and accrued liabilities | \$ 1,199 |
| Total liabilities | \$ 1,199 |
| SHAREHOLDERS' EQUITY | |
| Share capital | \$ 2,000 |
| Reserves | 1 |
| Deficit | (1,199) |
| Total shareholders' Equity | \$ 802 |
| Total liabilities and shareholders' Equity | \$ 2,001 |

Nature of operations and going concern (Note 1)
Subsequent event (Note 12)

Approved on Behalf of the Board on April 20, 2021:

"Martyn Buttenshaw" Director

"Eugene Chen" Director

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

2311548 Alberta Ltd.
STATEMENT OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian dollars)

| | | From incorporation on December 23, 2020 to December 31, 2020 |
|--|-----------|---|
| Expenses | | |
| General and administrative expenses | \$ | (1,199) |
| Loss and comprehensive loss | \$ | (1,199) |
| Loss per common share, basic and diluted | \$ | (0.00) |
| Weighted average number of shares outstanding – basic and diluted | | 375,088 |

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

2311548 Alberta Ltd.
STATEMENT OF CASH FLOWS
(Expressed in Canadian dollars)

From
incorporation on
December 23,
2020 to
December 31,
2020

Cash flows from operating activities

| | | |
|--|----|---------|
| Loss for the period | \$ | (1,199) |
| Changes in non-cash working capital items: | | |
| Accounts payable and accrued liabilities | \$ | 1,199 |
| Net cash used in operating activities | \$ | - |

Cash flows from financing activities

| | | |
|---|----|-------|
| Shares issued for cash | \$ | 2,000 |
| Warrants issued for cash | | 1 |
| Net cash provided by financing activities | \$ | 2,001 |
| Change in cash during the period | \$ | 2,001 |
| Cash, beginning of period | | - |
| Cash, end of period | \$ | 2,001 |

Cash paid during the period for interest \$ -

Cash paid during the period for income taxes \$ -

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

2311548 Alberta Ltd.
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian dollars)

| | Common Shares | | Reserves | Deficit | Total |
|--|------------------|-----------------|-------------|-------------------|---------------|
| | Number | Amount | | | |
| Balance, December 23, 2020 | - | \$ - | \$ - | \$ - | - |
| Shares issued | 3,000,000 | 2,000 | - | - | 2,000 |
| Warrants issued | - | - | 1 | - | 1 |
| Loss and comprehensive loss for the period | - | - | - | (1,199) | (1,199) |
| Balance, December 31, 2020 | 3,000,000 | \$ 2,000 | \$ 1 | \$ (1,199) | \$ 802 |

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

1. NATURE OF OPERATIONS AND GOING CONCERN

2311548 Alberta Ltd. (the “Company”) was incorporated under the Business Corporations Act of Alberta on December 23, 2020. The Company’s registered and records office is located at Third Floor, 14505 Bannister Road SE, Calgary, Alberta T2X 3J3.

The principal business of the Company is the identification and evaluation of assets or a business with a view to completing a transaction subject to receipt of shareholder approval and acceptance by regulatory authorities. The success of the Company will be dependent on obtaining the necessary financing to evaluate and pursue these opportunities.

These financial statements have been prepared assuming the Company will continue on a going-concern basis. The Company has incurred losses since inception and the ability of the Company to continue as a going-concern depends upon its ability to raise adequate financing through the capital markets.

The Company is experiencing, and has experienced, negative operating cash flows. The Company will continue to search for new or alternate sources of financing but anticipates that the current market conditions may impact the ability to source such funds. There can be no assurance that the Company will be able to continue to raise funds in which case the Company may be unable to meet its obligations. These items cast a significant doubt upon the Company’s ability to continue as a going concern.

In addition, the Company began operations after the World Health Organization categorized COVID-19 as a pandemic. Financial markets around the world have been extremely volatile due to events and conditions resulting from this pandemic and as a result, the volatility could also impact the Company’s ability to continue its operations as a going concern.

2. BASIS OF PRESENTATION

a) Statement of compliance and basis of measurement

These financial statements, including comparatives have been prepared using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”). These financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The financial statements of the Company for the period ended December 31, 2020 were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on April 20, 2021.

b) Functional currency and presentation currency

The Company’s functional and presentation currency is the Canadian dollar.

3. SIGNIFICANT ACCOUNTING POLICIES

a) Cash

Cash includes cash on hand and deposits held with financial institutions.

b) Financial instruments

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The following table shows the classification of the Company's financial assets and liabilities under IFRS 9:

| Asset or Liability | IFRS 9 Classification |
|---------------------------|----------------------------------|
| Cash | FVTPL |
| Accounts payable | Amortized cost |

Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at fair value through profit of loss

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Financial instruments (continued)

Impairment of financial assets at amortized cost

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

Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the consolidated statements of loss.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. Gains and losses on derecognition are recognized in profit or loss.

c) Income taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in net loss except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive loss/income.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

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 both 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 date of the statement of financial position.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Income taxes (continued)

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting year the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

d) Share capital

Common shares are classified as shareholders' equity. Incremental costs directly attributable to the issuance of common shares and stock options are recognized as a deduction from equity. Common shares issued for consideration other than cash, are valued based on their fair value at the date the shares are issued.

The Company uses the residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The Company considers the fair value of common shares issued in the private placements to be the more easily measurable component and the common shares are valued at their fair value, as determined by the closing market price on the announcement date. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded as reserves.

e) Loss per common share

Basic loss per share has been calculated using the weighted average number of common shares outstanding during the year.

Diluted loss per share has been calculated using the weighted average number of common shares that would have been outstanding during the respective period had all of the stock options and warrants outstanding at year-end having a dilutive effect been converted into shares at the beginning of the year and the proceeds used to repurchase the Company's common shares at the average market price for the year. If these computations prove to be anti-dilutive, diluted loss per share is the same as basic loss per share.

f) New standards not yet adopted

The Company does not believe any recently issued, but not yet effective IFRS standards that have been issued by the IASB will have a material impact on the Company's consolidated financial statements.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Company makes estimates and judgments about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in profit or loss in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

Information about critical estimates and judgments in applying accounting policies that have the most significant risk of causing material adjustment to the financial statements are discussed below.

Critical accounting judgment

The preparation of these financial statements requires management to make judgments regarding the going concern of the Company as discussed in Note 1.

Key sources of estimation uncertainty

Deferred tax assets and liabilities

The measurement of a deferred tax provision is subject to uncertainty associated with the timing of future events and changes in legislation, tax rates and interpretations by tax authorities. The estimation of taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and future tax provisions or recoveries could be affected.

5. RELATED PARTY TRANSACTIONS

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

There was no key management remuneration during the period from incorporation on December 23, 2020 to December 31, 2020.

Related parties and related party transactions impacting the accompanying financial statements are summarized below and include transactions with the following individuals or entities:

During the period ended December 31, 2020, the Company incurred \$1,199 in legal fees with McLeod Law LLP, a law firm at which a director of the Company is a partner.

As at December 30, 2020, \$1,199 owing to McLeod Law LLP is included in accounts payable.

6. CAPITAL STOCK

Authorized capital stock: unlimited number of common shares without par value and unlimited number of preferred shares without par value.

During the period ended December 31, 2020, the Company issued 3,000,000 common shares.

| | Number of Common Shares | Amount |
|---|--|---------------|
| Balance on inception, December 23, 2020 | - | \$ - |
| Issued during the period | 3,000,000 | 2,000 |
| Balance, December 31, 2020 | 3,000,000 | \$ 2,000 |

Warrants

During the period ended December 31, 2020, the Company issued 7,000,000 warrants exercisable at \$0.60 for five years.

| | Number of Warrants | Weighted Average Exercise Price |
|---|-------------------------------|--|
| Balance on inception, December 23, 2020 | - | \$ - |
| Issued | 7,000,000 | 0.60 |
| Exercised | - | - |
| Balance, December 31, 2020 | 7,000,000 | \$ 0.60 |

7. RISK MANAGEMENT

The fair value of the Company's accounts payable and accrued liabilities approximate their carrying value, which is the amount recorded on the statement of financial position, due to their short terms to maturity. The Company's cash is measured at fair value, under the fair value hierarchy based on level one quoted prices in active markets for identical assets or liabilities.

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

a) Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The Company considers that cash is exposed to credit risk. Management believes that the credit risk related to its cash is negligible.

7. RISK MANAGEMENT (continued)

b) Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize such a loss is limited because the Company has no interest-bearing financial instruments.

c) Price risk

The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors the stock market to determine the appropriate course of action to be taken by the Company.

d) Liquidity risk

The Company manages liquidity risk by maintaining sufficient cash to enable settlement of transactions as they come due. Management monitors the Company's contractual obligations and other expenses to ensure adequate liquidity is maintained. Refer to Note 1 for further discussion.

8. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

| | 2020 |
|---|-------------------|
| Income (loss) for the year | \$ (1,199) |
| Expected income tax (recovery) | (324) |
| Change in unrecognized deductible temporary differences | 324 |
| Total income tax expense (recovery) | \$ - |

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the statement of financial position are as follows:

| | 2020 | Expiry Date Range |
|------------------------------------|----------------|-------------------|
| Non-capital losses carried forward | \$1,199 | 2040 |

9. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support any business transaction. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company is largely dependent upon external financings to fund its operations. In order to carry out any planned business transaction and to continue to support the general administrative activities, the Company will spend its existing working capital and raise additional funds as needed.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the period ended December 31, 2020. The Company is not subject to externally imposed capital requirements.

10. SUBSEQUENT EVENT

Amalgamation

On March 12, 2021, the Company entered into a series of transactions with 1246773 B.C. Ltd. ("773"), 2330281 Alberta Ltd., Aconcagua Minerals SpA ("Aconcagua") and Cobalt Chile SpA ("Cobalt Chile") that will result in 773 (to be named "Atacama Copper Corporation") indirectly acquiring the rights to the El Cofre, Los Naranjos, Caballo Muerto and the Placeton Projects located in Chile.

As part of the transactions the Company acquired all of the issued and outstanding shares of Aconcagua and Cobalt Chile and then will amalgamate with 2330281 Alberta Ltd., a wholly owned subsidiary of 773. The Company issued 17,000,000 shares to the shareholders of Aconcagua and Cobalt Chile in exchange for their shares in these entities, as well as an assignment of amounts due to related parties from Aconcagua.

The amalgamation is conditional on the completion of a private placement for aggregate gross proceeds of at least \$4,000,000, the TSX Venture Exchange ("TSXV") approving the listing of the common shares of 773, and other customary conditions, with closing occurring by April 30, 2021.

Appendix "C"

**FINANCIAL STATEMENTS OF 773 FOR THE INTERIM PERIOD ENDED MARCH 31, 2021
(UNAUDITED) AND YEAR ENDED DECEMBER 31, 2020 (AUDITED)**

See attached.

1246773 B.C. LTD.

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2021

(Expressed in Canadian Dollars)

1246773 B.C. LTD.
UNAUDITED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

| | Note | March 31, 2021 | December 31, 2020 |
|---|------|-------------------|----------------------|
| ASSETS | | | |
| Current assets | | | |
| Cash | | \$ 85,721 | \$ 145,274 |
| Amounts receivable | | 4,164 | - |
| Prepaid expense | | 29 | - |
| Total assets | | \$ 89,914 | \$ 145,274 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Accounts payable and accrued liabilities | | \$ 23,058 | \$ 12,443 |
| Due to related parties | 3 | 38,517 | 36,992 |
| | | 61,575 | 49,435 |
| SHAREHOLDERS' EQUITY | | | |
| Share capital | 4 | 157,800 | 157,800 |
| Deficit | | (129,461) | (61,961) |
| | | 28,339 | 95,839 |
| Total liabilities and shareholders' equity | | \$ 89,914 | \$ 145,274 |

Nature of operations and going concern (Note 1)
Commitments (Note 7)
Subsequent event (Note 8)

Approved and authorized on behalf of the Board of Directors on May 25, 2021

Director James Ward (signed)

Director Stephen Sandusky (signed)

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

1246773 B.C. LTD.**UNAUDITED CONDENSED INTERIM STATEMENT OF LOSS AND COMPREHENSIVE LOSS**

(Expressed in Canadian Dollars)

| | Three months ended March 31, 2021 |
|---|--|
| EXPENSES | |
| Accounting and corporate secretarial fees | \$ 2,500 |
| Marketing | 1,037 |
| Bank charges | 43 |
| Professional fees | 37,773 |
| Regulatory and transfer agent fees | 26,147 |
| <hr/> | |
| NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD | \$ (67,500) |
| <hr/> | |
| NET LOSS PER SHARE – BASIC AND DILUTED | \$ (0.011) |
| <hr/> | |
| WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING | 6,150,000 |

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

1246773 B.C. LTD.**UNAUDITED CONDENSED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

(Expressed in Canadian Dollars)

| | Number of Shares | Share Capital | Deficit | Total |
|--|-----------------------------|--------------------------|----------------|--------------|
| Balance, December 31, 2020 | 6,150,000 | \$ 157,800 | \$ (61,961) | \$ 95,839 |
| Net loss and comprehensive loss for the period | - | - | (67,500) | (67,500) |
| Balance, March 31, 2021 | 6,150,000 | \$ 157,800 | \$ (129,461) | \$ 28,339 |

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

1246773 B.C. LTD.
UNAUDITED CONDENSED INTERIM STATEMENT OF CASH FLOWS
(Expressed in Canadian Dollars)

| | Three months ended March 31, 2021 | |
|--|--|----------|
| Operating activities: | | |
| Net loss for the period | \$ | (67,500) |
| Changes in non-cash working capital related to operations: | | |
| Amounts receivable | | (4,164) |
| Prepaid expenses | | (29) |
| Due to related party | | 1,525 |
| Accounts payable and accrued liabilities | | 10,615 |
| Net cash used in operating activities | | (59,553) |
| Decrease in cash during the period | | (59,553) |
| Cash – beginning of the period | | 145,274 |
| Cash – end of the period | \$ | 85,721 |

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

1246773 B.C. LTD.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

For the three months ended March 31, 2021

(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

1246773 B.C. Ltd. ("the Company") was incorporated under the Business Corporations Act of British Columbia on April 8, 2020 and its principal business activity is searching for a suitable business or project to acquire, while complying with the requirements of being a public company. The Company's head office is located at 1200 Waterfront Centre, 200 Burrard Street, Vancouver, BC, V6C 3L6.

On June 25, 2020, 773 BC's parent company, 1289625 B.C. Ltd. ("1289625", formerly 2583262 Ontario Inc.), announced that it will go through a statutory plan of arrangement (the "Plan") involving its eight (8) wholly-owned subsidiaries. The Plan will involve, among other things, the distribution of common shares of 773 BC to current shareholders of 1289625 on the basis of one hundred thousand (100,000) 773 BC common shares per outstanding common share of the 1289625.

On July 24, 2020, 1289625 completed the Plan thereby resulting in the Company being spun out and becoming a non-listed reporting issuer.

These interim financial statements have been prepared assuming the Company will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. For the three months ended March 31, 2021, the Company had accumulated deficit of \$129,461. The continuation of the Company is dependent upon obtaining necessary financing to meet its ongoing operational levels of corporate overhead. These factors indicate material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern and, therefore, that it may be unable to discharge its liabilities in the normal course of business. Additional funds will be required to enable the Company to continue its operations and there can be no assurance that financing will be available on terms which are acceptable to the Company. These financial statements do not give effect to any adjustments to the amounts and classifications of assets and liabilities which might be necessary should the Company be unable to continue its operations as a going concern.

In addition, the Company began operations after the World Health Organization categorized COVID-19 as a pandemic. Financial markets around the world have been extremely volatile due to events and conditions resulting from this pandemic and as a result, the volatility could also impact the Company's ability to continue its operations as a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

These interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and related IFRS Interpretations Committee ("IFRIC's") as issued by the International Accounting Standards Board ("IASB"). These financial statements were approved by the board of directors for issue on May 25, 2021.

b) Basis of presentation

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

c) Foreign currencies

These financial statements are presented in Canadian dollars, which is also the functional currency of the Company. Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. All gains and losses on translation of these foreign currency transactions are charged to profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Financial instruments

Recognition and classification

The Company recognizes a financial asset or financial liability on the statement of financial position when it becomes party to the contractual provisions of the financial instrument.

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of financial asset debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics.

Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

Measurement

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in profit or loss in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income (loss).

Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss).

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Impairment of financial assets at amortized cost

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

1246773 B.C. LTD.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

For the three months ended March 31, 2021

(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Financial instruments (continued)

Derecognition

Financial assets

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

Financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets, is recognized in profit or loss.

e) Share capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. The Company's common shares and warrants are classified as equity instruments.

Costs directly identifiable with the raising of share capital financing are charged against share capital. Share issuance costs incurred in advance of share subscriptions are recorded as deferred assets. Share issuance costs related to uncompleted share subscriptions are recognized in profit or loss.

Equity financing transactions may involve the issuance of units. Units comprise common shares and share purchase warrants. The Company accounts for unit offering proceeds between common shares and share purchase warrants using the residual value method, wherein the fair value of the common shares is based on the value ascribed to the shares issued and the balance, if any, is allocated to the attached warrants.

f) Loss per share

Basic loss per share represents the loss for the period, divided by the weighted average number of common shares outstanding during the period. Diluted loss per share represents the loss for the period, divided by the weighted average number of common shares outstanding during the period plus the weighted average number of dilutive shares resulting from the exercise of stock options, warrants and other similar instruments where the inclusion of these would not be anti-dilutive.

3. RELATED PARTY TRANSACTIONS

As at March 31, 2021, the Company has \$38,517 in related party liabilities owing to 1289625 B.C. Ltd for reimbursable expenses incurred on behalf of the Company.

4. SHARE CAPITAL

a) Authorized – Unlimited common shares without par value.

b) Issued and outstanding – 6,150,000 common shares

5. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern and to maintain a flexible capital structure which optimizes the cost of capital within a framework of acceptable risk. In the management of capital, the Company includes the components of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash. The Company is currently dependent on 1289625 as its primary source of operating capital.

6. FINANCIAL INSTRUMENTS

For financial instruments held by the Company, management classifies cash as FVTPL, amounts receivable as amortized cost, and accounts payable and accrued liabilities as amortized cost.

a) Fair value of financial instruments

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

As at March 31, 2021, the Company believes that the carrying values of amounts receivable and accounts payable and accrued liabilities approximate their fair values because of their nature and relatively short maturity dates or durations. The fair value of cash is based on level 1 inputs of the fair value hierarchy.

b) Management of risks arising from financial instruments

Discussions of risks associated with financial assets and liabilities are detailed below:

Credit risk

Credit risk arises from cash held with banks and financial institutions. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The credit risk related to cash is considered minimal.

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize such a loss is limited because the Company has no interest-bearing financial instruments.

Liquidity risk

The Company manages liquidity risk by maintaining sufficient cash to enable settlement of transactions as they come due. Management monitors the Company's contractual obligations and other expenses to ensure adequate liquidity is maintained.

1246773 B.C. LTD.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

For the three months ended March 31, 2021

(Expressed in Canadian Dollars)

7. COMMITMENTS

On March 12, 2021, 1246773 B.C. Ltd announced that it has agreed to complete a series of transactions with 2311548 Alberta Ltd. ("TargetCo") that will result in the Company indirectly acquiring the rights to certain mineral assets located in Chile (the "Chile Properties"). The proposed transactions will be effected through an amalgamation agreement (the "Amalgamation Agreement"). The transactions are conditional on TargetCo completing the Private Placement and the TSX Venture Exchange ("TSXV") approving the listing of the common shares of 773 ("Resulting Issuer Shares").

8. SUBSEQUENT EVENT

On May 11, 2021, the company announced the closing of a non-brokered private placement for 8,223,156 subscription receipts at a price of \$0.50 each for gross proceeds of \$4,111,578. Each subscription receipt will entitle the holder to receive one common share of TargetCo.

1246773 B.C. LTD.

ANNUAL FINANCIAL STATEMENTS

FOR THE PERIOD FROM INCORPORATION ON APRIL 8, 2020 TO DECEMBER 31, 2020

(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of 1246773 B.C. Ltd.:

Opinion

We have audited the financial statements of 1246773 B.C. Ltd. (the "Company"), which comprise the statement of financial position as at December 31, 2020 and the statement of loss and comprehensive loss, statement of changes in shareholder deficit and statement of cash flows for the period from incorporation on April 8, 2020 to December 31, 2020, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020, and its financial performance and its cash flows for the period from incorporation on April 8, 2020 to December 31, 2020 in accordance with International Financial Reporting Standards.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

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

Other Information

Management is responsible for the other information. The other information comprises the information included in the Management's Discussion & Analysis filed with the relevant Canadian securities commissions.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is John C. Sinclair.

Baker Tilly WM LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Licensed Public Accountants

Toronto, Ontario
March 5, 2021

1246773 B.C. LTD.
STATEMENT OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

| | Note | December 31, 2020 |
|---|------|----------------------|
| ASSETS | | |
| Current assets | | |
| Cash | | \$ 145,274 |
| Total assets | | \$ 145,274 |
| LIABILITIES | | |
| Current liabilities | | |
| Accounts payable and accrued liabilities | | \$ 12,443 |
| Due to related parties | 3 | 36,992 |
| | | 49,435 |
| SHAREHOLDERS' EQUITY | | |
| Share capital | 4 | 157,800 |
| Deficit | | (61,961) |
| | | 95,839 |
| Total liabilities and shareholders' equity | | \$ 145,274 |

Nature of operations and going concern (Note 1)

Approved and authorized on behalf of the Board of Directors on March 05, 2021

Director James Ward (signed)

Director Matt Zabloski (signed)

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

1246773 B.C. LTD.
STATEMENT OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

| | For the period from incorporation on April 8, 2020 to December 31, 2020 | |
|--|--|------------------|
| EXPENSES | | |
| Accounting and corporate secretarial fees | \$ | 24,591 |
| Office | | 158 |
| Professional fees | | 35,775 |
| Regulatory and filing fees | | 969 |
| Marketing expenses | | 468 |
| NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD | \$ | (61,961) |
| NET LOSS PER SHARE – BASIC AND DILUTED | \$ | (0.021) |
| WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING (Note 4c) | | 3,000,000 |

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

1246773 B.C. LTD.**STATEMENT OF CHANGES IN SHAREHOLDER EQUITY**

For the period from incorporation on April 8, 2020 to December 31, 2020

(Expressed in Canadian Dollars)

| | Number of Shares | Share Capital | Deficit | Total |
|--|-----------------------------|--------------------------|----------------|--------------|
| Issued at incorporation on April 8, 2020 | 3,000,000 | \$ 300 | \$ - | 300 |
| Private placement (Note 4) | 3,150,000 | 157,500 | | 157,500 |
| Net loss and comprehensive loss for the period | - | - | (61,961) | (61,961) |
| Balance, December 31, 2020 | 6,150,000 | \$ 157,800 | \$ (61,961) | \$ 95,839 |

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

1246773 B.C. LTD.**STATEMENT OF CASH FLOWS**

For the period from incorporation on April 8, 2020 to December 31, 2020

(Expressed in Canadian Dollars)

| | | For the period from incorporation on April 8, 2020 to December 31, 2020 |
|--|----|--|
| <hr/> | | |
| Operating activities: | | |
| Net loss for the period | \$ | (61,961) |
| Changes in non-cash working capital related to operations: | | |
| Due to related parties | | 37,292 |
| Accounts payable and accrued liabilities | | 12,443 |
| Net cash used in operating activities | | (12,226) |
| <hr/> | | |
| Financing activities: | | |
| Shares issued for cash | | 157,500 |
| Net cash provided by financing activities | | 157,500 |
| <hr/> | | |
| Increase in cash during the period | | 145,274 |
| Cash – beginning of the period | | - |
| Cash – end of the period | \$ | 145,274 |
| <hr/> | | |

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

1246773 B.C. LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the period from incorporation on April 8, 2020 to December 31, 2020

(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

1246773 B.C. Ltd. ("the Company") was incorporated under the Business Corporations Act of British Columbia on April 8, 2020 and its principal business activity is searching for a suitable business or project to acquire, while complying with the requirements of being a public company. The Company's head office is located at 1200 Waterfront Centre, 200 Burrard Street, Vancouver, BC, V6C 3L6.

The Company was a wholly-owned subsidiary of 2583262 Ontario Inc. ("2583262") until a plan of arrangement was completed on July 24, 2020 under which the Company's common shares were distributed to shareholders of 2583262 on a pro-rata basis.

These financial statements have been prepared assuming the Company will continue as a going concern, which contemplates the realization of assets and discharge of liabilities in the normal course of business. As at December 31, 2020, the Company had accumulated a loss of \$61,961 since its incorporation. The continuation of the Company is dependent upon obtaining necessary financing to meet its ongoing operational levels of corporate overhead. These factors indicate the existence of a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern and, therefore, that it may be unable to discharge its liabilities in the normal course of business. Additional funds will be required to enable the Company to continue its operations and there can be no assurance that financing will be available on terms which are acceptable to the Company. These financial statements do not give effect to any adjustments to the amounts and classifications of assets and liabilities which might be necessary should the Company be unable to continue its operations as a going concern.

In addition, the Company began operations after the World Health Organization categorized COVID-19 as a pandemic. Financial markets around the world have been extremely volatile due to events and conditions resulting from this pandemic and as a result, the volatility could also impact the Company's ability to continue its operations as a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and related IFRS Interpretations Committee ("IFRIC") interpretations as issued by the International Accounting Standards Board ("IASB"). These financial statements were approved by the board of directors for issue on March 05, 2021.

b) Basis of presentation

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

c) Foreign currencies

These financial statements are presented in Canadian dollars, which is also the functional currency of the Company. Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. All gains and losses on translation of these foreign currency transactions are charged to profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Financial instruments

Recognition and classification

The Company recognizes a financial asset or financial liability on the statement of financial position when it becomes party to the contractual provisions of the financial instrument.

The Company classifies its financial instruments in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of financial asset debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics.

Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

Measurement

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in profit or loss in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income (loss).

Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss).

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Impairment of financial assets at amortized cost

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

1246773 B.C. LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the period from incorporation on April 8, 2020 to December 31, 2020
(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Financial instruments (continued)

Derecognition

Financial assets

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

Financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets, is recognized in profit or loss.

e) Share capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. The Company's common shares are classified as equity instruments.

Costs directly identifiable with the raising of share capital financing are charged against share capital. Share issuance costs incurred in advance of share subscriptions are recorded as deferred assets. Share issuance costs related to uncompleted share subscriptions are recognized in profit or loss.

Equity financing transactions may involve the issuance of units. Units comprise common shares and share purchase warrants. The Company accounts for unit offering proceeds between common shares and share purchase warrants using the residual value method, wherein the fair value of the common shares is based on the fair value ascribed to the shares issued and the balance, if any, is allocated to the attached warrants.

f) Loss per share

Basic loss per share represents the loss for the period, divided by the weighted average number of common shares outstanding during the period. Diluted loss per share represents the loss for the period, divided by the weighted average number of common shares outstanding during the period plus the weighted average number of dilutive shares resulting from the exercise of stock options, warrants and other similar instruments where the inclusion of these would not be anti-dilutive.

g) Income taxes

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

NOTES TO THE FINANCIAL STATEMENTS

For the period from incorporation on April 8, 2020 to December 31, 2020
(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

h) New and revised standards and interpretations

The Company has adopted the following standards, interpretations and amendments effective for reporting periods beginning on or after January 1, 2020. The adoption of these standards did not have a material impact on the Company's financial statements:

IAS 1 – Presentation of Financial Statements (“IAS 1”) and IAS 8 –Accounting Policies, Changes in Accounting Estimates and Errors (“IAS 8”) were amended in October 2018 to refine the definition of materiality and clarify its characteristics. The revised definition focuses on the idea that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements. The amendments clarify that materiality will depend on the nature or magnitude of information, or both. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements.

Amendments to IFRS 3 – Definition of Business was issued in October 2018 by the IASB to improve the definition of a business. It is effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2020. The amendments clarify the definition of a business, with the objective of assisting entities to determine whether a transaction should be accounted for as a business combination or as an asset acquisition. The amendments:

- confirmed that a business must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs;
- narrowed the definitions of a business and of outputs by focusing on goods and services provided to customers and by removing the reference to an ability to reduce costs; and
- added an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

3. RELATED PARTY TRANSACTIONS

As at December 31, 2020, the Company has \$36,992 in related party liabilities owing to its parent, 2583262, for expenses paid by 2583262 on behalf of the Company. They are non-interest bearing with no specific terms of repayment.

1246773 B.C. LTD.**NOTES TO THE FINANCIAL STATEMENTS**

For the period from incorporation on April 8, 2020 to December 31, 2020
(Expressed in Canadian Dollars)

4. SHARE CAPITAL

- a) Authorized – Unlimited common shares without par value.
- b) Issued and outstanding – 6,150,000 common shares
- c) On October 30, 2020, the Company raised \$157,500 through the issuance of 3,150,000 common shares at \$0.05 per common share. The shares issued are subject to a statutory hold period of four months. As such the shares have been excluded from the calculation of weighted average number of shares outstanding.

5. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern and to maintain a flexible capital structure which optimizes the cost of capital within a framework of acceptable risk. In the management of capital, the Company includes the components of shareholders' equity of \$95,839 at December 31, 2020

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust its capital structure, the Company may issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash. The Company is dependent on the capital markets as its sole source of operating capital. The Company's capital resources are largely determined by the strength of the junior resource markets. The Company is not subject to any externally imposed capital requirements.

6. FINANCIAL INSTRUMENTS

For financial instruments held or issued by the Company, management classifies cash as FVTPL, and accounts payable and accrued liabilities and due to related parties as amortized cost.

- a) Fair value of financial instruments

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

As at December 31, 2020, the Company believes that the carrying values of accounts payable and accrued liabilities and due to related parties approximate their fair values because of their nature and relatively short maturity dates or durations. The fair value of cash is based on level 1 inputs of the fair value hierarchy.

| Financial instrument | Category | December 31, 2020 | |
|--|-----------------|--------------------------|-----------|
| Cash | FVTPL | \$ | \$145,274 |
| Accounts payable and accrued liabilities | Amortized cost | \$ | 12,443 |
| Due to related parties | Amortized cost | \$ | 36,992 |

NOTES TO THE FINANCIAL STATEMENTS

For the period from incorporation on April 8, 2020 to December 31, 2020
(Expressed in Canadian Dollars)

6. FINANCIAL INSTRUMENTS (continued)

b) Management of risks arising from financial instruments

Discussions of risks associated with financial assets and liabilities are detailed below:

Credit risk

Credit risk arises from cash held with banks and financial institutions. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The credit risk related to cash is considered minimal.

Interest rate risk

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize such a loss is limited because the Company has no interest-bearing financial instruments.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company manages liquidity risk by maintaining sufficient cash to enable settlement of transactions as they come due. Management monitors the Company's contractual obligations and other expenses to ensure adequate liquidity is maintained.

7. INCOME TAXES

Income tax expense differs from the amount that would result from applying the Canadian federal and provincial income tax rates to loss before income taxes. These differences result from the following items for the period ended December 31:

| | December 31, 2020 |
|--|--------------------------|
| | \$ |
| Loss for the period | (61,961) |
| Canadian federal and provincial income tax rates | 27% |
| Expected income tax recovery at statutory rate | (16,729) |
| Increase (decrease) due to: | |
| Losses for which no tax benefit is recognized | 16,729 |
| Income tax recovery | - |

The components of unrecognized deductible temporary differences and unused tax losses for which no deferred tax asset has been recognized are as follows:

| | December 31, 2020 |
|---|--------------------------|
| | \$ |
| Non-capital losses | 61,961 |
| Unrecognized temporary differences and non-capital losses | 61,961 |

1246773 B.C. LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the period from incorporation on April 8, 2020 to December 31, 2020

(Expressed in Canadian Dollars)

7. INCOME TAXES (continued)

In assessing the ability to realize deferred tax assets, management considers whether it is probable that some portion or all of the deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those deferred tax assets are deductible.

The Company has a December 31 year end for tax purposes. As at December 31, 2020, the Company had non-capital losses of approximately \$61,961 that expire in 2040.

Appendix "D"

**PRO FORMA FINANCIAL STATEMENTS OF THE RESULTING ISSUER
(UNAUDITED)**

See attached.

1246773 B.C. Ltd.

Pro Forma Consolidated Financial Statements

As at March 31, 2021

(Unaudited)

1246773 B.C. Ltd.
Pro Forma Consolidated Statement of Financial Position
As at March 31, 2021
(Unaudited)
(Expressed in Canadian Dollars)

| | 1246773 B.C. Ltd. | 2311548 Alberta Ltd. | Notes | Pro Forma Adjustments | Pro Forma Consolidated |
|---|----------------------|-------------------------|--------------------------------------|--|---------------------------|
| | (\$) | (\$) | | (\$) | (\$) |
| ASSETS | | | | | |
| Current assets | | | | | |
| Cash | 85,721 | 4,552 | 4(a) 4(b) 4(b) | (150,000) 4,111,578 (155,000) | 3,896,851 |
| Amounts receivable | 4,164 | - | | | 4,164 |
| Prepaid expense | 29 | - | | | 29 |
| | 89,914 | 4,552 | | 3,806,578 | 3,901,044 |
| Exploration and evaluation assets | - | 8,752,957 | | - | 8,752,957 |
| | 89,914 | 8,757,509 | | 3,806,578 | 12,654,001 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | | | |
| Current liabilities | | | | | |
| Accounts payable and accrued liabilities | 23,058 | 182,373 | | - | 205,431 |
| Due to related parties | 38,517 | 83,091 | | - | 121,608 |
| | 61,575 | 265,464 | | - | 327,039 |
| Shareholders' equity | | | | | |
| Share capital | 157,800 | 8,502,000 | 4(a) 4(a) 4(b) 4(b) 4(b) | (157,800) 3,075,000 4,111,578 (155,000) (43,186) | 15,490,392 |
| Reserves | - | 1 | 4(b) | 43,186 | 43,187 |
| Deficit | (129,461) | (9,956) | 4(a) 4(a) | 129,461 (3,129,161) | (3,206,617) |
| | 28,339 | 8,492,045 | | 3,806,578 | 12,326,962 |
| | 89,914 | 8,757,509 | | 3,806,578 | 12,654,001 |

1246773 B.C. Ltd.
Pro Forma Statement of Loss and Comprehensive Loss
For the Three Months Ended March 31, 2021
(Unaudited)
(Expressed in Canadian Dollars)

| | 1246773 B.C. Ltd. | 2311548 Alberta Ltd. | Notes | Pro Forma Adjustments | Pro Forma Consolidated |
|---|----------------------|-------------------------|-------|--------------------------|---------------------------|
| | (\$) | (\$) | | (\$) | (\$) |
| EXPENSES | | | | | |
| Foreign exchange expense | - | 974 | | - | 974 |
| General and administration expense | - | 7,783 | | - | 7,783 |
| Listing expense | - | - | 4(a) | 3,196,661 | 3,196,661 |
| Income (Loss) and Comprehensive Income (Loss) | - | (8,757) | | (3,196,661) | (3,205,418) |
| Weighted average number of shares outstanding | | | | | 6,022,222 |
| Weighted average income (loss) and comprehensive income (loss) per share | | | | | \$ (0.532) |

1246773 B.C. Ltd.
Pro Forma Statement of Loss and Comprehensive Loss
For the Year Ended December 31, 2020
(Unaudited)
(Expressed in Canadian Dollars)

| | 1246773 B.C. Ltd. | 2311548 Alberta Ltd. | Aconcagua Minerals SpA | Cobalt Chile SpA | Notes | Pro Forma Adjustments | Pro Forma Consolidated |
|---|----------------------|-------------------------|---------------------------|---------------------|-------|--------------------------|---------------------------|
| | (\$) | (\$) | (\$) | (\$) | | (\$) | (\$) |
| EXPENSES | | | | | | | |
| Accounting and corporate secretarial fees | 24,591 | - | - | - | | - | 24,591 |
| General and administration expense | - | 1,199 | 34,419 | 41,644 | | - | 77,262 |
| Listing expense | - | - | - | - | 4(a) | 3,196,661 | 3,196,661 |
| Marketing expenses | 468 | - | - | - | | - | 468 |
| Office | 158 | - | - | - | | - | 158 |
| Professional fees | 35,775 | - | 6,521 | - | | - | 42,296 |
| Regulatory and filing fees | 969 | - | - | - | | - | 969 |
| Income (Loss) and Comprehensive Income (Loss) | (61,961) | (8,757) | (40,940) | (41,644) | | (3,196,661) | (3,242,405) |
| Weighted average number of shares outstanding | | | | | | | 6,022,222 |
| Weighted average income (loss) and comprehensive income (loss) per share | | | | | | | \$ (0.555) |

NOTE 1 – BASIS OF PRESENTATION

The accompanying unaudited pro forma consolidated statement of financial position of 1246773 B.C. Ltd. ("773" or the "Company") have been prepared by management to reflect the acquisition (the "Acquisition") of 2311548 Alberta Ltd. ("548") after giving effect to the proposed transactions as described in Note 3.

Certain significant estimates have been made by management in the preparation of the pro forma statement of financial position, in particular, the determination of the fair value of 773's assets and liabilities acquired, and the fair value of the consideration given by 548.

The unaudited pro forma consolidated financial statements as at, and for the three months ended, March 31, 2021 have been compiled from:

- The unaudited condensed interim financial statements of 1246773 B.C. Ltd. as at, and for the three months ended, March 31, 2021;
- The unaudited condensed consolidated interim financial statements of 2311548 Alberta Ltd. as at, and for the three months ended, March 31, 2021;
- The audited financial statements of 1246773 B.C. Ltd. as at, and for the year ended December 31, 2020.
- The audited financial statements of 2311548 Alberta Ltd. as at, and for the year ended December 31, 2020.
- The audited financial statements of Aconcagua Minerals SpA as at, and for the year ended December 31, 2020.
- The audited financial statements of Cobalt Chile. as at, and for the year ended December 31, 2020.

The audited financial statements of Aconcagua Minerals SpA, and Cobalt Chile SpA are reported in Chilean Pesos ("CLP"). The audited financial statements of Aconcagua and Cobalt Chile were translated from CLP to Canadian Dollars ("CAD") at an exchange rate of 576 CLP/CAD.

The unaudited pro forma consolidated statement of financial position has been prepared for illustration purposes only and may not be indicative of the combined results or financial position had the Amalgamation been in effect at the date indicated.

Completion of the Acquisition is subject to a number of conditions including but not limited to shareholder approval and the TSX Venture Exchange acceptance. There can be no assurance that the Acquisition will be completed as proposed or at all.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The unaudited pro forma statement of financial position has been prepared using accounting policies described in Note 3 of the annual financial statements of 773. In the opinion of management, the unaudited pro forma statement of financial position includes all adjustments necessary for fair presentation of the transactions contemplated in the Amalgamation Agreement.

NOTE 3 – PRO FORMA TRANSACTION

On March 12, 2021, the Company signed an Amalgamation Agreement whereby 548, will amalgamate with 2330281 Alberta Ltd, a wholly owned subsidiary of the Company to form a single corporation ("AmalCo"), and the Company will acquire a 100% interest in AmalCo through the issuance of shares, such that the former security holders of 548 will become securityholders of the Company. Upon completion of the Amalgamation the Company (the "Resulting Issuer") will change its name to Atacama Copper Corporation.

The transaction will constitute an arm's length reverse take-over pursuant to the policies of the TSX Venture Exchange (the "TSXV"), and following the transaction, it is anticipated that the Company will be a Tier 2 Mining Issuer on the TSXV.

In conjunction with the Acquisition, 548 is required to complete a financing of no less than \$4,000,000 at a price of \$0.50 per share (the "Concurrent Financing").

NOTE 4 – PRO FORMA ASSUMPTIONS AND ADJUSTMENTS

The unaudited pro forma consolidated financial statements has been presented giving effect to the following assumptions and pro forma adjustments:

a) Reverse Take-Over

The Company will issue 20,000,000 common shares to acquire 100% of the issued and outstanding shares of 548. As a result, the shareholders of 548 will obtain control of the Company.

The Acquisition does not constitute a business combination as 773 does not meet the definition of a business under the standard. As a result, the transaction is accounted for as a capital transaction with 548 being identified as the acquirer and the equity consideration being measured at fair value as per IFRS 2, Share-based Payment, which applies to transactions where an entity grants equity instruments and cannot identify specifically some or all of the goods or services received in return.

The consideration paid is determined by reference to the equity given up by shareholders of 548 in the Resulting issuer, being the issued and outstanding shares of 773 immediately prior to the transaction.

Estimated costs associated with the Acquisition are \$150,000. The purchase price is allocated as follows:

| | Amount |
|--|---------------|
| Fair value of 1246773 B.C. Ltd. shares (6,150,000 common shares at \$0.50 per share) | \$ 3,075,000 |
| Transaction costs | 150,000 |
| | \$ 3,225,000 |
| Less: Net assets of the Company | |
| Cash | 85,721 |
| Amounts receivable | 4,164 |
| Prepaid expenses | 29 |
| Accounts payable and accrued liabilities | (23,058) |
| Due to related parties | (38,517) |
| Listing expense | \$ 3,196,661 |

b) Concurrent financing

Issuance of 8,223,156 common shares of the Resulting Issuer at price of \$0.50 per share for gross proceeds of \$4,111,578. In connection with the Concurrent Financing, the Company expects to incur cash share issuance costs \$155,000 and will issue a total of 209,024 finder's warrants. Each finder's warrant will be exercisable at a price of \$0.80 per share for a period of two years from the date of issue.

Finder's warrants were ascribed a fair value of \$43,186 using a Black-Scholes valuation model with the following assumptions: share price - \$0.50, exercise price - \$0.80, expected life – 2 years, volatility – 100%, discount rate – 1.26%.

NOTE 5 – PRO FORMA SHARE CAPITAL

The number of common shares issued and outstanding after giving effect to the assumptions and pro forma adjustments discussed in Note 4 is as follows:

| | Number of Common Shares | | Amount |
|--|--|-----------|-------------------|
| 773 common shares issued and outstanding at March 31, 2021 | 6,150,000 | \$ | 157,800 |
| 548 common shares issued and outstanding at March 31, 2021 | 20,000,000 | | 8,502,000 |
| Common shares issued pursuant to Transaction Financing | 8,223,156 | | 3,913,392 |
| Share issued on RTO Transaction | 6,150,000 | | 3,075,000 |
| Adjustment for Transaction | (6,150,000) | | (157,800) |
| | 34,373,156 | \$ | 15,490,392 |

NOTE 6 – INCOME TAXES

The pro forma effective statutory Canadian income tax rate applicable to the consolidated operations subsequent to the completion of the Transaction is approximately 26%.

Appendix "E"

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF TARGETCO
FOR THE YEAR ENDED DECEMBER 31, 2020 AND FOR THE INTERIM PERIOD ENDED MARCH 31,
2021**

See attached.

2311548 ALBERTA LTD.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE PERIOD FROM INCORPORATION ON DECEMBER 23, 2020
TO DECEMBER 31, 2020**

(Expressed in Canadian Dollars)

April 20, 2021

GENERAL

This discussion and analysis of financial position and results of operations is prepared as at April 20, 2021 and should be read in conjunction with the consolidated financial statements of 2311548 Alberta Ltd. (the “Company” or “AlbertaCo”) for the period from incorporation on December 23, 2020 to December 31, 2020 and the related notes thereto.

The Company prepares its financial statements in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). All dollar amounts included therein and in the following management’s discussion and analysis (“MD&A”) are in Canadian Dollars except where noted.

FORWARD-LOOKING INFORMATION

This MD&A may contain “forward-looking statements” that reflect the Company’s current expectations and projections about its future results. When used in this MD&A, words such as “estimate”, “intend”, “expect”, “anticipate,” and similar expressions are intended to identify forward-looking statements, which, by their very nature, are not guarantees of the Company’s future operational or financial performance, and are subject to risks and uncertainties and other factors that could cause the Company’s actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied by, these forward-looking statements. These risks, uncertainties, and factors may include but are not limited to unavailability of financing, failure to identify commercially viable mineral reserves, fluctuations in market prices for commodities, difficulties in obtaining required approvals or permits for the development of a mineral project and other factors.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. 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.

The Company’s operating plan is dependent on it being able to raise cash by issuing equity in order to fund exploration activities on the mineral concessions that it holds. Other factors that affect the Company’s operating plan are commodity prices, gaining access to exploration properties by securing or renewing concessions, and concluding agreements with local communities. If any of these factors impact the Company in a negative way, such as if the Company is unable to raise enough capital of its own, there will be a significant impact on the Company’s operating plan and any forward-looking statements contained herein.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this MD&A or as of the date otherwise specifically indicated herein. Due to risks and uncertainties, including the risks and uncertainties identified above and elsewhere in this MD&A, actual events may differ materially from current expectations. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether because of new information, future events or otherwise, except as required by securities law.

COMPANY OVERVIEW

2311548 Alberta Ltd. (the "Company") was incorporated under the Business Corporations Act of Alberta on December 23, 2020. The Company's registered and records office is located at Third Floor, 14505 Bannister Road SE, Calgary, Alberta T2X 3J3.

The company was established with the sole purpose of facilitating a transaction between 1246773 B.C. Ltd. ("773"), Cobalt Chile SpA and Aconcagua Minerals SpA in relation to a letter of intent entered into between the parties on November 5, 2020 (the "Proposed Transaction").

OUTLOOK

The Company will work to consummate the Proposed Transaction.

On March 12, 2021, the Company entered into a series of transactions with 1246773 B.C. Ltd. ("773"), 2330281 Alberta Ltd., Aconcagua Minerals SpA ("Aconcagua") and Cobalt Chile SpA ("Cobalt Chile") that will result in 773 (to be named "Atacama Copper Corporation") indirectly acquiring the rights to the El Cofre, Los Naranjos, Caballo Muerto and the Placeton Projects located in Chile. The amalgamation is conditional on the completion of a private placement for aggregate gross proceeds of at least \$4,000,000, the TSX Venture Exchange ("TSXV") approving the listing of the common shares of 773, and other customary conditions, with closing occurring by April 30, 2021. See "Proposed Transaction and Reorganization".

RESULTS OF OPERATIONS

Period Ended December 31, 2020

For the period ended December 31, 2020, the Company had a loss of \$1,199 or \$0.00 per share. There was no loss for the comparative period because the Company had not yet been incorporated. The Company incurred general and administrative expenses totalling \$1,199.

SUMMARY OF ANNUAL RESULTS

| | 2020 |
|-------------------------------------|----------------|
| <u>Period Ended</u> | <u>Dec. 31</u> |
| General and administrative expenses | \$ 1,199 |
| Loss for the period | (1,199) |
| Loss per share | (0.00) |

The summary of annual or quarterly results for quarters prior to December 31, 2020 has not been presented because the Company was not yet incorporated.

FINANCIAL CONDITION, LIQUIDITY, AND CAPITAL RESOURCES

The Company had positive working capital of \$802 at December 31, 2020. These expenses were funded by way of an equity placement amounting to a total of \$2,000. This provided working capital for operations, but the Company is currently reliant on further funding to maintain operations. There is no certainty that the Company will be able to do this.

OUTSTANDING SHARE DATA

As of April 20, 2021, the Company had 20,000,000 common shares and 7,000,000 warrants (each exercisable for one common share) outstanding which, if exercised, would result in proceeds of approximately \$4,200,000.

RELATED PARTY TRANSACTIONS

During the period ended December 31, 2020, the Company incurred \$1,199 in legal fees with McLeod Law LLP, a law firm at which a director of the Company is a partner.

As at December 30, 2020, \$1,199 owing to McLeod Law LLP is included in accounts payable.

No fees were paid to key management during the reporting period.

FINANCIAL INSTRUMENTS

The Company classified its financial instruments as follows:

| Asset or Liability | Classification |
|---------------------------|-----------------------|
| Cash | FVTPL |
| Accounts payable | Amortized cost |

Fair Value

The carrying value of receivables and accounts payable and accrued liabilities approximate their fair value due to the short-term nature of these instruments.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

Significant Accounting Judgments and Estimates

The Company makes estimates and judgments about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

Information about critical estimates and judgments in applying accounting policies that have the most significant risk of causing material adjustment to the financial statements are discussed below.

Critical judgments

The preparation of these financial statements requires management to make judgments regarding the going concern of the Company as discussed in Note 1.

i) Income taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent that it is probable that taxable profit will be available against which a deductible temporary difference can be utilized. This is deemed to be the case when there are sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity which are expected to reverse in the same year as the expected reversal of the deductible temporary difference, or in years into which a tax loss arising from the deferred tax asset can be carried back or forward. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

Change of Accounting Policy and Future Pronouncements

The Company does not believe any recently issued, but not yet effective IFRS standards that have been issued by the IASB will have a material impact on the Company's consolidated financial statements.

PROPOSED TRANSACTION AND RE-ORGANISATION

Proposed Transaction

On March 12, 2021, the Company entered into a series of transactions with 1246773 B.C. Ltd. ("773"), 2330281 Alberta Ltd., Aconcagua Minerals SpA ("Aconcagua") and Cobalt Chile SpA ("Cobalt Chile") that will result in 773 (to be named "Atacama Copper Corporation") indirectly acquiring the rights to the El Cofre, Los Naranjos, Caballo Muerto and the Placeton Projects located in Chile.

As part of the transactions the Company acquired all of the issued and outstanding shares of Aconcagua and Cobalt Chile and then will amalgamate with 2330281 Alberta Ltd., a wholly owned subsidiary of 773. The Company has issued 17,000,000 shares to the shareholders of Aconcagua and Cobalt Chile in exchange for their shares in these entities, as well as an assignment of receivables from Aconcagua.

The amalgamation is conditional on the completion of a private placement for aggregate gross proceeds of at least \$4,000,000, the TSX Venture Exchange ("TSXV") approving the listing of the common shares of 773, and other customary conditions, with closing occurring by April 30, 2021.

RISKS AND UNCERTAINTIES

Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The Company considers that cash is exposed to credit risk. Management believes that the credit risk related to its cash is negligible.

Interest Rate Risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize such a loss is limited because the Company has no interest-bearing financial instruments.

Price Risk

The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors the stock market to determine the appropriate course of action to be taken by the Company.

Liquidity Risk

The Company manages liquidity risk by maintaining sufficient cash to enable settlement of transactions as they come due. Management monitors the Company's contractual obligations and other expenses to ensure adequate liquidity is maintained.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates. As at December 31, 2020 and 2019, the Company had no financial instruments denominated in any other currency than the Chilean peso therefore does not consider itself exposed to significant currency risk.

COVID-19

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

2311548 ALBERTA LTD.
MANAGEMENT DISCUSSION AND ANALYSIS
For the three months ended March 31, 2021

INTRODUCTION

This management discussion and analysis ("**MD&A**") of financial condition and results of operations focuses upon the activities, results of operations, liquidity and capital resources of 2311548 Alberta Ltd. (the "**Company**" or "548") for the three-month period ended March 31, 2021. In order to better understand this MD&A, it should be read in conjunction with the unaudited condensed consolidated interim financial statements and related notes for the three-month period ended March 31, 2021, and the audited financial statements of the Company and related notes for the year ended December 31, 2020.

The Company's financial statements are prepared in accordance with International Financial Reporting Standards ("**IFRS**") and filed with appropriate regulatory authorities in Canada. Except as otherwise disclosed, all dollar figures included therein and, in this MD&A, is quoted in Canadian dollars, unless otherwise stated.

This MD&A is current to June 27, 2021.

FORWARD LOOKING STATEMENTS

Information set forth in this MD&A may involve forward-looking statements under applicable securities laws. Forward-looking statements are statements that relate to future, not past, events. In this context, forward-looking statements often address expected future business and financial performance, and often contain words such as "anticipate", "believe", "plan", "estimate", "expect", and "intend", statements that an action or event "may", "might", "could", "should", or "will" be taken or occur, or other similar expressions. All statements, other than statements of historical fact, included herein including, without limitation, statements about the size and timing of future exploration on and the development of the Company's properties are forward-looking statements. By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the Company's actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following risks: the need for additional financing; operational risks associated with mineral exploration; fluctuations in commodity prices; title matters; environmental liability claims and insurance; reliance on key personnel; the volatility of the Common Shares (as defined herein) price and volume and other reports and filings with the applicable Canadian securities regulations. Forward-looking statements are made based on management's beliefs, estimates and opinions on the date that statements are made and the Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change, except as required by applicable securities laws. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the Company's expectations are disclosed in the Company's documents filed from time to time via the Company's website along with the Canadian regulatory agencies to whose policies the Company is bound. Investors are cautioned against attributing undue certainty to forward-looking statements.

OVERVIEW

2311548 Alberta Ltd. (the "Company") was incorporated under the Business Corporations Act of Alberta on December 23, 2020. The Company's registered and records office is located at Third Floor, 14505 Bannister Road SE, Calgary, Alberta T2X 3J3.

The principal business of the Company is to identification, explore and evaluate mineral properties in Chile. The Company holds 76 mining concessions through its ownership of the El Cofre and Placeton projects in Chile held through its subsidiaries Aconcagua Minerals SpA ("Aconcagua") and Cobalt Chile SpA ("Cobalt Chile"). The success of the Company will be dependent on obtaining the necessary financing to evaluate these projects.

HIGHLIGHTS & RECENT DEVELOPMENTS

ACQUISITIONS (the "Acquisitions")

Aconcagua

2311548 ALBERTA LTD.
MANAGEMENT DISCUSSION AND ANALYSIS
For the three months ended March 31, 2021

In March 2021, the Company issued 1,784,955 common shares in exchange for 50% of the issued and outstanding shares of Aconcagua. The Company issued 6,291,225 common shares in exchange for the assignment of \$62,263 (CLP \$35,900,000) in amounts due to related parties in Aconcagua. The Company, through its wholly owned Chilean branch, Agencia en Chile, made a capital contribution into Aconcagua in for the same amount. Subsequently, Aconcagua repurchased all remaining shares not held by the Company and as a result, the Company now owns 100% of the outstanding shares of Aconcagua.

The aggregate purchase consideration for the Aconcagua acquisition consists of the Company issuing 8,076,180 common shares and assuming a liability of \$2,431. The common shares issued were valued at \$0.50 per share, which was the same value per share ascribed in the private placement that occurred subsequent to year end, as described in Note 10 of the March 31, 2021 condensed consolidated interim financial statements.

Cobalt Chile

The Company issued 8,923,820 common shares in exchange for 100% of the issued and outstanding shares of Cobalt Chile. The common shares issued were valued at \$0.50 per share, which was the same value per share ascribed in the private placement that occurred subsequent to year end, as described in Note 10 of the March 31, 2021 condensed consolidated interim financial statements.

The purchase price allocation of Aconcagua and Cobalt Chile was as follows:

| | Aconcagua | | Cobalt Chile | | Total |
|--|-----------|-----------|--------------|-----------|--------------|
| Shares issued | 4,038,090 | | 4,461,910 | | 8,500,000 |
| Amount owing | 2,431 | | - | | 2,431 |
| Total consideration | \$ | 4,040,521 | \$ | 4,461,910 | \$ 8,502,431 |
| Cash | \$ | 1,660 | \$ | 873 | \$ 2,533 |
| Accounts payable and accrued liabilities | | (85,667) | | (88,357) | (174,024) |
| Due to related parties | | (31,427) | | (47,607) | (79,034) |
| Exploration and evaluation assets | | 4,155,956 | | 4,597,001 | 8,752,957 |
| Net realizable asset | \$ | 4,040,521 | \$ | 4,461,910 | \$ 8,502,431 |

The Company and 1246773 BC Ltd. ("773") have entered into an amalgamation agreement whereby the Company shall amalgamate with a wholly-owned subsidiary of 773 (the "Amalgamation"). Immediately prior to the Amalgamation, the Subscription Receipts are expected to convert into the Company's shares, which will subsequently be exchanged pursuant to the Amalgamation for shares of 773. The gross proceeds of the Private Placement have been deposited into escrow pending the satisfaction of certain escrow release conditions, including the completion of the Amalgamation. The escrow release conditions are in accordance with the subscription receipt agreement dated May 10, 2021, entered into among 773, the Company and TSX Trust Company.

In May 2021, the Company completed a non-brokered private placement (the "Private Placement") of 8,223,156 subscription receipts (the "Subscription Receipts") at a price of \$0.50 per Subscription Receipt for gross proceeds of \$4,111,578. Each Subscription Receipt will entitle the holder thereof to receive, subject to adjustment in certain circumstances, one common share of the Company in accordance with the terms and conditions of the Subscription Receipts.

In May 2021, the Corporation issued promissory notes totalling US\$99,100. The promissory notes are non-interest bearing, unsecured, and due on demand.

2311548 ALBERTA LTD.
MANAGEMENT DISCUSSION AND ANALYSIS
For the three months ended March 31, 2021

MINERAL PROPERTIES

Aconcagua holds the rights to the Placeton Project which consists of the Placeton, Caballo Muerto and Los Naranjos projects. Altogether, the Placeton Project is comprised of thirty-nine exploitation tenements. The Aconcagua mineral claims are subject to a Net Smelter Royalty ("Placeton NSR") as described in Note 9 of the March 31, 2021 condensed consolidated interim financial statements.

Cobalt Chile holds the rights to the El Cofre Project, which represents 100% interest in thirty-seven exploration claims. The Cobalt Chile mineral claims are subject to a Net Smelter Royalty ("El Cofre NSR") as described in Note 9 of the March 31, 2021 condensed consolidated interim financial statements.

| | Aconcagua | | Cobalt Chile | | Total |
|----------------------------|-----------|-----------|--------------|-----------|--------------|
| Balance, December 31, 2020 | \$ | - | \$ | - | - |
| Additions: | | | | | |
| Acquisition costs (Note 3) | | 4,155,956 | | 4,597,001 | 8,752,957 |
| Balance, March 31, 2021 | \$ | 4,155,956 | \$ | 4,597,001 | \$ 8,752,957 |

The business of exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of exploration properties and the Company's continued existence are dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise alternative financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis.

SELECTED ANNUAL FINANCIAL INFORMATION

The following table summarizes selected financial data reported by the Company for the years ended December 31, 2020. The information set forth should be read in conjunction with the consolidated audited financial statements, prepared in accordance with IFRS and the related notes thereon.

| | From Date of Incorporation on December 23, 2020 to December 31, 2020 | |
|----------------------------------|---|---------|
| Revenues | \$ | Nil |
| Net income (loss) | \$ | (1,199) |
| Earnings (loss) per Common Share | \$ | (0.001) |
| Total assets | \$ | 2,001 |
| Total liabilities | \$ | 1,199 |

The Company was incorporated for the sole purpose of facilitating the Amalgamation.

DISCUSSION OF FINANCIAL AND OPERATING RESULTS

For the three-month period ended March 31, 2021

During this period, the Company reported a net loss of \$8,757. The primary contributor to the loss was general administrative expenses totaling \$7,783.

SUMMARY OF QUARTERLY RESULTS

The Company was incorporated on December 23, 2020. Therefore, quarterly results are not available except for the three months ended March 31, 2021.

LIQUIDITY AND CAPITAL RESOURCES

During the three months ended March 31, 2021, the Company did not generate positive cash flow from its operations. Therefore, in order to remedy its working capital obligations and continue its operational and general corporate activities, the Company must raise additional funds through the issuance of its common shares.

During April 2021, the Company was able to raise additional funds through a private placement. Therefore, upon completion of its listing on the Exchange, the Company will have sufficient working capital to meet its operational growth plans and its general corporate activities for the next twelve months.

For the three-month period ended March 31, 2021

As at March 31, 2021, the Company had a working capital deficit of \$260,912. During the three-month period ended March 31, 2021, the Company generated:

- Cash flow from operating activities totaling \$18.
- Cash flow from investing activities totaling \$2,533.

OFF BALANCE SHEET ARRANGEMENTS

The Company does not have off balance sheet arrangements.

RELATED PARTY TRANSACTIONS

There was no key management remuneration during the three-month period ended March 31, 2021.

Related parties and related party transactions impacting the accompanying financial statements are summarized below and include transactions with the following individuals or entities:

During the period ended December 31, 2020, the Company incurred \$1,199 in legal fees with McLeod Law LLP, a law firm at which a director of the Company is a partner. As at March 31, 2021, \$1,199 owing to McLeod Law LLP is included in accounts payable.

As at March 31, 2021, the Company owed Gino Zandonai, a significant shareholder of the Company, \$80,660 for expenses incurred on behalf of the Company. As at March 31, 2021, the Company owed Natalie Stevens, a significant shareholder of the Company, \$2,431 for outstanding amounts related the Acquisition. These amounts are non-interest bearing, unsecured, and have no terms of repayment, but is payable on demand.

PROPOSED TRANSACTIONS

There are no proposed transactions that have not been disclosed herein.

CRITICAL ACCOUNTING ESTIMATES

The preparation of these condensed consolidated interim 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 reported amount of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences.

2311548 ALBERTA LTD.
MANAGEMENT DISCUSSION AND ANALYSIS
For the three months ended March 31, 2021

Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods.

These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Information about significant areas of estimation uncertainty in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are noted below with further details of the assumptions contained in the relevant note.

The critical estimates and judgments applied in the preparation of the unaudited condensed interim consolidated financial statements for the three months ended March 31, 2021 are consistent with those applied and disclosed in Note 3 to the Company's audited financial statements for the for the period from incorporation on December 23, 2020 to December 31, 2020.

NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

As at March 31, 2021, there are no new standards that have not yet been adopted that will materially impact the presentation of the consolidated financial statements.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

The fair value of the Company's accounts payable and accrued liabilities and amounts due to related parties approximate their carrying value, which is the amount recorded on the statement of financial position, due to their short terms to maturity. The Company's cash is measured at fair value, under the fair value hierarchy based on level one quoted prices in active markets for identical assets or liabilities.

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 an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The Company considers that cash is exposed to credit risk. Management believes that the credit risk related to its cash is negligible.

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize such a loss is limited because the Company has no interest-bearing financial instruments.

Price risk

The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors the stock market to determine the appropriate course of action to be taken by the Company.

2311548 ALBERTA LTD.
MANAGEMENT DISCUSSION AND ANALYSIS
For the three months ended March 31, 2021

Liquidity risk

The Company manages liquidity risk by maintaining sufficient cash to enable settlement of transactions as they come due. Management monitors the Company's contractual obligations and other expenses to ensure adequate liquidity is maintained.

COMMITMENTS

Placeton NSR Agreement

On December 17, 2020, Aconcagua agreed to settle an amount due to Durus Copper SPA ("Durus") through the payment of a two-percent (2%) Net Smelter Royalty over all minerals produced from the 39 exploitation tenements held by Aconcagua at the time of the settlement.

Durus will receive an amount of money equivalent to 2% of the total net smelter returns generated by the eventual commercial exploitation of Aconcagua's tenements, the processing of the minerals extracted therefrom and the sale of the products obtained from the Aconcagua's tenements.

No value was attributed to the Placeton NSR as production on the properties cannot reasonably be determined. The NSR is still waiting on registration at the Vallenar Mining Register.

El Cofre NSR Agreement

During the year ended December 31, 2020 the Company granted a former shareholder of Cobalt Chile, who is now a shareholder of the Company, a two-percent (2%) NSR over all minerals produced from the thirty-seven mineral exploration concessions held by Cobalt Chile, at the time of the settlement.

The former shareholder of Cobalt Chile will receive an amount of money equivalent to 2% of the total net smelter returns generated by the eventual commercial exploitation of Cobalt Chile's tenements, the processing of the minerals extracted therefrom, and the sale of the products obtained from the Cobalt Chile's tenements.

No value was attributed to the El Cofre NSR as production on the properties cannot reasonably be determined.

OUTSTANDING SHARE DATA

The Company is authorized to issue an unlimited number of Common Shares without par value. As at the date of this MD&A, the following Common Shares, options, and share purchase warrants were outstanding:

| | Number of shares | Exercise Price | Expiry Date |
|--------------------------------------|-----------------------------|---------------------------|---|
| Issued and outstanding common shares | 20,000,000 | | |
| Warrants | 7,000,000 | \$0.60 | 5 years from the date the common shares are listed on a recognized exchange |
| Fully diluted | 27,000,000 | | |

Appendix "F"

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF 773
FOR THE YEAR ENDED DECEMBER 31, 2020 AND FOR THE INTERIM PERIOD ENDED MARCH 31,
2021**

See attached.

1246773 B.C. LTD.

MANAGEMENT DISCUSSION AND ANALYSIS

FROM INCEPTION ON APRIL 8, 2020 TO DECEMBER 31, 2020

(Expressed in Canadian Dollars)

INTRODUCTION

The Management Discussion & Analysis has been prepared by management and reviewed and approved by the Board of Directors on March 5th, 2021, the date of issue of this MD&A. The following discussion of performance, financial condition and future prospects should be read in conjunction with the audited financial statements and the related notes thereto for the period ended December 31, 2020. The information provided herein supplements but does not form part of the financial statements. This discussion covers the period from inception on April 8, 2020 to the period ended December 31, 2020 and the subsequent period up to the date of issue of this MD&A. Monetary amounts in the following discussion are in Canadian dollars unless otherwise noted.

Additional information regarding the Company can be found on the Company's page at www.sedar.com.

FORWARD LOOKING STATEMENTS

This MD&A contains certain forward-looking statements or forward-looking information within the meaning of applicable Canadian securities laws. All statements and information, other than statements of historical fact, included in or incorporated by reference into this MD&A are forward-looking statements and forward-looking information, including, without limitation, statements regarding activities, events or developments that we expect or anticipate may occur in the future. Such forward-looking statements and information can be identified by the use of forward-looking words such as "will", "expect", "intend", "plan", "estimate", "anticipate", "believe" or "continue" or similar words and expressions or the negative thereof. There can be no assurance that the plans, intentions or expectations upon which such forward-looking statements and information are based will occur or, even if they do occur, will result in the performance, events or results expected.

The forward-looking statements and forward-looking information reflect the current beliefs of the Company, and are based on currently available information. Accordingly, these statements are subject to known and unknown risks, uncertainties and other factors which could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed in or implied by the forward-looking statements. This forward-looking information includes estimates, forecasts, plans, priorities, strategies and statements as to the Company's current expectations and assumptions concerning, among other things, ability to access sufficient funds to carry on operations, compliance with current or future regulatory regimes, particularly in the case of ambiguities, financial and operational performance and prospects, collection of receivables, anticipated conclusions of negotiations to acquire projects or investments, our ability to attract and retain skilled staff and consultants, expectations of market prices and costs, expansion plans and objectives, requirements for additional capital, the availability of financing, and the future development and costs and outcomes of the Company's projects or investments. The foregoing list of assumptions is not exhaustive. Events or circumstances could cause actual results to vary materially.

We caution readers of this MD&A not to place undue reliance on forward-looking statements and information contained herein, which are not a guarantee of performance, events or results and are subject to a number of risks, uncertainties and other factors that could cause actual performance, events or results to differ materially from those expressed or implied by such forward-looking statements and information. These factors include: unanticipated future operational difficulties (including cost escalation, unavailability of materials and equipment, industrial disturbances or other job action and unanticipated events related to health, safety and environmental matters); social unrest; failure of counterparties to perform their contractual obligations; changes in priorities, plans, strategies and prospects; general economic, industry, business and market conditions; disruptions or changes in the credit or securities markets; changes in law, regulation, or application and interpretation of the same; the ability to implement business plans and strategies, and to pursue business opportunities; rulings by courts or arbitrators, proceedings and investigations; inflationary pressures; and various other events, conditions or circumstances that could disrupt the Company's priorities, plans, strategies and prospects including those detailed from time to time in the Company's reports and public filings with the Canadian securities administrators, filed on [SEDAR](http://www.sedar.com).

This information speaks only as of the date of this MD&A. The Company undertakes no obligation to revise or update forward-looking information after the date of this document, nor to make revisions to reflect the occurrence of future unanticipated events, except as may be required under applicable securities laws or the policies of the TSX-V exchange.

1246773 B.C. Ltd.

Management Discussion and Analysis

From inception on April 8, 2020 to the period ended December 31, 2020

THE COMPANY

1246773 B.C. Ltd. ("773 BC" or "the Company") was incorporated in the province of British Columbia on April 8, 2020. The Company is a reporting issuer but does not trade on a stock exchange.

The Company's current business is to comply with all reporting requirements while endeavoring to find, acquire and finance a suitable business or project.

RECENT EVENTS

On June 25, 2020, 2583262 Ontario Inc. ("2583262") announced that it will go through a statutory plan of arrangement (the "Plan") involving its eight (8) wholly-owned subsidiaries. The Plan will involve, among other things, the distribution of common shares of 773 BC to current shareholders of 2586232 on the basis of one hundred thousand (100,000) 773 BC common shares per outstanding common share of 2583262.

On July 24, 2020, 2583262 completed the Plan thereby resulting in the Company being spun out and becoming a non-listed reporting issuer.

On October 30, 2020, Medalist Capital Ltd. ("Medalist") announced that it has sold (the "Sale") the following shares to B. Keast Family Holdings Inc. ("BKF"), R. Keast Family Holdings Inc. ("RKF") and SFH Inc. (together with BKF and RKF, the "Purchasers") pursuant to a share purchase agreement entered into between Medalist and each Purchaser on October 29, 2020: 2,715,000 common shares of 1246764 B.C. Ltd., 1,500,000 common shares of 1246765 B.C. Ltd., 1,500,000 common shares of 1246768 B.C. Ltd., 1,500,000 common shares of 1246773 B.C. Ltd., 1,500,000 common shares of 1246775 B.C. Ltd., 1,500,000 common shares of 1246777 B.C. Ltd., 1,500,000 common shares of 1246778 B.C. Ltd., and 1,500,000 common shares of 1246779 B.C. Ltd. (collectively, the "Subject Shares"). The Subject Shares were sold for an aggregate price of \$136,012.50. The common shares of 1246764 B.C. Ltd. were sold at a price \$0.05 per share and all other Subject Shares were sold at a price of \$0.00003 per share. As a result of the Sale, Medalist now holds nil common shares in each of 1246764 B.C. Ltd., 1246765 B.C. Ltd., 1246768 B.C. Ltd., 1246773, B.C. Ltd., 1246775 B.C. Ltd., 1246777 B.C. Ltd., 1246778 B.C. Ltd. and 1246779 B.C. Ltd. (collectively, the "Subject Entities").

On November 2, 2020, the Company announced that on October 30, 2020, it closed a non-brokered private placement of 3,150,000 common shares at a purchase price of \$0.05 per common share for gross proceeds of \$157,500 (the "Offering"). The Common Shares issued in connection with the Offering are subject to a statutory hold period of four months plus one day from the date of completion of the Offering, in accordance with applicable securities legislation.

SUMMARY OF QUARTERLY RESULTS

| Quarter ended | Revenue (1) | Loss for the Quarter | Loss per Share |
|---|----------------|-------------------------|-------------------|
| December 31, 2020 | \$ Nil | \$ (24,341) | \$ (0.005) |
| September 30, 2020 | \$ Nil | \$ (14,725) | \$ (0.005) |
| From April 8 th to June 30, 2020 | \$ Nil | \$ (22,895) | \$ (0.076) |

(1) This being a corporation without a revenue-generating business, there are no revenues from operations or investments.

Net loss from April 8, 2020 to the period ended December 31, 2020

Net and comprehensive loss was \$61,961 due to accounting and corporate secretarial fees, office expense, professional fees, regulatory and transfer agent fees, and shareholder communication fees incurred.

Net loss for the three months ended December 31, 2020

Net and comprehensive loss was \$24,341 due to accounting and corporate secretarial fees, office expense, professional fees, regulatory and transfer agent fees, and shareholder communication fees incurred.

1246773 B.C. Ltd.

Management Discussion and Analysis

From inception on April 8, 2020 to the period ended December 31, 2020

Cash flows from April 8, 2020 to the period ended December 31, 2020

The Company's cash balance increased by \$145,274 due to the initial funds lent by 2583262 and as a result of issuing 3,150,000 common shares for proceeds of \$157,500.

SELECTED ANNUAL INFORMATION

As the Company was only incorporated on April 8, 2020, there is no annual information available.

LIQUIDITY AND CAPITAL RESOURCES

The Company had a working capital of \$95,839 as at December 31, 2020. The Company does not have revenues from operations and relies on outside funding for its continuing financial liquidity. The Company will need additional financing in order to continue operations.

Management cautions that the Company's ability to raise additional funding is not certain. Additional funds will be required in order to pursue the Company's current business plans. An inability to raise additional funds would adversely impact the future assessment of the Company as a going concern.

SIGNIFICANT ACCOUNTING JUDGMENTS AND USE OF ESTIMATES

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods.

Significant assumptions that management has made about current unknowns, the future, and other sources of estimated uncertainty, could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made. Such significant assumptions include, but are not limited to, the following areas: recovery of receivables and going concern.

The Company's significant judgments and estimates are disclosed in Note 2 of the audited financial statements from inception on April 8, 2020 to the period ended December 31, 2020.

CHANGES IN ACCOUNTING POLICIES

The Company has applied the same accounting policies as set out in Note 2 of the audited financial statements from inception on April 8, 2020 to the period ended December 31, 2020.

Changes in Internal Controls over Financial Reporting

There were no changes in the Company's internal controls over financial reporting during the period from April 8, 2020 to December 31, 2020.

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, accounts payable and accrued liabilities and due to related parties. It is management's opinion that the Company is not exposed to significant interest risk arising from the financial instruments. The Company will be exposed to some credit risk in relation to its future amounts receivables balances, however, most amounts receivables will be in relation to sales tax due from the Canadian government. Credit risk is managed for amounts receivables by seeking prompt payment, monitoring the age of receivables, and making follow up inquiries when receivables are not paid in a timely manner. The Company does not engage in any hedging activities. Financial instruments do not generally expose the Company to risk that is significant enough to warrant reducing via purchasing specific insurance or offsetting financial instruments. Further discussion of these risks is presented in Note 6 of the Company's audited financial statements, from inception on April 8, 2020 to the period ended December 31, 2020.

RELATED PARTY DISCLOSURES

As at December 31, 2020 the Company had \$36,992 in related party liabilities owing to 2583262 as reimbursable expenses were incurred on behalf of the Company.

RISK FACTORS AND MANAGEMENT'S RESPONSIBILITY OVER FINANCIAL REPORTING

Risk Factors – General

Early-stage entities face a variety of risks and, while unable to eliminate all of them, the Company aims to manage and reduce such risks as much as possible. The Company's ability to mitigate risk, without any cash at its disposal, is, however, extremely limited.

Selecting investments is a competitive process. The Company seeks to maintain an appropriate balance by carefully considering risks to ensure an investment's level of risk is commensurate with the Company's assessment of the project's potential.

The Company has a limited history of existence. There can be no assurance that it will be successful in its quest to find, acquire and finance a suitable business or project. Equity or debt financing will be required to complete the implementation of its business plan. There can be no assurance that the Company will be able to obtain adequate financing to continue. **The securities of the Company should be considered a highly speculative investment.**

The following risk factors should be given special consideration when evaluating an investment in any of the Company's securities:

- a) the Company has had no profitable business activity and has not acquired any material assets since its incorporation other than cash;
- b) the Company does not have a history of earnings, nor has it paid any dividends and will not generate earnings or pay dividends in the foreseeable future;
- c) the Company has only limited funds with which to continue supporting the operations, or alternatively with which to identify and evaluate other potential opportunities and there can be no assurance that the Company will be able to realize either of these goals;
- d) the business or project may be financed in all or part by the issuance of additional securities by the Company and this may result in further dilution to the investor, which dilution may be significant and which may also result in a change of control of the Company;
- e) there can be no assurance that an active and liquid market for the common shares will develop and an investor may find it difficult to resell its common shares; and

f) if the Company fails to complete the acquisition of a suitable business or project, an interim cease trade order may be issued against the Company's securities by an applicable securities commission.

COVID-19

In December 2019, a novel strain of coronavirus was reported in Wuhan, China. The World Health Organization has declared the outbreak to constitute a "Public Health Emergency of International Concern." The COVID-19 outbreak is disrupting supply chains and affecting production and sales across a range of industries. The extent of the impact of COVID-19 on the Company's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on and the Company's vendors all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact the Company's financial condition or results of operations is uncertain.

OFF BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

OUTSTANDING COMMON SHARES DATA

The following section updates the outstanding share data provided in the audited financial statements for the period ended December 31, 2020.

| | |
|--|-----------|
| Common Shares outstanding at September 30, 2020 | 3,000,000 |
| Private Placement (October 30, 2020) | 3,150,000 |
| Common Shares outstanding at December 31, 2020 and March 5, 2021 | 6,150,000 |

1246773 B.C. LTD.

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED MARCH 31, 2021

(Expressed in Canadian Dollars)

INTRODUCTION

The Management Discussion & Analysis has been prepared by management and reviewed and approved by the Board of Directors on May 25, 2021, the date of issue of this MD&A. The following discussion of performance, financial condition and future prospects should be read in conjunction with the unaudited condensed interim financial statements and the related notes thereto for the period ended March 31, 2021. The information provided herein supplements but does not form part of the financial statements. This discussion covers the period ended March 31, 2021 and the subsequent period up to the date of issue of this MD&A. Monetary amounts in the following discussion are in Canadian dollars unless otherwise noted.

Additional information regarding the Company can be found on the Company's page at www.sedar.com.

FORWARD LOOKING STATEMENTS

This MD&A contains certain forward-looking statements or forward-looking information within the meaning of applicable Canadian securities laws. All statements and information, other than statements of historical fact, included in or incorporated by reference into this MD&A are forward-looking statements and forward-looking information, including, without limitation, statements regarding activities, events or developments that we expect or anticipate may occur in the future. Such forward-looking statements and information can be identified by the use of forward-looking words such as "will", "expect", "intend", "plan", "estimate", "anticipate", "believe" or "continue" or similar words and expressions or the negative thereof. There can be no assurance that the plans, intentions or expectations upon which such forward-looking statements and information are based will occur or, even if they do occur, will result in the performance, events or results expected.

The forward-looking statements and forward-looking information reflect the current beliefs of the Company, and are based on currently available information. Accordingly, these statements are subject to known and unknown risks, uncertainties and other factors which could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed in or implied by the forward-looking statements. This forward-looking information includes estimates, forecasts, plans, priorities, strategies and statements as to the Company's current expectations and assumptions concerning, among other things, ability to access sufficient funds to carry on operations, compliance with current or future regulatory regimes, particularly in the case of ambiguities, financial and operational performance and prospects, collection of receivables, anticipated conclusions of negotiations to acquire projects or investments, our ability to attract and retain skilled staff and consultants, expectations of market prices and costs, expansion plans and objectives, requirements for additional capital, the availability of financing, and the future development and costs and outcomes of the Company's projects or investments. The foregoing list of assumptions is not exhaustive. Events or circumstances could cause actual results to vary materially.

We caution readers of this MD&A not to place undue reliance on forward-looking statements and information contained herein, which are not a guarantee of performance, events or results and are subject to a number of risks, uncertainties and other factors that could cause actual performance, events or results to differ materially from those expressed or implied by such forward-looking statements and information. These factors include: unanticipated future operational difficulties (including cost escalation, unavailability of materials and equipment, industrial disturbances or other job action and unanticipated events related to health, safety and environmental matters); social unrest; failure of counterparties to perform their contractual obligations; changes in priorities, plans, strategies and prospects; general economic, industry, business and market conditions; disruptions or changes in the credit or securities markets; changes in law, regulation, or application and interpretation of the same; the ability to implement business plans and strategies, and to pursue business opportunities; rulings by courts or arbitrators, proceedings and investigations; inflationary pressures; and various other events, conditions or circumstances that could disrupt the Company's priorities, plans, strategies and prospects including those detailed from time to time in the Company's reports and public filings with the Canadian securities administrators, filed on [SEDAR](http://www.sedar.com).

This information speaks only as of the date of this MD&A. The Company undertakes no obligation to revise or update forward-looking information after the date of this document, nor to make revisions to reflect the occurrence of future unanticipated events, except as may be required under applicable securities laws or the policies of the TSX-V exchange.

1246773 B.C. Ltd.
Management Discussion and Analysis
For the three months ended March 31, 2021

THE COMPANY

1246773 B.C. Ltd. ("773 BC" or "the Company") was incorporated in the province of British Columbia on April 8, 2020. The Company is a reporting issuer but does not trade on a stock exchange.

The Company's current business is to comply with all reporting requirements while endeavoring to find, acquire and finance a suitable business or project.

RECENT EVENTS

On March 12, 2021, 1246773 B.C. Ltd announced that it has agreed to complete a series of transactions with 2311548 Alberta Ltd. ("TargetCo") that will result in the Company indirectly acquiring the rights to certain mineral assets located in Chile (the "Chile Properties"). The proposed transactions will be effected through an amalgamation agreement (the "Amalgamation Agreement"). The transactions are conditional on TargetCo completing the Private Placement and the TSX Venture Exchange ("TSXV") approving the listing of the common shares of 773 ("Resulting Issuer Shares").

On May 11, 2021, the company announced the closing of a non-brokered private placement for 8,223,156 subscription receipts at a price of \$0.50 each for gross proceeds of \$4,111,578. Each subscription receipt will entitle the holder to receive one common share of TargetCo.

SELECTED ANNUAL INFORMATION

| | From Inception on April 8, 2020 to year ended December 31, 2020 | |
|-----------------------------|--|----------|
| Revenues | \$ | Nil |
| Net income (loss) | \$ | (61,961) |
| Net income (loss) per share | \$ | (0.021) |
| Total assets | \$ | 145,274 |
| Total liabilities | \$ | 49,435 |

DISCUSSION OF OPERATIONS

Net loss for the period ended March 31, 2021

Net and comprehensive loss was \$67,500 due to accounting and corporate secretarial fees, regulatory and filing fees, professional fees, and marketing expenses incurred.

Cash flows for the period ended March 31, 2021

The Company's cash decreased by \$59,553 from its operating activities.

SUMMARY OF QUARTERLY RESULTS

| Quarter ended | Revenue (1) | Loss for the Quarter | Loss per Share |
|---|------------------------|---------------------------------|---------------------------|
| March 31, 2021 | \$ Nil | \$ (67,500) | \$ (0.011) |
| December 31, 2020 | \$ Nil | \$ (24,341) | \$ (0.005) |
| September 30, 2020 | \$ Nil | \$ (14,725) | \$ (0.005) |
| From April 8 th to June 30, 2020 | \$ Nil | \$ (22,895) | \$ (0.076) |

(1) This being a corporation without a revenue-generating business, there are no revenues from operations or investments.

LIQUIDITY AND CAPITAL RESOURCES

The Company had a working capital of \$28,339 as at March 31, 2021. The Company does not have revenues from operations and relies on outside funding for its continuing financial liquidity. The Company will need additional financing in order to continue operations.

Management cautions that the Company's ability to raise additional funding is not certain. Additional funds will be required in order to pursue the Company's current business plans. An inability to raise additional funds would adversely impact the future assessment of the Company as a going concern.

OFF BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

RELATED PARTY DISCLOSURES

As at March 31, 2021 the Company had \$38,517 in related party liabilities owing to 1289625 B.C. Ltd. (formerly 2583262 Ontario Inc.) as reimbursable expenses were incurred on behalf of the Company.

PROPOSED TRANSACTIONS

As of the date of this MD&A, there is no proposed transaction beyond what has been disclosed in the unaudited financial statements and this MD&A.

SIGNIFICANT ACCOUNTING JUDGMENTS AND USE OF ESTIMATES

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods.

Significant assumptions that management has made about current unknowns, the future, and other sources of estimated uncertainty, could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made. Such significant assumptions include, but are not limited to, the following areas: recovery of receivables and going concern.

The Company's significant judgments and estimates are disclosed in Note 2 of the audited financial statements from inception on April 8, 2020 to the period ended December 31, 2020 as well as in Note 2 of the condensed interim financial statements for the three months ended March 31, 2021.

CHANGES IN ACCOUNTING POLICIES

The Company has applied the same accounting policies as set out in Note 2 of the Company's audited financial statements from inception on April 8, 2020 to the period ended December 31, 2020.

Changes in Internal Controls over Financial Reporting

There were no changes in the Company's internal controls over financial reporting during the three months ended March 31, 2021.

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, amounts receivable, accounts payable and accrued liabilities and due to related parties. It is management's opinion that the Company is not exposed to significant interest risk arising from the financial instruments. The Company will be exposed to some credit risk in relation to its future amounts receivables balances, however, most amounts receivables will be in relation to sales tax due from the Canadian government. Credit risk is managed for amounts receivables by seeking prompt payment, monitoring the age of receivables, and making follow up inquiries when receivables are not paid in a timely manner. The Company does not engage in any hedging activities. Financial instruments do not generally expose the Company to risk that is significant enough to warrant reducing via purchasing specific insurance or offsetting financial instruments. Further discussion of these risks is presented in Note 6 of the Company's audited financial statements, from inception on April 8, 2020 to the period ended December 31, 2020.

RISK FACTORS AND MANAGEMENT'S RESPONSIBILITY OVER FINANCIAL REPORTING

Risk Factors – General

Early-stage entities face a variety of risks and, while unable to eliminate all of them, the Company aims to manage and reduce such risks as much as possible. The Company's ability to mitigate risk, without any cash at its disposal, is, however, extremely limited.

Selecting investments is a competitive process. The Company seeks to maintain an appropriate balance by carefully considering risks to ensure an investment's level of risk is commensurate with the Company's assessment of the project's potential.

The Company has a limited history of existence. There can be no assurance that it will be successful in its quest to find, acquire and finance a suitable business or project. Equity or debt financing will be required to complete the implementation of its business plan. There can be no assurance that the Company will be able to obtain adequate financing to continue. **The securities of the Company should be considered a highly speculative investment.**

The following risk factors should be given special consideration when evaluating an investment in any of the Company's securities:

- a) the Company has had no profitable business activity and has not acquired any material assets since its incorporation other than cash;
- b) the Company does not have a history of earnings, nor has it paid any dividends and will not generate earnings or pay dividends in the foreseeable future;
- c) the Company has only limited funds with which to continue supporting the operations, or alternatively with which to identify and evaluate other potential opportunities and there can be no assurance that the Company will be able to realize either of these goals;
- d) the business or project may be financed in all or part by the issuance of additional securities by the Company and this may result in further dilution to the investor, which dilution may be significant and which may also result in a change of control of the Company;
- e) there can be no assurance that an active and liquid market for the common shares will develop and an investor may find it difficult to resell its common shares; and
- f) if the Company fails to complete the acquisition of a suitable business or project, an interim cease trade order may be issued against the Company's securities by an applicable securities commission.

COVID-19

In December 2019, a novel strain of coronavirus was reported in Wuhan, China. The World Health Organization has declared the outbreak to constitute a "Public Health Emergency of International Concern." The COVID-19 outbreak is disrupting supply chains and affecting production and sales across a range of industries. The extent of the impact of COVID-19 on the Company's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on and the Company's vendors all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact the Company's financial condition or results of operations is uncertain.

OUTSTANDING COMMON SHARES DATA

The following section updates the outstanding share data provided in the unaudited condensed interim financial statements for the period ended March 31, 2021.

| | |
|---|-----------|
| Common Shares outstanding at March 31, 2021 | 6,150,000 |
| Common Shares outstanding at May 25, 2021 | 6,150,000 |

Appendix "G"
ACONCAGUA MINERALS SPA FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER
31, 2020, 2019 AND 2018

See attached.

ACONCAGUA MINERALS SpA

FINANCIAL STATEMENTS

For the years ended December 31, 2020, 2019, and 2018
(Expressed in Chilean Pesos - \$)

INDEPENDENT AUDITOR'S REPORT

To the Directors of
Aconcagua Minerals SpA

Opinion

We have audited the accompanying financial statements of Aconcagua Minerals SpA (the "Company"), which comprise the statements of financial position as at December 31, 2020 and 2019 and the statements of income (loss) and comprehensive income (loss), shareholders' deficiency, and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

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

Material Uncertainty Related to Going Concern

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

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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



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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

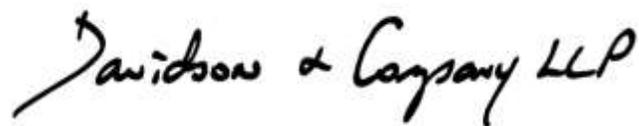
As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Alyson Neil.

A handwritten signature in black ink that reads "Davidson & Coysany LLP". The signature is written in a cursive, flowing style.

Vancouver, Canada

Chartered Professional Accountants

April 20, 2021

ACONCAGUA MINERALS SPA
STATEMENTS OF FINANCIAL POSITION

As at December 31, 2020, 2019, and 2018
(Expressed in Chilean Pesos - \$)

| | December 31, 2020 | December 31, 2019 | December 31, 2018 (unaudited) |
|---|----------------------|----------------------|-------------------------------------|
| ASSETS | | | |
| Current | | | |
| Cash | \$ 962,193 | \$ 462,103 | \$ 143,639 |
| Total Current Assets | | | |
| Non-current Assets | | | |
| Exploration & evaluation assets (Note 4) | 7,200,000 | 7,200,000 | - |
| Total Assets | \$ 8,162,193 | \$ 7,662,103 | \$ 143,639 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | |
| Current Liabilities | | | |
| Due to related parties (Note 6) | \$ 53,972,959 | \$ 165,319,580 | \$ 161,319,580 |
| Total Liabilities | 53,972,959 | 165,319,580 | 161,319,580 |
| Shareholders' Deficiency | | | |
| Share capital (Note 5) | \$ 19,200,000 | \$ 19,200,000 | \$ 12,000,000 |
| Reserves | 2,623,787 | 2,623,787 | 2,608,624 |
| Deficit | (67,634,553) | (179,481,264) | (175,784,565) |
| Total Shareholders' Deficiency | (45,810,766) | (157,657,477) | (161,175,941) |
| Total Liabilities and Shareholders' Deficiency | \$ 8,162,193 | \$ 7,662,103 | \$ 143,639 |

Nature of operations and going concern – Note 1
Contingencies and commitments – Note 11
Subsequent event – Note 12

On behalf of the Board:

“Gino Zandonai”

Director

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

ACONCAGUA MINERALS SPA
STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)
For the years ended December 31, 2020, 2019, and 2018
(Expressed in Chilean Pesos - \$)

| | December 31, 2020 | December 31, 2019 | December 31, 2018 (unaudited) |
|--|----------------------|----------------------|-------------------------------------|
| Expenses | | | |
| Exploration expenditures – Claim maintenance | \$ 16,329,280 | \$ - | \$ - |
| General and administrative | 3,487,358 | 15,163 | (397,900) |
| Professional fees | 3,756,231 | 3,681,536 | - |
| | \$ (23,572,869) | \$ (3,696,699) | \$ (397,900) |
| Other items | | | |
| Gain on debt settlement (Note 6) | 135,419,580 | - | - |
| Income (loss) and comprehensive income (loss) for the year | \$ 111,846,711 | \$ (3,696,699) | \$ (397,900) |
| Basic and diluted earnings (loss) per share | \$ 5.83 | \$ (0.24) | \$ (0.03) |
| Weighted average number of shares outstanding – basic and diluted | 19,200,000 | 15,156,164 | 12,000,000 |

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

ACONCAGUA MINERALS SPA
STATEMENTS OF SHAREHOLDERS' DEFICIENCY

For the years ended December 31, 2020, 2019, and 2018
(Expressed in Chilean Pesos - \$)

| | SHARE CAPITAL | | | | DEFICIT | TOTAL SHAREHOLDERS' DEFICIENCY |
|---|-------------------|----------------------|---------------------|-------------------------|-------------------------|--------------------------------------|
| | SHARES | AMOUNT | RESERVES | | | |
| Balance, December 31, 2017 (unaudited) | 12,000,000 | \$ 12,000,000 | \$ 2,623,787 | \$ (175,386,665) | \$ (160,762,878) | |
| Loss for the year | - | - | - | (397,900) | (397,900) | |
| Balance, December 31, 2018 (unaudited) | 12,000,000 | \$ 12,000,000 | \$ 2,623,787 | \$ (175,784,565) | \$ (161,175,941) | |
| Shares issued for property | 7,200,000 | 7,200,000 | - | - | 7,200,000 | |
| Loss for the year | - | - | - | 3,696,699 | (3,696,699) | |
| Balance, December 31, 2019 | 19,200,000 | 19,200,000 | 2,623,787 | (179,481,264) | (157,657,477) | |
| Income for the year | - | - | - | 111,846,711 | 111,846,711 | |
| Balance, December 31, 2020 | 19,200,000 | \$ 19,200,000 | \$ 2,623,787 | \$ (67,634,553) | \$ (45,810,766) | |

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

ACONCAGUA MINERALS SPA

STATEMENTS OF CASH FLOWS

For the years ended December 31, 2020, 2019, and 2018

(Expressed in Chilean Pesos - \$)

| | December 31, 2020 | December 31, 2019 | December 31, 2018 (unaudited) |
|--|----------------------|----------------------|-------------------------------------|
| Operating Activities | | | |
| Income (loss) for the year | \$ 111,846,711 | \$ (3,696,699) | \$ (397,900) |
| Items not involving cash: | | | |
| Gain on debt settlement | (135,419,580) | - | - |
| Other item not involving cash | - | - | 397,000 |
| Cash flows provided by (used in) operating activities | (23,572,869) | (3,696,699) | - |
| Financing Activities | | | |
| Due to related party | 24,072,959 | 4,015,163 | - |
| Cash flows provided by financing activities | 24,072,959 | 4,015,163 | - |
| Net change in cash | 500,090 | 318,464 | - |
| Cash, beginning of the year | 462,103 | 143,639 | 143,639 |
| Cash, end of the year | \$ 962,193 | \$ 462,103 | \$ 143,639 |
| Supplemental disclosure on cash flow information: | | | |
| Shares issued for exploration and evaluation assets | \$ - | \$ 7,200,000 | \$ - |
| Cash paid for interest | \$ - | \$ - | \$ - |
| Cash paid for income taxes | \$ - | \$ - | \$ - |

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

ACONCAGUA MINERALS SPA

Notes to the Financial Statements

For the year ended December 31, 2020, 2019, and 2018

(Expressed in Chilean Pesos - \$)

1. NATURE OF OPERATIONS AND GOING CONCERN

Aconcagua Minerals SpA (the "Company") is a mineral exploration company and is in the business of acquiring and exploring mineral properties in Chile. The Company holds 39 exploitation mining concessions, the Placeton, Caballo Muerto and Los Naranjos projects (together the "Placeton Project").

The Company was formed under the laws of Chile on December 17, 2007 as Aconcagua Minerals Limitada. On August 13th, 2018, the Company changed its legal structure into a simplified corporation under Chilean law and changed its name to Aconcagua Minerals SpA.

The Company's head office and its registered and records office is located at Avenida Panorámica No 906, apartment 107, La Florida, La Serena, Chile.

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which presume the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. The recoverability of the amounts expensed for exploration and resource property evaluation assets are dependent upon the existence of economically recoverable reserves, securing and maintaining title and beneficial interest in the properties, the ability of the Company to obtain necessary financing to complete the evaluation and development of commercially viable reserves, and upon future profitable production or proceeds from the disposition of exploration and evaluation assets.

These financial statements have been prepared assuming the Company will continue on a going-concern basis. The Company has incurred losses since its inception and the ability of the Company to continue as a going-concern depends upon its ability to raise adequate financing and to develop profitable operations. As at December 31, 2020, the Company had a working capital deficiency of \$53,010,766 and an accumulated deficit of \$67,634,553. These items may cast a significant doubt on 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.

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. To date, the COVID-19 pandemic has not had an adverse impact on the Company.

2. BASIS OF PRESENTATION

a) Statement of Compliance

These financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS"), applicable to financial information as issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee.

b) Basis of Measurement

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

c) Functional and presentation currency

The financial statements are presented in Chilean Pesos, which is also the Company's functional currency.

ACONCAGUA MINERALS SPA

Notes to the Financial Statements

For the year ended December 31, 2020, 2019, and 2018

(Expressed in Chilean Pesos - \$)

3. SIGNIFICANT ACCOUNTING POLICIES

a) Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments with maturities within three months held for the purpose of meeting short-term cash commitments rather than for investing purposes. The Company did not have cash equivalents for the periods presented.

b) Exploration property acquisition costs

Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss. Costs related to the acquisition of exploration properties are capitalized and deferred until such time as the property is either sold, or put into production. If, after management review, it is determined that capitalized acquisition costs are not recoverable over the estimated economic life of the property, or the property is abandoned, or management deems there to be an impairment in value, the property is written down to its net realizable value.

Costs related to the exploration and evaluation of properties are recognized in profit or loss as incurred, up to the time a decision is made to proceed with the development of the related exploration property due to the existence of economically recoverable reserves. A mineral resource is considered to have economic potential when it is expected that a documented resource can be legally and economically developed considering forecast metal prices.

c) Provisions and Contingent Liabilities

Provisions are recognized for liabilities of uncertain timing or amounts that have arisen as a result of past transactions, including legal or constructive obligations. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date.

Provision for environmental rehabilitation

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

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related asset with a corresponding entry to the rehabilitation provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

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

For the years presented the Company has no provisions for environmental rehabilitation.

ACONCAGUA MINERALS SPA

Notes to the Financial Statements

For the year ended December 31, 2020, 2019, and 2018

(Expressed in Chilean Pesos - \$)

d) Income Taxes

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

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

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

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

e) Basic and Diluted Income (Loss) Per Share

The Company presents basic income (loss) per share for its common shares, calculated by dividing the income (loss) attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted income (loss) per share does not adjust the income (loss) attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

f) Share Capital

Share capital represents the amount received on the issue of shares, less issuance costs, net of any underlying income tax benefit recognized from these issuance costs.

When shares are issued on the exercise of options and warrants, the share capital account also comprises the costs previously recorded as contributed surplus and warrants. When shares are issued as consideration for the acquisition of a mineral property they are measured at their fair value on the date of issue.

Share issuance costs

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

ACONCAGUA MINERALS SPA

Notes to the Financial Statements

For the year ended December 31, 2020, 2019, and 2018

(Expressed in Chilean Pesos - \$)

g) Foreign exchange

Foreign currency transactions are translated into the functional currency, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items denominated in foreign currency at year-end exchange rates are recognized in profit or loss. Non-monetary items are not re-translated at year-end and are measured at historical cost (translated using the exchange rates at the date of the transaction). Non-monetary items measured at fair value are translated using the exchange rates at the date when fair value was determined.

h) Impairment of non-financial assets

The recoverability of amounts expended on exploration property acquisition costs is dependent upon the determination of economically recoverable ore reserves, confirmation of the Company's interest in the underlying mineral claims, the Company's ability to overcome the regulatory, financing and other hurdles in order to complete their development and future profitable production or proceeds from the disposition thereof.

The Company performs impairment tests on property and equipment and exploration property interests when events or circumstances occur which indicate the assets may not be recoverable. Impairment assessments are carried out on a project-by-project basis with each project representing a single cash generating unit.

When impairment indicators are identified, an impairment loss is recognized if the asset's carrying value exceeds its recoverable amount. The recoverable amount is the higher of the asset's value in use or the asset's fair value less costs to sell.

An impairment loss is reversed if there is an indication that there has been a favorable change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amounts that would have been determined (net of depreciation) if no impairment loss had been recognized.

i) Financial instruments

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The following table shows the classification of the Company's financial assets and liabilities under IFRS 9:

| Asset or Liability | IFRS 9 Classification |
|---------------------------|----------------------------------|
| Cash | FVTPL |
| Due to related parties | Amortized cost |

ACONCAGUA MINERALS SPA

Notes to the Financial Statements

For the year ended December 31, 2020, 2019, and 2018

(Expressed in Chilean Pesos - \$)

Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at fair value through profit of loss

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

Impairment of financial assets at amortized cost

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

Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the consolidated statements of loss.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. Gains and losses on derecognition are recognized in profit or loss.

j) New standards not yet adopted

The Company does not believe any recently issued, but not yet effective IFRS standards that have been issued by the IASB will have a material impact on the Company's consolidated financial statements.

ACONCAGUA MINERALS SPA

Notes to the Financial Statements

For the year ended December 31, 2020, 2019, and 2018

(Expressed in Chilean Pesos - \$)

3. ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to use judgement in making estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Management has made judgements in a number of areas in preparing these financial statements. Those judgements that have the most significant effect on the amounts recognized in the financial statements are the determination whether the entity remains a going concern, and the assessment of impairment indicators for the Company's exploration property acquisition costs. Areas of critical accounting estimates include share-based payments and warrants and deferred tax assets.

Critical accounting judgments

The preparation of these financial statements requires management to make judgments regarding the going concern of the Company as discussed in Note 1.

Key sources of estimation uncertainty

Impairment of exploration property acquisition costs

The carrying amount of the Company's exploration and evaluation assets do not necessarily represent present or future values, and the Company's exploration and evaluation assets have been accounted for under the assumption that the carrying amount will be recoverable. Recoverability is dependent on various factors, including the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development and upon future profitable production or proceeds from the disposition of the mineral property interests themselves. Additionally, there are numerous geological, economic, environmental and regulatory factors and uncertainties that could impact management's assessment as to the overall viability of its mineral property interests or to the ability to generate future cash flows necessary to cover or exceed the carrying value of the Company's exploration and evaluation assets.

Deferred tax assets and liabilities

The measurement of a deferred tax provision is subject to uncertainty associated with the timing of future events and changes in legislation, tax rates and interpretations by tax authorities. The estimation of taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and future tax provisions or recoveries could be affected.

ACONCAGUA MINERALS SPA

Notes to the Financial Statements

For the year ended December 31, 2020, 2019, and 2018

(Expressed in Chilean Pesos - \$)

4. EXPLORATION & EVALUATION ASSETS

Title to exploration and evaluation asset interests 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 conveyancing history characteristic of many mineral claims. The Company has investigated title to all of its exploration and evaluation asset interests and, to the best of its knowledge, title to all of its interests are in good standing.

Placeton Project

The Placeton Project which together includes the Placeton, Caballo Muerto and Los Naranjos projects is comprised of thirty-nine exploitation tenements that are 100% owned by Aconcagua Minerals SpA.

During the year ended December 31, 2019, the Company issued a total of 7,200,000 common shares with a fair value of \$7,200,000 in exchange for nine additional exploitation claims which form part of the Placeton Project.

The mineral claims are subject to a Net Smelter Royalty ("NSR") as described in Note 11.

Acquisition costs

| | | |
|--|-----------|------------------|
| Balance, December 31, 2017 (unaudited) and 2018 | \$ | - |
| Shares issued for property | | 7,200,000 |
| Balance, December 31, 2019 and 2020 | \$ | 7,200,000 |

5. SHARE CAPITAL

i. Authorized

Unlimited number of shares without par value.

ii. Issued during the year ended December 31, 2020

There were no share issuances made by the Company during the year ended December 31, 2020.

iii. Issued during the year ended December 31, 2019

During the year ended December 31, 2019, 7,200,000 shares were issued to acquire exploration and evaluation assets with a fair value of \$7,200,000.

iv. Issued during the year ended December 31, 2018 (unaudited)

There were no shares issued during the year ended December 31, 2018

6. RELATED PARTY TRANSACTIONS

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

There was no key management compensation during the years ended December 31, 2020 and 2019.

ACONCAGUA MINERALS SPA

Notes to the Financial Statements

For the year ended December 31, 2020, 2019, and 2018

(Expressed in Chilean Pesos - \$)

During the years ended December 31, 2020 and 2019, the Company incurred the following related party transactions:

On July 24, 2019, the Company acquired nine exploitation claims from Ms. Natalie Stevens for a value of \$7,200,000 which was satisfied through the issuance of 7,200,000 shares.

As at December 31, 2020 and 2019, the Company owed the sole director a total of \$53,972,959 and \$35,900,000 respectively. These amounts are non-interest bearing, unsecured, and have no terms of repayment.

As at December 31, 2019, the Company owed a total of \$135,419,580 to Durus Copper SpA ("Durus"), a company wholly owned by the sole director, for reimbursement of exploration expenditures at the Placeton Project. During the year ended December 31, 2020, the Company agreed to settle the \$135,419,580 due to Durus through the payment of a two percent (2%) Net Smelter Return royalty ("NSR") over all minerals produced from the 39 exploitation claims held by the Company at the time of the settlement (Note 11). In connection with this transaction, the Company recognized a gain on debt settlement in the same amount.

7. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

| | 2020 | 2019 | 2018 |
|--|-----------------------|-----------------------|---------------------|
| Income (loss) for the year | \$ 111,846,711 | \$ (3,696,699) | \$ (397,900) |
| Expected income tax (recovery) | 30,199,000 | (998,000) | (107,000) |
| Change in statutory, foreign tax, foreign exchange rates and other | (41,666,000) | (856,000) | 67,000 |
| Change in unrecognized deductible differences | 11,467,000 | 1,854,000 | 39,000 |
| Total income tax expense (recovery) | \$ - | \$ - | \$ - |

The significant components of the Company's deferred tax assets that have not been included on the consolidated statement of financial position are as follows:

| | 2020 | 2019 | 2018 |
|---|---------------------|---------------------|---------------------|
| Exploration and evaluation assets | \$ 1,224,000 | \$ 1,224,000 | \$ - |
| Non-capital losses available for future period | 11,498,000 | 30,512,000 | 29,883,000 |
| | 12,722,000 | 31,736,000 | 29,883,000 |
| Unrecognized deferred tax assets | (12,722,000) | (31,736,000) | (29,883,000) |
| Net deferred tax assets | \$ - | \$ - | \$ - |

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

| | 2020 | 2019 | 2018 | Expiry Date range |
|--|---------------|----------------|----------------|-------------------|
| Exploration and evaluation assets | \$ 7,200,000 | \$ 7,200,000 | \$ - | No expiry date |
| Non-capital losses available for future period | \$ 67,635,000 | \$ 179,481,000 | \$ 175,784,565 | 2037 to 2040 |

ACONCAGUA MINERALS SPA

Notes to the Financial Statements

For the year ended December 31, 2020, 2019, and 2018

(Expressed in Chilean Pesos - \$)

8. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support any business transaction. The Company's management does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company is largely dependent upon external financings to fund its operations. In order to carry out any planned business transaction and to continue to support the general administrative activities, the Company will spend its existing working capital and raise additional funds as needed.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the period ended December 31, 2020. The Company is not subject to externally imposed capital requirements.

9. RISK MANAGEMENT

The fair value of the Company's amounts due to related parties approximate their carrying value, which is the amount recorded on the statement of financial position, due to their short terms to maturity. The Company's cash is measured at fair value, under the fair value hierarchy based on level one quoted prices in active markets for identical assets or liabilities.

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

a) Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The Company considers that cash is exposed to credit risk. Management believes that the credit risk related to its cash is negligible.

b) Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize such a loss is limited because the Company has no interest-bearing financial instruments.

c) Price risk

The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors the stock market to determine the appropriate course of action to be taken by the Company.

d) Liquidity risk

The Company manages liquidity risk by maintaining sufficient cash to enable settlement of transactions as they come due. Management monitors the Company's contractual obligations and other expenses to ensure adequate liquidity is maintained. Refer to note 1 for further discussion over liquidity risk.

ACONCAGUA MINERALS SPA

Notes to the Financial Statements

For the year ended December 31, 2020, 2019, and 2018

(Expressed in Chilean Pesos - \$)

d) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates. As at December 31, 2020 and 2019, the Company had no financial instruments denominated in any other currency than the Chilean peso therefore does not consider itself exposed to significant currency risk.

10. SEGMENTED INFORMATION

The Company operates in one reportable segment, being the acquisition and exploration of mineral projects. All of the Company's long-term assets are held in Chile.

11. CONTINGENCIES AND COMMITMENTS

NSR Agreement

On December 17, 2020, the Company agreed to settle the \$135,419,580 due to Durus through the payment of a two-percent (2%) Net Smelter Return royalty over all minerals produced from the 39 exploitation tenements held by the Company at the time of the settlement (the "NSR").

Durus will receive an amount of money equivalent to 2% of the total net smelter returns generated by the eventual commercial exploitation of the Company's tenements, the processing of the minerals extracted therefrom and the sale of the products obtained from the Company's tenements.

No value was attributed to the NSR as production on the properties cannot reasonably be determined.

The NSR is still waiting on registration at the Vallenar Mining Register.

12. SUBSEQUENT EVENT

Amalgamation

On March 12, 2021, the Company entered into a series of transactions with 1246773 B.C. Ltd. ("773"), 2330281 Alberta Ltd., Cobalt Chile SpA ("Cobalt Chile"), and 2311548 Alberta Ltd. ("548") that will result in 773 (to be named "Atacama Copper Corporation") indirectly acquiring the rights to the El Cofre, Los Naranjos, Caballo Muerto and the Placeton Projects located in Chile.

As part of the transactions, 548 acquired all of the issued and outstanding shares of the Company and Cobalt Chile and will amalgamate with 2330281 Alberta Ltd., a wholly owned subsidiary of 773. 548 has issued 8,076,180 shares to the shareholders of the Company in exchange for their shares in the Company, as well as an assignment of amounts due to related parties from the Company.

The amalgamation is conditional on the completion of a private placement for aggregate gross proceeds of at least \$4,000,000, the TSX Venture Exchange ("TSXV") approving the listing of the common shares of 773, and other customary conditions, with closing occurring by April 30, 2021.

Appendix "H"
COBALT CHILE SPA FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2020
AND 2019

See attached.

COBALT CHILE SpA

FINANCIAL STATEMENTS

For the years ended December 31, 2020 and 2019
(Expressed in Chilean Pesos - \$)

INDEPENDENT AUDITOR'S REPORT

To the Directors of
Cobalt Chile SpA

Opinion

We have audited the accompanying financial statements of Cobalt Chile SpA (the "Company"), which comprise the statements of financial position as at December 31, 2020 and 2019, and the statements of loss and comprehensive loss, shareholders' equity, and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

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

Material Uncertainty Related to Going Concern

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

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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



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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Alyson Neil.

A handwritten signature in black ink that reads "Davidson & Company LLP". The signature is written in a cursive, flowing style.

Vancouver, Canada

Chartered Professional Accountants

April 20, 2021

COBALT CHILE SpA
STATEMENTS OF FINANCIAL POSITION
As at ended December 31, 2020 and December 31, 2019
(Expressed in Chilean Pesos - \$)

| | December 31, 2020 | December 31, 2019 |
|---|----------------------|----------------------|
| ASSETS | | |
| Current | | |
| Cash | \$ 505,844 | \$ - |
| Total Current Assets | | |
| Non-current Assets | | |
| Exploration and evaluation assets (Note 4) | 102,000,000 | - |
| Total Assets | \$ 102,505,844 | \$ - |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Current Liabilities | | |
| Due to related party (Note 6) | \$ 24,494,122 | \$ - |
| Total Liabilities | 24,494,122 | - |
| Shareholders' Equity | | |
| Share capital (Note 5) | \$ 102,000,000 | \$ - |
| Deficit | (23,988,278) | - |
| Total Shareholders' Equity | 78,011,722 | - |
| Total Liabilities and Shareholders' Equity | \$ 102,505,844 | \$ - |
| Nature of operations and going concern – Note 1 | | |
| Contingencies and commitments – Note 11 | | |
| Subsequent events – Note 12 | | |

On behalf of the Board:

“Gino Zandonai”

Director

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

COBALT CHILE SpA
STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
For the years ended December 31, 2020 and December 31, 2019
(Expressed in Chilean Pesos- \$)

| | December 31, 2020 | December 31, 2019 |
|--|------------------------|----------------------|
| Expenses | | |
| Exploration expenditures – Claim maintenance | \$ 20,985,115 | \$ - |
| General and administrative | 3,003,163 | |
| | \$ (23,988,278) | \$ - |
| Other items | | |
| Loss and comprehensive loss for the year | \$ (23,988,278) | \$ - |
| Basic and diluted loss per share | \$ 0.24 | \$ - |
| Weighted average number of shares outstanding | 102,000,000 | |
| - basic and diluted | | - |

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

COBALT CHILE SpA
STATEMENTS OF SHAREHOLDERS EQUITY

For the year ended December 31, 2020

(Expressed in Chilean Pesos - \$)

| | SHARE CAPITAL | | DEFICIT | TOTAL EQUITY |
|-----------------------------------|--------------------|-----------------------|------------------------|----------------------|
| | SHARES | AMOUNT | | |
| Balance, December 31, 2018 | - | \$ - | \$ - | \$ - |
| Loss for the year | - | - | - | - |
| Balance, December 31, 2019 | - | - | - | - |
| Shares issued for property | 102,000,000 | 102,000,000 | - | 102,000,000 |
| Loss for the year | - | - | (23,988,278) | (23,988,278) |
| Balance, December 31, 2020 | 102,000,000 | \$ 102,000,000 | \$ (23,988,278) | \$ 78,011,722 |

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

COBALT CHILE SpA
STATEMENTS OF CASH FLOWS

For the years ended December 31, 2020 and December 31, 2019
(Expressed in Chilean Pesos)

| | December 31, 2020 | December 31, 2019 |
|--|----------------------|----------------------|
| Operating Activities | | |
| Net loss for the year | \$ (23,988,278) | \$ - |
| Cash flows used in operating activities | (23,988,278) | - |
| Financing Activities | | |
| Due to related party | 24,494,122 | - |
| Cash flows provided by financing activities | 24,494,122 | - |
| Net change in cash | 505,844 | - |
| Cash, beginning of the year | - | - |
| Cash, end of the year | \$ 505,844 | \$ - |
| Supplemental disclosure on cash flow information: | | |
| Shares issued for exploration and evaluation assets | \$ 102,000,000 | \$ - |
| Cash paid for interest | \$ - | \$ - |
| Cash paid for income taxes | \$ - | \$ - |

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

COBALT CHILE SpA

Notes to the Financial Statements

For the year ended December 31, 2020
(Expressed in Chilean Pesos - \$)

1. NATURE OF OPERATIONS AND GOING CONCERN

Cobalt Chile SpA (the “Company”) is a mineral exploration company and is in the business of acquiring and exploring mineral properties in Chile. The Company holds thirty-seven exploration and exploitation mining concessions which form the El Cofre project.

The Company was incorporated under the laws of Chile on August 8, 2017 as Cobalt Chile SpA. The Company was inactive prior to November 17, 2020 at which point the Company initiated activities with the Chilean tax authority.

The Company’s head office and its registered and records office is located at Avenida Panorámica No 906, apartment 107, La Florida, La Serena, Chile.

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which presume the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. The recoverability of the amounts expensed for exploration and resource property evaluation assets are dependent upon the existence of economically recoverable reserves, securing and maintaining title and beneficial interest in the properties, the ability of the Company to obtain necessary financing to complete the evaluation and development of commercially viable reserves, and upon future profitable production or proceeds from the disposition of exploration and evaluation assets.

These financial statements have been prepared assuming the Company will continue on a going-concern basis. The Company has incurred losses since its inception and the ability of the Company to continue as a going-concern depends upon its ability to raise adequate financing and to develop profitable operations. As at December 31, 2020, the Company had negative working capital of \$23,988,278 and an accumulated deficit of \$23,988,278. These items may cast a significant doubt on 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.

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. To date, the COVID-19 pandemic has not had an adverse impact on the Company.

2. BASIS OF PRESENTATION

a) Statement of Compliance

These financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”), applicable to financial information as issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee.

b) Basis of Measurement

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

c) Functional and presentation currency

The financial statements are presented in Chilean Pesos, which is also the Company's functional currency.

COBALT CHILE SpA
Notes to the Financial Statements
For the year ended December 31, 2020
(Expressed in Chilean Pesos - \$)

3. SIGNIFICANT ACCOUNTING POLICIES

a) Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments with maturities within three months held for the purpose of meeting short-term cash commitments rather than for investing purposes. The Company did not have cash equivalents for the periods presented.

b) Exploration property acquisition costs

Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss. Costs related to the acquisition of exploration properties are capitalized and deferred until such time as the property is either sold, or put into production. If, after management review, it is determined that capitalized acquisition costs are not recoverable over the estimated economic life of the property, or the property is abandoned, or management deems there to be an impairment in value, the property is written down to its net realizable value.

Costs related to the exploration and evaluation of properties are recognized in profit or loss as incurred, up to the time a decision is made to proceed with the development of the related exploration property due to the existence of economically recoverable reserves. A mineral resource is considered to have economic potential when it is expected that a documented resource can be legally and economically developed considering forecast metal prices.

c) Provisions and Contingent Liabilities

Provisions are recognized for liabilities of uncertain timing or amounts that have arisen as a result of past transactions, including legal or constructive obligations. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date.

Provision for environmental rehabilitation

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

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related asset with a corresponding entry to the rehabilitation provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

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

For the years presented the Company has no provisions for environmental rehabilitation.

COBALT CHILE SpA
Notes to the Financial Statements
For the year ended December 31, 2020
(Expressed in Chilean Pesos - \$)

d) Income Taxes

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

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

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

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

e) Basic and Diluted Loss Per Share

The Company presents basic loss per share for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

f) Share Capital

Share capital represents the amount received on the issue of shares, less issuance costs, net of any underlying income tax benefit recognized from these issuance costs.

When shares are issued on the exercise of options and warrants, the share capital account also comprises the costs previously recorded as contributed surplus and warrants. When shares are issued as consideration for the acquisition of a mineral property they are measured at their fair value on the date of issue.

Share issuance costs

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

COBALT CHILE SpA
Notes to the Financial Statements
For the year ended December 31, 2020
(Expressed in Chilean Pesos - \$)

g) Foreign exchange

Foreign currency transactions are translated into the functional currency, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items denominated in foreign currency at year-end exchange rates are recognized in profit or loss. Non-monetary items are not re-translated at year-end and are measured at historical cost (translated using the exchange rates at the date of the transaction). Non-monetary items measured at fair value are translated using the exchange rates at the date when fair value was determined.

h) Impairment of non-financial assets

The recoverability of amounts expended on exploration property acquisition costs is dependent upon the determination of economically recoverable ore reserves, confirmation of the Company's interest in the underlying mineral claims, the Company's ability to overcome the regulatory, financing and other hurdles in order to complete their development and future profitable production or proceeds from the disposition thereof.

The Company performs impairment tests on property and equipment and exploration property interests when events or circumstances occur which indicate the assets may not be recoverable. Impairment assessments are carried out on a project-by-project basis with each project representing a single cash generating unit.

When impairment indicators are identified, an impairment loss is recognized if the asset's carrying value exceeds its recoverable amount. The recoverable amount is the higher of the asset's value in use or the asset's fair value less costs to sell.

An impairment loss is reversed if there is an indication that there has been a favorable change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amounts that would have been determined (net of depreciation) if no impairment loss had been recognized.

i) Financial instruments

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The following table shows the classification of the Company's financial assets and liabilities under IFRS 9:

| Asset or Liability | IFRS 9 Classification |
|---------------------------|------------------------------|
| Cash | FVTPL |
| Due to related parties | Amortized cost |

COBALT CHILE SpA
Notes to the Financial Statements
For the year ended December 31, 2020
(Expressed in Chilean Pesos - \$)

Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at fair value through profit of loss

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

Impairment of financial assets at amortized cost

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

Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the consolidated statements of loss.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. Gains and losses on derecognition are recognized in profit or loss.

j) Accounting Pronouncements Adopted

The Company does not believe any recently issued, but not yet effective IFRS standards that have been issued by the IASB will have a material impact on the Company's consolidated financial statements.

COBALT CHILE SpA
Notes to the Financial Statements
For the year ended December 31, 2020
(Expressed in Chilean Pesos - \$)

3. ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to use judgement in making estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Management has made judgements in a number of areas in preparing these financial statements. Those judgements that have the most significant effect on the amounts recognized in the financial statements are the determination whether the entity remains a going concern, and the assessment of impairment indicators for the Company's exploration property acquisition costs. Areas of critical accounting estimates include share-based payments and warrants and deferred tax assets.

Critical accounting judgments

The preparation of these financial statements requires management to make judgments regarding the going concern of the Company as discussed in Note 1.

Key sources of estimation uncertainty

Impairment of exploration property acquisition costs

The carrying amount of the Company's exploration and evaluation assets do not necessarily represent present or future values, and the Company's exploration and evaluation assets have been accounted for under the assumption that the carrying amount will be recoverable. Recoverability is dependent on various factors, including the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development and upon future profitable production or proceeds from the disposition of the mineral property interests themselves. Additionally, there are numerous geological, economic, environmental and regulatory factors and uncertainties that could impact management's assessment as to the overall viability of its mineral property interests or to the ability to generate future cash flows necessary to cover or exceed the carrying value of the Company's exploration and evaluation assets.

Deferred tax assets and liabilities

The measurement of a deferred tax provision is subject to uncertainty associated with the timing of future events and changes in legislation, tax rates and interpretations by tax authorities. The estimation of taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and future tax provisions or recoveries could be affected.

COBALT CHILE SpA
Notes to the Financial Statements
For the year ended December 31, 2020
(Expressed in Chilean Pesos - \$)

4. EXPLORATION & EVALUATION ASSETS

Title to exploration and evaluation asset interests 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 conveyancing history characteristic of many mineral claims. The Company has investigated title to all of its exploration and evaluation asset interests and, to the best of its knowledge, title to all of its interests are in good standing.

El Cofre Project

During the year ended December 31, 2020, the Company issued a total of 102,000,000 shares with a fair value of \$102,000,000 in exchange for a 100% interest in thirty-seven exploration claims which form the El Cofre Project.

The mineral claims are subject to a Net Smelter Royalty (“NSR”) as described in Note 11.

Acquisition costs

| | | |
|--|-----------|--------------------|
| Balance, December 31, 2018 and 2019 | \$ | - |
| Shares issued for property | | 102,000,000 |
| Balance, December 31, 2020 | \$ | 102,000,000 |

5. SHARE CAPITAL

i. Authorized

Unlimited number of shares without par value.

ii. Issued during the year ended December 31, 2020

During the year ended December 31, 2020, 102,000,000 shares were issued to acquire exploration and evaluation assets with a fair value of \$102,000,000.

iii. Issued during the year ended December 31, 2019

There were no share issuances made by the Company during the year ended December 31, 2019.

6. RELATED PARTY TRANSACTIONS

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company’s Board of Directors and corporate officers.

There was no key management compensation during the years ended December 31, 2020 and 2019.

COBALT CHILE SpA
Notes to the Financial Statements
For the year ended December 31, 2020
(Expressed in Chilean Pesos - \$)

During the years ended December 31, 2020 and 2019, the Company incurred the following related party transactions:

On December 17, 2020, the Company acquired certain mineral exploration concessions from Mr. Gino Zandonai for a value of \$102,000,000 which was satisfied through the issuance of 102,000,000 shares. In addition, the Company granted Mr. Gino Zandonai a two-percent (2%) Net Smelter Return royalty over all minerals produced from the thirty-seven mineral exploration concessions held by the Company, at the time of the settlement.

As at December 31, 2020, a total of \$24,494,122 was payable to Mr. Gino Zandonai which was used during the year to fund general and administration expenses. These amounts are non-interest bearing, unsecured, and have no terms of repayment, but is payable on demand.

7. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

| | 2020 | 2019 |
|--|------------------------|-------------|
| Income (loss) for the year | \$ (23,988,278) | \$ - |
| Expected income tax (recovery) | (6,477,000) | - |
| Change in statutory, foreign tax, foreign exchange rates and other | (14,941,000) | - |
| Change in unrecognized deductible differences | 21,418,000 | - |
| Total income tax expense (recovery) | \$ - | \$ - |

The significant components of the Company's deferred tax assets that have not been included on the consolidated statement of financial position are as follows:

| | 2020 | 2019 |
|--|---------------|-------------|
| Exploration and evaluation assets | \$ 17,340,000 | \$ - |
| Non-capital losses available for future period | 4,078,000 | - |
| | 21,418,000 | - |
| Unrecognized deferred tax assets | (21,418,000) | - |
| Net deferred tax assets | \$ - | \$ - |

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

| | 2020 | 2019 | Expiry Date range |
|--|----------------|-------------|--------------------------|
| Exploration and evaluation assets | \$ 102,000,000 | \$ - | No expiry date |
| Non-capital losses available for future period | 23,988,000 | - | 2040 |

COBALT CHILE SpA
Notes to the Financial Statements
For the year ended December 31, 2020
(Expressed in Chilean Pesos - \$)

8. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support any business transaction. The Company's management does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company is largely dependent upon external financings to fund its operations. In order to carry out any planned business transaction and to continue to support the general administrative activities, the Company will spend its existing working capital and raise additional funds as needed.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the period ended December 31, 2020. The Company is not subject to externally imposed capital requirements.

9. RISK MANAGEMENT

The fair value of the Company's amounts due to related parties approximate their carrying value, which is the amount recorded on the statement of financial position, due to their short terms to maturity. The Company's cash is measured at fair value, under the fair value hierarchy based on level one quoted prices in active markets for identical assets or liabilities.

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

a) Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The Company considers that cash is exposed to credit risk. Management believes that the credit risk related to its cash is negligible.

b) Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize such a loss is limited because the Company has no interest-bearing financial instruments.

c) Price risk

The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors the stock market to determine the appropriate course of action to be taken by the Company.

d) Liquidity risk

The Company manages liquidity risk by maintaining sufficient cash to enable settlement of transactions as they come due. Management monitors the Company's contractual obligations and other expenses to ensure adequate liquidity is maintained. Refer to note 1 for further discussion over liquidity risk.

COBALT CHILE SpA
Notes to the Financial Statements
For the year ended December 31, 2020
(Expressed in Chilean Pesos - \$)

d) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates. As at December 31, 2020 and 2019, the Company had no financial instruments denominated in any other currency than the Chilean peso therefore does not consider itself exposed to significant currency risk.

10. SEGMENTED INFORMATION

The Company operates in one reportable segment, being the acquisition and exploration of mineral projects. All of the Company's long-term assets are held in Chile.

11. CONTINGENCIES AND COMMITMENTS

NSR Agreement

During the year ended December 31, 2020 the Company granted Mr. Gino Zandonai a two-percent (2%) NSR over all minerals produced from a two-percent (2%) Net Smelter Return royalty over all minerals produced from the thirty-seven mineral exploration concessions held by the Company, at the time of the settlement.

Mr. Zandonai will receive an amount of money equivalent to 2% of the total net smelter returns generated by the eventual commercial exploitation of the Company's tenements, the processing of the minerals extracted therefrom and the sale of the products obtained from the Company's tenements.

No value was attributed to the NSR as production on the properties cannot reasonably be determined.

12. SUBSEQUENT EVENTS

On March 12, 2021, the Company entered into a series of transactions with 1246773 B.C. Ltd. ("773"), 2330281 Alberta Ltd., Aconcagua Minerals SpA ("Aconcagua"), and 2311548 Alberta Ltd. ("548") that will result in 773 (to be named "Atacama Copper Corporation") indirectly acquiring the rights to the El Cofre, Los Naranjos, Caballo Muerto and the Placeton Projects located in Chile.

As part of the transactions, 548 acquired all of the issued and outstanding shares of the Company and Aconcagua and will amalgamate with 2330281 Alberta Ltd., a wholly owned subsidiary of 773. 548 has issued 8,923,820 shares to the shareholders of the Company in exchange for their shares in the Company.

The amalgamation is conditional on the completion of a private placement for aggregate gross proceeds of at least \$4,000,000, the TSX Venture Exchange ("TSXV") approving the listing of the common shares of 773, and other customary conditions, with closing occurring by April 30, 2021.

Appendix "I"
**EL COFRE PROJECT CARVE-OUT FINANCIAL STATEMENTS FOR THE YEARS ENDED
DECEMBER 31, 2020, 2019 AND 2019 (UNAUDITED)**

See attached.

EL COFRE PROJECT CARVE-OUT

Carve-out Financial Statements

(Expressed in Chilean Pesos)

For the years ended December 31, 2020, 2019, and 2018 (unaudited)

INDEPENDENT AUDITOR'S REPORT

**The Board of Directors of
2311548 Alberta Ltd.**
(re El Cofre Project Carve-Out)

Opinion

We have audited the accompanying carve-out financial statements of El Cofre Project Carve-Out (the "Project"), which comprise the carve-out statement of financial position as at December 31, 2020 and 2019, and the carve-out statements of loss and comprehensive loss, cash flows and changes in equity for the years then ended, and notes to the carve-out financial statements, including a summary of significant accounting policies.

In our opinion, these carve-out financial statements present fairly, in all material respects, the financial position of the Project as at December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 2 of the carve-out financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt on the Project's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Carve-out Financial Statements

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

In preparing the carve-out financial statements, management is responsible for assessing the Project'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 Project or to cease operations, or has no realistic alternative but to do so.

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



Auditor's Responsibilities for the Audit of the Carve-out Financial Statements

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

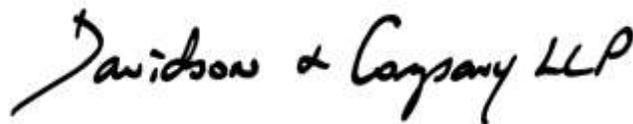
As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Alyson Neil.

A handwritten signature in black ink that reads "Davidson & Company LLP". The signature is written in a cursive, flowing style.

Vancouver, Canada

Chartered Professional Accountants

August 5, 2021

**EL COFRE PROJECT CARVE-OUT
CARVE-OUT STATEMENTS OF FINANCIAL POSITION**

As at December 31,
(Expressed in Chilean Pesos)

| | Note | 2020 | 2019 | 2018 (unaudited) |
|-----------------------------------|------|----------------------|---------------------|---------------------|
| ASSETS | | | | |
| Non-current assets | | | | |
| Exploration and evaluation assets | 5 | \$ 18,910,341 | \$ 9,347,081 | \$ 2,878,992 |
| | | \$ 18,910,341 | \$ 9,347,081 | \$ 2,878,992 |
| LIABILITIES AND EQUITY | | | | |
| Equity | | | | |
| Capital contribution | 6 | \$ 53,530,462 | \$ 43,967,202 | \$ 37,499,113 |
| Deficit | | (34,620,121) | (34,620,121) | (34,620,121) |
| | | \$ 18,910,341 | \$ 9,347,081 | \$ 2,878,992 |

Nature and continuance of operations (Note 2)

Approved and authorized by the Board on August 4, 2021

Approved on behalf of the Board:

"Martyn Buttenshaw"

Martyn Buttenshaw, Director

"Eugene Chen"

Eugene Chen, Director

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

**EL COFRE PROJECT CARVE-OUT
CARVE-OUT STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

For the years ended December 31,
(Expressed in Chilean Pesos)

| | Note | 2020 | 2019 | 2018 (unaudited) |
|---|-------------|-------------|-------------|-----------------------------------|
| Expenses | | | | |
| Exploration and evaluation expenditures | 5 | \$ - | \$ - | 34,620,121 |
| Loss and comprehensive loss for the year | | \$ - | \$ - | (34,620,121) |

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

**EL COFRE PROJECT CARVE-OUT
CARVE-OUT STATEMENTS OF CASH FLOWS**

For the years ended, December 31,
(Expressed in Chilean Pesos)

| | Note | 2020 | 2019 | 2018 (unaudited) |
|---|------|-------------|-------------|---------------------|
| Cash flows from operating activities | | | | |
| Loss for year | | \$ - | \$ - | (34,620,121) |
| Cash used in operating activities | | - | - | (34,620,121) |
| Cash flows from investing activities | | | | |
| Acquisition and claims maintenance | 5 | (9,563,260) | (6,468,089) | (1,616,676) |
| Cash used in investing activities | | (9,563,260) | (6,468,089) | (1,616,676) |
| Cash flows from financing activities | | | | |
| Capital contributions | 6 | 9,563,260 | 6,468,089 | 36,236,797 |
| Cash provided by financing activities | | 9,563,260 | 6,468,089 | 36,236,797 |
| Change in cash for the year | | - | - | - |
| Cash, beginning of the year | | - | - | - |
| Cash, end of the year | | \$ - | \$ - | - |
| Cash paid for: | | | | |
| interest | | \$ - | - | - |
| taxes | | \$ - | - | - |

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

**EL COFRE PROJECT CARVE-OUT
CARVE-OUT STATEMENTS OF CHANGES IN EQUITY**

For the years ended December 31,
(Expressed in Chilean Pesos)

| | Note | Capital Contributions | Deficit | Equity |
|---|------|--------------------------|-----------------|---------------|
| Balance, December 31, 2017 (unaudited) | | \$ 1,262,316 | \$ - | \$ 1,262,316 |
| Capital contributions | 6 | 36,236,797 | - | 1,616,676 |
| Loss for the year | | - | (34,620,121) | (34,620,121) |
| Balance, December 31, 2018 (unaudited) | | 37,499,113 | (34,620,121) | 2,979,992 |
| Capital contributions | 6 | 6,468,089 | - | 6,468,089 |
| Loss for the year | | - | - | - |
| Balance, December 31, 2019 | | 43,967,202 | (34,620,121) | 9,347,081 |
| Capital contributions | 6 | 9,563,260 | - | 9,563,260 |
| Loss for the year | | - | - | - |
| Balance, December 31, 2020 | | \$ 53,530,462 | \$ (34,620,121) | \$ 18,910,341 |

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

EL COFRE PROJECT CARVE-OUT
NOTES TO THE CARVE-OUT FINANCIAL STATEMENTS

For the years ended December 31, 2020, 2019 and 2018
(Expressed in Chilean Pesos)

1. Transfer of assets

On March 12, 2021, 2311548 Alberta Ltd. ("548") entered into a series of transactions ("Amalgamation") with 1246773 B.C. Ltd. ("773"), 2330281 Alberta Ltd. ("281"), Aconcagua Minerals SpA ("Aconcagua") and Cobalt Chile SpA ("Cobalt Chile") that will result in 773 (to be named "Atacama Copper Corporation") indirectly acquiring the rights to the El Cofre and the Placeton projects located in Chile.

During the year ended December 31, 2020, Gino Zandonai, the sole director of Cobalt Chile, transferred to Cobalt Chile, thirty-seven exploration tenements comprising the El Cofre Project (the "Project"). Gino Zandonai and Cobalt Chile (collectively the "Project Owners") funded exploration of the Project prior to the Amalgamation. As consideration for the transfer of the Project to Cobalt Chile, Gino Zandonai received 102,000,000 shares in Cobalt Chile which had a fair value of \$102,000,000.

As part of the Amalgamation, 548 acquired all of the issued and outstanding shares of Aconcagua and Cobalt Chile and then will amalgamate with 281, a wholly owned subsidiary of 773. 548 issued 17,000,000 shares to the shareholders of Aconcagua and Cobalt Chile in exchange for their shares in these entities, as well as an assignment of amounts due to related parties from Aconcagua.

The Amalgamation is conditional on the completion of a private placement for aggregate gross proceeds of at least \$4,000,000, the TSX Venture Exchange ("Exchange") approving the listing of the common shares of 773, and other customary conditions.

These carve-out financial statements reflect the assets, liabilities, expenses and cash flows of the operations included in the El Cofre Project acquired by Cobalt Chile in 2020 from Gino Zandonai and included as part of the assets in the Amalgamation (the "Entity").

2. Nature and continuance of operations

The Entity is engaged in the acquisition, exploration and evaluation of mineral properties in Chile.

The head office of the Entity is located at Third Floor, 14505 Bannister Road SE, Calgary, Alberta T2X 3J3.

These carve-out financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Entity will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

The Entity's ability to continue its operations and to realize assets at their carrying values is dependent upon its ability to fund its existing acquisition and exploration commitments on its exploration and evaluation assets. As indicated in Note 1, the Amalgamation is conditional upon the completion of a private placement for aggregate gross proceeds of at least \$4,000,000. The Entity may be able to generate working capital to fund its operations by the sale of its exploration and evaluation assets or raising additional capital through equity markets.

However, there is no assurance it will be able to raise funds in the future. These carve-out financial statements do not give effect to any adjustments required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying carve-out financial statements. These material uncertainties may cast significant doubt on the Entity's ability to continue as a going concern.

EL COFRE PROJECT CARVE-OUT
NOTES TO THE CARVE-OUT FINANCIAL STATEMENTS

For the years ended December 31, 2020, 2019 and 2018
(Expressed in Chilean Pesos)

3. Basis of Preparation and Presentation

Basis of presentation

These carve-out financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and Interpretations issued by the International Financial Reporting Interpretation Committee (“IFRIC”).

These carve-out financial statements have been prepared on the historical cost basis except for financial investments measured at fair value. In addition, the financial statements have been prepared using the accrual basis of accounting, except for cash flow disclosure.

The presentation and functional currency of the Entity is the Chilean Peso. All amounts in these carve-out financial statements are expressed in Chilean Peso, unless otherwise indicated.

The purpose of these carve-out financial statements is to provide general purpose historical financial information of the Project in connection with the Amalgamation as detailed in Note 1. Therefore, these carve-out financial statements present the historical financial information of the Project Owners that make up the Project, either fully, or partially, where only specifically identifiable assets and liabilities are included, and allocations of shared income and expenses of the Project that are attributable to the Entity.

The carve-out financial statements have been extracted from historical accounting records of the Project Owners with estimates used, when necessary, for certain allocations.

- The carve-out statements of financial position reflect the assets recorded by the Project Owners which have been assigned to the Entity on the basis that they are specifically identifiable and attributable to the Entity;
- The carve-out statements of loss and comprehensive loss include the expenses directly incurred on the Project by the Project Owners; and
- Income taxes have been calculated as if the Entity had been a separate legal entity and had filed separate tax returns for the years presented.

Management cautions readers of these carve-out financial statements that the Entity’s results do not necessarily reflect what the results of operations, financial position, or cash flows would have been had the Entity been a separate entity. Further, the allocation of income and expense in these carve-out statements of loss and comprehensive loss does not necessarily reflect the nature and level of the Entity’s future income and operating expenses. The Project Owners investment in the Entity, presented as equity in these carve-out financial statements, includes the accumulated total loss and comprehensive loss of the Entity.

4. Significant Accounting Policies

The accounting policies have been applied consistently throughout by the Entity for purposes of these carve-out financial statements.

a) Use of judgment and estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amount of expenses during the period. Significant areas requiring the use of management’s judgment and estimates relate to the determination of environmental obligations and impairment of exploration and evaluation assets and inputs used in accounting for share-based compensation. Actual results may differ from these estimates. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

EL COFRE PROJECT CARVE-OUT
NOTES TO THE CARVE-OUT FINANCIAL STATEMENTS

For the years ended December 31, 2020, 2019 and 2018
(Expressed in Chilean Pesos)

4. Significant Accounting Policies (continued)

b) Use of judgment and estimates (continued)

Significant accounting judgments

The critical judgments, apart from those involving estimations, that management has made in the process of applying the Entity's accounting policies and that have the most significant effect on the amounts recognized in the financial statements are as follows:

Going concern

The assessment of the Entity's ability to continue as a going concern for the ensuing year involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

Key sources of estimation uncertainty

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

Income taxes

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

As at December 31, 2020, the Entity has not recognized any deferred tax assets for deductible temporary differences. Changes in any of the above-mentioned estimates can materially affect the amount of income tax assets recognized. In addition, where applicable tax laws and regulations are either unclear or subject to varying interpretations, changes in these estimates can occur that materially affect the amounts of income tax assets recognized. The Entity reassesses unrecognized income tax assets at the end of each reporting period.

c) Income taxes

Income 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 the reporting date, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they revert, based on the laws that have been enacted or substantively enacted by the reporting date.

EL COFRE PROJECT CARVE-OUT
NOTES TO THE CARVE-OUT FINANCIAL STATEMENTS

For the years ended December 31, 2020, 2019 and 2018
(Expressed in Chilean Pesos)

4. Significant Accounting Policies (continued)

c) Income taxes (continued)

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current income tax liabilities and assets, and they relate to income taxes levied by the same tax authority for the same taxable entity. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related income tax benefit will be realized.

d) Exploration and evaluation assets

Exploration and evaluation assets include the costs of acquiring licences 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 Entity has obtained the legal rights to explore an area are recognized in profit or loss. The Entity expenses costs related to the exploration and development of mineral properties as they are incurred.

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.

e) Impairment of assets

At the end of each reporting period, the Entity reviews the carrying amounts of its long lived assets to determine whether there is an indication that those assets have suffered impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment charge (if any).

The recoverable amount used for this purpose is the higher of the fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assignments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its recorded amount, the recorded amount of the asset is reduced to its recoverable amount. An impairment charge is recognized immediately in the statement of loss and comprehensive loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

f) Contributions

Contributions from the Project Owners to the Entity are presented as part of equity. The Entity has no share capital, options or warrants, and as a result, there are no share-related disclosures.

EL COFRE PROJECT CARVE-OUT
NOTES TO THE CARVE-OUT FINANCIAL STATEMENTS

For the years ended December 31, 2020, 2019 and 2018
(Expressed in Chilean Pesos)

4. Significant Accounting Policies (continued)

g) Reclamation obligations

The Entity recognizes liabilities for legal or constructive obligations associated with the retirement of mineral properties and equipment. The net present value of future rehabilitation costs is capitalized to the related asset along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value.

The Entity's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related assets with a corresponding entry to the rehabilitation provision. The Entity does not have any significant rehabilitation obligations.

h) Financial instruments

Classification and measurement

Financial assets

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

Amortized Cost

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

Fair value through other comprehensive income ("FVTOCI")

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

Fair value through profit or loss ("FVTPL")

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

EL COFRE PROJECT CARVE-OUT
NOTES TO THE CARVE-OUT FINANCIAL STATEMENTS

For the years ended December 31, 2020, 2019 and 2018
(Expressed in Chilean Pesos)

4. Significant Accounting Policies (continued)

h) Financial instruments (continued)

Financial liabilities

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

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

Impairment

The Entity assesses on a forward-looking basis the expected credit loss ("ECL") associated with financial assets measured at amortized cost, contract assets and debt instruments carried at FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

i) Foreign currency transactions

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

j) New accounting standards and interpretations adopted during the year

As at December 31, 2020, there are no new standards that have not yet been adopted that will materially impact the presentation of the consolidated financial statements.

EL COFRE PROJECT CARVE-OUT
NOTES TO THE CARVE-OUT FINANCIAL STATEMENTS

For the years ended December 31, 2020, 2019 and 2018
(Expressed in Chilean Pesos)

5. Exploration and Evaluation Assets and Expenditures

EI Cofre Project

During the year ended December 31, 2020, Mr. Zandonai transferred 100% ownership of the thirty-seven tenements consisting of the EI Cofre Project to Cobalt Chile SpA in exchange for 102,000,000 shares.

During the year ended December 31, 2020 Cobalt Chile SpA granted Mr. Gino Zandonai a two-percent (2%) NSR over all minerals produced from the thirty-seven mineral exploration concessions held by Cobalt Chile SpA.

The capitalized exploration and evaluation assets of the EI Cofre project since inception are as follows:

| | | Assets |
|--|-----------|-------------------|
| Balance December 31, 2017 (unaudited) | \$ | 1,262,316 |
| Acquisition and claim maintenance | | 1,616,676 |
| Balance December 31, 2018 (unaudited) | \$ | 2,878,992 |
| Acquisition and claim maintenance | | 6,468,089 |
| Balance December 31, 2019 | \$ | 9,347,081 |
| Acquisition and claim maintenance | | 9,563,260 |
| Balance December 31, 2020 | \$ | 18,910,341 |

The cumulative exploration and evaluation expenditures on the EI Cofre project since inception are as follows:

| | | Expenditures |
|---|-----------|---------------------|
| Balance December 31, 2017 (unaudited) | \$ | 1,262,316 |
| Geological Mapping | | 34,620,121 |
| Balance December 31, 2018 (unaudited), 2019 and 2020 | \$ | 34,620,121 |

6. Equity contributions

The Project Owners investment in the operations of the Entity is presented as contributions in the carve-out financial statements. Deficit represents the accumulated net losses of the carve-out operation and contributions represents the accumulated net contributions from the Project Owners.

During the year ended December 31, 2018, Mr. Zandonai contributed \$36,236,797 to fund the acquisition and claims maintenance expenditures, as well as exploration and evaluation expenditures.

During the year ended December 31, 2019, Mr. Zandonai contributed \$6,468,089 to fund the acquisition and claims maintenance expenditures.

During the year ended December 31, 2020, Mr. Zandonai contributed \$9,563,260 to fund the acquisition and claims maintenance expenditures.

7. Related party transactions

The Entity's related parties consist of its key management personnel, including its directors and officers. During the normal course of business, the Entity enters into transactions with its related parties that are considered to be arm's length transactions and made at normal market prices and on normal commercial terms.

As of the and for the years ended December 31, 2020 and 2019, there were no related party transactions or amounts owing to related parties.

EL COFRE PROJECT CARVE-OUT
NOTES TO THE CARVE-OUT FINANCIAL STATEMENTS

For the years ended December 31, 2020, 2019 and 2018
(Expressed in Chilean Pesos)

8. Financial instruments

Fair value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

For the years presented, there were no financial instruments carried at fair value.

Financial risk factors

The Entity's risk exposures and the impact on the Entity's financial statements are summarized below.

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfil its payment obligations. The Entity believes it has no significant credit risk.

Liquidity risk

The Entity's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Entity manages liquidity risk by managing its capital and expenditures.

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. Market risk is comprised of interest rate risk, foreign currency risk, and price risk.

Interest rate risk

The Entity does not have cash balances and no interest-bearing debt. Therefore the interest rate risk is not considered significant.

Foreign currency risk

The Entity does not have assets or liabilities in a foreign currency, therefore the Entity is not subject to any foreign currency risk.

Price risk

The Entity is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Entity closely monitors commodity prices and the stock market to determine the appropriate course of action to be taken by the Entity.

EL COFRE PROJECT CARVE-OUT
NOTES TO THE CARVE-OUT FINANCIAL STATEMENTS

For the years ended December 31, 2020, 2019 and 2018
(Expressed in Chilean Pesos)

8. Income taxes

| | Year Ended December 31, 2020 | Year Ended December 31, 2019 | Year Ended December 31, 2018 (unaudited) |
|---|------------------------------------|------------------------------------|---|
| Loss before income taxes | \$ - | \$ - | \$ (34,620,121) |
| Statutory Canadian federal and provincial tax rates | - | - | 27% |
| Expected tax (recovery) | - | - | (9,347,433) |
| Change in unrecognized deductible temporary differences | - | - | 9,347,433 |
| Deferred income tax recovery | \$ - | \$ - | - |

As at December 31, 2020, the Entity has non-capital losses totalling \$34,620,000. No tax benefit has been recorded for these non-capital losses. The Entity's non-capital losses in Chile do not expire.

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

9. Segment information

The Entity operates in one reportable segment, being the acquisition, exploration, and evaluation of resource assets located in Chile. All of the Entity's exploration and evaluation assets are located in Chile.

10. Capital Management

As a separate resource exploration activity, the Project does not have share capital and its equity is a carve-out amount from the Project Owners. The Project has no debt and does not expect to enter into debt financing. The Entity manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristic of underlying assets. The Project is not subject to any externally imposed capital requirements and does not presently utilize any quantitative measures to monitor its capital. The Project has no traditional revenue sources. Going forward, it must generate funds through the sale or option of its exploration and evaluation assets. The Entity's ability to continue as a going concern on a long-term basis and realize its assets and discharge its liabilities in the normal course of business, rather than through a process of forced liquidation, is primarily dependent upon its continued ability to find and develop mineral property interests, and there being a favorable market in which to sell or option the mineral properties interest; and/or its ability to borrow or raise additional funds from equity markets.

Appendix "J"

RESULTING ISSUER EQUITY INCENTIVE PLAN

See attached.

**ATACAMA COPPER CORPORATION
(FORMERLY 1246773 B.C. LTD.)**

LONG-TERM INCENTIVE PLAN

August 16, 2021

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**ATACAMA COPPER CORPORATION
LONG-TERM INCENTIVE PLAN**

Atacama Copper Corporation (the “**Corporation**”) hereby establishes a Long-Term Incentive Plan for certain qualified directors, officers, employees, consultants and management company employees providing ongoing services to the Corporation and its Affiliates (as defined herein).

ARTICLE 1 - DEFINITIONS

Section 1.1 Definitions.

Where used herein or in any amendments hereto or in any communication required or permitted to be given hereunder, the following terms shall have the following meanings, respectively, unless the context otherwise requires:

- (i) “**Affiliates**” has the meaning given to this term in the *Securities Act* (British Columbia), as such legislation may be amended, supplemented or replaced from time to time;
- (ii) “**Awards**” means Options, RSUs and PSUs granted to a Participant pursuant to the terms of the Plan;
- (iii) “**Award Agreement**” means an Option Agreement, RSU Agreement or a PSU Agreement, as the context requires;
- (iv) “**Black-Out Period**” means the period of time required by applicable law when, pursuant to any policies or determinations of the Corporation, securities of the Corporation may not be traded by Insiders or other specified persons;
- (v) “**Board**” means the board of directors of the Corporation as constituted from time to time;
- (vi) “**Broker**” has the meaning ascribed thereto in Section 7.4(b) hereof;
- (vii) “**Business Day**” means a day other than a Saturday, Sunday or statutory holiday, when banks are generally open for business in Calgary, Alberta, Canada for the transaction of banking business;
- (viii) “**Cancellation**” has the meaning ascribed thereto in Section 2.5(a) hereof;
- (ix) “**Cash Equivalent**” means in the case of Share Units, the amount of money equal to the Market Value multiplied by the number of vested Share Units in the Participant’s Account, net of any applicable taxes in accordance with Section 7.4, on the Share Unit Settlement Date;
- (x) “**Change of Control**” means unless the Board determines otherwise, the happening, in a single transaction or in a series of related transactions, of any of the following events:
 - (A) any transaction (other than a transaction described in clause (ii) below) pursuant to which any person or group of persons acting jointly or in concert

acquires the direct or indirect beneficial ownership of securities of the Corporation representing 50% or more of the aggregate voting power of all of the Corporation's then issued and outstanding securities entitled to vote in the election of directors of the Corporation, other than any such acquisition that occurs (A) upon the exercise or settlement of options or other securities granted by the Corporation under any of the Corporation's equity incentive plans; or (B) as a result of the conversion of the multiple voting shares in the capital of the Corporation into Shares;

- (B) there is consummated an arrangement, amalgamation, merger, consolidation or similar transaction involving (directly or indirectly) the Corporation and, immediately after the consummation of such arrangement, amalgamation, merger, consolidation or similar transaction, the shareholders of the Corporation immediately prior thereto do not beneficially own, directly or indirectly, either (A) outstanding voting securities representing more than 50% of the combined outstanding voting power of the surviving or resulting entity in such amalgamation, merger, consolidation or similar transaction, or (B) more than 50% of the combined outstanding voting power of the parent of the surviving or resulting entity in such arrangement, amalgamation merger, consolidation or similar transaction, in each case in substantially the same proportions as their beneficial ownership of the outstanding voting securities of the Corporation immediately prior to such transaction;
- (C) the sale, lease, exchange, license or other disposition of all or substantially all of the Corporation's assets to a person other than a person that was an Affiliate of the Corporation at the time of such sale, lease, exchange, license or other disposition, other than a sale, lease, exchange, license or other disposition to an entity, more than fifty percent (50%) of the combined voting power of the voting securities of which are beneficially owned by shareholders of the Corporation in substantially the same proportions as their beneficial ownership of the outstanding voting securities of the Corporation immediately prior to such sale, lease, exchange, license or other disposition;
- (D) the passing of a resolution by the Board or shareholders of the Corporation to substantially liquidate the assets of the Corporation or wind up the Corporation's business or significantly rearrange its affairs in one or more transactions or series of transactions or the commencement of proceedings for such a liquidation, winding-up or re-arrangement (except where such re-arrangement is part of a bona fide reorganization of the Corporation in circumstances where the business of the Corporation is continued and the shareholdings remain substantially the same following the re-arrangement); or
- (E) individuals who, on the effective date, are members of the Board (the "**Incumbent Board**") cease for any reason to constitute at least a majority

of the members of the Board; provided, however, that if the appointment or election (or nomination for election) of any new Board member was approved or recommended by a majority vote of the members of the Incumbent Board then still in office, such new member will, for purposes of this Plan, be considered as a member of the Incumbent Board;

- (xi) “**Corporation**” means Atacama Copper Corporation (formerly known as 1246773 B.C. Ltd., a corporation existing under the *Business Corporations Act* (British Columbia), as amended from time to time;
- (xii) “**Discounted Market Price**” has the meaning given to such term in TSXV Policy 1.1, as amended, supplemented or replaced from time to time;
- (xiii) “**Dividend Share Units**” has the meaning ascribed thereto in Section 5.2 hereof;
- (xiv) “**Eligible Participants**” has the meaning ascribed thereto in Section 2.4(a) hereof;
- (xv) “**Exercise Notice**” means a notice in writing signed by a Participant and stating the Participant’s intention to exercise a particular Award, if applicable;
- (xvi) “**Exercise Price**” has the meaning ascribed thereto in Section 3.3 hereof;
- (xvii) “**Expiry Date**” has the meaning ascribed thereto in Section 3.4 hereof;
- (xviii) “**Insider**” has the meaning attributed thereto in the TSXV Policy 1.1, as amended, supplemented or replaced from time to time;
- (xix) “**Investor Relations Activities**” has the meaning given to such term in TSXV Policy 1.1, as amended, supplemented or replaced from time to time;
- (xx) “**Market Value**” means at any date when the market value of Shares of the Corporation is to be determined, the five-day volume weighted average trading price of the Shares on the Trading Day prior to the date of grant on the principal stock exchange on which the Shares are listed, or if the Shares of the Corporation are not listed on any stock exchange, the value as is determined solely by the Board, acting reasonably and in good faith;
- (xxi) “**Option**” means an option granted to the Corporation to a Participant entitling such Participant to acquire a designated number of Shares from treasury at the Exercise Price, but subject to the provisions hereof;
- (xxii) “**Option Agreement**” means a written notice from the Corporation to a Participant evidencing the grant of Options and the terms and conditions thereof, substantially in the form set out in Appendix “A”, or such other form as the Board may approve from time to time;
- (xxiii) “**Participants**” means Eligible Participants that are granted Awards under the Plan;

- (xxiv) “**Participant’s Account**” means an account maintained to reflect each Participant’s participation in RSUs and/or PSUs under the Plan;
- (xxv) “**Performance Criteria**” means criteria established by the Board which, without limitation, may include criteria based on the Participant’s personal performance and/or the financial performance of the Corporation and/or of its Affiliates, and that may be used to determine the vesting of the Awards, when applicable;
- (xxvi) “**Performance Period**” means the period determined by the Board pursuant to Section 4.4 hereof;
- (xxvii) “**Person**” means an individual, corporation, company, cooperative, partnership, trust, unincorporated association, entity with juridical personality or governmental authority or body, and pronouns which refer to a Person shall have a similarly extended meaning;
- (xxviii) “**Plan**” means this Long-Term Incentive Plan, as amended and restated from time to time;
- (xxix) “**PSU**” means a right awarded to a Participant to receive a payment in the form of Shares as provided in Article 4 hereof and subject to the terms and conditions of this Plan;
- (xxx) “**PSU Agreement**” means a written notice from the Corporation to a Participant evidencing the grant of PSUs and the terms and conditions thereof, substantially in the form of Appendix “C”, or such other form as the Board may approve from time to time;
- (xxxi) “**Restriction Period**” means the period determined by the Board pursuant to Section 4.3 hereof;
- (xxxii) “**RSU**” means a right awarded to a Participant to receive a payment in the form of Shares as provided in Article 4 hereof and subject to the terms and conditions of this Plan;
- (xxxiii) “**RSU Agreement**” means a written notice from the Corporation to a Participant evidencing the grant of RSUs and the terms and conditions thereof, substantially in the form of Appendix “B”, or such other form as the Board may approve from time to time;
- (xxxiv) “**Share Compensation Arrangement**” means a stock option, stock option plan, employee stock purchase plan, long-term incentive plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares to one or more employees, directors, officers or insiders of the Corporation or a Subsidiary;
- (xxxv) “**Shares**” means the common shares in the capital of the Corporation;

- (xxxvi) “**Share Unit**” means a RSU or PSU, as the context requires;
- (xxxvii) “**Share Unit Settlement Date**” has the meaning determined in Section 4.6(a)(i);
- (xxxviii) “**Share Unit Settlement Notice**” means a notice by a Participant to the Corporation electing the desired form of settlement of vested RSUs or PSUs;
- (xxxix) “**Share Unit Vesting Determination Date**” has the meaning described thereto in Section 4.5 hereof;
- (xl) “**Stock Exchange**” means the TSXV or the TSX, as applicable from time to time;
- (xli) “**Subsidiary**” means a corporation, company, partnership or other body corporate that is controlled, directly or indirectly, by the Corporation;
- (xlii) “**Successor Corporation**” has the meaning ascribed thereto in Section 6.1(c) hereof;
- (xliii) “**Surrender**” has the meaning ascribed thereto in Section 3.6(c);
- (xliv) “**Surrender Notice**” has the meaning ascribed thereto in Section 3.6(c);
- (xlv) “**Tax Act**” means the *Income Tax Act* (Canada) and its regulations thereunder, as amended from time to time;
- (xlvi) “**Termination Date**” means the date on which a Participant ceases to be an Eligible Participant;
- (xlvii) “**Trading Day**” means any day on which the Stock Exchange is opened for trading;
- (xlviii) “**TSX**” means the Toronto Stock Exchange;
- (xlix) “**TSXV**” means the TSX Venture Exchange;
- (l) “**TSXV Market Price**” means the closing price of the Shares on the TSXV on the last Trading Day preceding the date on which the grant of Options is approved by the Board, or if the Shares of the Corporation are not listed on any stock exchange, the value as is determined solely by the Board, acting reasonably and in good faith; and
- (li) “**TSXV Policy**” means the TSXV Corporate Finance Policies.

ARTICLE 2 - PURPOSE AND ADMINISTRATION OF THE PLAN; GRANTING OF AWARDS

Section 2.1 Purpose of the Plan.

The purpose of this Plan is to advance the interests of the Corporation by: (i) providing Eligible Participants with additional incentives; (ii) encouraging stock ownership by such Eligible Participants; (iii) increasing the proprietary interest of Eligible Participants in the success of the Corporation; (iv) promoting growth and profitability of the Corporation; (v) encouraging Eligible Participants to take into account long-term corporate performance; (vi) rewarding Eligible Participants for sustained contributions to the Corporation and/or significant performance achievements of the Corporation; and (vii) enhancing the Corporation's ability to attract, retain and motivate Eligible Participants.

Section 2.2 Implementation and Administration of the Plan.

- (a) Subject to Section 2.3, this Plan will be administered by the Board.
- (b) Subject to the terms and conditions set forth in this Plan, the Board is authorized to provide for the granting, exercise and method of exercise of Awards, all at such times and on such terms (which may vary between Awards granted from time to time) as it determines. In addition, the Board has the authority to (i) construe and interpret this Plan and all certificates, agreements or other documents provided or entered into under this Plan; (ii) prescribe, amend and rescind rules and regulations relating to this Plan; and (iii) make all other determinations necessary or advisable for the administration of this Plan. All determinations and interpretations made by the Board will be binding on all Participants and on their legal, personal representatives and beneficiaries.
- (c) No member of the Board will be liable for any action or determination taken or made in good faith in the administration, interpretation, construction or application of this Plan, any Award Agreement or other document or any Awards granted pursuant to this Plan.
- (d) The day-to-day administration of the Plan may be delegated to such committee of the Board and/or such officers and employees of the Corporation as the Board determines from time to time.
- (e) Subject to the provisions of this Plan, the Board has the authority to determine the limitations, restrictions and conditions, if any, applicable to the exercise of an Award.

Section 2.3 Delegation to Committee.

Despite Section 2.2 or any other provision contained in this Plan, the Board has the right to delegate the administration and operation of this Plan, in whole or in part, to a committee of the Board and/or to any member of the Board. In such circumstances, all references to the Board in this Plan include reference to such committee and/or member of the Board, as applicable.

Section 2.4 Eligible Participants.

- (a) The Persons who shall be eligible to receive Awards (“**Eligible Participants**”) shall be the bona fide directors, officers, senior executives, consultants, management company employees and other employees of the Corporation or a Subsidiary, providing ongoing services to the Corporation and its Affiliates; notwithstanding the foregoing, providers of Investor Relations Activities shall not be included as Eligible Participants entitled to receive Share Units related to RSU Agreements or PSU Agreements.
- (b) Participation in the Plan shall be entirely voluntary and any decision not to participate shall not affect an Eligible Participant’s relationship, employment or appointment with the Corporation.
- (c) Notwithstanding any express or implied term of this Plan to the contrary, the granting of an Award pursuant to the Plan shall in no way be construed as a guarantee of employment or appointment by the Corporation.

Section 2.5 Shares Subject to the Plan.

- (a) Subject to adjustment pursuant to provisions of Article 6 hereof, the total number of Shares reserved and available for grant and issuance pursuant to Awards under the Plan shall not exceed ten percent (10%) of the total issued and outstanding Shares from time to time or such other number as may be approved by the Stock Exchange and the shareholders of the Corporation from time to time, provided that at all times when the Corporation is listed on the TSXV, the shareholder approval referred to herein must be obtained on a “disinterested” basis in compliance with the applicable policies of the TSXV. For the purposes of this Section 2.5(a), in the event that the Corporation cancels or purchases to cancel any of its issued and outstanding Shares (“**Cancellation**”) and as a result of such Cancellation the Corporation exceeds the limit set out in this Section 2.5(a), no approval of the Corporation’s shareholders will be required for the issuance of Shares on the exercise of any Options which were granted prior to such Cancellation.
- (b) Shares in respect of which an Award is granted under the Plan, but not exercised prior to the termination of such Award or not vested or settled prior to the termination of such Award due to the expiration, termination, cancellation or lapse of such Award, shall be available for Awards to be granted thereafter pursuant to the provisions of the Plan. All Shares issued pursuant to the exercise or the vesting of the Awards granted under the Plan shall be so issued as fully paid and non-assessable Shares.

Section 2.6 Participation Limits.

Subject to adjustment pursuant to provisions of Article 6 hereof, the aggregate number of Shares (i) issued to Insiders under the Plan or any other proposed or established Share Compensation Arrangement within any one-year period and (ii) issuable to Insiders at any time under the Plan or any other proposed or established Share Compensation Arrangement, shall in each case not exceed ten percent (10%) of the total issued and outstanding Shares from time to time.

Section 2.7 Additional TSXV Limits.

- (a) In addition to the requirements in Section 2.5 and Section 2.6, subject to Section 4.2(f), and notwithstanding any other provision of this Plan, at all times when the Corporation is listed on the TSXV:
- (i) the total number of Shares which may be reserved for issuance to any one Eligible Participant under the Plan together with all of the Corporation's other previously established or proposed Share Compensation Arrangements shall not exceed 5% of the issued and outstanding Shares on the grant date or within any 12-month period (in each case on a non-diluted basis);
 - (ii) the aggregate number of Awards to any one Eligible Participant that is a consultant of the Corporation in any 12 month period must not exceed 2% of the issued Shares calculated at the first such grant date;
 - (iii) the aggregate number of Options to all persons retained to provide Investor Relations Activities must not exceed 2% of the issued Shares in any 12-month period calculated at the first such grant date (and including any Eligible Participant that performs Investor Relations Activities and/or whose role or duties primarily consist of Investor Relations Activities);
 - (iv) Options granted to any person retained to provide Investor Relations Activities must vest in a period of not less than 12 months from the date of grant of the Award and with no more the 25% of the Options vesting in any three (3) month period notwithstanding any other provision of this Plan;
 - (v) the aggregate number of Share Units to any one Eligible Participant must not exceed (i) 1% of the issued Shares at the each such grant date and (ii) 2% of the total issued and outstanding Shares within the last 12-month period calculated at the each such grant date; and
 - (vi) the aggregate number of Share Units issuable to all Eligible Participants under the Plan must not exceed 3,437,315.
- (b) At all times when the Corporation is listed on the TSXV, the Corporation shall seek annual TSXV and shareholder approval for this rolling Plan in conformity with TSXV Policy 4.4.

ARTICLE 3 - OPTIONS

Section 3.1 Nature of Options.

An Option is an option granted by the Corporation to a Participant entitling such Participant to acquire a designated number of Shares from treasury at the Exercise Price, subject to the provisions hereof.

Section 3.2 Option Awards.

- (a) The Board shall, from time to time, in its sole discretion, (i) designate the Eligible Participants who may receive Options under the Plan, (ii) determine the number of Options, if any, to be granted to each Eligible Participant and the date or dates on which such Options shall be granted, (iii) determine the price per Share to be payable upon the exercise of each such Option (the “**Exercise Price**”), (iv) determine the relevant vesting provisions (including Performance Criteria, if applicable) and (v) determine the Expiry Date, the whole subject to the terms and conditions prescribed in this Plan, in any Option Agreement and any applicable rules of the Stock Exchange.
- (b) Subject to the terms of any other agreement between the Participant and the Corporation, or the Board expressly providing to the contrary, and except as otherwise provided in a Option Agreement, each Option shall vest as to 1/3 on the date of grant, 1/3 on the first anniversary of the date of grant and 1/3 on the second anniversary of the date of grant.
- (c) Notwithstanding any other provision of this Plan, at all times when the Corporation is listed on the TSXV, the Corporation shall maintain timely disclosure and file appropriate documentation in connection with Option grants made under this Plan in accordance with TSXV Policy 4.4.

Section 3.3 Exercise Price.

The Exercise Price for Shares that are the subject of any Option shall be fixed by the Board when such Option is granted, but shall not be less than:

- (A) the Market Value of such Shares at the time of the grant; or
- (B) if the Shares are listed on the TSXV, the TSXV Market Price,

and in any event shall not be less than the Discounted Market Price.

Section 3.4 Expiry Date; Blackout Period.

Subject to Section 6.2, each Option must be exercised no later than ten (10) years after the date the Option is granted or such shorter period as set out in the Participant’s Option Agreement, at which time such Option will expire (the “**Expiry Date**”). Notwithstanding any other provision of this Plan, each Option that would expire during or within ten (10) Business Days immediately following a Black-Out Period shall expire on the date that is ten (10) Business Days immediately following the expiration of the Black-Out Period. Where an Option will expire on a date that falls immediately after a Black-Out Period, and for greater certainty, not later than ten (10) Business Days after the Black- Out Period, then the date such Option will expire will be automatically extended by such number of days equal to ten (10) Business Days less the number of Business Days after the Black-Out Period that the Option expires.

Section 3.5 Exercise of Options.

- (a) Subject to the provisions of this Plan, a Participant shall be entitled to exercise an Option granted to such Participant, subject to vesting limitations which may be imposed by the Board at the time such Option is granted.
- (b) Prior to its expiration or earlier termination in accordance with the Plan, each Option shall be exercisable as to all or such part or parts of the optioned Shares and at such time or times and/or pursuant to the achievement of such Performance Criteria and/or other vesting conditions as the Board may determine in its sole discretion.
- (c) No fractional Shares will be issued upon the exercise of Options granted under this Plan and, accordingly, if a Participant would become entitled to a fractional Share upon the exercise of an Option, or from an adjustment pursuant to Section 6.1, such Participant will only have the right to acquire the next lowest whole number of Shares, and no payment or other adjustment will be made with respect to the fractional interest so disregarded.

Section 3.6 Method of Exercise and Payment of Purchase Price.

- (a) Subject to the provisions of the Plan and the alternative exercise procedures set out herein, an Option granted under the Plan may be exercisable (from time to time as provided in Section 3.5 hereof) by the Participant (or by the liquidator, executor or administrator, as the case may be, of the estate of the Participant) by delivering an Exercise Notice to the Corporation in the form and manner determined by the Board from time to time, together with cash, a bank draft or certified cheque in an amount equal to the aggregate Exercise Price of the Shares to be purchased pursuant to the exercise of the Options and any applicable tax withholdings.
- (b) Subject to Section 3.6(e), pursuant to the Exercise Notice and subject to the approval of the Board, a Participant may choose to undertake a “cashless exercise” with the assistance of a broker in order to facilitate the exercise of such Participant’s Options. The “cashless exercise” procedure may include a sale of such number of Shares as is necessary to raise an amount equal to the aggregate Exercise Price for all Options being exercised by that Participant under an Exercise Notice and any applicable tax withholdings. Pursuant to the Exercise Notice, the Participant may authorize the broker to sell Shares on the open market by means of a short sale and forward the proceeds of such short sale to the Corporation to satisfy the Exercise Price and any applicable tax withholdings, promptly following which the Corporation shall issue the Shares underlying the number of Options as provided for in the Exercise Notice.
- (c) Subject to Section 3.6(e), in addition, in lieu of exercising any vested Option in the manner described in this Section 3.6(a) or Section 3.6(b), and pursuant to the terms of this Article 3, a Participant may, by surrendering an Option (“**Surrender**”) with a properly endorsed notice of Surrender to the Corporate Secretary of the Corporation, substantially in the form of Schedule “B” to the Option Agreement (a “**Surrender Notice**”), elect to receive that number of Shares calculated using the following formula:

$$X = (Y * (A-B)) / A$$

Where:

X = the number of Shares to be issued to the Participant upon exercising such Options; provided that if the foregoing calculation results in a negative number, then no Shares shall be issued

Y = the number of Shares underlying the Options to be Surrendered

A = the Market Value of the Shares as at the date of the Surrender

B = the Exercise Price of such Options

- (d) Subject to Section 3.6(e), upon the exercise of an Option pursuant to Section 3.6(a) or Section 3.6(c), the Corporation shall, as soon as practicable after such exercise but no later than ten (10) Business Days following such exercise, forthwith cause the transfer agent and registrar of the Shares to deliver to the Participant such number of Shares as the Participant shall have then paid for and as are specified in such Exercise Notice.
- (e) Notwithstanding any other provision of this Plan, the “cashless exercise” provisions contained in each of Section 3.6(b), Section 3.6(c) and Section 3.6(d) shall not apply at all times when the Corporation is listed on the TSXV, and such provisions shall be of no force and effect during such period.

ARTICLE 4 - SHARE UNITS

Section 4.1 Nature of Share Units.

A Share Unit is an Award entitling the recipient to acquire Shares, at such purchase price (which may be zero) as determined by the Board, subject to such restrictions and conditions as the Board may determine at the time of grant. Conditions may be based on continuing employment (or other service relationship) and/or achievement of pre-established performance goals and objectives.

Section 4.2 Share Unit Awards.

- (a) Subject to the provisions herein set forth and any shareholder or regulatory approval which may be required, the Board shall, from time to time, in its sole discretion, (i) designate the Eligible Participants who may receive RSUs and/or PSUs under the Plan, (ii) fix the number of RSUs and/or PSUs, if any, to be granted to each Eligible Participant and the date or dates on which such RSUs and/or PSUs shall be granted, and (iii) determine the relevant conditions and vesting provisions (including, in the case of PSUs, the applicable Performance Period and Performance Criteria, if any) and Restriction Period of such RSUs and/or PSUs, the whole subject to the terms and conditions prescribed in this Plan and in any RSU Agreement.
- (b) The RSUs and PSUs are structured so as to be considered to be a plan described in Section 7 of the Tax Act or any successor to such provision.

- (c) Subject to the vesting and other conditions and provisions set forth herein and in the RSU Agreement and/or PSU Agreement, the Board shall determine whether each RSU and/or PSU awarded to a Participant shall entitle the Participant: (i) to receive one Share issued from treasury; (ii) to receive the Cash Equivalent of one Share; or (iii) to elect to receive either one Share from treasury, the Cash Equivalent of one Share or a combination of cash and Shares.
- (d) Share Units shall be settled by the Participant at any time beginning on the first Business Day following their Share Unit Vesting Determination Date but no later than the Share Unit Settlement Date.
- (e) Unless otherwise specified in the RSU Agreements, one-third of RSUs awarded pursuant to a RSU Agreement shall vest on each of the first three anniversaries of the date of grant.
- (f) Notwithstanding any other provision of this Plan, at all times when the Corporation is listed on the TSXV, no person retained to provide Investor Relations Activities shall receive any grant of Share Units in compliance with TSXV Policy 3.4.

Section 4.3 Restriction Period Applicable to Share Units.

The applicable restriction period in respect of a particular Share Unit shall be determined by the Board but in all cases shall end no later than December 31 of the calendar year which is three (3) years after the calendar year in which the Award is granted (“**Restriction Period**”). For example, the Restriction Period for a grant made in June 2019 shall end no later than December 31, 2022. Subject to the Board’s determination, any vested Share Units with respect to a Restriction Period will be paid to Participants in accordance with Article 4, no later than the end of the Restriction Period. Unless otherwise determined by the Board, all unvested Share Units shall be cancelled on the Share Unit Vesting Determination Date (as such term is defined in Section 4.5) and, in any event, no later than the last day of the Restriction Period.

Section 4.4 Performance Criteria and Performance Period Applicable to PSU Awards.

- (a) For each award of PSUs, the Board shall establish the period in which any Performance Criteria and other vesting conditions must be met in order for a Participant to be entitled to receive Shares in exchange for all or a portion of the PSUs held by such Participant (the “**Performance Period**”), provided that such Performance Period may not expire after the end of the Restriction Period, being no longer than three (3) years after the calendar year in which the Award was granted. For example, a Performance Period determined by the Board to be for a period of three (3) financial years will start on the first day of the financial year in which the award is granted and will end on the last day of the second financial year after the year in which the grant was made. In such a case, for a grant made on January 4, 2019, the Performance Period will start on January 1, 2019 and will end on December 31, 2021.
- (b) For each award of PSUs, the Board shall establish any Performance Criteria and other vesting conditions in order for a Participant to be entitled to receive Shares in exchange for his or her PSUs.

Section 4.5 Share Unit Vesting Determination Date.

The vesting determination date means the date on which the Board determines if the Performance Criteria and/or other vesting conditions with respect to a RSU and/or PSU have been met (the “**Share Unit Vesting Determination Date**”), and as a result, establishes the number of RSUs and/or PSUs that become vested, if any. For greater certainty, the Share Unit Vesting Determination Date in respect of Share Units must fall after the end of the Performance Period, if applicable, but no later than the last day of the Restriction Period.

Section 4.6 Settlement of Share Unit Awards.

- (a) Subject to the terms of any other agreement between the Participant and the Corporation, or the Board expressly providing to the contrary, and except as otherwise provided in a RSU Agreement and/or PSU Agreement, in the event that the vesting conditions, the Performance Criteria and Performance Period, if applicable, of a Share Unit are satisfied:
 - (i) all of the vested Share Units covered by a particular grant may, subject to Section 4.6(d), be settled at any time beginning on the first Business Day following their Share Unit Vesting Determination Date but no later than the date that is five (5) years from their Share Unit Vesting Determination Date (the “**Share Unit Settlement Date**”); and
 - (ii) a Participant is entitled to deliver to the Corporation, on or before the Share Unit Settlement Date, a Share Unit Settlement Notice in respect of any or all vested Share Units held by such Participant.
- (b) Subject to Section 4.6(d), settlement of Share Units shall take place promptly following the Share Unit Settlement Date and take the form set out in the Share Unit Settlement Notice through:
 - (i) in the case of settlement of Share Units for their Cash Equivalent, delivery of a bank draft, certified cheque or other acceptable form of payment to the Participant representing the Cash Equivalent;
 - (ii) in the case of settlement of Share Units for Shares, delivery of Shares to the Participant; or
 - (iii) in the case of settlement of the Share Units for a combination of Shares and the Cash Equivalent, a combination of (i) and (ii) above.
- (c) If a Share Unit Settlement Notice is not received by the Corporation on or before the Share Unit Settlement Date, settlement shall take the form of Shares issued from treasury as set out in Section 4.7(b).
- (d) Notwithstanding any other provision of this Plan, in the event that a Share Unit Settlement Date falls during a Black-Out Period and the Participant has not delivered a Share Unit Settlement Notice, then such Share Unit Settlement Date shall be automatically extended to the tenth (10th) Business Day following the date that such Black-Out Period is

terminated. Where a Share Unit Settlement Date falls immediately after a Black-Out Period, and for greater certainty, not later than ten (10) Business Days after the Black-Out Period, then the Share Unit Settlement Date will be automatically extended by such number of days equal to ten (10) Business Days less the number of Business Days that a Share Unit Settlement Date is after the Black-Out Period.

Section 4.7 Determination of Amounts.

- (a) For purposes of determining the Cash Equivalent of Share Units to be made pursuant to Section 4.6, such calculation will be made on the Share Unit Settlement Date and shall equal the Market Value on the Share Unit Settlement Date multiplied by the number of vested Share Units in the Participant's Account which the Participant desires to settle in cash pursuant to the Share Unit Settlement Notice.
- (b) For the purposes of determining the number of Shares from treasury to be issued and delivered to a Participant upon settlement of Share Units pursuant to Section 4.6, such calculation will be made on the Share Unit Settlement Date and be the whole number of Shares equal to the whole number of vested Share Units then recorded in the Participant's Account which the Participant desires to settle pursuant to the Share Unit Settlement Notice. Shares issued from treasury will be issued in consideration for the past services of the Participant to the Corporation and the entitlement of the Participant under this Plan in respect of such Share Units settled for Shares shall be satisfied in full by such issuance of Shares.

ARTICLE 5 - GENERAL CONDITIONS

Section 5.1 General Conditions applicable to Awards.

Each Award, as applicable, shall be subject to the following conditions:

- (a) **Employment** - The granting of an Award to a Participant shall not impose upon the Corporation or a Subsidiary any obligation to retain the Participant in its employ in any capacity. For greater certainty, the granting of Awards to a Participant shall not impose any obligation on the Corporation to grant any awards in the future nor shall it entitle the Participant to receive future grants.
- (b) **Rights as a Shareholder** - Neither the Participant nor such Participant's personal representatives or legatees shall have any rights whatsoever as shareholder in respect of any Shares covered by such Participant's Awards until the date of issuance of a share certificate to such Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) or the entry of such person's name on the share register for the Shares. Without in any way limiting the generality of the foregoing, no adjustment shall be made for dividends or other rights for which the record date is prior to the date such share certificate is issued or entry of such person's name on the share register for the Shares.
- (c) **Conformity to Plan** - In the event that an Award is granted or an Award Agreement is executed which does not conform in all particulars with the provisions of the Plan, or

purports to grant Awards on terms different from those set out in the Plan, the Award or the grant of such Award shall not be in any way void or invalidated, but the Award so granted will be adjusted to become, in all respects, in conformity with the Plan.

- (d) **Non-Transferability** – Except as set forth herein, Awards are not transferable. Awards may be exercised only upon the Participant’s death, by the legal representative of the Participant’s estate, provided that any such legal representative shall first deliver evidence satisfactory to the Corporation of entitlement to exercise any Award. A person exercising an Award may subscribe for Shares only in the person’s own name or in the person’s capacity as a legal representative.
- (e) **Hold Period** – In the event that the Shares are listed on the TSXV, the granting of an Award (i) to Insiders, or (ii) where the exercise price is at a discount to the TSXV Market Price shall be subject to a four-month hold period in compliance with the applicable policies of the TSXV.

Section 5.2 Dividend Share Units.

When dividends (other than stock dividends) are paid on Shares, Participants shall receive additional RSUs and/or PSUs, as applicable (“**Dividend Share Units**”) as of the dividend payment date. The number of Dividend Share Units to be granted to the Participant shall be determined by multiplying the aggregate number of RSUs and/or PSUs, as applicable, held by the Participant on the relevant record date by the amount of the dividend paid by the Corporation on each Share, and dividing the result by the Market Value on the dividend payment date, which Dividend Share Units shall be in the form of RSUs and/or PSUs, as applicable. Dividend Share Units granted to a Participant in accordance with this Section 5.2 shall be subject to the same vesting conditions applicable to the related RSUs and/or PSUs.

Section 5.3 Termination of Employment.

- (a) Unless otherwise determined by the Board, each Share Unit and Option shall be subject to the following conditions:
 - (i) **Termination for Cause.** Upon a Participant ceasing to be an Eligible Participant for “cause”, all unexercised vested or unvested Share Units and Options granted to such Participant shall terminate on the effective date of the termination as specified in the notice of termination. For the purposes of the Plan, the determination by the Corporation that the Participant was discharged for cause shall be binding on the Participant.
 - (ii) **Termination or Cessation.** In the case of a Participant ceasing to be an Eligible Participant for any reason (other than for “cause” or death), subject to any later expiration dates determined by the Board, all Share Units and Options shall expire on the earlier of one hundred and twenty (120) days after the effective date of such termination or cessation, or the expiry date of such Share Unit or Option, to the extent such Share Unit or Option was vested and exercisable by the Participant on the effective date of such termination or cessation and all unexercised unvested

Share Units and/or Options granted to such Participant shall terminate on the effective date of such termination or cessation.

- (iii) **Death.** If a Participant dies while in his or her capacity as an Eligible Participant, all unvested Share Units and Options will immediately vest and all Share Units and Options will expire one (1) year after the death of such Participant.
 - (iv) **Change of Control.** Subject to any written employment or contracting agreement between the Corporation and a Participant, if a participant is terminated without “cause” or resigns for good reason during the 12 month period following a Change of Control, or after the Corporation has signed a written agreement to effect a change of control but before the change of control is completed, then any unvested Share Units and/or Options will immediately vest and may be exercised prior to the earlier of thirty (30) days of such date or the expiry date of such Options.
- (b) For the purposes of this Plan, a Participant’s employment with the Corporation or an Affiliate is considered to have terminated effective on the last day of the Participant’s actual and active employment with the Corporation or Affiliate, whether such day is selected by agreement with the individual, unilaterally by the Corporation or Affiliate and whether with or without advance notice to the Participant. For the avoidance of doubt, no period of notice, if any, or payment instead of notice that is given or that ought to have been given under applicable law, whether by statute, imposed by a court or otherwise, in respect of such termination of employment that follows or is in respect of a period after the Participant’s last day of actual and active employment will be considered as extending the Participant’s period of employment for the purposes of determining his entitlement under this Plan.
- (c) The Participant shall have no entitlement to damages or other compensation arising from or related to not receiving any awards which would have settled or vested or accrued to the Participant after the date of cessation of employment or if working notice of termination had been given.

Section 5.4 Unfunded Plan.

Unless otherwise determined by the Board, this Plan shall be unfunded. To the extent any Participant or his or her estate holds any rights by virtue of a grant of Awards under this Plan, such rights (unless otherwise determined by the Board) shall be no greater than the rights of an unsecured creditor of the Corporation. Notwithstanding the foregoing, any determinations made shall be such that the Plan continuously meets the requirements of paragraph 6801(d) of the Income Tax Regulations, adopted under the Tax Act or any successor provision thereto.

ARTICLE 6 - ADJUSTMENTS AND AMENDMENTS

Section 6.1 Adjustment to Shares Subject to Outstanding Awards.

- (a) In the event of any subdivision of the Shares into a greater number of Shares at any time after the grant of an Award to a Participant and prior to the expiration of the term of such Award, the Corporation shall deliver to such Participant, at the time of any subsequent

exercise or vesting of such Award in accordance with the terms hereof, in lieu of the number of Shares to which such Participant was theretofore entitled upon such exercise or vesting of such Award, but for the same aggregate consideration payable therefor, such number of Shares as such Participant would have held as a result of such subdivision if on the record date thereof the Participant had been the registered holder of the number of Shares to which such Participant was theretofore entitled upon such exercise or vesting of such Award.

- (b) In the event of any consolidation of Shares into a lesser number of Shares at any time after the grant of an Award to any Participant and prior to the expiration of the term of such Award, the Corporation shall deliver to such Participant at the time of any subsequent exercise or vesting of such Award in accordance with the terms hereof in lieu of the number of Shares to which such Participant was theretofore entitled upon such exercise or vesting of such Award, but for the same aggregate consideration payable therefor, such number of Shares as such Participant would have held as a result of such consideration if on the record date thereof the Participant had been the registered holder of the number of Shares to which such Participant was theretofore entitled upon such exercise or vesting of such Award.
- (c) If at any time after the grant of an Award to any Participant and prior to the expiration of the term of such Award, the Shares shall be reclassified, reorganized or otherwise changed, otherwise than as specified in Section 6.1(a) or Section 6.1(b) hereof or, subject to the provisions of Section 6.2(c) hereof, the Corporation shall consolidate, merge or amalgamate with or into another corporation (the corporation resulting or continuing from such consolidation, merger or amalgamation being herein called the "Successor Corporation"), the Participant shall be entitled to receive upon the subsequent exercise or vesting of Award, in accordance with the terms hereof and shall accept in lieu of the number of Shares then subscribed for but for the same aggregate consideration payable therefor, the aggregate number of shares of the appropriate class or other securities of the Corporation or the Successor Corporation (as the case may be) or other consideration from the Corporation or the Successor Corporation (as the case may be) that such Participant would have been entitled to receive as a result of such reclassification, reorganization or other change of shares or, subject to the provisions of Section 6.2(c) hereof, as a result of such consolidation, merger or amalgamation, if on the record date of such reclassification, reorganization or other change of shares or the effective date of such consolidation, merger or amalgamation, as the case may be, such Participant had been the registered holder of the number of Shares to which such Participant was immediately theretofore entitled upon such exercise or vesting of such Award.
- (d) If, at any time after the grant of an Award to any Participant and prior to the expiration of the term of such Award, the Corporation shall make a distribution to all holders of Shares or other securities in the capital of the Corporation, or cash, evidences of indebtedness or other assets of the Corporation (excluding an ordinary course dividend in cash or shares, but including for greater certainty shares or equity interests in a subsidiary or business unit of the Corporation or one of its subsidiaries or cash proceeds of the disposition of such a subsidiary or business unit), or should the Corporation effect any transaction or change having a similar effect, then the price or the number of Shares to which the Participant is entitled upon exercise or vesting of Award shall be adjusted to take into account such

distribution, transaction or change. The Board shall determine the appropriate adjustments to be made in such circumstances in order to maintain the Participants' economic rights in respect of their Awards in connection with such distribution, transaction or change.

Section 6.2 Amendment or Discontinuance of the Plan.

- (a) The Board may amend the Plan or any Award at any time without the consent of the Participants provided that such amendment shall:
- (i) not adversely alter or impair any Award previously granted except as permitted by the provisions of Article 6 hereof;
 - (ii) be in compliance with applicable law and subject to any regulatory approvals including, where required, the approval of the Stock Exchange; and
 - (iii) be subject to shareholder approval, where required by law, the requirements of the Stock Exchange or the provisions of the Plan, provided that shareholder approval shall not be required for the following amendments and the Board may make any such amendments:
 - (A) amendments of a general "housekeeping" or clerical nature that, among others, clarify, correct or rectify any ambiguity, defective provision, error or omission in the Plan;
 - (B) changes that alter, extend or accelerate the terms of vesting or settlement applicable to any Award (other than in respect of any Options held by persons retained to provide Investor Relations Activities for which prior approval of the TSXV shall be required at all times when the Corporation is listed on the TSXV);
 - (C) a change to the assignability provisions under this Plan;
 - (D) any amendment regarding the effect of termination of a Participant's employment or engagement;
 - (E) any amendment to add or amend provisions relating to the granting of cash-settled awards, provision of financial assistance or clawbacks and any amendment to a cash-settled award, financial assistance or clawbacks provisions which are adopted;
 - (F) any amendment regarding the administration of this Plan;
 - (G) any amendment necessary to comply with applicable law or the requirements of the Stock Exchange or any other regulatory body having authority over the Corporation, this Plan or the shareholders of the Corporation (provided, however, that any Stock Exchange shall have the overriding right in such circumstances to require shareholder of any such amendments); and

- (H) any other amendment that does not require the shareholder approval under Section 6.2(b).
- (b) Notwithstanding Section 6.2(a)(iii), the Board shall be required to obtain shareholder approval to make the following amendments:
- (i) any change to the maximum number of Shares issuable from treasury under the Plan, except such increase by operation of Section 2.5 and in the event of an adjustment pursuant to Article 6;
 - (ii) any amendment which reduces the exercise price of any Award, except in the case of an adjustment pursuant to Article 6;
 - (iii) any amendment to remove or to exceed the insider participation limit set out in Section 2.6;
 - (iv) any amendment to the amendment provisions of the Plan.

At all times when the Corporation is listed on the TSXV, the shareholder approval referred to in Section 6.2(b)(ii) (if any such Award is held by an Insider) and Section 6.2(b)(iii) above must be obtained on a “disinterested” basis in compliance with the applicable policies of the TSXV.

- (c) The Board may, subject to applicable regulatory approvals, decide that any of the provisions hereof concerning the effect of termination of the Participant’s employment shall not apply for any reason acceptable to the Board.
- (d) Notwithstanding any other provision of this Plan, at all times when the Corporation is listed on the TSXV:
- (i) the Corporation shall be required to obtain prior TSXV acceptance of any amendment to this Plan; and
 - (ii) The Corporation shall be required to obtain disinterested shareholder approval in compliance with the applicable policies of the TSXV for this Plan if, together with all of the Corporation’s previously established and outstanding equity compensation plans or grants, could permit at any time: (1) the aggregate number of Shares reserved for issuance under Awards granted to Insiders (as a group) at any point in time exceeding 10% of the issued Shares; and (2) the grant to Insiders (as a group), within a 12 month period, of an aggregate number of Awards exceeding 10% of the issued Shares, calculated at the date an Award is granted to any Insider.

Section 6.3 Change of Control.

- (a) Notwithstanding any other provision of this Plan, in the event of a Change of Control, the surviving, successor or acquiring entity shall assume any Awards or shall substitute similar options or share units for the outstanding Awards, as applicable. If the surviving, successor

or acquiring entity does not assume the outstanding Awards or substitute similar options or share units for the outstanding Awards, as applicable, or if the Board otherwise determines in its discretion, the Corporation shall give written notice to all Participants advising that the Plan shall be terminated effective immediately prior to the Change of Control and all Options, RSUs (and related Dividend Share Units) and a specified number of PSUs (and related Dividend Share Units) shall be deemed to be vested and, unless otherwise exercised, settled, forfeited or cancelled prior to the termination of the Plan, shall expire or, with respect to RSUs and PSUs be settled, immediately prior to the termination of the Plan. The number of PSUs which are deemed to be vested shall be determined by the Board, in its sole discretion, having regard to the level of achievement of the Performance Criteria prior to the Change of Control.

- (b) In the event of a Change of Control, the Board has the power to: (i) make such other changes to the terms of the Awards as it considers fair and appropriate in the circumstances, provided such changes are not adverse to the Participants; (ii) otherwise modify the terms of the Awards to assist the Participants to tender into a takeover bid or other arrangement leading to a Change of Control, and thereafter; and (iii) terminate, conditionally or otherwise, the Awards not exercised or settled, as applicable, following successful completion of such Change of Control. If the Change of Control is not completed within the time specified therein (as the same may be extended), the Awards which vest pursuant to this Section 6.3 shall be returned by the Corporation to the Participant and, if exercised or settled, as applicable, the Shares issued on such exercise or settlement shall be reinstated as authorized but unissued Shares and the original terms applicable to such Awards shall be reinstated.

ARTICLE 7 - MISCELLANEOUS

Section 7.1 Currency.

Unless otherwise specifically provided, all references to dollars in this Plan are references to Canadian dollars.

Section 7.2 Compliance and Award Restrictions.

- (a) The Corporation's obligation to issue and deliver Shares under any Award is subject to: (i) the completion of such registration or other qualification of such Shares or obtaining approval of such regulatory authority as the Corporation shall determine to be necessary or advisable in connection with the authorization, issuance or sale thereof; (ii) the admission of such Shares to listing on any stock exchange on which such Shares may then be listed; and (iii) the receipt from the Participant of such representations, agreements and undertakings as to future dealings in such Shares as the Corporation determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction. The Corporation shall take all reasonable steps to obtain such approvals, registrations and qualifications as may be necessary for the issuance of such Shares in compliance with applicable securities laws and for the listing of such Shares on any stock exchange on which such Shares are then listed.

- (b) The Participant agrees to fully cooperate with the Corporation in doing all such things, including executing and delivering all such agreements, undertakings or other documents or furnishing all such information as is reasonably necessary to facilitate compliance by the Corporation with such laws, rule and requirements, including all tax withholding and remittance obligations.
- (c) No Awards will be granted where such grant is restricted pursuant to the terms of any trading policies or other restrictions imposed by the Corporation.
- (d) The Corporation is not obliged by any provision of this Plan or the grant of any Award under this Plan to issue or sell Shares if, in the opinion of the Board, such action would constitute a violation by the Corporation or a Participant of any laws, rules and regulations or any condition of such approvals.
- (e) If Shares cannot be issued to a Participant upon the exercise or settlement of an Award due to legal or regulatory restrictions, the obligation of the Corporation to issue such Shares will terminate and, if applicable, any funds paid to the Corporation in connection with the exercise of any Options will be returned to the applicable Participant as soon as practicable.

Section 7.3 Use of an Administrative Agent and Trustee.

The Board may in its sole discretion appoint from time to time one or more entities to act as administrative agent to administer the Awards granted under the Plan and to act as trustee to hold and administer the assets that may be held in respect of Awards granted under the Plan, the whole in accordance with the terms and conditions determined by the Board in its sole discretion. The Corporation and the administrative agent will maintain records showing the number of Awards granted to each Participant under the Plan.

Section 7.4 Tax Withholding.

- (a) Notwithstanding any other provision of this Plan, all distributions, delivery of Shares or payments to a Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) under the Plan shall be made net of applicable source deductions. If the event giving rise to the withholding obligation involves an issuance or delivery of Shares, then, the withholding obligation may be satisfied by (a) having the Participant elect to have the appropriate number of such Shares sold by the Corporation, the Corporation's transfer agent and registrar or any trustee appointed by the Corporation pursuant to Section 7.1 hereof, on behalf of and as agent for the Participant as soon as permissible and practicable, with the proceeds of such sale being delivered to the Corporation, which will in turn remit such amounts to the appropriate governmental authorities, or (b) any other mechanism as may be required or appropriate to conform with local tax and other rules.
- (b) The sale of Shares by the Corporation, or by a broker engaged by the Corporation (the "**Broker**"), under Section 7.4(a) or under any other provision of the Plan will be made on the Stock Exchange. The Participant consents to such sale and grants to the Corporation an irrevocable power of attorney to effect the sale of such Shares on his behalf and acknowledges and agrees that (i) the number of Shares sold will be, at a minimum,

sufficient to fund the withholding obligations net of all selling costs, which costs are the responsibility of the Participant and which the Participant hereby authorizes to be deducted from the proceeds of such sale; (ii) in effecting the sale of any such Shares, the Corporation or the Broker will exercise its sole judgment as to the timing and the manner of sale and will not be obligated to seek or obtain a minimum price; and (iii) neither the Corporation nor the Broker will be liable for any loss arising out of such sale of the Shares including any loss relating to the pricing, manner or timing of the sales or any delay in transferring any Shares to a Participant or otherwise.

- (c) The Participant further acknowledges that the sale price of the Shares will fluctuate with the market price of the Shares and no assurance can be given that any particular price will be received upon any sale.
- (d) Notwithstanding the first paragraph of this Section 7.4, the applicable tax withholdings may be waived where the Participant directs in writing that a payment be made directly to the Participant's registered retirement savings plan in circumstances to which regulation 100(3) of the regulations of the Tax Act apply.

Section 7.5 Reorganization of the Corporation.

The existence of any Awards shall not affect in any way the right or power of the Corporation or its shareholders to make or authorize any adjustment, recapitalization, reorganization or other change in the Corporation's capital structure or its business, or any amalgamation, combination, merger or consolidation involving the Corporation or to create or issue any bonds, debentures, shares or other securities of the Corporation or the rights and conditions attaching thereto or to affect the dissolution or liquidation of the Corporation or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar nature or otherwise.

Section 7.6 Governing Laws.

The Plan and all matters to which reference is made herein shall be governed by and interpreted in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.

Section 7.7 Severability.

The invalidity or unenforceability of any provision of the Plan shall not affect the validity or enforceability of any other provision and any invalid or unenforceable provision shall be severed from the Plan.

Section 7.8 Effective Date of the Plan.

The Plan was approved by the Board and shall take effect as of April __, 2021.

APPENDIX “A”

FORM OF OPTION AGREEMENT

ATACAMA COPPER CORPORATION

OPTION AGREEMENT

This Stock Option Agreement (the “**Option Agreement**”) is granted by Atacama Copper Corporation (the “**Corporation**”), in favour of the optionee named below (the “**Optionee**”) pursuant to and on the terms and subject to the conditions of the Corporation’s Long-Term Incentive Plan (the “**Plan**”). Capitalized terms used and not otherwise defined in this Option Agreement shall have the meanings set forth in the Plan.

The terms of the option (the “**Option**”), in addition to those terms set forth in the Plan, are as follows:

1. **Optionee**. The Optionee is [•] and the address of the Optionee is currently [•].
2. **Number of Shares**. The Optionee may purchase up to [•] Shares of the Corporation (the “**Option Shares**”) pursuant to this Option, as and to the extent that the Option vests and becomes exercisable as set forth in Section 6 of this Option Agreement.
3. **Exercise Price**. The exercise price is Cdn \$ [•] per Option Share (the “**Exercise Price**”).
4. **Date Option Granted**. The Option was granted on [•].
5. **Expiry Date**. The Option terminates on [•]. (the “**Expiry Date**”).
6. **Vesting**. The Option to purchase Option Shares shall vest and become exercisable as follows:

[•]
7. **Exercise of Options**. In order to exercise the Option, the Optionee shall notify the Corporation in the form annexed hereto as Schedule “A”, whereupon the Corporation shall use reasonable efforts to cause the Optionee to receive a certificate representing the relevant number of fully paid and non-assessable Shares in the Corporation.
8. **Transfer of Option**. The Option is not-transferable or assignable except in accordance with the Plan.
9. **Inconsistency**. This Option Agreement is subject to the terms and conditions of the Plan and, in the event of any inconsistency or contradiction between the terms of this Option Agreement and the Plan, the terms of the Plan shall govern.
10. **Severability**. Wherever possible, each provision of this Option Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any

provision of this Option Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, but this Option Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

11. **Entire Agreement.** This Option Agreement and the Plan embody the entire agreement and understanding among the parties and supersede and preempt any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way.
12. **Successors and Assigns.** This Option Agreement shall bind and enure to the benefit of the Optionee and the Corporation and their respective successors and permitted assigns.
13. **Time of the Essence.** Time shall be of the essence of this Agreement and of every part hereof.
14. **Governing Law.** This Agreement and the Option shall be governed by and interpreted and enforced in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.
15. **Counterparts.** This Option Agreement may be executed in separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same agreement.

By signing this Agreement, the Optionee acknowledges that the Optionee has been provided a copy of and has read and understands the Plan and agrees to the terms and conditions of the Plan and this Option Agreement.

IN WITNESS WHEREOF the parties hereof have executed this Option Agreement as of the _____ day of _____, 20__.

ATACAMA COPPER CORPORATION

By: _____
Name:
Title:

Witness

[Insert Participant's Name]

SCHEDULE "A"
ELECTION TO EXERCISE STOCK OPTIONS

TO: ATACAMA COPPER CORPORATION (the "Corporation")

The undersigned Optionee hereby elects to exercise Options granted by the Corporation to the undersigned pursuant to an Award Agreement dated _____, 20__ under the Corporation's Long-Term Incentive Plan (the "**Plan**"), for the number Shares set forth below. Capitalized terms used herein and not otherwise defined shall have the meanings given to them in the Plan.

Number of Shares to be Acquired: _____

Exercise Price (per Share): Cdn.\$ _____

Aggregate Purchase Price: Cdn.\$ _____

Amount enclosed that is payable on account of any source deductions relating to this Option exercise (contact the Corporation for details of such amount): Cdn.\$ _____

Or check here if alternative arrangements have been made with the Corporation;

and hereby tenders a certified cheque, bank draft or other form of payment confirmed as acceptable by the Corporation for such aggregate purchase price, and, if applicable, all source deductions, and directs such Shares to be registered in the name of _____

I hereby agree to file or cause the Corporation to file on my behalf, on a timely basis, all insider reports and other reports that I may be required to file under applicable securities laws. I understand that this request to exercise my Options is irrevocable.

DATED this _____ day of _____, _____.

Signature of Participant

Name of Participant (Please Print)

**SCHEDULE “B”
SURRENDER NOTICE**

TO: ATACAMA COPPER CORPORATION (the “Corporation”)

The undersigned Optionee hereby elects to surrender _____ Options granted by the Corporation to the undersigned pursuant to an Award Agreement dated _____, 20____ under the Corporation’s Long-Term Incentive Plan (the “**Plan**”) in exchange for Shares as calculated in accordance with Section 3.6(c) of the Plan. Capitalized terms used herein and not otherwise defined shall have the meanings given to them in the Plan.

Please issue a certificate or certificates representing the Shares in the name of _____

I hereby agree to file or cause the Corporation to file on my behalf, on a timely basis, all insider reports and other reports that I may be required to file under applicable securities laws. I understand that this request to exercise my Options is irrevocable.

DATED this _____ day of _____, _____.

Signature of Participant

Name of Participant (Please Print)

APPENDIX “B”

FORM OF RSU AGREEMENT

ATACAMA COPPER CORPORATION

RESTRICTED SHARE UNIT AGREEMENT

This restricted share unit agreement (“**RSU Agreement**”) is granted by Atacama Copper Corporation (the “**Corporation**”) in favour of the Participant named below (the “**Recipient**”) of the restricted share units (“**RSUs**”) pursuant to the Corporation’s Long-Term Incentive Plan (the “**Plan**”). Capitalized terms used and not otherwise defined in this RSU Agreement shall have the meanings set forth in the Plan.

The terms of the RSUs, in addition to those terms set forth in the Plan, are as follows:

1. **Recipient.** The Recipient is [•] and the address of the Recipient is currently [•].
2. **Grant of RSUs.** The Recipient is hereby granted [•] RSUs.
3. **Restriction Period.** In accordance with Section 4.3 of the Plan, the restriction period in respect of the RSUs granted hereunder, as determined by the Board, shall commence on [•] and terminate on [•].
4. **Performance Criteria.** [•].
5. **Performance Period.** [•].
6. **Vesting.** The RSUs will vest as follows:
[•].
7. **Transfer of RSUs.** The RSUs granted hereunder are not-transferable or assignable except in accordance with the Plan.
8. **Inconsistency.** This RSU Agreement is subject to the terms and conditions of the Plan and, in the event of any inconsistency or contradiction between the terms of this RSU Agreement and the Plan, the terms of the Plan shall govern.
9. **Severability.** Wherever possible, each provision of this RSU Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this RSU Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, but this RSU Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

10. **Entire Agreement.** This RSU Agreement and the Plan embody the entire agreement and understanding among the parties and supersede and pre-empt any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way.
11. **Successors and Assigns.** This RSU Agreement shall bind and enure to the benefit of the Recipient and the Corporation and their respective successors and permitted assigns.
12. **Time of the Essence.** Time shall be of the essence of this Agreement and of every part hereof.
13. **Governing Law.** This RSU Agreement and the RSUs shall be governed by and interpreted and enforced in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.
14. **Counterparts.** This RSU Agreement may be executed in separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same agreement.

By signing this RSU Agreement, the Participant acknowledges that he or she has been provided with, has read and understands the Plan and this RSU Agreement.

IN WITNESS WHEREOF the parties hereof have executed this RSU Agreement as of the _____ day of _____, 20____.

ATACAMA COPPER CORPORATION

By: _____
 Name:
 Title:

Witness

[Insert Participant's Name]

APPENDIX “C”

FORM OF PSU AGREEMENT

ATACAMA COPPER CORPORATION

PERFORMANCE SHARE UNIT AGREEMENT

This performance share unit agreement (“**PSU Agreement**”) is granted by Atacama Copper Corporation (the “**Corporation**”) in favour of the Participant named below (the “**Recipient**”) of the performance share units (“**PSUs**”) pursuant to the Corporation’s Long-Term Incentive Plan (the “**Plan**”). Capitalized terms used and not otherwise defined in this PSU Agreement shall have the meanings set forth in the Plan.

The terms of the PSUs, in addition to those terms set forth in the Plan, are as follows:

1. **Recipient.** The Recipient is [•] and the address of the Recipient is currently [•].
2. **Grant of PSUs.** The Recipient is hereby granted [•] PSUs.
3. **Restriction Period.** In accordance with Section 4.3 of the Plan, the restriction period in respect of the PSUs granted hereunder, as determined by the Board, shall commence on [•] and terminate on [•].
4. **Performance Criteria.** [•].
5. **Performance Period.** [•].
6. **Vesting.** The PSUs will vest as follows:
[•].
7. **Transfer of PSUs.** The PSUs granted hereunder are not-transferable or assignable except in accordance with the Plan.
8. **Inconsistency.** This PSU Agreement is subject to the terms and conditions of the Plan and, in the event of any inconsistency or contradiction between the terms of this PSU Agreement and the Plan, the terms of the Plan shall govern.
9. **Severability.** Wherever possible, each provision of this PSU Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this PSU Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, but this PSU Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

10. **Entire Agreement.** This PSU Agreement and the Plan embody the entire agreement and understanding among the parties and supersede and pre-empt any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way.
11. **Successors and Assigns.** This PSU Agreement shall bind and enure to the benefit of the Recipient and the Corporation and their respective successors and permitted assigns.
12. **Time of the Essence.** Time shall be of the essence of this Agreement and of every part hereof.
13. **Governing Law.** This PSU Agreement and the PSUs shall be governed by and interpreted and enforced in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.
14. **Counterparts.** This PSU Agreement may be executed in separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same agreement.

By signing this PSU Agreement, the Participant acknowledges that he or she has been provided with, has read and understands the Plan and this PSU Agreement.

IN WITNESS WHEREOF the parties hereof have executed this PSU Agreement as of the _____ day of _____, 20____.

ATACAMA COPPER CORPORATION

By: _____
 Name:
 Title:

Witness

[Insert Participant's Name]