

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

*This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any securities. No securities regulatory authority has expressed an opinion about any information contained herein and it is an offence to claim otherwise.*

These securities have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), or the securities laws of any state of the United States (as such term is defined in Regulation S under the U.S. Securities Act) and may not be offered, sold or delivered, directly or indirectly, in the United States, except pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws. This prospectus does not constitute an offer to sell or solicitation of an offer to buy any of these securities in the United States.

**AMENDED AND RESTATED PRELIMINARY PROSPECTUS DATED DECEMBER 21, 2020  
AMENDING AND RESTATING THE PRELIMINARY PROSPECTUS DATED SEPTEMBER  
25, 2020 IN BRITISH COLUMBIA AND ALBERTA**

Non-Offering Prospectus

Date: December 21, 2020

**BADEN RESOURCES INC.**  
**Suite 1510-789 West Pender Street**  
**Vancouver, British Columbia, V6C 1H2**

This amended and restated preliminary prospectus (the “**Prospectus**”) is being filed with the British Columbia Securities Commission (the “**BCSC**”) and the Alberta Securities Commission (the “**ASC**”) for the purpose of allowing Baden Resources Inc. (the “**Issuer**”) to comply with Policy 2 – *Qualifications for Listing* on the Canadian Securities Exchange (the “**CSE**”) in order for the Issuer to meet one of the eligibility requirements for the listing of the Issuer’s common shares (the “**Common Shares**”) on the CSE by becoming a reporting issuer pursuant to applicable securities legislation in the Provinces of British Columbia and Alberta. Upon the final receipt of this Prospectus by the BCSC, the Issuer will become a reporting issuer in British Columbia and Alberta.

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

On November 20, 2020, the Issuer received conditional approval to its application for listing on the Canadian Securities Exchange (the “**Exchange**”). Listing is subject to the Issuer fulfilling all of the listing requirements of the Exchange, which include confirmation that the public distribution satisfies the minimum requirement set out in the Policies of the Exchange.

An investment in the securities of the Issuer is highly speculative due to the nature of the Issuer's business and its present stage of development. At present, the Issuer's properties have no known commercial body of ore and the proposed work programs are only for the purpose of exploring for ore without the assurance of finding any commercial body of ore. An investment in natural resource issuers involves a significant degree of risk. The degree of risk increases substantially where the properties are in the exploration stage as opposed to the development stage.

Further, investments in early stage businesses such as the Issuer involve a high degree of risk and investors should not invest any funds in the Issuer unless they can afford to lose their entire investment. Subscribers must rely upon the ability, expertise, judgment, integrity and good faith of the management of the Issuer.

The Issuer was incorporated to find, explore and develop natural resource properties in North America. The Issuer has no present intention to pay any dividends on its Common Shares or any other classes of its securities. See "Description of the Securities Distributed." The Issuer has no history of earnings. See "Risk Factors."

No person has been authorized to provide any information or to make any representation not contained in this Prospectus and, if provided or made, such information or representation should not be relied upon. The information contained in this Prospectus is accurate only as of the date of this Prospectus.

Unless otherwise noted, all currency amounts in this Prospectus are stated in Canadian dollars.

**There is no market through which these securities may be sold and purchasers may not be able to resell securities purchased under this Prospectus. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities and the extent of issuer regulation. See "Risk Factors". The Issuer has applied to list its Common Shares on the Exchange. Listing is subject to the Issuer fulfilling all the listing requirements of the Exchange.**

**As of the date of this Prospectus, the Issuer does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, a U.S. marketplace, or a marketplace outside Canada and the United States of America other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc.**

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## BADEN RESOURCES INC.

### PROSPECTUS SUMMARY

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

<b>The Issuer</b>	Baden Resources Inc. (previously defined as the “ <b>Issuer</b> ”) was incorporated under the laws of the Province of British Columbia on January 19, 2020. The Issuer was formed to acquire, explore and develop mining claims in North America. To date, the Issuer has entered into the Bertha Property Option Agreement (as defined herein) pursuant to which it has agreed to purchase a 100% interest in the Bertha property (the “ <b>Property</b> ”). See “Narrative Description of the Business” on page 25 of this Prospectus.																
<b>Business of the Issuer</b>	The principal business of the Issuer is the exploration and, if warranted, development of natural resource properties. See “Description of the Business” on page 22 of this Prospectus.																
<b>Principal Property</b>	The Issuer’s principal property is the Property, located 35 kilometers southwest of Kamloops, British Columbia, within the Nicola Belt, a southern portion of the Quesnel Trough, bordered in part to the west by the Guichon Creek Batholith, host to the porphyry copper mines of the Highland Valley, and to the east by the Iron Mask Batholith, host to the New Afton Mine. The Property consists of 10 contiguous mineral claims that cover an area of 1543.4688 hectares. See “Narrative Description of the Business: Property Description and Location” on page 25 of this Prospectus.																
<b>Listing</b>	The Issuer has applied to have its common shares listed on the Canadian Securities Exchange. Listing is subject to the Company fulfilling all of the requirements of the Canadian Securities Exchange.																
<b>Use of Available Funds:</b>	<p>The estimated funds available to the Issuer as of November 30, 2020 are approximately \$544,041. The expected principal purposes for which the available funds will be used are described below:</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;">Use of Available Funds</th> <th style="text-align: right;">(\$)</th> </tr> </thead> <tbody> <tr> <td>Estimated regulatory fees related to the filing of a long form prospectus and listing on the CSE</td> <td style="text-align: right;">13,500</td> </tr> <tr> <td>Estimated legal, accounting and other expenses related to the completed private placements and to the filing of a long form prospectus and listing on the CSE</td> <td style="text-align: right;">65,000</td> </tr> <tr> <td>Exploration of the Bertha Property as recommended in the Technical Report<sup>(1)</sup></td> <td style="text-align: right;">107,300</td> </tr> <tr> <td>Estimated general and administrative costs for next 12 months<sup>(2)</sup></td> <td style="text-align: right;">121,000</td> </tr> <tr> <td>Shareholder communications</td> <td style="text-align: right;">10,000</td> </tr> <tr> <td>Unallocated working capital</td> <td style="text-align: right;">227,241</td> </tr> <tr> <td><b>TOTAL:</b></td> <td style="text-align: right;"><b>\$544,041</b></td> </tr> </tbody> </table>	Use of Available Funds	(\$)	Estimated regulatory fees related to the filing of a long form prospectus and listing on the CSE	13,500	Estimated legal, accounting and other expenses related to the completed private placements and to the filing of a long form prospectus and listing on the CSE	65,000	Exploration of the Bertha Property as recommended in the Technical Report <sup>(1)</sup>	107,300	Estimated general and administrative costs for next 12 months <sup>(2)</sup>	121,000	Shareholder communications	10,000	Unallocated working capital	227,241	<b>TOTAL:</b>	<b>\$544,041</b>
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	<ol style="list-style-type: none"> <li>1. See “Narrative Description of the Business – Estimated Exploration Costs.”</li> <li>2. See the table below for a description of the estimated general and administrative costs of the Issuer for the next 12-month period.</li> </ol>
<b>Directors, Officers and Senior Management</b>	<p>Howard Milne – President, CEO, and Director  Steve Mathiesen –CFO, Corporate Secretary, and Director  James Place – Director  Daren Hermiston – Director</p> <p>See “Directors and Officers” on page 94 of this Prospectus.</p>
<b>Risk Factors</b>	<p>Investment in the Issuer involves a substantial degree of risk and should be regarded as speculative. As a result, the purchase of the Issuer's securities should be considered only by those persons who can afford a loss of their entire investment. Prospective investors should carefully consider, in addition to matters set forth elsewhere in this Prospectus, the following factors relating to the Issuer and the business of the Issuer. The Issuer has no current mining operations and no revenue and will need to raise funds to carry out exploration of its properties. There is no assurance the Issuer will be able to raise additional funds or settle debt by the issuance of securities for debt to satisfy any indebtedness. In addition, if exploration programs are successful, additional funds will be required to place the Property into commercial production, and there are no assurances that the Issuer will be able to obtain such funds on the terms acceptable to the Issuer or at all. The business of mineral exploration involves a high degree of risk. Few mineral properties that are explored are ultimately developed into producing mineral properties. Acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. The success of the Issuer is largely dependent upon the performance of its directors and management. The Issuer’s management is experienced in exploring for minerals, but lacks technical training and experience with developing and operating a mine. The Issuer will be applying for all necessary licenses and permits under applicable laws and regulations to carry on the exploration activities which it is currently planning in respect of the Property, and the Issuer believes it will comply in all material respects with the terms of such licenses and permits. However, such licenses and permits are subject to change in regulations and in various operational circumstances which may result in increased costs and delays as a result of the need to comply with applicable laws, regulations and permits. Amendments to current laws, regulations and permits governing operations and activities of mineral companies, or more stringent implementation thereof, could have a material impact on the Issuer and cause an increase in capital expenditures or exploration costs or a reduction in production levels for producing properties or require abandonment of new exploration properties. The Issuer and its assets may be subject to uninsurable risks. The Issuer may be unable to acquire additional meritorious mineral properties on terms it considers acceptable. Directors of the Issuer may, from time to time, serve as directors of, or participate in ventures with other companies involved in natural resource exploration or development which may result in a conflict of interest. The Issuer and/or its directors may be subject, with or without merit, to a variety of civil or other legal proceedings. The Issuer intends to retain any future earnings to finance its business and operations and future growth and does not anticipate declaring any cash dividends in the foreseeable future.</p> <p>This information is presented as of the date of this Prospectus and is subject to</p>

	change, completion, or amendment without notice. See “Risk Factors” on page 116 of this Prospectus.
<b>Summary Financial Information</b>	The following selected financial information has been derived from and is qualified in its entirety by the unaudited and audited financial statements and notes thereto included in this Prospectus, and should be read in conjunction with such financial statements and the related notes thereto, along with the “Management Discussion and Analysis” included on page 74 of this Prospectus. All financial statements of the Issuer are prepared in accordance with International Financial Reporting Standards (“IFRS”).

	<b>Three Months Ended September 30, 2020 (Unaudited)</b>	<b>Fiscal Year Ended June 30, 2020 (Audited)</b>
Total Assets	\$640,614	\$312,310
Total Liabilities	\$31,086	\$30,586
Deficit	\$(74,201)	\$(53,595)
Shareholder Equity	\$609,528	\$281,724
Weighted Average of Common Shares Outstanding	9,954,280	3,377,951

### FORWARD LOOKING STATEMENTS

This Prospectus contains “forward-looking statements” within the meaning of Canadian securities laws. Forward-looking statements reflect the Issuer’s current views with respect to future events, are based on information currently available to the Issuer and are subject to certain risks, uncertainties, and assumptions, including those discussed above. Forward-looking statements include, but are not limited to, statements with respect to proposed expenditures for exploration work, and general and administrative expenses; expectations generally around the Issuer’s business objectives and its ability to raise further capital for corporate purposes; the success of mining exploration work; title disputes or claims; environmental risks; unanticipated reclamation expenses; the estimation of mineral reserves and resources; and capital expenditures. In certain cases, forward-looking statements can be identified by the use of words such as “intends”, “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved”. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ from those expressed or implied by the forward-looking statements. Such factors include, among others, actual results of current exploration activities; changes in project parameters as plans are refined over time; access to adequate services and supplies; the future price of gold and other precious or base metals; the ultimate ability to mine, process and sell mineral products on economically favourable terms; possible variations in mineral resources, grade or recovery rates; accidents, labour disputes and other risks of the mining industry such as the availability of qualified work force; delays in obtaining, or inability to obtain, required approvals, licenses and permits, or sufficient working capital to develop and operate any proposed mine, as well as other factors discussed under “Risk Factors”. Although the Issuer has attempted to identify material factors that could cause actual actions, events or

results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained in this Prospectus are made as of the date of this Prospectus. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Issuer will update forward-looking statements in its management discussion and analysis as required.

## **CURRENCY RATES, METRIC EQUIVALENTS AND ABBREVIATIONS**

All currency amounts in the Prospectus are stated in Canadian dollars unless otherwise indicated. All financial information with respect to the Issuer has been presented in Canadian dollars in accordance with generally accepted accounting principles in Canada.

The following table sets forth certain standard conversions from Standard Imperial Units to the International System of Units (or metric Units).

<b>To Convert from Metric</b>	<b>To Imperial</b>	<b>Multiply by</b>
Grams (g)	Grains	15.43
Grams (g)	Ounces (troy) (oz)	0.032
Grams per tonne (g/t)	Ounces (troy) per ton (oz/ton)	0.029
Hectares (ha)	Acres (ac)	2.471
Kilometres (km)	Miles (mi)	0.621
Square Kilometres (km <sup>2</sup> )	Square Mile (mi <sup>2</sup> )	0.386
Metres (m)	Feet (ft)	3.281
Millimetres (mm)	Inches (in)	0.039
Tonnes (t)	Short tons (2000 pds)	1.102
Acres (ac)	Hectares (ha)	0.405

## **GLOSSARY OF TERMS**

The following is a glossary of certain defined terms used frequently throughout this Prospectus:

<b>“\$”</b>	unless otherwise noted all dollar amounts are considered to be in Canadian currency.
<b>“Affiliate”</b>	a company that is affiliated with another company as defined in the <i>Business Corporations Act (British Columbia)</i> .
<b>“associate”</b>	when used to indicate a relationship with a Person, means: (a) an issuer of which the Person beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10 percent of the voting rights attached to all outstanding voting securities of the issuer; (b) any partner of the Person; (c) any trust or estate in which the Person has a substantial beneficial interest or in respect of which the Person serves as trustee or in a similar capacity; and (d) in the case of a Person who is an individual (i) that Person’s spouse or child, or (ii) any relative of that Person or of his spouse who has the same residence as that Person; but (e) where the Exchange determines that two Persons shall, or shall not, be deemed to be associates with respect to a Member firm, Member corporation or holding company of a Member corporation, then such determination shall be determinative of their relationships in the application of Rule D with respect to that Member firm, Member corporation or holding company.
<b>“Bertha Property Option Agreement”</b>	the agreement between the Issuer and Ken Ellerbeck dated January 20, 2020, granting the Issuer an option to acquire a 100% interest in the Property, subject to a production royalty of 2% of net smelter returns.
<b>“Claims”</b>	ten (10) contiguous mineral claims with mineral tenure numbers 1039697, 1039713, 1049929, 1064406, 1064715, 1064900, 1066816, 1067470, 1069575, and 1073890 that are the subject of the Bertha Property Option

	Agreement. The claims that comprise the Property cover an area of 1543.4688 hectares centered at 5591257N 66509E (10U NAD 83) and are located 210 kilometers northeast of Vancouver and 35 kilometers southwest of Kamloops, British Columbia, and 22 kilometers east of the Highland Valley Copper mine, within BCGS Maps 0921.047/.048 of the Kamloops Mining Division.
<b>“Common Shares”</b>	one or more Common Shares in the capital of the Issuer.
<b>“Directors”</b>	the directors of the Issuer.
<b>“Effective Date”</b>	the date on which the final receipt for this Prospectus is issued by the British Columbia Securities Commission.
<b>“Escrow Agent”</b>	means Odyssey Trust Company.
<b>“Escrow Agreement”</b>	the escrow agreement among the Issuer, the Transfer Agent, the Directors and certain shareholders of the Issuer dated effective November 6, 2020.
<b>“Exchange” or “CSE”</b>	the Canadian Securities Exchange.
<b>“Insider”</b>	an insider as defined in the <i>Securities Act</i> (British Columbia), which includes the directors and senior officers of the Issuer or any subsidiaries of the Issuer and any person that has direct or indirect beneficial ownership of, or control or direction over, securities of the Issuer carrying more than 10% of the voting rights attached to the Issuer's outstanding voting securities.
<b>“Issuer”</b>	Baden Resources Inc.
<b>“NI 43-101”</b>	National Instrument 43-101 <i>Standards of Disclosure for Mineral Projects</i> , as published by the Canadian Securities Administrators.
<b>“NSR Royalty”</b>	a net smelter return royalty payable by the Issuer to the Owner of the Property equal to 2% on the proceeds from production, as described in Schedule “B” to the Bertha Property Option Agreement, for all minerals derived from the Property.
<b>“Owner”</b>	the owner of the Property as defined in the Bertha Property Option Agreement, namely Ken Ellerbeck.
<b>“Person”</b>	a company or an individual.
<b>“Property”</b>	the contiguous 10-claim 1543.4688-hectare Bertha property that comprises the Claims and that is the subject of the Bertha Property Option Agreement.
<b>“Prospectus”</b>	this preliminary prospectus and any appendices, schedules or attachments hereto.
<b>“Qualified Person” or “QP” or the “author”</b>	Gregory R. Thomson, P.Geo., the author of the Technical Report.
<b>Stock Option Plan</b>	means the incentive stock option plan of the Company.
<b>“Technical Report”</b>	the NI 43-101 compliant technical report entitled “Technical Report on the Bertha Property, Kamloops Mining District, BCGS Maps 0921.047/.048 (0921-7E), British Columbia, Canada” dated November 9, 2020 and prepared by Gregory R. Thomson, P.Geo, the Qualified Person.
<b>“Transfer Agent”</b>	means Odyssey Trust Company.

**TECHNICAL GLOSSARY OF TERMS**

<b>aeromagnetic survey</b>	a common type of geophysical survey carried out using a magnetometer aboard or towed behind an aircraft. The principle is similar to a magnetic survey carried out with a hand-held magnetometer, but allows much larger areas of the Earth's surface to be covered quickly for regional reconnaissance. The aircraft typically flies in a grid-like pattern with height and line spacing determining the resolution of the data (and cost of the survey per unit area).
<b>Ag</b>	the chemical symbol for silver.
<b>andesite</b>	an extrusive igneous rock consisting primarily of plagioclase feldspars plus pyroxene and/or hornblende. Biotite, magnetite, quartz and sphene are common constituents. These rocks are found near the subduction zones of ocean tectonic plates, along continental margins.
<b>amygdule</b>	secondary deposit of minerals found in a rounded, elongated, or almond-shaped cavity in igneous rock.
<b>amygdaloid</b>	a volcanic rock in which rounded cavities formed by the expansion of gas or steam have later become filled with deposits of various minerals.
<b>anomaly</b>	a concentration or measurement in excess of statistical background.
<b>aphanitic</b>	a name given to certain igneous rocks that are so fine-grained that their component mineral crystals are not detectable by the unaided eye, as opposed to phaneritic igneous rocks, where the minerals are visible to the unaided eye.
<b>argillite</b>	a fine-grained sedimentary rock composed predominantly of indurated (hardened) clay particles.
<b>argillized</b>	the replacement or alteration of feldspars to form clay minerals, especially in wall rocks adjacent to mineral veins.
<b>assay</b>	a laboratory analysis to determine the presence, absence or concentration of one or more elemental components such as gold or copper.
<b>Au</b>	the chemical symbol for gold.
<b>augite</b>	a rock-forming mineral that commonly occurs in mafic and intermediate igneous rocks such as basalt, gabbro, andesite, and diorite. It is found in these rocks throughout the world, wherever they occur. Augite is also found in ultramafic rocks and in some metamorphic rocks that form under high temperatures.
<b>azurite</b>	a copper carbonate hydroxide mineral with a chemical composition of $Cu_3(CO_3)_2(OH)_2$ , best known for its characteristic deep blue to violet-blue colour.

<b>barite</b>	a mineral consisting of barium sulfate ( $\text{BaSO}_4$ ) which is generally white or colorless, and is the main source of the element barium.
<b>basalt</b>	a fine-grained, dark, mafic igneous rock composed largely of plagioclase feldspar and pyroxene.
<b>basic</b>	characteristic of a rock, having relatively little silica.
<b>batholith</b>	large body of igneous rock formed beneath the Earth's surface by the intrusion and solidification of magma.
<b>breccia</b>	a coarse-grained clastic rock, composed of angular broken rock fragments held together by a mineral cement or in a fine-grained matrix; it differs from conglomerate in that the fragments have sharp edges and unworn corners. Breccia may originate as a result of talus accumulation, explosive igneous processes, collapse of rock material, or faulting.
<b>calcite</b>	a rock-forming mineral with a chemical formula of $\text{CaCO}_3$ which is extremely common and found throughout the world in sedimentary, metamorphic, and igneous rocks.
<b>chalcopryite</b>	a common mineral, a sulfide of copper and iron, sometimes called copper pyrite or yellow copper ore.
<b>chloritize</b>	to alter, as the ferromagnesian rockforming silicates (augite, hornblende, biotite, etc.), into the secondary mineral, chlorite.
<b>clast</b>	a grain of sediment, silt, sand, gravel, etc., especially as a constituent fragment of a clastic rock formation, as distinguished from a chemical or biogenic component of such a formation.
<b>contiguous</b>	all rocks belonging to the unit are in physical contact, at least in underground.
<b>cuprite</b>	an oxide mineral composed of copper oxide $\text{Cu}_2\text{O}$ and a minor ore of copper.
<b>deboch</b>	to emerge from a relatively narrow valley upon an open plain.
<b>depocenter</b>	the part of a sedimentary basin where a particular rock unit has its maximum thickness.
<b>deposit</b>	a mineralized body which has been physically delineated by sufficient drilling, trenching, and/or underground work, and found to contain a sufficient average grade of metal or metals to warrant further exploration and/or development expenditures; such a deposit does not qualify as a commercially mineable ore body or as containing mineral reserves, until final legal, technical and economic factors have been resolved.
<b>diatreme</b>	a volcanic pipe formed by a gaseous explosion.

<b>diorite</b>	any of various dark, granite-textured, crystalline rocks rich in plagioclase and having little quartz.
<b>dyke</b>	an intrusion into an opening cross-cutting fissure, shouldering aside other pre-existing layers or bodies of rock; this implies that a dike is always younger than the rocks that contain it.
<b>EM</b>	electromagnetic.
<b>epidote</b>	any of a group of colourless to green or yellow-green silicate minerals with the general chemical formula $A_2B_3(SiO_4)(Si_2O_7)O(OH)$ , in which A is usually calcium (Ca), though manganese (Mn) or cerium (Ce) is sometimes substituted, and B is generally aluminum (Al), with the main substitution being ferric iron (Fe <sup>+3</sup> ).
<b>epiclastic</b>	formed at the surface of the earth by the consolidation of fragments of preexisting rocks.
<b>Fe</b>	the chemical symbol for iron.
<b>feldspar</b>	a group of common rock-forming minerals that crystallized from magma.
<b>felsic</b>	a mnemonic adjective derived from (fe) for feldspar, (l) for lenad or feldspathoid, and (s) for silica, and applied to light-colored rocks containing an abundance of one or all of these constituents. Also applied to the minerals themselves, the chief felsic minerals being quartz, feldspar, feldspathoid, and muscovite.
<b>fuchsite</b>	also known as chrome mica, is a chromium rich variety of the mineral muscovite, belonging to the mica group of phyllosilicate minerals, with the following formula: $K(Al,Cr)_2(AlSi_3O_{10})(OH)_2$ .
<b>gabbro / gabbroic</b>	a usually coarse-grained igneous rock composed chiefly of calcic plagioclase and pyroxene.
<b>geophysical survey</b>	mapping rock structures and mineral deposits by methods of measuring physics of the earth. Includes measuring magnetic fields, force of gravity, electrical properties.
<b>greywacke</b>	a variety of sandstone generally characterized by its hardness, dark colour, and poorly sorted angular grains of quartz, feldspar, and small rock fragments or lithic fragments set in a compact, clay-fine matrix. It is a texturally immature sedimentary rock generally found in Paleozoic strata.
<b>g/t</b>	grams per metric tonne.
<b>hornblende</b>	a member of the amphibole group of more complex silicates, in which the tetrahedra are linked to form a continuous chain twice the width of the pyroxene chains. Hornblende is commonly found in metamorphic rocks such as schists and gneisses, and igneous rocks such as diorites and dacites.

<b>igneous rock</b>	is formed by magma or lava cooling and becoming solid. Igneous rock may form with or without crystallization, either below the surface as intrusive rocks or on the surface as extrusive rocks.
<b>intercalated</b>	a special form of interbedding, where two distinct depositional environments in close spatial proximity migrate back and forth across the border zone.
<b>lineaments</b>	a linear feature in a landscape which is an expression of an underlying geological structure such as a fault. Typically a lineament will appear as a fault-aligned valley, a series of fault or fold-aligned hills, a straight coastline or indeed a combination of these features. Fracture zones, shear zones and igneous intrusions such as dykes can also be expressed as geomorphic lineaments.
<b>mafic</b>	containing or relating to a group of dark-colored minerals, composed chiefly of magnesium and iron, that occur in igneous rocks.
<b>malachite</b>	a green copper carbonate hydroxide mineral with a chemical composition of $\text{Cu}_2(\text{CO}_3)(\text{OH})_2$ and one of the first ores used to produce copper metal.
<b>manganese</b>	a chemical element with the symbol Mn and atomic number 25, it is found as a free element in nature and often found in minerals in combination with iron.
<b>mariposite</b>	an informal name that is most often used for green micas that are thought to be colored by small amounts of chromium. The name “mariposite” has also been used for a group of green and white metamorphic rocks that contain significant amounts of green mica.
<b>Mesozoic</b>	designating or of the middle geologic era of the Phanerozoic Eon, subdivided into the Triassic, Jurassic, and Cretaceous periods and characterized by the development and extinction of the dinosaurs and the development of the first birds, mammals, and flowering plants.
<b>metasomatism</b>	the chemical alteration of a rock by hydrothermal and other fluids. It is the replacement of one rock by another of different mineralogical and chemical composition. The minerals which compose the rocks are dissolved and new mineral formations are deposited in their place.
<b>Mg</b>	the chemical symbol for magnesium.
<b>Na</b>	the chemical symbol for sodium.
<b>Ni</b>	the chemical symbol for nickel.
<b>NSR</b>	“net smelter return” royalty, cash proceeds for the economic materials from a smelter after various costs.
<b>ore</b>	a metal or mineral, or a combination of these, of sufficient value as to quality and quantity to enable it to be mined at a profit under current economic and technical conditions.

<b>outcrop</b>	an exposure of rock or mineral deposit that can be seen on surface, not covered by soil or water.
<b>Pb</b>	the chemical symbol for lead.
<b>phenocryst</b>	a conspicuous, large crystal embedded in a finer-grained matrix of smaller crystals in a porphyritic igneous rock.
<b>plagioclase</b>	any member of the series of abundant feldspar minerals usually occurring as light-coloured, glassy, transparent to translucent, brittle crystals.
<b>porphyry</b>	igneous rocks with relatively large mineral crystals set in a fine grained igneous groundmass.
<b>ppb</b>	parts per billion.
<b>ppm</b>	parts per million.
<b>protolith</b>	the original, unmetamorphosed rock from which a given metamorphic rock is formed.
<b>pyrite</b>	a sulphide mineral, iron sulphide.
<b>pyroclastic</b>	sedimentary clastic rocks composed solely or primarily of volcanic materials. Where the volcanic material has been transported and reworked through mechanical action, such as by wind or water, these rocks are termed volcaniclastic.
<b>pyroxene</b>	any of a group of crystalline silicate minerals common in igneous and metamorphic rocks and containing two metallic oxides, as of magnesium, iron, calcium, sodium, or aluminum.
<b>pyroxenite</b>	an igneous rock consisting chiefly of pyroxenes.
<b>pyrrhotite</b>	an iron sulfide mineral with the formula $\text{Fe}(1-x)\text{S}$ ( $x = 0$ to $0.2$ ) which is also called magnetic pyrite, because the color is similar to pyrite and it is weakly magnetic.
<b>quartz</b>	a mineral, the composition of which is silicon dioxide; a crystalline form of silica, which frequently occurs in veins.
<b>rhyodacite</b>	an extrusive volcanic rock intermediate in composition between dacite and rhyolite.
<b>rhyolite</b>	the fine-grained volcanic or extrusive equivalent of granite, light brown to gray and compact.
<b>sampling</b>	taking and sending a small proportion of a rock or mineral to a laboratory for analysis to determine if it contains minerals of economic interest.
<b>Sb</b>	the chemical symbol for antimony.

<b>schist</b>	a foliated metamorphic rock made up of plate-shaped mineral grains that are large enough to see with an unaided eye. It usually forms on a continental side of a convergent plate boundary where sedimentary rocks, such as shales and mudstones, have been subjected to compressive forces, heat, and chemical activity.
<b>Si</b>	the chemical symbol for silicon.
<b>sediments</b>	the rock particles or debris resulting from the weathering, break-up and erosion of pre-existing rocks.
<b>sedimentary exhalative chert (SedEx deposits)</b>	ore deposits which are interpreted to have been formed by release of ore-bearing hydrothermal fluids into a water reservoir (usually the ocean), resulting in the precipitation of stratiform ore.
<b>sedimentary rock</b>	is a type of rock that is formed by sedimentation of material at the Earth's surface and within bodies of water.
<b>serpentinite</b>	a rock composed of one or more serpentine group minerals, the name originating from the similarity of the texture of the rock to that of the skin of a snake.
<b>shears</b>	the response of a rock to deformation, usually by compressive stress, which forms particular textures. Shear can be homogeneous or non-homogeneous and may be pure shear or simple shear.
<b>siliceous</b>	any of a group of sedimentary rocks that consist largely or almost entirely of silicon dioxide (SiO <sub>2</sub> ), either as quartz or as amorphous silica and cristobalite; included are rocks that have formed as chemical precipitates and excluded are those of detrital or fragmental origin.
<b>silicification</b>	the introduction of, or replacement by, silica, generally resulting in the formation of fine-grained quartz, chalcedony, or opal, which may fill pores and replace existing minerals.
<b>sphalerite</b>	a mineral zinc sulphide, which nearly always contains iron and it is a principal ore of zinc.
<b>stratigraphy</b>	a branch of geology concerned with the study of rock layers (strata) and layering (stratification). It is primarily used in the study of sedimentary and layered volcanic rocks.
<b>strike</b>	the direction, or course or bearing, of a vein or rock formation measured on a level surface.
<b>sulfide or sulphide</b>	a mineral compound characterized by the chemical bonding of sulphur with a metal.
<b>syncline</b>	in structural geology, a syncline is a fold with younger layers closer to the center of the structure, whereas an anticline is the inverse of a syncline.

<b>tuff</b>	a volcanic rock formed by the compaction of fine rock fragments blasted from a volcano, the fragments are generally smaller than 4mm in diameter.
<b>vesicular</b>	a volcanic rock texture characterized by a rock being pitted with many cavities (known as vesicles) at its surface and inside. This texture is common in aphanitic, or glassy, igneous rocks that have come to the surface of the earth, a process known as extrusion.
<b>volcanic</b>	rocks originating from volcanic activity.

## **CORPORATE STRUCTURE**

### **Name and Incorporation**

The Issuer, whose full name is “**Baden Resources Inc.**”, was incorporated under the *Business Corporations Act (British Columbia)* on January 19, 2020. The Issuer's head office is located at Suite 1510, 789 West Pender Street, Vancouver, British Columbia, V6C 1H2. The Issuer's registered and records office address is located at 1510 – 789 West Pender Street, Vancouver, British Columbia, V6C 1H2.

The Issuer's Common Shares are not listed or posted for trading on any stock exchange.

The Issuer does not have any subsidiaries.

## **DESCRIPTION OF THE BUSINESS**

### **Description of the Business**

The Issuer is a mineral exploration and development company. Its activities consist of acquiring, exploring, developing, and, as the case may be, operating mining properties. It is anticipated that the Issuer will be mainly active in the field of mining exploration in British Columbia and that a material part of the funds from subscriptions of the Common Shares previously sold by the Issuer will be used in exploration work on the Property. See “Use of Available Funds” and “Narrative Description of the Business”.

The Issuer does not presently operate a mine.

Mineral exploration and development of mining properties will constitute the principal business of the Issuer for the coming years. In the course of realizing its objectives, the Issuer will be called upon to enter into various agreements specific to the mining industry, such as purchase or option agreements to purchase mining claims and joint venture agreements.

### **Stated Business Objectives**

The principal business carried on, and intended to be carried on, by the Issuer is the acquisition and exploration of mineral exploration properties in North America. The Property is in the early exploration stage. The Issuer's primary objective following listing of its Common Shares on the Canadian Securities Exchange is to undertake the recommended exploration program described in the section of this Prospectus entitled “Narrative Description of the Business”. Upon listing of the Common Shares on the Canadian Securities Exchange, the Issuer plans to complete the recommended exploration program at a cost of CDN \$106,800 to complete an IP survey on each of the three mineral zones of the Property with magnetometer and VLF-EM surveys on the Plug Showing of the Plug Zone for the westward extension from the Meadow Showing to determine if the two Showings are connected as indicated. The Issuer will require additional capital to complete any additional phases of exploration work. The additional capital may come from future equity or debt financings and there can be no assurance that the Issuer will be able to raise such additional capital if and when required or on terms acceptable to the Issuer or at all. See “Use of Available Funds” and “Risk Factors - Requirement for Further Financing”.

## History

The Issuer is currently in the business of acquiring and exploring mineral properties and has been since the commencement of operations subsequent to its incorporation on January 19, 2020. To date, the Issuer has entered into the Bertha Property Option Agreement with Ken Ellerbeck, an arm's length party and the sole owner of ten contiguous mining claims situated in the Kamloops Mining District, pursuant to which the Issuer has the exclusive right to prospect and explore for, mine by underground or open pit methods, mill, prepare for market, store, sell, and dispose of the same, together with such rights-of-way, easements, water and water rights, of every kind and nature, through, over, on or appertaining to the ten mining claims as the Issuer may determine, subject to a production royalty of 2% of net smelter returns. The Issuer may elect to purchase at any time from the optionor, prior to the commencement of commercial production, one-half of the NSR Royalty (being one percent (1%)), upon payment to the optionor of \$1,000,000. The Issuer intends to complete the recommended exploration program on the Property set out in the Technical Report. The Issuer also intends to obtain and explore additional mineral properties of merit.

The Issuer does not anticipate any changes to occur in its business during the current financial year.

## Significant Acquisitions and Significant Dispositions

The Issuer has not carried out any significant acquisitions or dispositions other than that the Issuer entered into the Bertha Property Option Agreement.

### *Bertha Property Option Agreement*

Under the Bertha Property Option Agreement, Ken Ellerbeck granted to the Issuer the right to acquire an undivided 100% interest in the Property, free and clear of all liens, charges, encumbrances, claims, rights or interests of any other person.

In order to exercise the option, the Issuer shall pay to the Owner the aggregate sum of \$300,020 and issue a total of 600,000 Common Shares in instalments, and complete minimum expenditures on the Property in accordance with the following schedule:

<u>Date</u>	<u>Shares</u>	<u>Cash Payments</u>	<u>Expenditures</u> <sup>(1)</sup>
On Signing		\$10	
Listing Date	100,000	\$10	
September 30, 2020			\$53,000 <sup>(2)</sup>
1 <sup>st</sup> Anniversary of Listing Date	100,000		\$100,000
2 <sup>nd</sup> Anniversary of Listing Date	100,000	\$20,000	\$100,000
3 <sup>rd</sup> Anniversary of Listing Date	100,000	\$30,000	\$100,000
4 <sup>th</sup> Anniversary of Listing Date	200,000	\$250,000	\$300,000
<b>Total:</b>	<b>600,000</b>	<b>\$300,020</b>	<b>\$653,000</b>

- (1) Expenditures means all cash, expenses, obligations and liabilities, other than for personal injury or property damage, of whatever kind or nature spent or incurred directly or indirectly in

connection with the exploration, development or equipping of the Property or any portion thereof for mining work including, without limiting the generality of the foregoing, monies expended in constructing, leasing or acquiring all facilities, buildings, machinery and equipment in connection with mining work, in paying any taxes, fees, charges, royalties, payments or rentals (including payments in lieu of assessment work), or otherwise to keep the Property or any portion thereof in good standing, (including any payment to or in respect of acquiring any agreement or confirmation from any holder of surface rights respecting the Property or any portion thereof), in carrying out any survey of the Property or any portion thereof, in doing geophysical, geochemical and geological surveys, in trenching, drilling, assaying, metallurgical testing, bulk sampling and pilot plant operations, in paying the fees, wages, salaries, travelling expenses, fringe benefits (whether or not required by law) of all persons engaged in work with respect to and for the benefit of the Property or any portion thereof, in paying for the food, lodging and other reasonable needs of such persons, in preparing any reports, and in supervising and managing any mining work done with respect to and for the benefit of the Property or any portion thereof, as well as an operator's overhead management fee of 15% of all such other expenses.

- (2) The Issuer was obligated to incur \$53,000 of expenditures by September 30, 2020 and they must qualify for assessment work to be recorded against the Property in the Mining and Minerals Division before October 31, 2020, which expenditures have been made and the assessment work recorded.

For the purposes of the Bertha Property Option Agreement, the area covered by the Property shall include an area of influence surrounding the outer perimeter of the Property to a maximum of two and one-half (2.5) kilometers (the “**Area of Influence**”) and all mineral concessions, interests or rights acquired, directly or indirectly, within the Area of Influence before or after the date of signing of the Bertha Property Option Agreement by either the Owner or the Issuer during the currency of the Bertha Property Option Agreement shall become part of the Bertha Property Option Agreement.

On commencement of commercial production (defined as the operation of the Property or any portion thereof as a producing mine and the production of mineral products therefrom, excluding bulk sampling, pilot plant or test operations), the Property will be subject to a 2% net smelter return royalty in favour of the Owner. The Issuer may elect to purchase from the Owner at any time prior to the commencement of commercial production one-half of the NSR Royalty (being 1%) upon the payment to the Owner of \$1,000,000.

For the purposes of the Bertha Property Option Agreement, the term “Net Smelter Returns” shall mean all monies realized and actually received by the Issuer on the sale of any ores or minerals mined or extracted from the Property as evidenced by its returns or settlement sheets, including any premiums, bonuses and subsidies, less, if any such ores or minerals require smelting or other processing, all monies paid or payable on account of:

- (a) loading and transportation of the ores or minerals from the Property or any mill erected on or about the Property to the smelter or other purchaser;
- (b) smelter treatment charges or other charges levied by the purchaser;
- (c) freight allowance and severance taxes or royalties that may be paid to the Province of British Columbia;

- (d) insurance and security costs and charges;
- (e) marketing costs and commissions; and
- (f) penalties and other deductions whatsoever paid or payable in relation to the sale of the ores or minerals.

## **Trends**

There are significant uncertainties regarding the prices of gold and silver and other minerals and the availability of equity financing for the purposes of mineral exploration and development. For instance, the price of silver, gold and other minerals has fluctuated widely in recent years and wide fluctuations are expected to continue. Interest in early stage exploration companies is also subject to overall market sentiment. Apart from these risks, and the risk factors noted under the heading “Risk Factors,” the Issuer is not aware of any other trends, commitments, events or uncertainties that would have a material adverse effect on our business, financial condition or results of operations.

## **NARRATIVE DESCRIPTION OF THE BUSINESS**

### **Technical Report – Bertha Property**

The following information regarding the Property has been summarized from a technical report (previously defined as the “Technical Report”) entitled “Technical Report on the Bertha Property, Kamloops Mining District, BCGS Maps 0921.047/.048 (0921-7E), British Columbia, Canada”, dated November 9, 2020 and prepared by Gregory R. Thomson, P. Geo, (previously defined as the “Qualified Person”, “QP” or “author”) and should be read in conjunction with this Prospectus. Mr. Thomson is an independent qualified person as defined by NI 43-101. The Technical Report has been prepared in accordance with NI 43-101 and is available for inspection at the head office of the Issuer during normal business hours during the period of distribution of the Common Shares. This summary contains references to indicate to the reader the materials that have been used to compile the Technical Report. The Technical Report contains a complete list of all references used in this summary. The full Technical Report will also be made available on SEDAR at [www.sedar.com](http://www.sedar.com).

### **Property Description and Location**

#### *1.1 Description*

The Bertha Property is comprised of 10 contiguous mineral claims covering an area of 1543.4688 hectares.

#### *1.2 Location*

The Bertha Property is located within BCGS Maps 0921.047/.048 of the Kamloops Mining Division, 210 kilometers northeast of Vancouver and 35 kilometers southwest of Kamloops.

Kamloops is a city in south-central British Columbia located at the confluence of the two branches of the Thompson River near Kamloops Lake and is the largest community in the Thompson-Nicola Regional District and the location of the regional district’s offices. It is ranked 7<sup>th</sup> on the list of the 100 largest

metropolitan areas in Canada and represents the 44<sup>th</sup> largest census agglomeration nationwide, with 90,280 residents in 2016. The Bertha Property is centered at 5591257N 665609E (10U NAD 83).

**Figure 1: Location Map (Base Map: MapPlace 2)**



*1.3 Option Agreement*

The terms of the “Bertha Property Option Agreement” between Ken Ellerbeck (optionor) and Baden Resources Inc., dated January 20, 2020, are as follows:

**Table 1: Bertha Property Option Agreement**

<b>Date</b>	<b>Shares</b>	<b>Cash Payments</b>	<b>Expenditures</b>
On Signing		\$10 (Paid)	
Listing Date	100,000	\$10	
September 30, 2020			\$53,000 (Done)
1 <sup>st</sup> Anniversary of Listing Date	100,000		\$100,000
2 <sup>nd</sup> Anniversary of Listing Date	100,000	\$20,000	\$100,000
3 <sup>rd</sup> Anniversary of Listing Date	100,000	\$30,000	\$100,000
4 <sup>th</sup> Anniversary of Listing Date	200,000	\$250,000	\$300,000
<b>Total:</b>	<b>600,000</b>	<b>\$300,020</b>	<b>\$653,000</b>

### Claim Maintenance

In order to maintain the claims in good standing, the value of exploration and development required for each year is at least:

- (a) \$5 per hectare for each of the first and second anniversary years;
- (b) \$10 per hectare for each of the third and fourth anniversary years;
- (c) \$15 per hectare for each of the fifth and sixth anniversary years;
- (d) \$20 per hectare for each subsequent anniversary year.

Other terms of the Bertha Property Option Agreement are:

- The Issuer acknowledges that on commencement of commercial production, the Property will be subject to the 2% NSR Royalty in favour of the Owner.
- The Issuer may elect to purchase from the Owner at any time prior to the commencement of commercial production one-half of the NSR Royalty (being one percent (1%), upon the payment to the Owner of \$1,000,000).

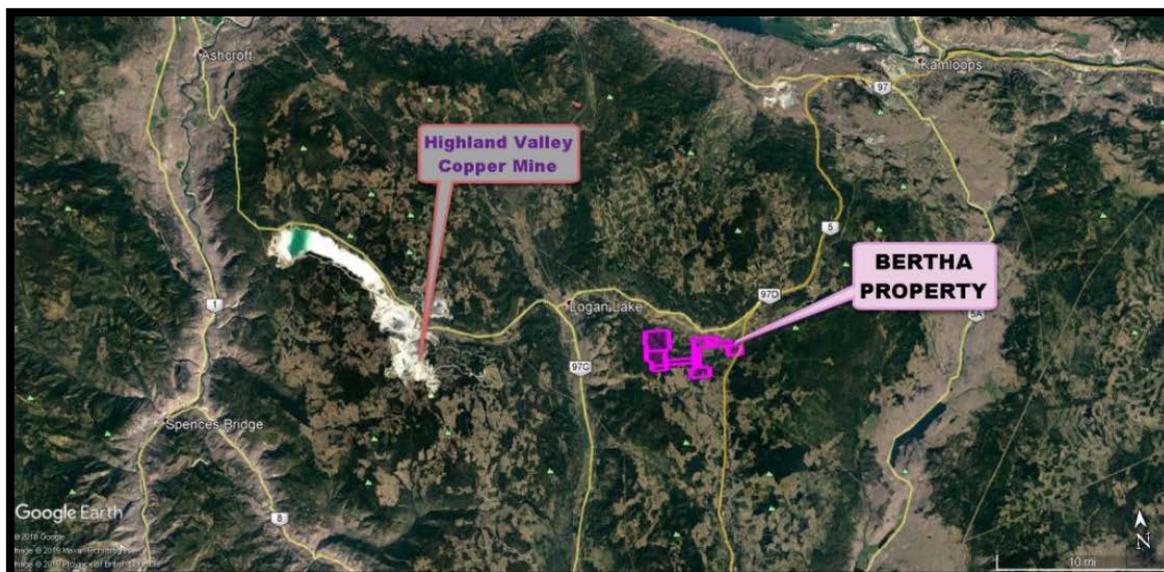
As an alternative to the exploration and development requirements, a recorded holder may make a payment. The required payment to maintain a mineral claim for an anniversary year is double the value of exploration and development that would be required to maintain the claim for the anniversary year. Should a claim not be renewed, the claim is cancelled at midnight of the “Good Until” date and the ground which was covered by the claim is available for staking by any person with a Free Miners Certificate at 10:00 a.m. the following day.

The mineral tenures are for sub-surface rights only; there are no surface rights associated with the tenure. There is no hindrance to access and/or access rights to the Property.

**Table 2: Tenures of the Bertha Property (from Mineral Titles Online)**

Tenure number	Claim name	Expire date	Area in hectare
1039697	MEADOW-PLUG	25/10/2024	123.4801
1039713	PLUG IT	25/10/2024	82.3091
1049929	PLUG NORTH	25/10/2024	61.7282
1064406	RHYOLITE HOMFRAY	25/10/2024	411.4882
1064715	DES	25/10/2024	164.6966
1064900	DES-PLUG	25/10/2024	205.7844
1066816		25/10/2024	226.3857
1067470	HELLO MOLLY	25/10/2024	61.7528
1069575	BERTHA DES	25/10/2024	123.4954
1073890	DES 2	25/10/2024	82.3483

**Figure 2: Bertha Property Location in relation to Highland Valley Copper Mine (Base map from Google Earth)**



### **Obligations and Liabilities**

There are no current obligations or commitments for reclamation, closure or other environmental corrective action relating to the mineral claims that the Author is aware of.

To conduct the recommended exploration program, a permit would be required for the induced potential survey on the Property, which could take two months to obtain.

The author is not aware of any liabilities on the Property or significant factors and risks that may affect access, title or right or ability to perform work on the Property.

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

#### *Access*

From the municipality of Logan Lake, with a population of 2,073 (2011), the Bertha Property can be accessed by travelling east on Highway 97D for 16 kilometers to the junction with the Desmond Lake road thence southerly for one kilometer to Tenure 1049929 of the Bertha Property. Alternately, the Bertha property may be accessed by driving northward 47 kms from Merritt, British Columbia, then taking the Highway 97D turnoff going westward towards Logan Lake. Highway 97D is then followed for approximately 7 Kms to reach the graveled Surrey-Sussex Lake Road, which is then followed approximately 1.5 kms southward to reach the network of secondary dirt roads providing access throughout the Bertha Property.

### *Climate*

The Bertha property is located in the rain shadow of the Canadian Cascades and the Lillooet Ranges of the Coast Mountains. The climate of the Nicola Country is dry and, in summers, quite hot. Vegetation in lower elevations tends towards sagebrush, grasslands, open pine and deciduous, with high-elevation areas thick with coniferous forest.

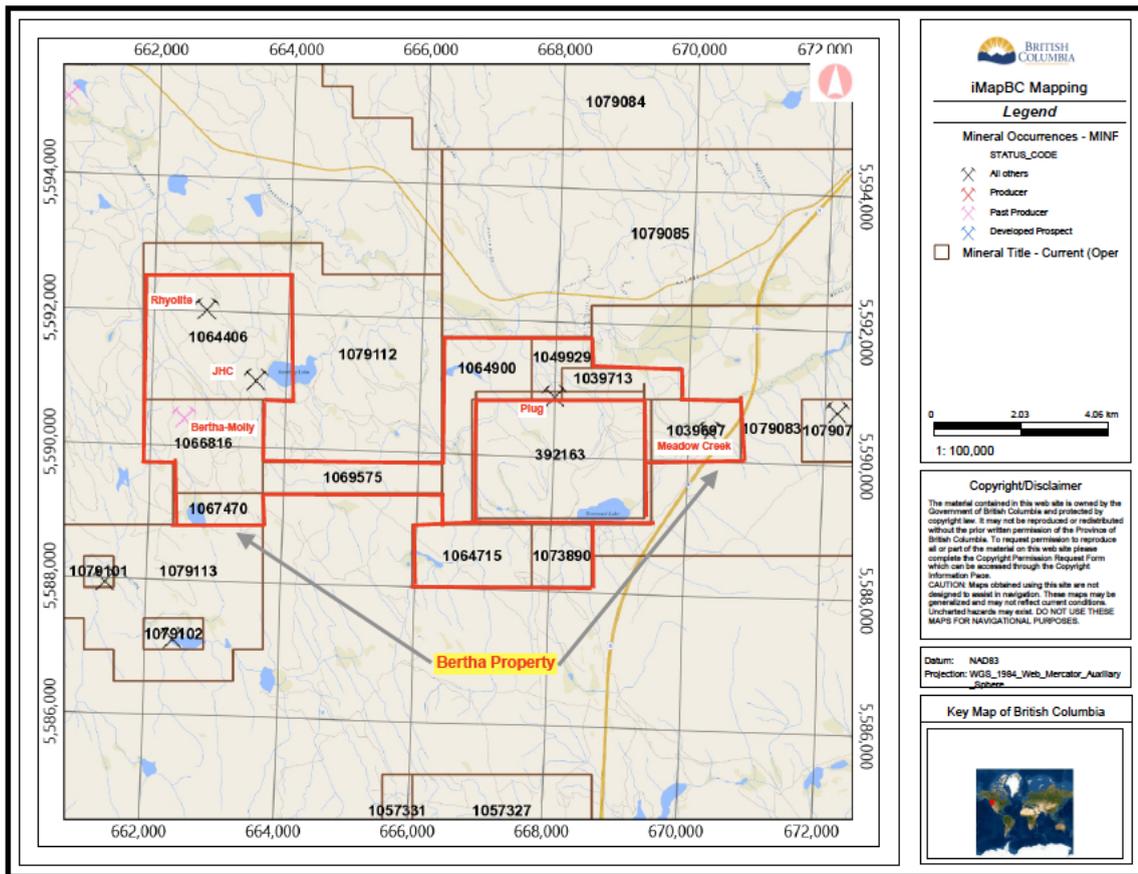
The Nicola region is a local steppe climate. There is little rainfall throughout the year with an average summer temperature of 20.8°C. The lowest average temperatures in the year occur in January, when it is around -4.8°C.

On the Bertha Property, minimal to moderate snow cover could occur from November to April and would not hamper a year-round exploration program.

Kamloops is British Columbia's second sunniest city with over 2,000 hours of sunshine annually, making it an ideal getaway destination in any of the four seasons. Kamloops is located in the dramatic setting of mountains, river valleys, deserts and grasslands.

**Figure 3: Claim Map (Base map from Map BC)**





### *Local Resources*

Sufficient basic resources for an initial or an advanced exploration and development program would be available at Kamloops, which is serviced daily by commercial airlines from Vancouver.

With a rich mining history going back over 100 years, Kamloops has skilled mining personnel, mining consultants, assay labs, and mining suppliers ready to facilitate mining exploration and active mining. This significant concentration has resulted in a cluster of industries that have located there to support the mining operations.

### *Water and Power*

Power requirements for the initial exploration and development at the Bertha Property would be fuel generated. Commercial power sources may be available from a 500 Kv transmission line that crosses the Bertha Property.

Water for all phases of the exploration and development program should be available from water courses on or adjacent to the Bertha Property.

### *Infrastructure*

Kamloops is the “hub” city for the Interior of British Columbia.

- Airport: 7 daily and 8 weekend flights to Vancouver, 4 daily and 8 weekend flights to Calgary, daily and two weekend flights to Edmonton and two weekly and one weekend flight to Prince George.
- Located at the intersection of Western Canada's four major highways.
- One of only two cities in Canada serviced by both national railways (CN Rail and CP Rail).
- Over 52 trucking and wide transport companies servicing North America based in Kamloops.

Kamloops is the natural trade and distribution hub in the southern B.C. interior, a financial, travel, and cultural focus, and the administrative center for the Thompson-Nicole regional district.

As to surface rights for a mining operation at the Plug and Des Zones which are on Crown land, there are no other surface rights.

### *Physiography*

The Bertha Property lies within the Thompson Plateau of southern British Columbia, locally within the Nicola Regional District. The Property area covers gentle to moderately forested slopes with locally logged areas. Abundant thick layers of glacial till cover dominates the landscape. The Bertha Property area contains several small ponds/lakes as well as numerous swampy areas. Numerous small creeks traverse the Property area and mainly drain northward towards the valley bottom occupied by Meadow Creek. Elevations are fairly consistent over the Property area, averaging 1,300 m above sea level.

### **History**

**Table 3: Claims/Property, Expenditures for Past 36 Months on Current Tenures**

Year	AR Reference	Historic Names of Claims/Property	Current Tenure Location	Cost
2018	36958	679143 . Bertha	1064406	6,500.00
2017	37206	PLUG NORTH / Plug	1039713	2,845.95
2019	38178	1064406 / Rhyolite	1064406	2,660.20
2019	38305	1066816 / Rhyolite	1066816	2,712.95
2019	38307	1064715 / Des-Plug	1064715	2,703.45
2019	38811	1064715 / Bertha	1064715	2,696.90
2020	39010	Des-Plug/Bertha	1039697, 1064715	54,950.00
2020	39051	Des-Plug/Bertha	1064715	6,450.00
2020	39052	Des-Plug/Bertha	1073890	2,422.00
<b>Total expenditure for past 36 months</b>				<b>83,942.45</b>

**Table 4: Summary of Exploration History and Exploration Results**

Year Report Author	Owner (1) Operator (2)	Exploration type, area, amount, quantity	Results	Reference Assessment Report #
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1888	Meadow Creek Mines (1)	120 sacks of copper ore prepared for shipment. 75 foot shaft of unknown age.		(1888 MMAR)
1958 McBeath	Vanex Minerals Ltd.	Geophysical 9.0 km Magnetic	No anomalies	228
1958 McBeath	Vanex Minerals Ltd.	Geophysical: 9.0 km Magnetic	No anomalies	234
1959 Hill	Vanex Minerals Ltd.	Geophysical: 120.0 km Magnetic	No significant anomalies.	266
1959	Vanex Minerals Ltd.	Diamond Drilling: 2 drill holes; 198 metres total.	Pyrite and silicification in hole no. 1	18048
1972 Deleen/ Nordin	Texada Mines	Geochemical: 268 samples Geological: 775 hectares Geophysical: 23.3 km	One of four geochemical anomalies coincides with a magnetometer anomaly and an I.P. chargeability anomaly.	4041
1972 Scott/ Cochrane	Texada Mines	Geophysical: 14.3 km IP: 8.3 km	Three weak to moderate chargeability anomalies greater than 8.0 ms. Two coincident SP anomalies	4042
1972 Lammler	Newco Ventures	Geochemical: 1128 samples	Two large soil anomalies of moderate intensity in an area of intrusive diorite. Anomalies are subjacent to, or in the immediate proximity of intersections.	4057
1979	Thunderbolt	Geophysical:	Correlative	7268

Sookochoff	Resources Ltd.	14.0 km, VLF; 14.0 km Magnetic,	magnetometer lows with VLF- EM anomalies possibly reflecting strong fault, shear zone or hydrothermal alteration	
1980 Mark	Thunderbolt Resources Ltd.	Geophysical: 4.1 km, VLF; 4.1km Magnetic	Northerly and northwesterly trending VLF- EM anomalies correlating with magnetic highs.	8032
1980 Mark	Thunderbolt Resources Ltd.	Geochemical: 383 samples	Anomalous values in copper, zinc, and molybdenum.	8397
1981 McQuarrie	Charles Boitard	Geophysical: 2.81 km IP	Two IP anomalies	9854
1982 Cukor	Visa Resources Ltd (1) I. Borovic (2)	Geochemical: Geophysical:	Apparent high magnetic response over the areas of trenching.	10551
1984 Cukor	V. Cukor (1) Promina Develop- ments Ltd.(2)	Geophysical: Magnetic, ground Physical; 3.6 km Line Grid	A definite northwest- southeast magnetic pattern was noted.	12287
1986 Crooker/ Rockel	Western Resource Technologies Inc.(2)	Geophysical: 4.0 km VLF; 4.0 km IP; 750 Magnetic;	Moderate to low VLF-EM conductance. One conductor appears coincident with a magnetic high.	14959
1986 Crooker/ Rockel	Western Resource Technologies	Geophysical: 4.0 km VLF;750 m IP; 4.0 km Magnetic;	Anomalous geochemical concentrations.	15060

	Inc.(2)		Several geophysical targets that require definition	
1987 Rockel	E.R. Rockel (1) Interpretex Resources Ltd. (2)	Geochemical: 17 soils; 2 rocks	No significant gold and silver anomalies over two previous VLF-EM conductors.	16189
1987 LaRue/ Boitard	C. Boitard (1) Menika Mining (2)	Geophysical: 3 km IP	The survey extended the north--northwest trending previous I.P. anomaly 200 metres. Two pfe peaks of 12% and 17% were the greatest to date.	17070
1988 Rockel	G.F. Crooker (1) Western Resource Technologies Inc (2)	Geochemical: 536 soil; 9 silt; 13 rock samples Geological: 8.0 hectares Geophysical: 18.6 km VLF; 16.8 km ground magnetic	One weak gold geochemical anomaly and a number of copper and zinc geochemical anomalies.	17337
1988 Rockel	E.R. Rockel (1) E.R. Rockel (2)	Geochemical: 50 samples	Two anomalous gold zones correlate with slight arsenic highs.	17849
1988 Crooker	G.F. Crooker (1) Western Resource Technologies Inc (2)	Geochemical: 403 soil samples. 31 rock samples Geological: 200 hectares Geophysical: 6.0 km I.P.	Weakly anomalous gold, silver, copper and zinc.	18048
1989 Kim	C. Boitard (1) (2)	Drilling: 7 holes; 2046.6 m Geochemical:	Bleaching, kaolinization and argillization	19140

		45 samples	plus mylonitized shear zones in places present moderate sulphide mineralization, low auriferous content	
1992 Crooker	G.F. Crooker (1) (2)	Geophysical: 5.8 km VLF 6.3 km magnetic 6.3 km line/grid	One prominent circular shaped magnetic high defined. A number of weak to moderate strength VLF- EM conductors	22346
1992 Crooker	G.F. Crooker (1) (2)	Geophysical: 7.1 km VLF 7.4 km magnetic	Magnetic highs are mostly narrow, linear trends which coincide with conductor systems.	22366
1996 Crooker	G.F. Crooker (1) Goldcliff Resource Corporation (1) (2)	Geochemical: 24 silt samples 2697 soil samples Geophysical: 67.3 km VLF 91.0 km magnetic	Anomalous gold values in silt samples. A number of significant magnetic and electromagnetic features. Plug showing appears to be associated with a weak magnetic high, VLF conductivity	24862
1997 Crooker	G.F. Crooker (1) L.W. Saleken (1) Goldcliff Resource	Drilling:  8 rotary drill holes	Gold values of 0.7 to 2,850 g/t in 40-foot	25405

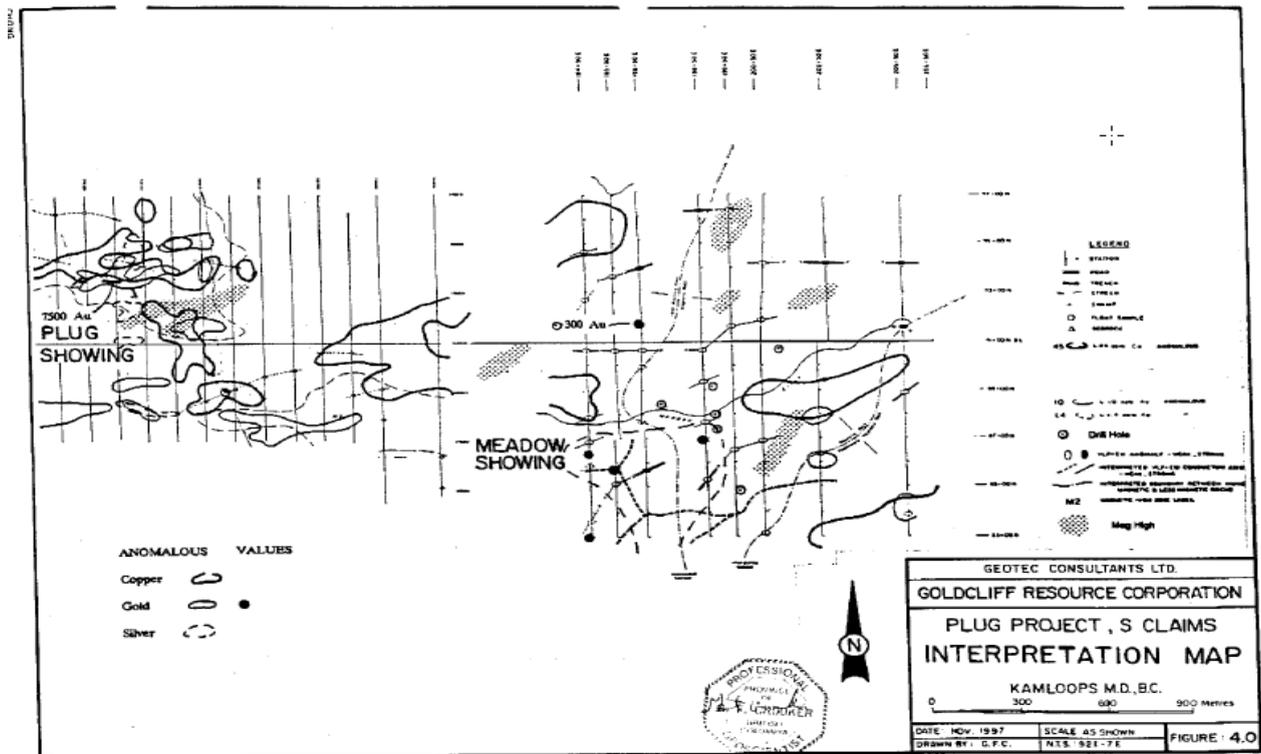
	Corporation (2)	<p>Geochemical:</p> <p>586 samples</p> <p>Physical:</p> <p>5 trenches</p>	section with C-Q-M alteration of drill-hole PL02. Moderate south dipping zone of gold and silver mineralization.	
2005 Sookochoff	Aurora Capital Inc.	<p>Geological:</p> <p>489 hectares</p>	Three cross-structural locations indicated	28671
2007 Sookochoff	L. Sookochoff (1) (2)	<p>Geological:</p> <p>370 hectares</p>	Three cross-structural locations indicated	29034
2007 Sookochoff	L. Sookochoff (1) (2)	<p>Geophysical:</p> <p>2.0 km VLF</p>	Four northerly trending VLF-EM anomalies	29495
2008 Sookochoff	Aurora Capital Inc.	<p>Geological:</p>	Rhyolite:Zone of potential mineralization discovered.	No AR Figures 17-19
2008 Crooker	G.F. Crooker (1) (2)	<p>Geochemical:</p> <p>68 samples</p>	The results of the survey did not yield any anomalous molybdenum, antimony, or lead geochemical values.	30550
2015 Ellerbeck	K. Ellerbeck (1) (2)	<p>Geochemical:</p> <p>9 rock samples</p> <p>Prospecting: 3.0 hectares</p>	Elevated level of Au, Ag and Cu in samples 1-4-9. Elevated levels of Pb, Zn in samples 1-4-9.	35772

2016 Sookochoff	C. & G. Delorme (1) (2)	Geological: Photo; 370.4 ha  Geophysical:  4.5 km magnetic	Magnetometer low correlates with a former delineated cross-structure.	35735
2018 Sookochoff	L. Sookochoff (1) (2)	Historic analysis and evaluation	Recommended IP surveys and drill-hole to test the reported pyritic altered zone of the 1959 drill-hole	36958
2017 Ellerbeck	K. Ellerbeck (1) (2)	Geochemical:  4 rock samples  Prospecting: 2.0 hectares	Confirmed significant mineralization is present in the host Nicola Group rocks within the PLUG property	37206
2019 Ellerbeck	K. Ellerbeck (1) (2)	Prospecting:	Confirmed significant mineralization is present in the host Nicola Group rocks within the Rhyolite property	38178
2019 Ellerbeck	K. Ellerbeck (1) (2)	Prospecting:	Confidential until May 26, 2020	38305
2019 Ellerbeck	K. Ellerbeck (1) (2)	Prospecting:	Confidential until April 25, 2020	38307
2019 Ellerbeck	K. Ellerbeck (1) (2)	Prospecting	Elevated copper values in rock samples	38811

2020 Sookochoff	K. Ellerbeck (1) Baden Resources (2)	Geophysical: - 32.8 km magnetic  - 32.8 km VLF-EM	In compilation with historical results, revealed the location of a potential concealed mineral deposit	39010
2020 Sookochoff	K. Ellerbeck (1) Baden Resources (2)	Geological: Photo  9 rock samples	Three cross-structures.  Brecciated rock sample correlate with one cross-structure over the 1972 copper geochem anomaly	39051
2020 Ellerbeck	K. Ellerbeck (1) Baden Resources (2)	Geological:  6 rock samples	Breccia, epithermal veined rock samples correlate with a northerly fault zone.	39052

### Plug Zone

**Figure 4: Compilation Map Showing the Plug and Meadow Showings of the Plug Zone  
(Map from AR 25405; Crooker 1997; Figure 4.0; page 15)**



### Plug-Meadow showings area (Minfile Nos. 092ISE165, 092ISE196)

The Bertha tenures 1039697, 1039713 and 1049929 cover the old Plug and Meadow showings, now referred to as the Plug showing (west showing) and Meadow showing (east showing). A description of the historical information available on the area is given below:

In 1972 Texada Mines Ltd. conducted geological mapping, magnetic and IP surveying and soil geochemical sampling (copper, zinc and silver) on 14-line miles of grid. The coincidental targets were later percussion drilled in 1997 with eight holes totalling 1400 feet. This work identified and concentrated on two zones of interest that are now referred to as the Plug and Meadow showings. The Plug showing is described as underlain by altered lapilli tuff, minor lenses of limey sediments and chloritic schist. Narrow hornblende and andesite sills cut the sedimentary and volcanic rocks. Carbonate-quartz-mariposite schist with a N20°W strike and a steep easterly dip is in contact with the chloritic schist. One percussion drill hole tested the zone and encountered altered volcanic rocks with no visible mineralization. Chlorite-mica-feldspar schist and a highly pyritic quartz feldspar porphyry underlie the Meadow showing. Narrow hornblende and andesite sills cut the other rock types. A 5 foot to 10-foot-wide zone of quartz-mariposite schist (east-west strike, dip 75° south) occurs within the chlorite-mica-feldspar schist and contains minor silver bearing galena, sphalerite and chalcopyrite. During 1959 several AX diamond drill holes tested this zone, but the results are unknown. A highly pyritized quartz feldspar porphyry with minor chalcopyrite outcrops along Meadow Creek. This zone was tested by seven percussion drill holes that did not yield economic copper mineralization. An irregular, steeply south and east plunging pyritized quartz feldspar porphyry sill with a maximum thickness of 100 feet was encountered in the holes. One of the percussion drill holes encountered more than 80 feet of overburden.

From 1985 to 1988 Western Resource Technologies Inc. carried out work programs on the Rhyolite, Dupont Lake and Meadow Creek grids (Figure 3.0). A stream sediment sampling program was carried out over all drainages covered by the WRT claims. Soil and rock geochemical sampling, prospecting and magnetic and VLF-EM surveys were carried out over the grids. Anomalous copper, lead, zinc, gold, silver and arsenic values were found in stream sediment and soil samples. As well, a number of VLFEM conductors and magnetic trends were found. The program on the Meadow Creek grid outlined a number of weak to moderate gold geochemical anomalies with values of up to 700 ppb gold. Several silver and copper geochemical anomalies were also outlined. Prospecting and sampling of the old trenches at the Plug showing revealed weak to moderate carbonate-quartz-mariposite alteration over several hundred metres, with a grab sample yielding gold and silver values of 7500 ppb (0.282 oz/ton) and 67.5 ppm respectively. Several soil samples taken from the same trench as the anomalous rock sample gave 70 and 150 ppb gold. Five rock samples taken from the Plug showing by Goldcliff Resource Corporation personnel in the fall of 1995 gave gold values ranging from 0.060 to 2.620 g/t and silver values ranging from 1.8 to 114.5 g/t. Very little rock sampling has been carried out on the Meadow showing. However, two grab samples of quartz-carbonate-mariposite schist with galena and sphalerite from this showing yielded 605 and 482 ppb gold and 165.1 and 258.4 ppm silver. During 1996 Goldcliff established a grid over most of the property and conducted soil geochemical sampling and VLF-EM and magnetic surveying. Stream sediment sampling was also carried out on the major drainages on the property. The stream sediment sampling program was very successful with 11 of 25 samples giving anomalous gold values. Anomalous gold values came from Meadow Creek below the Plug and Meadow showings, Hay Brook and the northwesterly flowing drainages in the southeastern portion of the property. Gold soil geochemical values were generally low, with no broad anomalies outlined. However, four areas do show clustering of values. The gold anomalies do not occur coincidentally with the mercury and copper anomalies. Two weak to moderate mercury soil geochemical anomalies were outlined. These two anomalies are made up of clusters of small, contiguous mercury anomalies. Mercury appears to have moderate correlation with copper. Copper was the most strongly anomalous of all elements, and three weak to strong anomalies were outlined. Copper appears to have little correlation with gold, but moderate to strong correlation with mercury. The strongest copper and mercury anomalies occur in the southeastern portion of the property. The geophysical survey indicated a number of significant magnetic and electromagnetic features. The Plug showing occurs within interpreted intrusive or volcanic rock and appears to be associated with a weak magnetic high, VLF-EM conductivity and an interpreted fault intersection in the centre of the detail grid area. VLF-EM conductors in the detail grid area vary from strong to weak, are of short strike length and are near surface, possibly reflecting the mineralization within the detail grid. The Meadow showing appears to be in a more complex structural, conductive and alteration environment. The mineralization may be related to conductivity within a northeast trending fault. Goldcliff carried out excavator trenching and percussion drilling of the Plug and Meadow showings in 1997. The alteration zone that contains the gold-silver mineralization at the Plug showing is exposed over a strike length of 33 metres with a width of 3 metres. The outcrop contains extensive veining and strong pervasive carbonate alteration with silicification and quartz accompanied by a chrome-rich mica (fuchsite). The Plug showing on surface is open to the west and offset by a fault to the east.

Trench-02 gave an average of 4.35 g/t gold and 52.2 g/t silver over a strike length of 11.98 metres and a width of 1.33 metres, including 20.78 g/t gold and 113.0 g/t silver over a width of 0.56 metres. The percussion drilling at the Plug showing tested trench-02 and drill hole PDH-02 returned an average of 1.30 g/t gold and 17.2 g/t silver over a length of 9.91 metres. The alteration zone that contains the gold-silver mineralization at the Meadow showing is exposed over a surface area some 32 metres long and 2 metres wide. The alteration zone consists of chlorite-mica (fuchsite) feldspar schist containing a quartz vein stockwork that is accompanied by pyrite, galena, sphalerite and chalcopyrite. Trench-03 gave an

average of 0.53 g/t gold and 76.9 g/t silver over a strike length of 31.99 metres and a width of 0.94 metres, including 2.24 g/t gold and 400.6 g/t silver over 4.44 metres, and 6.14g/t gold and 1715.0 g/t silver over 0.36 metres. The percussion drilling at the Meadow showing tested trench-03 and drill hole PDH-01 returned an average of 0.08 g/t gold and 27.8 g/t silver over a length of 47.25 metres.

### **Des Zone**

The exploration history of the Des zone is chronologically summarized in the following:

1972: Geochemical reconnaissance, Des 1 - 98; By C.A.R. Lammle (Assessment Report 04057)  
-a 640-metre north-northwesterly trending copper in soil anomaly was delineated

1980: A combined magnetic and VLF-EM survey was carried out by David Mark on the Des Claim. Northerly and northwesterly trend of VLF-EM anomalies were indicated, associated with correlative magnetic highs. (Assessment Report 08032)

1981: A total of 2.8 linear kilometres of I.P. survey was completed by D.R. MacQuarrie, on a portion of the western sector of the Des claims. A northerly to northwesterly striking I.P. anomaly was indicated. (Assessment Report 09854)

1984: A total of 1.4 linear km of I.P. survey by D.R. MacQuarrie. The 1981 I.P. anomalous zone was extended an additional 200 m to the north. (Assessment Report 13302)

1987: A total of 3 linear km of I.P. survey by J.P. La Rue. This survey indicated additional 200 meters north-northwest trending I.P. anomaly extended northerly from the previously defined limits of the 1981 and 1984 surveys. (Assessment Report 17070)

1989: Drilling: 7 holes; 2046.6 m, basaltic rock, traces of native copper (Assessment Report 19140)

2014: Structural analysis study (Assessment Report 34618)

2019 Prospecting on tenure #1064715 (Assessment Report 38307)

Although no significant mineralization resulted from the 1989 drilling program, localized disseminations of native copper in a 68-metre section at the bottom of Hole No. Des 89-5 included quartz-carbonate alteration with pyritic disseminations. In addition, localized sections of kaolinized and argillized core were observed. The highest copper assay of 965 ppm, where no mineralization was noted, was from a section of serpentinite.

All the drill core assays revealed a very high carbonate content, indicating a general area of alteration with noted carbonate and disseminated pyrite, possibly in zones of increased fracturing and/or brecciation, although there was no obvious increase in carbonate or iron content in the logged carbonate/pyrite sections.

### **Bertha-Molly Zone (Minfile 092ISE012)**

Wright and Fletcher first staked this showing in 1888. A shaft was sunk on the main showing (No. 1 Showing) and lodes 3 feet to 4.5 feet in thickness were discovered. In 1928 Meadow Creek Mines worked the Number 1 Showing and a few tons of high-grade copper were sorted for shipment. Dunmore

Mines Ltd. carried out road building, trenching and diamond drilling in 1954. A small mill was erected but the supergene copper minerals were not amenable to gravity concentration. Dunmore Mines drilled 17 diamond drill holes in 1957 and Hemsworth reported that the holes encountered only sparse mineralization.

Highhawk Mines Ltd. and Consolidated Standard Mines Ltd. acquired ground in the vicinity in 1972. Approximately 17-line miles of grid were established northwest of Dupont Lake to encompass Number 2 and 4 Showings. Soil geochemical and Induced Polarization surveys were conducted and two diamond drill holes totalling 750 feet were drilled to test IP anomalies flanking copper soil geochemical responses. Both holes encountered fracture related copper mineralization, but no samples were assayed, and the claims were allowed to lapse.

### **JHC Zone (Minfile 092ISE147)**

Vanex Minerals Ltd. acquired claims covering the JHC showing in 1958. They conducted magnetic surveys and physical work under the direction of Hill, Stark and Associates, consulting Engineers. In 1959 Vanex drilled two holes in the JHC area:

#### Hole No. 1

This hole was located approximately 3000 feet north of Homfray Lake and was drilled vertically to a depth of 358 feet to test a magnetic high. The lower portion of the hole encountered a siliceous, altered grey-green rock with considerable pyrite. No assays were reported but the recommendation was made to extend the hole to 1000 feet.

#### Hole No. 2

This hole was located on the west shore of Homfray Lake and was drilled at minus 45 degrees to a depth of at least to 293 feet. Altered volcanic rocks were noted but no mineralization was reported and no reason given for drilling the hole.

Craigmont Mines Limited staked claims in the area of the JHC showing in 1970. A small survey consisting of geological mapping, geochemical sampling and magnetic and IP surveying was conducted. Two holes totalling 800 feet were drilled but the location and results of the drilling are unknown.

### **Rhyolite (Minfile 092ISE021)**

The Rhyolite Showing occurs near a flow-pyroclastic contact within Nicola volcanic rocks. During 1985 a showing of "rhyolite" with up to 5% pyrite was found along the main road. A sample taken from the outcrop assayed 0.78 oz/ton Ag, 1.76% Cu and 1.52% zinc. Outcrop is generally sparse over the area, although several old trenches were found in the immediate vicinity of the 1985 showing. Weakly silicified andesite and rhyodacite were exposed in the trenches with up to 5% pyrite. Sample 87-005 gave weakly anomalous values of 5.5 ppbn Ag and 55 ppb Au. A sample of float (87-008) taken approximately 75 meters north of 87-005 gave 6.2 ppbn Ag, 28 ppb Au, 2740 ppbn Cu and 6289 ppbn Zn. Sample 87-008 was silicified, containing many tiny quartz veinlets. (Assessment Report #18048).

## Geological Setting and Mineralization

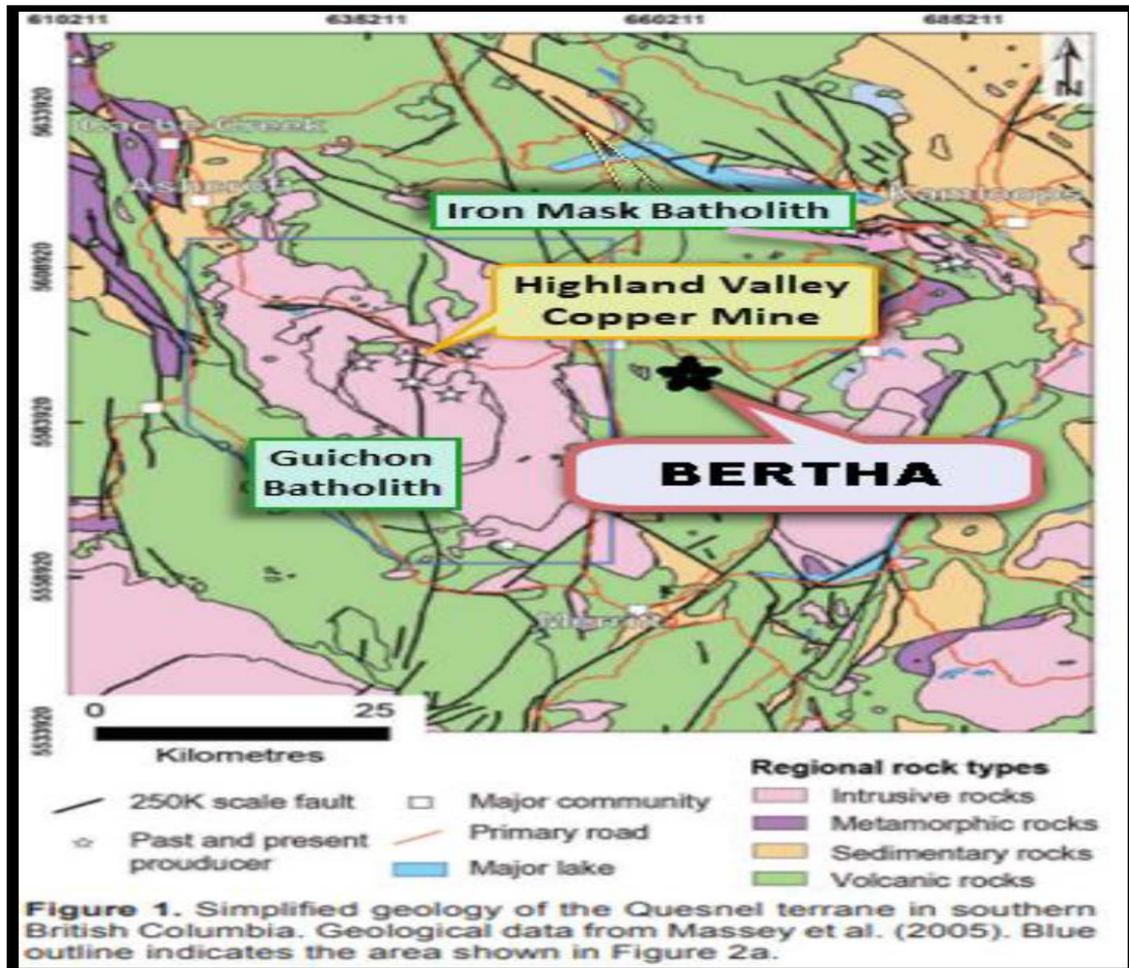
### *Regional Geology*

Regionally, the Bertha Property is situated within the Quesnel Trough, a 30 to 60 km wide belt of Lower Mesozoic volcanic and related strata enclosed between older rocks and much invaded by batholiths and lesser intrusions (*Campbell and Tipper, 1970*).

The well-known Nicola Belt of Nicole Group rocks within the southern portion of the Quesnel Trough, comprised mostly of intermediate to basic volcanic flows and breccias with minor amounts of greywacke, argillite and limestone, continues nearly 20 km southward to its termination at the U.S. border.

The Nicola Belt to the west is bordered in part by the Guichon Creek Batholith, host to the major porphyry copper mines of the Highland Valley, and in part to the northeast by the Iron Mask Batholith, host to the New Afton Mine. Principal structures, as suggested by regional aeromagnetic lineaments, trend mostly in a northwesterly direction.

**Figure 5: Regional Geology: Quesnel Terranes (Base map from Britton, 2016)**



## Local Geology

### Geology

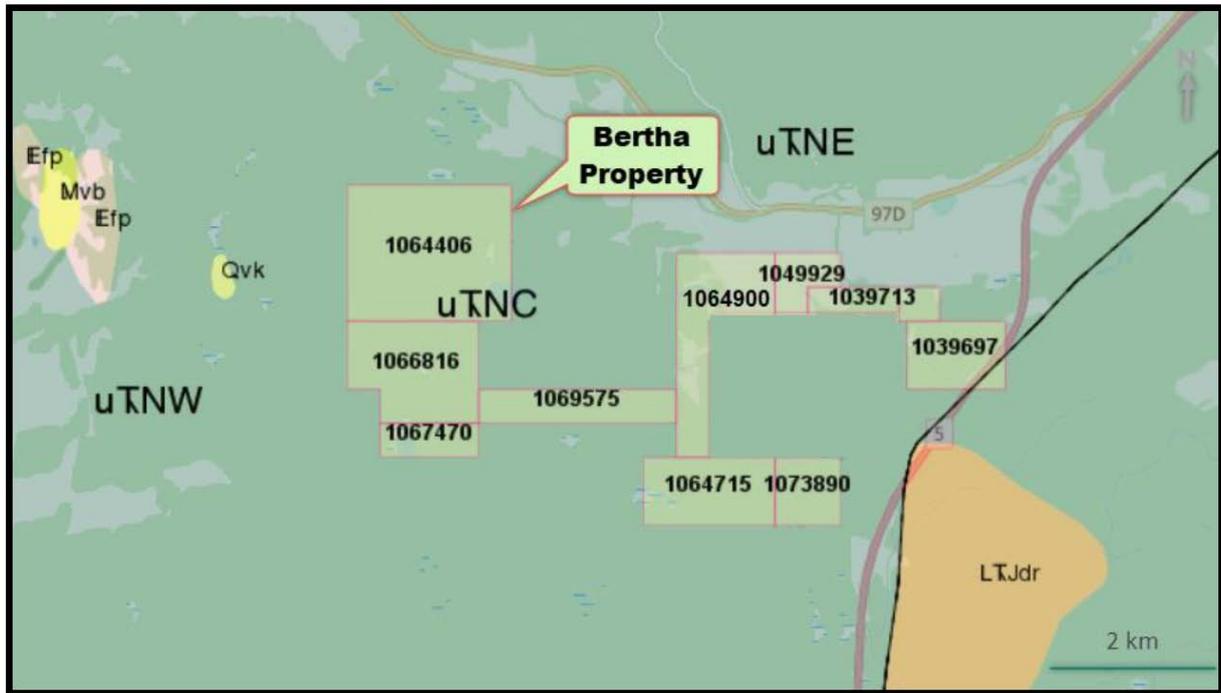
Due to a lack of outcrop exposure, on the Bertha Property, little information is available except from the areas of trenching and limited outcrop exposure in the area of the Plug-Meadow alteration/showings area.

Chlorite-mica-feldspar schist, and basic dioritic to hornblende andesite sills form an asymmetrical syncline whose axis plunges to the southeast. The hornblende diorite becomes medium grained to the west and the sills are fine grained equivalents of small dioritic plugs or apophysis lying to the west. A thin layer of granite gneiss (about 20' thick) and quartz-mariposite schist outcrop on the north side of a ridge and along the road. It strikes east-west and dips 75' to the south. (Nordin, 1972).

The Guichon Creek Batholith and the Nicola Group are well known for their economic importance. Small stocks within Nicola Group, because of the possibility of associated copper and/or molybdenum minerals, are economically significant as well.

Locally, the Bertha Property is predominantly underlain by the Central and the Western Volcanic Facies of the Upper Triassic Nicola Volcanics, which are in a regional fault contact with the Late Triassic to Early Jurassic Guichon Batholith four kilometers to the west.

**Figure 6: Property Geology (Base map from MapPlace 2)**



**LEGEND****Mvb**

Pleistocene to Holocene-unnamed  
alkaline volcanic rocks

**Efp**

Eocene-Penticton Group  
andesitic volcanic rocks

**Upper Triassic-Nicola Group****uTrNW**

**Western Volcanic Facies**  
undivided volcanic rocks

**uTrNC**

**Central Volcanic Facies**  
andesitic volcanic rocks

**uTrNE**

**Eastern Volcanic Facies**  
basaltic volcanic rocks

**uTrNva**

andesitic volcanic rocks

**Late Triassic to Early Jurassic****LTrJdr**

- dioritic intrusive rocks

**Property Mineralization****Plug Zone**

Mineralization consists of carbonate+quartz+mariposite alteration of andesite, lapilli tuff and limey sediments. Weak to moderate carbonate+/-carbonate alteration with lesser mariposite occurs at a number of locations. The mariposite alteration is significant as it is often associated with precious metal mineralization.

The quartz-mariposite schist contains minor amounts of silver bearing galena- sphalerite-chalcopyrite (Nordin, 1972).

**DES Zone**

A massive sulphide showing exposed by a road-cut roads 50 meters southeast of DDH Des 89-1 consists mainly of chalcopyrite and bornite in the gangue of quartz carbonate materials.

Bleaching, kaolinization and argillization plus mylonitized shear zones show moderate sulphide mineralization. Traces of native copper were observed in a diamond drill hole.

**Bertha Zone**

Mineralization occurs near a flow-pyroclastic contact within Nicola volcanic rocks. Mineralization is related to narrow quartz-carbonate veinlets and shearing within basalt. Pyrite is present locally in concentrations of up to 20%, with minor chalcopyrite, azurite, malachite, and sphalerite.

The contact zone strikes approximately 335° to 345° and dips steeply west and is of unknown dimensions.

**Rhyolite**

It has been reported "During the 1985 exploration program a showing of "rhyolite" with up to 5% pyrite was found along the main road. A sample taken from the outcrop assayed 0.78 Oz/ton Ag, 1.76% Cu and 1.52% zinc. Outcrop is generally sparse over the eastern section of the grid although several old trenches were found in the immediate vicinity of the showing. Weakly silicified andesite and rhyodacite were exposed in the trenches with up to 5% pyrite. Sample 87-005 gave weakly anomalous values of 5.5 ppm Ag and 55 ppb Au. A sample of float (87-008) taken approximately 75 meters north of 87-005 gave 6.2 ppm Ag, 28 ppb Au, 2740 ppm Cu and 6289 ppm Zn. Sample 87-008 was silicified, containing many tiny quartz veinlets.

## **Deposit Types**

Mineral deposit models that seem applicable to the geologic environment underlying the Bertha property are discussed in the following sections.

The historical exploration work carried out over the Bertha property area has been directed towards the discovery of a copper +/- gold, silver porphyry deposit, in association with subvolcanic intrusions. Because of their nearness to surface and of their close relationship to the surrounding volcanic rocks, subvolcanic plutons can generally be located, with varying degrees of accuracy, by mapping the layered volcanic rocks, the type and size of the clasts in fragmental units and with the help of aeromagnetic maps. Mineralization may or may not be associated with every pluton, but the locating of a stock is an important initial step in outlining an exploration target. Areal mapping including structural analysis studies, helps in establishing a framework within which proximal volcanic-intrusive assemblages are separated from more distal volcano-sedimentary successions. The locations of major fault and fracture systems are also very important in establishing more accurately the distribution of volcanic centres.

From the author's examination and studies of past exploration work on the Bertha property and the descriptions of the various known mineral showings and general geologic environment, the author suggests potential exists on the Property for an alkalic Cu (Au, Ag) porphyry deposit. Another suggested deposit type is that of a calcalkaline Cu (Mo, Au) porphyry deposit, such as those associated with the Guichon Batholith, located several kilometers to the west of the Bertha property. The author believes that porphyry deposits of the Highland Valley are unique to their association with the Guichon Batholith and do not have a direct geologic association with the geologic environment underlying the Bertha property.

The author does not preclude the presence of other deposit models that might become known following further geological investigations of the Property area.

### **Alkalic Cu (Au, Ag) Porphyry Deposits**

The Bertha property is located strategically between copper porphyry deposits associated with Guichon Batholith of the Highland Valley and those of the Iron Mask Batholith, near Kamloops. The two varieties of copper porphyry deposit possibly present on the Bertha property could be the Highland Valley type referred to as a Cu +/- Mo +/- Au porphyry (calcalkaline) deposits or the Cu-Au alkalic type porphyry deposit type found associated with the Iron Mask Batholith, near Kamloops (ie. Afton-New Gold). As the Highland Valley porphyry deposit types are closely associated with the Guichon Batholith lying to the west, the author believes that the Bertha property lies in a more amenable environment for an alkalic-type porphyry deposit type, such as those associated with the Iron Mask batholith.

In alkalic deposits, stockworks, veinlets and disseminations of pyrite, chalcopyrite, bornite and magnetite occur in large zones of economically bulk-mineable mineralization in or adjoining porphyritic intrusions of diorite to syenite composition. The mineralization is spatially, temporally and genetically associated with hydrothermal alteration of the intrusive bodies and hostrocks.

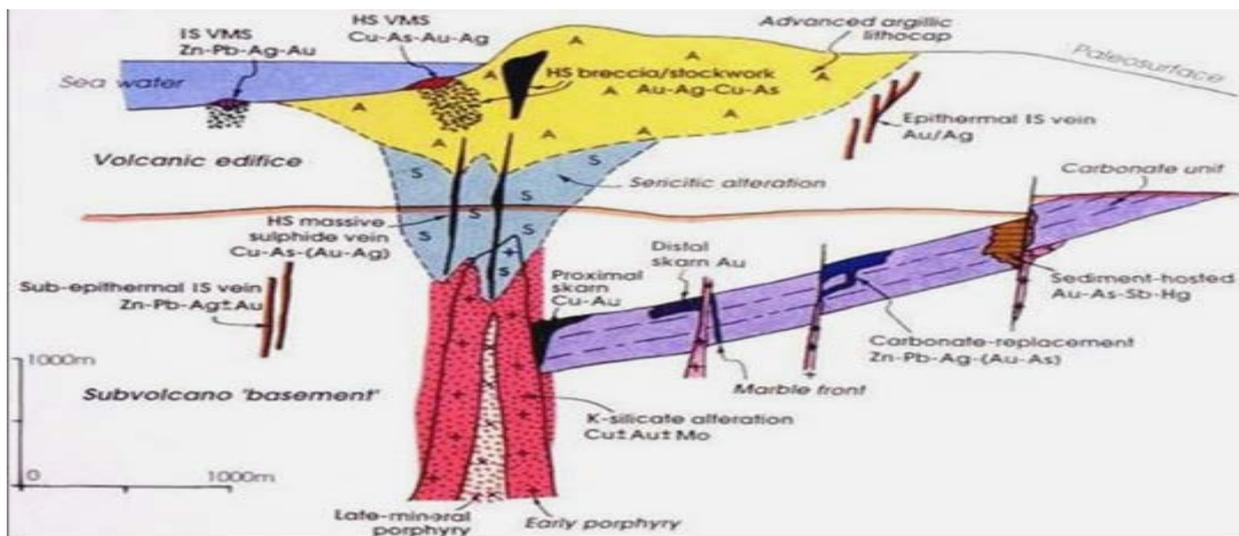
Alkalic Cu porphyry deposits are found in orogenic belts at convergent plate boundaries, commonly oceanic volcanic island arcs overlying oceanic crust. Chemically distinct magmatism with alkalic intrusions varying in composition from gabbro, diorite and monzonite to nepheline syenite intrusions and coeval shoshonitic volcanic rocks, takes place at certain times in segments of some island arcs. The

magmas are introduced along the axis of the arc or in cross-arc structures that coincide with deep-seated faults. The alkalic magmas appear to form where there is slow subduction in steeply dipping, tectonically thickened lithospheric slabs, possibly when polarity reversals (or 'flips') take place in the subduction zones. In British Columbia all known deposits are found in Quesnellia and Stikinia terranes.

The depositional environment/geological setting is found at high level (epizonal) stock emplacement levels in magmatic arcs, commonly oceanic volcanic island arcs with alkalic (shoshonitic) basic flows to intermediate and felsic pyroclastic rocks. Commonly the high-level stocks and related dikes intrude their coeval and cogenetic volcanic piles. In age, deposits in the Canadian Cordillera are restricted to the Late Triassic/Early Jurassic (215-180 Ma) with seemingly two clusters around 205-200 and ~ 185 Ma.

Associated rock types include intrusions ranging from fine through coarse-grained, equigranular to coarsely porphyritic and, locally, pegmatitic high-level stocks and dike complexes. Commonly there are multiple emplacements of successive intrusive phases and a wide variety of breccias. Compositions range from (alkalic) gabbro to syenite. The syenitic rocks vary from silica-undersaturated to saturated compositions. The most undersaturated nepheline normative rocks contain modal nepheline and, more commonly, pseudoleucite. The silica-undersaturated suites are referred to as nepheline alkalic whereas rocks with silica near saturation, or slight silica over saturation, are termed quartz alkalic. Coeval volcanic rocks are basic to intermediate alkalic varieties of the high-K basalt and shoshonite series and rarely phonolites. Deposit form occur as stockworks and veinlets, minor disseminations and replacements throughout large areas of hydrothermally altered rock, commonly coincident wholly or in part with hydrothermal or intrusion breccias. Deposit boundaries are determined by economic factors that outline ore zones within larger areas of low-grade, laterally zoned mineralization. Typical textures or structures include veinlets and stockworks; breccia, sulphide and magnetite grains in fractures and along fracture selvages; disseminated sulphides as interstitial or grain and lithic clast replacements. Hydrothermally altered rocks can contain coarse-grained assemblages including feldspathic and calcsilicate replacements ('porphyroid' textures) and open space filling with fine to coarse, granular and rarely pegmatitic textures.

Ore Mineralogy consists of chalcopyrite, pyrite and magnetite; bornite, chalcocite and rare galena, sphalerite, tellurides, tetrahedrite, gold and silver. Pyrite is less abundant than chalcopyrite in ore zones.



**Figure 7: Geological model of types of mineral occurrences that may occur in a volcanic environment (Map from <http://earthsci.org/mineral/mindep/skarn/skarn.html>)**

Porphyry copper deposits contain disseminated mineralization, meaning that a large volume of shattered rock contains a dense network of tiny quartz veins, spaced only a few centimetres apart, in which grains of the copper ore occur with pyrite. The shattered rock serves as a permeable medium for the circulation of a hydrothermal solution, and the volume of rock that is altered and mineralized by the solution can be huge. Porphyry copper deposits are among the largest of all hydrothermal deposits, with some giant deposits containing many billions of tons of ore. Although in most deposits the ore averages only between 0.5 and 1.5 percent copper by weight, the tonnages of ore mined are so large that more than 50 percent of all copper produced comes from porphyry coppers. (Summary excerpt from britannica.com). Porphyry copper deposits are often associated with stratovolcanoes. As a result of the volcanism that rings the Pacific Ocean basin, porphyry copper deposits are conspicuous along the western borders of North and South America and in the Philippines. Among the major deposits are El Teniente, El Salvador, and Chuquibambilla in Chile, Cananea in Mexico, and, in the United States, Bingham Canyon in Utah, Ely and Yerington in Nevada, and San Manuel in Arizona.

### **Volcanic Redbed Cu**

In Volcanic Redbed copper deposits, chalcocite, bornite and/or native copper occur in mafic to felsic volcanic flows, tuff and breccia and related sedimentary rocks as disseminations, veins and infilling amygdules, fractures and flowtop breccias. Some deposits are tabular, stratabound zones, while others are controlled by structures and crosscut stratigraphy.

Amygdaloidal basaltic lavas, breccias and coarse volcanoclastic beds with associated volcanic tuffs, siltstone, sandstone and conglomerate are the most common rock types. The volcanics may cover the spectrum from basalt to rhyolite composition. Any of these units may host the deposits, although typically it is the mafic volcanics that have widespread elevated background values of copper due to the presence of native copper or chalcocite in amygdules, flow breccias or minor fractures.

Several mineral occurrences found on the western portions of the Bertha Property, including Bertha (92ISE-012), Rhyolite (92ISE-21), and JHC (92ISE-147) are primarily Cu +/- Ag occurrences and do not appear to have a direct association or affinity with porphyry copper environments. These occurrences are likely classified as Volcanic Redbed Cu forms of mineralization. These occurrences are associated mainly within amygdaloidal/vesicular basalts and red tuffs and do not suggest favorable economic potential and should be treated as secondary targets, regarding future exploration programs on the Bertha Property.

### *Other potential mineral deposit types*

#### *Epithermal*

Epithermal gold deposits are a type of lode deposit that contain economic concentrations of gold, silver and, in some cases, base metals including copper, lead and zinc. Gold is the principal commodity of epithermal deposits, and can be found as native gold, or alloyed with silver.

As a lode deposit, epithermal deposits are characterized as having minerals either disseminated through the ore-body or contained in a network of veins. Epithermal deposits are distinctive from low-grade bulk tonnage deposits such as porphyries in that they are typically high-grade, small size deposits. A few

characteristics distinguish epithermal deposits. These deposits are found near the surface and mineralization occurs at a maximum depth of 1 km, but rarely deeper than 600 m. These deposits represent a high-grade, easily mineable source of gold (excerpt from “an overview of Epithermal Gold Deposits”: [www.nasdaq.com](http://www.nasdaq.com)).

### *Skarn*

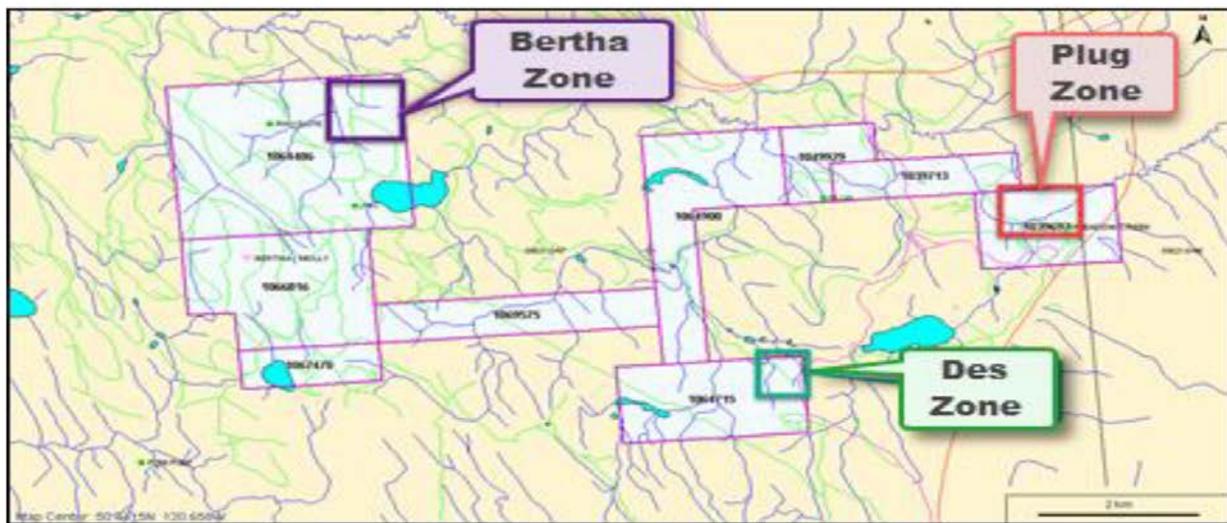
Skarns or tactites are hard, coarse-grained metamorphic rocks that form by a process called metasomatism. Skarns tend to be rich in calcium-magnesium-iron-manganese-aluminum silicate minerals, which are also referred to as calc-silicate minerals. These minerals form as a result of alteration which occurs when hydrothermal fluids interact with a protolith of either igneous or sedimentary origin. In many cases, skarn are associated with the intrusion of a granitic pluton found in and around faults or shear zones that intrude into a carbonate layer such as a dolomite or limestone. Skarns can form by regional or contact metamorphism and therefore form in relatively high-temperature environments. The hydrothermal fluids associated with the metasomatic processes can originate from either magmatic, metamorphic, meteoric, marine, or even a mix of these. The resulting skarn may consist of a variety of different minerals which are highly dependent on the original composition of both the hydrothermal fluid and the original composition of the protolith.

### **Exploration**

The Bertha Property includes at least two mineral zones, justifying further exploration. The Plug-Meadow, and Des mineral zones, on which historical exploration results were sufficiently encouraging, are deemed by the author of this report, to warrant a continued exploration program.

The author was not involved with the 2020 exploration program carried out over the Plug and Des exploration grids of the Bertha Property. The 2020 exploration work consisted of ground geophysical surveys in areas of anomalous soil geochemistry, rock sampling and structural interpretation studies.

**Figure 8: Index Map: Location of three mineral zones on the Bertha Property  
(Base claim map from MapPlace)**



## **Geophysical**

During February, 2020 Baden Resources Inc. completed a geophysical program on the Plug and the Des Zones. The program encompassed 32.8 line kilometres of ground magnetic and VLF-EM surveys on each of the two Zones.

The initiation of the program was based on encouraging historical exploration results and from previous exploration work on ground covered by the Bertha Property.

The purpose of the 2020 geophysical survey was to add information to historical exploration resulting in the creation of compilation maps summarizing the various exploration programs. Compiling all the geological, geochemical, and geophysical data and results on a property-wide map(s) will be useful in determining increased focus for additional exploration work on the Property.

## **Magnetic**

### **Instrumentation**

The GSM-19 Overhauser measures directly in nano-Teslas (nT) to a resolution of 0.01nT, with a sensitivity of 0.022nT @ 1Hz, over a dynamic range of 20,000 – 120,000 nT and has a gradient tolerance of > 10,000nT/m. The operating temperature range is -40° to +50° C. The instrument is time synchronized with the base station, allowing for diurnal corrections of positioning and magnetic readings for highly accurate data. The internal memory stores more than 30,000 readings in survey mode keeping track of time, date, magnetic field reading, and quality of the magnetic field reading. In base station mode the magnetometer stores up to 12,000 readings.

Two Base Stations were used during the survey one for each grid.

The base for the Desmond Grid was set at 54400 NT. The Base station sensor was placed in a location where it would not be affected by vehicles or field personnel interference and remained in the same location for the duration of the DES survey.

The base for the PLUG Grid was set at 55000 NT. The Base station sensor was placed in a location where it would not be affected by vehicles or field personnel interference and remained in the same location for the duration of the PLUG survey.

Positioning data for the survey was provided by handheld Garmin GPSMAP 62st and a Garmin 78 GPS unit. NAD 83 Zone 10 N.

The geophysical crew consisted of two field technicians. Daily operations included transportation to the grid, initialization of the base station, data levelling collection, and collection of geophysical grid data.

Surveyors completed on average 1.92 line-km per day. The survey was completed without any significant interruptions. Several semi-frozen swamps and creeks were encountered throughout the survey, which hindered access to certain survey areas.

The primary data processing was performed using GEM Link software to download the raw data (ASCII) from the base and magnetometer each evening to a laptop computer in the hotel. GPS positioning (GPX) was also downloaded and plotted using basecamp each evening to track the crew

progress in completing the survey. A GSM-19T magnetometer was operated at the survey base to record diurnal variations of the earth's magnetic field. The clock of the base station was synchronized with that of the walk magnetometers to permit subsequent removal of diurnal drift.

Following the field program, all magnetometer data was diurnally corrected using GEM Link software and subjected to quality control. Diurnal correction was made using the GEM Link interpolation algorithm. Any measurements with a low SQ (Signal Quality < 79) were eliminated from the data set. Data levelling was completed using Microsoft excel in order to ensure consistent collection standards throughout the length of the survey.

The program used was Surfer 17.1 to grid the Maps Minimum Curvature which was used to grid the data.

Magnetic intensity was plotted using a traditional color scheme, consistent with industry standards.

### **Theory**

Magnetometry measures perturbations in the ambient magnetic field caused by contrasts in magnetic susceptibility – the ability of a substance to take on an induced magnetism caused by its immersion in the Earth's magnetic field. The magnetic susceptibility of a rock or soil is directly proportional to its iron content, usually in the form of the minerals Hematite (Fe<sub>2</sub>O<sub>3</sub>) or Magnetite (Fe<sub>3</sub>O<sub>4</sub>). Hence it is only sensitive to ferrous metals. However, iron is often present in accumulations of non-ferrous ores, making magnetometry a staple in mining exploration.

The physics of magnetometry is complex, for three main reasons:

Magnetic fields are vectors, having a direction and a magnitude.

The direction and magnitude of the Earth's field changes with location, latitude in particular.

There is often a certain amount of permanent magnetism (independent of the induced magnetism), especially when magnetite is present.

As such, the amplitude and shape of the magnetic anomaly for any given object depends not only on the shape of the object, but on its location and (in the case of magnetite) the orientation of the permanent magnetic moment of the object relative to the Earth's field.

Magnetometry detects only ferrous materials.

The amplitude of the magnetic anomaly for an object decreases as the inverse cube with distance. In other words, as we double the distance to the object, we only have 1/8th of field intensity. For example, if an object one meter deep has an 8 nT anomaly, that same object two meters deep would have a 1 nT anomaly. In magnetics, depth of investigation is driven more by the object's depth and magnetic moment rather than field methods or technology used.

Cultural noise, such as fences, passing cars, buildings, and other ferrous metals can interfere with the signals from the object you are attempting to detect.

### **VLF-EM**

## **Instrumentation**

The survey was conducted with a Geonics VLF-EM16R instrument which is a VLF-EM receiver using submarine communication stations as a transmitter source. This instrument is designed to measure the electromagnetic component of the very low frequency field (VLF), which for this survey was transmitted at 24.8 from Seattle (Jim Creek), Washington.

## **Theory**

In all electromagnetic prospecting, a transmitter induces an alternating magnetic field (called the primary field) by having a strong alternating current move through a coil of wire. This primary field travels through any medium and if a conductive mass such as a sulphide body is present, the primary field induces a secondary alternating current in the conductor, and this current in turn induces a secondary magnetic field. The receiver picks up the primary field and, if a conductor is present, the secondary field distorts the primary field. The fields are expressed as a vector, which has two components, the "in-phase" (or real) component and the "out-of-phase" (or quadrature) component.

For the VLF-EM receiver, the tilt angle in degrees of the distorted electromagnetic field with a conductor is measured from that which it would have been if the field was not distorted with a conductor. Since the fields lose strength proportionally with the distance they travel, a distant conductor has less of an effect than a close conductor. Also, the lower the frequency of the primary field, the further the field can travel and therefore the greater the depth penetration.

## **Survey Procedure**

A total of 1,340 readings were taken with station locations ascertained using a hand-held Garmin GPSMAP 64ST hand-held device. 28 survey lines were oriented east-west and spaced 40m apart; readings were taken at 25m intervals facing east. The resulting data was filtered and contoured using the Fraser (1969) method. A total of 32.8 line-km of VLF survey was completed.

## **Structural Analysis: Des Zone**

### **a) Purpose**

The purpose of the structural analysis was to delineate any area of relative major fault intersections that could be the centre of maximum brecciation and be depth intensive to provide the most favourable feeder zone to any residual fluids from a potentially mineral-laden reservoir source.

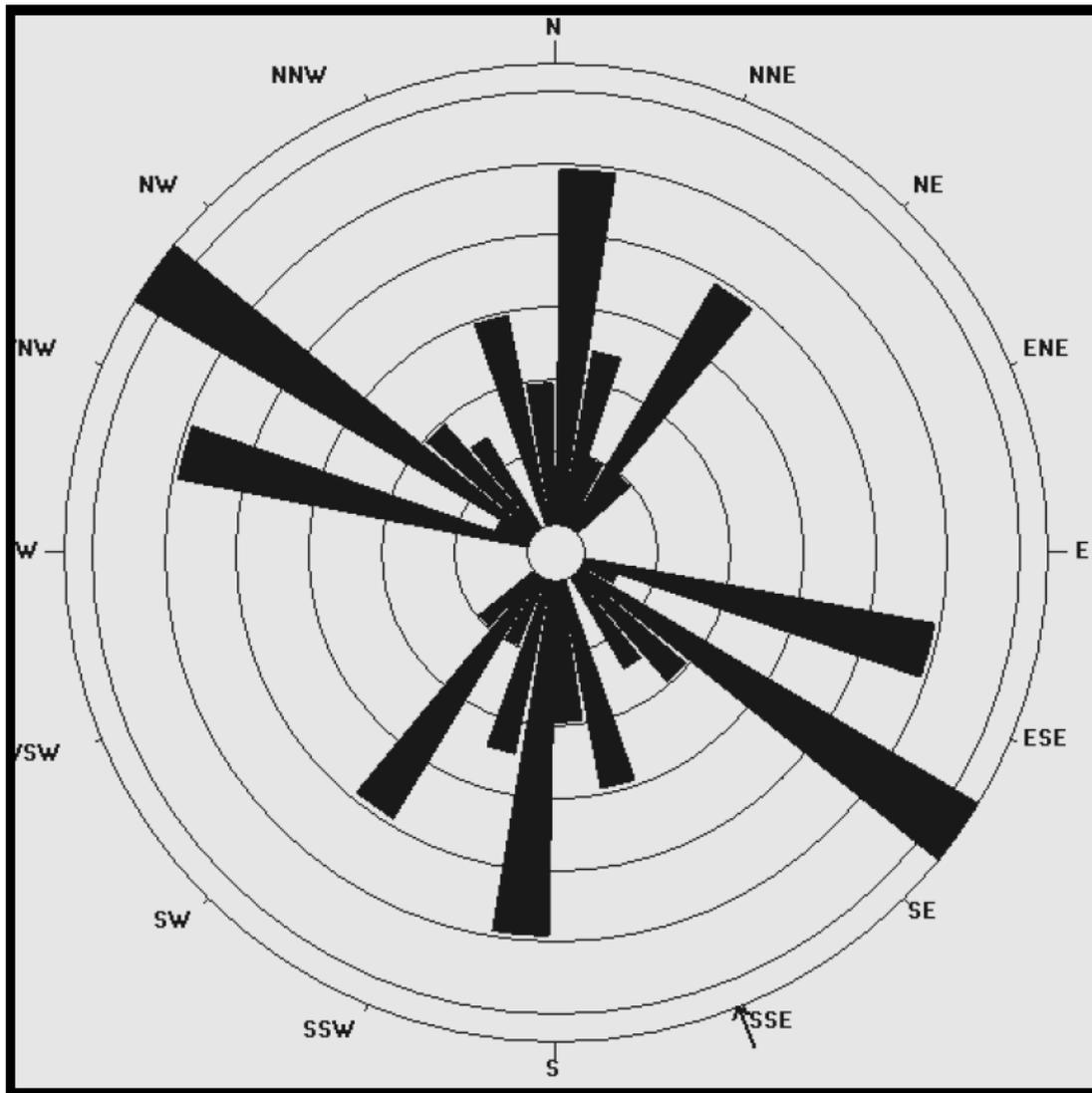
### **b) Method**

A shaded relief image for two tenures of the Bertha Property 1064715 and 1073890 was obtained from MapPlace2. The shaded relief image provided by MapPlace2 uses a single direction of light oriented at 325°N to create its shading and does not represent a composite image composed of multiple light directions. The DEM image was examined and lineaments were delineated manually. The manually defined lineaments defined from a shaded relief image can represent joints, faults or shear zones. Professional experience was used to define all lineaments, primary structures and prospective areas.

### **c) Results**

Three cross-structural locations, A, B, and C were delineated from indicated major northeasterly and northwesterly trending structures.

**Figure 9: Rose Diagram from Indicated Lineaments of Tenures 1064715 and 1073890**



Note: See Appendix 1 for interpretation of Structural Analysis Study

**Figure 10. Plug Zone: Exploration Grid Location and Magnetometer Survey Results  
(Base Map: Ingenuity Exploration)**

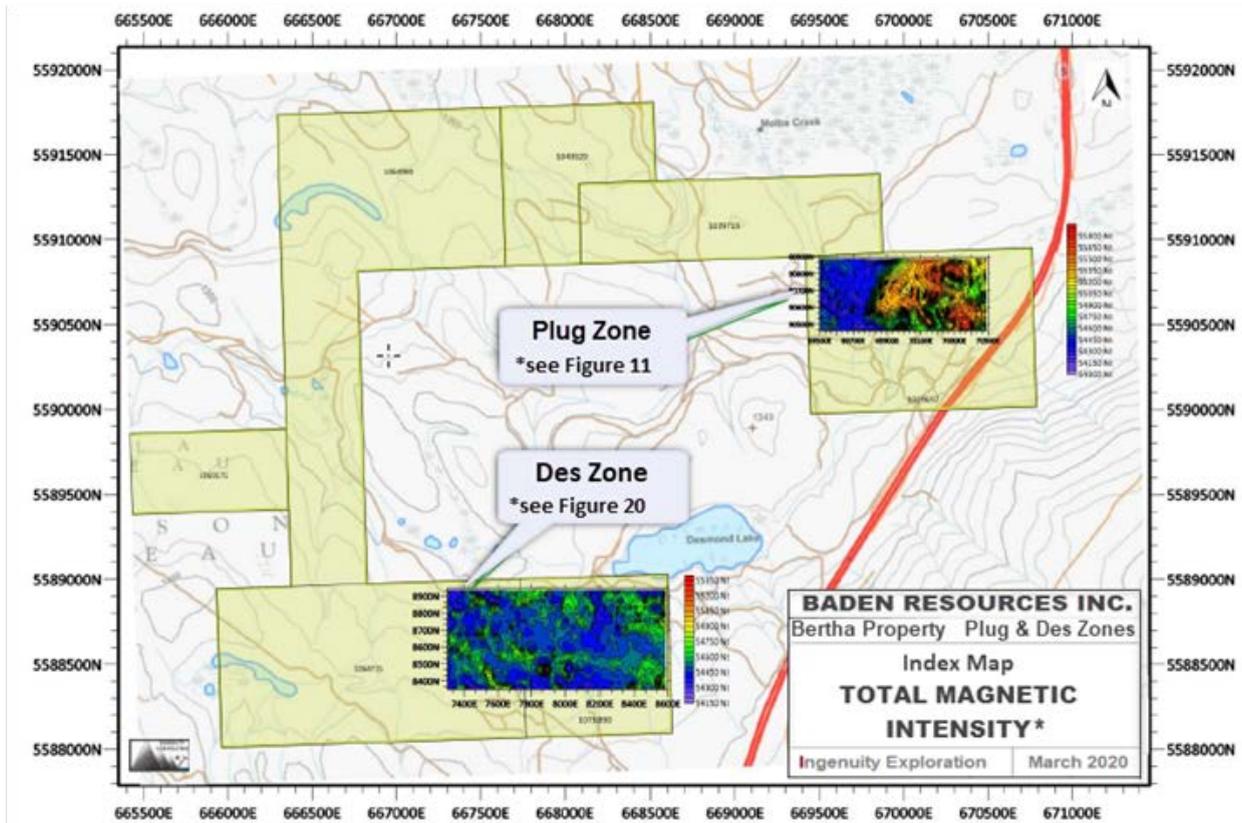


Figure 11. Plug Zone: Compilation Map 2020 Magnetic Map and Contoured IP

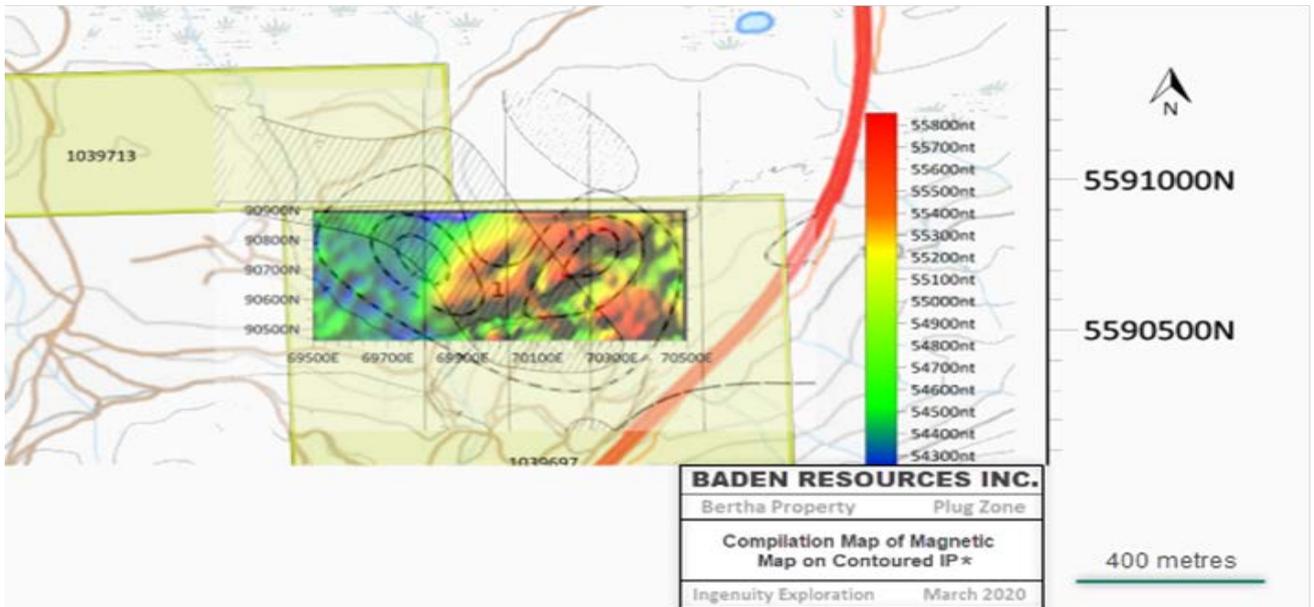


Figure 12. Plug Zone: Total Magnetic Intensity Colour Relief

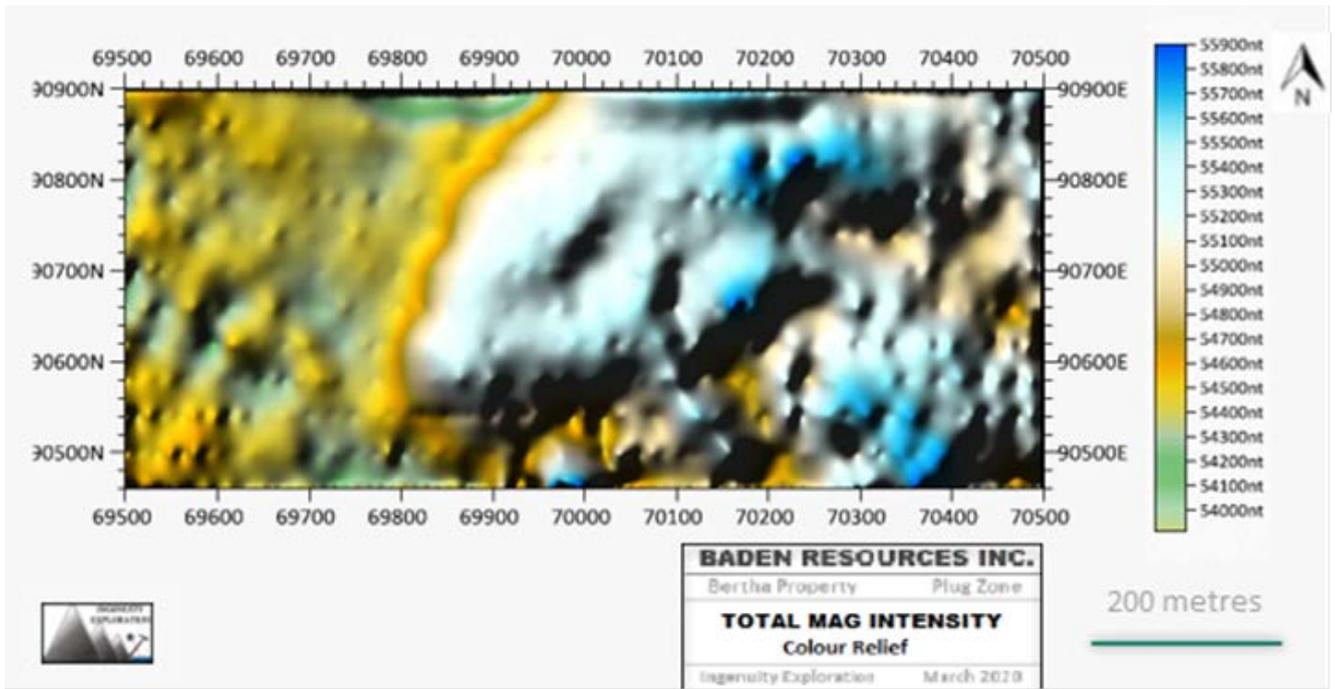


Figure 13. Plug Zone: Total Magnetic Intensity 3D View (Base Map: Ingenuity Exploration)

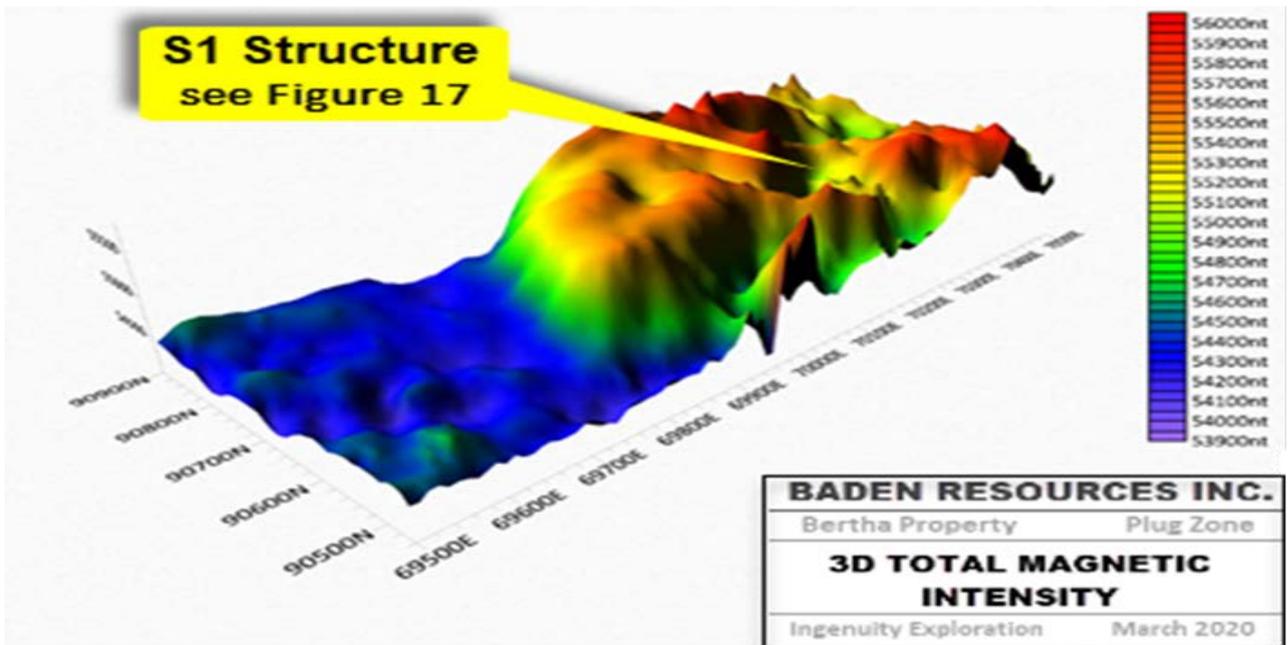


Figure 14. Plug Zone: Correlation Map of 2020 Magnetometer Survey and 1972 ppm gold/silver geochem anomalies

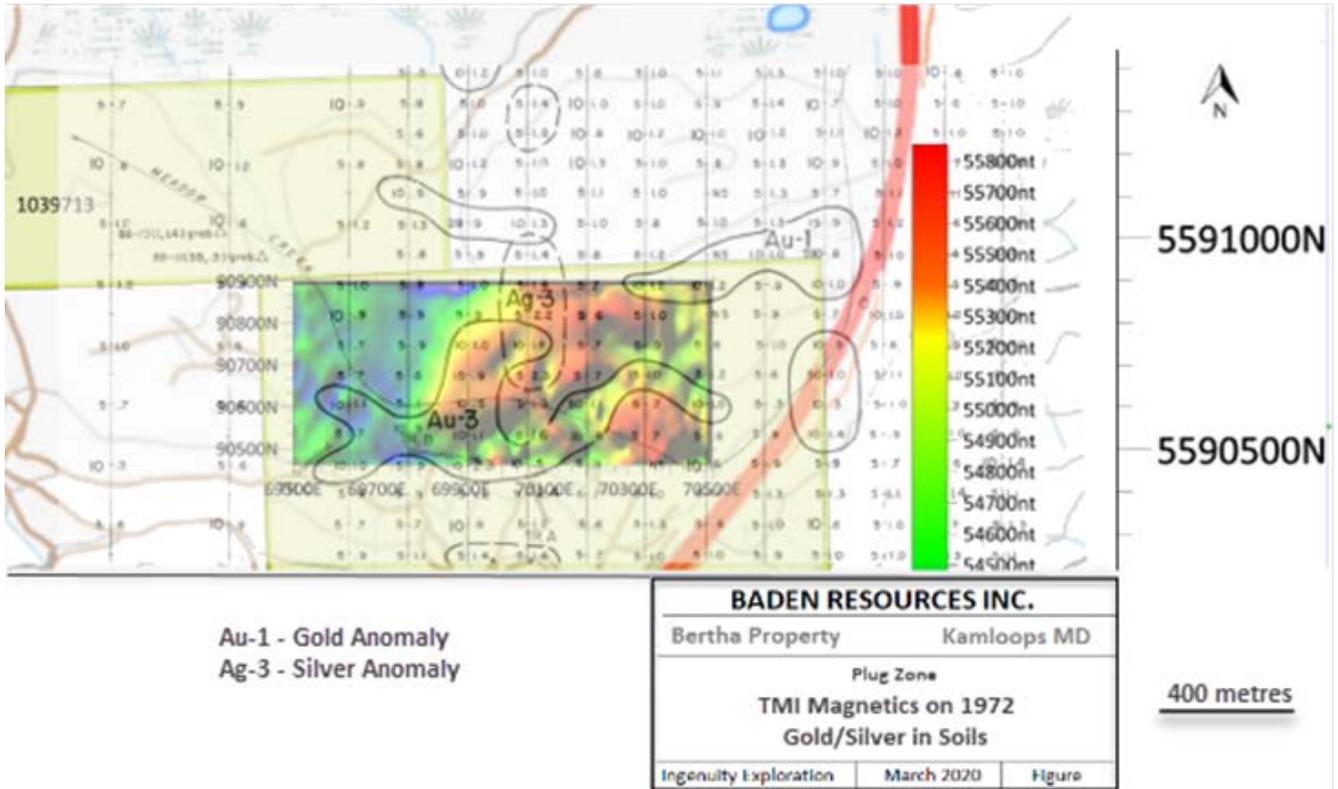


Figure 15. Plug Zone: Compilation of 2020 TMI Magnetics and 1972 Copper-in-Soil Anomalies (\*Copper geochem map from a selected area of Map M-4 in AR 4057; Lammler, 1972)

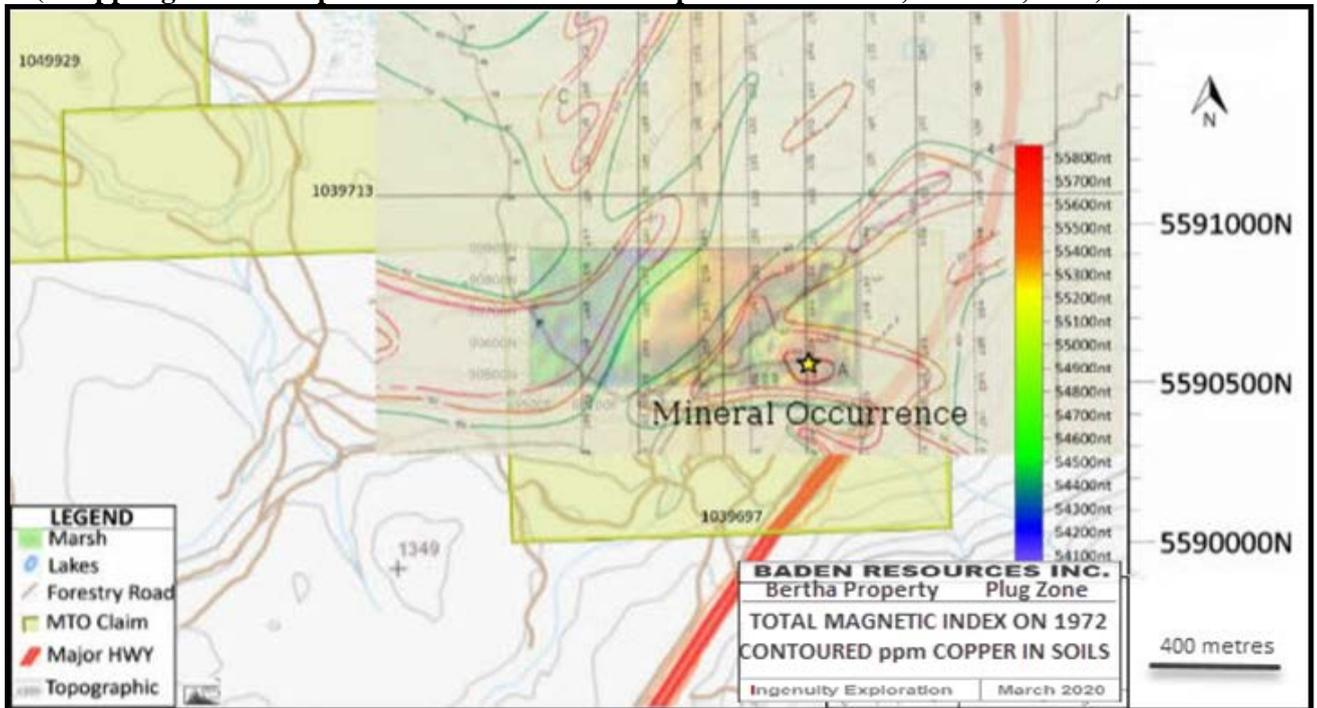


Figure 16. Plug Zone: VLF EM Fraser In-Phase  
(Base Map: Ingenuity Exploration)

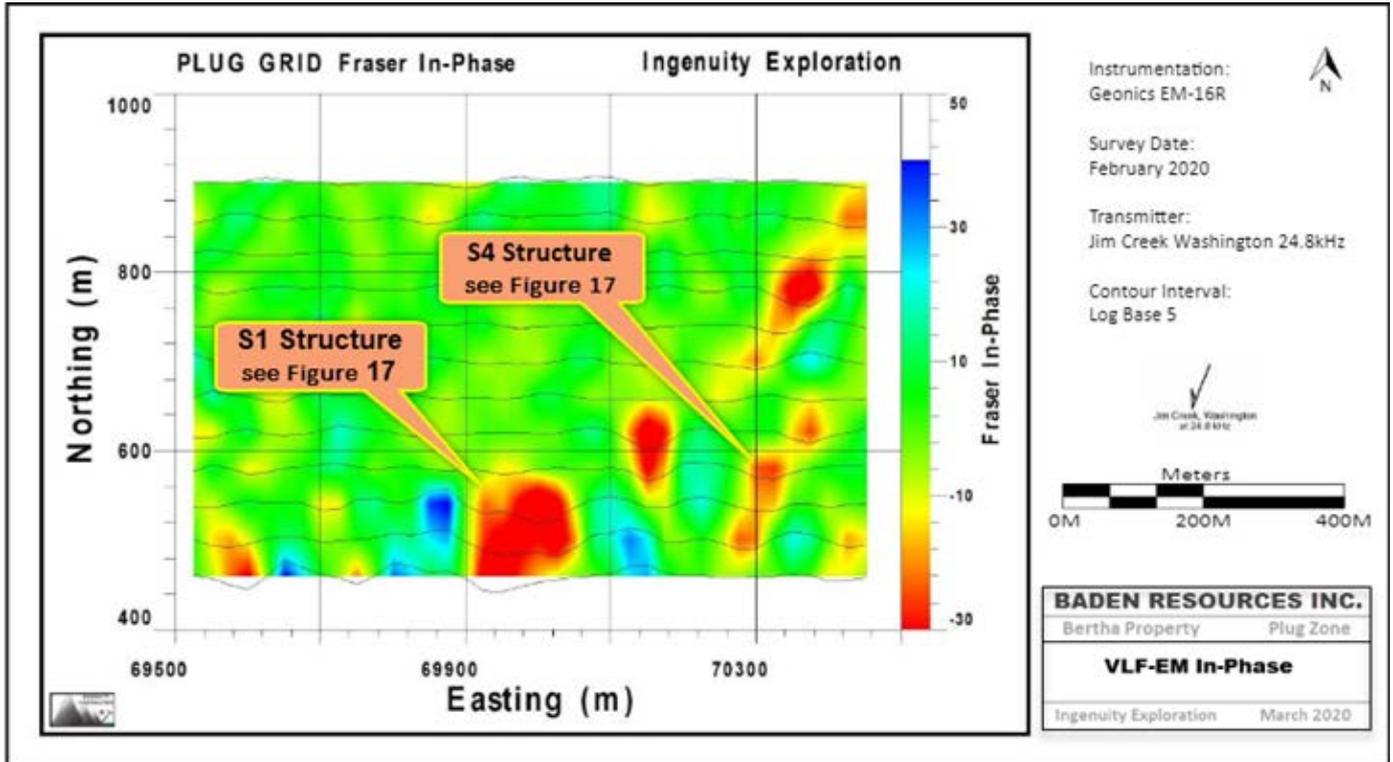
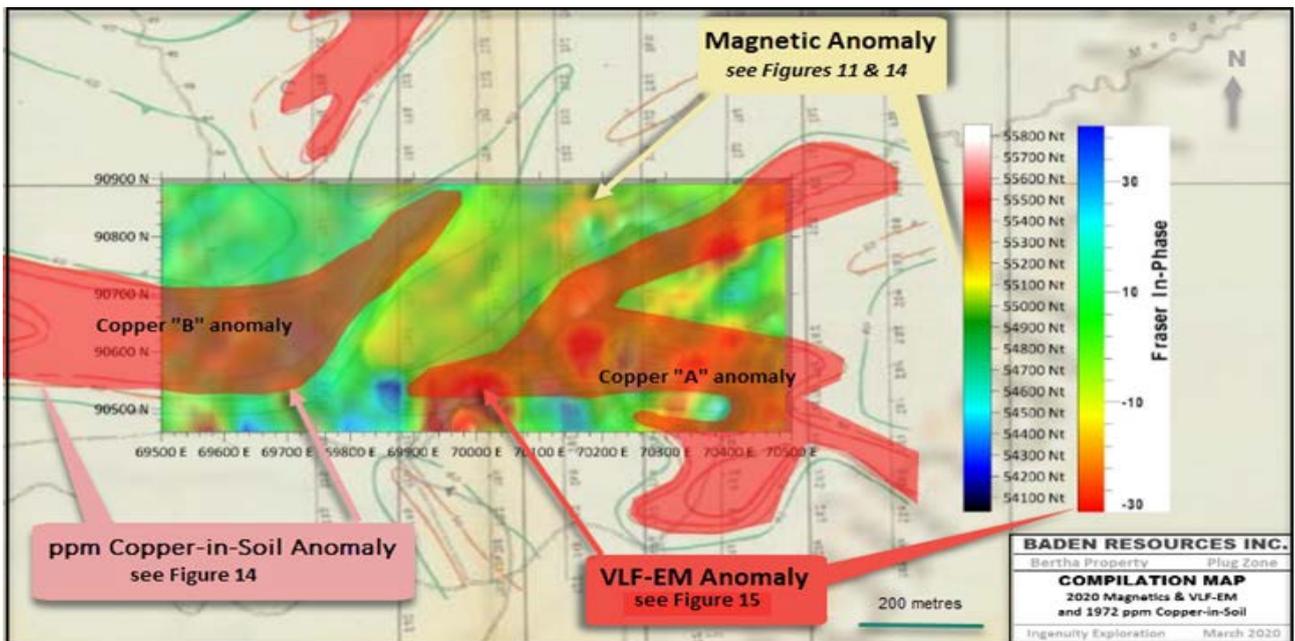
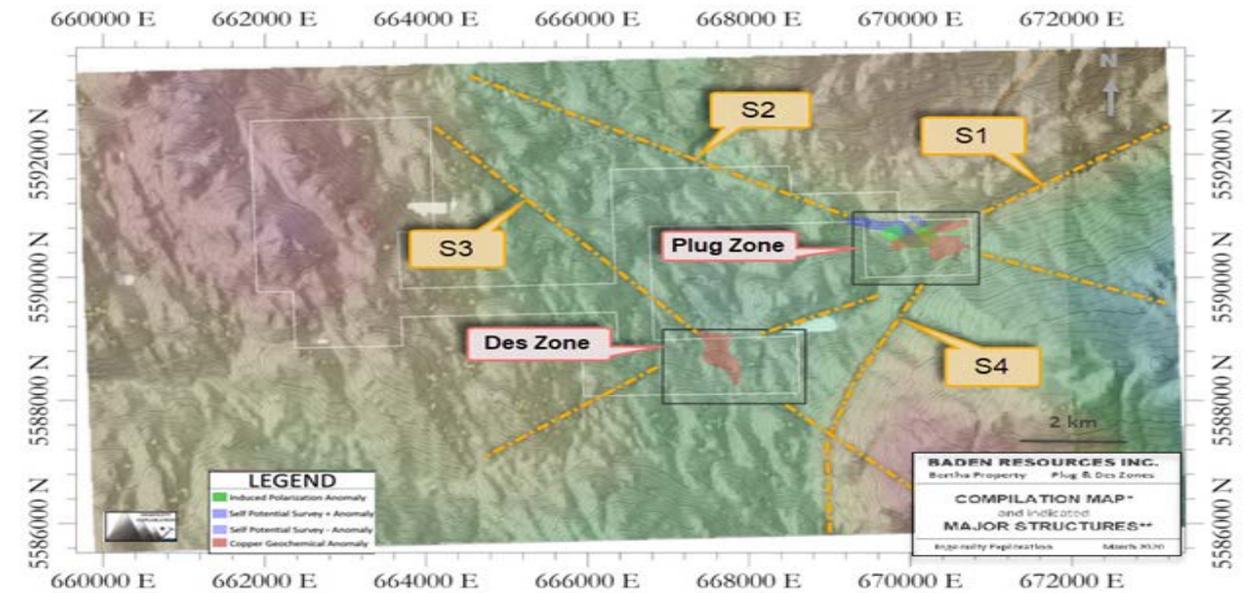


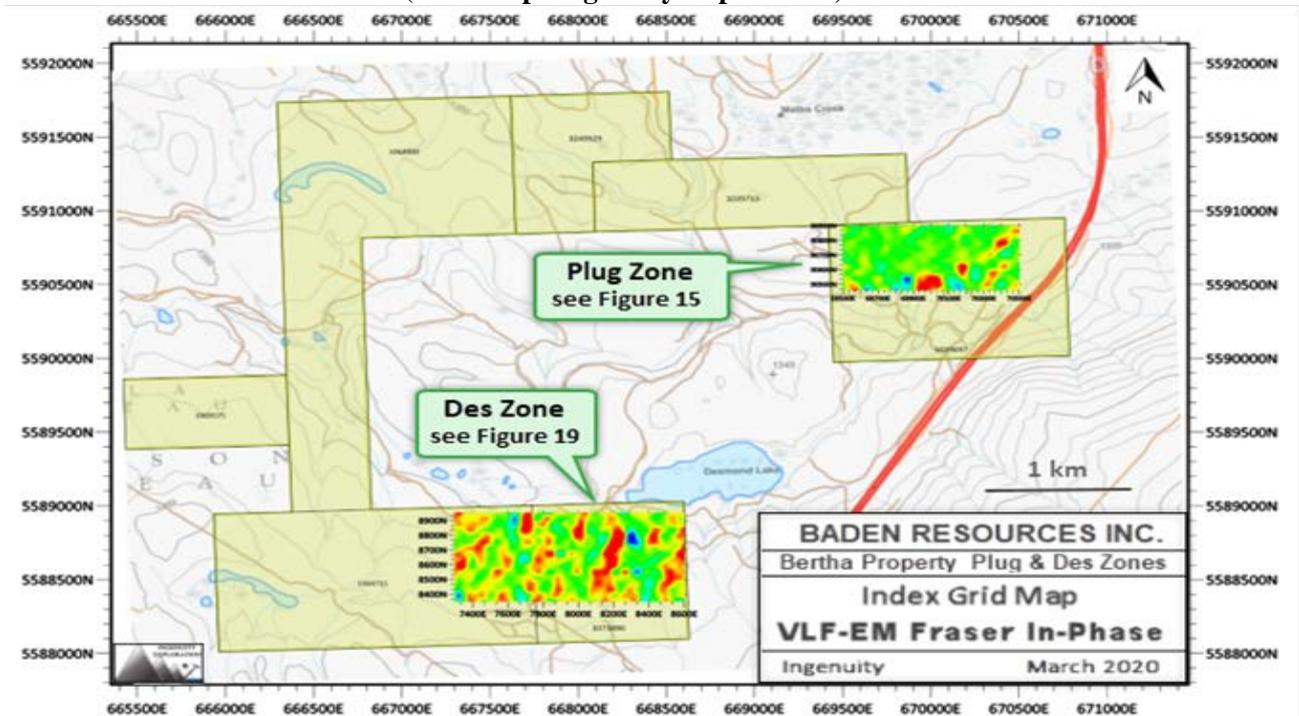
Figure 17. Plug Zone: Compilation Map 2020 Magnetic and VLF-EM Anomalies on 1972 Copper-in-Soil with Anomalies Shaded Red



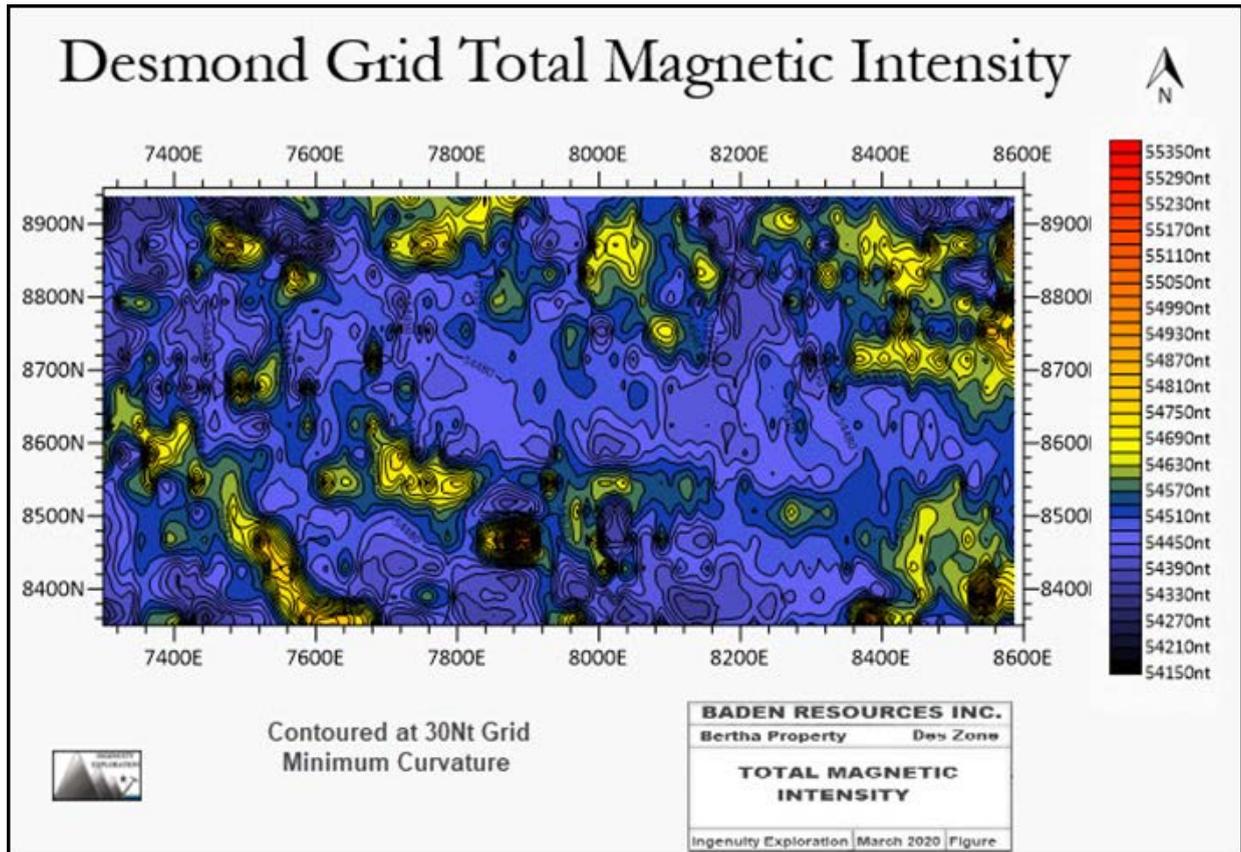
**Figure 18. Plug and Des Zones: Compilation Map of Coloured Copper-in-Soil and IP/Self Potential Anomalies on a Shaded Relief Map with Indicated Structures)**  
**(Base Map: Ingenuity Exploration)**



**Figure 19. Des Zone: Compilation Index Map of the 2020 Magnetometer Grid and Survey Results**  
**(Base Map: Ingenuity Exploration)**

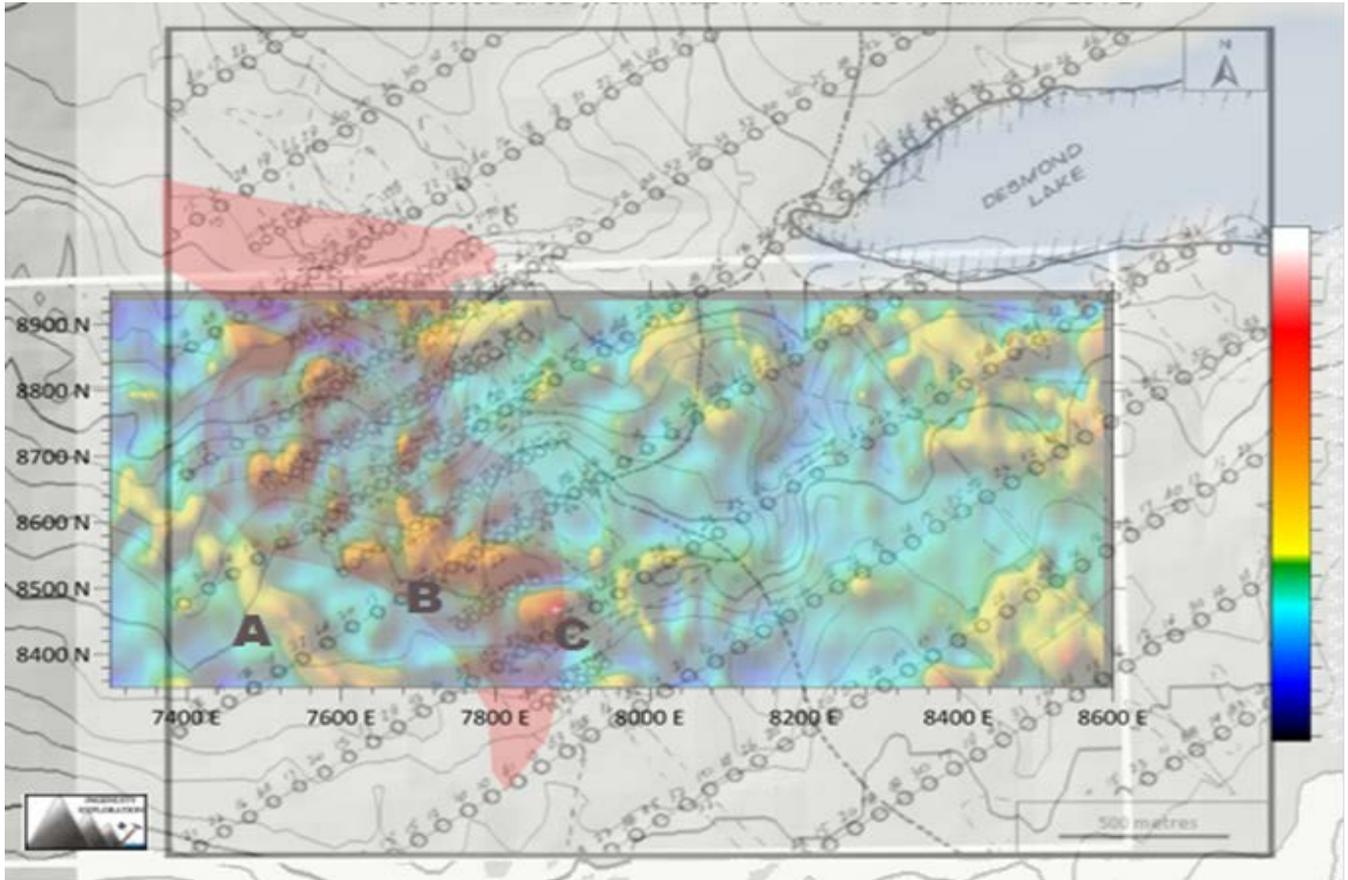


**Figure 20. Des Zone: VLF-EM Fraser In Phase  
(Map: Ingenuity Exploration)**



**Total Magnetic Intensity (Map: Ingenuity Exploration)**

Figure 21. Des Zone: Compilation of 2020 Total Magnetic Intensity and 1972 ppm Copper in Soil



\* Total Magnetic Intensity map overlay.  
 (Figure ; Ingenuity)  
 Copper ppm values-in-soil and  
 anomaly (Figure M-4; AR 4057)  
 (red shading of anomaly by Ingenuity)

<b>BADEN RESOURCES INC.</b>	
Bertha Property	Des Zone
<b>COMPILATION MAP*</b>	
Ingenuity Exploration	March 2020

Figure 22. Des Zone: Compilation Map of 2020 VLF-EM and 1972 ppm Copper in-Soil

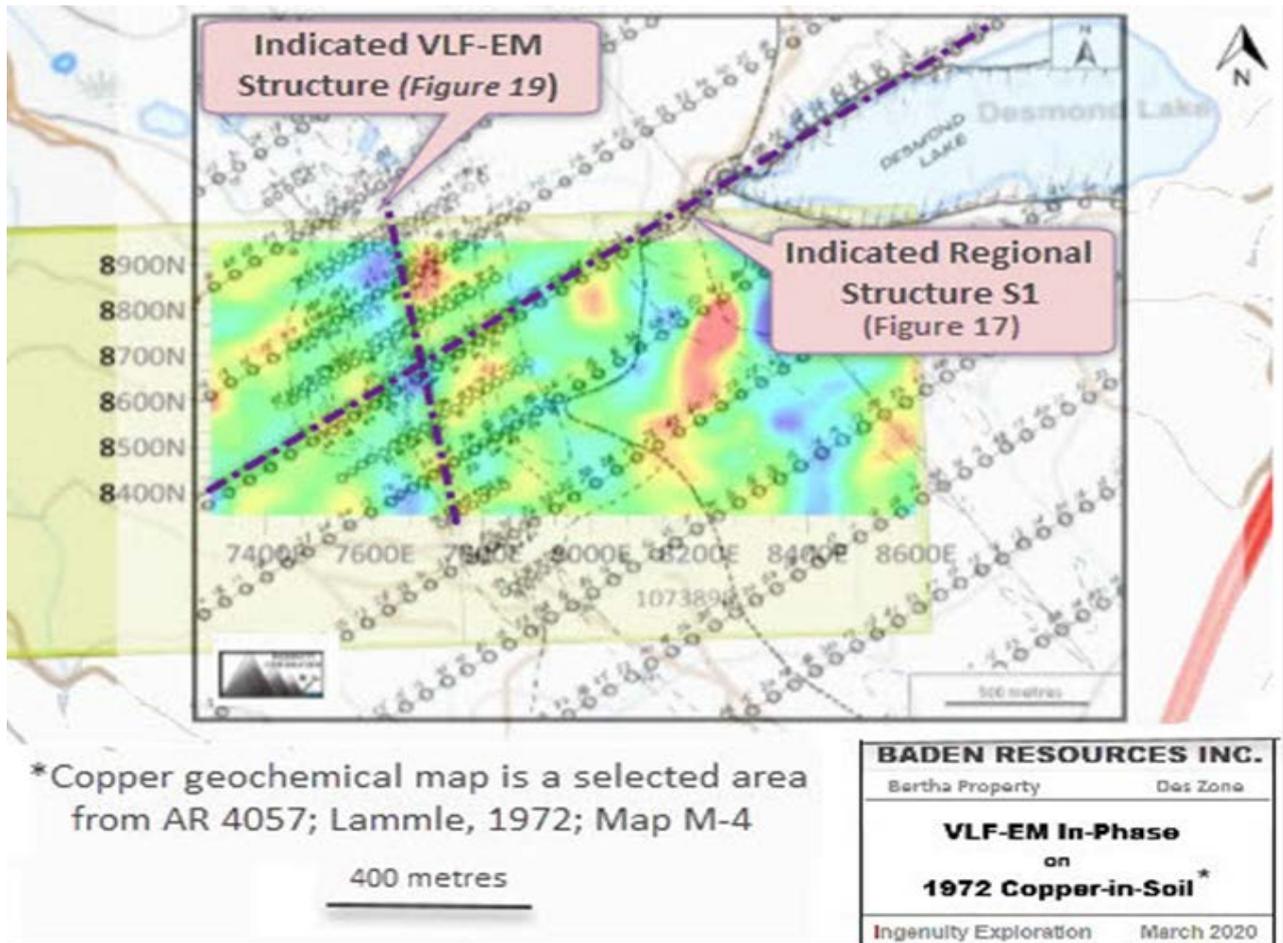
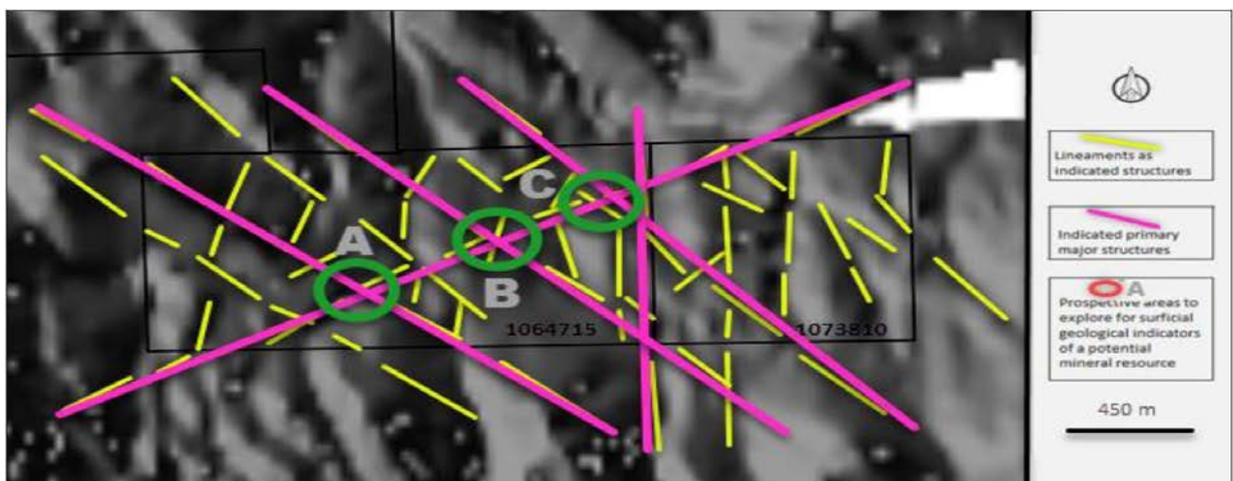
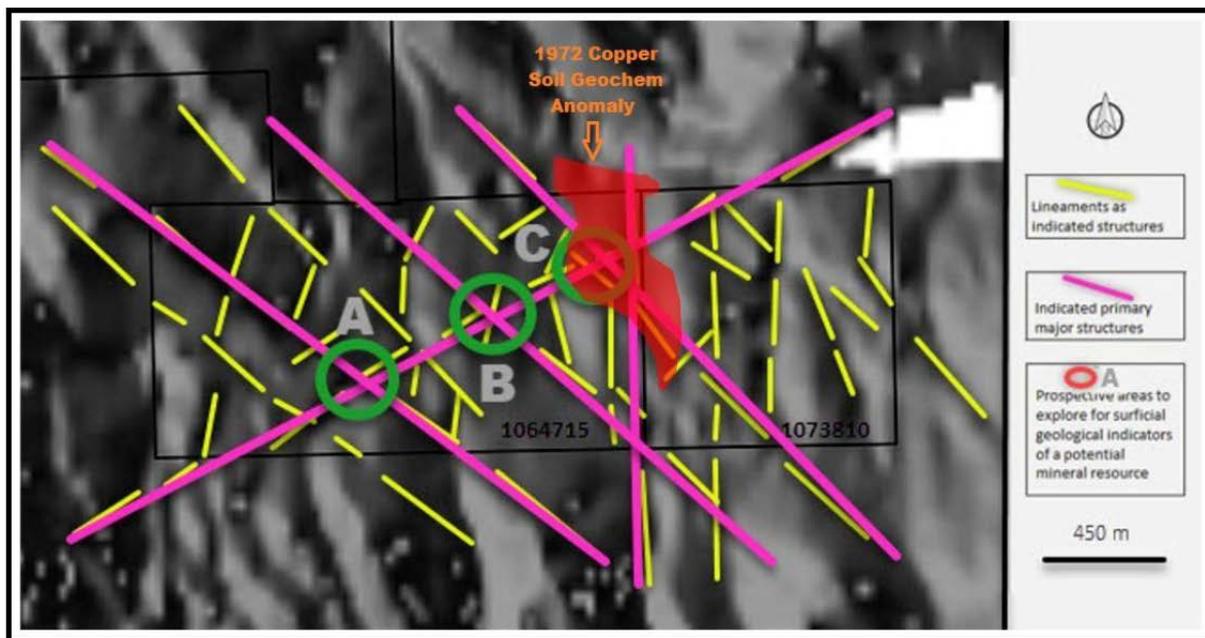


Figure 23: Des Zone: Indicated Cross-Structures (Base Map: MapPlace 2)



**Table 5: Approximate location of cross-structures (UTM-10NAD 83)**

Cross-structure	UTM East	UTM North	Elevation (m)
A	666555	5588259	1372
B	667004	5588490	1358
C	667382	5588690	1374

**Figure 25: Des Zone: Compilation of Indicated Cross-Structures and 1972 Copper Soil Geochemical Anomaly (Base Map: MapPlace 2)**

### Rock Sampling Des Zone

#### (a) Purpose

The two areas selected for sampling resulted from the geophysical survey procedure on the DES Zone when outcrops of geological interest were noted.

In April 2020, 15 representative grab, in-situ rock samples were taken from the two locations of the DES Zone: nine in the northwest area and six in the south area.

#### (b) Sampling Procedure

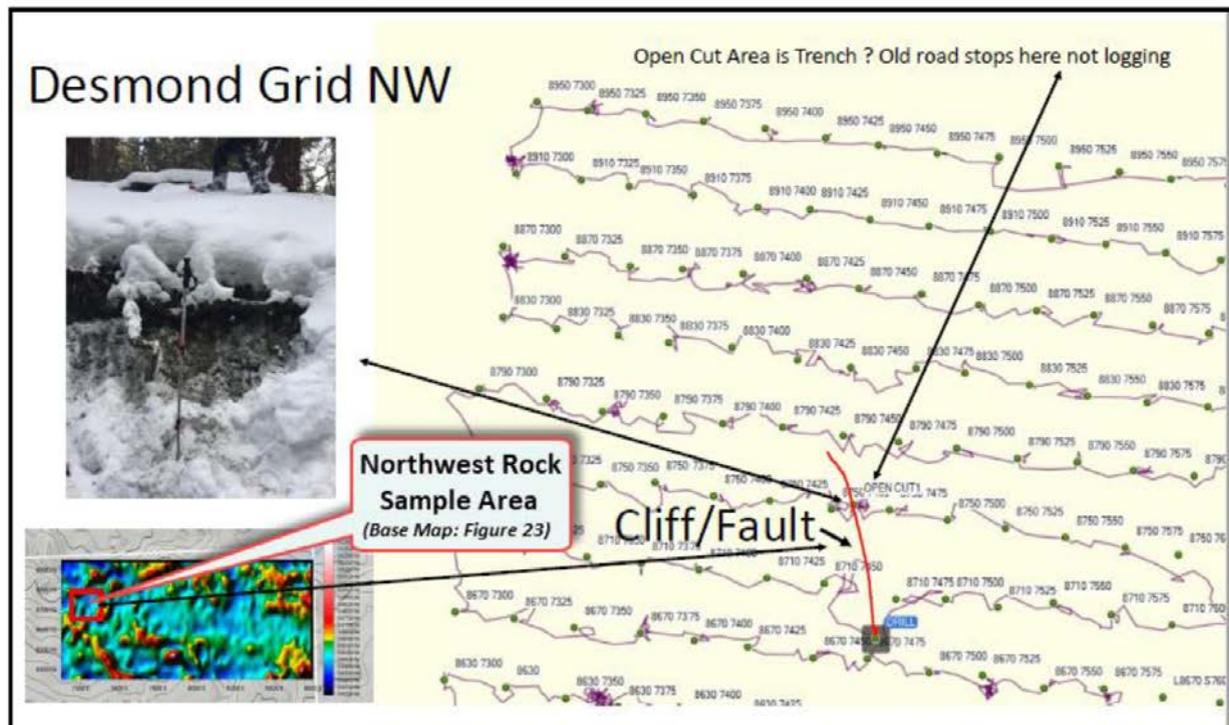
Each sample location was GPS'ed for a UTM location and a photo of each sample was taken. The samples were placed in a plastic sample bag with the UTM location written on the sample bag with a felt marker and the location flagged with the UTM written on the red ribbon at the specific site.

### (c) Results

The sampling in the Northwest and the South/East areas indicated that both areas were at structural/fault zones in that the samples were all of a fault and related hydrothermally altered breccia. The northwest rock sample location correlates with a northwesterly trending structure which appears to control the limit of the copper anomaly.

#### Northwest Area

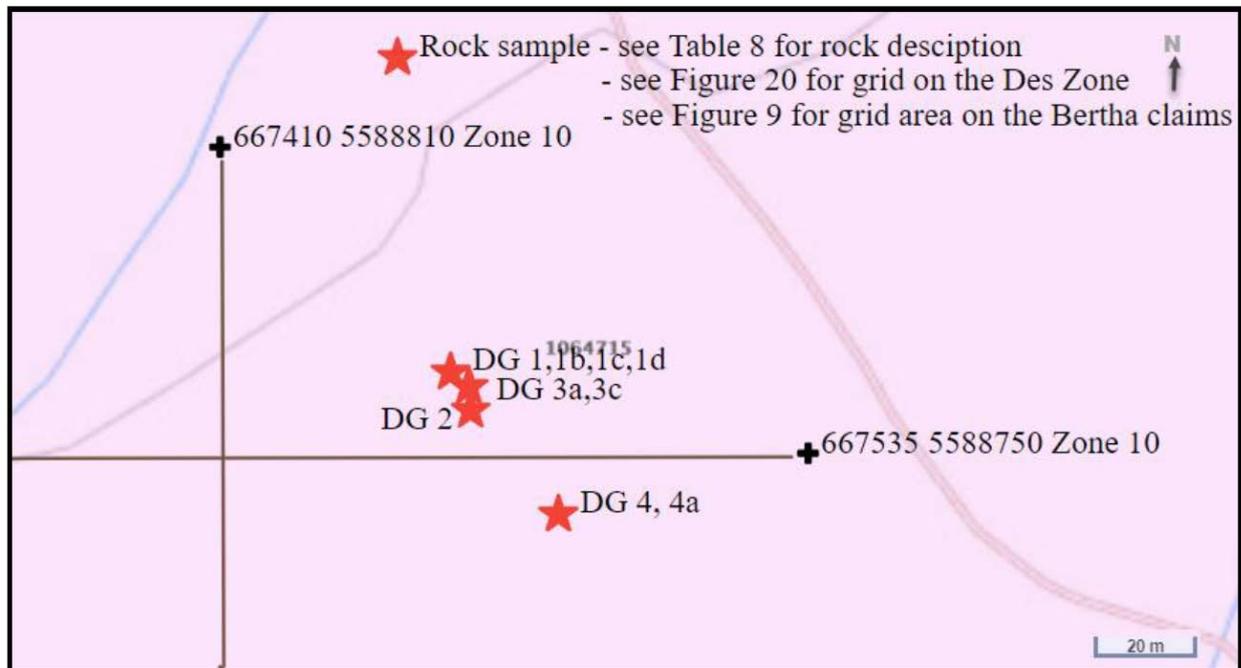
**Figure 26: Des Zone: Index Map Northwest Rock Sampling Area (Map: Ingenium Exploration)**



**Table 6: Des Zone Northwest: Rock Sample UTM Locations and Descriptions (UTM-10NAD 83)**

Sample No	UTM East	UTM North	Description
Des Gully 1	667460	5588765	Heterolithic breccia;< 2 cm sub-angular frags in a light brown altered fine-grained volcanic groundmass
Des Gully 1b	667460	5588763	Same as Des Gully 1
Des Gully 1c	667460	5588763	Same as Des Gully 1; qtz-carb < 1cm quartz veinlet; no alteration;
Des Gully 1d	667460	5588763	Same as Des Gully 1c; qtz-carb stringers; very light alteration; splashes quartz on fracture surfaces
Des Gully 2	667463	5588754	Same as Des gully 1d
Des Gully 3a	667963	5588764	Heavily altered/oxidized brown to whitish-brown breccia
Des Gully 3c	667963	5588764	Same as Des Gully 3a
Des Gully 4	667483	5588735	Breccia: light gray from quartz flooding
Des Gully 4a	667483	5588735	Breccia: unaltered

**Figure 27: Des Zone: Northwest Rock Sample Locations (Base Map: MapPlace 2)**



**Figure 28: Des Zone Northwest: Sample DG 1b (Base Map: MapPlace 2)**



**Figure 29: Des Zone: Rock Sample DG-1 (Des Gully-1) (Note the variable quartz flooding and alteration of minerals in the heterolithic breccia fragments)**



Figure 30: Des Zone: Index Map South Rock Sampling Area (Map: Ingenium Exploration)

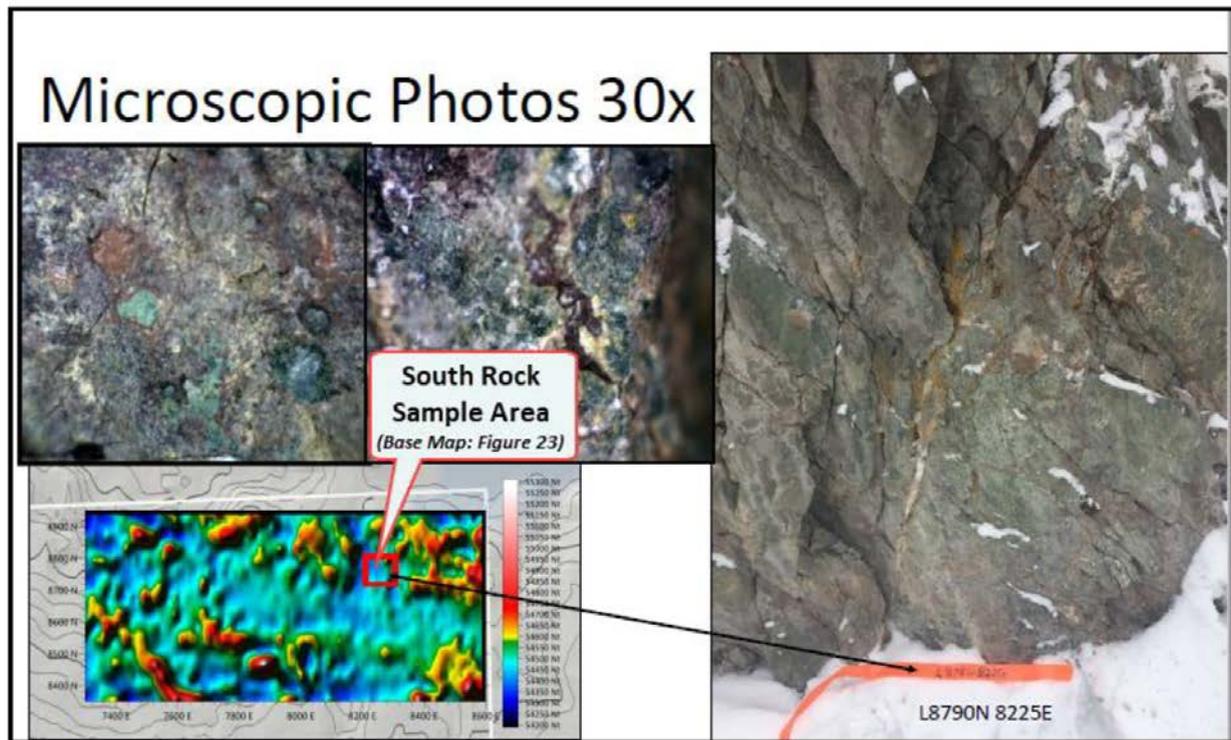


Table 7: Des Zone South: Rock Sample UTM Locations and Descriptions (UTM-10NAD 83)

Sample No	UTM East	UTM North	Description
Des S-2020-1 (DS 1 on sample map)	668238	5588784	Breccia: Multiphase in a feldspar porphyry andesite; frags up to 20 cm with internal breccia; random quartz stringers; local boudinage type texture bordering large fragments
Des S-2020-2	668238	5588778	Breccia: Same as Des S-2020-1; local heavy alteration
Des S-2020-3	668255	5588772	Breccia: 2 cm epithermal quartz vein
Des S-2020-4	668228	5588789	Well fractured tightly packed crackle breccia cemented with quartz flooding
Des S-2020-5	668211	5588795	Breccia Zone showing local angular tightly packed fractured crackle breccia sub-rounded fragments
Des S-2020-6	668209	5588745	Breccia Zone with local argillic alteration

Figure 31: Des Zone South: Rock Sample Locations (Base Map: MapPlace 2)

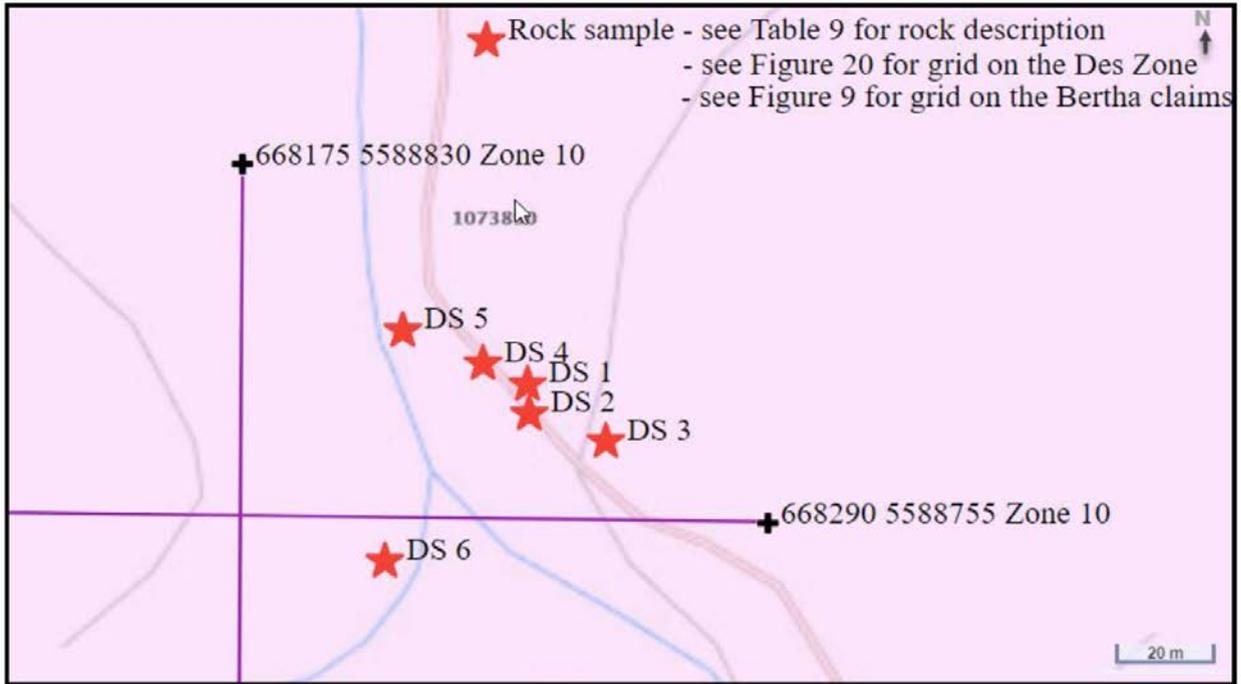


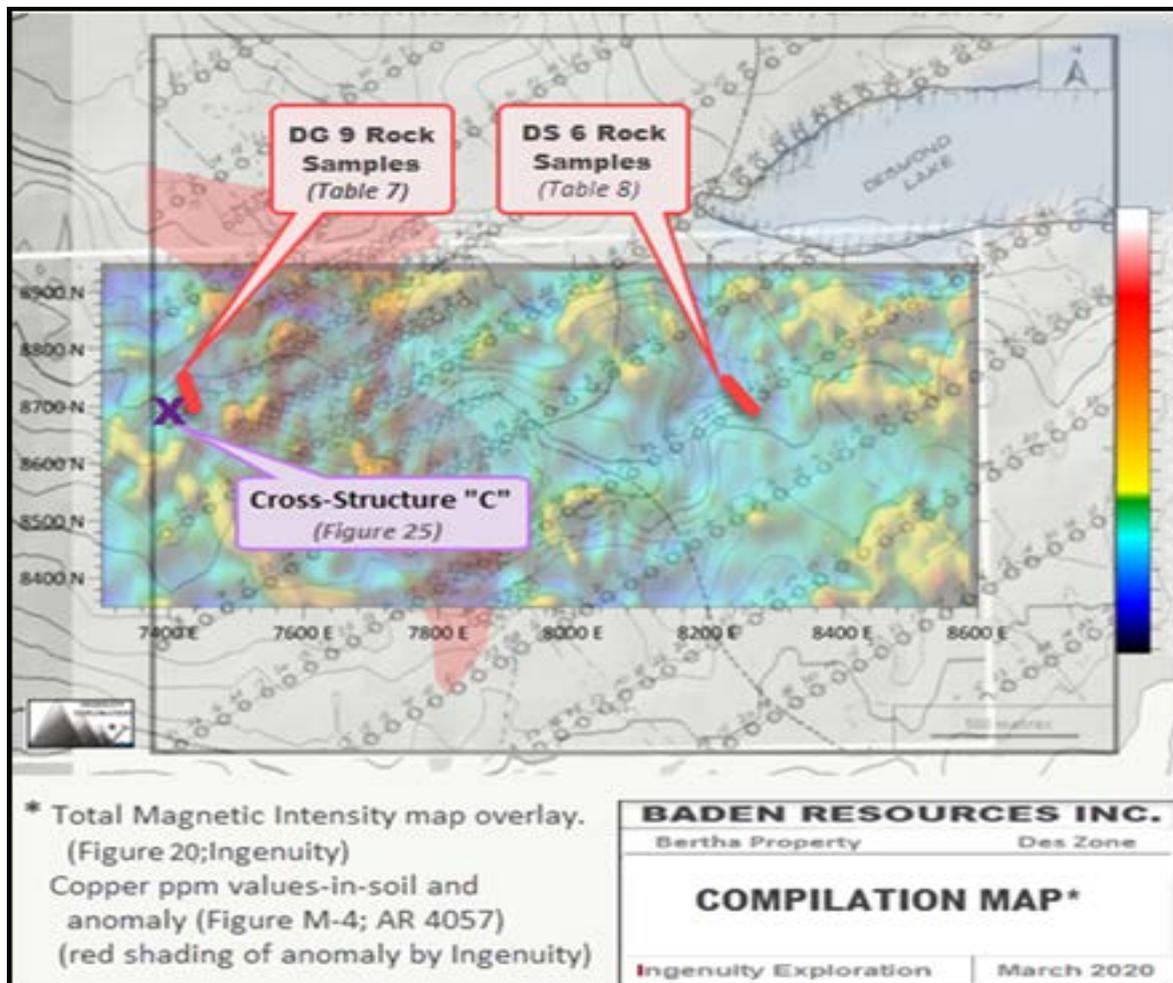
Figure 32: Des Zone South: Rock Sample DS 3 (Des-2020-3)



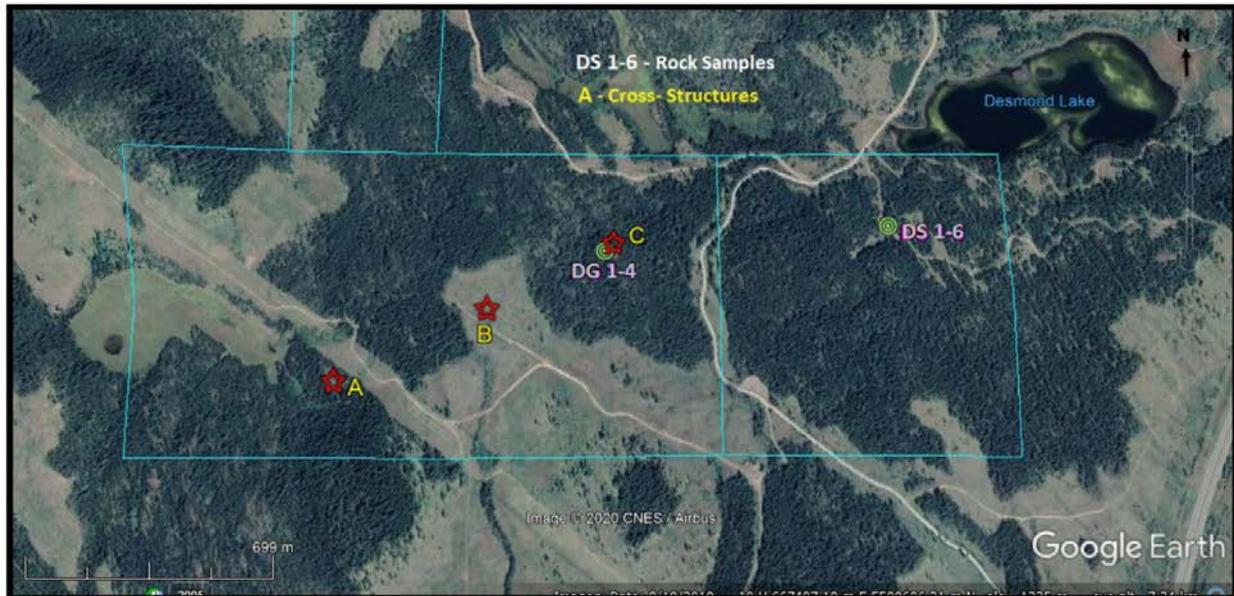
Table 8. Selected assays of DES Zone south area rock samples  
(from AR 38052)

Sample No.	Sample Type	Cu ppm	Pb ppm	Zn ppm	Au ppm	Ag ppm	Mo ppm	As ppm
DES-S-2020-2	Grab	54	<2	24	<0.005	0.2	<1	2
DES-S-2020-3	Grab	19	<2	27	<0.005	0.2	<1	<2
DES-S-2020-4	Grab	59	<2	29	<0.005	<0.2	<1	3
DES-S-2020-6	Grab	88	<2	36	<0.005	<0.2	<1	4

Figure 34. Des Zone: Compilation of 2020 Total Magnetic Intensity, Rock Sample Locations, and Cross-Structure "C" and 1972 Copper in Soil Anomaly



**Figure 35: Des Zone: Cross-Structures and Rock Sample Locations (Base Map: Google Earth)**



## Drilling

Baden Resources Inc. has not performed drilling on the Bertha Property.

## Sampling Preparation, Analyses and Security

The main sampling medium on the Bertha property has been soil sampling, particularly between the period 1972 to 1997. The author has examined procedures carried out by the various analytical laboratories as described in the applicable assessment reports and deems the procedures carried out to be acceptable for the reporting of reliable analytical results. The labs including Bondar Clegg, Min-En Laboratories and Chermex Labs were well established and certified analytical facilities, used to carry out soil, silt and rock analyses for the historic sampling work done over the current Bertha property area.

Typically soil analyses were carried out using the following procedures:

“All samples were sent to Chemex Labs Ltd., 2 12 Brooksbank Avenue, North Vancouver BC, V7J 2C1 for analysis. Laboratory technique for soil and silt samples consisted of preparing samples by drying at 95° C and sieving to minus 80 mesh. Rock samples were crushed and split, With one split ring ground to minus 150 mesh. Gold (fire assay, atomic adsorption finish) and 32 element ICP analyses were then carried out on all samples.” (Reference Assessment Report # 24862)

During the 2020 exploration program, a total of 15 representative grab, in-situ rock samples were taken from two locations of the DES Zone: nine in the northwest (NW) and six in the south. Each location was GPS'ed for a UTM location and a photo of each sample was taken. The samples were placed in a plastic sample bag with the UTM location written on the sample bag with a felt marker and the location flagged with the UTM written on the red ribbon at the specific site.

A sample description of each sample was completed. Samples were taken to a secured storage facility in Merritt, BC. Four of the south samples were analyzed and the remainder of eleven were stored for possible future analysis.

### **Analysis**

The sample preparation was done at the ALS Canada Ltd. (ALS) lab in Kamloops where the samples were crushed, pulverized and fine crushed to 70% <2mm. The sample was then split and a 250 gram sample was pulverized to 85% <75um.

Four samples were then sent to the ALS lab in Vancouver for an analytical procedure which included a 35 element Aqua Regia Induced Coupled Plasma (ICP) (ALS code ME-ICP41) and Au 30g FA-AA Finish (ALS code Au-AA23). The Certificate of Analysis issued by ALS was KL20083389.

All ALS geochemical hub laboratories are accredited to ISO/IEC 17025:2017 for specific analytical procedures. The ALS quality program includes quality control steps through sample preparation and analysis, inter-laboratory test programs, and regular internal audits.

### **Data Verification**

In reviewing the historical exploration data in assessment reports, the author is of the opinion that the information has been presented accurately as reported in the assessment reports, and that the work was carried out to industry standards of the time and is suitable for use in this report.

### **Mineral Processing and Metallurgical Testing**

There has been no mineral processing or metallurgical testing on the Bertha Property.

### **Mineral Resources and Mineral Reserves Estimates**

There are currently no mineral reserves or mineral resources on the Bertha Property.

### **Additional Requirements for Advanced Technical Reports**

These sections are excluded from this technical report as the Bertha Property is not in an advanced stage of exploration.

### **Adjacent Properties**

Although blocks of mineral tenures held by other owners lie contiguously with the Bertha Property tenures, no other known mineral occurrences are found in the immediate vicinity of the Bertha Property.

### **Figure 36: Producing mines in the area of the Bertha Property**



### Other Relevant Data and Information

There is no other relevant data and/or information on the Bertha Property.

### Interpretation and Conclusions

The 2020 exploration program results, along with review of the historic exploration results, suggest specific areas for additional exploration to locate indicated concealed mineral zones and specifically, an intrusive related Cu +/- Ag, Au porphyry deposit on the Bertha Property.

With the extensive work carried out over the Property area for many years, much of this work has resulted in inferences or determinations obtained from geochemical and geophysical (Mag, VLF-EM) survey work, along with structural interpretations. Other exploration work includes several localized I.P. surveys, percussion drilling, trenching, minor rock and stream silt sampling and general prospecting work. Only a minor amount of diamond drilling has ever being carried out over the Property area. Other factors that should be considered for ongoing exploration of the Property, would include the significance of rock alteration, rock textures (where outcrop is available) and the interpretation of structural analysis studies. The area of the Plug-Meadow mineral-alteration zone remains the primary exploration focus for the Property.

The author questions the overall usefulness or reliability of past geochemical soil sampling programs over the Property area. In the past, standard soil sampling programs have been carried out for many years throughout much of British Columbia, but it should be recognized that such past programs had limitations. Historic soil sampling programs or methods generally did not always take into account the sampling medium or the overall depth of overburden lying above bedrock. To this end, the author recognizes that a newer approach to soil sampling should be carried out in an attempt to locate bedrock mineralization through extensive thicknesses of glacial till cover. The author recognizes that the newer

technique of MMI soil sampling is a more reliable technique for the detection of metallic ions, detectible through considerable depths of overburden.

The cumulative results of many years of numerous small-scale localized geophysical and geochemical surveys carried out over the Bertha Property, predominantly completed to fulfill assessment requirements, have not provided a clear overall geological or mineral potential understanding of the Property area. This lack of geological understanding is due largely to the extensive thick overburden cover in this region. Since intrusive bodies elsewhere in the Nicola Belt have been found to be associated with important copper (+/- Mo, Ag, Au) mineralization, the Property lies within a more than a fair exploration environment for the discovery of a new copper porphyry deposit.

Given the rich metal (copper-molybdenum) endowment in the Highland Valley to the west and Iron Mask deposits to the northeast near Kamloops, the presence of MINFILE occurrences in the immediate area, together with anomalous copper  $\pm$  silver, gold mineralization, surface geochemical results and geophysical indicators, are interpreted to suggest further work on the Bertha Group is warranted.

Many of the figures in this report are referred to by geologist L. Sokoochoff. The structural interpretations as suggested by Mr. Sokoochoff have not been relied upon by the author and although his inferences regarding possible emplacement of intrusive bodies that may be present on the Bertha Property, may have validity, but they do not conform within the purview of the Technical Report.

Mr. Sokoochoof's discussions regarding his structural analysis for the Bertha Property are found in Appendix 1 of the Technical Report, where he makes reference to many of the figures found throughout the body of the Technical Report.

### **Recommendations**

The author recognizes the numerous geophysical and geochemical exploration programs carried out over the Bertha Property area. The Property would benefit from a systematic compilation and digitization of all historic work carried out over several decades. This, however, will be a challenging process to bring numerous older grid survey results into a common digital format.

Upon examining the various disparate exploration programs over the Property area, the author recommends that a property-wide airborne magnetometer survey be flown over the entire Property. The airborne survey will be useful in the location of hidden intrusive bodies, which may act as mineralizing centres or heat sources, which may be associated with potential porphyry copper deposits. The airborne magnetometer survey results can also be used as a comparison with the results of previous magnetometer work done on the Property. In certain circumstances, radiometric surveys may also be of value, but perhaps not in an area of such deep overburden cover.

Ground-based magnetometer and VLF-EM surveys should be carried out at the Plug Zone in an effort to test for geological/mineralogical continuity or extension towards the Meadow Showing area. The two showing areas may be connected, as indicated from an open-ended western copper anomaly on the Meadow Showing (Figure 8 of the Technical Report). The combined ground-based magnetometer and VLF-EM surveys should only be carried out as a follow-up survey following interpretations from the recommended airborne magnetometer survey.

Taking into account the results of past geochemical work on the Bertha Property area, with several areas of known recognizable anomalies, it is recommended that a number of MMI orientation soil lines be

carried out over areas of historical and recognizable anomalies, to check for repeatability and confirmation of historic anomalies. In particular MMI sampling work should be carried out to better delineate the areas of strong alteration with associated mineralization found at the Plug and Meadow zones and also be used to show if any continuity or connection exists between these two zones, located approximately 2.4 km apart.

Following interpretation of the Phase one exploration as outlined in this report, a Phase two exploration program may be recommended to involve area specific IP Surveys and ultimately diamond drilling on specific indicated mineral targets.

**Estimated Phase One Exploration Costs (approximate 2-month program)**

<b>Exploration</b>			<b>Days</b>	<b>\$Rate/day</b>	<b>\$Sub-cost</b>	<b>\$Total cost</b>
<b>Digitize Historic Data</b>			<b>Contract</b>			\$ 5,500.00
			<b>Days</b>	<b>\$Rate/day</b>	<b>\$Sub-cost</b>	
<b>VLF &amp; Mag</b>	Operators	2	12	375	9,000	
20 line kilometres	Transportation		12	275	3,300	
	Accommodation		12	75	900	
	Meals		12	50x2	1,200	
	VLF&Mag rental		12	100x2	2,400	
	Support costs: (Data Processing and Analysis)				2,500	19,300.00
<b>Geological Survey</b>						
	Geologist	1	10	800	8,000	
	Assistant	1	10	300	3,000	
	Accommodation		10	75	800	
	Meals		10	50	600	
	Transportation				600	13,000.00
<b>Aeromag Survey</b>	Contract		Property-wide survey			30,000.00
<b>MMI Soils Surveys</b>						20,000.00
<b>Exploration Report</b>						12,000.00
<b>Contingencies</b>						7,500.00
<b>TOTAL COSTS</b>			Phase One Program			<b>107, 300.00</b>

**USE OF AVAILABLE FUNDS**

**Proceeds**

This is a non-offering prospectus. The Issuer is not raising any funds in conjunction with this Prospectus and accordingly, there are no proceeds.

**The Issuer has historically generated negative cash flows and there is no assurance that the Issuer will not experience negative cash flow from operations in the future. For the year ended June 30, 2020, the Issuer sustained net losses from operations and had negative cash flow from operating activities of \$53,595. Any negative cash flow from operating activities in future periods will be covered entirely by proceeds.**

### **Funds Available**

As at November 30, 2020, the Issuer had working capital of \$544,041, comprised of cash and cash equivalents of \$564,747, GST receivable of \$380, prepaid expenses of \$10,000, less current liabilities of \$31,086, which will be expended on the principal purposes set out below. The Issuer's working capital is primarily comprised of net proceeds of the private placement financings previously completed by the Issuer. See "Prior Sales" below for further details.

<b>Use of Available Funds</b>	<b>(\$)</b>
Estimated regulatory fees related to the filing of a long form prospectus and listing on the CSE	13,500
Estimated legal, accounting and other expenses related to the completed private placements and to the filing of a long form prospectus and listing on the CSE	65,000
Exploration of the Bertha Property as recommended in the Technical Report <sup>(1)</sup>	107,300
Estimated general and administrative costs for next 12 months <sup>(2)</sup>	121,000
Shareholder communications	10,000
Unallocated working capital	227,241
<b>TOTAL:</b>	<b>\$544,041</b>

(1) See "Narrative Description of the Business – Estimated Exploration Costs."

(2) See the table below for a description of the estimated general and administrative costs of the Issuer for the next 12-month period.

A summary of the estimated annual general and administrative costs is as follows:

<b>General and Administrative Costs for 12 Month Period Following the Listing Date</b>	<b>(\$)</b>
Management Fees	48,000
Regulatory Fees	16,000
Transfer Agent	6,000
Legal and Accounting	26,000
Office Rent	18,000
Miscellaneous	7,000
<b>TOTAL:</b>	<b>\$121,000</b>

## Business Objectives and Milestones

The recommended work program outlined in the Technical Report calls for expenditures of CDN \$107,300 for exploration work on the Property. Management intends to proceed with the recommended work program to assess the viability of the Property. The business objective is to assess the results of the planned work and, if warranted, implement additional work to further explore the Property (subject to available funds). This work could include additional rock and soil sampling, additional geophysical surveys, and trenching and drilling that would be carried out over a number of years, which would require additional capital or the entering into of a joint venture. The overall objective of the Issuer is to discover a body of gold mineralization of sufficient size that leads to economic analysis. The steps or milestones to achieve the stated objectives are outlined below.

### *Milestones*

Milestone	Estimated Time to Complete	Estimated Cost to Complete
(1) Digitize historic data	Contract	\$5,500
(2) VLF and Mag	60 days	\$19,300
(3) Geological survey	40 days	\$13,000
(4) Aeromagnetic survey	Contract	\$30,000
(5) MMI orientation soil sampling program	60 days	\$20,000
(6) Exploration Report	25 days	\$12,000

It is estimated that the recommended exploration program would take two months to complete.

As set forth above, the budget for the milestones amounts to \$99,800 and together with a contingency of \$7,500, the total budget to complete the recommended exploration program is \$107,300. Each of the milestones outlined above comprises a separate and distinct activity, but each item is an integral element to complete the entire program and enables the Issuer to make decisions on achieving its business objectives. It is anticipated the work will be carried out in May/June or early July of 2021 such that any follow-up work can be completed during the calendar year.

Due to the nature of the business of mineral exploration, budgets are regularly reviewed with respect to both the success of the exploration program and other opportunities which may become available to the Issuer. Accordingly, the Issuer may abandon in whole or in part any of its property interests or may, as work progresses, alter the recommended work program, or may make arrangements for the performance of all or any portion of such work by other persons or companies and may use any funds so diverted for the purpose of conducting work or examining other properties acquired by the Issuer, although the Issuer has no present plans in this respect.

### **DIVIDEND POLICY**

The Issuer has not paid out any dividends or distributions and does not have a policy regarding dividends or distributions.

**BADEN RESOURCES INC.****MANAGEMENT DISCUSSION AND ANALYSIS****For the three months ended on September 30, 2020**

The following MD&A of Baden Resources Inc. (the “Issuer”) has been prepared by management, in accordance with the requirements of NI 51-102 as of November 10, 2020 and should be read in conjunction with the unaudited condensed interim financial statements and accompany notes for the three months ended September 30, 2020 and the audited financial statements for the period from incorporation on January 19, 2020 to June 30, 2020 and the related notes contained therein which have been prepared under IFRS. The information contained herein is not a substitute for detailed investigation or analysis on any particular issue. The information provided in this document is not intended to be a comprehensive review of all matters and developments concerning the Issuer. The Issuer is not a “Venture Issuer” as defined in NI 51-102.

All financial information in this MD&A has been prepared in accordance with IFRS. All monetary amounts are expressed in Canadian dollars, the presentation and functional currency of the Issuer, unless otherwise indicated.

*Overview*

The Issuer was incorporated in the Province of British Columbia on January 19, 2020 under the name of “Baden Resources Inc.” The Issuer is in the process of exploring mining claims which are held under option and has not yet determined whether or not the optioned properties will contain economically recoverable reserves.

As at September 30, 2020, the Issuer reported working capital of \$546,568 and may require financing from outside participation to continue exploration and subsequent development of its mining claims under the option and to be able to make payments required under the Bertha Option Agreement. As at September 30, 2020 the Issuer had not yet achieved profitable operations, has accumulated losses of \$74,201 since its inception and expects to incur further losses in the development of its business, all of which casts doubt about the Issuer’s ability to continue as a going concern. The Issuer’s ability to continue as a going concern is dependent on continued financial support from its shareholders, the ability of the Issuer to raise equity financing, the attainment of profitable operations and external financings.

*Exploration Activities*Area and Location

The Bertha Property is comprised of nine (9) contiguous mining claims that are the subject of the Bertha Property Option Agreement. The claims that comprise the Property cover an area of 1,461 hectares and are located 35 kilometers southwest of Kamloops, British Columbia, within the Kamloops Mining District.

The following table summarizes the Company's exploration and evaluation asset expenditures to September 30, 2020:

	<b>September 30, 2020</b>	June 30, 2020
	\$	\$
Acquisition costs:		
Balance, beginning of period	<b>10</b>	-
Additions	-	10
Balance, end of period	<b>10</b>	10
Deferred exploration expenditures:		
Balance, beginning of period	<b>57,950</b>	-
Consulting	-	10,000
Geophysical program	-	47,950
Balance, end of period	<b>57,950</b>	57,950
	<b>57,960</b>	57,960

*Results of Operations - For the three months ended September 30, 2020:*

#### Revenues

Due to the Issuer's status as an exploration stage mineral resource Issuer and a lack of commercial production from its properties, the Issuer currently does not have any revenues from its operations.

#### Expenses

During the three month ending September 30, 2020, the Issuer recorded a loss of \$20,606. Some of the significant charges to operations are as follows:

- Share-based compensation of \$5,540 related to the issuance of 75,000 stock options at an exercise price of \$0.10 per share for 5 years.
- Listing, filing, transfer agent fees of \$11,650.

#### *Summary of Quarterly Results*

	September 30, 2020	June 30, 2020	period from incorporation on January 19, 2020 to March 31, 2020
Revenue	Nil	Nil	Nil
Loss for the period	(20,606)	(30,681)	(22,914)
Deficit	(74,201)	(53,595)	(22,914)
Loss per share (Basic & Diluted)	(0.00)	(0.01)	(0.01)
Current assets	577,654	254,350	63,955
Total assets	640,614	312,310	113,915

Total liabilities	31,086	30,586	1,510
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For the quarter ended September 30, 2020, Revenue was Nil, Loss for the period was \$20,606, Loss per share was \$(0.00), Current assets was \$577,654, Total assets were \$640,614 and Total liabilities were \$31,086.

Figures for the periods prior to December 31, 2019 are not available as the Issuer was only incorporated in January 19, 2020.

#### *Liquidity and Capital Resources*

As at September 30, 2020, the Issuer had working capital of \$546,568 and an accumulated deficit of \$74,201. The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) on an ongoing basis, which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. The continuation of the Issuer is dependent upon the financial support of creditors and stockholders, refinancing debts payable, obtaining additional long-term debt or equity financing, as well as achieving and maintaining a profitable level of operations. The Issuer believes it will require additional working capital to meet operating and exploration costs for the upcoming year.

During the three ended September 30, 2020, the Issuer completed the following transactions:

- a) On July 30, 2020, the Company issued 1,710,000 common shares at \$0.10 per unit for proceeds of \$171,000 for the first tranche of the private placement.
- b) On September 3, 2020, the Company issued 1,760,000 common shares at \$0.10 per unit for proceeds of \$176,000. In relation to the issuance, the Company paid \$4,130 in cash and issued 77,700 finders warrants. Each finders’ warrant is exercisable at \$0.10 for up to 18 months after listing on the Canadian Securities Exchange.
- c) The Issuer granted stock options for 75,000 shares exercisable at \$0.10 per share.

#### *Cash Flow Analysis*

##### Operating Activities

During the three months ended September 30, 2020, cash used in operating activities was \$12,624.

##### Financing Activities

During the three months ended September 30, 2020, cash generated by financing activities was \$347,000. During the period, the Issuer received net proceeds of \$342,870 from private placement financings.

##### Investing Activities

During the three months ended September 30, 2020, cash used in investing activities was \$5,000. The Issuer spent \$5,000 on a reclamation bond on the Bertha Property.

### *Contractual Obligations*

The Issuer is subject to certain contractual obligations associated with the Bertha Property Option Agreement. In order to exercise the option under the Bertha Property Option Agreement, the Issuer shall pay to the Owner of the Property the aggregate sum of \$315,020 and issue a total of 600,000 common shares in instalments, and complete minimum expenditures on the Property in installments equalling \$653,000. As of September 30, 2020, the Issuer has paid \$10 under the Bertha Property Option Agreement and incurred exploration expenditures of \$57,950.

### *Related Party Transactions*

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Issuer as a whole. The Issuer has determined that key management personnel consist of members of the Issuer's Board of Directors and corporate officers. There were no remuneration of directors and key management personnel for the three months ended September 30, 2020.

### *Risks and Uncertainties*

The Issuer is engaged in the acquisition and exploration of mining claims. These activities involve significant risks which careful evaluation, experience and knowledge may not, in some cases eliminate the risk involved. The commercial viability of any material deposit depends on many factors not all of which are within the control of management. Some of the factors that affect the financial viability of a given mineral deposit include its size, grade and proximity to infrastructure. Government regulation, taxes, royalties, land tenure, land use, environmental protection and reclamation and closure obligations, have an impact on the economic viability of a mineral deposit.

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Annual losses are expected to continue until the Issuer has an interest in a mineral property that produces revenues. The Issuer's ability to continue its operations and to realize assets at their carrying values is dependent upon the continued support of its shareholders, obtaining additional financing and generating revenues sufficient to cover its operating costs. The Issuer's financial statements do not give effect to any adjustments which would be necessary should the Issuer be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the consolidated financial statements.

Any forward-looking information in this MD&A is based on the conclusions of management. The Issuer cautions that due to risks and uncertainties, actual events may differ materially from current expectations. With respect to the Issuer's operations, actual events may differ from current expectations due to economic conditions, new opportunities, changing budget priorities of the Issuer and other factors.

### Capital risk management

The Issuer's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Issuer includes shareholders' equity, comprised of issued share capital, contributed surplus and deficit, in the definition of capital.

The Issuer's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to further exploration on its properties. To secure the additional capital necessary to pursue these plans, the Issuer will attempt to raise additional funds through the issuance of equity, debt or by securing strategic partners.

The Issuer is not subject to externally imposed capital requirements. The Issuer's financial instruments and risk exposures are summarized below.

### Currency risk

Foreign exchange risk arises from purchase transactions as well as recognized financial assets and liabilities denominated in foreign currencies. The Issuer's functional and presentation currency is the Canadian dollar.

### Credit risk

Credit risk is the risk of an unexpected loss if a third party to a financial instrument fails to meet its contractual obligations. The Issuer is exposed to credit risk with respect to its cash. The Issuer reduces its credit risk by maintaining its primary bank accounts at large financial institutions.

### Liquidity risk

Liquidity risk is the risk that the Issuer will not be able to meet its obligations as they fall due. The Issuer manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. Senior management is also actively involved in the review and approval of planned expenditures.

As at September 30, 2020, the Issuer had a working capital of \$546,568.

The Issuer has liquidity risk and is dependent on raising additional capital to fund exploration and operations.

### Fair Value risk

Fair value represents the amounts at which a financial instrument could be exchanged between willing parties, based on current markets for instruments with the same risk, principal and remaining maturity. Fair value estimates are based on quoted market values and other valuation methods.

The carrying values of cash, reclamation bonds, bank overdraft and accounts payable and accrued liabilities approximate fair values due to the relatively short-term maturities of these instruments.

## FAIR VALUE HIERARCHY

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 values of cash are measured based on level 1 inputs of the fair value hierarchy.

### *Outstanding Shares, Stock Options and Warrants*

As at the date of this MD&A, the Issuer had the following outstanding share data:

	Number	Exercise price	Expiry date
Common shares	11,736,000	Nil	Nil
Warrants	4,077,700	\$ 0.10	18 months from the date the common shares are listed on the Canadian Securities Exchange
Stock options	725,000	\$ 0.10	February 28, 2025- July 6, 2025

### *Off-Balance Sheet Arrangements*

The Issuer has no off-balance sheet arrangements.

### *Proposed Transactions*

The Issuer has no proposed transactions.

### *Significant Accounting Policies*

#### Restoration liabilities

The Issuer recognizes the fair value of restoration liabilities related to statutory, contractual or legal obligations associated with the retirement of mining claims in the year in which it is incurred when a reasonable estimate of fair value can be made, in which case the carrying amount of the related mining claim is increased by the same amount as the net present value of the restoration liability. Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. The Issuer's estimates of such costs could change as a result of changes in regulatory requirements and assumptions regarding the amount and timing of the future expenditures and changes in the net present value.

### Acquisition, exploration and evaluation expenditures

The Issuer is in the exploration stage with respect to its investment in exploration properties and follows the practice of capitalizing all costs relating to the acquisition of its interest in properties excluding mining lease agreements. All exploration and development expenditures are expensed in the period incurred. Such costs include, but are not exclusive to, geological, geophysical studies, exploratory drilling and sampling. The aggregate acquisition costs related to abandoned mineral properties are charged to income at the time of any abandonment or when it has been determined that there is evidence of permanent impairment.

An impairment charge relating to a mineral property is subsequently reversed when new exploration results or actual or potential proceeds on sale or farmout of the property result in a revised estimate of the recoverable amount but only to the extent that this does not exceed the original carrying value of the property that would have resulted if no impairment had been recognized.

The recoverability of amounts shown for interest in exploration properties is dependent upon the discovery of economically recoverable reserves, the ability of the Issuer to obtain financing to complete development of the properties, and on future production or proceeds of disposition.

The Issuer recognizes in income costs recovered on exploration properties when amounts received or receivable are in excess of the carrying amount.

All capitalized acquisition costs of interests in properties are monitored for indications of impairment. Where a potential impairment is indicated, assessments are performed for each area of interest. To the extent that the capitalized acquisition cost is not expected to be recovered, it is charged to the results of operations. Exploration areas where reserves have been discovered, but require major capital expenditure before production can begin, are continually evaluated to ensure that commercial quantities of reserves exist or to ensure that additional exploration work is underway as planned.

### Share Capital

Common Shares are classified as equity. Transaction costs directly attributable to the issue of Common Shares and share options are recognized as a deduction from equity, net of any tax effects.

### Income/Loss per share

The Issuer presents basic and diluted income/loss per share data for its Common Shares, calculated by dividing the income/loss attributed to common shareholders of the Issuer by the weighted average number of Common Shares outstanding during the period. Diluted income/loss per share does not adjust the income/loss attributed to the common shareholders or the weighted average number of Common Shares outstanding when the effect is anti-dilutive.

### Provisions

A provision is recognized in the statements of financial position when the Issuer has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and,

where appropriate, the risks specific to the liability. The Issuer has recorded no provisions at September 30, 2020.

### 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 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. 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; 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 the 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 Issuer intends to settle its current tax assets and liabilities on a net basis.

### Financial instruments

Financial instruments are accounted for in accordance with IFRS 9, “Financial Instruments: Classification and Measurement”. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### *Financial assets*

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income (“FVTOCI”); or (iii) fair value through profit or loss (“FVTPL”). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed. All financial assets not classified and measured at amortized cost or FVTOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment’s fair value in other comprehensive income.

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

The classification determines the method by which the financial assets are carried on the statement of financial position subsequent to inception and how changes in value are recorded. Cash is measured at FVTPL.

Receivables are measured at amortized cost.

#### *Impairment of financial assets*

IFRS 9 uses the expected credit loss (“ECL”) model. The credit loss model groups receivables based on similar credit risk characteristics and days past due in order to estimate bad debts. The ECL model applies to the Company’s receivables.

#### *Impairment*

An ‘expected credit loss’ impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset’s original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

#### *Financial liabilities*

Financial liabilities are designated as either: (i) fair value through profit or loss; or (ii) other financial liabilities. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the statement of financial position subsequent to inception and how changes in value are recorded. Trade payables are classified under other financial liabilities and carried on the statement of financial position fair value through profit or loss.

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 generally recognized in profit and loss.

#### Foreign currency translation

Foreign currency transactions are initially recorded in the functional currency at the transaction date exchange rate. At closing date, monetary assets and monetary liabilities denominated in a foreign currency are translated into the functional currency at the closing date exchange rate.

Non-monetary items measured at historical cost are translated using the historical exchange rate. Non-monetary items measured at fair value are translated using the exchange rates at the date when fair value was determined.

#### Related Party transactions

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

#### Critical Accounting Estimates

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual reports could differ from management's estimates.

Information regarding significant areas of estimation, uncertainty and critical judgements made in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are the following:

#### Share-based payments

Judgment is applied in determining the share price to be assigned to shares issued to enter into mining lease agreements.

#### Recovery of deferred tax assets

Judgment is required in determining whether deferred tax assets are recognized in the statement of financial position. Deferred tax assets, including those arising from unutilized tax losses, require management to assess the probability that the Issuer will generate taxable earnings in future periods, in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction.

Additionally, future changes in tax laws in the jurisdictions in which the Issuer operates could limit the ability of the Issuer to obtain tax deductions in future periods.

#### Determination of functional currency

In accordance with IAS 21 *The Effects of Changes in Foreign Exchange Rates*, management determined that the functional currency of the Issuer and its subsidiary is the Canadian dollar.

Other significant accounting estimates include the amounts accrued for restoration liabilities.

*Internal Controls Over Financial Reporting*Changes in Internal Control over Financial Reporting (“ICFR”)

In connection with National Instrument 52-109, Certification of Disclosure in Issuer’s Annual and Interim Filings (“NI 52-109”) adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Issuer will file a Venture Issuer Basic Certificate with respect to financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective Management’s Discussion and Analysis. The Venture Issue Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI52-109.

*Management’s Responsibility for Financial Statements*

The information provided in this MD&A, including the financial statements, is the responsibility of management. In the preparation of financial statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the financial statements.

**BADEN RESOURCES INC.****MANAGEMENT DISCUSSION AND ANALYSIS****For the period from incorporation on January 19, 2020 to June 30, 2020**

The following MD&A of Baden Resources Inc. (the “**Issuer**”) has been prepared by management, in accordance with the requirements of NI 51-102 as of September 8, 2020 and should be read in conjunction with the audited financial statements for the period from incorporation on January 19, 2020 to June 30, 2020 and the related notes contained therein which have been prepared under IFRS. The information contained herein is not a substitute for detailed investigation or analysis on any particular issue. The information provided in this document is not intended to be a comprehensive review of all matters and developments concerning the Issuer. The Issuer is not a “Venture Issuer” as defined in NI 51-102.

All financial information in this MD&A has been prepared in accordance with IFRS. All monetary amounts are expressed in Canadian dollars, the presentation and functional currency of the Issuer, unless otherwise indicated.

*Overview*

The Issuer was incorporated in the Province of British Columbia on January 19, 2020 under the name of “Baden Resources Inc.” The Issuer is in the process of exploring mining claims which are held under option and has not yet determined whether or not the optioned properties will contain economically recoverable reserves.

As at June 30, 2020, the Issuer reported working capital of \$223,764 and may require financing from outside participation to continue exploration and subsequent development of its mining claims under the option and to be able to make payments required under the Bertha Option Agreement. As at June 30,

2020 the Issuer had not yet achieved profitable operations, has accumulated losses of \$53,595 since its inception and expects to incur further losses in the development of its business, all of which casts doubt about the Issuer's ability to continue as a going concern. The Issuer's ability to continue as a going concern is dependent on continued financial support from its shareholders, the ability of the Issuer to raise equity financing, the attainment of profitable operations and external financings.

#### *Significant Events*

On January 20, 2020, the Issuer entered into an option agreement to acquire 100% of the mineral claims known as the Bertha Property.

#### *Exploration Activities*

##### Area and Location

The Bertha Property is comprised of nine (9) contiguous mining claims that are the subject of the Bertha Property Option Agreement. The claims that comprise the Property cover an area of 1,461 hectares and are located 35 kilometers southwest of Kamloops, British Columbia, within the Kamloops Mining District.

The following table summarizes the Company's exploration and evaluation asset expenditures to June 30, 2020:

	June 30, 2020
	\$
Acquisition costs:	
Balance, beginning of period	-
Additions	10
Balance, end of period	10
Deferred exploration expenditures:	
Balance, beginning of period	-
Consulting	10,000
Geophysical program	47,950
Balance, end of period	57,950
	57,960

*Results of Operations - For the period from incorporation on January 19, 2020 to June 30, 2020:*

##### Revenues

Due to the Issuer's status as an exploration stage mineral resource Issuer and a lack of commercial production from its properties, the Issuer currently does not have any revenues from its operations.

##### Expenses

During the period from incorporation on January 19, 2020 to June 30, 2020, the Issuer recorded a loss of \$53,595. Some of the significant charges to operations are as follows:

- Share-based compensation of \$21,019 related to the issuance of 650,000 stock options at an exercise price of \$0.10 per option for 5 years.
- Professional fees of \$32,076.

### *Selected Annual Information*

The following table summarizes selected financial data for the Issuer for most recently completed financial year and should be read in conjunction with the financial statements.

	period from incorporation on January 19, 2020 to June 30, 2020
	\$
Revenue	Nil
Loss for the year	(53,595)
Deficit	(53,595)
Loss Per Share (Basic & Diluted)	(0.02)
Current assets	254,350
Total assets	312,310
Total liabilities	30,586

### *Summary of Quarterly Results*

	June 30, 2020	period from incorporation on January 19, 2020 to March 31, 2020
Revenue	Nil	Nil
Loss for the period	(30,681)	(22,914)
Deficit	(53,595)	(22,914)
Loss per share (Basic & Diluted)	(0.01)	(0.01)
Current assets	254,350	63,955
Total assets	312,310	113,915
Total liabilities	30,586	1,510

For the quarter ended June 30, 2020, Revenue was Nil, Loss for the period was \$30,681, Loss per share was \$(0.01), Current assets was \$254,350, Total assets were \$312,310 and Total liabilities were \$30,586.

Figures for the periods prior to December 31, 2019 are not available as the Issuer was only incorporated in January 19, 2020.

### *Liquidity and Capital Resources*

As at June 30, 2020, the Issuer had working capital of \$223,764 and an accumulated deficit of \$53,595. The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) on an ongoing basis, which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. The continuation of the

Issuer is dependent upon the financial support of creditors and stockholders, refinancing debts payable, obtaining additional long-term debt or equity financing, as well as achieving and maintaining a profitable level of operations. The Issuer believes it will require additional working capital to meet operating and exploration costs for the upcoming year.

During the period from incorporation on January 19, 2020 to June 30, 2020 the Issuer completed the following transactions:

- d) On January 19, 2020, the Company issued 2,200,000 common shares at \$0.005 per share to directors for gross proceeds of \$11,000.
- e) On March 31, 2020, the Company issued 2,066,000 common shares at \$0.05 per share for gross cash proceeds of \$103,300, of which 1,040,000 were issued to directors.
- f) On June 29, 2020, the Company issued 4,000,000 units at \$0.05 per units for proceeds of \$200,000, of which 150,000 were issued to directors. Each unit consists of one common share and one warrant. Each warrant is exercisable into a common share at \$0.10 per share for a period of 18 months from the date the common shares are listed on a Canadian exchange.
- g) The Issuer issued options for 650,000 shares to directors exercisable at \$0.10 per option.

#### *Cash Flow Analysis*

##### Operating Activities

During the period from incorporation on January 19, 2020 to June 30, 2020, cash used in operating activities was \$14,312.

##### Financing Activities

During the period from incorporation on January 19, 2020 to June 30, 2020, cash generated by financing activities was \$314,300. During the period, the Issuer received net proceeds of \$314,300 from private placement financings.

##### Investing Activities

During the period from incorporation on January 19, 2020 to June 30, 2020, cash used in investing activities was \$57,960. The Issuer spent \$57,960 on the Bertha Property for acquisition and geophysical program reports.

#### *Contractual Obligations*

The Issuer is subject to certain contractual obligations associated with the Bertha Property Option Agreement. In order to exercise the option under the Bertha Property Option Agreement, the Issuer shall pay to the Owner of the Property the aggregate sum of \$315,020 and issue a total of 600,000 common shares in instalments, and complete minimum expenditures on the Property in installments equalling \$653,000. As of June 30, 2020, the Issuer has paid \$10 under the Bertha Property Option Agreement and incurred exploration expenditures of \$57,950.

### *Related Party Transactions*

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Issuer as a whole. The Issuer has determined that key management personnel consist of members of the Issuer's Board of Directors and corporate officers. There were no remuneration of directors and key management personnel for the period ended June 30, 2020.

The Issuer recognized share-based compensation of \$21,019 for related parties during the period from incorporation on January 19, 2020 to June 30, 2020.

### *Final Quarter Results*

During the final quarter of fiscal 2020, the Issuer recorded total expenses of \$30,681. Professional fees of \$30,576 incurred by the Issuer during the three months ended June 30, 2020 related mainly to preliminary services performed regarding being listed on the Canadian Securities Exchange ("CSE"). The Company incurred \$105 in operating, general and administration expenses.

### *Subsequent Events*

On July 24, 2020, the Issuer granted 75,000 stock options to a director, exercisable at \$0.10 per share for a period of 5 years.

Subsequent to June 30, 2020, the Issuer issued 3,470,000 common shares through private placements at \$0.10 per share for gross proceeds of \$347,000. In relation to the issuance, the Issuer paid \$4,330 in cash for finders' fees and issued 77,700 finders' warrants. Each finders' warrant is exercisable at \$0.10 for up to 18 months after listing on the Canadian Securities Exchange.

### *Risks and Uncertainties*

The Issuer is engaged in the acquisition and exploration of mining claims. These activities involve significant risks which careful evaluation, experience and knowledge may not, in some cases eliminate the risk involved. The commercial viability of any material deposit depends on many factors not all of which are within the control of management. Some of the factors that affect the financial viability of a given mineral deposit include its size, grade and proximity to infrastructure. Government regulation, taxes, royalties, land tenure, land use, environmental protection and reclamation and closure obligations, have an impact on the economic viability of a mineral deposit.

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Annual losses are expected to continue until the Issuer has an interest in a mineral property that produces revenues. The Issuer's ability to continue its operations and to realize assets at their carrying values is dependent upon the continued support of its shareholders, obtaining additional financing and generating revenues sufficient to cover its operating costs. The Issuer's financial statements do not give effect to any adjustments which would be necessary should the Issuer be unable to continue as a going concern

and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the consolidated financial statements.

Any forward-looking information in this MD&A is based on the conclusions of management. The Issuer cautions that due to risks and uncertainties, actual events may differ materially from current expectations. With respect to the Issuer's operations, actual events may differ from current expectations due to economic conditions, new opportunities, changing budget priorities of the Issuer and other factors.

#### Capital risk management

The Issuer's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Issuer includes shareholders' equity, comprised of issued share capital, contributed surplus and deficit, in the definition of capital.

The Issuer's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to further exploration on its properties. To secure the additional capital necessary to pursue these plans, the Issuer will attempt to raise additional funds through the issuance of equity, debt or by securing strategic partners.

The Issuer is not subject to externally imposed capital requirements. The Issuer's financial instruments and risk exposures are summarized below.

#### Currency risk

Foreign exchange risk arises from purchase transactions as well as recognized financial assets and liabilities denominated in foreign currencies. The Issuer's functional and presentation currency is the Canadian dollar.

#### Credit risk

Credit risk is the risk of an unexpected loss if a third party to a financial instrument fails to meet its contractual obligations. The Issuer is exposed to credit risk with respect to its cash. The Issuer reduces its credit risk by maintaining its primary bank accounts at large financial institutions.

#### Liquidity risk

Liquidity risk is the risk that the Issuer will not be able to meet its obligations as they fall due. The Issuer manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. Senior management is also actively involved in the review and approval of planned expenditures.

As at June 30, 2020, the Issuer had a working capital of \$223,764.

The Issuer has liquidity risk and is dependent on raising additional capital to fund exploration and operations.

Fair Value risk

Fair value represents the amounts at which a financial instrument could be exchanged between willing parties, based on current markets for instruments with the same risk, principal and remaining maturity. Fair value estimates are based on quoted market values and other valuation methods.

The carrying values of cash, reclamation bonds, bank overdraft and accounts payable and accrued liabilities approximate fair values due to the relatively short-term maturities of these instruments.

## FAIR VALUE HIERARCHY

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 values of cash are measured based on level 1 inputs of the fair value hierarchy.

*Outstanding Shares, Stock Options and Warrants*

As at the date of this MD&A, the Issuer had the following outstanding share data:

	Number	Exercise price	Expiry date
Common shares	11,736,000	Nil	Nil
Warrants	4,077,700	\$ 0.10	18 months from the date the common shares are listed on the Canadian Stock Exchange
Stock options	650,000	\$ 0.10	February 28, 2025
	75,000	\$ 0.10	July 24, 2025

*Off-Balance Sheet Arrangements*

The Issuer has no off-balance sheet arrangements.

*Proposed Transactions*

The Issuer has no proposed transactions.

*Significant Accounting Policies*Restoration liabilities

The Issuer recognizes the fair value of restoration liabilities related to statutory, contractual or legal obligations associated with the retirement of mining claims in the year in which it is incurred when a reasonable estimate of fair value can be made, in which case the carrying amount of the related mining claim is increased by the same amount as the net present value of the restoration liability. Discount rates

using a pre-tax rate that reflects the time value of money are used to calculate the net present value. The Issuer's estimates of such costs could change as a result of changes in regulatory requirements and assumptions regarding the amount and timing of the future expenditures and changes in the net present value.

#### Acquisition, exploration and evaluation expenditures

The Issuer is in the exploration stage with respect to its investment in exploration properties and follows the practice of capitalizing all costs relating to the acquisition of its interest in properties excluding mining lease agreements. All exploration and development expenditures are expensed in the period incurred. Such costs include, but are not exclusive to, geological, geophysical studies, exploratory drilling and sampling. The aggregate acquisition costs related to abandoned mineral properties are charged to income at the time of any abandonment or when it has been determined that there is evidence of permanent impairment.

An impairment charge relating to a mineral property is subsequently reversed when new exploration results or actual or potential proceeds on sale or farmout of the property result in a revised estimate of the recoverable amount but only to the extent that this does not exceed the original carrying value of the property that would have resulted if no impairment had been recognized.

The recoverability of amounts shown for interest in exploration properties is dependent upon the discovery of economically recoverable reserves, the ability of the Issuer to obtain financing to complete development of the properties, and on future production or proceeds of disposition.

The Issuer recognizes in income costs recovered on exploration properties when amounts received or receivable are in excess of the carrying amount.

All capitalized acquisition costs of interests in properties are monitored for indications of impairment. Where a potential impairment is indicated, assessments are performed for each area of interest. To the extent that the capitalized acquisition cost is not expected to be recovered, it is charged to the results of operations. Exploration areas where reserves have been discovered, but require major capital expenditure before production can begin, are continually evaluated to ensure that commercial quantities of reserves exist or to ensure that additional exploration work is underway as planned.

#### Share Capital

Common Shares are classified as equity. Transaction costs directly attributable to the issue of Common Shares and share options are recognized as a deduction from equity, net of any tax effects.

#### Income/Loss per share

The Issuer presents basic and diluted income/loss per share data for its Common Shares, calculated by dividing the income/loss attributed to common shareholders of the Issuer by the weighted average number of Common Shares outstanding during the period. Diluted income/loss per share does not adjust the income/loss attributed to the common shareholders or the weighted average number of Common Shares outstanding when the effect is anti-dilutive.

### Provisions

A provision is recognized in the statements of financial position when the Issuer has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The Issuer has recorded no provisions at June 30, 2020.

### 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 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. 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; 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 the 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 Issuer intends to settle its current tax assets and liabilities on a net basis.

### Financial instruments

Financial instruments are accounted for in accordance with IFRS 9, “Financial Instruments: Classification and Measurement”. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### *Financial assets*

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income (“FVTOCI”); or (iii) fair value through profit or loss (“FVTPL”). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed. All financial assets not classified and measured at amortized cost or FVTOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment’s fair value in other comprehensive income.

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

The classification determines the method by which the financial assets are carried on the statement of financial position subsequent to inception and how changes in value are recorded. Cash is measured at FVTPL.

Receivables are measured at amortized cost.

#### *Impairment of financial assets*

IFRS 9 uses the expected credit loss (“ECL”) model. The credit loss model groups receivables based on similar credit risk characteristics and days past due in order to estimate bad debts. The ECL model applies to the Company’s receivables.

#### *Impairment*

An ‘expected credit loss’ impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset’s original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

#### *Financial liabilities*

Financial liabilities are designated as either: (i) fair value through profit or loss; or (ii) other financial liabilities. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the statement of financial position subsequent to inception and how changes in value are recorded. Trade payables are classified under other financial liabilities and carried on the statement of financial position fair value through profit or loss.

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 generally recognized in profit and loss.

### Foreign currency translation

Foreign currency transactions are initially recorded in the functional currency at the transaction date exchange rate. At closing date, monetary assets and monetary liabilities denominated in a foreign currency are translated into the functional currency at the closing date exchange rate.

Non-monetary items measured at historical cost are translated using the historical exchange rate. Non-monetary items measured at fair value are translated using the exchange rates at the date when fair value was determined.

### Related Party transactions

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

### Critical Accounting Estimates

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual reports could differ from management's estimates.

Information regarding significant areas of estimation, uncertainty and critical judgements made in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are the following:

#### Share-based payments

Judgment is applied in determining the share price to be assigned to shares issued to enter into mining lease agreements.

#### Recovery of deferred tax assets

Judgment is required in determining whether deferred tax assets are recognized in the statement of financial position. Deferred tax assets, including those arising from unutilized tax losses, require management to assess the probability that the Issuer will generate taxable earnings in future periods, in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction.

Additionally, future changes in tax laws in the jurisdictions in which the Issuer operates could limit the ability of the Issuer to obtain tax deductions in future periods.

#### Determination of functional currency

In accordance with IAS 21 *The Effects of Changes in Foreign Exchange Rates*, management determined that the functional currency of the Issuer and its subsidiary is the Canadian dollar.

Other significant accounting estimates include the amounts accrued for restoration liabilities.

### *Internal Controls Over Financial Reporting*

#### Changes in Internal Control over Financial Reporting (“ICFR”)

In connection with National Instrument 52-109, Certification of Disclosure in Issuer’s Annual and Interim Filings (“NI 52-109”) adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Issuer will file a Venture Issuer Basic Certificate with respect to financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective Management’s Discussion and Analysis. The Venture Issue Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI52-109.

#### *Management’s Responsibility for Financial Statements*

The information provided in this MD&A, including the financial statements, is the responsibility of management. In the preparation of financial statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the financial statements.

## **DESCRIPTION OF THE SECURITIES DISTRIBUTED**

### **Common Shares**

As of the date of this Prospectus, 11,736,000 Common Shares were issued and outstanding as fully paid and non-assessable. Holders of Common Shares have full voting rights for the election of directors and for all other purposes whatsoever, have one vote for each Common Share held, and are entitled to be given or to receive notice of and to attend meetings of the shareholders of the Issuer. The holders of the Common Shares shall be entitled to receive, if, as, and when declared by the directors, such dividends as may be declared thereon by the directors from time to time. Holders of Common Shares shall be entitled to receive dividends on the Common Shares exclusive of any other shares of the Issuer. The holders of the Common Shares shall have the right to share rateably, on a parity with the holders of shares of all other classes of common shares, in the remaining assets of the Issuer upon any winding-up of the Issuer.

### **Warrants**

As of the date of this Prospectus, there are 4,000,000 Common Share purchase warrants outstanding, with each warrant exercisable into a common share at \$0.10 per share for a period of 18 months from the date the common shares are listed on a Canadian exchange. In addition, there are 77,700 finders’ warrants outstanding, with each finders’ warrant exercisable at \$0.10 for up to 18 months after listing on the Canadian Stock Exchange.

The number of Common Shares issuable upon exercise of the Common Share purchase warrants and the finder’s warrants will be subject to standard antidilution provisions, including an adjustment in certain events including, without limitation, the subdivision or consolidation of the outstanding Common Shares, the issue of Common Shares or securities convertible into Common Shares by way of stock dividends or distribution, a dividend or distribution paid to all or substantially all of the holders of

Common Shares, the issue of rights, options or warrants to all or substantially all of the holders of Common Shares in certain circumstances, and the distribution to all or substantially all of the holders of Common Shares of any other class of shares, rights, options or warrants, evidences of indebtedness or assets. The number of warrant shares issuable upon exercise of warrants will also be subject to standard anti-dilution adjustments upon share consolidations, share splits, spin-off events, rights issues and reorganizations.

### Options

The Issuer adopted the Stock Option Plan on March 16, 2020 and issued options for 650,000 shares exercisable at \$0.10 each up to February 28, 2025, with an additional grant of options for 75,000 shares exercisable at \$0.10 up to July 24, 2025. The Issuer intends to present the stock option plan to the shareholders at its next annual general meeting for continuing approval. See “Options to Purchase Securities”.

### CONSOLIDATED CAPITALIZATION

The following table sets forth the share and loan capital of the Issuer as at the dates below. The table should be read in conjunction with and is qualified in its entirety by the Issuer’s audited financial statements for the fiscal year ended June 30, 2020.

Description	Authorized Capital	Outstanding as of June 30, 2020	Outstanding as of the date of this Prospectus
Common Shares	Unlimited	\$314,300 (8,266,000 Common Shares)	\$661,300 (11,736,000 Common Shares)
Common Share purchase warrants	N/A	Exercisable into 4,000,000 Common Shares	Exercisable into 4,000,000 Common Shares
Finder’s warrants	N/A	Nil	Exercisable into 77,700 Common Shares
Long-term Debt	N/A	Nil	Nil

The following table sets out the share capital of the Issuer on a fully diluted basis:

	Fully Diluted Share Capital	
	Number of Common Shares	Percentage of Common Shares (%)
Common Shares issued and outstanding as at the date of the Prospectus <sup>(1)</sup>	11,736,000	70.53%
Common Shares to be issued pursuant to the Bertha Property Option Agreement	100,000	0.60%
Common Shares reserved for issuance under the Stock Option Plan	725,000	4.36%
Common Shares reserved for issuance	4,000,000	24.04%

upon the exercise of outstanding Common Share purchase warrants		
Common Shares reserved for issuance upon the exercise of outstanding finder's warrants	77,700	0.47%
Total:	16,638,700	100%

**Note:**

- (1) Pursuant to the terms of the Bertha Property Option Agreement, the Issuer agreed to issue 100,000 Common Shares and pay \$10 to the optionor on the date that the Issuer's Common Shares are listed on the CSE. See "Narrative Description of the Business".

### OPTIONS TO PURCHASE SECURITIES

On March 16, 2020, the Board of Directors adopted a stock option plan (the "**Stock Option Plan**") under which Options may be granted to the Issuer's directors, officers, employees and consultants. See "*Executive Compensation*."

The following is a summary of the material terms of the Stock Option Plan:

- (i) effective on the date the Common Shares are listed and posted for trading on the Canadian Securities Exchange, the maximum number of Options which may be granted to any one holder under the Stock Option Plan within any 12-month period shall be 10% of the number of issued and outstanding Common Shares (unless the Issuer has obtained disinterested shareholder approval if required by applicable laws);
- (ii) if required by applicable laws, disinterested shareholder approval is required to the grant to related persons, within a 12-month period, of a number of Options which, when added to the number of outstanding Options granted to related persons within the previous 12 months, exceed 10% of the issued Common Shares;
- (iii) the expiry date of an Option shall be no later than the tenth anniversary of the grant date of such Option;
- (iv) the maximum number of Options which may be granted to any one consultant within any 12-month period must not exceed 5% of the number of issued and outstanding Common Shares;
- (v) the exercise price of any Option issued under the Stock Option Plan shall not be less than the Market Value (as defined in the Stock Option Plan) of the Common Shares as of the grant date; and
- (vi) the Board, or any committee to whom the Board delegates, may determine the vesting schedule for any Option.

The following table summarizes the allocation of the Options granted by the Issuer up to the date of this Prospectus:

<b>Option</b>	<b>Number of</b>	<b>Exercise</b>	<b>Expiry Date</b>
Executive Officers as a group <sup>(1)</sup>	500,000	\$0.10	February 28, 2025
Directors as a group <sup>(2)</sup>	225,000	\$0.10	February 28, 2025 (150,000) July 24, 2025 (75,000)
Consultants as a group <sup>(3)</sup>	N/A	N/A	N/A
Employees as a group	N/A	N/A	N/A
<b>Total:</b>	<b>725,000</b>		

Notes:

- (1) This information applies to two executive officers of the Issuer, both of which are also directors of the Issuer.  
(2) This information applies to two directors of the Issuer. Directors who are also executive officers are excluded from this figure.

### **PRIOR SALES**

The Issuer sold the following amount of Common Shares since incorporation and within 12 months of the date of this Prospectus.

- 1) On January 18, 2020, the Issuer issued 2,200,000 Common Shares at a subscription price of \$0.005 for each share for proceeds of \$11,000.
- 2) On March 31, 2020, the Issuer issued 2,066,000 Common Shares at a subscription price of \$0.05 for each share for proceeds of \$103,300.
- 3) On June 29, 2020, the Issuer issued 4,000,000 units at a subscription price of \$0.05 per unit for proceeds of \$200,000, of which 150,000 were issued to directors. Each unit consists of one common share and one warrant. Each warrant is exercisable into a common share at \$0.10 per share for a period of 18 months from the date the common shares are listed on a Canadian exchange.
- 4) On July 30, 2020, the Issuer issued 1,710,000 Common Shares at a subscription price of \$0.10 for each share for proceeds of \$171,000.
- 5) On September 3, 2020, the Issuer issued 1,760,000 Common Shares at a subscription price of \$0.10 for each share for proceeds of \$176,000. In relation to the issuance, the Issuer paid \$4,330 in cash for finders' fees and issued 77,700 finders' warrants. Each finders' warrant is exercisable at \$0.10 for up to 18 months after listing on the Canadian Securities Exchange.

## ESCROWED SECURITIES

In accordance with National Policy 46-201 *Escrow for Initial Public Offerings* (“NP 46-201”), all Common Shares of the Issuer held by a principal of the Issuer prior to the listing of the Common Shares on the Canadian Securities Exchange are subject to escrow restrictions. A principal who holds securities carrying less than 1% of the voting rights attached to the Issuer’s outstanding securities immediately after the listing of the Common Shares on the Canadian Securities Exchange is not subject to the escrow requirements under NP 46-201. Under the NP 46-201, a “principal” is defined as:

- (a) a person or company who acted as a promoter of the issuer within two years before the IPO prospectus;
- (b) a director or senior officer of the issuer or any of its material operating subsidiaries at the time of the IPO prospectus;
- (c) a 20% holder – a person or company that holds securities carrying more than 20% of the voting rights attached to the issuer’s outstanding securities immediately before and immediately after the issuer’s IPO; or
- (d) a 10% holder – a person or company that (i) holds securities carrying more than 10% of the voting rights attached to the issuer’s outstanding securities immediately before and immediately after the issuer's IPO and (ii) has elected or appointed, or has the right to elect or appoint, one or more directors or senior officers of the issuer or any of its material operating subsidiaries.

A principal’s spouse and their relatives that live at the same address as the principal will also be treated as principals and any securities of the Issuer they hold will be subject to escrow requirements.

The following escrowed shares held by principals of the Issuer will be released pro rata to such shareholders as to 10% on the date of final Exchange notice and 15% every six months thereafter over a 36-month period. The escrowed shares are subject to the direction and determination of the Exchange. Specifically, escrowed shares may not be sold, assigned, hypothecated, transferred within escrow or otherwise dealt with in any manner without the consent of the Exchange.

Pursuant to an agreement (the “**Escrow Agreement**”) dated November 6, 2020 among the Issuer, the Escrow Agent and the principals of the Issuer, the principals agreed to deposit in escrow their Common Shares with the Escrow Agent.

As of the date of this Prospectus, the following securities are subject to the Escrow Agreement:

Designation of class	Number of securities held in escrow	Percentage of class as of the date of this Prospectus
Common Shares	3,440,000 <sup>(1)</sup>	29.31% <sup>(2)</sup>

Notes:

- (1) These Common Shares are held under the Escrow Agreement in accordance with NP 46-201. The Escrow Agent is Odyssey Trust Company.
- (2) Based on 11,736,000 Common Shares issued and outstanding as at the date of this Prospectus, excluding the 100,000 Common Shares to be issued pursuant to the Bertha Property Option Agreement and

assuming that the 4,000,000 outstanding Common Share purchase warrants, the outstanding 77,700 finder's warrants and the 725,000 stock options have not been exercised.

The following sets forth particulars of the escrowed shares that are subject to the Escrow Agreement as of the date of this Prospectus.

Shareholder	Number of securities <sup>(2)</sup>	Percentage of escrowed shares at the date of this Prospectus	Percentage of class as of the date of this Prospectus <sup>(3)</sup>
Howard Milne <sup>(1)</sup>	1,050,000	30.52%	8.95%
Steve Mathiesen	2,150,000	62.5%	18.32%
James Place	240,000	6.98%	2.04%
<b>Total</b>	<b>3,440,000</b>	<b>100%</b>	<b>29.31%</b>

**Notes:**

- (1) Includes 50,000 Common Shares held by Mr. Milne's spouse.
- (2) The Common Shares are held in escrow by the Escrow Agent and will be released in accordance with the schedule below.
- (3) Based on 11,736,000 Common Shares issued and outstanding as at the date of this Prospectus, excluding the 100,000 Common Shares to be issued pursuant to the Bertha Property Option Agreement and assuming that the 4,000,000 outstanding Common Share purchase warrants, the outstanding 77,700 finder's warrants and the 725,000 stock options have not been exercised.

On the date the issuer's securities are listed on a Canadian exchange (the listing date)	1/10 of the escrow securities
6 months after the listing date	1/6 of the remaining escrow securities
12 months after the listing date	1/5 of the remaining escrow securities
18 months after the listing date	1/4 of the remaining escrow securities
24 months after the listing date	1/3 of the remaining escrow securities
30 months after the listing date	1/2 of the remaining escrow securities
36 months after the listing date	The remaining escrow securities

### PRINCIPAL SHAREHOLDERS

To the knowledge of the directors and senior officers of the Issuer as of the date hereof, the following are the only persons that beneficially own, directly or indirectly, or exercise control or direction over voting securities carrying more than 10% of the voting rights attached to any class of voting securities of the Issuer:

Name	Type of Ownership	Number of Shares Owned, Controlled or Directed	% of Outstanding Shares <sup>(3)</sup>
Steve Mathiesen, an officer and director of the Issuer	Registered/Beneficial	2,150,000 <sup>(1)</sup>	18.32%
Howard Milne, an officer and director of	Registered/Beneficial	1,050,000 <sup>(2)</sup>	8.95%

the Issuer			
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Notes:

- (1) On a fully diluted basis, Mr. Mathiesen holds 2,550,000 Common Shares, representing 15.33% of 16,638,700 Common Shares on a fully diluted basis.
- (2) Includes 50,000 Common Shares held by Mr. Milne's spouse. On a fully diluted basis, Mr. Milne holds 1,350,000 Common Shares, representing 8.11% of 16,638,700 issued and outstanding Common Shares on a fully diluted basis.
- (3) Percentage is based on 11,736,000 Common Shares issued and outstanding as of the date of this Prospectus, excluding the 100,000 Common Shares to be issued pursuant to the Bertha Property Option Agreement and assuming that the 4,000,000 outstanding Common Share purchase warrants, the outstanding 77,700 finder's warrants and the 725,000 stock options have not been exercised.

## DIRECTORS AND OFFICERS

### Name, Address, Occupation, and Security Holding

The following table sets forth particulars regarding the current Directors and Officers of the Issuer:

Name, Position with the Issuer and Province and Country of Residence	Director/Officer Since	Principal Occupation For Past Five Years	Number of Securities and Percentage <sup>(3)</sup> Beneficially Owned or controlled directly or indirectly, as of the date of this Prospectus
<b>Howard Milne</b> <sup>(1)(2)</sup> <i>President, CEO and Director British Columbia, Canada</i>	January 18, 2020	Principal, HDM Capital Inc., a private management company. Vice President Business Development of Edison Cobalt Corp. from December 2016 to September 2019; formerly President of Edison from November 2014 to January 2017; CEO and a director of Freeman Gold Corp. from October 2018 to May 2020.	1,050,000 Common Shares (8.95%) 50,000 Common Share purchase warrants 250,000 stock options
<b>Steve Mathiesen</b> <sup>(2)</sup> <i>CFO, Corporate Secretary and Director British Columbia, Canada</i>	January 18, 2020	President of Sash Management Ltd, a private consulting company, since Jan 2012, which provides the services of Mr. Mathiesen as a director, secretary or consultant to primarily private companies, including a mortgage funds group, a software consulting company, and a private equity firm; officer to August 2018 and a director to November 2018 of RockBridge Resources Inc.; Director of Lotus Ventures Inc. from November 2014 to March 2019; CFO and a director of Freeman Gold Corp. from October 2018 to June 2020.	2,150,000 Common Shares (18.32%) 150,000 Common Share purchase warrants 250,000 stock options

Name, Position with the Issuer and Province and Country of Residence	Director/Officer Since	Principal Occupation For Past Five Years	Number of Securities and Percentage <sup>(3)</sup> Beneficially Owned or controlled directly or indirectly, as of the date of this Prospectus
<b>James Place</b> <sup>(1)(2)</sup> <i>Director</i> <i>British Columbia, Canada</i>	January 18, 2020	Professional Geoscientist. Owner/Consultant, Geomorph Consulting 2001 to present; Director, President and CEO, Highbank Resources Ltd. since April, 2013; Chief Geologist, ECL Environmental Solutions, 2011-2013. From February 2018, President and CEO to November 2019 and a director of Belmont Resources Inc. to present; director of Freeman Gold Corp. from October 2018 to April 2020.	240,000 Common Shares (2.04%) 150,000 stock options
<b>Daren Hermiston</b> <sup>(1)</sup> <i>Director</i> <i>British Columbia, Canada</i>	July 6, 2020	CEO of Kona Consulting Inc. (management consulting company) January 2009 to present; agent and advisor with Pointswest Sports and Entertainment from January 2009 to present.	75,000 stock options

**Notes:**

- (1) Member of the Audit Committee. Mr. Place is the Chair of the Audit Committee.
- (2) All of these shares shall be subject to escrow (see “Escrowed Securities”).
- (3) Percentage is based on 11,736,000 Common Shares issued and outstanding as of the date hereof.
- (4) Percentage is based on 11,736,000 Common Shares issued and outstanding as of the date of this Prospectus, excluding the 100,000 Common Shares to be issued pursuant to the Bertha Property Option Agreement and assuming that the 4,000,000 outstanding Common Share purchase warrants, the outstanding 77,700 finder’s warrants and the 725,000 stock options have not been exercised.

The terms of the foregoing director and officer appointments shall expire at the next annual shareholders meeting.

The Issuer has one committee, the audit committee (the “**Audit Committee**”) whose members are Howard Milne, James Place and Daren Hermiston. Mr. Place is the Chair of the Audit Committee.

A description of the principal occupation for the past five years and summary of the experience of the directors and officers of the Issuer is as follows:

**Howard Milne**, age 79, is the President, Chief Executive Officer and a Director of the Issuer.

Howard D. Milne is a strategist in the area of sales and marketing and possesses experience in the development of private and public companies. Mr. Milne has held various corporate roles including CEO and Vice President, as has a background in investor relations acting for various listed companies.

Mr. Milne played a role in the launch of Victory Ventures Inc. (now Edison Cobalt Corp.) on the TSX Venture Exchange and was the Vice President of Business Development to September 2019 of Edison Cobalt Corp. listed on the TSX Venture Exchange. Mr. Milne was CEO and a director of Freeman Gold Corp., listed on the CSE, from October 2018 to May 2020.

Mr. Milne will be working part-time for the Issuer and anticipates devoting approximately 40% of his working time to the Issuer. Mr. Milne is an independent contractor of the Issuer.

**Steve Mathiesen**, age 71, is the Chief Financial Officer, Corporate Secretary and a Director of the Issuer.

Steve Mathiesen was a corporate and securities lawyer for more than 30 years and is now a corporate director. Until 2011, he was a partner at the national law firm, McMillan LLP. He is currently on the board of or consultant to several private companies. He holds the ICD.D designation from the Institute of Corporate Directors and is a non-practicing member of the Law Society of BC.

Mr. Mathiesen will be working part-time for the Issuer and anticipates devoting approximately 30% of his working time to the Issuer. Mr. Mathiesen, through his consulting company Sash Management Ltd., offers his services to the Issuer as an independent contractor.

**James Place**, age 59, is a Director of the Issuer.

Mr. Place is a professional geoscientist (registered in BC) with more than 30 years of experience in the aggregate, heavy construction, and engineering fields. He has worked on all phases of mineral projects from exploration and permitting through to testing, development, marketing, production and reclamation; primarily in Western North America.

Mr. Place has held positions with public companies (Belmont Resources Inc., Highbank Resources Ltd., and Edison Cobalt Corp.), government, engineering companies, and environmental consulting companies. Included are the BC Ministry of Transportation; Levelton Consultants Ltd. of Richmond, B.C.; Uplands Resources Inc. –Vice President Exploration and Quality Control; and ECL Environment Solutions as Senior Geologist.

Mr. Place received a Bachelor of Science degree in Physical Geography from the University of Victoria (B.C.) in 1983. Mr. Place has been a registered professional geoscientist with the Association of Professional Engineers and Geoscientists of British Columbia since 1992.

Mr. Place will be working part-time for the Issuer and anticipates devoting approximately 5% of his working time to the Issuer. Mr. Place is an independent contractor and has not entered into a non-competition or non-disclosure agreement with the Issuer.

**Daren Hermiston**, age 33, is a Director of the Issuer.

Daren Hermiston has been an agent/advisor with Pointswest Sports and Entertainment from January 2009 to present. Mr Hermiston provides his services on a contract basis to Pointeswest through his company, Kona Consulting Inc. and focuses on sales, marketing and management of professional hockey clientele globally. He previously studied Business Administration at Thompson Rivers University, and holds a US Sports Academy NCAA Compliance Certificate (sports marketing and

coaching) and an NCCP Coaching Leadership Certificate. He is a guest lecturer at Simon Fraser University for Sports and Entertainment Marketing.

Mr. Hermiston will be working part-time for the Issuer and anticipates devoting approximately 5% of his working time to the Issuer. Mr. Hermiston is an independent contractor and has not entered into a non-competition or non-disclosure agreement with the Issuer.

### **Aggregate Ownership of Securities**

As of the date of this Prospectus, all directors, officers, and promoters of the Issuer, as a group, directly or indirectly beneficially own 3,440,000 Common Shares, representing approximately 29.31% of the issued and outstanding Common Shares on an undiluted basis. On a fully diluted basis, all directors, officers, and promoters of the Issuer, as a group, will directly or indirectly beneficially own 4,365,000 Common Shares, representing approximately 26.23% of the issued and outstanding Common Shares on a fully diluted basis.

### **Corporate Cease Trade Orders or Bankruptcies**

Other than as disclosed below, no director, officer, promoter or other member of management of the Issuer has, within the past ten years, been a director, officer or promoter of any other issuer that, while that person was acting in that capacity:

- (a) was the subject of a cease trade or similar order or an order that denied the issuer access to any statutory exemptions for a period of more than 30 consecutive days; or
- (b) was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

Nomad Ventures Inc., at the time that James Place was a director, was subject to a cease trade order from July 5, 2016 to August 16, 2016 for failure to file annual audited financial statements for the year ended February 29, 2016 and management's discussion and analysis for the period ended February 29, 2016. The cease trade order was revoked by the British Columbia Securities Commission on August 16, 2016.

### **Penalties or Sanctions**

No director or executive officer of the Issuer has, within the past ten years, been subject to any penalties or sanctions imposed by a court or by a securities regulatory authority relating to securities legislation or has entered into a settlement agreement with a securities regulatory authority or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

### **Personal Bankruptcies**

No current or proposed director, officer, or promoter of the Issuer has, within the past ten years, been declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement, or

compromise with creditors or had a receiver, receiver manager, or trustee appointed to hold the assets of that individual.

### **Conflicts of Interest**

Conflicts of interest may arise as a result of the directors and officers of the Issuer holding positions as directors or officers of other companies. Some of the directors and officers have been and will continue to be engaged in the identification and evaluation of assets and businesses, with a view to potential acquisition of interests in businesses and companies on their own behalf and on behalf of other companies, and situations may arise where the directors and officers will be in direct competition with the Issuer. Conflicts, if any, will be subject to the procedures and remedies under the *Business Corporations Act (British Columbia)*.

## **EXECUTIVE COMPENSATION**

### **Compensation Discussion and Analysis**

The Issuer does not have a compensation program other than paying consulting fees and incentive bonuses. The compensation of the executive officers is determined by the Board, based in part on recommendations from the Chief Executive Officer. The Board 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 Issuer's compensation policies and practices are:

- to reward individual contributions in light of the Issuer's performance;
- to be competitive with the companies with whom the Issuer competes for talent;
- to align the interests of the executives with the interests of the shareholders; and
- to attract and retain executives who could help the Issuer achieve its objectives.

During the most recent financial year ended June 30, 2020, neither the Chief Executive Officer nor the Chief Financial Officer was paid any remuneration.

Mr. Milne entered into a consulting agreement with the Issuer dated as of March 16, 2020 (intended to be effective upon the listing of the Common Shares on the Canadian Securities Exchange), through his wholly-owned consulting company, HDM Capital Inc. Pursuant to the agreement, Mr. Milne has agreed to provide his services as Chief Executive Officer and President at a remuneration of \$2,000 per month commencing on the date the Issuer's Common Shares are listed on the Canadian Securities Exchange, with an allowance of \$100 per month to cover all telecommunications, Internet, and related expenses. Mr. Milne is also entitled to participate in the Issuer's Stock Option Plan and any options granted to Mr. Milne shall have a 180-day tail period in the event Mr. Milne ceases to be engaged by the Issuer. The agreement may be terminated by Mr. Milne at any time or by the Issuer at any time after the Issuer's Common Shares have been listed on the Canadian Securities Exchange for six months, upon 60 days' written notice.

Mr. Mathiesen entered into a consulting agreement with the Issuer dated as of March 16, 2020 (intended to be effective upon the listing of the Common Shares on the Canadian Securities Exchange), through his consulting company Sash Management Ltd. Pursuant to the agreement, Mr. Mathiesen has agreed to provide his services as Chief Financial Officer and Corporate Secretary at a remuneration of \$2,000 per month commencing on the date the Issuer's Common Shares are listed on the Canadian Securities

Exchange, with an allowance of \$100 per month to cover all telecommunications, Internet, and related expenses. Mr. Mathiesen is also entitled to participate in the Issuer's Stock Option Plan and any options granted to Mr. Mathiesen shall have a 180-day tail period in the event Mr. Mathiesen ceases to be engaged by the Issuer. The agreement may be terminated by Mr. Mathiesen at any time or by the Issuer at any time after the Issuer's Common Shares have been listed on the Canadian Securities Exchange for six months, upon 60 days' written notice.

The objectives of consulting fees are to recognize market pay and acknowledge the competencies and skills of individuals. The rate established for each executive officer is intended to reflect each individual's responsibilities, experience, prior performance and other discretionary factors deemed relevant by any compensation committee that may be formed in future. In deciding on the consulting fee portion of the compensation of the executive officers, major consideration is given to the fact that the Issuer is an early stage exploration company and does not generate any material revenue and must rely exclusively on funds raised from equity financings. In the future, the objectives of incentive bonuses in the form of cash payments will be designed to add a variable component of compensation, based on corporate and individual performances for executive officers and employees. The objectives of the stock option will be to reward achievement of long-term financial and operating performance and focus on key activities and achievements critical to the ongoing success of the Issuer. The Issuer has no other forms of compensation, other than payments made from time to time to individuals or companies they control for the provision of consulting services. Such consulting services are paid for by the Issuer, to the best of its ability, at competitive industry rates for work of a similar nature by reputable arm's length service providers. Actual compensation will vary based on the performance of the executives relative to the achievement of goals and the price of the Issuer's securities, as well as the financial condition of the Issuer.

The Board evaluates individual executive performance with the goal of setting compensation at levels that it believes is comparable with executives in other companies of similar size and stage of development operating in the same industry. In connection with setting appropriate levels of compensation, members of the Board base their decisions on their general business and industry knowledge and experience and publicly available information of comparable companies while also taking into account the Issuer's relative performance and strategic goals. In determining the level of compensation payable to the Issuer's Chief Executive Officer, the Board will consider the following benchmark companies: Blue Lagoon Resources Inc. (CSE: BLLG); Core Assets Corp. (CSE: CC); Edgemont Gold Corp. (CSE: EDGM); and Goldblock Capital Inc. (CSE: GBLK).

In the course of its deliberations, the Board considered the implications of the risks associated with adopting the compensation practices currently in place. The Board does not believe that its current compensation practices create a material risk that the NEOs or any employee would be encouraged to take inappropriate or excessive risks, and no such risks have been detected to date. The Board will continue to include this consideration in its deliberations and believes that it would detect actions of management and employees of the Issuer that constitute or would lead to inappropriate or excessive risks.

The Issuer does not have a policy that would prohibit the NEOs or directors from purchasing financial instruments that are designed or would have the effect of hedging the value of equity securities granted to, or held by, these individuals.

## **Option-Based Awards**

Once implemented, the incentive stock option portion of the compensation will be intended to provide the executive officers of the Issuer with a long-term incentive in developing the Issuer's business. Options to be granted under the stock option plan will be approved by the Board, and if applicable, its subcommittees, after consideration of the Issuer's overall performance and whether the Issuer has met targets set out by the executive officers in their strategic plan. All previous grants of option-based awards will be taken into account when considering new grants.

## **Compensation Governance**

For the 2020 fiscal year, management had direct involvement in and knowledge of the business goals, strategies, experiences and performance of the Issuer. As a result, management played an important role in the compensation decision-making process. The CEO may also provide a self-assessment of his own individual performance objectives and/or results achieved, if requested by the Board. No such requests were made by the Board during 2020.

### *Performance Assessment*

Rather than strictly applying formulas and weightings to forward-looking performance objectives, which may lead to unintended consequences for compensation purposes, the Board exercises its discretion and uses sound judgment in making compensation determinations. For this reason, the Board does not measure performance using any pre-set formulas in determining compensation awards for NEOs. The Board's assessment of the overall business performance of the Issuer, including corporate performance against both quantitative and qualitative objectives and, where appropriate, relative performance against peers, provides the context for individual executive officer evaluations for all direct compensation awards.

### *Corporate Performance*

In the future, it is the intention that the Board will approve annual corporate objectives in line with the Issuer's key longer-term strategies for growth and value creation. These quantitative and qualitative objectives will then be used by the Board as a reference when making compensation decisions. It is the intention of the Board to review the results achieved by the Issuer and discuss them with management on an annual basis. For the purposes of determining total compensation, the Board will then determine an overall rating for actual corporate performance relative to an expected level of performance.

This overall corporate performance rating will provide general context for the Board's review of individual performance by the NEOs.

### *Individual Performance*

As with the corporate objectives, individual executive officer's performance objectives may include a combination of quantitative and qualitative measures with no pre-determined weightings. During 2020, the Board determined that no compensation should be paid to the NEOs as the financial condition and size of the Issuer did not warrant the payment of cash or share compensation.



**Notes:**

- (1) During the financial year end, Mr. Milne, through his wholly-owned consulting company HDM Capital Inc., entered into a consulting agreement with the Issuer dated as of March 16, 2020, which is intended to be effective upon the listing of the Common Shares on the Canadian Securities Exchange. See “Executive Compensation”.
- (2) During the financial year end, Mr. Mathiesen, through his wholly-owned consulting company Sash Management Ltd., entered into a consulting agreement with the Issuer dated as of March 16, 2020, which is intended to be effective upon the listing of the Common Shares on the Canadian Securities Exchange. See “Executive Compensation”.

**Stock Options and Other Compensation Securities**

The following table discloses all compensation securities granted or issued to each Named Executive Officer and directors by the Issuer during the period from the Issuer’s incorporation on January 19, 2020 to the date of this Prospectus for services provided or to be provided, directly or indirectly, to the Issuer:

**Compensation  
Securities**

<b>Compensation Securities</b>							
<b>Name and Position</b>	<b>Type of compensation security</b>	<b>Number of compensation securities, number of underlying securities, &amp; percentage of class<sup>(1)</sup></b>	<b>Date of issue or grant</b>	<b>Issue, conversion or exercise price (CAD\$)</b>	<b>Closing price of security or underlying security on date of grant (\$)</b>	<b>Closing price of security or underlying security at year end (\$)</b>	<b>Expiry Date</b>
Howard Milne CEO, President, and director	Options	250,000 (34.48%)	February 28, 2020	\$0.10	N/A	N/A	February 28, 2025
Steve Mathiesen CFO, Corporate Secretary, and director	Options	250,000 (34.48%)	February 28, 2020	\$0.10	N/A	N/A	February 28, 2025
James Place Director	Options	150,000 (20.69%)	February 28, 2020	\$0.10	N/A	N/A	February 28, 2025
Daren Hermiston Director	Options	75,000 (10.34%)	July 24, 2020	\$0.10	N/A	N/A	July 24, 2025

(1) Percentage is based on 725,000 stock options outstanding as of the date hereof.

The following table sets forth information concerning all awards outstanding under incentive plans of the Issuer at the end of the most recently completed financial year, including awards granted before the most recently completed financial year, to each of the Named Executive Officers:

**Outstanding Share-Based Awards and Option-Based Awards**

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or Common Shares of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Howard Milne President and CEO	Nil	Nil	Nil	Nil	Nil	Nil
Steve Mathiesen CFO and Corporate Secretary	Nil	Nil	Nil	Nil	Nil	Nil

Since incorporation on January 19, 2020 to the date of this Prospectus, there has been no exercise of compensation securities of the Issuer issued to Named Executive Officer and directors of the Issuer.

The following table sets forth details of the value vested during the financial year ended June 30, 2020 for each of the Named Executive Officers for option-based awards, share based awards and non-equity incentive plan compensation:

**Incentive Plan Awards – Value Vested or Earned**

Name	Option-based awards - Value vested during the year (\$)	Share-based awards - Value vested during the year (\$)	Non-equity incentive plan compensation - Value earned during the year (\$)
Howard Milne President and CEO	Nil	Nil	Nil
Steve Mathiesen CFO and Corporate Secretary	Nil	Nil	Nil

**Pension Plan Benefits**

The Issuer does not have a pension plan or provide any benefits following or in connection with retirement.

**Termination and Change of Control Benefits**

The Issuer does not have any plan or arrangement with respect to compensation to its executive officers which would result from the resignation, retirement or any other termination of employment of the

executive officers' employment with the Issuer or from a change of control of the Issuer or a change in the executive officers' responsibilities following a change in control.

### **Compensation of Directors**

Upon the listing of the Common Shares on the Canadian Securities Exchange, the Issuer intends to compensate its directors for attending meetings by paying an attendance fee of \$100 per meeting. Other than this fee, the Issuer has no standard arrangement pursuant to which directors are compensated by the Issuer, for their services in their capacity as directors other than the unissued treasury shares that may be issued upon the exercise of the directors' incentive stock options. There has been no other arrangement pursuant to which directors are compensated by the Issuer in their capacity as directors.

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

As at the date of this Prospectus, no director, executive officer or employee of the Issuer or their respective associates or affiliates is or has been indebted to the Issuer at any time.

### **AUDIT COMMITTEE AND CORPORATE GOVERNANCE**

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

National Policy 58-201 *Corporate Governance Guidelines* establishes corporate governance guidelines which apply to all public companies. The Issuer has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Issuer's practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for the Issuer at its current stage of development and therefore these guidelines have not been adopted. The Issuer will continue to review and implement corporate governance guidelines as the business of the Issuer progresses and becomes more active in operations. National Instrument 58-101 *Disclosure of Corporate Governance Practices* mandates disclosure of corporate governance practices in Form 58-101F2, which disclosure is set out below.

#### 1. Board of Directors

The mandate of the Board is to supervise the management of the Issuer and to act in the best interests of the Issuer. The Board acts in accordance with:

- (a) the *Business Corporations Act (British Columbia)*;
- (b) the Issuer's articles of incorporation;
- (c) the Audit Committee Charter; and
- (d) other applicable laws and company policies.

The Board approves all significant decisions that affect the Issuer before they are implemented. The Board supervises their implementation and reviews the results.

The Board is actively involved in the Issuer's strategic planning process. The Board discusses and reviews all materials relating to the strategic plan with management. The Board is responsible for reviewing and approving the strategic plan. At least one Board meeting each year is devoted to discussing and considering the strategic plan, which takes into account the risks and opportunities of the business. Management must seek the Board's approval for any transaction that would have a significant impact on the strategic plan.

The Board periodically reviews the Issuer's business and implementation of appropriate systems to manage any associated risks, communications with investors and the financial community and the integrity of the Issuer's internal control and management information systems. The Board also monitors the Issuer's compliance with its timely disclosure obligations and reviews material disclosure documents prior to distribution. The Board periodically discusses the systems of internal control with the Issuer's external auditor.

The Board is responsible for choosing the President and appointing senior management and for monitoring their performance and developing descriptions of the positions for the Board, including the limits on management's responsibilities and the corporate objectives to be met by the management.

The Board approves all the Issuer's major communications, including annual and quarterly reports, financing documents and press releases. The Board approves the Issuer's communication policy that covers the accurate and timely communication of all important information. It is reviewed annually. This policy includes procedures for communicating with analysts by conference calls.

The Board, through its Audit Committee, examines the effectiveness of the Issuer's internal control processes and management information systems. The Board consults with the internal auditor and management of the Issuer to ensure the integrity of these systems. The internal auditor submits a report to the Audit Committee each year on the quality of the Issuer's internal control processes and management information systems.

The Board is responsible for determining whether or not each director is an independent director. Directors who also act as officers of the Issuer are not considered independent. Directors who do not also act as officers of the Issuer, do not work in the day-to-day operations of the Issuer, are not party to any material contracts with the Issuer, or receive any fees from the Issuer except as disclosed in this Prospectus, are considered independent. Howard Milne and Steve Mathiesen are not independent directors by virtue of their positions as CEO and CFO of the Issuer, respectively. Jim Place is considered an independent director of the Issuer.

## 2. Directorships

The directors of the Issuer currently hold directorships in other reporting issuers. The following table sets forth information for each director of the Issuer who is, or within the five years prior to the date of this Prospectus, has been a director or officer of any other reporting issuer:

Name of Director	Name and Jurisdiction of Reporting Issuer	Name of Trading Market	Position From and To
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Howard Milne	Edison Cobalt Corp. (British Columbia)	TSX Venture Exchange	Vice-President and director November 2009 to September 2019
	Freeman Gold Corp. (British Columbia)	Canadian Securities Exchange	CEO and a director from October 2018 to May 2020
Steve Mathiesen	Rockbridge Resources Inc. (British Columbia)	TSX Venture Exchange	President and CEO from May 2013 to August 2018 Director and Corporate Secretary from November 2007 to November 2018
	Lotus Ventures Inc. (British Columbia)	Canadian Securities Exchange	Director from November 2014 to March 2019
	Freeman Gold Corp. (British Columbia)	Canadian Securities Exchange	CFO and a director from October 2018 to June 2020
James Place	Belmont Resources Inc. (British Columbia)	TSX Venture Exchange	From February 2018 President and CEO to November 2019, and a director to present
	Highbank Resources Ltd. (British Columbia)	TSX Venture Exchange	President, CEO and a director from 2013 to present
	Edison Cobalt Corp. (British Columbia)	TSX Venture Exchange	Director from 2016 to May 2019
	Bankers Cobalt Corp. (British Columbia)	TSX Venture Exchange	Director from 2014 to 2017
	Freeman Gold Corp. (British Columbia)	Canadian Securities Exchange	Director from October 2018 to April 2020
Daren Hermiston	BioVaxys Technology Corp. (British Columbia)	Canadian Securities Exchange	Director from October 2020 to present

### 3. Orientation and Continuing Education

The Board of Directors of the Issuer briefs all new directors with the policies of the Board of Directors, and other relevant corporate and business information.

### 4. Ethical Business Conduct

The Board has found that the fiduciary duties placed on individual directors by the Issuer's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Issuer.

Under the applicable corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Issuer and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, and to disclose to the Board the nature and extent of any interest of the director in any material contract or material transaction, whether made or proposed, if the director is a party to the contract or transaction, is a director or officer (or an individual acting in a similar capacity) of a party to the contract or transaction or has a material interest in a party to the contract or transaction. The director must then abstain from voting on the contract or transaction unless the contract or transaction (i) relates primarily to their remuneration as a director, officer, employee or agent of the Issuer or an affiliate of the Issuer, (ii) is for indemnity or insurance for the benefit of the director in connection with the Issuer, or (iii) is with an affiliate of the Issuer. If the director abstains from voting after disclosure of their interest, the directors approve the contract or transaction and the contract or transaction was reasonable and fair to the Issuer at the time it was entered into, the contract or transaction is not invalid and the director is not accountable to the Issuer for any profit realized from the contract or transaction. Otherwise, the director must have acted honestly and in good faith, the contract or transaction must have been reasonable and fair to the Issuer and the contract or transaction be approved by the shareholders by a special resolution after receiving full disclosure of its terms in order for the director to avoid such liability or the contract or transaction being invalid.

#### 5. Nomination of Directors

The Board is responsible for identifying individuals qualified to become new Board members and recommending to the Board new director nominees for the next annual meeting of shareholders.

New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Issuer, the ability to devote the time required, shown support for the Issuer's mission and strategic objectives, and a willingness to serve.

#### 6. Compensation

The Board conducts reviews with regard to directors' compensation once a year. To make its recommendation on directors' compensation, the Board takes into account the types of compensation and the amounts paid to directors of comparable publicly traded Canadian companies and aligns the interests of directors with the return to shareholders.

The Board decides the compensation of the Issuer's officers, based on industry standards and the Issuer's financial situation.

#### 7. Other Board Committees

The Board has no committees other than the Audit Committee.

#### 8. Assessments

The Board monitors the adequacy of information given to directors, communication between the board and management and the strategic direction and processes of the board and committees.

### **Audit Committee**

The charter of the Audit Committee is set out below:

**BADEN RESOURCES INC.**  
(the “Company”)

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**AUDIT COMMITTEE CHARTER**

**1. Mandate**

The audit committee will assist the board of directors (the “**Board**”) in fulfilling its financial oversight responsibilities. The audit committee will review and consider in consultation with the auditors, the financial reporting process, the system of internal control and the audit process. In performing its duties, the committee will maintain effective working relationships with the Board, management, and the external auditors. To effectively perform his or her role, each committee member must obtain an understanding of the principal responsibilities of committee members hip as well and the Company ' s business, operations, and risks.

**2. Composition**

The Board will appoint from among their membership an audit committee after each annual general meeting of the shareholders of the Company. The audit committee will consist of a minimum of three directors.

*2.1 Independence*

A majority of the members of the audit committee must not be officers, employees or control persons of the Company.

*2.2 Expertise of Committee Members*

Each member of the audit committee must be financially literate or must become financially literate within a reasonable period of time after his or her appointment to the committee. At least one member of the committee must have accounting or related financial management expertise. The Board shall interpret the qualifications of financial literacy and financial management expertise in its business judgment and shall conclude whether a director meets these qualifications.

**3. Meetings**

The audit committee shall meet in accordance with a schedule established each year by the Board, and at other time that the audit committee may determine. The audit committee shall meet at least annually with the Company's Chief Financial Officer and external auditors in separate executive sessions.

**4. Roles and Responsibilities**

The audit committee shall fulfill the following roles and discharge the following responsibilities:

*4.1 External Audit*

The audit committee shall be directly responsible for overseeing the work of the external auditors in preparing or issuing the auditor's report, including the resolution of disagreements between management and the external auditors regarding financial reporting and audit scope or procedures. In carrying out this duty, the audit committee shall:

- (a) recommend to the Board the external auditor to be nominated by the shareholders for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company;
- (b) review (by discussion and enquiry) the external auditors' proposed audit scope and approach;
- (c) review the performance of the external auditors and recommend to the Board the appointment or discharge of the external auditors;
- (d) review and recommend to the Board the compensation to be paid to the external auditors; and
- (e) review and confirm the independence of the external auditors by reviewing the non-audit services provided and the external auditors' assertion of their independence in accordance with professional standards.

#### *4.2 Internal Control*

The audit committee shall consider whether adequate controls are in place over annual and interim financial reporting as well as controls over assets, transactions and the creation of obligations, commitments and liabilities of the Company. In carrying out this duty, the audit committee shall:

- (a) evaluate the adequacy and effectiveness of management's system of internal controls over the accounting and financial reporting system within the Company; and
- (b) ensure that the external auditors discuss with the audit committee any event or matter which suggests the possibility of fraud, illegal acts or deficiencies in internal controls.

#### *4.3 Financial Reporting*

The audit committee shall review the financial statements and financial information prior to its release to the public. In carrying out this duty, the audit committee shall:

##### *General*

- (a) review significant accounting and financial reporting issues, especially complex, unusual, and related party transactions; and

- (b) review and ensure that the accounting principles selected by management in preparing financial statements are appropriate.

*Annual Financial Statements*

- (c) review the draft annual financial statements and provide a recommendation to the Board with respect to the approval of the financial statements;
- (d) meet with management and the external auditors to review the financial statements and the results of the audit, including any difficulties encountered; and
- (e) review management's discussion & analysis respecting the annual reporting period prior to its release to the public.

*Interim Financial Statements*

- (f) review and approve the interim financial statements prior to their release to the public; and
- (g) review management's discussion & analysis respecting the interim reporting period prior to its release to the public.

*Release of Financial Information*

- (h) where reasonably possible, review and approve all public disclosure, including news releases, containing financial information, prior to its release to the public.

*4.4 Non-Audit Services*

All non-audit services (being services other than services rendered for the audit and review of the financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements) which are proposed to be provided by the external auditors to the Company or any subsidiary of the Company shall be subject to the prior approval of the audit committee.

*Delegation of Authority*

- (a) The audit committee may delegate to one or more independent members of the audit committee the authority to approve non-audit services, provided any non-audit services approved in this manner must be presented to the audit committee at its next scheduled meeting.

*De-Minim is Non-Audit Services*

- (b) The audit committee may satisfy the requirement for the pre-approval of non-audit services if:
  - (i) the aggregate amount of all non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the Company and its subsidiaries to the external auditor during the fiscal year in which the services are provided; or
  - (ii) the services are brought to the attention of the audit committee and approved, prior to the completion of the audit, by the audit committee or by one or more of its members to whom authority to grant such approvals has been delegated.

*Pre-Approval Policies and Procedures*

- (c) The audit committee may also satisfy the requirement for the pre-approval of non-audit services by adopting specific policies and procedures for the engagement of non-audit services, if:
  - (i) the pre-approval policies and procedures are detailed as to the particular service;
  - (ii) the audit committee is informed of each non-audit service; and
  - (iii) the procedures do not include delegation of the audit committee's responsibilities to management.

*4.5 Other Responsibilities*

The audit committee shall:

- (a) establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters;
- (b) establish procedures for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;
- (c) ensure that significant findings and recommendations made by management and external auditor are received and discussed on a timely basis;
- (d) review the policies and procedures in effect for considering officers' expenses and perquisites;

- (e) perform other oversight functions as requested by the Board; and
- (f) review and update this Charter and receive approval of changes to this Charter from the Board.

#### *4.6 Reporting Responsibilities*

The audit committee shall regularly update the Board about committee activities and make appropriate recommendations.

### **5. Resources and Authority of the Audit Committee**

The audit committee shall have the resources and the authority appropriate to discharge its responsibilities, including the authority to

- (a) engage independent counsel and other advisors as it determines necessary to carry out its duties;
- (b) set and pay the compensation for any advisors employed by the audit committee; and
- (c) communicate directly with the internal and external auditors.

### **6. Guidance - Roles & Responsibilities**

The following guidance is intended to provide the Audit Committee members with additional guidance on fulfillment of their roles and responsibilities on the committee:

#### *6.1 Internal Control*

- (a) evaluate whether management is setting the goal of high standards by communicating the importance of internal control and ensuring that all individuals possess an understanding of their roles and responsibilities;
- (b) focus on the extent to which external auditors review computer systems and **applications**, the security of such systems and applications, and the contingency plan for processing financial information in the event of an IT systems breakdown; and
- (c) gain an understanding of whether internal control recommendations made by external auditors have been implemented by management.

#### *6.2 Financial Reporting*

##### *General*

- (a) review significant accounting and reporting issues including recent

professional and regulatory pronouncements, and understand their impact on the financial statements;

- (b) ask management and the external auditors about significant risks and exposures and the plans to minimize such risks; and
- (c) understand industry best practices and the Company's adoption of them.

*Annual Financial Statements*

- (d) review the annual financial statements and determine whether they are complete and consistent with the information known to committee members, and assess whether the financial statements reflect appropriate accounting principles in light of the jurisdictions in which the Company reports or trades its shares;
- (e) pay attention to complex and/or unusual transactions such as restructuring charges and derivative disclosures;
- (t) focus on judgmental areas such as those involving valuation of assets and liabilities, including, for example, the accounting for and disclosure of loan losses; warranty, professional liability; litigation reserves; and other commitments and contingencies;
- (g) consider management's handling of proposed audit adjustments identified by the external auditors; and
- (h) ensure that the external auditors communicate all required matters to the committee.

*Interim Financial Statements*

- (i) be briefed on how management develops and summarizes interim financial information, the extent to which the external auditors review interim financial information;
- (i) meet with management and the auditors, either telephonically or in person, to review the interim financial statements; and
- (k) to gain insight into the fairness of the interim statements and disclosures, obtain explanations from management on whether:
  - (i) actual financial results for the quarter or interim period varied significantly from budgeted or projected results;
  - (ii) changes in financial ratios and relationships of various balance sheet and operating statement figures in the interim financial statements are

consistent with changes in the Company's operations and financing practices;

- (iii) generally accepted accounting principles have been consistently applied;
- (iv) there are any actual or proposed changes in accounting or financial reporting practices;
- (v) there are any significant or unusual events or transactions;
- (vi) the Company's financial and operating controls are functioning effectively;
- (vii) the Company has complied with the terms of loan agreements, security indentures or other financial position or results dependent agreement; and
- (viii) the interim financial statements contain adequate and appropriate disclosures.

## 6.2 *Compliance with Laws and Regulations*

- (a) periodically obtain updates from management regarding compliance with this policy and industry "best practices";
- (b) be satisfied that all regulatory compliance matters have been considered in the preparation of the financial statements; and
- (c) review the findings of any examinations by securities regulatory authorities and stock exchanges.

## 6.3 *Other Responsibilities*

Review with the Company's counsel, any legal matters that could have a significant impact on the Company's financial statements.

### *Composition of the Audit Committee*

The members of the Audit Committee are Daren Hermiston, Howard Milne and James Place. James Place and Daren Hermiston are independent as that term is defined in National Instrument 52-110 Audit Committees ("NI 52-110"). All members of the Audit Committee are "financially literate" as that term is defined in NI 52-110.

A member of the Audit Committee is independent if the member has no direct or indirect material relationship with the Issuer. A material relationship means a relationship which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment.

### *Relevant Education and Experience*

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

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

*Howard Milne* - Mr. Milne played a role in the launch of Victory Ventures Inc. (now Edison Cobalt Corp.) on the TSX Venture Exchange and was the Vice President of Business Development to September 2019 of Edison Cobalt Corp. listed on the TSX Venture Exchange. Mr. Milne was CEO and a director of Freeman Gold Corp., listed on the CSE, from October 2018 to May 2020. Based on his experience, Mr. Milne has an understanding of financial reporting requirements respecting financial statements sufficient enough to enable him to discharge his duties as an audit committee member.

*James Place* - Mr. Place has held positions with public companies (Chairman, President and CEO of Belmont Resources Inc., President and CEO of Highbank Resources Ltd., and director of Edison Cobalt Corp.), and is a member of the board of directors of Freeman Gold Corp., Belmont Resources Inc., and 79 Resources Ltd. Through his experience with junior listed companies, Mr. Place has an understanding of financial reporting requirements respecting financial statements sufficient enough to enable him to discharge his duties as an audit committee member.

*Daren Hermiston* – Mr. Hermiston has an extensive background in marketing public and private companies throughout various sectors. He also is an agent/advisor with Pointswest Sports and Entertainment from January 2009 to present and provides his services on a contract basis through his company, Kona Consulting Inc. Through Pointwest, he acts as an agent for a number of NHL and other professional hockey players globally and his duties include negotiating contracts, assisting with player financial matters and extensive dealings with lawyers, tax advisors, accountants, financial advisors and insurance professionals. As such, Mr. Hermiston is very familiar with financial statements and complex accounting issues and is financially literate.

See also “Directors and Officers” for further details.

#### *Audit Committee Oversight*

At no time since inception was a recommendation of the Audit Committee made to nominate or compensate an external auditor not adopted by the board of directors.

#### *Reliance on Certain Exemptions*

At no time since inception has the Issuer relied on the exemption in Section 2.4 of NI 52-110 (de minimis non-audit services), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

*Pre-Approval of Policies and Procedures*

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

*External Auditor Service Fees*

The Audit Committee has reviewed the nature and amount of the non-audited services provided by DMCL, Chartered Professional Accountants, of Vancouver, British Columbia, to the Issuer to ensure auditor independence. Estimated fees to be billed by DMCL Chartered Professional Accountants for audit and non-audit services for the fiscal year ended June 30, 2020 are outlined in the following table.

Nature of Services	Estimated Fees of the Auditor for the Fiscal Year Ended June 30, 2020
Audit Fees <sup>(1)</sup>	\$8,000
Audit-Related Fees <sup>(2)</sup>	-
Tax Fees <sup>(3)</sup>	-
All Other Fees <sup>(4)</sup>	-
<b>Total</b>	<b>\$8,000</b>

**Notes:**

- (1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Issuer'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.

**Exemption**

The Issuer is relying upon the exemption in section 6.1 of NI 52-110 in respect of the composition of its Audit Committee and in respect of its reporting obligations under NI 52-110.

**PLAN OF DISTRIBUTION**

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

The Issuer has applied to list its Common Shares described in this Prospectus on the Exchange. Listing will be subject to the Issuer fulfilling all of the listing requirements of the Exchange.

As of the date of this Prospectus, the Issuer does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., a U.S. marketplace, or a marketplace outside Canada and the United States of America other than the Alternative Investment Market of the London Stock Exchange or the PLUS Markets operated by PLUS Markets group plc.

### **RISK FACTORS**

The Common Shares should be considered highly speculative due to the nature of the Issuer's business and the present stage of its development. In evaluating the Issuer and its business, investors should carefully consider, in addition to the other information contained in this Prospectus, the following risk factors. These risk factors are not a definitive list of all risk factors associated with an investment in the Issuer or in connection with the Issuer's operations. There may be other risks and uncertainties that are not known to the Issuer or that the Issuer currently believes are not material, but which also may have a material adverse effect on its business, financial condition, operating results or prospects. In that case, the trading price of the Common Shares could decline substantially, and investors may lose all or part of the value of the Common Shares held by them.

An investment in securities of the Issuer should only be made by persons who can afford a significant or total loss of their investment. There is no market through which these securities may be sold and purchasers may not be able to resell securities purchased under this Prospectus.

The possible sale of Common Shares released from escrow on each release date could negatively affect the market price of the Common Shares and also result in an excess of sellers of Common Shares to buyers of Common Shares and seriously affect the liquidity of the Common Shares. See "Escrowed Securities".

#### **1. No Ongoing Operations and No Production History**

The Issuer is a mineral exploration company and has no operations or revenue.

#### **2. Requirement to Maintain Obligations Under the Bertha Property Option Agreement**

Pursuant to the Bertha Property Option Agreement, the Issuer is required to pay all taxes assessed against any personal property which it may place on the Claims and must pay any taxes or increase in taxes assessed against the Claims due to its operations thereon. Pursuant to the Bertha Property Option Agreement, the Issuer is required to seek and maintain, at its own cost and expense, all permits, governmental or other, needed to conduct its operations on the Property.

#### **3. Coronavirus (COVID-19)**

As of the date of this Prospectus, markets, governments and health organizations around the world are working to contain the outbreak of the coronavirus (COVID-19). COVID-19 presents a wide range of potential issues or complications for the Issuer, most of which the Issuer is not able to know the full extent of at the time of this Prospectus. The following is a summary of what the Issuer believes may impact their business as a result of COVID-19: disruptions to business operations resulting from quarantines of employees, customers and third party service providers in areas affected by the outbreak; disruptions to business operations resulting from travel restrictions; and uncertainty around the duration

of the virus' impact. At the time of this Prospectus it is unclear as to whether COVID-19 represents a material disruption of the Issuer's business.

#### **4. Absence of Prior Public Market**

There has been no prior public market for the Common Shares, and an active trading market may not develop or, if it does develop, may not be sustained. The lack of an active market may impair shareholders' ability to sell their Common Shares at the time they wish to sell them or at a price that they consider reasonable. The lack of an active market may also reduce the fair market value and increase the volatility of the Common Shares. An inactive market may also impair the Issuer's ability to raise capital by selling Common Shares and to acquire other exploration properties or interests by using its Common Shares as consideration.

#### **5. Volatility of Share Prices**

Share prices are subject to changes because of numerous factors beyond the Issuer's control, including reports of new information, changes in its financial situation, the sale of its Common Shares in the market, its failure to achieve financial results in line with the expectations of analysts, or announcements by the Issuer or any of its competitors concerning results. There is no guarantee that the market price of the Common Shares will be protected from any such fluctuations in the future.

In the past, companies have experienced volatility in their share value and have been the subject of securities class action litigation. The Issuer might become involved in securities class action litigation in the future. Such litigation often results in substantial costs and diversion of management's attention and resources and could have a negative effect on the Issuer's business and results of operation.

#### **6. Limited Operating History**

The Issuer has no history of earnings. There are no known commercial quantities of mineral reserves on the Issuer's Property. There is no assurance that the Issuer will ever discover any economic quantities of mineral reserves.

#### **7. Negative Cash Flows From Operations**

For the year ended June 30, 2020, the Issuer sustained net losses from operations and had negative cash flow from operating activities of \$53,595. The Issuer continues to have negative operating cash flow. It is possible the Issuer may have negative cash flow in any future period and as a result, the Issuer expects to use available cash, including proceeds, to entirely fund any such negative cash flow.

#### **8. Requirement For Further Financing**

The Issuer has limited financial resources and may need to raise additional funds to carry out exploration of its Property. There is no assurance the Issuer will be able to raise additional funds or will be able to raise additional funds on terms acceptable to the Issuer. If the Issuer's exploration programs are successful and favourable exploration results are obtained, the Property may be developed into commercial production. The Issuer will require additional funds to place the Property into production. The only sources of future funds presently available to the Issuer are the sale of equity capital, debt, or offering of interests in its Property to be earned by another party or parties by carrying out development work. There is no assurance that any such funds will be available to the Issuer or be available on terms acceptable to the Issuer. If funds are available, there is no assurance that such funds will be sufficient to

bring the Property to commercial production. Failure to obtain additional financing on a timely basis could have a material adverse effect on the Issuer, and could cause the Issuer to forfeit its interest in its Property and reduce or terminate its operations.

## **9. Exploration**

At present, there are no bodies of ore, known or inferred, on the Property and there are no known bodies of commercially recoverable ore on the Property. There is no assurance that the Issuer's mineral exploration activities will result in any discoveries of commercial bodies of ore on the Property.

## **10. Development**

The business of exploration for precious metals involves a high degree of risk. Few exploration properties are ultimately developed into producing properties. The Issuer's Property is at the exploration stage.

## **11. Title to Properties**

Acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. Although the Issuer has investigated its title to the Property for which it holds an option to acquire concessions or other mineral leases or licenses and the Issuer is satisfied with its review of the title to the Property, the Issuer cannot give an assurance that title to the Property will not be challenged or impugned. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify, and transfers under foreign law often are complex. The Issuer does not carry title insurance on the Property. A successful claim that the Issuer does not have title could cause the Issuer to lose its rights to the Property, perhaps without compensation for its prior expenditures relating to the Property.

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

Because the Issuer's interest in the Property is by way of the Bertha Property Option Agreement, which enables it to option the Property and grants it exclusive rights to mine and otherwise utilize and dispose of, or to allow others to mine and otherwise utilize and dispose of, on an exclusive basis, all minerals, mineral substances, mineral rights and estates of every kind and character on the Property, the Issuer does not own the Property, if the Issuer fails to issue shares and make payments in accordance with the Bertha Property Option Agreement, it will lose its mining rights, and the Issuer is dependent on the Owner to perform its obligations under the Bertha Property Option Agreement, and if the Owner fails to perform its obligations thereunder the Issuer's interest in the Property may be lost. There is no guarantee the Issuer will be able to raise sufficient funding in the future to carry out the recommended work program on the Property.

## **12. Aboriginal Title**

The Property or other future properties owned or optioned by the Issuer may now or in the future be the subject of First Nations land claims. The Property is located within the Nlaka'pamux and Boston Bar First Nations traditional territory, and there may be First Nations concerns in the future that could prove to be a problem for any extensive development on the Property. The legal nature of aboriginal land claims is a matter of considerable complexity. The impact of any such claim on the Issuer's ownership interest in the Property cannot be predicted with any degree of certainty and no assurance can be given that a broad recognition of aboriginal rights in the area in which the Property is located, by way of a negotiated settlement or judicial pronouncement, would not have an adverse effect on the Issuer's activities. Even in the absence of such recognition, the Issuer may at some point be required to negotiate with first nations in order to facilitate exploration and development work on the Property, and there is no assurance that the Issuer will be able to establish a practical working relationship with the First Nations in the area which would allow it to ultimately develop the Property.

On June 26, 2014, the Supreme Court of Canada (the "SCC") released a decision in *Tsilhqot'in Nation v. British Columbia* (the "**William Decision**"), pursuant to which the SCC upheld the First Nations' claim to Aboriginal title and rights over a large area of land in central British Columbia, including rights to decide how the land will be used, occupancy and economic benefits. The court ruling held that while the provincial government had the constitutional authority to regulate certain activity on aboriginal title lands, it had not adequately consulted with the Tsilhqot'in. The SCC also held that provincial laws of general application apply to land held under Aboriginal title if the laws are not unreasonable, impose no undue hardship, and do not deny the Aboriginal title holders their preferred means of exercising their rights. The Issuer currently does not hold any properties in the area involved in the William Decision. The Issuer will continue to manage its operations within the existing legal framework while paying close attention to the direction provided by the Courts regarding the application of this ruling.

### **13. Management**

The success of the Issuer is largely dependent upon the performance of its management. The loss of the services of these persons may have a material adverse effect on the Issuer's business and prospects. There is no assurance that the Issuer can maintain the service of its management or other qualified personnel required to operate its business.

### **14. Requirement for Permits and Licenses**

The Issuer will be applying for all necessary licenses and permits under applicable laws and regulations to carry on the exploration activities which it is currently planning in respect of the Property, and the Issuer believes it will comply in all material respects with the terms of such licenses and permits. However, such licenses and permits are subject to changes in regulations and in various operational circumstances. A substantial number of additional permits and licenses will be required should the Issuer proceed beyond exploration. There can be no guarantee that the Issuer will be able to obtain such licenses and permits.

### **15. Environmental Risks and other Regulatory Requirements**

The current or future operations of the Issuer, including the exploration activities and commencement of production on the Property, will require permits from various federal and local governmental authorities, and such operations are and will be governed by laws and regulations governing exploration, development, production, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, site safety and other matters. There can be no assurance that all

permits which the Issuer may require for its facilities and conduct of exploration and development operations will be obtainable on reasonable terms or that such laws and regulations would not have a material adverse effect on any exploration and development project which the Issuer might undertake.

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

Amendments to current laws, regulations and permits governing the operations and activities of mineral companies, or more stringent enforcement thereof, could have a material adverse impact on the Issuer and cause increases in capital expenditure or exploration and development costs or reduction in levels of production at producing properties or require abandonment or delays in development of new properties.

#### **16. Uninsurable Risks**

Exploration of mineral properties involves numerous risks, including unexpected or unusual geological conditions, rock bursts, cave-ins, fires, floods, earthquakes and other environmental occurrences, and political and social instability. It is not always possible to obtain insurance against all such risks and the Issuer may decide not to insure against certain risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any further profitability and result in increasing costs and a decline in the value of the securities of the Issuer. The Issuer does not maintain insurance against environmental risks.

#### **17. Competition**

Significant and increasing competition exists for mineral opportunities in the Province of British Columbia. There are a number of large established mineral exploration companies with substantial capabilities and greater financial and technical resources than the Issuer. The Issuer may be unable to acquire additional mineral properties or acquire such properties on terms it considers acceptable. Accordingly, there can be no assurance that the Issuer's exploration programs will yield any reserves or result in any commercial mineral operations.

#### **18. Conflicts of Interest**

Directors of the Issuer may, from time to time, serve as directors of, or participate in ventures with other companies involved in natural resource development. As a result, there may be situations that involve a conflict of interest for such directors. Each director will attempt not only to avoid dealing with such other companies in situations where conflicts might arise but will also disclose all such conflicts in accordance with the *British Columbia Business Corporations Act* and will govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law.

#### **19. Litigation**

The Issuer and/or its directors may be subject to a variety of civil or other legal proceedings, with or without merit. The Issuer does not know of any such pending or actual material legal proceedings as of the date of this Prospectus.

#### **20. No Cash Dividends Are Expected to be Paid in the Foreseeable Future**

The Issuer has not declared any cash dividends to date. The Issuer intends to retain any future earnings to finance its business operations and any future growth. Therefore, the Issuer does not anticipate declaring any cash dividends in the foreseeable future.

#### **21. Ore Reserves and Reserve Estimates**

The Issuer's business relies upon the ability to determine whether a given property has commercial quantities of recoverable minerals. No assurance can be given that any discovered mineral reserves and resources will be recovered or that they will be recovered at the rates estimated. Mineral reserve and resource estimates are based on limited sampling and, consequently, are uncertain because the samples may not be representative. Mineral reserve and resource estimates may require revision (either up or down) based on actual production experience.

### **PROMOTERS**

Howard Milne and Steve Mathiesen are considered to be promoters of the Issuer in that they took the initiative in founding and organizing the Issuer. Mr. Milne beneficially owns, or controls or directs, indirectly or directly, 1,050,000 Common Shares, representing 8.95% of the issued and outstanding Common Shares of the Issuer. Mr. Mathiesen beneficially owns, or controls or directs, indirectly or directly, 2,150,000 Common Shares, representing 18.32% of the issued and outstanding Common Shares of the Issuer. See also "Principal Shareholders" and "Directors and Officers".

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

There are no material pending legal proceedings or regulatory actions to which the Issuer is or is likely to be a party or of which any of its properties are or are likely to be the subject.

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

No Insider, director or executive officer of the Issuer and no associate or affiliate of any director, executive officer or Insider has any material interest, direct or indirect, in any transaction within the three years before the date of the Prospectus that has materially affected or is reasonably expected to materially affect the Issuer or the Subsidiary. See "Executive Compensation".

### **AUDITORS, TRANSFER AGENTS AND REGISTRARS**

#### **Auditors**

The Issuer's auditor is DMCL, Chartered Professional Accountants, of 1500 - 1140 West Pender Street, Vancouver, British Columbia, V6E 4G1.

**Transfer Agent and Registrar**

The Registrar and Transfer Agent for the Issuer is Odyssey Trust Company of Suite 323, 409 Granville Street, Vancouver, British Columbia, V6C 1T8.

**MATERIAL CONTRACTS**

Except for contracts entered into in the ordinary course of business, the only material contracts which the Issuer has entered into in the two years prior to the date of the Prospectus are the following:

1. Bertha Property Option Agreement between the Issuer and Ken Ellerbeck dated January 20, 2020, granting the Issuer an option to acquire a 100% interest in the Property, subject to a production royalty of 2% of net smelter returns.
2. Transfer Agency Agreement dated March 19, 2020 between the Issuer and Odyssey Trust Company.
3. Management agreement dated as of March 16, 2020 between the Issuer and HDM Capital Inc.
4. Management agreement dated as of March 16, 2020 between the Issuer and Sash Management Ltd.
5. Incentive stock option plan of the Issuer dated March 16, 2020 and stock option plan commitments between the Issuer and Howard Milne, Steve Mathiesen, James Place, and Daren Hermiston.
6. NI 46-201 Escrow Agreement dated November 6, 2020 between the Issuer, the principals of the Issuer and Odyssey Trust Company.
7. Canadian Securities Exchange Listing Agreement executed by the Issuer on ♦.

**Inspection of Material Contracts and Reports**

Copies of all the material contracts and reports referred to in this Prospectus may be inspected at the registered office of the Issuer at Suite 1510, 789 West Pender Street, Vancouver, British Columbia, V6C 1H2, during normal business hours during the distribution of the securities offered hereunder, and for a period of 30 days thereafter, as well as on the SEDAR website at [www.sedar.com](http://www.sedar.com) upon the Effective Date of this Prospectus.

**EXPERTS**

The following person and company have prepared or certified a report, valuation, statement or opinion in this Prospectus:

1. Gregory R. Thomson, P.Geo., was retained by the Issuer to prepare the Technical Report on the Property and is a “qualified person” as defined in National Instrument 43-101; and
2. The Issuer's auditor, DMCL LLP, Chartered Professional Accountants, has prepared the audit report accompanying the financial statements attached to this Prospectus.

No person or company whose profession or business gives authority to a statement made by such person or company and who is named as having prepared or certified a part of this Prospectus, or prepared or certified a report or valuation described or included in this Prospectus, has received or shall receive or holds a direct or indirect interest in any securities or property of the Issuer or any associates or affiliates of the Issuer. The auditor is independent in accordance with the auditor's rules of professional conduct in the Province of British Columbia.

#### **OTHER MATERIAL FACTS**

Except as otherwise mentioned in this Prospectus, there are no material facts about the securities being distributed pursuant to the Offering that are not disclosed under any other items and are necessary in order for the Prospectus to contain full, true and plain disclosure of all material facts relating to the securities to be distributed.

#### **RIGHTS OF WITHDRAWAL AND RESCISSION**

Securities legislation in the Provinces of Alberta and British Columbia provide purchasers with the right to withdraw from an agreement to purchase securities within two business days after receipt or deemed receipt of a prospectus and any amendment. In the Provinces of Alberta and British Columbia securities legislation further provides a purchaser with remedies of rescission or damages where the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of Alberta and British Columbia. The purchaser should refer to any applicable provisions of the securities legislation of Alberta and British Columbia for the particulars of these rights or consult with a legal adviser.

**FINANCIAL STATEMENTS**

The following financial statements are attached to this Prospectus:

1. Unaudited financial statements for the Issuer for the three months ended September 30, 2020.
2. Audited financial statements of the Issuer for the period from incorporation on January 19, 2020 to June 30, 2020.

**BADEN RESOURCES INC.**  
**CODENSED INTERIM FINANCIAL STATEMENTS**  
**(Expressed in Canadian dollars)**  
**(Unaudited)**  
**THREE MONTHS ENDED SEPTEMBER 30, 2020**

**BADEN RESOURCES INC.**Condensed Interim Statement of Financial Position  
(Expressed in Canadian Dollars)

<b>As at</b>	<b>Note</b>	<b>September 30 2020 (Unaudited)</b>	<b>June 30, 2020 (Audited)</b>
\$			
<b>ASSETS</b>			
<b>Current</b>			
Cash		<b>567,274</b>	242,028
GST receivable		<b>380</b>	2,322
Prepaid expenses		<b>10,000</b>	10,000
		<b>577,654</b>	254,350
<b>Non-current assets</b>			
Exploration and evaluation assets	3	<b>57,960</b>	57,960
Reclamation bond	3	<b>5,000</b>	-
<b>Total assets</b>		<b>640,614</b>	312,310
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current</b>			
Accrued liabilities		<b>31,086</b>	30,586
<b>Total liabilities</b>		<b>31,086</b>	30,586
<b>Shareholders' equity</b>			
Share capital	5	<b>657,170</b>	314,300
Reserves	5	<b>26,559</b>	21,019
Deficit		<b>(74,201)</b>	(53,595)
<b>Total shareholders' equity</b>		<b>609,528</b>	281,724
<b>Total liabilities and shareholders' equity</b>		<b>640,614</b>	312,310

**Nature of operations and going concern (Note 1)****These financial statements were approved by the Board of Directors on November 10, 2020:**

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*"Steve Mathiesen"**Steve Mathiesen, Director*

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*"Howard Milne"**Howard Milne, Director*

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

**BADEN RESOURCES INC.**

Condensed Interim Statement of Loss and Comprehensive Loss - Unaudited

For the three months ended September 30, 2020

(Expressed in Canadian Dollars)

	<b>Note</b>	<b>Three months ended September 30, 2020</b>
		\$
<b>EXPENSES</b>		
Bank charges and interest		104
Listing, filing and transfer agent fees		11,650
Marketing and advertising		68
Operating, general and administrative		244
Professional fees		3,000
Share-based compensation	5	5,540
<b>Loss and comprehensive loss</b>		<b>(20,606)</b>
<b>Loss per share – basic and diluted</b>		<b>(0.00)</b>
<b>Weighted average number of common shares outstanding</b>		<b>9,954,280</b>

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

**BADEN RESOURCES INC.**

Condensed Interim Statement of Changes in Shareholders' Equity - Unaudited

For the three months ended September 30, 2020

(Expressed in Canadian Dollars)

	<b>Number of Shares</b>	<b>Share Capital</b>	<b>Reserves</b>	<b>Deficit</b>	<b>Total Equity</b>
		<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance, January 19, 2020	-	-	-	-	-
Issuance of common shares for cash	4,266,000	114,300	-	-	114,300
Issuance of units for cash at \$0.05	4,000,000	200,000	-	-	200,000
Share-based compensation	-	-	21,019	-	21,019
Loss and comprehensive loss	-	-	-	(53,595)	(53,595)
Balance, June 30, 2020	8,266,000	314,300	21,019	(53,595)	281,724
Issuance of common shares for cash at \$0.10	3,470,000	347,000	-	-	347,000
Share-based compensation	-	-	5,540	-	5,540
Share issuance costs	-	(4,130)	-	-	(4,130)
Loss and comprehensive loss	-	-	-	(20,606)	(20,606)
<b>Balance, September 30, 2020</b>	<b>11,736,000</b>	<b>657,170</b>	<b>26,559</b>	<b>(74,201)</b>	<b>609,528</b>

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

	<b>Three months ended September 30, 2020</b>
	\$
Cash flows used in operating activities:	
Net loss	(20,606)
Adjustments for:	
Share-based compensation	5,540
Changes in non-cash working capital items:	
GST receivable	1,942
Accounts payable and accrued liabilities	500
Net cash used in operating activities	(12,624)
Financing activities	
Proceeds from issuance of shares	347,000
Share issuance costs	(4,130)
Net cash provided by financing activities	342,870
Investing activities	
Reclamation bond	(5,000)
Net cash used in investing activities	(5,000)
Increase in cash	325,246
Cash, beginning	242,028
Cash, ending	567,274

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

## 1. NATURE OF OPERATIONS AND GOING CONCERN

Baden Resources Inc. (the "Company") was incorporated in the Province of British Columbia on January, 19, 2020 under the Business Corporations Act of British Columbia. The Company is focused on acquisition, exploration, and development of mineral properties in British Columbia. The Company's registered office is Suite 1510 – 789 W. Pender Street, Vancouver BC V6C 1H2 and its business office is located at Suite 1510 – 789 W. Pender Street, Vancouver BC V6C 1H2.

These condensed interim financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. As at September 30, 2020, the Company is not able to finance day to day activities through operations and has an accumulated deficit of \$74,201. The continuing operations of the Company are dependent upon its ability to obtain sufficient financing and the success of its exploration activities. This indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Management intends to finance operating costs with loans from directors and companies controlled by directors and/or issuance of common shares. If the Company is unable to continue as a going concern, the net realizable value of its assets may be materially less than the amounts on its statement of financial position.

The recent outbreak of the coronavirus, also known as "COVID-19", has spread across the globe and is impacting worldwide economic activity. Conditions surrounding the coronavirus continue to rapidly evolve and government authorities have implemented emergency measures to mitigate the spread of the virus. The outbreak and the related mitigation measures may have an adverse impact on global economic conditions as well as on the Company's business activities. The extent to which the coronavirus may impact the Company's business activities will depend on future developments, such as the duration of the outbreak, travel restrictions, business disruptions, and the effectiveness of actions taken in Canada and other countries to contain and treat the disease. These events are highly uncertain and as such, the Company cannot determine their financial impact at this time

## 2. SUMMARY SIGNIFICANT ACCOUNTING

### **Basis of preparation**

#### *Statement of compliance*

These unaudited condensed interim financial statements have been prepared in accordance with accounting policies consistent with International Financial Reporting Standards ("IFRS") IAS 34 – Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The unaudited condensed interim financial statements, prepared in conformity with accounting policies consistent with IAS 34, follow the same accounting principles and methods of application as the most recent audited annual financial statements. Since the unaudited condensed interim financial statements do not include all disclosures required by the International Financial Reporting Standards ("IFRS") for annual financial statements, they should be read in conjunction with the Company's audited financial statements for the period from incorporation on January 19, 2020 to June 30, 2020.

#### *Basis of measurement*

These unaudited condensed interim financial statements have been prepared on a historical cost basis, modified where applicable. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information. The unaudited condensed interim financial statements are presented in Canadian dollars, unless otherwise noted.

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

## 2. SUMMARY SIGNIFICANT ACCOUNTING (continued)

### Accounting Standards and Interpretations Issued but Not Yet Adopted

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

## 3. EXPLORATION AND EVALUATION ASSET

The Company entered into an Option Agreement ("Option") dated January 20, 2020 to acquire 100% of mineral claims located in British Columbia, known as the Bertha Property. Pursuant to the Option, the Company, shall issue common shares and make payments and expenditures as follows:

Date	Number of Shares	Cash Payments	Minimum Expenditures
		\$	\$
Paid on signing Option Agreement	-	10 (paid)	-
	-	-	53,000 (incurred 57,950 as at September 30, 2020)
Listing Date	100,000	10	-
1st Anniversary of listing date	100,000	-	100,000
2nd Anniversary of listing date	100,000	20,000	100,000
3rd Anniversary of listing date	100,000	30,000	100,000
4th Anniversary of listing date	200,000	250,000	300,000
<b>TOTAL</b>	<b>600,000</b>	<b>315,020</b>	<b>653,000</b>

The optionor has retained a 2% net smelter return royalty ("NSR") and the Company may acquire 1% of the NSR by paying a one-time sum of \$1,000,000 at any time prior to the commencement of commercial production.

A continuity of the Company's exploration and evaluation asset is as follows:

	September 30, 2020	June 30, 2020
	\$	\$
Acquisition costs:		
Balance, beginning of period	10	-
Additions	-	10
Balance, end of period	10	10
Deferred exploration expenditures:		
Balance, beginning of period	57,950	-
Consulting	-	10,000
Geophysical program	-	47,950
Balance, end of period	57,950	57,950
	57,960	57,960

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

#### 4. RELATED PARTY TRANSACTIONS

##### *Key management compensation*

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 members of the Company's Board of Directors and corporate officers. There were no remuneration of directors and key management personnel for the three months ended September 30, 2020.

#### 5. SHARE CAPITAL

##### *Authorized share capital*

Unlimited number of common shares without par value

##### *Common Shares*

On January 19, 2020, the Company issued 2,200,000 common shares at \$0.005 per share to directors for proceeds of \$11,000.

On March 31, 2020, the Company issued 2,066,000 common shares at \$0.05 per share for proceeds of \$103,300, of which 1,040,000 were issued to directors.

On June 29, 2020, the Company issued 4,000,000 units at \$0.05 per unit for proceeds of \$200,000, of which 150,000 were issued to directors. Each unit consists of one common share and one warrant. Each warrant is exercisable into a common share at \$0.10 per share for a period of 18 months from the date the common shares are listed on the Canadian Securities Exchange.

On July 30, 2020, the Company issued 1,710,000 common shares at \$0.10 per unit for proceeds of \$171,000 for the first tranche of the private placement.

On September 3, 2020, the Company issued 1,760,000 common shares at \$0.10 per unit for proceeds of \$176,000. In relation to the issuance, the Company paid \$4,130 in cash and issued 77,700 finders warrants. Each finders' warrant is exercisable at \$0.10 for up to 18 months after listing on the Canadian Securities Exchange.

The following is a summary of the Company's warrants for the three months ended September 30, 2020.

	Number	Weighted average exercise price	Weighted average life (years)
		\$	
Balance, January 19, 2020	-	-	-
Issued	4,000,000	0.10	-
Balance, June 30, 2020	4,000,000	0.10	1.50
Issued	77,700	0.10	-
Balance, September 30, 2020	4,077,700	0.10	1.50

##### *Stock options*

The Company has adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with Exchange policies, grant to directors, officers and technical consultants to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the common shares issued and outstanding from time to time. Such options are non-transferable and are exercisable at a price per share not below the closing traded price on the day before the date of grant for a period of up to ten years from the date of grant.

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

5. **SHARE CAPITAL** (continued)

During the three months ended September 30, 2020, the Company granted 75,000 stock options exercisable at \$0.10 per share to a consultant, expiring July 6, 2025. The fair value of the stock options granted during the period using the Black-Scholes Options Pricing Model was \$5,540.

	Number	Weighted average exercise price	Weighted average life (years)
		\$	
Balance, January 19, 2020	-	-	-
Granted	650,000	0.10	-
Balance, June 30, 2020	650,000	0.10	4.68
Granted	75,000	0.10	-
Balance, September 30, 2020	725,000	0.10	4.45

The fair value of the stock options granted for the three months ended September 30, 2020 was estimated using the Black-Scholes Option Pricing Model with the following weighted average assumptions:

	September 30, 2020	June 30, 2020
Risk-free interest rate	<b>0.32%</b>	1.21%
Estimated life (years)	<b>5</b>	5
Expected volatility	<b>100%</b>	100%
Expected dividend yield	<b>0%</b>	0%
Forfeiture rate	<b>0%</b>	0%

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

**BADEN RESOURCES INC.**  
**FINANCIAL STATEMENTS**  
**(Expressed in Canadian dollars)**

**FOR THE PERIOD FROM INCORPORATION ON JANUARY 19, 2020 TO JUNE 30, 2020**

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

## INDEPENDENT AUDITOR'S REPORT

To the Shareholders and Directors of Baden Resources Inc.

### Opinion

We have audited the financial statements of Baden Resources Inc. (the "Company"), which comprise the statement of financial position as at June 30, 2020, and the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the period from incorporation on January 19, 2020 to June 30, 2020, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2020, and its financial performance and its cash flows for the period from incorporation on January 19, 2020 to June 30, 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 to the financial statements, which describes events or conditions that indicate 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 Management's Discussion and Analysis.

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

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

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, 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 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.

*[Signature]*

**DALE MATHESON CARR-HILTON LABONTE LLP**  
**CHARTERED PROFESSIONAL ACCOUNTANTS**  
Vancouver, BC

*[Date]*

**BADEN RESOURCES INC.**  
Statement of Financial Position  
(Expressed in Canadian Dollars)

As at	Note	June 30, 2020
		\$
<b>ASSETS</b>		
<b>Current</b>		
Cash		242,028
GST receivable		2,322
Prepaid expenses		10,000
		<b>254,350</b>
<b>Non-current assets</b>		
Exploration and evaluation assets	3	57,960
<b>Total assets</b>		<b>312,310</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current</b>		
Accrued liabilities		30,586
<b>Total liabilities</b>		<b>30,586</b>
<b>Shareholders' equity</b>		
Share capital	5	314,300
Reserves	5	21,019
Deficit		(53,595)
<b>Total shareholders' equity</b>		<b>281,724</b>
<b>Total liabilities and shareholders' equity</b>		<b>312,310</b>

**Nature of operations and going concern (Note 1)**

**Subsequent events (Note 9)**

**These financial statements were approved by the Board of Directors on August XX, 2020:**

*"Steve Mathiesen"*

*Steve Mathiesen, Director*

*"Howard Milne"*

*Howard Milne, Director*

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

**BADEN RESOURCES INC.**Statement of Loss and Comprehensive Loss  
(Expressed in Canadian Dollars)

	Note	Period from incorporation on January 19, 2020 to June 30, 2020
		\$
<b>EXPENSES</b>		
Bank charges and interest		336
Operating, general and administrative		164
Professional fees		32,076
Share-based compensation	5	21,019
<b>Loss and comprehensive loss</b>		<b>(53,595)</b>
<b>Loss per share – basic and diluted</b>		<b>(0.02)</b>
<b>Weighted average number of common shares outstanding</b>		<b>3,377,951</b>

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

**BADEN RESOURCES INC.**

## Statement of Changes in Shareholders' Equity

(Expressed in Canadian Dollars)

	<b>Number of Shares</b>	<b>Share Capital</b>	<b>Reserves</b>	<b>Deficit</b>	<b>Total Equity</b>
		<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance, January 19, 2020	-	-	-	-	-
Issuance of common shares for cash	4,266,000	114,300	-	-	114,300
Issuance of units for cash	4,000,000	200,000	-	-	200,000
Share-based compensation	-	-	21,019	-	21,019
Loss and comprehensive loss	-	-	-	(53,595)	(53,595)
<b>Balance, June 30, 2020</b>	<b>8,266,000</b>	<b>314,300</b>	<b>21,019</b>	<b>(53,595)</b>	<b>281,724</b>

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

**BADEN RESOURCES INC.**  
Statement of Cash Flows  
(Expressed in Canadian Dollars)

	<b>Period from incorporation on January 19, 2020 to June 30, 2020</b>
	<b>\$</b>
Cash flows used in operating activities:	
Net loss	<b>(53,595)</b>
Adjustments for:	
Share-based compensation	<b>21,019</b>
Changes in non-cash working capital items:	
GST receivable	<b>(2,322)</b>
Prepaid expenses	<b>(10,000)</b>
Accounts payable and accrued liabilities	<b>30,586</b>
Net cash used in operating activities	<b>(14,312)</b>
Financing activities	
Proceeds from issuance of shares	<b>314,300</b>
Net cash provided by financing activities	<b>314,300</b>
Investing activities	
Exploration and evaluation assets	<b>(57,960)</b>
Net cash used in investing activities	<b>(57,960)</b>
Increase in cash	<b>242,028</b>
Cash, beginning	<b>-</b>
Cash, ending	<b>242,028</b>

### 3. NATURE OF OPERATIONS AND GOING CONCERN

Baden Resources Inc. (the "Company") was incorporated in the Province of British Columbia on January, 19, 2020 under the Business Corporations Act of British Columbia. The Company is focused on acquisition, exploration, and development of mineral properties in British Columbia. The Company's registered office is Suite 1510 – 789 W. Pender Street, Vancouver BC V6C 1H2 and its business office is located at Suite 1510 – 789 W. Pender Street, Vancouver BC V6C 1H2.

These financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. As at June 30, 2020, the Company is not able to finance day to day activities through operations and has an accumulated deficit of \$53,595. The continuing operations of the Company are dependent upon its ability to obtain sufficient financing and the success of its exploration activities. This indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Management intends to finance operating costs with loans from directors and companies controlled by directors and/or issuance of common shares. If the Company is unable to continue as a going concern, the net realizable value of its assets may be materially less than the amounts on its statement of financial position.

### 2. SUMMARY SIGNIFICANT ACCOUNTING

#### **Basis of preparation**

##### *Statement of compliance*

The financial statements of the Company have been prepared 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").

The financial statements were authorized for issued by the board of directors of the Company on August XX, 2020.

##### *Basis of measurement*

These financial statements have been prepared on a historical cost basis, modified where applicable. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information. The consolidated financial statements are presented in Canadian dollars, unless otherwise noted.

#### **Significant estimates and assumptions**

The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the recoverability of exploration and evaluation assets, fair value measurements for financial instruments, measurement of share-based transactions and the recoverability and measurement of deferred tax assets and liabilities.

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### **Significant judgements**

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements include:

- the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty;
- the classification of financial instruments;
- the classification and allocation of expenses as exploration and evaluation expenditures or operating expenses; and
- assess the recoverability of exploration and evaluation assets.

##### **Cash and cash equivalents**

Cash is comprised of cash on hand, cash held in trust accounts and demand deposits. Cash equivalents are short-term, highly liquid investments with maturities within three months when acquired. The Company did not have any cash equivalents as of June 30, 2020.

##### **Financial instruments**

Financial instruments are accounted for in accordance with IFRS 9, "Financial Instruments: Classification and Measurement". A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

##### Financial assets

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income ("FVTOCI"); or (iii) fair value through profit or loss ("FVTPL"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed. All financial assets not classified and measured at amortized cost or FVTOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income.

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

The classification determines the method by which the financial assets are carried on the statement of financial position subsequent to inception and how changes in value are recorded. Cash is measured at FVTPL.

Receivables are measured at amortized cost.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Financial instruments (continued)

#### *Impairment of financial assets*

IFRS 9 uses the expected credit loss (“ECL”) model. The credit loss model groups receivables based on similar credit risk characteristics and days past due in order to estimate bad debts. The ECL model applies to the Company’s receivables.

#### Impairment

An ‘expected credit loss’ impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset’s original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

#### Financial liabilities

Financial liabilities are designated as either: (i) fair value through profit or loss; or (ii) other financial liabilities. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the statement of financial position subsequent to inception and how changes in value are recorded. Trade payables are classified under other financial liabilities and carried on the statement of financial position fair value through profit or loss.

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 generally recognized in profit and loss.

#### **Exploration and evaluation assets**

Exploration and evaluation expenditures include the costs of acquiring licenses and costs associated with exploration and evaluation activity. Option payments are considered acquisition costs provided that the Company has the intention of exercising the underlying option. Costs incurred prior to obtaining the legal rights to explore a property are recognized as an expense in the period in which they are incurred.

Property option agreements are exercisable entirely at the option of the optionee. Therefore, option payments (or recoveries) are recorded when payment is made (or received) and are not accrued.

Exploration and evaluation expenditures are capitalized. The Company capitalizes costs to specific blocks of claims or areas of geological interest. Government tax credits received are recorded as a reduction to the cumulative costs incurred and capitalized on the related property.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Exploration and evaluation assets (continued)

Exploration and evaluation assets are tested for impairment if facts or circumstances indicate that impairment exists. Examples of such facts and circumstances are as follows:

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

After technical feasibility and commercial viability of extracting a mineral resource are demonstrable, the Company stops capitalizing expenditures for the applicable block of claims or geological area of interest and tests the asset for impairment. The capitalized balance, net of any impairment recognized, is then reclassified to either tangible or intangible mine development assets according to the nature of the asset.

### Restoration and environmental obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration 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 restoration 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 Company's estimates of restoration 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 restoration 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 restoration costs, are charged to the statement of comprehensive loss for the period.

The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to the statement of comprehensive loss in the period incurred. The costs of restoration projects that were included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for exploration and evaluation assets.

### Foreign currency translation

The functional currency of the Company is determined using the currency of the primary economic environment in which the Company operates. The functional and presentation currency, as determined by management, of the Company and its subsidiary is the Canadian dollar.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### *Transactions and balances*

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined. Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in the statement of comprehensive loss in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge. Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

### **Loss per share**

Basic loss per share is calculated by dividing the statement of loss and comprehensive loss by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the statement of loss and comprehensive loss and the weighted average number of common shares outstanding for the effects of dilutive instruments such as options granted to employees and warrants outstanding. The weighted average number of diluted shares is calculated in accordance with the treasury stock method. The treasury stock method assumes that the proceeds received from the exercise of all potentially dilutive instruments are used to repurchase common shares at the average market price during the period.

### **Income taxes**

Income tax expense comprises current and deferred tax. Income tax is recognized in the statement of loss and comprehensive loss, except to the extent that it relates to items recognized in other comprehensive loss or directly in equity. In this case the income tax is also recognized in other comprehensive loss or directly in equity, respectively.

#### *Current income tax*

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### *Deferred tax*

Deferred tax is recognized on temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that future taxable income will be available to allow all or part of the temporary differences to be utilized. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted and are expected to apply by the end of the reporting period. Deferred tax assets and deferred income tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Impairment of assets

The carrying amount of the Company's assets, which include exploration and evaluation assets, is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of comprehensive loss.

The recoverable amount of assets is the greater of an asset's fair value less cost 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 the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

## 3. EXPLORATION AND EVALUATION ASSET

The Company entered into an Option Agreement ("Option") dated January 20, 2020 to acquire 100% of mineral claims located in British Columbia, known as the Bertha Property. Pursuant to the Option, the Company, shall issue common shares and make payments and expenditures as follows:

<b>Date</b>	<b>Number of Shares</b>	<b>Cash Payments</b>	<b>Minimum Expenditures</b>
		\$	\$
Paid on signing Option Agreement	-	10 (paid)	-
September 30, 2020	-	-	53,000 (incurred \$57,950 as at June 30, 2020)
Listing Date	100,000	10	-
1st Anniversary of listing date	100,000	-	100,000
2nd Anniversary of listing date	100,000	20,000	100,000
3rd Anniversary of listing date	100,000	30,000	100,000
4th Anniversary of listing date	200,000	250,000	300,000
<b>TOTAL</b>	<b>600,000</b>	<b>315,020</b>	<b>653,000</b>

The optionor has retained a 2% net smelter return royalty ("NSR") and the Company may acquire 1% of the NSR by paying a one-time sum of \$1,000,000 at any time prior to the commencement of commercial production.

**3. EXPORATION AND EVALUATION ASSET** (continued)

A continuity of the Company's exploration and evaluation asset is as follows:

	<b>June 30, 2020</b>
	<b>\$</b>
Acquisition costs:	
Balance, beginning of period	-
Additions	<b>10</b>
Balance, end of period	<b>10</b>
Deferred exploration expenditures:	
Balance, beginning of period	-
Consulting	<b>10,000</b>
Geophysical program	<b>47,950</b>
Balance, end of period	<b>57,950</b>
	<b>57,960</b>

**4. RELATED PARTY TRANSACTIONS***Key management compensation*

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 members of the Company's Board of Directors and corporate officers. There were no remuneration of directors and key management personnel for the period ended June 30, 2020.

The Company recognized share-based compensation of \$21,019 for related parties during the period ended June 30, 2020.

**5. SHARE CAPITAL***Authorized share capital*

Unlimited number of common shares without par value

*Common Shares*

On January 19, 2020, the Company issued 2,200,000 common shares at \$0.005 per share to directors for proceeds of \$11,000.

On March 31, 2020, the Company issued 2,066,000 common shares at \$0.05 per share for proceeds of \$103,300, of which 1,040,000 were issued to directors.

On June 29, 2020, the Company issued 4,000,000 units at \$0.05 per units for proceeds of \$200,000, of which 150,000 were issued to directors. Each unit consists of one common share and one warrant. Each warrant is exercisable into a common share at \$0.10 per share for a period of 18 months from the date the common shares are listed on a Canadian exchange.

## 5. SHARE CAPITAL (continued)

### *Warrants*

The following is a summary of the Company's warrants for the period from incorporation on January 19, 2020 to June 30, 2020:

	Number	Weighted average exercise price \$	Weighted average life (years)
Issued	4,000,000	0.10	1.50
Balance, June 30, 2020	4,000,000	0.10	1.50

### *Stock options*

The Company has adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with Exchange policies, grant to directors, officers and technical consultants to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the common shares issued and outstanding from time to time. Such options are non-transferable and are exercisable at a price per share not below the closing traded price on the day before the date of grant for a period of up to ten years from the date of grant.

During the period ended June 30, 2020, the Company granted 650,000 stock options exercisable at \$0.10 per share to directors, expiring February 28, 2025. The fair value of the stock options granted during the period using the Black-Scholes Options Pricing Model was \$21,019.

	Number	Weighted average exercise price \$	Weighted average life (years)
Granted	650,000	0.10	-
Balance, June 30, 2020	650,000	0.10	4.68

The fair value of the stock options granted for the period from incorporation on January 19, 2020 to June 30, 2020 was estimated using the Black-Scholes Option Pricing Model with the following weighted average assumptions:

	<b>June 30, 2020</b>
Risk-free interest rate	1.21%
Estimated life (years)	5
Expected volatility	100%
Expected dividend yield	0%
Forfeiture rate	0%

## 6. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to pursue its operations and to maintain a flexible capital structure, which optimizes the costs of capital at an acceptable risk. The Company considers its capital for this purpose to be its shareholders' equity.

The Company's primary source of capital is through the issuance of equity. The Company manages and adjusts its capital structure when changes in economic conditions occur. To maintain or adjust the capital structure, the Company may seek additional funding. The Company may require additional capital resources

to meet its administrative overhead expenses in the long term. The Company believes it will be able to raise capital as required in the long term but recognizes there will be risks involved that may be beyond its control. There are no external restrictions on the management of capital.

## 7. FINANCIAL INSTRUMENTS

The Company thoroughly examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include interest rate risk, credit risk, liquidity risk, and currency risk and price risk. The carrying value of the Company's financial instruments approximates their fair value due to their short-term nature. Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs in making the measurements. The levels of the fair value hierarchy are defined as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 – Inputs for the asset or liability that are not based on observable market data.

The fair values of other financial instruments, which include cash, accounts payable and accrued liabilities, and promissory notes approximate their carrying values due to the relatively short-term maturity of these instruments.

- a) Interest rate risk: Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates.
- b) Credit risk: Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash, which is held with a high-credit financial institution and amounts receivable from the Government of Canada. As such, the Company's credit exposure is minimal.
- c) Liquidity risk: Liquidity risk arises from the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements. The Company addresses its liquidity through equity financing obtained through the sale of common shares. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future.
- d) Currency risk: Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange. The Company has minimal exposure to foreign currency transactions during the period ended June 30, 2020 and accordingly the risk is considered low.

The carrying value of Company's financial assets and liabilities as at June 30, 2020 approximate their fair value due.

## 8. INCOME TAXES

A reconciliation of the Company's expected income tax recovery to actual income tax recovery is as follows:

---

**Period from  
incorporation on  
January 19, 2020 to  
June 30, 2020**

---

\$

Loss before income taxes	(53,595)
Statutory income tax rates	27%
Computed income tax recovery	(14,471)
Non-deductible expenditures	5,675
Tax benefits on losses not recognized	8,796
Income tax recovery	-

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

	<b>Period from incorporation on January 19, 2020 to June 30, 2020</b>
	\$
Deferred tax assets:	
Non-capital losses	8,796
	8,796
Unrecognized deferred tax assets	(8,796)
	-

The Company has non-capital losses of approximately \$32,000 which may be carried forward to reduce taxable income in future years that expire in 2040.

The conditions required under IFRS, to recognize net potential deferred tax assets based on the establishment of likely recovery through future profitability have not been met. Accordingly, a 100% valuation allowance has been provided.

## 9. SUBSEQUENT EVENTS

On July 6, 2020, the Company granted 75,000 stock options to a director, exercisable at \$0.10 per share for a period of 5 years.

Subsequent to June 30, 2020, the Company issued 3,470,000 common shares through private placements at \$0.10 per share for gross proceeds of \$347,000. In relation to the issuance, the Company paid \$4,330 in cash for finders' fees and issued 77,700 finders' warrants. Each finders' warrant is exercisable at \$0.10 for up to 18 months after listing on the Canadian Stock Exchange.

**CERTIFICATE OF THE ISSUER**

Dated: December 21, 2020

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

*“Howard Milne”*

\_\_\_\_\_  
Howard Milne  
*CEO and Director*

*“Steve Mathiesen”*

\_\_\_\_\_  
Steve Mathiesen  
*CFO, Corporate Secretary, and Director*

On behalf of the Board of Directors

*“James Place”*

\_\_\_\_\_  
James Place  
*Director*

*“Daren Hermiston”*

\_\_\_\_\_  
Daren Hermiston  
*Director*

**CERTIFICATE OF THE PROMOTERS**

Dated: December 21, 2020

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

*“Howard Milne”*

Howard Milne

*Promoter*

*“Steve Mathiesen”*

Steve Mathiesen

*Promoter*