

*The securities offered hereunder will be issued under exemptions from the prospectus requirements of the applicable securities laws of each of British Columbia and Alberta, and the rules, regulations and policies thereunder and will be subject to certain resale restrictions. Persons who will be acquiring securities pursuant to this Offering Memorandum will not have the benefit of the review of the material by the securities commissions or similar authorities in Canada.*

*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. These securities may not be offered or sold in the United States except pursuant to exemptions from registration under the U.S. Securities Act and all applicable states’ securities laws. The term “United States” means the United States of America, its territories and possessions, any State of the United States, and the District of Columbia.*

**Form 45-106F2**

**Offering Memorandum for Non-Qualifying Issuers**

**THE ISSUER**

Name:	<b>BADEN RESOURCES INC. (“Baden” or the “Issuer”)</b>		
Head Office:	Address: #1510-789 West Pender Street, Vancouver, B.C., V6C 1H2		
Phone: 604-377-8994	Email: <a href="mailto:hdmcap@shaw.ca">hdmcap@shaw.ca</a>	Fax: n/a	
Currently listed or quoted?	<b>These securities do not trade on any exchange or market.</b>		
Reporting issuer?      No	SEDAR filer?		No

**THE OFFERING**

Securities offered:	Common Shares
Price per security:	\$0.10
Minimum/maximum offering:	<b>There is no minimum. Maximum offering is \$80,000. You may be the only purchaser. Funds available under the offering may not be sufficient to accomplish our proposed objectives.</b>
Minimum Subscription	\$100 minimum, \$1,000 maximum
Payment terms:	Wire transfer, e-transfer, direct deposit (see Bank Payment Instructions below) or personal cheque payable to and delivered to “Baden Resources Inc.” with a subscription agreement, a corporate placee registration form, if applicable and a risk acknowledgement form each originally executed.
Proposed closing date(s):	On or before August 21, 2020
Selling agent?	See Item 7 “ <i>Compensation Paid to Sellers and Finders</i> ”

**Resale Restrictions**

You will be restricted from selling your securities for an indefinite period. See Item 10 “*Resale Restrictions*”.

**Purchaser’s Rights**

You have 2 business days to cancel your agreement to purchase these securities. If there is a misrepresentation in this offering memorandum, you have the right to sue either for damages or to cancel the agreement. See Item 11 “*Purchasers’ Rights*”.

**No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this Offering Memorandum. Any representation to the contrary is an offence. This is a risky investment. See Item 8 “*Risk Factors*”.**

BANK PAYMENT INSTRUCTIONS

**BANK:** TD Canada Trust

**BANK ADDRESS:** 4670 Kingsway  
Burnaby, BC V5H 4L9

**ACCOUNT NAME:** **Baden Resources Inc.**

**INTERAC EMAIL:** [steve.mathiesen@shaw.ca](mailto:steve.mathiesen@shaw.ca)

**ACCOUNT ADDRESS:** 3730 Southridge Avenue  
West Vancouver BC V7V 3H8

**TRANSIT NO:** 9463

**ACCOUNT NO:** 5254495 (Canadian dollars)

**INSTITUTION NO:** 004

**SWIFT CODE ID:** TDOMCATTOR

**NOTE: PLEASE SEND BANK CONFIRMATION OF ANY WIRES SENT, DIRECT DEPOSITS MADE OR INTERAC E-TRANSFERS SENT TO [steve.mathiesen@shaw.ca](mailto:steve.mathiesen@shaw.ca).**

## TABLE OF CONTENTS

<b>Glossary .....</b>	<b>4</b>
<b>Glossary of Geological Terms.....</b>	<b>5</b>
<b>Forward Looking Statements .....</b>	<b>12</b>
<b>Marketing Materials.....</b>	<b>12</b>
<b>Interpretation.....</b>	<b>12</b>
<b>Currency.....</b>	<b>13</b>
<b>ITEM 1: Use of Available Funds .....</b>	<b>13</b>
1.1 Funds .....	13
1.2 Use of Available Funds .....	14
1.3 Reallocation.....	15
<b>ITEM 2: Business of Baden Resources Inc.....</b>	<b>15</b>
2.1 Structure .....	15
2.2 Our Business .....	15
2.3 Description of Mineral Property.....	16
2.4 Development of Business .....	59
2.5 Long Term Objectives.....	61
2.6 Short Term Objectives and How We Intend to Achieve Them.....	61
2.7 Insufficient Funds.....	62
2.8 Material Agreements .....	62
<b>ITEM 3: Interests of Directors, Management, Promoters and Principal Holders.....</b>	<b>62</b>
3.1 Compensation and Securities Held.....	62
3.2 Management Experience .....	64
3.3 Penalties, Sanctions and Bankruptcy.....	66
3.4 Loans .....	66
<b>ITEM 4: Capital Structure .....</b>	<b>66</b>
4.1 Share Capital .....	66
4.2 Long Term Debt Securities .....	68
4.3 Prior Sales .....	68
<b>ITEM 5: Securities Offered .....</b>	<b>68</b>
5.1 Terms of Securities.....	68
5.2 Subscription Procedure.....	69
<b>ITEM 6: Income Tax Consequences and RRSP Eligibility.....</b>	<b>69</b>
<b>ITEM 7: Compensation Paid to Sellers and Finders .....</b>	<b>69</b>
<b>ITEM 8: Risk Factors.....</b>	<b>70</b>
8.1 Investment Risks .....	70
8.2 Issuer Risks .....	71
8.3 Industry Risks.....	73
<b>ITEM 9: Reporting Obligations .....</b>	<b>75</b>
<b>ITEM 10: Resale Restrictions.....</b>	<b>75</b>
<b>ITEM 11: Purchaser’s Rights.....</b>	<b>76</b>
<b>ITEM 12: Financial Statements .....</b>	<b>77</b>

## GLOSSARY

*The following terms appear throughout this Offering Memorandum. Care should be taken to read each term in the context of the particular provision of this Offering Memorandum in which such term is used.*

“ <b>Affiliate</b> ” or “ <b>Affiliates</b> ”	has the same meaning as in the <i>Securities Act</i> (British Columbia).
“ <b>Audit Committee</b> ”	means the audit committee of Baden Resources Inc.
“ <b>Author</b> ”	means Laurence Sookochoff, P.Eng., author of the Report.
“ <b>CAD</b> ”	means Canadian dollar.
“ <b>CEO</b> ”	means chief executive officer.
“ <b>CFO</b> ”	means chief financial officer.
“ <b>Claims</b> ”	means the 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 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>Closing</b> ”	means a closing of the sale of Common Shares as we may determine from time to time.
“ <b>Common Share</b> ” or “ <b>Common</b> ”	means a common share in the capital of Baden Resources Inc.
“ <b>CSE</b> ”	means the Canadian Securities Exchange
“ <b>Date of Closing</b> ”	means in respect of any Common Shares, the date upon which the subscription for such Common Shares are accepted by us.
“ <b>Finder’s Warrants</b> ”	means the finder’s fee that may be paid by the Issuer for those Subscribers introduced by the finder, representing 7% of the Common Shares subscribed for by the Subscribers introduced by the finder. Each Finder’s Warrant is exercisable at \$0.10 each for 18 months following the Common Shares of the Issuer being listed and posted for trading on a recognized stock exchange in Canada.
“ <b>Fiscal Year</b> ”	means each consecutive period of 12 months ending on June 30.
“ <b>GPS</b> ”	means Global Positioning System.
“ <b>IFRS</b> ”	means International Financial Reporting Standards as issued by the International Accounting Standards Board.
“ <b>NI 43-101</b> ”	means National Instrument 43-101 – <i>Standards of Disclosure for Mineral Projects</i> .
“ <b>Offering</b> ”	means this offering of up to 800,000 Common Shares.
“ <b>Offering Memorandum</b> ”	means this offering memorandum.

“Offering Price”	means \$0.10 per Common Share.
“Property”	the contiguous 10-claim 1543.4688-hectare Bertha property that comprises the Claims and that is the subject of the Property Option Agreement.
“Property Option Agreement”	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
“Property Owner”	the owner of the Property as defined in the Property Option Agreement, namely Ken Ellerbeck.
“Report”	the NI 43-101 compliant technical report entitled “Technical Report on the Bertha Property, Kamloops Mining District, British Columbia, Canada” dated April 17, 2020 and prepared by Laurence Sookochoff, P.Eng, the Qualified Person.
“Risk Acknowledgment Form”	means the risk acknowledgment form attached to the Subscription Agreement.
“Shareholder” or “Shareholders”	means those investors whose subscriptions to purchase Common Shares are accepted by us and thereafter at any particular time the persons entered in our central securities register as holders of Common Shares and the singular form means one such registered
“Securities Commission”	means the securities regulatory authorities in each of British Columbia and Alberta in which the Offering will be conducted.
“Subscriber”	means a subscriber for the Common Shares under the Offering.
“Subscription Agreement”	means the subscription agreement attached hereto, pursuant to which a subscriber subscribes for Common Shares under the Offering.
“Subscription Price”	means \$0.10 per Common Share.
“U.S.”	means the United States of America.
“USD”	means United States dollar.
“we”, “our”, “us”, “Baden”, or “the Issuer”	means Baden Resources Inc.

## GLOSSARY OF GEOLOGICAL TERMS

The following is a glossary of certain geological terms used in this Offering Memorandum:

<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 ( $BaSO_4$ ) 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>chalcopryrite</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>debouch</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 $\text{A}_2\text{B}_3(\text{SiO}_4)(\text{Si}_2\text{O}_7)\text{O}(\text{OH})$ , 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 ( $\text{Fe}^{+3}$ ).
<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, (1) 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

	Cu <sub>2</sub> (CO <sub>3</sub> )(OH) <sub>2</sub> 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 $Fe(1-x)S$ ( $x = 0$ 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.

## **FORWARD LOOKING STATEMENTS**

This Offering Memorandum includes forward-looking information with respect to The Issuer. In particular, the information contained in the sections called “Use of Available Funds,” “Long Term Objectives” and “Short Term Objectives and “How the Issuer Intends to Achieve Them” may constitute “forward-looking information” for the purpose of securities legislation, as it contains statements of our intended course of conduct and our future operations. These statements are based on assumptions made by management about the success of the plan for our business in certain market conditions. Investors are cautioned that the assumptions made and the success of our business are subject to a number of mitigating factors. Economic, legal and market conditions may change, which may materially impact the success of our intended strategies as well as our actual course of conduct. Investors are urged to read Item 8 “Risk Factors” for a discussion of other factors that will impact Baden.

In particular, this Offering Memorandum contains forward-looking statements pertaining to the following:

- completion and results of exploration work programs on the Property;
- capital and general expenditures;
- expectations regarding our ability to raise capital; and
- treatment under governmental regulatory regimes.

Assumptions underlying the expected nature and cost of the exploration program on the Property are as set forth in the Report. Forward-looking statements pertaining to our need for and ability to raise capital in the future are based on the projected costs of operating a junior mineral exploration company, and management’s experience with raising funds in current market circumstances. Forward-looking statements regarding treatment by governmental authorities, assumes no material change in regulations, policies, or the application of the same by such authorities.

Actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and elsewhere in this Offering Memorandum:

- risks inherent in our operations;
- uncertainties associated with mineral exploration;
- weather and working conditions;
- competition for, among other things, capital, acquisitions, equipment and skilled personnel; and
- the other factors discussed under Item 8 “*Risk Factors*”.

This list of factors should not be construed as exhaustive.

## **MARKETING MATERIALS**

"OM marketing materials" (as such term is defined in National Instrument 45-106 – Prospectus Exemptions of the Canadian Securities Administrators) are incorporated into this Offering Memorandum by reference. OM marketing materials shall be filed and available on the Issuer's SEDAR profile, at [www.sedar.com](http://www.sedar.com), during any effective period of this Offering Memorandum. At this point in time, there are no marketing materials being distributed to potential investors.

## **INTERPRETATION**

Words importing the singular number include the plural and vice versa, and words importing the

masculine, feminine or neuter gender include the other genders.

## CURRENCY

All dollar amounts referenced in this Offering Memorandum are expressed in Canadian dollars, unless otherwise indicated.

## ITEM 1: USE OF AVAILABLE FUNDS

### 1.1 FUNDS

The Issuer currently has funds, consisting of cash in hand less current liabilities due within 30 days, of \$240,518. Concurrent with this Offering, the Issuer is conducting a separate offering by private placement, of up to 2,200,000 Common Shares at \$0.10 each with proceeds of up to \$220,000.

The following table discloses the funds available as a result of this Offering:

		<b>Assuming min. offering (\$0)</b>	<b>Assuming estimated max. offering</b>
A.	Amount to be raised by this offering	\$0	\$80,000
B.	Selling commissions and fees <sup>(3)</sup>	\$0	\$0
C.	Estimated offering costs (e.g., legal, accounting, audit.)	\$6,500	\$6,500
D.	Available funds: D = A - (B+C)	(\$6,500)	\$73,500
E.	Additional sources of funding required <sup>(1)(2)</sup>	460,518	\$460,518
F.	Working capital deficiency	n/a	n/a
G.	<b>Total: G = (D+E) –</b>	<b>\$454,018</b>	<b>\$534,018</b>

Notes:

- (1) This is the approximate amount of funds the Issuer has in cash on the date of this Offering Memorandum, less current liabilities due within 30 days. The Issuer has completed several prior private placements and may continue to complete additional private placements during and following the completion of this Offering. See Item 4.3 “*Prior Sales*”.
- (2) Concurrent to this Offering, the Issuer is also undertaking to complete a non-brokered private placement with no maximum at \$0.10 per share under section 2.3 (the “accredited investor exemption”) and section 2.5 (the “family, friends and business associates” exemption) of National Instrument 45-106 Prospectus and Registration Exemptions. To date the Issuer has raised a total of approximately \$220,000, in addition to the proceeds raised under this Offering.
- (3) We may pay finder’s fees to qualified finders in connection with this Offering. The finder’s fee is expected to be 7% paid in Finder’s Warrants for those Subscribers introduced by the finder. Each Finder’s Warrant is exercisable at \$0.10 each for 18 months following the Common Shares of the Issuer being listed and posted for trading on a recognized stock exchange in Canada.

## 1.2 USE OF AVAILABLE FUNDS

The following table provides a detailed breakdown of how the Issuer intends to use the available funds from this Offering:

Description of intended use of available funds listed in order of priority	Assuming min. offering (\$0)	Assuming max. offering (\$80,000) (\$)
Costs associated with the Offering, over the costs in C	\$0	\$0
Regulatory fees related to the Offering Memorandum	25,000	25,000
Legal, accounting and other expenses related to the Offering Memorandum filing and CSE listing	50,000	50,000
Exploration program on the Property, as recommended in the technical Report <sup>(1)</sup>	101,800	101,800
General and Administrative Expenses <sup>(2)</sup> (12 months)	52,000	75,000
General Legal	0	8,000
Accounting	0	18,000
Office Rent	0	18,000
Office Equipment	0	0
Office Supplies	0	2,000
Investor Relations	50,000	50,000
Unallocated Working Capital	175,218	186,218
<b>Total: Equal to G in the Funds table</b>	<b>\$454,018</b>	<b>\$534,018</b>

Notes:

- (1) As recommended in the technical Report, we first intend to complete the digitization of historical data at a cost of approximately \$5,500. Next, we intend to complete VLF and mag surveys at a cost of approximately \$19,300. Then, we intend to complete geological survey, which is expected to cost approximately \$12,500, and an IP survey, which is expected to cost approximately \$40,000. After that, we will complete an engineering report of the results of the exploration and seek a determination of the next recommended steps in exploration on the Property. This exploration program is expected to cost approximately \$101,800.
- (2) Our projected General and Administrative expenses for the 12 months after the Closing Date are for the maximum Offering (reduced for the minimum Offering):

• Management Fees	\$48,000 per year
• Regulatory Fees	\$16,000 per year
• Transfer Agent	\$6,000 per year
• Miscellaneous	\$5,000 per year
	<u>\$75,000 per year</u>

We may use some of our unallocated working capital for additional work on the Property, subject to the results of the recommended exploration program in the Report.

Subject to the results of the recommended exploration program in the Report and any additional work completed, we may make cash payments of approximately \$300,020 and spend approximately \$653,000 CAD to exercise the Property Option Agreement to acquire a 100% interest in the Property.

Pending utilization of the available funds, we intend to invest the funds in short-term, interest-bearing obligations with a major Canadian financial institution.

**We have a history of negative cash flow and losses, and we do not expect that to change in the short term.** All of our operations will be funded by the proceeds from this Offering and sales of our securities. Our net available funds will be sufficient to fund our operations for 12 months.

### **1.3 REALLOCATION**

We intend to spend the available funds as stated. We will reallocate funds only for sound business reasons.

## **ITEM 2: BUSINESS OF BADEN RESOURCES INC.**

### **2.1 STRUCTURE**

We are a company incorporated in British Columbia pursuant to the Business Corporations Act (British Columbia) on January 19, 2020.

### **2.2 OUR BUSINESS**

We are a private mineral exploration company with an option to acquire a 100% interest in the Property. Our principal business purpose is to fund and explore the Property, with a view to acquiring an interest in the Property.

To date, equity financings have provided all of our funds.

The recovery of our investment in our mineral property will be dependent upon the discovery of economically recoverable mineral reserves and the ability to raise sufficient capital to finance these operations. The ultimate outcome of these operations cannot presently be determined because they are contingent on future matters.

If we choose to exercise the Option, we will have to make cash payments totaling \$300,020 and make expenditures totaling \$653,000 on the Property. We intend to explore the Property, pursuant to the work program set out in the technical Report. In order to determine whether we will purchase the 100% interest in the Property, we will first complete the recommended work program set out in the technical Report.

## 2.3 DESCRIPTION OF MINERAL PROPERTY

### TECHNICAL REPORT

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, British Columbia, Canada”, dated April 17, 2020 and prepared by Laurence Sookochoff, P.Eng, (previously defined as the “Qualified Person”, “QP” or “author”) and should be read in conjunction with this Offering Memorandum. Mr. Sookochoff 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, 35 kilometers southwest of Kamloops and 22 kilometers east of the Highland Valley Copper mine (Minfile 092ISW012), the largest open-pit mine in Canada.

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 one 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 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. No environmental audit or assessment has been conducted.

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 Logan Lake, 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.

### *Climate*

Kamloops' climate 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 December 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. The city is located in the dramatic setting of mountains, river valleys, deserts and grasslands.

**Figure 3: Claim Map (Base map from Google Earth)**



### *Local Resources*

Sufficient basic resources for an initial or an advanced exploration and development program would be available at Kamloops and is serviced daily by commercial airlines from Vancouver. Kamloops is the center for most of the provisions to the Highland Valley Copper mine.

### *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 covers gentle to moderate forested slopes with localized logged areas. Elevations range from 1,240 m in the northeast to 1,460 m in the southwest.

## **History**

### *History: Kamloops Area*

Mineral exploration and mining is a \$6 billion industry in British Columbia and has been a regional economic strength in Kamloops for decades. There are a number of metal and mineral mines, as well as industrial mineral operations, located in the Kamloops area.

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 based their locations in

Kamloops to support the mining operations (<http://venturekamloops.com/why-kamloops/industries/mining>).

*History: Bertha Property*

The history of exploration within ground covered by the Bertha Property is set out in the following tables. The information is taken from the referenced Assessment Reports.

*History on ground presently covered by the Bertha Property*

**Table 3: Historic Claims/Property, Expenditures to Current Tenures**

Year	AR Reference	Historic Names of Claims/Property	Current Tenure Location	Cost	A-AppORTioned E-Estimated
1888		Bertha Molly	1064406		
1958	228	Lucky Jim/Lucky Jim	1064406	435.00	
1958	234	Sunshine/Sunshine	1064406	200.00	E
1959	265		1066816		
1959	266		1064406	255.00	A
1959	18048		1064406	2,000.00	E
1972	4041	Plug / Plug	1039713	3,203.42	
1972	4042	Plug / Plug	1039713	6,300.00	
1972	4057	DES / Des	1064715	40,000.00	A
1978	7268	R / Homfray	1064406	3,440.00	
1980	8032	DES / Des	1064715	1,600.00	
1980	8397	R / R	1064406	4,538.00	
1981	9854	DES / Des	1064715	3,000.00	A
1982	10551	NADA / Nada	1064900	5,000.00	A
1984	12287	KLARA / Klara	1064715	4,000.00	A
1986	14959	WRT	1066816	5,515.00	A
1986	15060	WRT	1064406	4,000.00	A
1987	16189	Oly	1064406	1,032.00	
1987	17070	Des / Des	1064715	6,550.00	
1988	17337	Wrt / Wrt	1039713	13,385.08	A
1988	17849	Oly2 / Oly	1064406	2,412.50	
1988	18048.	WRT /WRT	1069575	10,000.00	A
1989	19140	Des /Des	1064175	130,986.15	
1992	22346	JB / Plug	1039713	3,486.42	
1992	22366	LC , Hom / Bertha		4,455.00	
1996	24862	S / Plug	103697	111,610.81	
1997	25405	S / Plug	103697	62,067.20	
2005	28671	Katrina / Katrina	1066816	2,500.00	
2007	No AR	Katrina / Katrina	1066816	3,457.00	
2007	29034	Mike / Mike	1066816	2,500.00	
2007	29495	Mike / Mike	1066816	4,600.00	
2008	No AR	Katrina / Katrina	1066816	2,675.00	
2009	30550	514098 / Hom	1069575	5,000.00	A
2016	35735	Mike / Bertha	1064406	3,624.60	
2015	35772	Plug Plug	1039713, 1039697	3,627.95	
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	

During the most recent 36 months, there have been exploration expenditures on the current Bertha Property tenures totalling \$83,941.45 as set above.

**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 #
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. Road building in the Homfray Lake area	266
1959	Vanex Minerals Ltd.	Diamond Drilling: 2 drill holes; 198 metres total.	Hole No. 1: The lower portion of the hole siliceous altered grey-green rock with considerable pyrite. Hole No. 2: Altered volcanics were noted but no mineralization was reported	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 anomalies with SP anomalies	4042

1972 Lammle	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 Sookochoff	Thunderbolt Resources Ltd.	Geophysical: 14.0 km, VLF; 14.0 km Magnetic,	Correlative magnetometer lows with VLF-EM anomalies possibly reflecting strong fault, shear zone or hydrothermal alteration	7268
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 Inc.(2)	Geophysical: 4.0 km VLF;750 m IP; 4.0 km Magnetic;	Anomalous geochemical concentrations. Several geophysical targets that require definition	15060
1987 Rockel	E.R. Rockel (1) Interpretex Resources Ltd. (2)	Geochemical: 17 soils; 2 rocks	No significant gold and silver anomalies over previous two 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: 45 samples	Bleaching, kaolinization and argillization plus mylonitized shear zones in places present moderate sulphide mineralization, but its auriferous content would not be significant to date.	19140
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 Corporation (2)	Drilling: 8 rotary drill holes Geochemical: 586 samples Physical: 5 trenches	Gold values of 0.7 to 2,850 g/t in 40-foot section with C-Q-M alteration of drill-hole PL02. Moderate south dipping zone of gold and silver mineralization.	25405
2005 Sookochoff	Aurora Capital Inc.	Geological: 489 hectares	Three cross-structural locations indicated	28671
2007 Sookochoff	L. Sookochoff (1) (2)	Geological: 370 hectares	Three cross-structural locations indicated	29034
2007 Sookochoff	L. Sookochoff (1) (2)	Geophysical: 2.0 km VLF	Four northerly trending VLF-EM anomalies	29495
2008 Sookochoff	Auror Capital Inc.	Geological:	Rhyolite:Zone of potential mineralization discovered.	No AR Figures 17-19
2008 Crooker	G.F. Crooker (1) (2)	Geochemical: 68 samples	The results of the survey did not yield any anomalous molybdenum antimony, or lead geochemical values.	30550

2015 Ellerbeck	K. Ellerbeck (1) (2)	Geochemical: 9 rock samples Prospecting: 3.0 hectares	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 8 rock samples	Three cross-structures. Brecciated rock sample correlate with one cross-structure over the 1972 copper geochem anomaly	Allotted later
2020 Ellerbeck	K. Ellerbeck (1) Baden Resources (2)	Geological: 6 rock samples	Breccia, epithermal veined rock samples correlate with a northerly fault zone.	Allotted later

## Geological Setting and Mineralization

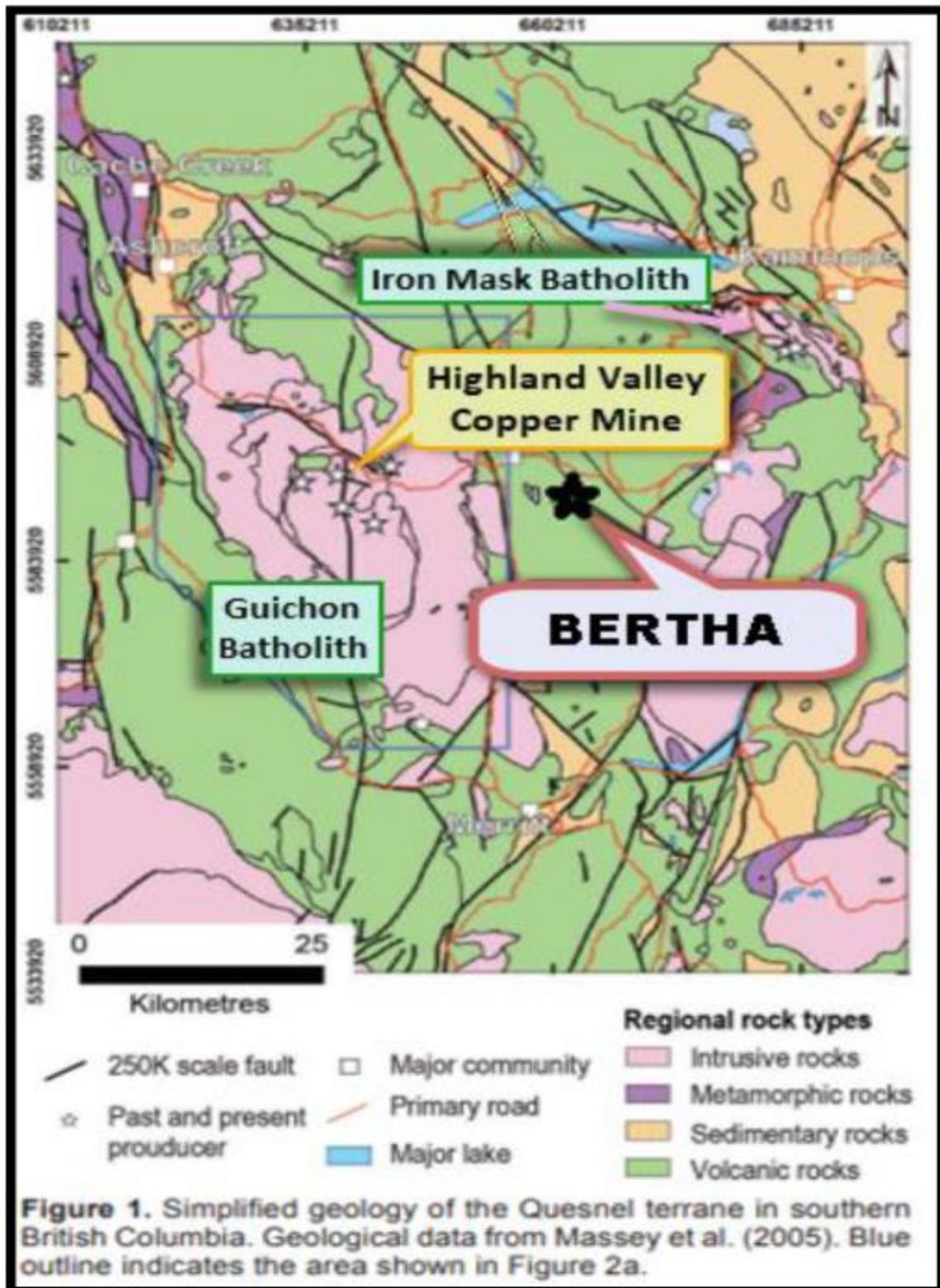
### *Regional Geology and Mineralization*

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 Nicola 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 4: Regional Geology: Quesnel Terranes (Base map from Britton, 2016)

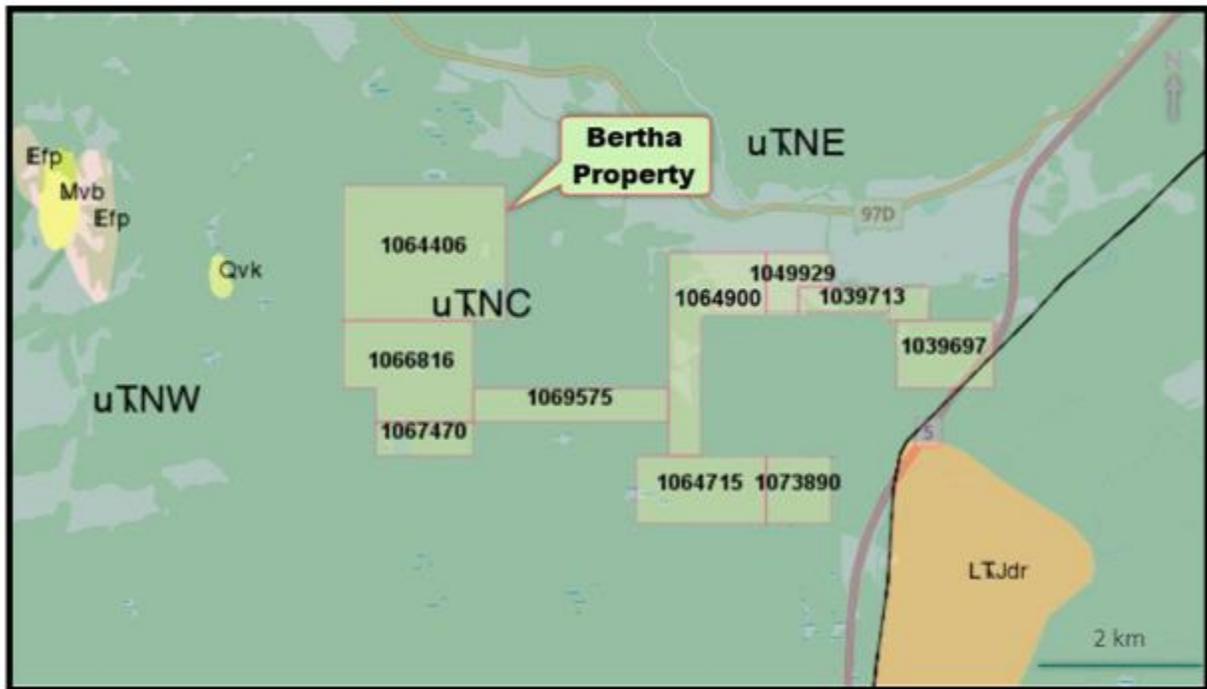


## Local Geology and Mineralization

The Guichon Creek Batholith and the Nicola Group are well known for their economic importance. Small stocks within Nicola Group, because of the likelihood of copper and/or molybdenum minerals occurring nearby, 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 5: 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

##### LTJdr

- dioritic intrusive rocks

## **Geology and Mineralization: Property Geology and Mineralization (from Minfiles)**

**BERTHA MOLLY** past producer (Stockwork)

MINFILE 092ISE012

Within Tenure 1066816

The Dupont Lake area is underlain mainly by Upper Triassic Nicola Group intermediate volcanics and derivatives. Approximately 8 kilometers to the west, Nicola Group rocks are in contact with the Lower Jurassic Guichon Creek Batholith. Quartz diorite outcrops southwest of Dupont Lake.

The Bertha-Molly showing is hosted by purplish amygdaloidal andesites with intercalated reddish tuffs. These rocks are strongly fractured and chloritized.

Recent development has exposed malachite, azurite, chalcopyrite, cuprite and pyrite hosted by shears and fracture-fillings in vesicular volcanics and red tuffs. Mineralization is structurally controlled with an apparent north trend. A common alteration is calcite and epidote, with silicification becoming stronger at depth.

**RHYOLITE** showing (Hydrothermal, Epigenetic)

MINFILE 092ISE021

Within Tenure 1064406

The area straddles a northwest trending contact between two volcanic sequences of the Upper Triassic Nicola Group. To the west are plagioclase, plagioclase-augite intermediate pyroclastic and epiclastic breccia, conglomerate, tuff, sandstone, local shale and augite porphyry bodies. The central portion to the east is underlain by aphanitic pillowed mafic flows. The contact between these two sequences hosts the Rhyolite occurrence.

The Rhyolite showing is underlain by grey, green or black amygdaloidal basalt of the Upper Triassic Nicola Group. Varicoloured calcite amygdules occur within an aphanitic groundmass. Several beds of maroon to green volcanoclastic breccia occur within the basalt and contain maroon, subrounded to subangular clasts ranging up to 30 by 15 centimeters. Two northwest trending, light grey-green, aphanitic, siliceous and pyritic felsic dykes, 3 to 4 meters wide, also occur.

Mineralization occurs in amygdaloidal basalt near the flow-volcanoclastic contact and is related to narrow quartz-carbonate veinlets within shears. Several old trenches indicate the shear zone strikes approximately 335 to 345 degrees and dips steeply west. Pyrite is present with minor chalcopyrite, azurite, malachite and sphalerite. Rock samples from this zone assayed up to 0.377 per cent copper, 0.218 per cent zinc and are weakly anomalous in gold and silver values (Assessment Report 18048). Additional information on the mineralization within the Bertha Property is provided in a report by Western Resource Technology wherein it states:

“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. The proximity of these showings to the flow-pyroclastic contact makes the area a good target for stratabound massive sulphide mineralization.”

**JHC** showing (Volcanic redbed Cu)

MINFILE 092ISE147

Within Tenure 1064406

The Property lies west of Homfray Lake and is underlain by volcanic rocks of the Upper Triassic Nicola Group. The area straddles a northwest trending contact between two volcanic sequences. East of the contact zone are very fine-grained red flows with occasional feldspar (plagioclase?) phenocrysts. The matrix contains moderate amounts of hematite disseminations. To the west are grey volcanics with an aphanitic to fine-grained matrix and associated feldspar and/or augite phenocrysts. Alteration consists of epidote, chlorite and carbonate. The contact zone parallels the main northwest structural trend. Northeast and north trends are also evident.

Drilling (1971) intersected disseminated chalcocite in porphyritic and amygdaloidal basalt. Fracturing and narrow shears in amygdaloidal andesite contain epidote, carbonate, quartz, malachite and chalcopyrite. A chip sample assayed 4.27 per cent copper and 14.2 grams per tonne silver (Assessment Report 17337).

**MEADOW CREEK** showing

MINFILE 092ISE155

Within Tenure 1039697

The area is underlain by volcanic rocks of the Upper Triassic Nicola Group which are cut by small granitic plugs and sills. Sparse outcroppings of Nicola Group rocks along Meadow Creek consist of altered andesite, lapilli tuff, amygdaloidal basalt and minor lenses of limy sediments which strike east to southeast and dip steeply to the north. Alteration minerals include chlorite, epidote, carbonate and hematite. A quartz-mariposite-carbonate rock outcrops along Meadow Creek and is in contact with a chlorite-mica-feldspar(?) schist that strikes 020 degrees and dips 65 to 90 degrees to the east. The schist and mafic dioritic to hornblende andesite sills form a southeastward plunging asymmetrical syncline.

Locally, an alteration zone contains gold and silver mineralization and is exposed over a surface area of 32 meters long by 2 meters 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.

**PLUG** showing (Volcanogenic)

MINFILE 092ISE196

Within Tenure 1066816

The area is underlain by volcanic rocks of the Upper Triassic Nicola Group that are cut by small granitic plugs and sills. Sparse outcroppings of Nicola Group rocks along Meadow Creek consist of altered andesite, lapilli tuff, amygdaloidal basalt and minor lenses of limy sediments that strike east to southeast and dip steeply to the north. Alteration minerals include chlorite, epidote, carbonate and hematite. A quartz-mariposite-carbonate rock outcrops along Meadow Creek and is in contact with a chlorite-mica-feldspar schist that strikes 20 degrees and dips 65 to 90 degrees to the east. The schist and mafic dioritic to hornblende andesite sills form a southeastward plunging asymmetrical syncline.

The quartz mariposite carbonate rock contains minor amounts of silver-bearing galena, sphalerite and chalcopyrite. An outcrop of highly pyritic quartz feldspar porphyry contains minor amounts of chalcopyrite.

**Deposit Types**

### *Volcanogenic massive sulphide (VMS)*

Massive sulphides deposits are currently forming in undersea locations characterized by “Black Smokers”. These Black Smokers are plumes of sulphide-rich fluids and represent the venting of hydrothermal fluids, rich in base and precious metals, onto the ocean floor. In contrast to other volcanic-hosted deposits, many Besshi-type deposits (named after the Besshi Copper Mine in Japan) form thin, laterally extensive sheets of pyrrhotite-and (or) pyrite-rich massive sulfide rock; however, the characteristics of Besshi-type deposits vary considerably. Besshi deposits are notable for their ore concentrations of copper and cobalt and only minor concentrations of zinc (S. Master, 1997 and 1998).

### *Auriferous quartz – Lode Gold deposits*

Gold may occur as deposits called lodes, or veins, in fractured rocks. Lode deposits are considered primary gold deposits because they are bedrock deposits that have not been moved. They come in a range of shapes and sizes and can form tabular cross-cutting vein deposits but also may be breccia zones, irregular replacement bodies, pipes, stockworks, and other shapes.

### *Sedex*

Sedex deposits are formed when ore-bearing fluids discharge onto a seafloor and mix with seawater. When the two fluids mix, a variety of chemical processes take place that result in the precipitation of minerals on the seafloor. These deposits are laid down congruent with the stratigraphy of the seafloor and are fine-grained and finely laminated characteristics of “sedimentary deposits”.

Concentrated amounts of minerals can be found in “trap sites”, which are depressed areas of the ocean floor where the minerals may settle. Occasionally, mineralization develops in the faults and feeder conduits that fed the mineralizing system. There are a few different mechanisms that may create the mineralizing fluids that form Sedex deposits. They may be from magmatic fluids from sub seafloor magma chambers and hydrothermal fluids generated by the heat of a magma chamber intruding into saturated sediments.

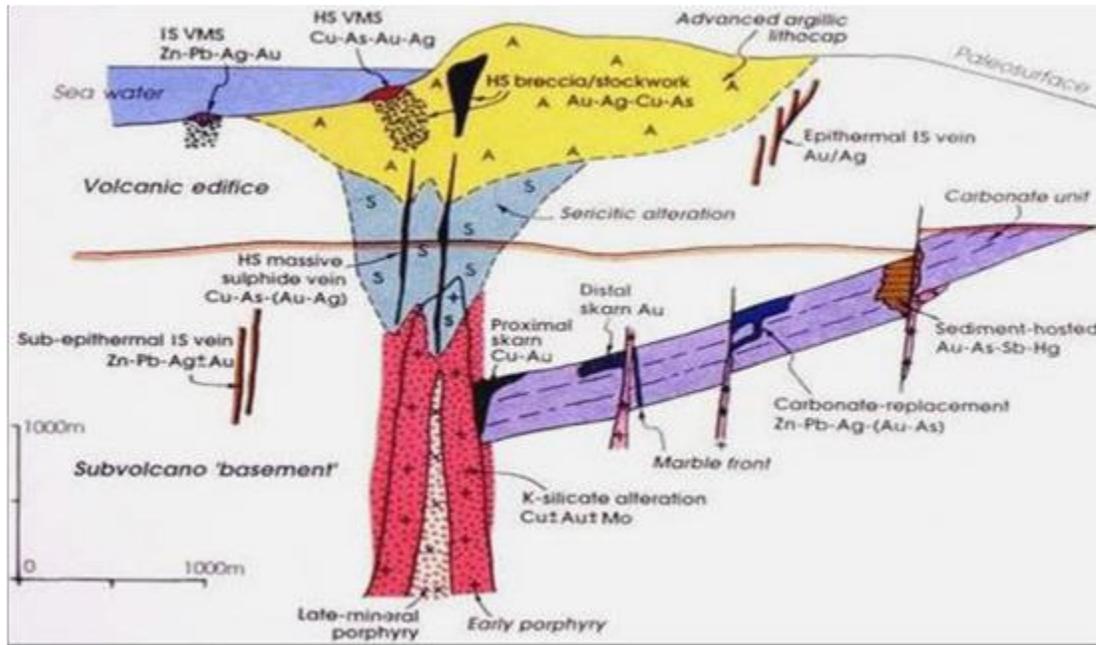
Fluids that come from a shallow depth are rich in iron and manganese; fluids that penetrate deeper pick up lead and zinc. Copper is picked up by fluids that reach an even greater depth. The Sullivan Pb-Zn Mine in British Columbia was worked for 105 years and produced 16,000,000 tonnes of lead and zinc, as well as 9,000 tonnes of silver. It was Canada’s longest-lived continuous mining operation and produced metals worth over \$20 billion in terms of 2005 metal prices. Grades were in excess of 5% Pb and 6% Zn.

The ore genesis of the Sullivan ore body is summarized by the following process:

- Sediments were deposited in an extensional second-order sedimentary basin during extension;
- Earlier, deeply buried sediments devolved fluids into a deep reservoir of sandy siltstones and sandstones;
- Intrusion of dolerite sills into the sedimentary basin raised the geothermal gradient locally;
- Raised temperatures prompted over-pressuring of the lower sedimentary reservoir which breached overlying sediments, forming a breccia diatreme;
- Mineralizing fluid flowed upwards through the concave feeder zone of the breccia diatreme, discharging onto the seafloor;

- Ore fluids debouched onto the seafloor and pooled in a second-order sub-basin's depocenter, precipitating a stratiform massive sulfide layer from 3 to 8 meters thick, with exhalative chert, manganese and barite ([www.en.wikipedia.org](http://www.en.wikipedia.org); Lyons, W. et al., 2006; Lydon, 1996; Taylor et al., 2000).

Figure 6: Geological model of types of mineral occurrences that may occur in a volcanic environment (Map from <http://earthsci.org/mineral/mindep/skarn/skarn.html>)



### Potential mineral deposit types

#### Porphyritic copper-gold

Porphyry copper deposits contain disseminated mineralization, meaning that a large volume of shattered rock contains a ramifying (dividing) network of tiny quartz veins, spaced only a few centimeters 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 coppers 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 [www.britannica.com](http://www.britannica.com)).

Porphyry coppers are often associated with stratovolcanoes. As a result of the volcanism that rings the Pacific Ocean basin, porphyry coppers are conspicuous features of mineralization 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.

#### 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)).

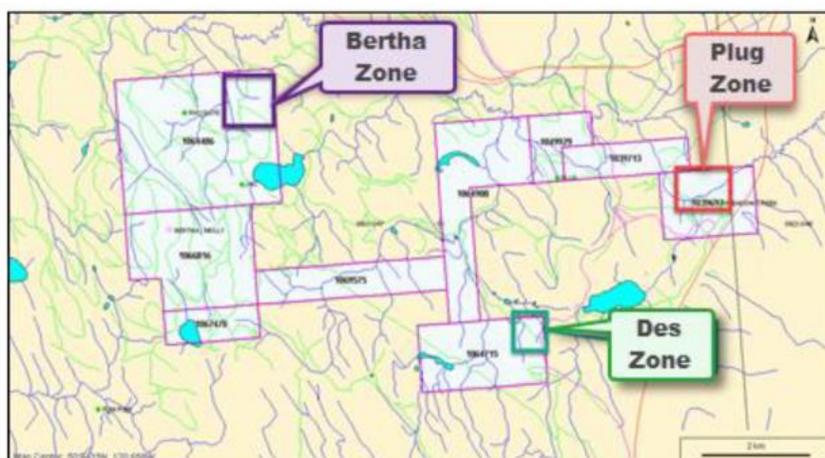
### *Skarn*

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 sources that are 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 these prime mineral zones: Bertha, Plug, and Des, on which historical exploration results were sufficiently encouraging, as deemed by the author of the Technical Report, to warrant an advanced exploration program.

**Figure 7: Index Map: Location of three mineral zones on the Bertha Property  
(Base claim map from MapPlace)**



## *Bertha-Zone*

Due to snow conditions, the Bertha Zone was not included in the 2020 exploration program; however, it remains a prime exploration target that is to be recommended for a future exploration program which is warranted based on positive historical exploration results, some of which are summarized as follows.

- At the JHC mineral showing, at 1959, the core of a 109-meter diamond drill hole revealed that the lower portion of the hole encountered a siliceous, altered grey-green rock with considerable pyrite. This is typical of a halo effect to a mineral-bearing intrusive.
- Subsequent geological and geological exploration results on the specific area revealed indications for such an intrusive in the scattered anomalous values of gold, silver, and copper in soil samples, malachite and chalcopryrite mineralization of 4.2% copper in a rock sample, and the common location of a porphyry resource at the transitional zone between 1<sup>st</sup> derivative high and low magnetometer expressions.
- At the Rhyolite mineral showing, exploration results also indicate potential stratabound massive sulphide mineralization in the reported pyrite concentrations of up to 20%, with minor chalcopryrite, azurite, malachite and sphalerite. The sampling indicated anomalous gold (41 ppb), silver (4.1 ppm), copper (3770 ppm) and zinc (2183 ppm) values, all in the proximity of these showings to the flow-pyroclastic contact.
- The Bertha past producer is classified by Minfile as a stockwork; a stockwork is commonly associated to a porphyry-type deposit.

Historical exploration results indicated three localized cross-structures within the eastern portion of Tenure 106686 (Sookochoff, 2007), two of which are shown peripheral to the Bertha Molly Minfile location and may indicate the location of the 1888 reported 75-foot shaft of unknown age and the 120 sacks of copper ore prepared for shipment (1888 MMAR).

## *2020 Exploration Program*

During February 2020, Baden Resources Inc. completed a geophysical program on the Plug and the Des Zones. The program encompassed 32.8-line-kilometers of ground magnetic and VLF-EM surveys on each of the two Zones and was completed at a cost of \$54,950.00.

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

The selected areas for exploration were based on the conclusions by the author, which included the following historical information:

### *Plug Zone*

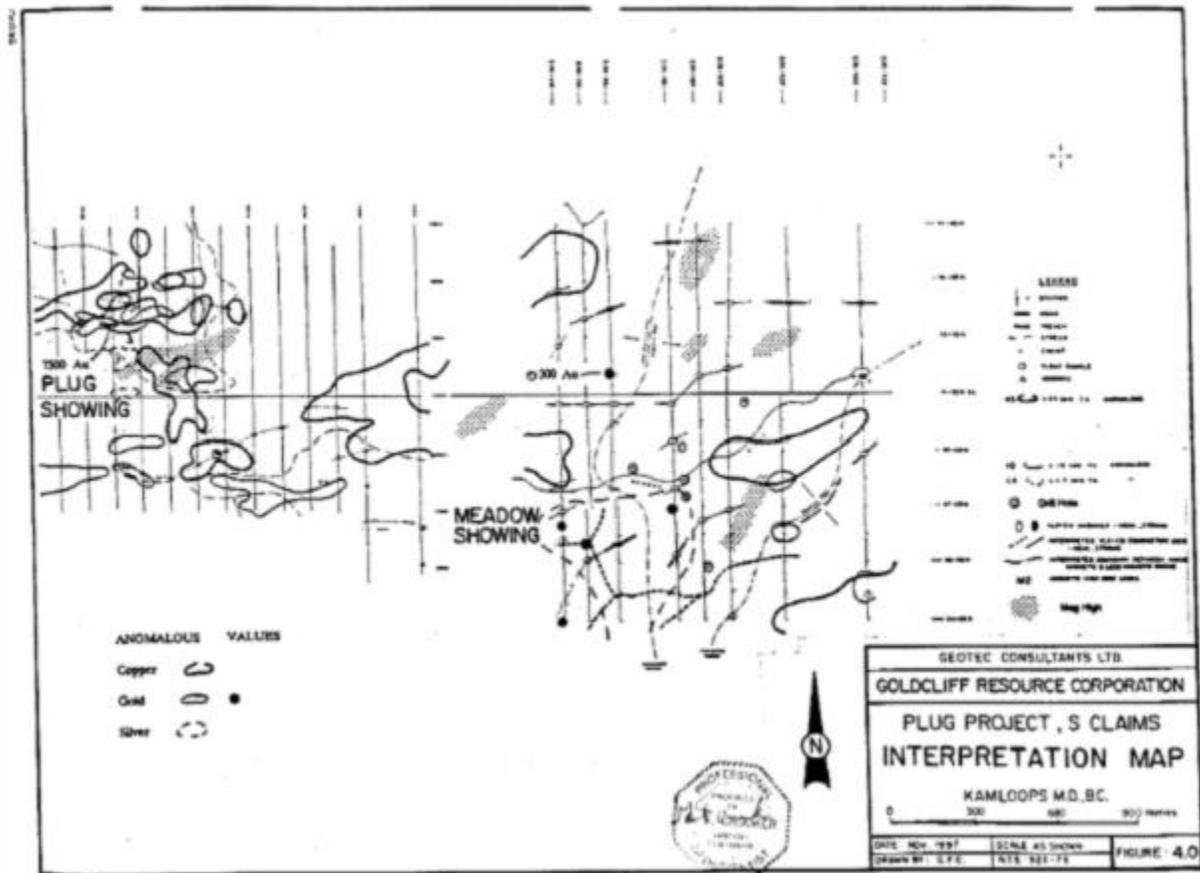
- Exploration results in this specific area are indicative of a potential mineralized porphyry. As the area contains locations of carbonate-quartz-mariposite (C-Q-M) altered rock which contains minor amounts of silver-bearing galena, sphalerite, and chalcopryrite, the mariposite alteration is significant as it is often associated with precious metal mineralization. A grab sample of

carbonate altered rock reportedly assayed 7.5 grams per tonne (g/t) gold and 67.5 g/t silver (Crooker, 1998).

- As the mineralization appears to be directly related with the alteration, the association is assumed to be derived from hydrothermal fluids which would be sourced from a buried crystallizing magmatic chamber. This is indicated from trench samples which gave an assay average of 4.35 g/t gold and 522 g/t silver over a strike length of 11.98 meters including 20.78 g/t gold and 113 g/t silver over a width of 0.56 meters (Crooker, 1998). In testing the trench mineralization to depth, percussion drill (PDH-02) assays returned an average of 1.30 g/t gold and 1.72 g/t silver over a length of 9.92 meters (Crooker, 1997).

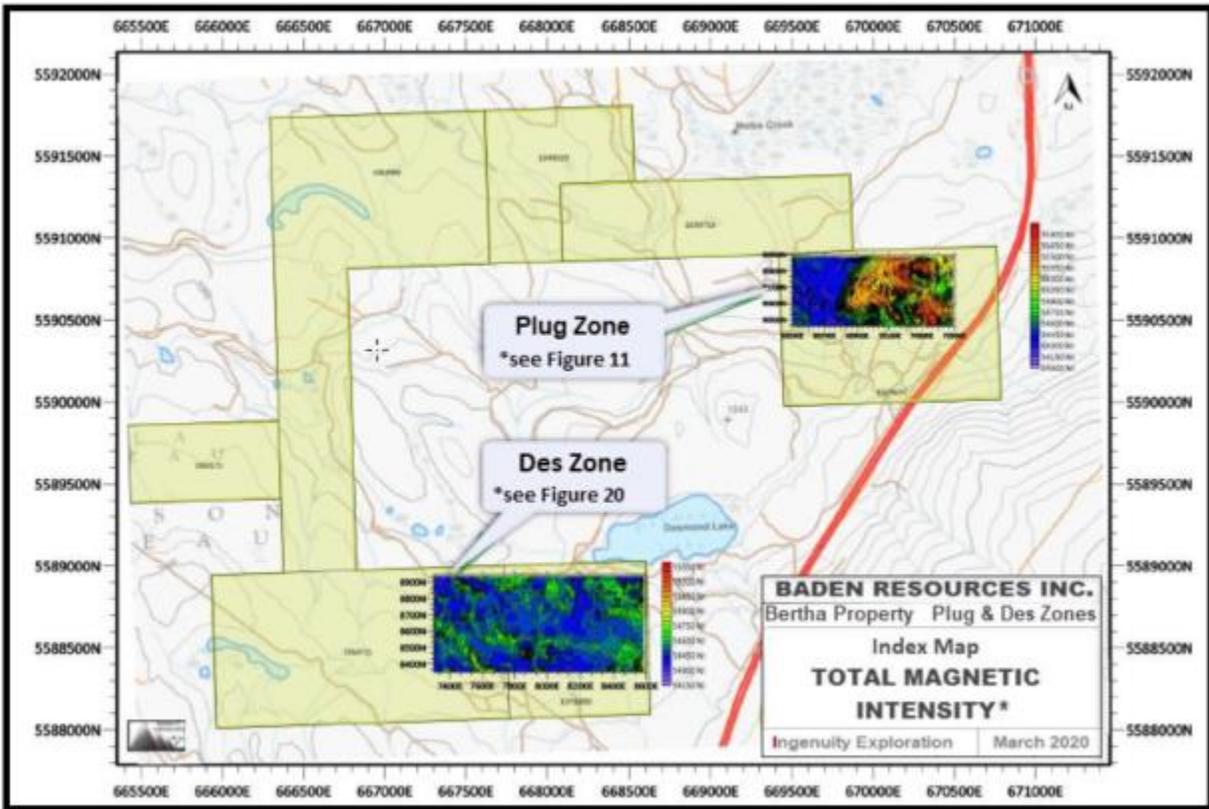
An indication for a potential concealed mineral resource at the Meadow Creek showing is the reported anomalous chargeability anomaly peaking at 15 m.s. which may be due to an increase in volume percent sulphides or other polarizing material (Cochrane, 1972) and at the Plug showing, a large area of C-Q-M alteration, a weak magnetic high, VLF conductivity, and an interpreted fault intersection at the center of the detail grid area.

**Figure 8: Compilation Map Showing the Plug and Meadow Showings of the Plug Zone  
(Map from AR 25405; Crooker 1997; Figure 4.0; page 15)**



The 2020 exploration program of the Plug Zone was over the Meadow Showing.

**Figure 9: Plug Zone: Exploration Grid Location and Magnetometer Survey Results (Base Map: Ingenuity Exploration)**



**Figure 10: Plug Zone: Compilation Map 2020 Magnetic Map and Contoured IP**

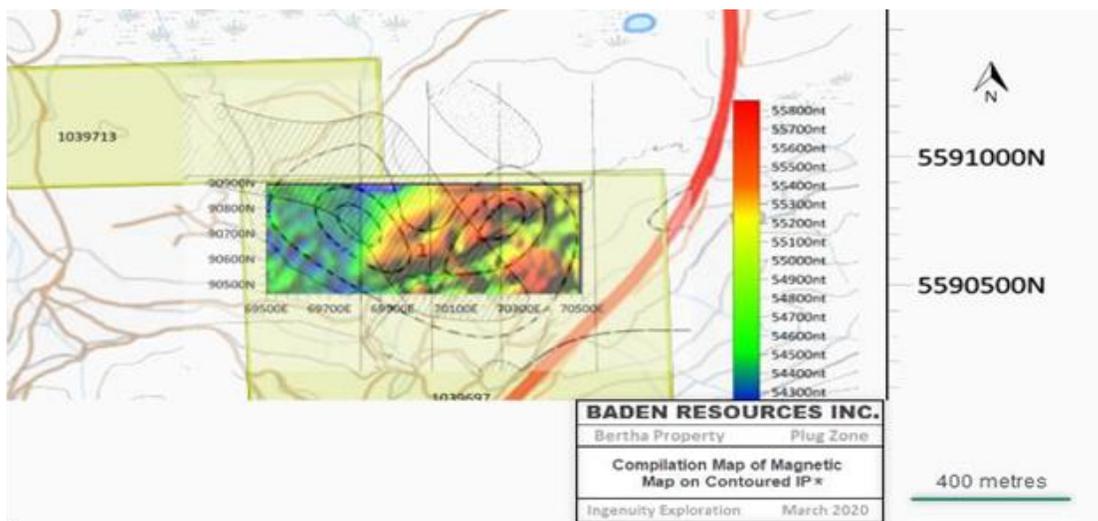


Figure 11: Plug Zone: Total Magnetic Intensity Colour Relief

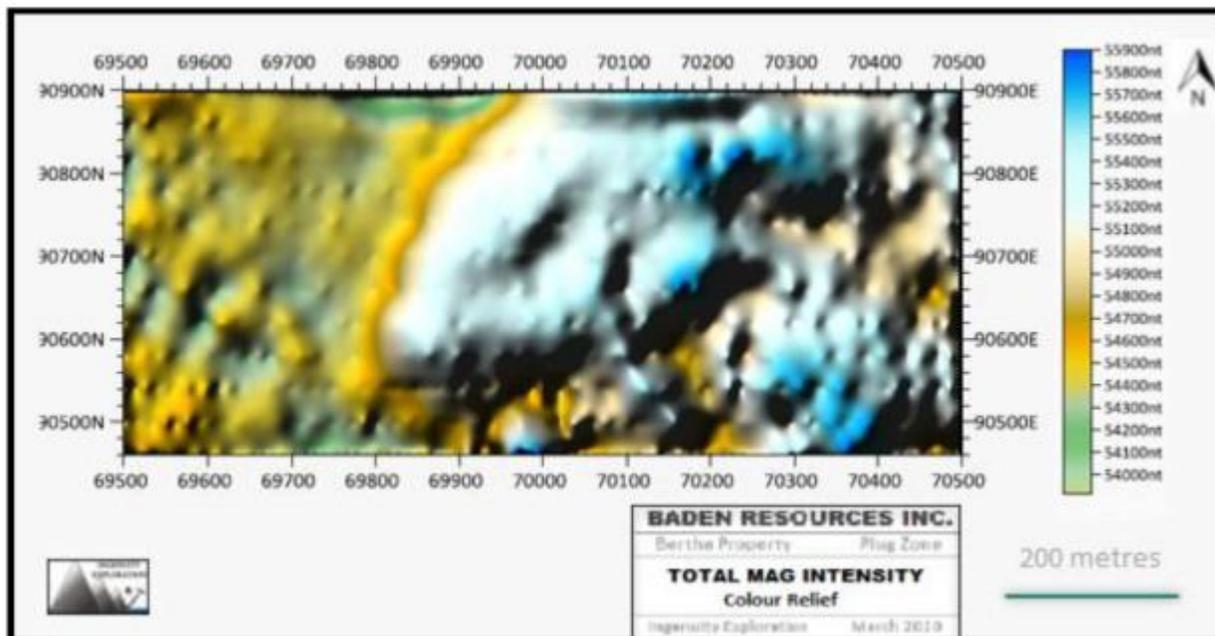
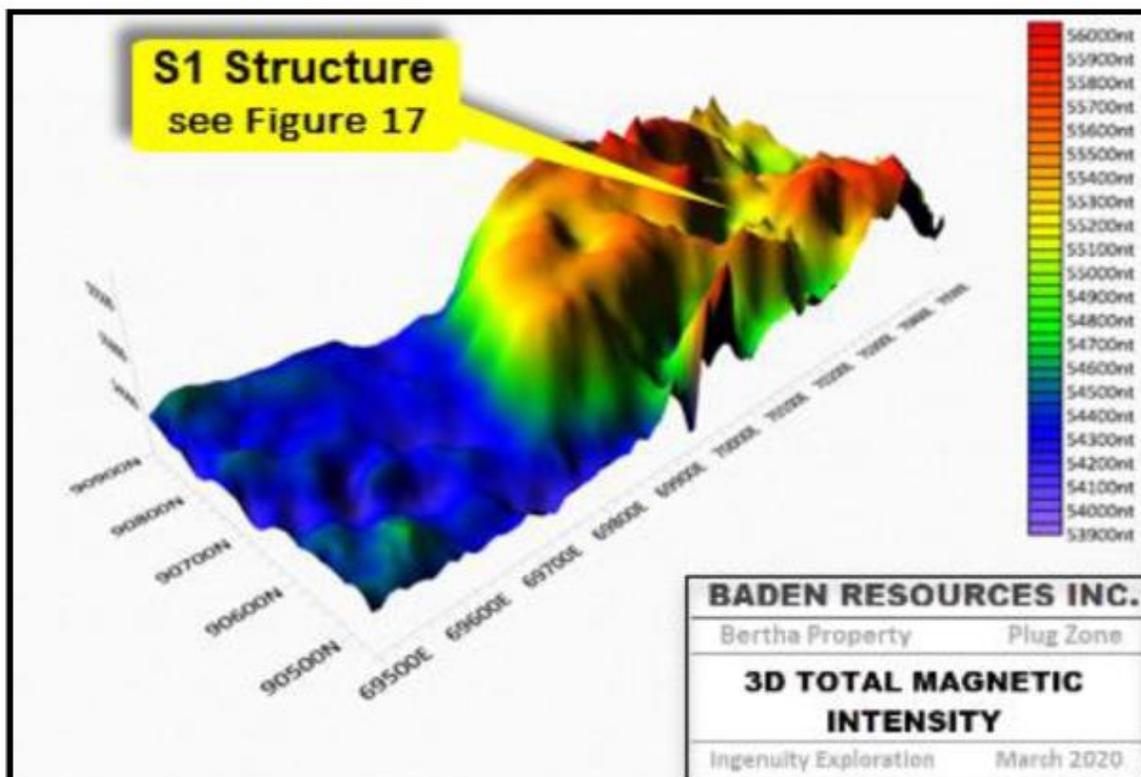
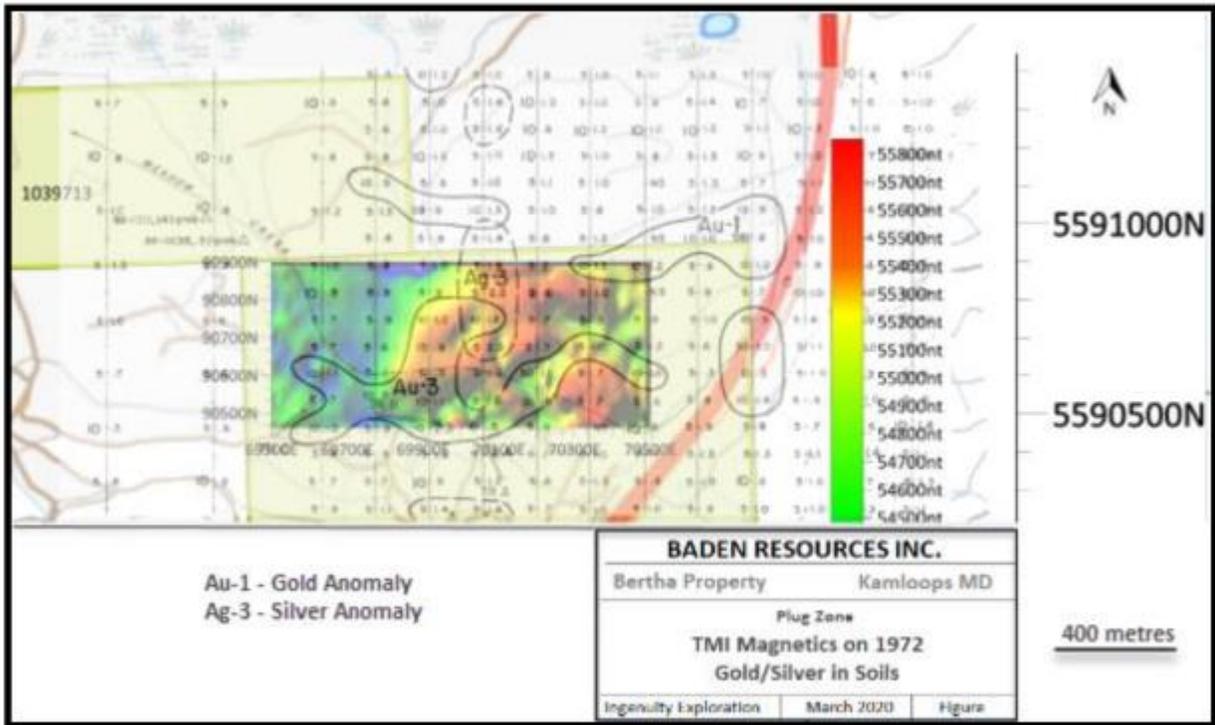


Figure 12: Plug Zone: Total Magnetic Intensity 3D View (Base Map: Ingenuity Exploration)



**Figure 13: Plug Zone: Correlation Map of 2020 Magnetometer Survey and 1972 ppm gold/silver Geochem anomalies**



**Figure 14: 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: Lammle, 1972)

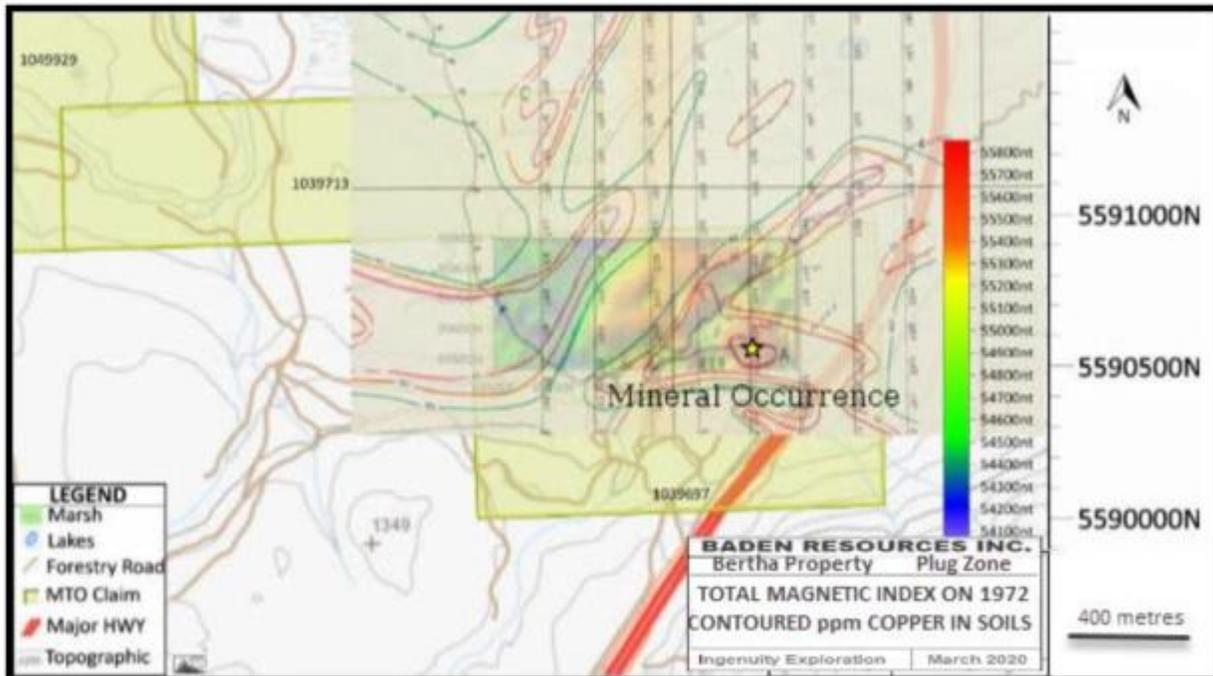


Figure 15: Plug Zone: VLF EM Fraser In-Phase (Base Map: Ingenuity Exploration)

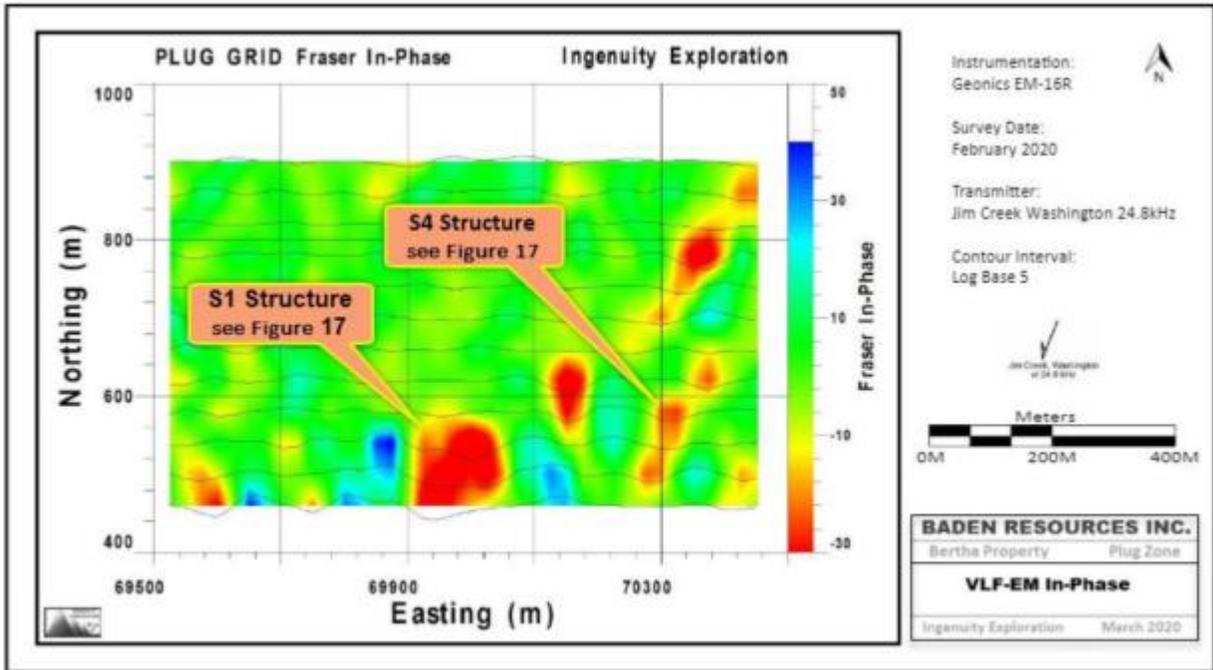
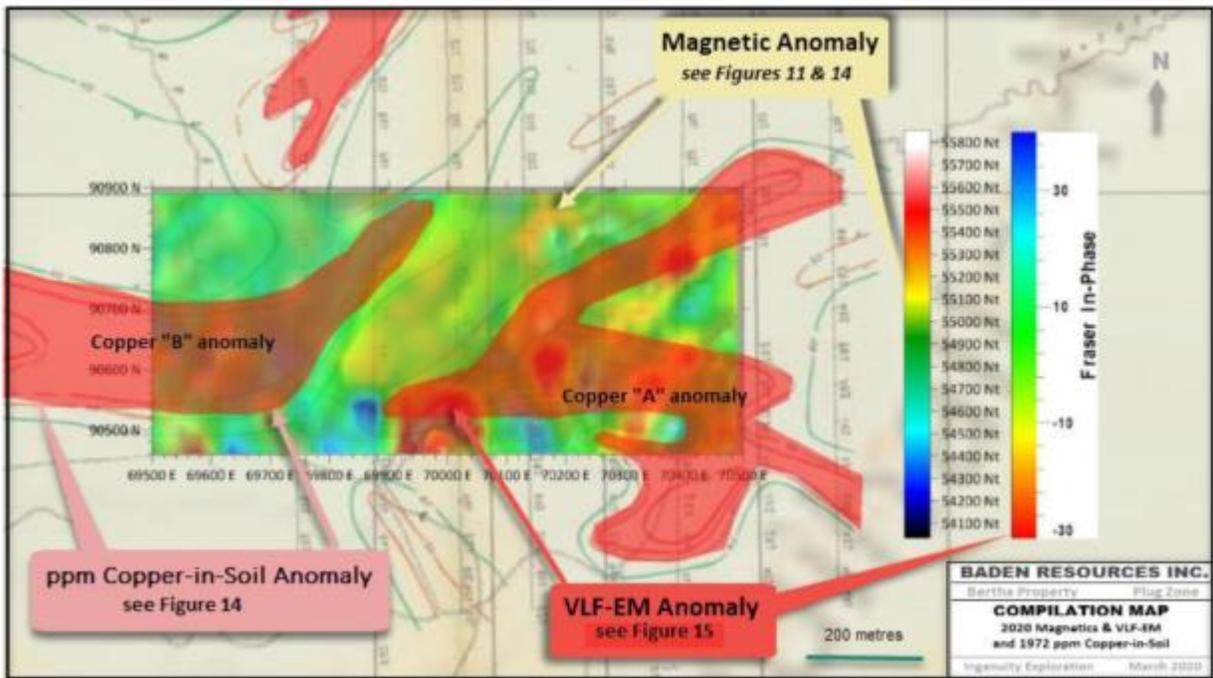
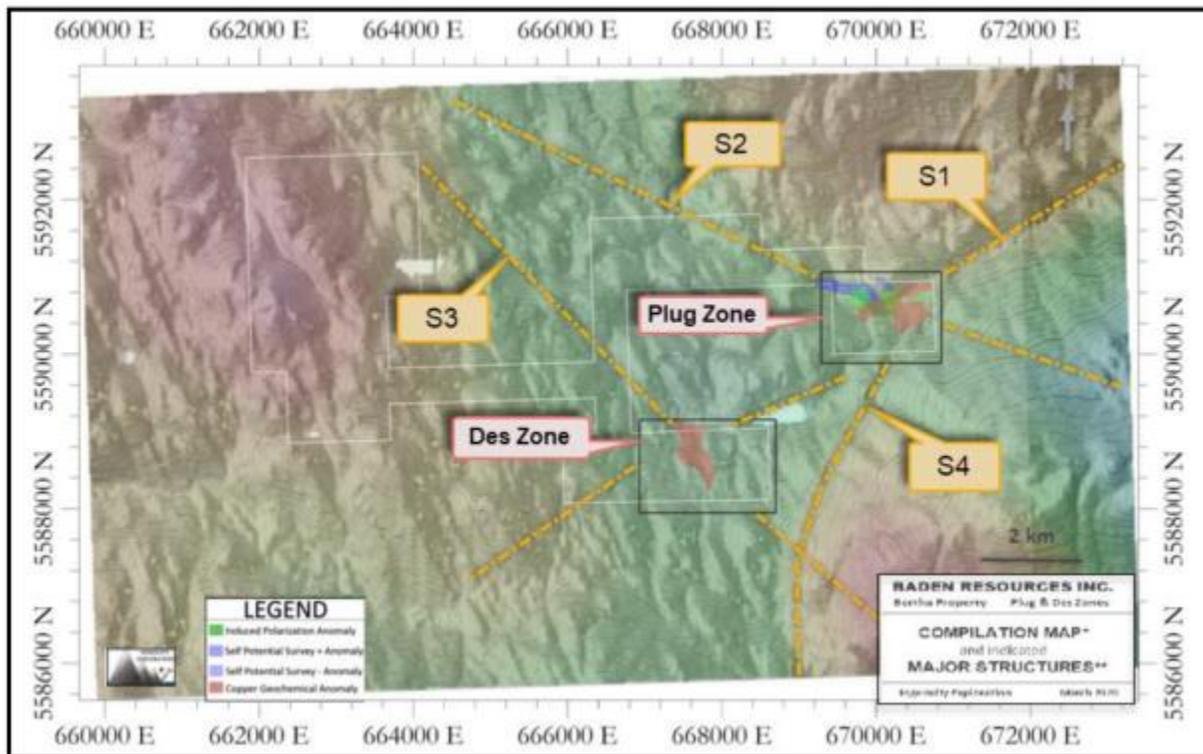


Figure 16: Plug Zone: Compilation Map 2020 Magnetic and VLF-EM Anomalies on 1972 Copper-in-Soil with Anomalies Shaded Red



(Map: Ingenuity Exploration)

**Figure 17: 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)**



### Des Zone

From 1972, when a 640-meter north-northwesterly trending copper in soil anomaly was delineated (Hogan, 1972) to 1989 when exploration consisted of seven diamond-drill holes and 45 soil samples (Kim, 1989), the progressive exploration on the ground covered by the Des Zone area, the results provided many indications of a potential concealed mineral zone. These include:

- Five intersecting regional aeromagnetic lineaments. The possible economic significance of these several lineaments is readily apparent as is the area of their intersections (Lammler, 1972).
- Two large soil anomalies of moderate intensity in an area of intrusive diorite. Anomalies are subjacent to, or in the immediate proximity of, the intersections (Lammler, 1972).

Although no significant mineralization resulted from the 1989 drilling program, localized disseminations of native copper in a basalt/trachyandesite was logged (Assay of 503 ppm copper in a section of noted native copper flakes).

A 68-meter 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 is indicated proximal to an intrusive with a moderate amount of epidote occurring in places.

The highest copper assay of 965 ppm, where no mineralization was logged, was from a section of serpentinite which could be a favourable rock type causing the deposition of stray minerals in an ideal chemical environment.

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.

The interpretation of the exploration results is that the signatures of a deep-seated porphyritic intrusive are migrating to surface via the fractures caused by, or associated with, the regional structures. The intersection of the five structures would be the prime location for surficial indication of the intrusive content, as the location should be the zone of maximum brecciation and the ideal zone for migration of hydrothermal fluids to surface.

**Figure 18: Des Zone: Compilation Index Map of the 2020 Magnetometer Grid and Survey Results (Base Map: Ingenuity Exploration)**

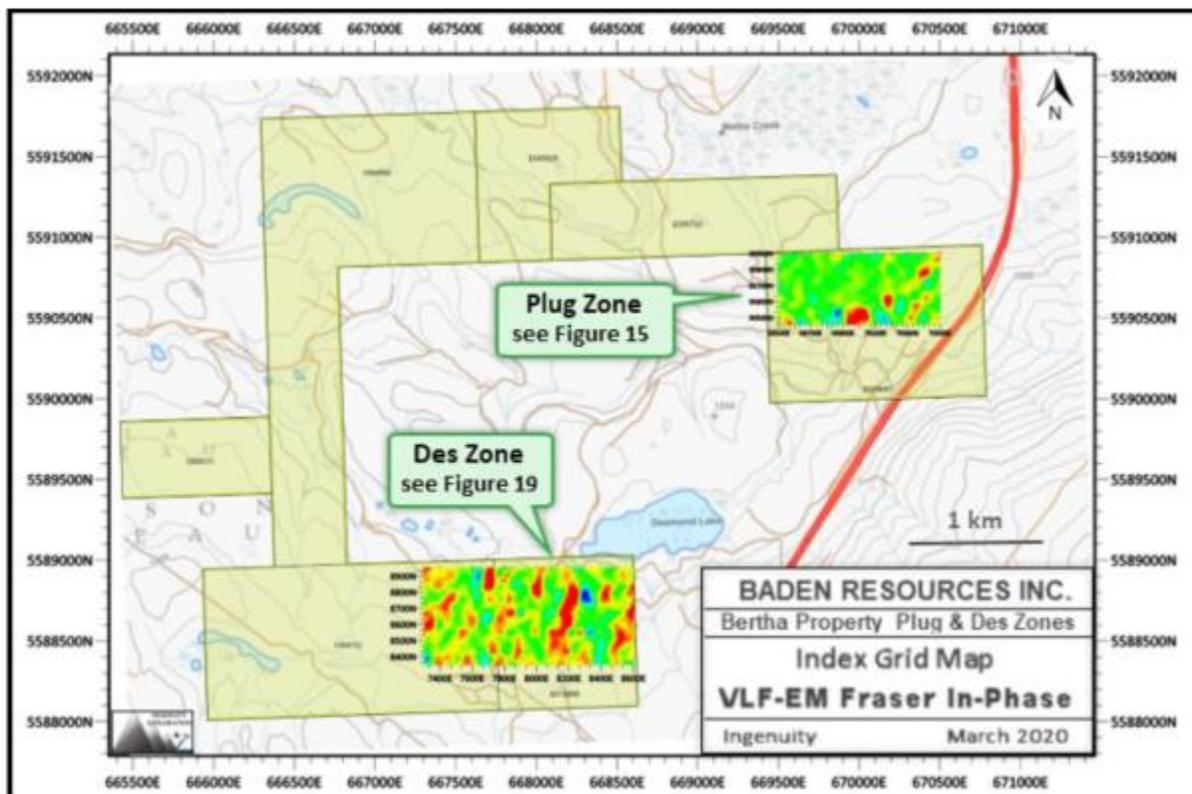


Figure 19: Des Zone: VLF-EM Fraser In Phase (Map: Ingenuity Exploration)

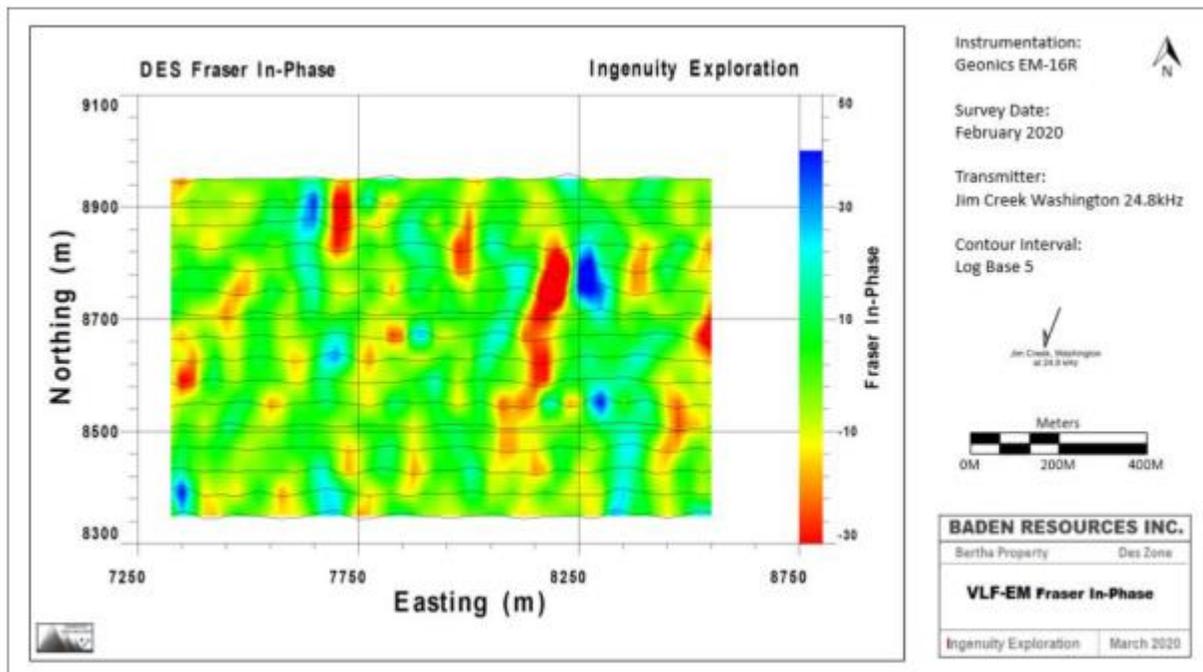


Figure 20: Des Zone: Total Magnetic Intensity (Map: Ingenuity Exploration)

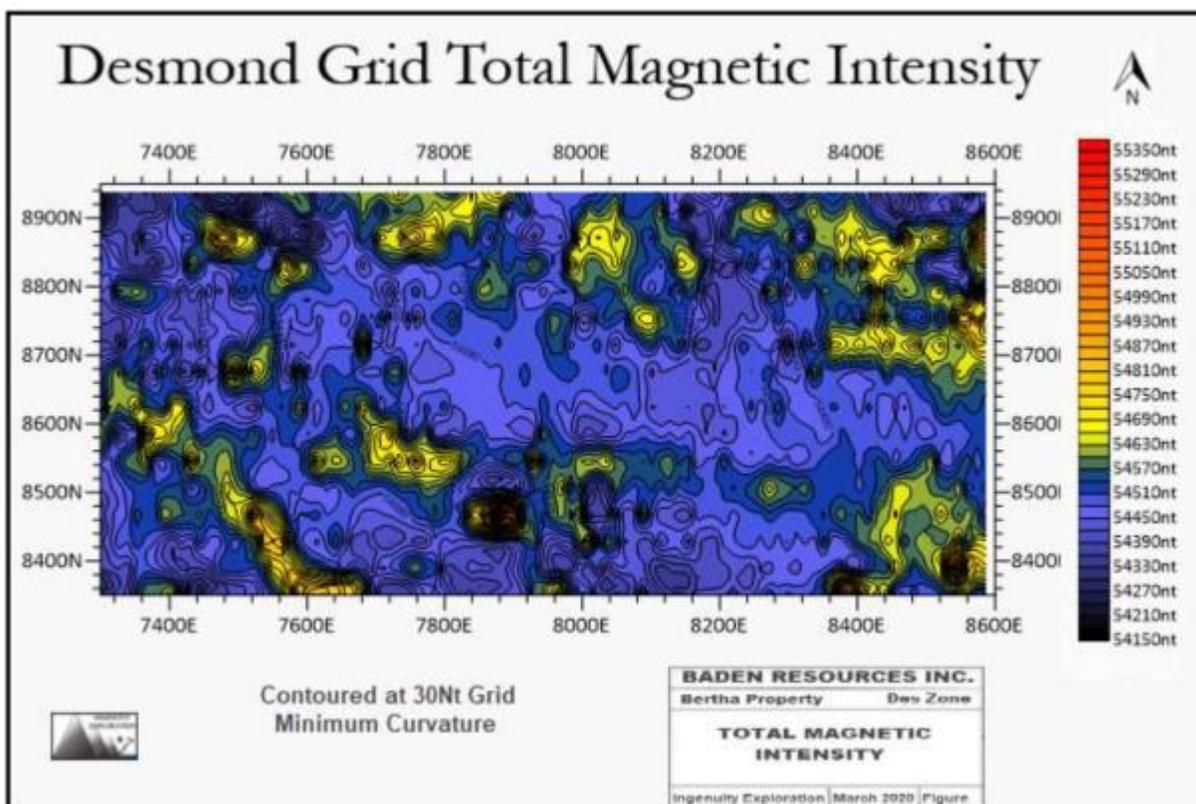


Figure 21: Des Zone: Compilation of 2020 Total Magnetic Intensity and 1972 ppm Copper in Soil

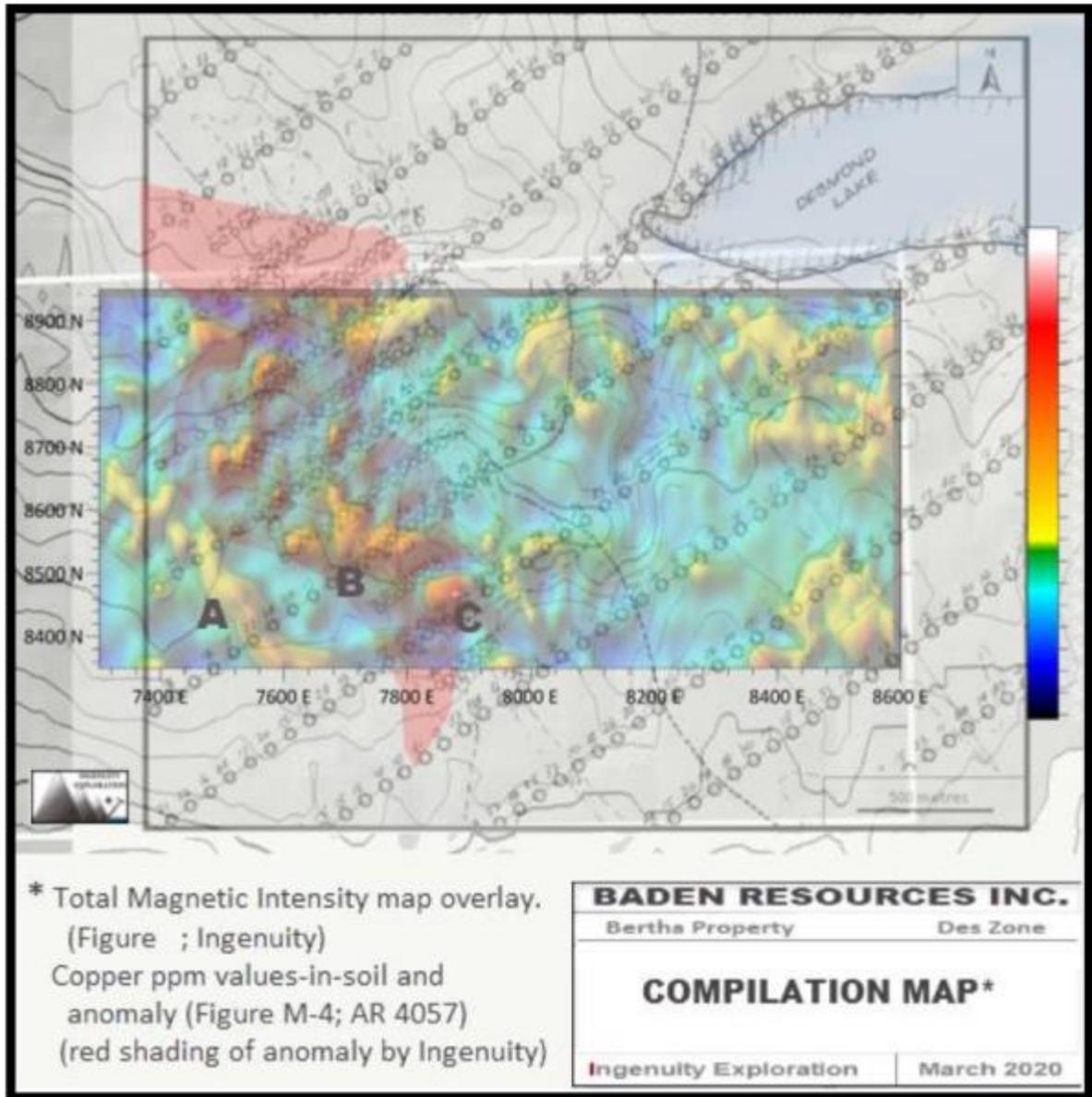
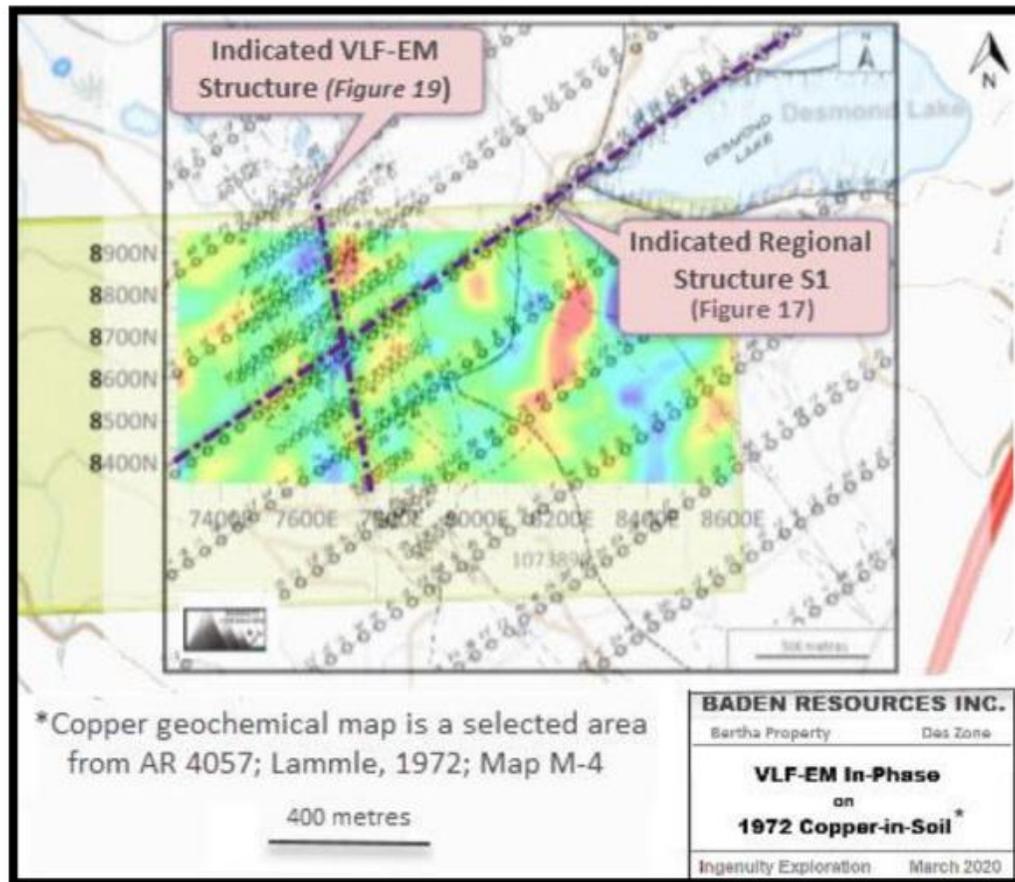


Figure 22: Des Zone: Compilation Map of 2020 VLF-EM and 1972 ppm Copper in Soil



### Des Zone: Structural Analysis

#### 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.

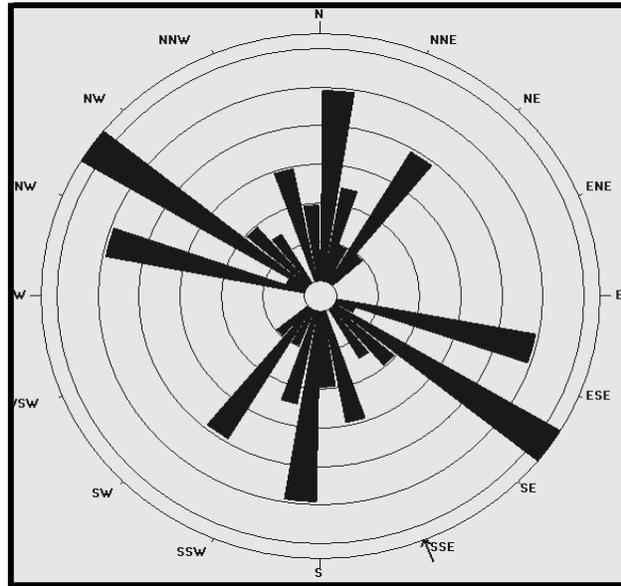
#### b) Method

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 shown in Figure 22.

c) Results

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

Figure 23. Rose Diagram from Indicated lineaments of Tenures 1064715 and 1073890



### STATISTICS

Axial (non-polar) data

No. of Data = 68

Sector angle = 10°

Scale: tick interval = 3% [2.0 data]

Maximum = 19.1% [13 data]

Mean Resultant dir'n = 158-338

[Approx. 95% Confidence interval = ±28.1°]

(valid only for unimodal data)

---

Mean Resultant dir'n = 158.3 - 338.3

Circ. Median = not calculated

Circ. Mean Dev. about median = not calculated

(Not calculated if too many data, or data are axial (non-polar), and too coarsely grouped)

Circ. Variance = 0.27

Circular Std. Dev. = 45.66°

Circ. Dispersion = 3.93

Circ. Std Error = 0.2405

Circ. Skewness = -0.22

Circ. Kurtosis = -8.91

kappa = 0.59

(von Mises concentration param. estimate)

Resultant length = 19.09

Mean Resultant length = 0.2808

'Mean' Moments: Cbar = 0.2042; Sbar = -0.1927

'Full' trig. sums: SumCos = 13.8876; Sbar = -13.1042

Mean resultant of doubled angles = 0.38

Mean direction of doubled angles = 049

(Usage references: Mardia & Jupp,

'Directional Statistics', 1999, Wiley;

Fisher, 'Statistical Analysis of Circular Data', 1993, Cambridge University Press)

Note: The 95% confidence calculation uses

Fisher's (1993) 'large-sample method'

Figure 24. Des Zone: Indicated Cross-Structures  
(Base Map: MapPlace 2)

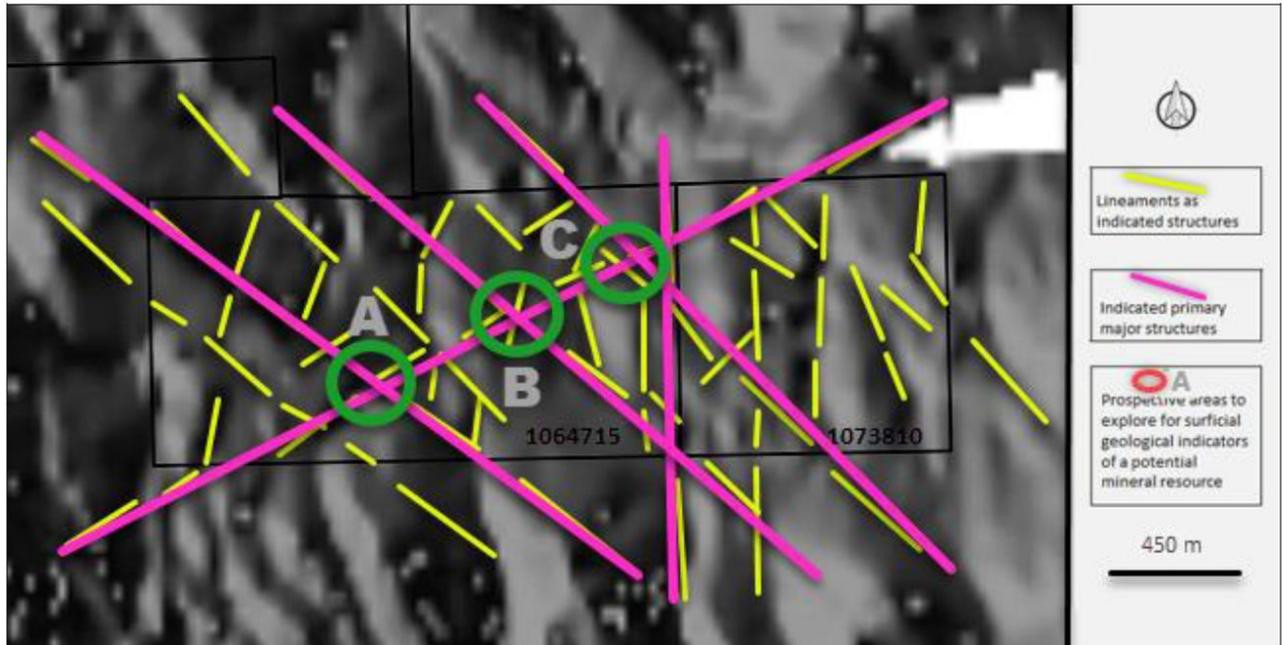
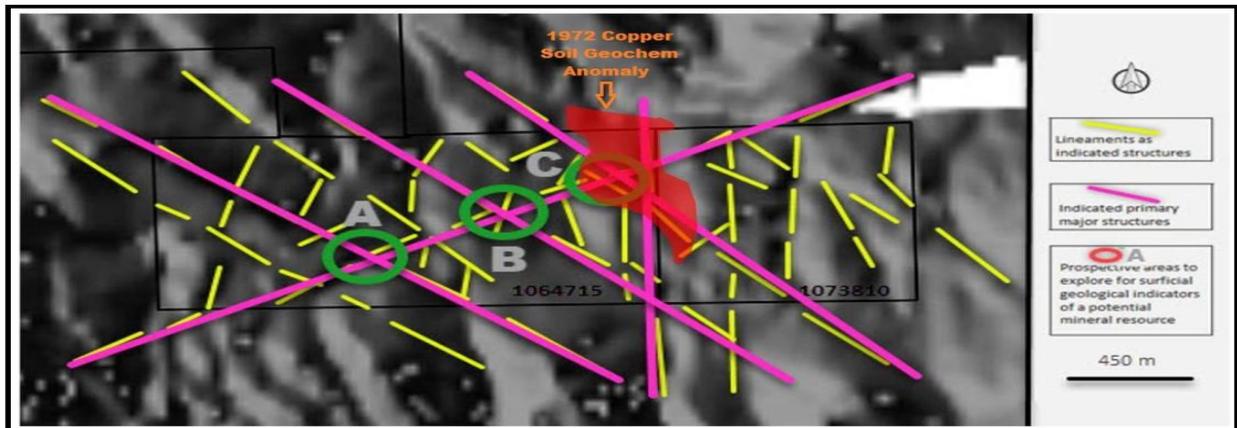


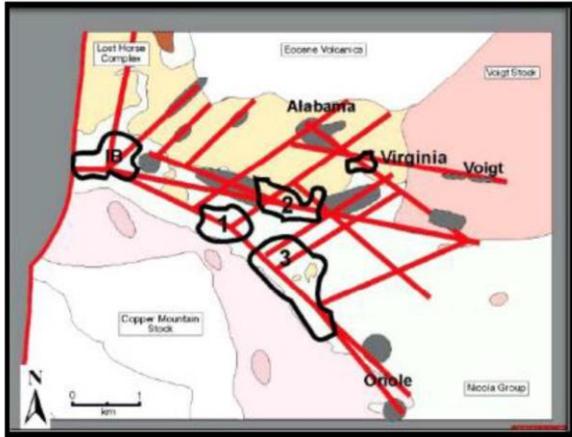
Table 6. Approximate location of cross-structures  
(UTM-10NAD 83)

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)

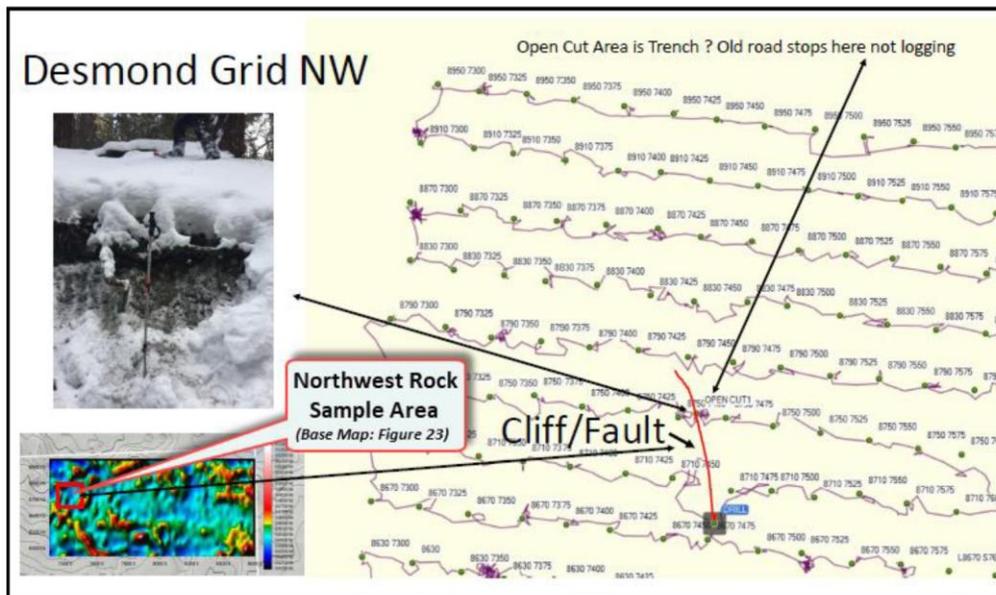


**Figure 26. Geology and Ore Deposits: Similco (Copper Mountain) Camp\***  
 (Note the ore deposit locations controlled by cross-structures)  
 (Map from Giroux & Holbek, Figure 9.4)



\* This map is reproduced herein for information purposes only and does not reflect on the mineral deposit model at the Bertha Property

**Figure 27. Des Zone: Index Map Northwest Rock Sampling Area**  
 (Map: Ingenium Exploration)



**Table 7. 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 28. Des Zone: Northwest Rock Sample Locations  
(Base Map: MapPlace 2)

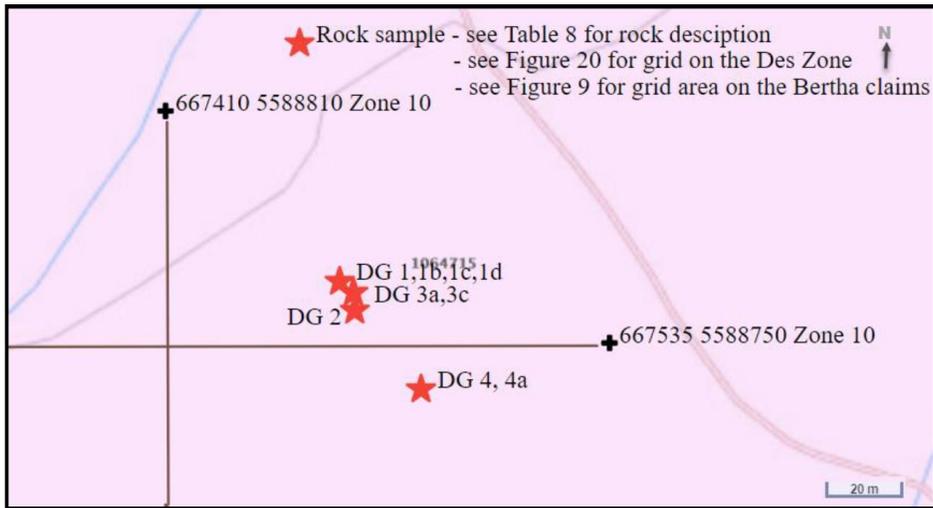


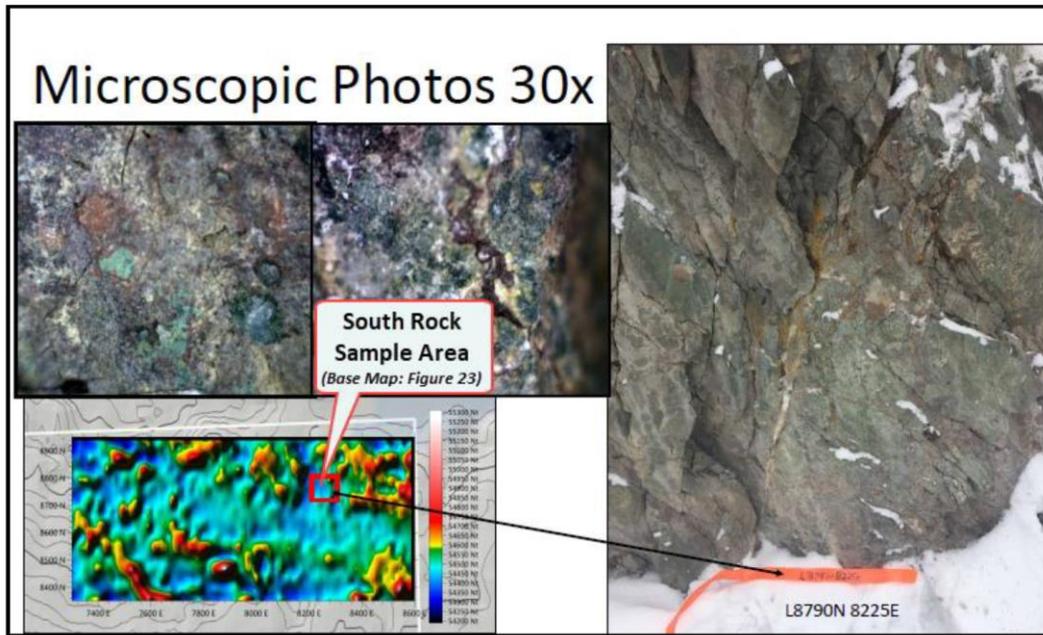
Figure 29. Des Zone Northwest: Sample DG 1b  
(Base Map: MapPlace 2)



**Figure 30. Des Zone: Rock Sample DG-1 (Des Gully-1)**  
 (Note the variable quartz flooding and alteration of minerals in the heterolithic breccia fragments)



**Figure 31. Des Zone: Index Map South Rock Sampling Area**  
 (Map: Ingenium Exploration)



**Table 8. 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 32. Des Zone South: Rock Sample Locations  
(Base Map: MapPlace 2)

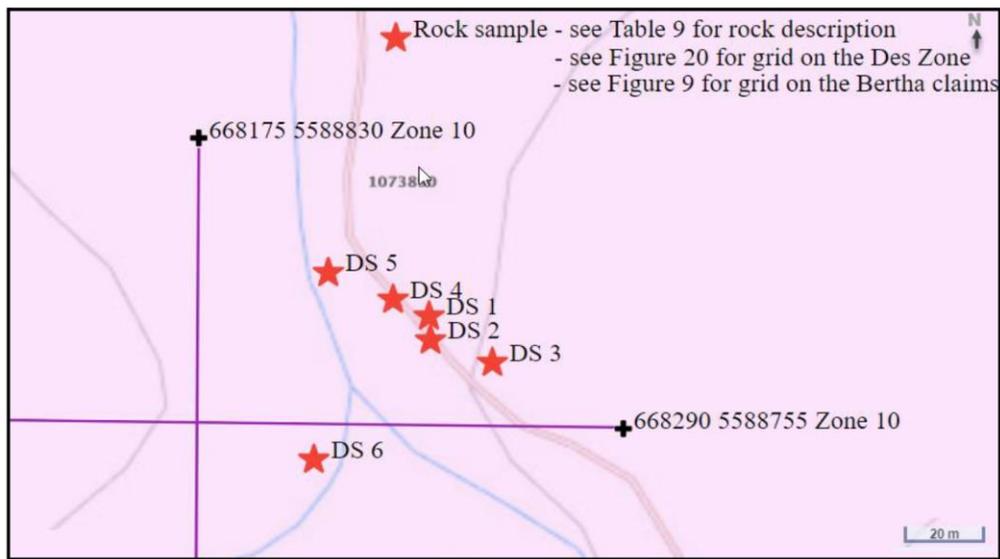


Figure 33. Des Zone South: Rock Sample DS 3 (Des-2020-3)



Figure 34. Des Zone: Cross-Structures and Rock Sample Locations  
(Base Map: Google Earth)

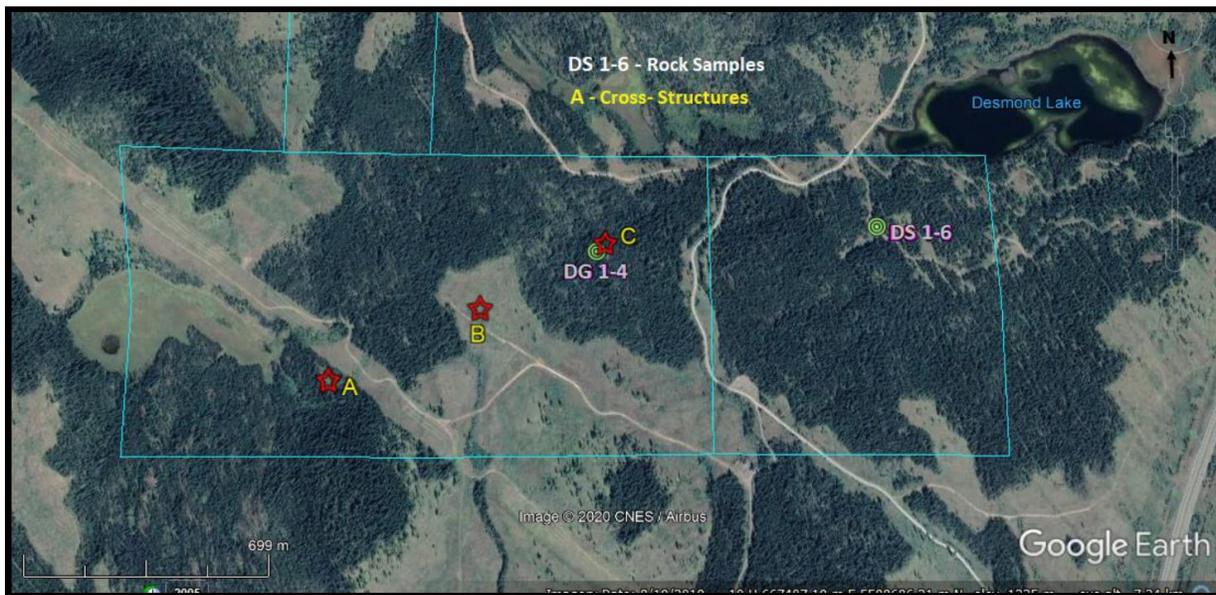
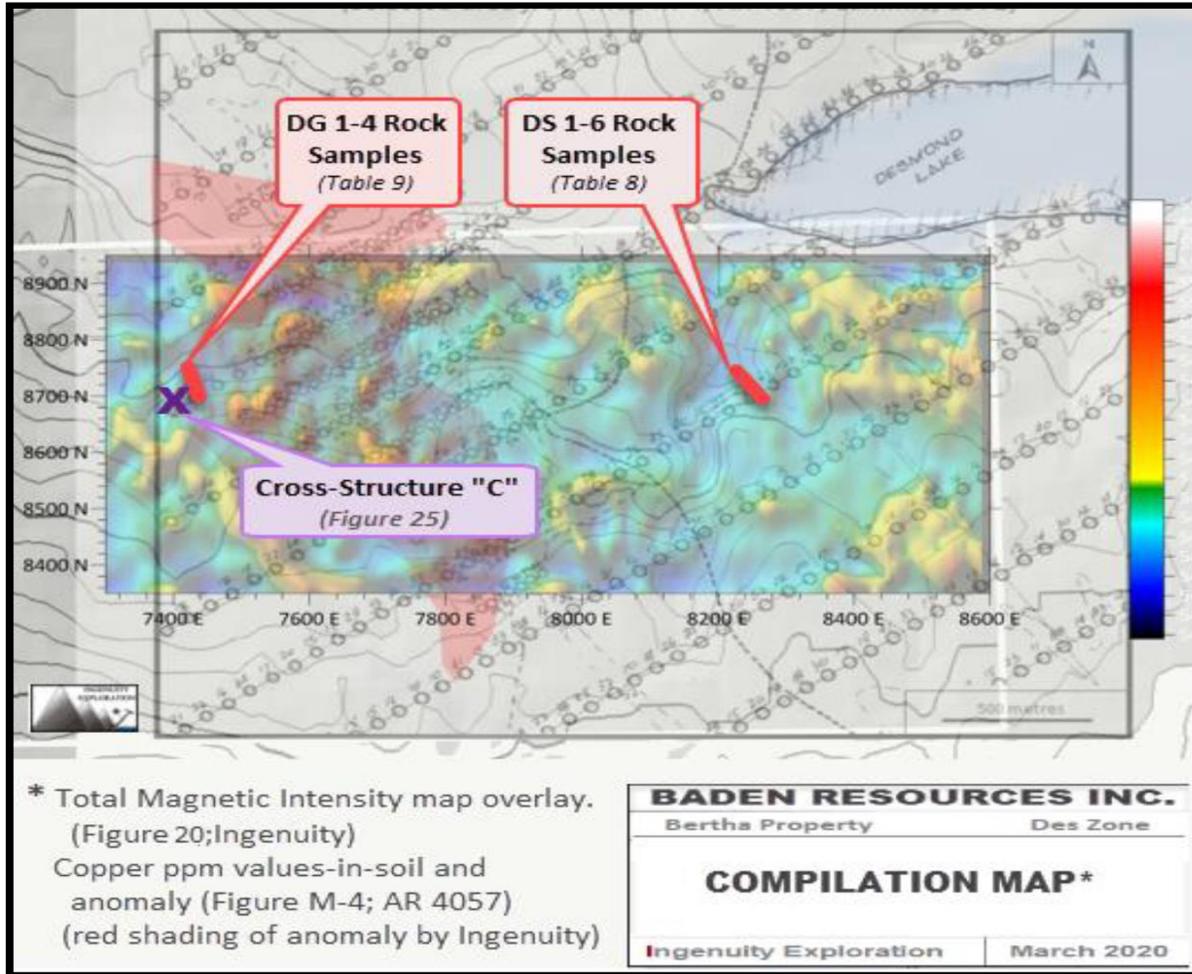


Figure 35. Des Zone: Compilation of 2020 Total Magnetic Intensity, Rock Sample Locations, and Cross-Structure “C” and 1972 Copper in Soil Anomaly



### **Drilling**

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

### **Sample Preparation, Analyses and Security**

The four rock samples taken at the Des Zone were not analyzed.

### **Data Verification**

No data to verify at this time.

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

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

### **Mineral Resources and Mineral Reserve 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

### Producing Mines in the Area

The producing mines in the area are provided herein for informative purposes only and do not necessarily reflect the type of a mineral deposit that could occur on the Bertha property.

The author has been unable to verify the information and that the information is not necessarily indicative of the mineralization on the property that is the subject of the technical report.

*Figure 35. Producing mines in the area of the Bertha property*



## History

### Early Years

The earliest roots of the Bethlehem mining operations began when the Jersey zone was staked and bonded to a French syndicate c. 1886–c. 1887. This claim changed hands several times until finally in October 1954 when the Huestis-Reynolds-McLallen Syndicate sponsored a prospective examination covering 100 claims including Jersey and surrounding zones.

Copper was known to occur in the Cascade Mountains near Princeton as the productive mines of Allenby in 1914 had shown. On the strength of this, prospectors searched for other deposits in the region. These they found north of Merritt and east of Ashcroft at Logan Lake at the Jersey zone.

## **1950s-1960s**

In February 1955, the Bethlehem Copper Corporation finalized the purchase of the 141 claims in the area and partnered with ASARCO to develop the property. The deposit was large but of low grade copper ore (less than 1 percent). The mines sat waiting for the richer deposits to yield, and for technology to improve to process large amounts of ore.

In February 1960, Bethlehem Copper Corporation made an agreement with the Japanese group Sumitomo for US\$5.5 million to bring the property into production. Construction began in July 1961. At the time, Jersey and East Jersey were identified as zones containing suitable ore for production, and an assessment was completed of the area between the two zones. It was found that this middle area did not have suitable deposits to favour commercial operation and the Jersey and East Jersey zones were mined separately. This operation of two mines in close proximity by the same company lead to a case brought before the Supreme Court of Canada on what constituted a mine for tax purposes.<sup>[3]</sup>

Production of the East Jersey pit began on November 28, 1962, and continued until February 17, 1965, when a rock slide forced the Company to end the pit's life early. Production of the Jersey pit began quickly after.

## **1970s and 1980s**

The Jersey pit was given an extension in 1977, extending its life another 5 years. Two minor additional pits were also operated for brief periods during this time: Huestis from 1970 to 1976 and Iona from 1976 to 1979.<sup>[2]</sup>

On the south side of the valley the Lornex mine began mining in 1972.

In 1981 Cominco, who already owned the claim to the Valley Copper deposit located west of Bethlehem, purchased Bethlehem Copper to consolidate the nearby operations. Mining of the original Bethlehem Copper pits ceased in 1982. The Bethlehem concentrator continued to operate on ore from the Valley Copper deposit until June 1989.

## **1950s-1960s**

Production on the Valley Copper mine, now the largest mine and most noticeable feature, began in January 1983.<sup>[5]</sup> For fifty years the ore was dug using shovels and open pit methods. A very large pit ensued--half a mile deep and two miles in diameter.

Highland Valley Copper was created in mid-1986 when the Highland Valley mining operations of Lornex Mining Corporation Ltd. and Cominco Ltd. were combined into a new single entity, structured as a partnership.

The Highmont mill on the south side of the valley was acquired in 1988 when Highmont Mining Company joined the partnership. This mill had been closed down in 1984 when the Highmont deposit became uneconomical.

## **Current operation**

The current mining operation is named Highland Valley Copper and operates one of the world's largest open-pit mines. The Highland Valley Copper Mine consists of several large deep pits, dug to expose low-

grade copper and molybdenum bearing ore deposits. Large electric shovels and explosives are used to carve out the rock and ore with diesel haul trucks carrying the material to crushing and milling facilities on the site.

A large tailing pond is maintained to support these operations (48.5 million tonnes of tailings pumped in 2003), with two containment embankments to retain the tailings from the environment.

In April 2017 freezing pipes caused 850 cubic meters of process water to spill. The spill was contained on site and returned to the tailing pond. Trojan Pond, a previous tailing pool used in the operation, began to be reclaimed in 1990 and is now a self-sustaining ecosystem and used for sport fishing.

Copper and molybdenum mineral concentrates, which include trace amounts of silver and gold, are sent via truck to nearby rail facilities in Ashcroft where the ore is carried to the Port of Vancouver and to international destinations (primarily Japan and China for copper and steel production). The mine employed approximately 1300 persons in 2011 (*for more detailed information on the history, geology, and mineralization on the Highland Valley mine go to Minfile 092ISW012.*)

**NEW AFTON (AFTON)** producer (Alkalic porphyry Cu-Au)  
(from <http://2014review.newgold.com/operations-newafton.php>)

“New Afton is a low-cost gold and copper producer with significant upside potential, primarily through increases to mill capacity and exploration at the site’s highly prospective C-zone.

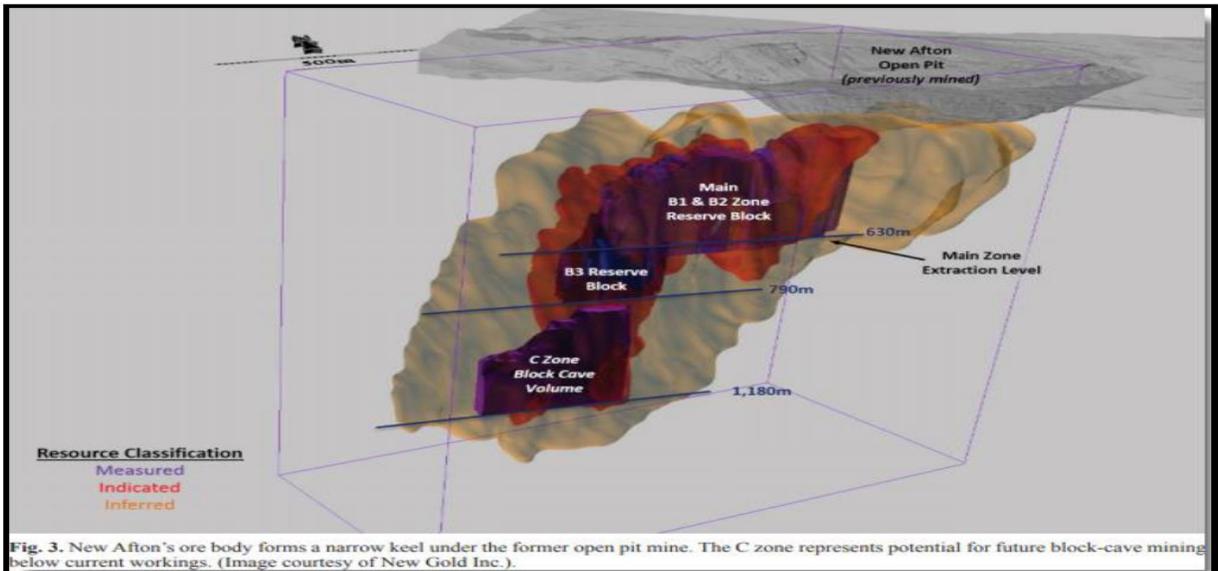
In 2014, the mine’s second full year of production, New Afton continued its track record of excellence by achieving a 20 percent increase in gold production over the year before. The increase in gold production was driven by the combination of a 17 percent increase in throughput and a 4 percent increase in grade, which was only partially offset by an expected 2 percent decrease in recovery stemming from the higher throughput.

Costs were also low for the year. All-in sustaining costs of minus \$650 per ounce were below guidance, while total cash costs of minus \$1,248 per ounce were within guidance.

The spirit of continuous improvement is strong at the mine. Steady increases in throughput since start-up in June 2012 have increased mill throughput from its 11,000 tonnes per day (tpd) design capacity. In mid-2015, we plan to complete a mill expansion that takes the mill to 14,000 tpd. This one-time \$45 million investment has the potential to increase cash flow by over \$20 million per year.

The C-zone is a continuation of the main New Afton deposit that lies down and along strike of the reserve that is currently being mined. In 2014, results indicated five years of additional mine life, with 522,000 ounces of gold and 377 million pounds of copper contained, and estimated full year average production of 107,000 ounces of gold and 77 million pounds of copper. This resource remains open at depth with the potential to grow laterally to the west. The C-zone is a truly exciting resource with potential that promises to further enhance New Afton’s track record for exceeding expectations.”

*Figure 36* **New Afton mineral resource**  
(from Britton, 2006)



(for more detailed information on the history, geology, and mineralization on the Afton mine go to Minfile 092INE023)

## 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 provided the information that, in compilation with the historic exploration results, indicated specific areas for additional exploration to locate indicated concealed mineral zones and specifically, an intrusive related porphyry deposit.

With the compilation of the 2020 magnetometer and the VLF-EM survey results with the historic exploration results, the compilation provided considerable supportive geological evidence to the potential for a concealed copper/gold porphyry deposit.

### Plug Zone

- The magnetometer survey results indicated the configuration of a concealed intrusive (*Figure 11*) whereas the VLF-EM survey results indicated two northeasterly trending structures; one bordering the intrusive to the east, with another 400 metres east. The two indicated structures correlate with the regional S1 and S4 structures (*Figure 17*);

- Also correlating with the two structures is a 1972 copper anomaly "A" (*Figure 16*) which correlates with 400 metres of the S4 structure and with 800 metres of the S1 structure; both of which are connected by a 400 metre east-west copper anomaly (*Figure 16*). Copper anomaly "A" does not show for 400 metres below the southern end of the intrusive to the western copper anomaly "B" which extends for 500 metres and is open to the west. The eastern end of the "B" anomaly, extending for 400 metres northeasterly, may indicate a structure along the western border of the indicated intrusive;

- Linking copper anomalies “A” and “B”, which are associated with the intrusive, the copper anomaly, a result of migrating seepage of mineral-bearing hydrothermal fluids from a buried intrusive via the structures, the integrated 700 metre x 1300 metre copper anomaly may indicate a plan view of a concealed mineral zone;
- The IP anomaly with a configuration of the indicated intrusive (*Figure 10*). and generally correlating with the copper anomaly quite likely reveals the sulphide mineralization;
- The gold anomaly (*Figure 13*). generally correlating with the copper anomaly, may indicate the peripheral zone to a copper porphyry deposit;
- The copper anomaly at the intersection of three major faults; the faults being the mineral controls, which is apparent as the copper anomaly is configured to a pattern related to the fault directions. The pattern also indicates east-west and north-south mineral controlling structures which are discontinuous secondary structures that are obvious on the DEM topographical map of *Figure 17*.

### **Des Zone**

- The copper-in-soil geochemical anomaly shown in shaded red on *Figure 21* is at a structural intersection between regional structures S1 and S3 (*Figure 17*) with secondary indicated northerly trending structures (*Figure 22*) all of which configure the geochem anomaly (*Figure 21*) and are likely the mineral controls to a concealed mineral zone;
- The magnetic moderately high anomalies A, B, & C shown on *Figure 20* are interpreted as:
  1. Anomaly A, bordering the southwest trend of the copper geochem anomaly, may be an intrusive dyke within the northwest trending regional structure S3 or an echelon structure, which controlled the southwest extension of the mineralization.
  2. Within the 120 x 120 metre Anomaly B, a possible reflection of a concealed intrusive, two spotty magnetic highs (*Figure 20*) within the copper anomaly may indicate portions of the intrusive that migrated higher within an appropriate location of an indicated structure;
  3. Anomaly C, located at the southeastern extent of the copper geochem anomaly (*Figure 21*), with a spotty magnetic high, may be an indication of a near surface portion of a larger intrusive that is associated, and possibly the source of the 1,000 metre x 500 metre copper anomaly.
- The northerly trending VLF-EM indicated structure through the heart of the copper Geochem anomaly (*Figure 22*) is the third of the three structures that may have provided the mineral controlling open space brecciation and fractures for the deposition of mineral-bearing hydrothermal solutions.

### **Structural Analysis**

- All three indicated cross structures determined from the structural analysis (*Figure 24*) are common to the indicated major aeromagnetic indicated structure trending through the Des and the Plug Zones (*S1 on Figure 17*) which supports the initial concept that the S1 structure is a primary mineral controlling structure;
- The northeasterly and the northwesterly trend of cross-structure “C” (*Figure 25*) supported the initial perception from the regional structural trend that these were the mineral controls;

- Cross-structure “C” correlating with the 1972 copper geochem anomaly (*Figure 25*) lends support to the cross-structures as primary locations to explore for surface indications of mineral bearing hydrothermal fluids from a waning magmatic chamber and ultimately a potential concealed mineral resource.

### **Rock Sampling**

- 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 (*Figure 34*);

- The concealed hydrothermal system, potentially an indication of a mineral-bearing porphyry, is indicated by the general quartz flooding of the breccia. The quartz flooding is the result of the obvious cementing of breccia fragments and veins or veinlets in hand specimens (*Figure 28*), and the obscure random quartz stringers and quartz enveloping certain minerals with related variable alteration which is only revealed in an enlarged rock sample photo (*Figure 29*);

- The epithermal vein of sample DS 3/Des-2020-3 is an additional indication of a concealed mineralized porphyritic zone in that epithermal veins (*Figure 32*) relate to a mineral porphyry in located above or adjacent to a mineral porphyry (*Figure 6*).

The author is confident that the results of the historical and the 2020 exploration information is sufficiently reliable to warrant the continuing exploration program recommendations.

### **Recommendations**

An IP survey should be completed on each of the three mineral zones of the Bertha 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 that they may be from an open-ended western copper anomaly on the Meadow Showing (*Figure 8*).

### **Estimated exploration costs**

<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>	People	2	12	375	9,000	
	Transportation		12	275	3,300	
	Accommodation		12	75	900	
	Meals		12	50x2	1,200	
	VLF&Mag rental		12	100x2	2,400	
	Support costs				2,500	19,300.00
			<b>Days</b>	<b>\$Rate/day</b>	<b>\$Sub-cost</b>	
<b>Geological survey</b>						
	Geologist	1	10	800	8,000	
	Assistant	1	10	300	3,000	
	Accommodation		10	75	750	
	Meals		10	50	500	
	Transportation				50	\$12,500.00

<b>IP Survey</b>	Contract	10 km @ \$4,000.00	40,000.00
------------------	----------	--------------------	-----------

<b>Engineering and Report</b>	12,000.00
-------------------------------	-----------

<b>Engineering: associated costs*</b>			<b>Days</b>	<b>\$Rate/day</b>	<b>\$Sub-cost</b>	
	Truck rental		9	275	2,475	
	Fuel				1,000	
	Accommodation		8	75	600	
	Meals		8	50	400	
	Office & sundry				525	5,000.00
<b>Contingencies</b>						7,500.00

<b>Estimated cost of the proposed exploration program</b>	<b>\$101,800.00</b>
---	---------------------

\*The engineering and associated costs are directly related to the exploration program of the Bertha property as set out in the above Table and are integral to the successful completion of the exploration program and include the review of the digitalized historic exploration data which can be superimposed and correlated to determine a potential correlative anomalous mineral for the initial exploration of the Bertha, Plug, and the Des mineral zones of the Bertha Property.

Subsequent related engineering would be the field investigation of the area selected for exploration, the supervision of the contracted exploration programs, the review of the reports submitted on the results of the geological, and geophysical exploration, and the correlation of information into a final report with recommendations for a future exploration program.

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

## 2.4 DEVELOPMENT OF BUSINESS

We have taken the following steps to develop our business: (1) since incorporation, searching for desirable mineral properties, negotiating the Property Option Agreement and, on January 20, 2020, signing the Property Option Agreement with the Property Owner; (2) recruited directors and officers with the skills required to operate a mineral exploration company; (3) raised an aggregate of \$296,300 through the sale of our Shares, (4) undertook preliminary exploration work on the Property (\$53,000) and (5) commissioned the Report.

### *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:

<b><u>Date</u></b>	<b><u>Shares</u></b>	<b><u>Cash Payments</u></b>	<b><u>Expenditures<sup>(1)</sup></u></b>
On Signing		\$10	
Listing Date	100,000	\$10	
September 30, 2020			\$53,000 <sup>(2)</sup> (Spent)
1 <sup>st</sup> Anniversary of Listing Date	100,000		\$75,000
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>\$315,000</b>	<b>\$600,000</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 is 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.

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.

## 2.5 LONG TERM OBJECTIVES

We intend to complete the exploration program set out in the Report. We intend, if the results are encouraging, to then seek a further technical report and a more advanced exploration program and carry out that work program, contingent on positive results from the first exploration program. Our objective is to exercise the Option on the Property. In the event that we are able to bring the Property to the development stage, we intend to be the operator of the Property.

If we exercise of the option to acquire 100% of the Property, we will further the exploration and development of the Property.

## 2.6 SHORT TERM OBJECTIVES AND HOW WE INTEND TO ACHIEVE THEM

Our short-term goals over the next 12 months are as follows:

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 completion of the Offering is to undertake the recommended exploration program described in the section of this Offering Memorandum entitled "Narrative Description of the Business". Upon completion of the Offering, the Issuer plans to complete the recommended exploration program at a cost of CDN \$101,800 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.

The following table discloses how we intend to meet our objectives for the next 12 months:

<b>What we must do and how we will do it</b>	<b>Target completion date or, if not known, number of months to complete</b>	<b>Our cost to complete (\$)</b>
Digitize historical data	May 2021	\$5,500
VLF & Mag	July 2021	\$19,300
Geological survey	July 2021	\$12,500
IP Survey	July 2021	\$40,000
Engineering and Report	September 2021	\$12,000
Engineering	September 2021	\$5,000
Contingencies	September 2021	\$7,500
Exercise of Option, if warranted <sup>(1)</sup>	November 2021	\$300,020

- (1) The exercise of the Option is contingent on positive results being obtained from the recommended exploration program, as described in the Report. Should the results of the recommended exploration program described in the Report not justify undertaking continued exploration, it is anticipated that we will seek alternative mineral property interests to explore and develop. No such alternative

properties have been identified, and there is no assurance any suitable mineral property will be located on terms acceptable to us, or at all.

## 2.7 INSUFFICIENT FUNDS

The funds available as a result of the Offering will not be sufficient to accomplish all of our proposed objectives. There is no assurance that alternative financing will be available.

## 2.8 MATERIAL AGREEMENTS

Except for contracts made in the ordinary course of business, the following are the only material contracts entered into by us, or which affect us, since incorporation on January 19, 2020:

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. NI 46-201 Escrow Agreement between the Issuer, the principals of the Issuer and Odyssey Trust Company, to be executed in August 2020.

## ITEM 3: INTERESTS OF DIRECTORS, MANAGEMENT, PROMOTERS AND PRINCIPAL HOLDERS

### 3.1 COMPENSATION AND SECURITIES HELD

The following table discloses information about each of our directors, officers and promoters and each person who, as of the date of this Offering Memorandum, directly or indirectly, beneficially owns or controls 10% or more of any class of our voting securities:

Name and Municipality of Principal Residence	Positions Held and Date of Obtaining Position	Principal Occupation For Past Five Years	Compensation paid by Issuer or related party in the most recently completed financial year and the compensation anticipated to be paid in the current financial year	Number of Securities and Percentage <sup>(3)</sup> Beneficially Owned or controlled directly or indirectly, as of the date of this Offering Memorandum	Number of Securities and Percentage <sup>(4)</sup> Beneficially Owned or controlled directly or indirectly, on completion of the Offering
--	---	--	--	--	---

Name and Municipality of Principal Residence	Positions Held and Date of Obtaining Position	Principal Occupation For Past Five Years	Compensation paid by Issuer or related party in the most recently completed financial year and the compensation anticipated to be paid in the current financial year	Number of Securities and Percentage <sup>(3)</sup> Beneficially Owned or controlled directly or indirectly, as of the date of this Offering Memorandum	Number of Securities and Percentage <sup>(4)</sup> Beneficially Owned or controlled directly or indirectly, on completion of the Offering
<b>Howard Milne</b> <sup>(1) (2)</sup>  <i>British Columbia, Canada</i>	President, CEO and Director  January 18, 2020	Principal, HDM Capital Inc., a private management company. CEO and director of Freeman Gold Corp. from October 2018 to May 2020; Vice President Business Development of Edison Cobalt Corp. from December 2016 to September 2019; formerly President of Edison from November 2014 to January 2017	Nil  Effective upon the listing of the Common Shares on the CSE, the Issuer has agreed to pay \$2,000 per month with a \$100 per month allowance for all telecommunications and internet expenses	1,000,000 Common Shares (12.10%)	1,000,000 Common Shares (8.80%)
<b>Steve Mathiesen</b> <sup>(2)</sup>  <i>British Columbia, Canada</i>	CFO, Corporate Secretary and Director  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; CFO and a director of Freeman Gold Corp from October 2018 to June 2020; 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.	Nil  Effective upon the listing of the Common Shares on the CSE, the Issuer has agreed to pay \$2,000 per month with a \$100 per month allowance for all telecommunications and internet expenses	2,150,000 Common Shares (26.01%)  150,000 warrants	2,150,000 Common Shares (19.08%)  150,000 warrants

Name and Municipality of Principal Residence	Positions Held and Date of Obtaining Position	Principal Occupation For Past Five Years	Compensation paid by Issuer or related party in the most recently completed financial year and the compensation anticipated to be paid in the current financial year	Number of Securities and Percentage <sup>(3)</sup> Beneficially Owned or controlled directly or indirectly, as of the date of this Offering Memorandum	Number of Securities and Percentage <sup>(4)</sup> Beneficially Owned or controlled directly or indirectly, on completion of the Offering
<b>James Place<sup>(1)(2)</sup></b>  <i>British Columbia, Canada</i>	Director  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. President, CEO from February 2018 to November 2019 and a director of Belmont Resources Inc. from February 2018 to present;	Nil  Nil	240,000 Common Shares (2.90%)	240,000 Common Shares (2.13%)
<b>Daren Hermiston<sup>(1)</sup></b>  <i>British Columbia, Canada</i>	Director  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.	Nil  Nil	Nil	N/A

**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 8,266,000 Common Shares issued and outstanding as of the date hereof.
- (4) Percentage is based on 11,266,000 Common Shares issued and outstanding after giving effect to the Offering, excluding the 100,000 Common Shares to be issued pursuant to the Bertha Property Option Agreement and assuming that the Agent’s Options and the 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.

### 3.2 MANAGEMENT EXPERIENCE

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 and Director of Edison Cobalt Corp. to September 2019.

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 70, 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 or an officer of 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.

### **3.3 PENALTIES, SANCTIONS AND BANKRUPTCY**

#### **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.

### **3.4 LOANS**

There are no debentures or loans, between us and our directors, management, promoters, or principal holders.

## **ITEM 4: CAPITAL STRUCTURE**

### **4.1 SHARE CAPITAL**

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 unaudited financial statements for the period ended June 30, 2020.

Description of Security	Number Authorized to be Issued	Price per Security	Number Outstanding as of June 30, 2020	Number Outstanding as of the Date of this Offering Memorandum	Number Outstanding After Giving Effect to the Offering <sup>(1)(2)</sup>
Common Shares	Unlimited	No par value	\$314,300 (8,266,000 Common Shares)	\$314,300 (8,266,000 Common Shares)	\$514,300 (11,266,000 Common Shares)
Long-term Debt	N/A	No par value	Nil	Nil	Nil

**Notes:**

- (1) Excluding the Common Shares that may be issued upon exercise of the Finder's Warrants to be issued pursuant to the Offering.
- (2) Before deducting the balance of the expenses of the Offering (estimated to be \$6,500).

The following table sets out the share capital of the Issuer on a fully diluted basis after giving effect to this Offering:

	Offering	
	Number of Common Shares	Percentage of Common Shares (%)
Common Shares issued and outstanding prior to completion of this Offering <sup>(1)</sup>	8,266,000	51.21%
Common Shares to be issued pursuant to the Bertha Property Option Agreement	100,000	0.62%
Common Shares issued under this Offering	800,000	4.96%
Common Shares to be issued under the Concurrent Offering	2,200,000	13.63%
Common Shares reserved for issuance pursuant to the Finder's Warrants (estimated)	50,000	0.31%
Common Shares reserved for issuance on exercise of share purchase warrants	4,000,000	24.78%
Common Shares reserved for issuance under the Stock Option Plan	725,000	4.49%
Total:	16,141,000	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".

Assuming that this Offering is completed hereunder and 800,000 Common Shares are purchased pursuant to this Offering, then together with the concurrent non-brokered private placement completed with 2,200,000 Common Shares,, there will be 11,266,000 Common Shares issued and outstanding. The fully diluted number of Common Shares issued and outstanding will then be 16,141,000, which accounts for the issuance of Common Shares pursuant to the Bertha Property Option Agreement (100,000), the Common Shares issuable upon the exercise of the estimated Finder's Warrants (50,000), the Common Shares issuable upon exercise of the share purchase warrants (4,000,000) and the 725,000 Common Shares issuable upon the exercise of issued and outstanding (725,000) stock options granted under the Stock Option Plan.

## **4.2 LONG TERM DEBT SECURITIES**

We have not issued any long-term debt securities.

## **4.3 PRIOR SALES**

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

- 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 for each share for proceeds of \$200,000, with unit consisting of one Common Share and one share purchase warrant exercisable at \$0.10 each for 18 months following the Issuer being listed on the CSE.

# **ITEM 5: SECURITIES OFFERED**

## **5.1 TERMS OF SECURITIES**

### **Common Shares**

As of the date of this Offering Memorandum, 8,266,000 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.

Subscriptions for the Common Shares will be payable in cash against delivery of the share certificates representing the Common Shares. Subscriptions for Common Shares will be received subject to rejection

or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice.

### **Warrants**

As of the date of this Offering Memorandum, there are 4,000,000 share purchase warrants issued and outstanding, with each warrant exercisable at \$0.10 each for 18 months following the Issuer being listed on the CSE.

### **Options**

The Issuer adopted the Stock Option Plan on March 16, 2020 and issued options for 725,000 shares exercisable at \$0.10 each up to November 30, 2023 (650,000) and July 6, 2025. It intends to present the stock option plan to the shareholders at its next annual general meeting for continuing approval. See “Options to Purchase Securities”.

## **5.2 SUBSCRIPTION PROCEDURE**

A purchaser can subscribe for the securities being offered by completing the attached Subscription Agreement and Risk Acknowledgment Form and paying the subscription proceeds to the Issuer using a method of payment described above in this Offering Memorandum. Subscription proceeds must be paid to the Company by wire transfer, e-transfer, direct deposit or cheque. .

## **ITEM 6: INCOME TAX CONSEQUENCES AND RRSP ELIGIBILITY**

- 1.1 You should consult your own professional advisers to obtain advice on the income tax consequences that apply to you.

Not all securities are eligible for investment in a registered retirement savings plan (RRSP). You should consult your own professional advisers to obtain advice on the RRSP eligibility of these securities.

## **ITEM 7: COMPENSATION PAID TO SELLERS AND FINDERS**

We may pay finder’s fees to qualified finders in connection with this Offering. The finder’s fee is expected to be 7% paid in Finder’s Warrants for those Subscribers introduced by the finder. Each Finder’s Warrant is exercisable at \$0.10 each for 18 months following the Common Shares of the Issuer being listed and posted for trading on a recognized stock exchange in Canada. The following table sets out the finder’s fees that the Issuer expects to pay in connection with this Offering:

<b>Finder’s Fee</b>	<b>7%</b>
Estimated amounts for Subscribers introduced (\$71,500)	50,000 Finder’s Warrants

## ITEM 8: RISK FACTORS

*An investment in the securities offered hereunder should be considered highly speculative due to the nature of our business and the present stage of development. An investment in the securities should only be made by knowledgeable and sophisticated investors who are willing to risk and can afford the loss of their entire investment. Prospective investors should consult with their professional advisors to assess an investment in the Issuer. In evaluating us and our business, investors should carefully consider, in addition to the other information contained in this Offering Memorandum, 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 our operations.*

### 8.1 INVESTMENT RISKS

#### **High Risk, Speculative Nature of Investment**

An investment in the Common Shares carries a high degree of risk and should be considered speculative by purchasers. We have no history of earnings, have limited cash reserves, a limited business history, have not paid dividends, and are unlikely to pay dividends in the immediate or near future. We are in the “start-up” phase of our business. Our operations are not sufficiently established such that we can mitigate the risks associated with our planned activities.

#### **Dilution of Shareholdings**

Purchasers of the Special Warrants offered hereby will experience an immediate dilution in the net tangible book value of the Special Warrants from the Offering Price of this Offering.

#### **No Established Market**

There is currently no market through which our securities may be sold and purchasers may not be able to resell the Common Shares purchased under this Offering Memorandum. Even if a market develops, there is no assurance that the price of the Common Shares offered under this Offering Memorandum, will reflect the market price of the Common Shares once a market has developed. There is no assurance that the Company will ever list or that a market will ever develop.

#### **Limited Operating History**

We have no history of earnings. There are no known commercial quantities of mineral reserves on the Property. The purpose of the Offering is to raise funds to carry out exploration and, if thought appropriate, development with the objective of establishing economic quantities of mineral reserves. There is no guarantee that economic quantities of mineral reserves will be discovered on any properties optioned by the Issuer in the near future or at all. If we do not generate revenue, we may be unable to sustain our operation in which case we may become insolvent and investors may lose their investment.

#### **Liquidity Concerns and Future Financing Requirements**

We have no source of operating revenue. It is likely we will operate at a loss until we are able to put a mineral property into production. We may require additional financing in order to fund our businesses or business expansion. Our ability to arrange such financing in the future will depend in part upon prevailing capital market conditions, as well as our business success. There can be no assurance that we will be successful in our efforts to arrange additional financing on terms satisfactory to us, or at all. If additional financing is raised by the issuance of Common Shares from treasury, control of the Issuer may change,

and shareholders may suffer additional dilution. If adequate funds are not available, or are not available on acceptable terms, we may not be able to operate our businesses at their maximum potential, to expand, to take advantage of other opportunities, or otherwise remain in business.

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

Although we have set out our intended use of proceeds from this Offering, the same are estimates only and subject to change. While management does not contemplate any material variation, management does retain broad discretion in the application of such proceeds. See “*Forward Looking Statements*” for more details.

### **Prospect of Dividends**

We do not anticipate that any dividends will be paid on our Common Shares in the foreseeable future. As such, investors may not realize a return on their investment.

### **No Regulatory Authority Review**

Purchasers of the Special Warrants will not have the benefit of a review of this Offering Memorandum by any regulatory authority.

## **8.2 ISSUER RISKS**

### **Option to Acquire the Project**

We do not own an interest in the Property at this time. Rather, we hold an option to acquire up to a 100% interest in the Property, and as such there is the risk that we (i) will be unable to exercise the option due to lack of funds; (ii) will be unwilling to exercise the option if to do so would be considered not in the best interests of the Issuer at that time; or (iii) will otherwise be in breach of the Property Option Agreement; which in each case could result in the complete loss of any interest in the Project. Failure to exercise the option may have a material adverse effect on our business.

### **Substantial Capital Expenditures Required**

Substantial expenditures are required to establish ore reserves through drilling, to develop metallurgical processes to extract metal from the ore and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that the funds required for development can be obtained on a timely basis. The discovery of mineral deposits is dependent upon a number of factors. The commercial viability of a mineral deposit once discovered is also dependent upon a number of factors, some of which relate to particular attributes of the deposit, such as size, grade and proximity to infrastructure, and some of which are more general factors such as metal prices and government regulations, including environmental protection. Most of these factors are beyond our control. In addition, because of these risks, there is no certainty that the expenditures to be made by us on the exploration of our Property as described herein will result in the discovery of commercial quantities of ore.

## **Management Experience**

Our success is currently largely dependent on the performance of our directors and officers. Our management team has experience in resource exploration and business. The experience of these individuals is a factor that will contribute to our continued success and growth. We will initially be relying on our board members, as well as independent consultants, for certain aspects of our business. The amount of time and expertise expended on our affairs by each of our management team and our directors will vary according to our needs. We do not intend to acquire any key man insurance policies and there is, therefore, a risk that the death or departure of any member of management, our board, or any key employee or consultant, could have a material adverse effect on our future. Investors who are not prepared to rely on our management team should not invest in our securities.

## **Future Acquisitions**

With the net proceeds from the Offering, we will have sufficient financial resources to undertake the surface program on the Property recommended in the Report. Upon the successful completion of this work, we may not have sufficient financial resources to complete further work. There is no assurance that we will be successful in obtaining the required financing or that such financing will be available on terms acceptable to us. Any future financing may also be dilutive to our existing shareholders.

## **Negative Cash Flow**

We have a limited history of operations, and no history of earnings, cash flow or profitability. We have had negative operating cash flow since our date of incorporation, and we will continue to have negative operating cash flow for the foreseeable future. The Property is at the early exploration stage only. We have no source of operating cash flow and no assurance that additional funding will be available for further exploration and development of the Property when required. No assurance can be given that we will ever attain positive cash flow or profitability.

## **No Estimates of Mineral Deposits**

There is no assurance that any estimates of mineral deposits or resources will materialize.

No assurance can be given that if mineralization is ever identified on the Property, it will be developed into a coherent mineralization deposit, or that such deposit will even qualify as a commercially viable and mineable ore body that can be legally and economically exploited. Estimates regarding mineralized deposits can also be affected by many factors such as permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. In addition, the grades and tonnages of ore ultimately mined may differ from that indicated by drilling results and other exploration and development work. There can be no assurance that test work and results conducted and recovered in small-scale laboratory tests will be duplicated in large-scale tests under on-site conditions. Material changes in mineralized tonnages, grades, dilution and stripping ratios or recovery rates may affect the economic viability of projects. The existence of mineralization or mineralized deposits should not be interpreted as assurances of the future delineation of ore reserves or the profitability of any future operations.

## **No Commercial Ore Deposits**

The Property is in the exploration stage only and is without a known body of commercial ore. Development of the Property would follow only if favourable exploration results are obtained. The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines.

## 8.3 INDUSTRY RISKS

### **Speculative Nature of Mineral Exploration**

Resource exploration is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by us may be affected by numerous factors which are beyond our control and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection, the combination of which factors may result in us not receiving an adequate return of investment capital. There is no assurance that our mineral exploration activities will result in any discoveries of commercial bodies of ore. The long-term profitability of our operations will in part be directly related to the costs and success of our exploration programs, which may be affected by a number of factors. Substantial expenditures are required to establish reserves through drilling and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis.

### **Fluctuating Mineral Prices**

The mining industry is heavily dependent upon the market price of the metals or minerals being mined or explored for. There is no assurance that, even if commercial quantities of mineral resources are discovered, a profitable market will exist for their sale. There can be no assurance that mineral prices will be such that our properties can be mined at a profit. Factors beyond our control may affect the marketability of any minerals discovered. The prices of base and precious metals have experienced volatile and significant price movements over short periods of time, and are affected by numerous factors beyond our control. The market price of metals and minerals is volatile and beyond our control. Metal prices have fluctuated widely, particularly in recent years. If the price of gold should drop significantly, the economic prospects for the Project could be significantly reduced or rendered uneconomic. There is no assurance that, a profitable market may exist for the sale of products, including concentrates from the Project. Factors beyond our control may affect the marketability of minerals or concentrates produced, including quality issues, impurities, deleterious elements, government regulations, royalties, allowable production and regulations regarding the importing and exporting of minerals, the effect of which cannot be accurately predicted.

Fluctuations in base and precious metal prices may adversely affect our financial performance and results of operations. Further, if the market price of applicable metals falls or remains depressed, we may experience losses or asset write-downs and may curtail or suspend some or all of our exploration, development and mining activities.

### **Exploration and Development**

The Property is in the exploration stage and is without a known body of commercial ore and requires extensive expenditures during this exploration stage. See “*Description of Mineral Property*”. Mineral exploration and development involves a high degree of risk which even a combination of experience, knowledge and careful evaluation may not be able to mitigate. The vast majority of properties which are explored are not ultimately developed into producing mines. There is no assurance that our mineral exploration and development activities will result in any discoveries of commercial bodies of ore. The long-term profitability of our operations will be in part directly related to the cost and success of our exploration programs, which may be affected by a number of factors.

We only control a portion of the surface rights over the claims which comprise the Property. In the event that a significant mineralized zone is identified, detailed environmental impact studies will need to be completed prior to initiation of any advanced exploration or mining activities. There is no guarantee that areas for potential mine waste disposal, heap leach pads, or areas for processing plants will be available within the Property or on the currently controlled surface rights.

## **Operating Hazards and Risks**

Mineral exploration and development involves risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Operations in which we have a direct or indirect interest will be subject to hazards and risks normally incidental to exploration, development and production of minerals, any of which could result in work stoppages, damage to or destruction of property, loss of life and environmental damage. We do not currently carry any liability insurance for such risks, electing instead to ensure our contractors have adequate insurance coverage. The nature of these risks is such that liabilities might exceed any insurance policy limits, the liabilities and hazards might not be insurable or we might not elect to insure ourselves against such liabilities due to high premium costs or other factors. Such liabilities may have a materially adverse effect upon our financial condition.

## **Competition**

The mining industry is intensely and increasingly competitive, and we compete for exploration and exploitation properties with many companies possessing greater financial resources and technical facilities than we do. Competition in the mining business could adversely affect our ability to acquire suitable producing properties or prospects for mineral exploration in the future.

## **Title Matters**

To the best of our knowledge, title to the claims comprising the Property is in good standing but there is no guarantee that title to such claims will not be challenged or impugned. The Property may be subject to prior unregistered agreements of transfer or aboriginal land claims, and title may be affected by undetected defects.

## **Environmental Risks and Other Regulatory Requirements**

Our current or future operations, including exploration or development activities and commencement of production on our properties require permits from various federal and local governmental authorities, and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. Companies engaged in the development and operation of mines and related facilities generally experience increased costs and delays in production and other schedules as a result of the need to comply with the applicable laws, regulations and permits. There can be no assurance that all permits which we may require for the construction of mining facilities and conduct of mining operations will be obtainable on reasonable terms or that such laws and regulations would not have an adverse effect on any mining project which we 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 mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed upon them for violation of applicable laws or regulations.

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

### **Industry Regulation**

We currently operate our business in a regulated industry. There can be no assurances that we may not be negatively affected by changes in the applicable legislation, or by any decisions or orders of any governmental or administrative body or applicable regulatory authority.

### **Uninsured or Uninsurable Risks**

We may become subject to liability for cave-ins, pollution or other hazards against which we cannot insure or against which we may elect not to insure because of high premium costs or for other reasons. The payment of any such liabilities would reduce or eliminate the funds available for exploration and mining activities. Payments of liabilities for which we do not carry insurance may have a material adverse effect on our financial position.

## **ITEM 9: REPORTING OBLIGATIONS**

**We are not required to send you any documents on an annual or ongoing basis.**

We are not a “reporting issuer” as defined in the applicable securities legislation and the continuous reporting requirements of those statutes do not generally apply to us.

## **ITEM 10: RESALE RESTRICTIONS**

- 1.2 For trades in Alberta, British Columbia, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Ontario, Prince Edward Island, Québec, Saskatchewan and Yukon:

The Common Shares will be subject to a number of resale restrictions, including a restriction on trading. Until the restriction on trading expires, you will not be able to trade the Common Shares unless you comply with an exemption from the prospectus and registration requirements under Securities legislation.

- 1.3 **Restricted Period** – For trades in Alberta, British Columbia, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Ontario, Prince Edward Island, Québec, Saskatchewan and Yukon, the certificates representing the Common Shares will be subject to and bear a restrictive legend in substantially the following form:

*Unless permitted under securities legislation, you cannot trade the Common Shares before the date that is 4 months and a day after the date Baden Resources Inc. becomes a reporting issuer in any province or territory of Canada.*

## ITEM 11: PURCHASER'S RIGHTS

If you purchase these securities you will have certain rights, some of which are described below. For information about your rights you should consult a lawyer.

- (1) **Two Day Cancellation Right** – You can cancel your agreement to purchase these securities. To do so, you must send a notice to us by midnight on the 2nd business day after you sign the agreement to buy the securities.
- (2) **Statutory Rights of Action in the Event of a Misrepresentation** – If there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue us, each of our directors as of the Date of this Offering Memorandum and every person or company who signed this Offering Memorandum:
  - (a) to cancel your agreement to buy these securities and return the amount you paid for the securities in the Offering (“**Rescission**”), or
  - (b) for damages against us.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, your damages will be limited to the amount you paid for the securities in the Offering.

There are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action for Rescission within 180 days after you signed the subscription agreement. In the case of any other action, you must commence your action on or before the earlier of 180 days after learning of the misrepresentation and three years after you signed the subscription agreement.

If you sue for damages, the amount you may recover will not exceed the price that you paid for your securities and will not include any part of the damages that we prove does not represent the depreciation in value of the securities resulting from the misrepresentation.

**ITEM 12: FINANCIAL STATEMENTS**

**BADEN RESOURCES INC.**

**FINANCIAL STATEMENTS**  
**(Expressed in Canadian dollars)**

**FOR THE PERIOD ENDED JUNE 30, 2020**

**NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

The accompanying unaudited interim financial statements of the Company and all information contained in the report have been prepared by and are the responsibility of the Company's management. The Board of Directors has reviewed the condensed interim financial statements and related financial reporting matters.

The Company's independent auditor has not performed a review of these condensed interim financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of condensed interim financial statements by an entity's auditor.

**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>		
Accounts payable and accrued liabilities	4	9,010
<b>Total liabilities</b>		<b>9,010</b>
<b>Shareholders' equity</b>		
Share capital	6	314,300
Reserves	6	21,019
Deficit		(32,019)
<b>Total shareholders' equity</b>		<b>303,300</b>
<b>Total liabilities and shareholders' equity</b>		<b>312,310</b>

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

**These financial statements were approved by the Board of Directors on July 22, 2020:**

*"Steve Mathiesen"*  


---

*Steve Mathiesen, Director*

*"Howard Milne"*  


---

*Howard Milne, Director*

The accompanying notes are an integral part of these audited 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		10,500
Share-based compensation	6	21,019
<b>Loss and comprehensive loss</b>		<b>(32,019)</b>
<b>Loss per share – basic and diluted</b>		<b>(0.00)</b>
<b>Weighted average number of common shares outstanding</b>		<b>3,377,951</b>

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

**BADEN RESOURCES INC.**  
Statement of Changes in Shareholders' Equity  
(Expressed in Canadian Dollars)

	Note	Number of Shares	Share Capital	Reserves	Deficit	Total Equity
			\$	\$	\$	\$
Issuance of common shares at \$0.005	6	2,200,000	11,000	-	-	11,000
Issuance of common shares at \$0.05	6	2,066,000	103,300	-	-	103,300
Issuance of common shares at \$0.05	6	4,000,000	200,000	-	-	200,000
Share-based compensation	6	-	-	21,019	-	21,019
Loss and comprehensive loss		-	-	-	(32,019)	(32,019)
<b>June 30, 2020</b>		<b>8,266,000</b>	<b>314,300</b>	<b>21,019</b>	<b>(32,019)</b>	<b>303,300</b>

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

<b>Note</b>	<b>Period from incorporation on January 19, 2020 to June 30, 2020</b>
	\$
Cash flows used in operating activities:	
Net and comprehensive loss	(32,019)
Adjustments for:	
Share-based compensation	21,019
Changes in non-cash working capital items:	
GST receivable	(2,322)
Prepaid expenses	(10,000)
Accounts payable and accrued liabilities	9,010
Net cash used in operating activities	(14,312)
Financing activities	
Proceeds from issuance of shares, net	314,300
Net cash provided by financing activities	314,300
Investing activities	
Exploration and evaluation assets	(57,960)
Net cash used in investing activities	(57,960)
Increase in cash	242,028
Cash, beginning	-
Cash, ending	242,028

## 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 in the business of exploration of mineral properties. 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 \$32,019. The continuing operations of the Company are dependent upon its ability to develop a viable business and to attain profitable operations and generate funds there from. 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 July 22, 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.

## 2. 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.

#### **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.

##### *New standard IFRS 16 "Leases"*

This new standard replaces IAS 17 "Leases" and the related interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting is not substantially changed. The standard is effective for annual periods beginning on or after January 1, 2019. The Company has assessed that the standard will have no impact on the consolidated financial statements as the Company has no right of use assets.

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. EXPORATION AND EVALUATION ASSET**

The Company entered into an Option Agreement ("Option") dated January 20, 2020 with an arms-length party 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:

### 3. EXPLORATION AND EVALUATION ASSET (continued)

<b>Date</b>	<b>Number of Shares</b>	<b>Cash Payments</b>	<b>Minimal 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 on the property.

A continuity of the Company’s exploration and evaluation assets is as follows:

	<b>June 30, 2020</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. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<b>June 30, 2020</b>
	\$
Accrued liabilities	<b>1,510</b>
	<b>1,510</b>

## 5. 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.**

## 6. 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 gross proceeds of \$11,000.

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.

On June 29, 2020, the Company issued 4,000,000 common shares at \$0.05 per share for gross cash proceeds of \$200,000, of which 150,000 were issued to directors. The Company also issued 4,000,000 warrants at \$0.10 per warrant for a period of 18 months from date the common shares are listed on the Exchange.

### *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.

## 6. SHARE CAPITAL (continued)

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:

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

## 7. 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.

## 8. 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.

## 8. FINANCIAL INSTRUMENTS (continued)

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.

## 9. INCOME TAXES

A reconciliation of the Company's expected income tax recovery to actual income tax recovery is as follows:

	<b>Period from incorporation on January 19, 2020 to June 30, 2020</b>
	\$
Loss before income taxes	(32,019)
Statutory income tax rates	27%
Computed income tax recovery	(8,645)
Non-deductible expenditures	-
Share issue costs	-
Tax benefits on losses not recognized	8,645
Income tax recovery	-

9. INCOME TAXES (continued)

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	8,645
Share issuance costs	-
	8,645
Unrecognized deferred tax assets	(8,645)
	-

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.

**DATE AND CERTIFICATE**

Dated July 22, 2020

This Offering Memorandum does not contain a misrepresentation.

/s/ Howard Milne  
**Howard Milne**  
Chief Executive Officer and Director

/s/ Steve Mathiesen  
**Steve Mathiesen**  
Chief Financial Officer, Corporate Secretary, and  
Director

/s/ James Place  
**James Place**  
Director

/s/ Daren Hermiston  
**Daren Hermiston**  
Director