

**JESSY VENTURES CORP.**

**FILING STATEMENT**

***IN RESPECT OF THE QUALIFYING TRANSACTION PURSUANT TO POLICY 2.4 OF  
THE TSX VENTURE EXCHANGE***

Dated as of November 9, 2022

*Neither the TSX Venture Exchange Inc. nor any securities regulatory authority has in any way passed upon the merits of the Proposed Qualifying Transaction described in this Filing Statement.*

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EXHIBIT B –	MANAGEMENT’S DISCUSSION AND ANALYSIS OF JESSY VENTURES CORP.
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## FORWARD LOOKING STATEMENTS

This Filing Statement contains forward-looking statements concerning the future results, future performance, intentions, objectives, plans and expectations of the Corporation and the Resulting Issuer. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects” or “does not expect”, “is expected”, “estimates”, “intends”, “anticipates”, or “does not anticipate”, or “believes”, or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might”, or “will” be taken, occur or be achieved. Forward-looking statements include known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Corporation or the Resulting Issuer to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Examples of such statements include: the intention to complete the Proposed Qualifying Transaction; obtaining TSXV approval for listing of the Resulting Issuer Common Shares to be issued; the description of the Resulting Issuer that assumes Completion of the Proposed Qualifying Transaction; the intention to grow the business and operations of the Resulting Issuer; the proposed expenditures for exploration on the Property; the completion and timing of the proposed exploration program on the Property; the Resulting Issuer’s anticipated cash needs and its need for additional financing; the anticipated trends and challenges in the markets in which the Resulting Issuer will operate. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this Filing Statement. Such forward-looking statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to: the ability of the Resulting Issuer to obtain necessary financing; the satisfaction of the conditions under the Option Agreement; the satisfaction of the requirements of the TSXV with respect to the Proposed Qualifying Transaction; the ability to make future acquisitions; the availability and cost of labour and services; the costs of exploration activities will not deviate significantly from recent trends; the Resulting Issuer will be able to retain key personnel; that exploration timetables and capital costs for the Resulting Issuer’s exploration plans are not incorrectly estimated or affected by unforeseen circumstances or adverse weather or climate conditions; general business and economic conditions will be consistent with recent trends; the availability and final receipt of required approvals, licenses and permits; sufficient working capital; the Resulting Issuer’s anticipated financial performance following Completion of the Proposed Qualifying Transaction; the success of the Resulting Issuer’s operations; that the Resulting Issuer maintains its ongoing relations with its business partners and governmental authorities; the future operations of the Resulting Issuer on its properties; and the effects of COVID-19 on the global economy and the ability of the Resulting Issuer to secure adequate staff and equipment for the operations of the Resulting Issuer as well as a safe environment that follows recommended COVID-19 safety protocols; stock market volatility and market valuations; the economy generally; competition; and anticipated and unanticipated costs. Forward-looking statements are not guarantees of future performance. These forward-looking statements should not be relied upon as representing the views of the Corporation as of any date subsequent to the date of this Filing Statement. Although the Corporation has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The factors identified above are not intended to represent a complete list of the factors that could affect the Corporation or the Resulting Issuer. Additional factors are noted under the heading “*Part III - Information Concerning the Resulting Issuer – Risk Factors*”.

Furthermore, the pro forma information set forth in this Filing Statement should not be interpreted as indicative of financial position had the Corporation operated as a post-closing entity as at or for the periods presented, and such information does not purport to project the Resulting Issuer’s financial position at any future time. As such, undue reliance should not be placed on such pro forma information.

The forward-looking statements contained in this Filing Statement are expressly qualified in their entirety by this cautionary statement and by the risk factors described in this Filing Statement under the heading “*Part III - Information Concerning the Resulting Issuer – Risk Factors*”. The forward-looking statements included in this Filing Statement are made as of the date of this Filing Statement and the Corporation does not undertake any obligation to publicly update such forward-looking statements to reflect new information, subsequent events or otherwise, except as required by applicable Securities Laws.

## SCIENTIFIC AND TECHNICAL INFORMATION

Scientific and technical information relating to the Property contained in this Filing Statement is derived from, and in some instances extracted from, and based on the assumptions, qualifications and procedures set out in, the Technical Report. Richard Kemp, P. Geo. and Ken MacDonald, P. Geo., reviewed and approved the scientific and technical information relating to the Property contained in this Filing Statement and both are “qualified persons” and “independent” of the Corporation and the Optionor within the meaning ascribed to those terms under NI 43-101. Reference should be made to the full text of the Technical Report, a copy of which has been filed and is available for review under Corporation’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).

## GLOSSARY OF TERMS

The following is a glossary of certain terms used in this Filing Statement including the Summary hereof. Terms and abbreviations used in the financial statements attached as appendices to this Filing Statement are defined separately and the terms and abbreviations defined below are not used therein, except where otherwise indicated. Words importing the singular, where the context requires, include the plural and vice versa and words importing any gender include all genders.

“**Affiliate**” means a company that is affiliated with another company as described below:

A company is an “Affiliate” of another company if:

- (a) one of them is the subsidiary of the other, or
- (b) each of them is controlled by the same person.

A company is “controlled” by a person if:

- (a) voting securities of the company are held, other than by way of security only, by or for the benefit of that person, and
- (b) the voting securities, if voted, entitle the person to elect a majority of the directors of the company.

A person beneficially owns securities that are beneficially owned by:

- (c) a company controlled by that person, or
- (d) an Affiliate of that person or an Affiliate of any company controlled by that person;

“**Associate**” when used to indicate a relationship with a person, means:

- (a) an Issuer of which the person beneficially owns or controls, directly or indirectly, voting securities entitling the person to more than 10% of the voting rights attached to all outstanding voting securities of the Issuer;
- (b) any partner of the person;
- (c) any trust or estate in which the person has a substantial beneficial interest or in respect of which the person serves as trustee or in a similar capacity; and
- (d) in the case of a person who is an individual
  - (i) that person’s spouse or child, or
  - (ii) any relative of that person or of his spouse who has the same residence as that person; but
- (e) but where the TSXV determines that two persons shall, or shall not, be deemed to be associates with respect to a Member firm, Member corporation or holding Company of a Member corporation, then such determination shall be determinative of their relationships in the application of Rule D.1.00 of the TSX Venture Exchange Rule Book and Policies with respect to that Member firm, Member corporation or holding company.

“**authors**” means Richard Kemp P.Geo., and Ken MacDonald, P.Geo., the authors of the Technical Report who are “Qualified Persons” within the meaning of NI 43-101 and not a Non-Arm’s Length Party to the Corporation and the Optionor;

“**BCBCA**” means the *Business Corporations Act* (British Columbia), including the regulations promulgated thereunder, as amended;

“**Board**” or “**Board of Directors**” means the board of directors of the Corporation;

“**Completion of the Proposed Qualifying Transaction**” means the final Exchange approval of the Option Agreement as confirmed by the Final Exchange Bulletin;

“**Control Person**” means any person or company that holds or is one of a combination of persons or companies that holds a sufficient number of any of the securities of an Issuer so as to affect materially the control of that Issuer, or that holds more than 20% of the outstanding voting securities of an Issuer except where there is evidence showing that the holder of those securities does not materially affect the control of the Issuer;

“**Corporation**” means Jessy Ventures Corp. or the Resulting Issuer, as applicable;

“**CPC**” means a corporation or trust:

- (a) that has filed and obtained a receipt for a preliminary CPC prospectus from one or more of the securities regulatory authorities in compliance with the CPC Policy; and
- (b) in regard to which the Final Exchange Bulletin has not yet occurred.

“**CPC Escrow Agreement**” means the escrow agreement dated October 4, 2021 among the Corporation, the Escrow Agent and certain Shareholders of the Corporation relating to the escrow of the CPC Escrow Shares;

“**CPC Escrow Shares**” means the 3,500,000 Common Shares currently held in escrow under the terms of the CPC Escrow Agreement pursuant to the policies of the TSXV;

“**CPC Policy**” means Exchange Policy 2.4 (Capital Pool Companies);

“**Escrow Agent**” means Computershare Investor Services Inc.;

“**Exchange Bulletin**” means a bulletin issued by the TSXV confirming final acceptance of a Qualifying Transaction in accordance with the CPC Policy;

“**Exchange Policy**” means the policies of the Exchange under the Exchange Corporate Finance Manual;

“**Filing Statement**” means this filing statement together with all appendices attached hereto and including the summary hereof;

“**Final Exchange Bulletin**” means the Exchange Bulletin which is issued following Completion of the Proposed Qualifying Transaction and the submission of all required documentation and that evidences the final Exchange acceptance of the Qualifying Transaction;

“**IFRS**” means International Financial Reporting Standards as issued by the International Accounting Standards Board;

“**Insider**” as used in relation to an Issuer, means:

- (a) a director or senior officer of the Issuer;
- (b) a director or senior officer of a company that is an Insider or subsidiary of the Issuer;
- (c) a person that beneficially owns or controls, directly or indirectly, voting shares carrying more than 10% of the voting rights attached to all outstanding voting shares of the Issuer; or
- (d) the Issuer itself if it holds any of its own securities;

“**IPO Prospectus**” means a disclosure document required to be prepared in connection with an initial public offering of securities and which complies with the form and content requirements of a prospectus as described in applicable Securities Laws;

“**Issuer**” means a company and its subsidiaries which have any of its securities listed for trading on the TSXV and, as the context requires, any applicant company seeking a listing of its securities on the TSXV;

“**Member**” has the meaning in Exchange Rule A 1.00;

“**Name Change**” means the change of name of the Corporation from “Jessy Ventures Corp.” to “Generation Gold Corp.”;

“**NI 43-101**” means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*, and the companion policies and forms thereto;

“**Non-Arm’s Length Party**” means: (a) in relation to a person other than an individual, a Promoter, officer, director, other Insider or Control Person of that company and any Associates or Affiliates of any such persons; and (b) in relation to an individual, any Associate of the individual or any person of which the individual is a Promoter, officer, director, Insider or Control Person;

“**Non-Arm’s Length Parties to the Qualifying Transaction**” means the Vendor(s) (as defined in the CPC Policy), any Target Company(ies) (as defined in the CPC Policy) and includes, in relation to Significant Assets or Target Company(ies), the Non-Arms’ Length Parties of the Vendor(s), the Non-Arm’s Length Parties of any Target Company(ies) and all other parties to or

associated with the Proposed Qualifying Transaction and Associates or Affiliates of all such other parties;

**“Non-Arm’s Length Qualifying Transaction”** means a proposed Qualifying Transaction where the same party or parties or their respective Associates and Affiliates are Control Persons in both the CPC and in relation to the Significant Assets which are to be the subject of the proposed Qualifying Transaction;

**“NSR”** means net smelter returns royalty;

**“Option”** means the option to acquire an undivided 60% interest in and to the Property, on the terms and conditions set out in the Option Agreement;

**“Option Agreement”** means the mineral property option agreement between the Corporation and the Optionor dated September 17, 2021, as amended December 22, 2021, March 15, 2022, May 30, 2022, August 30, 2022 and October 13, 2022 pursuant to which the Corporation holds the Option;

**“Optionor”** means Origen Resources Inc., the optionor under the Option Agreement;

**“person”** or **“persons”** includes an individual, body corporate, partnership, trust, association, syndicate or other form of unincorporated entity;

**“Preferred Shares”** means the Class B Preferred shares without par value in the capital of the Corporation prior to giving effect to the Proposed Qualifying Transaction;

**“Principal”** means:

- (a) a person who acted as a Promoter of an Issuer within two years before such Issuer’s IPO Prospectus or Exchange Bulletin;
- (b) a director or senior officer of an Issuer or any of its material operating subsidiaries at the time of the Issuer’s IPO Prospectus or Final Exchange Bulletin;
- (c) a person that holds securities carrying more than 20% of the voting rights attached to an Issuer’s outstanding securities immediately before and immediately after the Issuer’s initial public offering or immediately after the Exchange Bulletin for non-initial public offering transactions; or
- (d) a person that:
  - (i) holds securities carrying more than 10% of the voting rights attached to the Issuer’s outstanding securities immediately before and immediately after an Issuer’s initial public offering or immediately after the Exchange Bulletin for non-initial public offering transactions, and
  - (ii) has elected or appointed, or has the right to elect or appoint, one or more directors or senior officers of the Issuer or any of its material operating subsidiaries.

In calculating these percentages, include securities that may be issued to the holder under outstanding convertible securities in both the holder’s securities and the total securities outstanding.

A company more than 50% held by one or more Principals will be treated as a Principal. (In calculating this percentage, include securities of the entity that may be issued to the Principals under outstanding convertible securities in both the Principals’ securities of the entity and the total securities of the entity outstanding.) Any securities of an Issuer that this entity holds will be subject to escrow requirements.

A Principal’s spouse and any relatives of the Principal or spouse who live at the same address as the Principal will also be treated as Principals and any securities of the Issuer they hold will be subject to escrow requirements.

**“Private Placement”** means the non-brokered private placement of \$0.10 Units for gross proceeds of \$380,000;

**“Promoter”** means the definition prescribed by applicable Securities Laws;

**“Property”** or **“Arlington Property”** means the five (5) mineral claims covering approximately 1,571.65 hectares, located approximately 17 km north of Beaverdell and 67 km south of Kelowna within the Arrow Boundary District of south-central British Columbia;

**“Proposed Qualifying Transaction”** or **“Transaction”** means the grant of the Option by the Optionor to the Corporation pursuant to the Option Agreement, which is intended to constitute the Corporation’s Qualifying Transaction in accordance with the CPC Policy, as more particularly described in this Filing Statement;

**“Qualifying Transaction”** means a transaction where a CPC acquires Significant Assets other than cash, by way or purchase, amalgamation, merger or arrangement with another company or by other means;

**“Resale Restrictions”** has the meaning ascribed thereto in Section 1.2 of Exchange Policy 1.1 (Interpretation);

**“Resulting Issuer”** means the Corporation as it will exist upon Completion of the Proposed Qualifying Transaction and the Name Change;

**“Resulting Issuer Common Shares”** means the Common Shares after giving effect to the Proposed Qualifying Transaction;

**“Resulting Issuer Preferred Shares”** means the Preferred Shares after giving effect to the Proposed Qualifying Transaction;

**“Shares”** or **“Common Shares”** means the Class A Common shares without par value in the capital of the Corporation prior to giving effect to the Proposed Qualifying Transaction;

**“Securities Laws”** means securities legislation, securities regulation and securities rules, as amended, and the policies, notices, instruments and blanket orders in force from time to time that are applicable to an Issuer;

**“Shareholder”** means a holder of Common Shares;

**“Significant Assets”** means one or more assets or businesses which, when purchased, optioned or otherwise acquired by a CPC, together with any other concurrent transactions, would result in the CPC meeting the initial listing requirements of the TSXV;

**“Sponsor”** has the meaning given to it in the Sponsorship Policy;

**“Sponsorship Policy”** means Exchange Policy 2.2 (Sponsorship and Sponsorship Requirements);

**“Stock Option Plan”** means the stock option plan of the Corporation in effect as at the date of this Filing Statement;

**“Technical Report”** means the technical report dated effective January 18, 2022, revised February 2, 2022, prepared in accordance with the requirements of NI 43-101, entitled “National Instrument 43-101 Technical Report on the Arlington Project”, prepared by the authors;

**“TSXV”** or the **“Exchange”** means the TSX Venture Exchange Inc.;

**“Units”** means units of the Corporation, each comprised of one Common Share and one Warrant, to be issued in the Private Placement at a price of \$0.10 per Unit; and

**“Warrants”** means Common Share purchase warrants issued under the Private Placement, each such warrant exercisable for one Common Share at an exercise price of \$0.125 per share for three years from the date of issuance.

## SUMMARY OF FILING STATEMENT

THE FOLLOWING IS A SUMMARY OF INFORMATION RELATING TO THE CORPORATION AND THE RESULTING ISSUER (ASSUMING COMPLETION OF THE PROPOSED QUALIFYING TRANSACTION) AND SHOULD BE READ TOGETHER WITH THE MORE DETAILED INFORMATION AND FINANCIAL DATA AND STATEMENTS CONTAINED ELSEWHERE IN THIS FILING STATEMENT.

Reference is made to the Glossary of Terms for the definitions of certain abbreviations and terms used in this Filing Statement and in this summary.

### THE CORPORATION

The Corporation is a CPC which was incorporated on November 21, 2018, under the BCBCA. The Corporation's head and registered and records office is located at 228 – 1122 Mainland Street, Vancouver, British Columbia V6B 5L1. The Corporation has no subsidiaries.

The Corporation completed its IPO on October 8, 2019. In accordance with the CPC Policy, the Corporation does not own any assets other than cash and has not conducted any active business operations. Since its incorporation, the principal activities of the Corporation have consisted of the financing through its IPO, the initial listing of the Common Shares on the TSXV, the identification and evaluation of businesses and assets with a view to completing a Qualifying Transaction and, having identified and evaluated such opportunities, the negotiation of the Proposed Qualifying Transaction and efforts to implement the Proposed Qualifying Transaction. The grant of the Option pursuant to the Option Agreement is intended to be the Corporation's Qualifying Transaction.

The Corporation is a reporting issuer in British Columbia and Alberta. The Common Shares were listed for trading on the TSXV on October 8, 2019 under the symbol "SARG.P" and were immediately halted as of market open. The Common Shares resumed trading under the trading symbol "SARG.P" on October 10, 2019. The closing price per Common Share on September 16, 2021, the last day the Common Shares traded prior to the announcement of the Proposed Qualifying Transaction, was \$0.125. See "*Part I: Information Concerning the Corporation – Stock Exchange Price*".

### THE PROPOSED QUALIFYING TRANSACTION

On September 17, 2021, as amended, the Corporation entered into the arm's length Option Agreement, pursuant to which the Corporation was granted the Option to acquire from the Optionor (Origen Resources Inc.) an undivided 60% interest in and to the Property. In accordance to the terms of the Option Agreement, in order to maintain the Option in good standing and to exercise the Option, the Corporation must satisfy the following requirements: making aggregate cash payments of \$185,000 to the Optionor; issuing an aggregate of 2,000,000 Shares to the Optionor; making an aggregate of \$750,000 in exploration expenditures on the Property; and granting the Optionor a 1.5% NSR on the Property (with the right to repurchase 1.0% of the NSR from the Optionor for \$1,000,000, leaving the Optionor with a 0.5% NSR). In addition, the Corporation is required to pay the costs related to the Optionor's recently completed exploration program on the Property in the deemed amount of \$110,000 by issuing 900,000 Common Shares of the Corporation (at a deemed price of \$0.10 per Common Share) and paying \$20,000 in cash, within five days of the Completion of the Proposed Qualifying Transaction. From the effective date of the Option Agreement until the Option is fully exercised or the Option Agreement is terminated in accordance with its terms, the Corporation will be the operator of the Property and responsible for all work conducted in respect of the Property. The Transaction is subject to completion of certain conditions precedent, including without limitation, receipt of Exchange approval and completion of the Private Placement.

The Property contains five (5) mineral claims covering approximately 1,571.65 hectares, located approximately 17 km north of Beaverdell and 67 km south of Kelowna within the Arrow Boundary District of south-central British Columbia. Reference should be made to the full text of the Technical Report, a copy of which has been filed and is available for review under Corporation's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

Prior to or in conjunction with the Completion of the Proposed Qualifying Transaction:

- (a) the Corporation will complete the Private Placement and raise gross proceeds of \$380,000 through the issuance of 3,800,000 Units; and
- (b) the Corporation will complete the Name Change.

See "*Part II - Information Concerning the Proposed Qualifying Transaction*" and "*Part III – Information Concerning the Resulting Issuer – Available Funds and Principal Purposes*".

In conjunction with the Transaction, the Corporation will be conducting the Private Placement under which it will raise gross proceeds of \$380,000 through the issuance of 3,800,000 Units, with each Unit comprised of one Common Share and one Warrant. Each Warrant will be exercisable for a Common Share at an exercise price of \$0.125 for three years from the date of issuance.

#### ARM'S LENGTH QUALIFYING TRANSACTION

The number and terms of securities to be issued in connection with the Proposed Qualifying Transaction were determined pursuant to arm's length negotiations between the Corporation and the Optionor. The Proposed Qualifying Transaction is not a Non-Arm's Length Qualifying Transaction. The Corporation will not be obtaining shareholder approval in connection with the Proposed Qualifying Transaction.

#### RESULTING ISSUER

The grant of the Option is intended to be the Corporation's Qualifying Transaction. See "*Part II: Information Concerning the Proposed Qualifying Transaction*".

The Resulting Issuer will be named "Generation Gold Corp." or such other name as may be accepted by the relevant regulatory authorities and approved by the board of directors.

The board and management of the Resulting Issuer will be comprised of the following persons: Anthony Zelen (President, CEO and director), Ryan Cheung (CFO and Corporate Secretary), Chris Reynolds (director), David Weinkauff (director) and Gary Schellenberg (director). "*Part III – Information Concerning the Resulting Issuer – Directors and Officers.*" No current members of the management of the Corporation or the Corporation's Board will be resigning or removed upon Completion of the Qualifying Transaction.

Upon Completion of the Proposed Qualifying Transaction, and assuming that the Corporation raises gross proceeds of \$380,000 under the Private Placement and issues 1,100,000 Common Shares to the Optionor pursuant to the Option Agreement, the Corporation will have 11,624,332 common shares issued and outstanding.

#### SELECTED PRO FORMA FINANCIAL INFORMATION

The following table summarizes selected pro forma financial information as July 31, 2022 of the Resulting Issuer assuming Completion of the Proposed Qualifying Transaction and should be read in conjunction with the unaudited pro forma financial statements and related notes attached hereto as Exhibit D:

<b>Pro Forma Balance Sheet</b>	<b>The Corporation as at July 31, 2022 (\$)</b>	<b>Pro Forma Adjustments (\$)</b>	<b>Pro Forma Consolidated Resulting Issuer (\$)</b>
Cash and cash equivalents	485,325	333,500	818,825
Exploration and Evaluation Assets	10,000	130,000	140,000
Total Assets (including non-current assets)	495,325	463,500	958,825
Total Liabilities (including non-current liabilities)	20,203	-	20,203
Shareholders' Equity	475,122	463,500	938,622

#### AVAILABLE FUNDS AND PRINCIPAL USES OF FUNDS

As at October 31, 2022, the Corporation had approximately \$235,845 in working capital. Upon Completion of the Proposed Qualifying Transaction and the Private Placement, the Corporation will have approximately \$615,845 of funds available.

The principal purpose of such funds, after the Completion of the Proposed Qualifying Transaction and for the 12 months thereafter, will be for, among other things, working capital and future exploration activities on the Property as recommended in the Technical Report. It is anticipated that the Resulting Issuer will use such funds as follows:

Description	Budgeted Expenditures Assuming Private Placement of \$380,000
Estimated general and administrative expenses over the 12 months following the Completion of the Proposed Qualifying Transaction	\$212,000 <sup>(1)</sup>
Exploration of the Property	\$230,000 <sup>(2)</sup>
Option Payments under the Option Agreement	\$45,000 <sup>(3)</sup>
Remaining transaction costs	\$26,500 <sup>(4)</sup>
Unallocated working capital	\$102,345
<b>Total</b>	<b>\$615,345</b>

**Notes:**

- (1) This amount includes the following estimated amounts: legal and audit fees of \$40,000; director and officer fees of \$48,000 (includes accounting; for further information please see “*Executive Compensation*”); regulatory, Exchange and compliance filing fees and costs of \$15,000; transfer agent costs of \$6,000; \$100,000 of consulting fees, and miscellaneous office costs of \$3,000.
- (2) This amount is the exploration budget proposed by the author in the Technical Report.
- (3) Pursuant to the Option Agreement, the Corporation is required to pay to the Optionor \$25,000 in cash on or before the first anniversary of the Completion of the Proposed Qualifying Transaction and issue 900,000 common shares at a deemed price of \$0.10 per common share (\$90,000) and \$20,000 in cash for the costs related to the Optionor’s recently completed exploration program on the Property within five days of the Completion of the Proposed Qualifying Transaction.
- (4) The remaining transaction costs are comprised of approximately \$13,000 in legal fees, \$7,000 in professional fees – audit and accounting, \$1,500 in transfer agent and regulatory filings and \$5,000 in listing and other filing fees.

The principal purpose of such funds, after the Completion of the Proposed Qualifying Transaction and for the 12 months thereafter, will be for, among other things, working capital and future exploration activities on the Property as recommended in the Technical Report. See “*Part III – Information Concerning the Resulting Issuer – Available Funds and Principal Purposes*”.

**LISTING AND SHARE PRICE ON THE TSXV**

The Common Shares are listed for trading on the TSXV under the trading symbol “SARG.P”. The closing trading price of the Common Shares on the TSXV on September 16, 2021 (the last trading day preceding the announcement by the Corporation of the Proposed Qualifying Transaction, following which trading has not recommenced) was \$0.125. See “*Part I – Information Concerning the Corporation – Stock Exchange Price*.”

**CONDITIONAL LISTING APPROVAL**

The Corporation has applied to have the Resulting Issuer Common Shares listed on the TSXV immediately upon Completion of the Proposed Qualifying Transaction. The Exchange has conditionally accepted the Proposed Qualifying Transaction subject to the Corporation fulfilling all of the requirements of the Exchange.

**ESCROWED SECURITIES**

An aggregate of 3,500,000 Shares will continue to be held in escrow pursuant to the CPC Escrow Agreement and will be released in accordance with the terms thereof. For information pertaining to the terms of the escrow, see “*Part III - Information Concerning the Resulting Issuer – Escrowed Securities*”.

**INTERESTS OF INSIDERS, PROMOTERS AND CONTROL PERSONS**

Except as disclosed in this Filing Statement, no Insider, promoter or Control Person of the Corporation, and no Associate or Affiliate of the same, has any interest in the Proposed Qualifying Transaction other than that which arises from the holding of Common Shares. No current members of the management of the Corporation or the Corporation’s Board will be resigning or removed upon Completion of the Proposed Qualifying Transaction. For information pertaining to the interests of any Insider, promoter, or Control Person of the Corporation (before and after giving effect to the Proposed Qualifying Transaction), see “*Part III – Information Concerning the Resulting Issuer – Escrowed Securities*”.

**INTERESTS OF EXPERTS**

No individual or company who is named as having prepared or certified a part of this Filing Statement or prepared or certified a report or valuation described or included in this Filing Statement has any direct or indirect interest in the Corporation or the Resulting Issuer, or an Associate or Affiliate of them. See “*Part IV – General Matters – Interests of Experts*”.

## **CONFLICTS OF INTEREST**

There are potential conflicts of interest to which the proposed directors, officers, insiders and promoters of the Resulting Issuer will be subject in connection with the operations of the Resulting Issuer. Each of the directors and officers of the Resulting Issuer may be or already are associated with other reporting issuers or other corporations which may give rise to conflicts of interest. Certain of the directors have either other employment or other business or time restrictions placed on them and accordingly, these directors will only be able to devote part of their time to the affairs of the Resulting Issuer. Some of the directors, officers, insiders and promoters have been and will continue to be engaged in the identification and evaluation, with a view to potential acquisition of interests in businesses and corporation on their own behalf and on behalf of other corporations. Conflicts, if any, will be subject to the procedures and remedies prescribed by the BCBCA and applicable securities law, regulations and policies (including the policies of the stock exchange on which the Resulting Issuer's shares may then trade). See also "*Part III - Information Concerning the Resulting Issuer - Risk Factors*".

## **SPONSORSHIP**

Pursuant to the Sponsorship Policy, sponsorship is required in conjunction with a Qualifying Transaction. Corporation has received an exemption from the Exchange from the sponsorship requirement. See "*Part IV – General Matters - Sponsorship*".

## **RISK FACTORS**

An investment in the Resulting Issuer is subject to a number of risks that should be considered by investors. These risks and other risks associated with an investment in the Resulting Issuer include, but are not limited to: (i) capitalization and commercial viability risks; (ii) current global financial condition risks; (iii) exploration and development risks; (iv) title and access risks; (v) First Nation rights and title risks; (vi) infrastructure risks; (vii) competition risks; (viii) environmental risks; (ix) key employee risks; (x) conflict of interest risks; (xi) permits and licenses risks; (xii) no history of earnings risks; (xiii) negative operating cash flow risks; (xiv) uninsurable risks; (xv) litigation risks; (xvi) contractual risks; (xvii) force majeure risks; and (xviii) unforeseen expense risks. See "*Part III - Information Concerning the Resulting Issuer – Risk Factors*".

## PART I - INFORMATION CONCERNING THE CORPORATION

### CORPORATE STRUCTURE

The Corporation is a CPC which was incorporated on November 21, 2018 under the BCBCA. The Corporation's registered and records office is located at 228 – 1122 Mainland Street, Vancouver, B.C., V6B 5L1. The Corporation has no subsidiaries.

### GENERAL DEVELOPMENT OF THE BUSINESS

The Corporation is a capital pool company pursuant to the policies of the TSXV and to date has not carried on any operations. The principal business of the Corporation has been to identify and evaluate opportunities for the acquisition of an interest in assets or businesses and, once identified and evaluated, to negotiate an acquisition or participation subject to acceptance for filing by the TSXV. The Corporation does not have business operations or significant assets other than cash and loan receivable, and currently has no written or oral agreements in principle for the acquisition of an asset or business, other than the Option Agreement.

On November 21, 2018, the Corporation issued 25,000 Common Shares at a price of \$0.05 per share for aggregate gross proceeds of \$1,250. On April 12, 2019, the Corporation issued 1,975,000 Common Shares at a price of \$0.05 per share for aggregate gross proceeds of \$98,750. On October 8, 2019, under its IPO the Corporation issued 2,000,000 Common Shares at a price of \$0.10 per share for aggregate gross proceeds of \$200,000 and issued agent's warrants to acquire up to 200,000 Shares at a price of \$0.10 per share until October 8, 2021. These agent's warrants have now expired. Upon completion of its IPO, the Corporation issued 400,000 stock options, of which 266,668 have since been cancelled leaving 133,332 stock options outstanding as of the date hereof. Pursuant to a non-brokered private placement of common shares on August 24, 2021, the Corporation issued 2,718,332 Common Shares at a price of \$0.09 per share for aggregate gross proceeds of \$244,650. See "*Part I – Information Concerning the Corporation – Prior Sales*".

The Corporation is a reporting issuer under applicable securities legislation in the Provinces of British Columbia and Alberta. The Common Shares were listed for trading on the TSXV under the symbol "SARG.P" on October 8, 2019.

Since the issuance of the Common Shares pursuant to the IPO, management of the Corporation have been focused on finding and evaluating assets or businesses with a view to completing a Qualifying Transaction.

On October 4, 2021, the Corporation held an annual general and special meeting of shareholders of the Corporation at which, among other things, disinterested shareholders were asked to approve resolutions to implement certain changes needed to transition to the updated CPC Policy that became effective as at January 1, 2021. At the meeting, disinterested shareholders approved resolutions: removing the consequences associated with the Corporation not completing a Qualifying Transaction within 24 months of its listing date; (b) authorizing the Corporation to make certain amendments to the CPC Escrow Agreement, most notably reducing the escrow release schedule under the CPC Escrow Agreement from 36 months to 18 months; (c) authorizing the Corporation to adopt a new stock option plan which contains certain amendments that reflect certain changes contemplated under the updated CPC Policy, including but not limited to, the total number of common shares of the Corporation reserved for issuance both before and after completion of a Qualifying Transaction is 10% of the issued and outstanding common shares of the Corporation as at the date of grant, rather than at the closing date of its IPO; and (d) authorizing the Corporation to pay any finder's fee or commission to a Non-Arm's Length Party to the Corporation upon Completion of the Proposed Qualifying Transaction. In addition, without requiring disinterested shareholder approval, the Corporation instituted the following additional changes in accordance with the updated CPC Policy: (a) increasing the maximum aggregate gross proceeds to the treasury that the Corporation can raise from the issuance of Shares in its IPO, seed shares and private placement to the new maximum of \$10,000,000, rather than \$5,000,000 which was the limit under the former CPC Policy; (b) removing the restriction which provided that no more than the lesser of 30% of the gross proceeds from the sale of securities issued by the Corporation and \$210,000 may be used for purposes other than identifying and evaluating assets or businesses and obtaining shareholder approval for a proposed Qualifying Transaction, and implementing the restrictions on the permitted use of proceeds and prohibited payments under the updated CPC Policy, under which reasonable general and administrative expenses not exceeding \$3,000 per month are permitted; (c) removing the restriction on the Corporation issuing new agent's options in connection with a private placement; and (d) enabling one person to act as the chief executive officer, chief financial officer and corporate secretary of the Corporation at the same time.

### *Qualifying Transaction*

On September 17, 2021, as amended, the Corporation entered into the Option Agreement, pursuant to which the Corporation was granted the Option to acquire from the Optionor an undivided 60% interest in and to the Property. In accordance to the terms of the Option Agreement, in order to maintain the Option in good standing and to exercise the Option, the Corporation must satisfy the following requirements: making aggregate cash payments of \$185,000 to the Optionor; issuing an aggregate of 2,000,000 Common Shares to the Optionor; making an aggregate of \$750,000 in exploration expenditures on the Property; and granting the Optionor a

1.5% NSR on the Property (with the right to repurchase 1.0% of the NSR from the Optionor for \$1,000,000, leaving the Optionor with a 0.5% NSR). In addition, the Corporation is required to pay the costs related to the Optionor’s recently completed exploration program on the Property in the amount of \$110,000 by issuing 900,000 Common Shares of the Corporation (at a deemed price of \$0.10 per Common Share) and paying \$20,000 in cash, within five days of the Completion of the Proposed Qualifying Transaction.

### **Financing**

The Transaction is subject to completion of certain conditions precedent, including without limitation receipt of Exchange approval and completion of the Private Placement. Prior to or in conjunction with the Completion of the Proposed Qualifying Transaction:

- (a) The Corporation will complete the Private Placement and raise gross proceeds of \$380,000 through the issuance of 3,800,000 Units; and
- (b) The Corporation will complete the Name Change.

For further information regarding the Proposed Qualifying Transaction, please see “Part II – Information Concerning the Proposed Qualifying Transaction – The Proposed Qualifying Transaction”.

No finder’s fees or commissions will be paid in connection with the Proposed Qualifying Transaction or the Private Placement.

### **SELECTED CONSOLIDATED FINANCIAL INFORMATION**

The following is a summary of selected financial information for the Corporation for the periods indicated, which should be read in conjunction with the Corporation’s financial statements included as Exhibit A.

<b>Statement of Loss Data</b>	<b>Three months ended July 31, 2022 (Unaudited) (\$)</b>	<b>Financial year ended April 30, 2022 (Audited) (\$)</b>	<b>Financial year ended April 30, 2021 (Audited) (\$)</b>
<b>Total expenses</b>	2,065	120,025	(35,710)
<b>Net loss</b>	(2,065)	(120,025)	(35,710)
<b>Amounts deferred in connection with the Proposed Qualifying Transaction</b>	-	-	-
<b>Total</b>	-	-	-
<b>Balance Sheet Data</b>	<b>Three months ended July 31, 2022 (Unaudited) (\$)</b>	<b>Financial year ended April 30, 2022 (Audited) (\$)</b>	<b>Financial year ended April 30, 2021 (Audited) (\$)</b>
<b>Total assets</b>	495,325	271,550	137,791
<b>Total liabilities</b>	20,203	19,363	10,829
<b>Shareholders’ equity</b>	475,122	252,187	126,962

### **MANAGEMENT’S DISCUSSION AND ANALYSIS**

Management’s Discussion and Analysis (“**MD&A**”) of the Corporation for the financial year ended April 30, 2022, and for the three months ended July 31, 2022, is incorporated by reference and attached to this Filing Statement as Exhibit B. The MD&A should be read in conjunction with the Corporation’s financial statements for such periods, together with the notes thereto, which are incorporated by reference and attached to this Filing Statement as Exhibit A. The Corporation expects that if the Proposed Qualifying Transaction is not completed, it will have sufficient cash remaining to pursue another Qualifying Transaction, as many of these costs will not be incurred if the Proposed Qualifying Transaction is not completed.

In addition, audited financial statements and management’s discussion and analysis respecting the Property for the year ended September 30, 2021 and the period from April 28, 2020 to September 30, 2020, and the financial statements and management’s discussion and analysis respecting the Property for the period ended June 30, 2022, are included as Exhibit C.

## **SHARE CAPITAL**

The Corporation is authorized to issue an unlimited number of Common Shares. As at the date hereof there are 6,724,332 Common Shares issued and outstanding.

The Corporation has issued 400,000 stock options under its Stock Option Plan of which 266,668 have expired and 133,332 remain outstanding. As of the date of this Filing Statement, there are no other securities issued and outstanding that are convertible or exercisable into Common Shares.

## **DESCRIPTION OF SECURITIES**

The authorized capital of the Corporation consists of an unlimited number of Common Shares and an unlimited number of Preferred Shares.

### ***Common Shares***

The Corporation is authorized to issue an unlimited number of Common Shares. The holders of Common Shares are entitled to dividends if, as and when declared by the directors, to one vote per share at meetings of the Shareholders of the Corporation and, upon liquidation, to receive such assets of the Corporation as are distributable to the holders of the Common Shares.

### ***Preferred Shares***

The Preferred Shares may be issued from time to time in one or more series and will have, among others, the following special rights and restrictions:

- The holders of Preferred Shares as a class shall, in preference to the holders of the Shares, be entitled to receive dividends.
- The holders of the Preferred Shares of any series shall also be entitled to such other preference, not inconsistent with these provisions, over the holders of the Shares.
- Unless subordinated in priority by the special rights and restrictions attached to any series of Preferred Shares, holders of Preferred Shares as a class will be entitled on distribution of the assets of the Corporation on liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or on any other distribution of assets the Corporation prior to any distribution to the holders of Shares.
- No Preferred Shares may be issued if the Corporation is in arrears in the payment of dividends on any outstanding series of Preferred Shares without the approval of the holders of the Preferred Shares by resolution passed by the majority of holders of Preferred Shares.

The Board may also, by resolution, determine the maximum number of shares of any series of Preferred Shares, alter the Articles to create an identifying name by which the shares of any of the Preferred Shares may be identified and alter the Articles and authorize the alteration of the notice of articles to attach special rights or restrictions to Preferred Shares or to alter such special rights or restrictions, as follows, including without limitation: (a) the rate, amount or method of calculation of dividends, (b) whether such dividends are cumulative, partly cumulative or noncumulative, (c) the dates, manner and currency of payments of dividends and the date from which they accrue or become payable, (d) if redeemable or purchasable (whether at the option of the Corporation or holder of the Preferred Shares or otherwise), the redemption or purchase prices and currencies thereof and terms and conditions of redemption or purchase, with or without provision for sinking or similar funds, (e) the voting rights, if any and (f) any conversion, exchange or reclassification rights.

The Corporation, as of the date hereof, has not issued any Preferred Shares and has no intention to issue Preferred Shares.

### ***Dividend Record and Policy***

The Corporation has not declared or paid a dividend in its history. Other than pursuant to the TSXV's policies, there are no restrictions on the Corporation that would prevent it from paying a dividend. The Board of Directors intends, however, to retain future earnings for reinvestment in the Corporation's business and therefore has no current intention to pay dividends on its Common Shares in the foreseeable future. The Corporation's dividend policy will be reviewed from time to time in the context of its earnings, financial condition and other relevant factors.

## STOCK OPTION PLAN AND OPTIONS GRANTED

At the Corporation’s annual general and special meeting held on October 4, 2021, the Shareholders approved the Stock Option Plan which replaced the Corporation’s previous stock option plan to reflect certain updates to the CPC Policy that became effective as at January 1, 2021.

The principal amendment that the Corporation wished to make to the previous Stock Option Plan that is reflected in the current Stock Option Plan was to change it to a “10% rolling” plan, in accordance with the updated CPC Policy, such that the total number of Common Shares that may be reserved for issuance pursuant to options under the Stock Option Plan may not exceed 10% of the Common Shares issued and outstanding at the date of grant.

Pursuant to the Stock Option Plan, the Board may from time to time, in its discretion, and in accordance with Exchange requirements, grant to directors, officers and technical consultants to the Corporation and Eligible Charitable Organizations (as defined in Exchange Policy 4.4 (Incentive Stock Options) non-transferable stock options to purchase Common Shares, provided that the number of Common Shares reserved for issuance will not exceed ten percent (10%) of the Common Shares issued and outstanding as at the date of grant of any stock option, and that the exercise period does not exceed 10 years from the date of grant. The number of Common Shares issuable to any individual director or officer will not exceed five percent (5%) of the issued and outstanding Common Shares as at the date of grant of the stock option. The number of Common Shares issuable at any given time to all technical consultants in aggregate will not exceed two percent (2%) of the issued and outstanding Common Shares as at the date of grant of any stock option. The number of Common Shares issuable at any given time to Eligible Charitable Organizations in aggregate will not exceed one percent (1%) of the issued and outstanding Common Shares as at the date of grant of any stock option. The term of a stock option must expire not later than 12 months after the optionee ceases to be a director, officer or technical consultant of the Corporation, or of the Resulting Issuer, as the case may be, subject to any earlier expiry date of such stock option.

The exercise price per Common Share shall be determined by the Board of Directors at the time the stock options are granted, provided that the exercise price shall not be less than the Discounted Market Price (as defined in the policies of the Exchange), provided, however, that for the time the Corporation is a CPC, such exercise price per Common Share shall not be less than the greater of the IPO share price and the Discounted Market Price.

Stock Options and Common Shares issued prior to the date of the Final QT Exchange Bulletin pursuant to the exercise of stock options to purchase Common Shares are subject to escrow under the CPC Escrow Agreement. In addition, all Common Shares issued on or after the date of the Final QT Exchange Bulletin pursuant to the exercise of stock options granted prior to the IPO with an exercise price that is less than the issue price of the IPO are also subject to escrow under the CPC Escrow Agreement.

There are currently 133,332 stock options issued and outstanding under the Stock Option Plan. See “*Part III – Information Concerning the Resulting Issuer – Executive Compensation.*”

## PRIOR SALES

Since the date of incorporation of the Corporation, Common Shares have been issued as follows:

Date	Number of Shares	Issue Price per Common Share	Aggregate Issue Price	Consideration Received
November 21, 2018	25,000 <sup>(1)</sup>	\$0.05	\$1,250	Cash
April 12, 2019	1,975,000 <sup>(1)</sup>	\$0.05	\$98,750	Cash
October 8, 2019	2,000,000 <sup>(2)</sup>	\$0.10	\$200,000	Cash
August 24, 2021	2,718,332 <sup>(3)</sup>	\$0.09	\$244,650	Cash
October 7, 2021	6,000 <sup>(4)</sup>	\$0.10	\$600	Cash
<b>Total</b>	<b>6,724,332</b>		<b>\$545,250</b>	

### Notes:

- (1) All of these Shares were issued to Non-Arm’s Length Parties of the Corporation and were placed in escrow pursuant to the CPC Escrow Agreement in accordance with the Escrow Policy. See “*Information Concerning the Resulting Issuer – Escrowed Securities*”.
- (2) These Shares were issued under the Corporation’s IPO.
- (3) These Shares were issued pursuant to a non-brokered private placement of common shares.
- (4) These Shares were issued pursuant to an exercise of agent’s warrants.

## STOCK EXCHANGE PRICE

The Common Shares were listed and posted for trading on the TSXV on October 8, 2019 and were immediately halted as of market open. The Common Shares resumed trading on the TSXV on October 10, 2019. The following table sets forth information relating to the trading of the Common Shares on the TSXV since the Common Shares were listed for trading on October 8, 2019:

Month	High (\$)	Low (\$)	Volume
September 2021 <sup>(1)</sup>	\$0.125	\$0.125	5,000
October 2021 <sup>(1)</sup>	-	-	-
November 2021 <sup>(1)</sup>	-	-	-
December 2021 <sup>(1)</sup>	-	-	-
January 2022 <sup>(1)</sup>	-	-	-
February 2022 <sup>(1)</sup>	-	-	-
March 2022 <sup>(1)</sup>	-	-	-
April 2022 <sup>(1)</sup>	-	-	-
May 2022 <sup>(1)</sup>	-	-	-
June 2022 <sup>(1)</sup>	-	-	-
July 2022 <sup>(1)</sup>	-	-	-
August 2022 <sup>(1)</sup>	-	-	-
September 2022 <sup>(1)</sup>	-	-	-
October 2022 <sup>(1)</sup>	-	-	-

**Notes:**

(1) The closing price per Common Share on September 16, 2021, the last day the Common Shares traded prior to the announcement of the Proposed Qualifying Transaction, was \$0.125.

## ARM'S LENGTH QUALIFYING TRANSACTION

The Proposed Qualifying Transaction is not a Non-Arm's Length Qualifying Transaction within the meaning of the policies of the TSXV.

## LEGAL PROCEEDINGS

There are no legal proceedings material to the Corporation to which the Corporation is a party or of which any of its property is the subject matter, and there are no such proceedings known to the Corporation to be contemplated.

## AUDITOR, TRANSFER AGENT AND REGISTRAR

The auditor of the Corporation is Charlton & Company, Chartered Professional Accountants ("Charlton") at Suite 1735 – 555 Burrard Street, Vancouver, Canada, V7X 1M9. Charlton has been the auditor of the Corporation since March 18, 2020.

Computershare Investor Services Inc., at its Vancouver office located at 510 Burrard Street, 3<sup>rd</sup> Floor, Vancouver, British Columbia, V6C 3B9, is the transfer agent and registrar for the Common Shares.

## MATERIAL CONTRACTS

The following are the material contracts of the Corporation as of the date of this Filing Statement:

- (a) the CPC Escrow Agreement;
- (b) transfer agent, registrar and disbursing agent agreement dated March 12, 2021 between the Corporation and the Escrow Agent; and
- (c) the Option Agreement.

Copies of these agreements will be available for inspection at the offices of the Corporation's head office, at any time during ordinary business hours until the Completion of the Proposed Qualifying Transaction and for a period of 30 days thereafter.

## **PART II - INFORMATION CONCERNING THE PROPOSED QUALIFYING TRANSACTION**

### **OVERVIEW**

Management of the Corporation has identified the Proposed Qualifying Transaction as an appropriate transaction to constitute its Qualifying Transaction. The Corporation will be a Tier 2 “Mining” issuer under the policies of the Exchange.

On September 17, 2021, as amended, the Corporation entered into the Option Agreement, pursuant to which the Corporation was granted the Option to acquire from the Optionor an undivided 60% interest in and to the Property. In accordance to the terms of the Option Agreement, in order to maintain the Option in good standing and to exercise the Option, the Corporation must satisfy the following requirements: making aggregate cash payments of \$185,000 to the Optionor; issuing an aggregate of 2,000,000 Shares to the Optionor; making an aggregate of \$750,000 in exploration expenditures on the Property; and granting the Optionor a 1.5% NSR on the Property (with the right to repurchase 1.0% of the NSR from the Optionor for \$1,000,000, leaving the Optionor with a 0.5% NSR). In addition, the Corporation is required to pay the costs related to the Optionor’s recently completed exploration program on the Property in the amount of \$110,000 by issuing 900,000 Common Shares of the Corporation (at a deemed price of \$0.10 per Common Share) and paying \$20,000 in cash, within five days of the Completion of the Proposed Qualifying Transaction. From the effective date of the Option Agreement until the Option is fully exercised or the Option Agreement is terminated in accordance with its terms, the Corporation will be the operator of the Property and responsible for all work conducted in respect of the Property. The Transaction is subject to completion of certain conditions precedent, including without limitation, receipt of Exchange approval and completion of the Private Placement

In conjunction with the Proposed Qualifying, the Corporation will complete the name change, changing its name to “Generation Gold Corp.” The Corporation will also be conducting the Private Placement under which it will raise gross proceeds of \$380,000 through the issuance of 3,800,000 Units, with each Unit comprised of one common share and one common share purchase warrant. Each Warrant will be exercisable for a Common Share at an exercise price of \$0.125 for three years from the date of issuance.

### **THE PROPOSED QUALIFYING TRANSACTION**

#### ***The Transaction***

The parties to the Proposed Qualifying Transaction are the Corporation and the Optionor whereby the Corporation has been granted the Option pursuant to the Option Agreement. The Transaction is not a Non-Arm’s Length Qualifying Transaction.

On September 17, 2021, as amended, the Corporation entered into the Option Agreement, pursuant to which the Corporation was granted the Option to acquire from the Optionor an undivided 60% interest in and to the Property. In accordance to the terms of the Option Agreement, in order to maintain the Option in good standing and to exercise the Option, the Corporation must satisfy the following requirements: making aggregate cash payments of \$185,000 to the Optionor; issuing an aggregate of 2,000,000 Shares to the Optionor; making an aggregate of \$750,000 in exploration expenditures on the Property; and granting the Optionor a 1.5% NSR on the Property (with the right to repurchase 1.0% of the NSR from the Optionor for \$1,000,000, leaving the Optionor with a 0.5% NSR). In addition, the Corporation is required to pay the costs related to the Optionor’s recently completed exploration program on the Property in the amount of \$110,000 by issuing 900,000 Common Shares of the Corporation (at a deemed price of \$0.10 per Common Share) and paying \$20,000 in cash, within five days of the Completion of the Proposed Qualifying Transaction. From the effective date of the Option Agreement until the Option is fully exercised or the Option Agreement is terminated in accordance with its terms, the Corporation will be the operator of the Property and responsible for all work conducted in respect of the Property. The Transaction is subject to completion of certain conditions precedent, including without limitation, receipt of Exchange approval and completion of the Private Placement.

Prior to or in conjunction with the Completion of the Proposed Qualifying Transaction:

- (a) the Corporation will complete the Private Placement and raise gross proceeds of \$380,000 through the issuance of 3,800,000 Units; and
- (b) the Corporation will complete the Name Change.

#### ***The Option Agreement***

The Option Agreement has been filed by the Corporation on SEDAR at [www.sedar.com](http://www.sedar.com) as a material document.

In order to exercise the Option, the Corporation must:

- (a) pay an aggregate of \$185,000 and issue an aggregate of 2,000,000 Common Shares to the Optionor as follows:
  - (i) \$10,000 in cash upon execution of the Option Agreement as a non-refundable deposit (*complete*) and 200,000 Common Shares upon Completion of the Proposed Qualifying Transaction;
  - (ii) \$25,000 in cash and 300,000 Common Shares on or before the first anniversary of the Completion of the Proposed Qualifying Transaction;
  - (iii) \$50,000 in cash and 500,000 Common Shares on or before the second anniversary of the Completion of the Proposed Qualifying Transaction;
  - (iv) \$100,000 in cash and 1,000,000 Common Shares on or before the third anniversary of the Completion of the Proposed Qualifying Transaction;
- (b) The Corporation incurring \$750,000 in exploration expenditures in respect of the Property as follows:
  - (i) \$125,000 on or before the first anniversary of the Completion of the Proposed Qualifying Transaction;
  - (ii) \$250,000 on or before the second anniversary of the Completion of the Proposed Qualifying Transaction;
  - (iii) \$375,000 on or before the third anniversary of the Completion of the Proposed Qualifying Transaction;and
- (c) The Corporation paying the costs related to the Optionor's recently completed exploration program on the Property, in the amount of \$110,000 by issuing 900,000 Common Shares of the Corporation (at a deemed price of \$0.10 per Common Share) and paying \$20,000 in cash, within five (5) days of the Completion of the Proposed Qualifying Transaction.

Any excess exploration expenditures incurred will be cumulative and can carry forward to future years and the Corporation may elect to pay cash or Common Shares or any combination of cash and Common Shares to Origen in the event of a shortfall of exploration expenditures incurred in any one year period in an amount equal to any such shortfall.

Upon the Corporation exercising the Option and earning an undivided 60% interest in the Property, pursuant to the Option Agreement, the Corporation and the Optionor will negotiate in good faith and enter into a joint venture agreement for the purpose of jointly carrying out exploration, evaluation and development (if applicable) of the Property. The Corporation is designated as operator of the Property both before and after the exercise of the Option.

The Property will be subject to a 1.5% NSR on the Property (with the right to repurchase 1.0% of the NSR from the Optionor for \$1,000,000, leaving the Optionor with a 0.5% NSR).

As optionee, the Corporation has provided the following additional covenants:

- (a) keep the mineral claims comprising the Property in good standing during the term of the Option;
- (b) record all exploration work carried out on the Property by the Corporation as assessment work;
- (c) do all work on the Property in a good and workmanlike fashion and in accordance with all applicable laws, regulations, orders and ordinances of any governmental authority;
- (d) in the event of termination of the Option Agreement, the reclamation bond, if any, then in place will be maintained by the Corporation until a mines inspector has confirmed that all reclamation requirements have been satisfied;
- (e) permit the Optionor, at its own expense, reasonable access to the records of expenditures and the results of the work done on the Property during the last completed calendar year;
- (f) deliver to the Optionor, annually on or before each anniversary date of the Option Agreement, copies of all reports, maps, assay results and other technical data compiled by or prepared at the direction of the Corporation with respect to the Property; and

- (g) use commercially reasonable efforts to communicate with and inform the applicable government, First Nations and any other interested parties, as required by applicable law, in connection with its exploration activities on the Property.

The Option Agreement also includes an “area of interest” clause providing that if the Optionor or an affiliate acquires, directly or indirectly, any interest in any property which is all or partly within three kilometres of the outermost boundary of the Property (the “**AOI Property**”), then the Optionor must disclose the acquisition (including all costs and information it has relating to the AOI Property) promptly to the Corporation, and the Corporation may, by notice to the Optionor within 30 days of receipt of notice of the acquisition, elect to include the AOI Property within the Property. If the Corporation elects to include the AOI Property as part of the Property, then the acquisition costs of the AOI Property will, upon verification by the Corporation, be reimbursed to Optionor.

#### Representations and Warranties

The Option Agreement contains representations and warranties made by the Optionor relating to the Property and the mineral claims comprising the Property.

#### Termination

The Option Agreement will terminate:

- (a) at any time, by the Corporation giving thirty days’ notice of such termination to the Optionor; or
- (b) if the Corporation has failed to either make the payments, issue the Common Shares and incur the exploration expenditures set out above, upon the Optionor giving thirty days’ notice of such default to the Corporation and such failure persists for more than 30 days following the notice of such default; or
- (c) Final Exchange approval of the Proposed Qualifying Transaction does not occur by October 31, 2022.

#### **PRIVATE PLACEMENT**

In conjunction with the Transaction, the Corporation will be conducting the Private Placement under which it will raise gross proceeds of \$380,000 through the issuance of 3,800,000 Units, with each Unit comprised of one Common Share and one Warrant. Each Warrant will be exercisable for a Common Share at an exercise price of \$0.125 for three years from the date of issuance.

#### **NAME CHANGE**

Directors of the Corporation approved and authorized the Name Change to change the name of the Corporation to “Generation Gold Corp.” or such other name as may be deemed appropriate, subject to the receipt of regulatory approval which includes acceptance by the TSXV. The purpose of the Name Change is to change the name of the Corporation so that after Completion of the Proposed Qualifying Transaction it will reflect the business of the Resulting Issuer.

#### **THE ARLINGTON PROPERTY**

Unless stated otherwise, the information in this section is summarized, compiled or extracted from the Technical Report. The Technical Report was prepared in accordance with NI 43-101 and has been filed with the securities regulatory authorities in British Columbia. The Technical Report, prepared by Richard Kemp, P.Geol and Ken MacDonald, P.Geol (as the context requires, herein referred to as the “**authors**”), was completed in relation to the Property dated effective January 18, 2022, revised February 2, 2022.

For readers to fully understand the technical information in this Filing Statement, they should read the Technical Report (available on SEDAR at [www.sedar.com](http://www.sedar.com) under the Corporation’s profile) in its entirety, including all qualifications, assumptions and exclusions that relate to the technical information set out in this Filing Statement. Certain maps and figures are not included in the Filing Statement, but they may be viewed in the Technical Report. The following information has been revised in respect of certain references.

#### **Property Description and Location**

### Property Location

The Arlington property is located in the Arrow Boundary District of south-central British Columbia, Canada and is 17km north of Beavercreek (population ~350) and 67km south of Kelowna, B.C. along British Columbia Provincial Highway 33 (Figure 1). The property is located on NTS map sheet 082E/11 and consists of five contiguous mineral claims covering 1,571.64 hectares of land as illustrated in Figure 2. The Arlington claim is centered at 49°35'13.08" N Latitude and 119°05'3.45" W Longitude. It covers the following thirteen Minfile occurrences ie Elk 3 (082ENW038), ELK 2 (082ENW005), DKD 6 (082ENW044), ELK 4 (082ENW006), DKD 4 (082ENW043), DKD 2 (082ENW041), Hall (082ENW065), BRU 21 (082ENW042), BRU 22 (082ENW045), Hall Creek (082ENW033), Wallace (082ENW039), Arlington (082ENW015) and BLACK (082ENW061).

### Property Description

The Arlington property consists of five (5) contiguous Mineral Titles Online (MTO) mineral claims covering 1,571.64 hectares of land located in the Greenwood Mining Division. The claims are held 100% by the Optionor and are in good standing until November 30, 2026.

Annual assessment work requirements in British Columbia fall under a four-tier system, detailed as follows:

- \$5.00/ha for anniversary years 1 and 2
- \$10.00/ha for anniversary years 3 and 4
- \$15.00/ha for anniversary years 5 and 6
- \$20.00/ha for any subsequent anniversary years

Cash-in-Lieu payments may be made instead of performing work, and are double the amounts stated above. In order to maintain the Arlington claims in good standing, assessment work must be completed and a Statement of Cost filed on each of the claims before their collective expiry date of November 30, 2026.

On September 17, 2021, the Optionor optioned the Arlington property to Jessy Ventures Corp., a capital pool company with its common shares listed on the TSX Venture Exchange under the symbol "SARG.P". Jessy Ventures Corp wishes to acquire an undivided 60% interest in and to the Arlington property through staged cash payments, the issuance of stock and staged exploration expenditures over a three (3) year period totaling \$185,000 in cash, 2,000,000 shares and \$750,000 in exploration expenditures. Jessy Ventures Corp. will grant a 1.5% Net Smelter Royalty to the Optionor upon exercising the Option and acquiring a 60% interest in the property, payable upon the commencement of commercial production. Jessy Ventures will have the right to purchase from Origen Resources 1% of the Net Smelter Royalty, within 1 year of commencement of Commercial Production, at a cost of \$1,000,000, leaving Origen with a 0.5% Net Smelter Royalty after the payment of \$1,000,000.

The Arlington claim boundaries are illustrated in Figure 2 along with the locations of the known Minfile occurrences. There are no other royalties, back-in rights, payments, or other agreements or encumbrances on the property. There has been no historical production on the Arlington property, and the authors are not aware of any environmental liabilities that have potentially accumulated from any historical activity. There are no other known significant factors or risks that may affect access, title to the property or the ability to perform work on the Arlington property.

Table 1: Claim Information

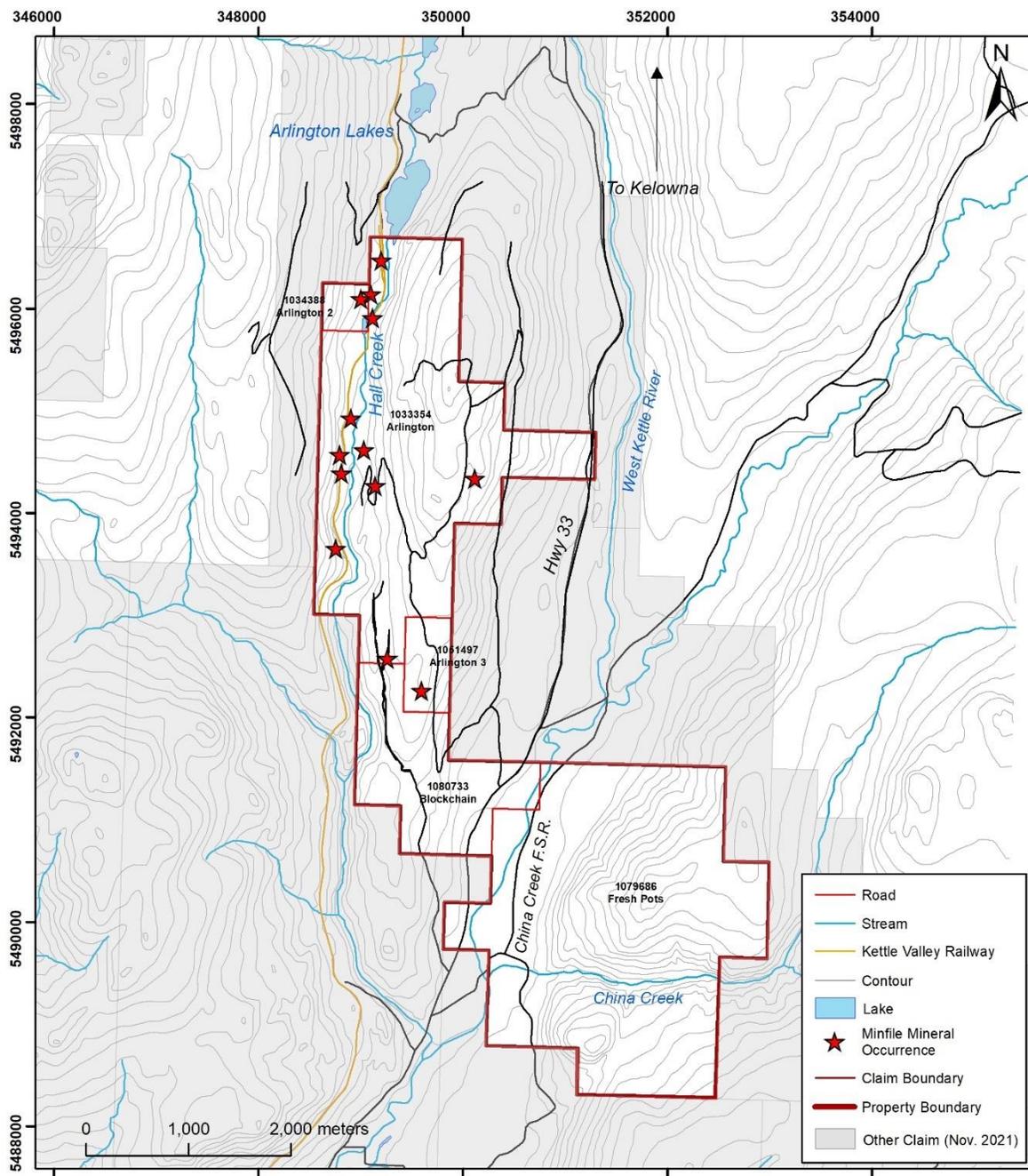
Title Number	Claim Name	Owner	Title Type	Title Sub Type	Map Number	Issue Date	Good To Date	Status	Area (ha)
1033354	ARLINGTON	287125 (100%)	Mineral	Claim	082E	2015/JAN/13	2026/NOV/30	GOOD	586.46
1034388	ARLINGTON 2	287125 (100%)	Mineral	Claim	082E	2015/FEB/25	2026/NOV/30	GOOD	20.94
1051497	ARLINGTON 3	287125 (100%)	Mineral	Claim	082E	2017/APR/20	2026/NOV/30	GOOD	41.91
1079686	FRESH POTS	287125 (100%)	Mineral	Claim	082E	2020/NOV/20	2026/NOV/30	GOOD	733.71
1080733	BLOCKCHAIN	287125 (100%)	Mineral	Claim	082E	2021/JAN/25	2026/NOV/30	GOOD	188.62
									1571.63



**Figure 1**  
**Location Map**

Topo Source: Esri

<b>Jessy Resources Corp.</b>	
Arlington Property Greenwood Mining Division	
Scale: 1:5,000,000	Date: Nov. 24, 2021 UTM NAD83 Zone 11



# Figure 2 Claim Map

Topo Source: Geogratis

## Jessy Ventures Corp.

Arlington Property  
Greenwood Mining Division

NTS 82E/11

Scale:  
1:50,000

Date: Nov. 22, 2021  
UTM NAD83 Zone 11

To complete work on mineral claims in British Columbia involving tree cutting/removal, Induced Polarization Geophysical Surveys or mechanized disturbance, a Notice of Work and Reclamation Program application (NOW) is made online through Front Counter BC. The application is reviewed by the Ministry of Energy, Mines and Petroleum Resources regional offices or the appropriate regional Mine Development Review Committee. Once approved, the Ministry of Energy, Mines and Petroleum Resources issues a Mines Act permit which authorizes the exploration and reclamation activities as detailed in the Notice of Work application. The applicant must not deviate from the permitted program without written authorization. The Arlington Property does not have a Mines Act permit. The work proposed in this report covering the 2022 field program will require a Notice of Work and Reclamation

permit.

The Arlington property is located immediately south of Arlington Lakes with Hall Creek closely bounding the western claim boundary. Arlington Mountain is centered on the eastern side of the property. British Columbia Provincial Highway 33 crosses the most easterly portion of the property. The decommissioned Kettle Valley Railroad (KVR) right-of-way traverses the claim from north to south which closely follows Hall Creek (Figure 2).

The Arlington Property is located on Crown Land; for which the Optionor holds the sub surface rights only. There are four separate District Lots which overlap the Arlington property along its southern, western and northern claim boundary. The District Lots are located within the Similkameen Division of the Yale Land District and are referenced as District Lot (DL) 3050S, DL 1497S, DL 1498S and DL 1225S. Interests underlying the District Lots include Licenses' of Occupation for the purpose of Commercial Recreation activities: i.e. tour guiding along the Kettle Valley Railway right-of-way, Permits for forestry roads and bridges along Hall Creek are held by Interfor Corporation. Reserve/Notation interest is held over the Kettle Valley Railway corridor for recreation purposes by the Ministry of Forests, Lands and Natural Resources operations.

A District Lot is a type of primary land division or description, which defines a parcel of land that has been surveyed. Unless otherwise excluded in the property title, the District Lot owner is entitled to the soil and the sand and gravel on the property.

A free miner who is exercising a right under the Mineral Tenure Act, is entitled to enter private lands, provided those lands are mineral lands. The Mining Right of Way Act provides for the right of a recorded holder to use access roads owned by a person or to use existing roads on Crown Land or private land for the purpose of gaining access to a mineral title.

Notwithstanding other surface interests there are no known legal impediments to access. To the best of the authors knowledge there are no other factors limiting access, title or the ability to perform appropriate work.

There are no First Nations reserves, treaty lands, or treaty related lands on or in the vicinity of the property. However, the Province is legally obligated to consult and accommodate (where required) First Nations on land and resource decisions that could impact their Aboriginal Interests. While the Province is responsible for ensuring adequate and appropriate consultation and accommodation, it may involve the proponent in the procedural aspects of consultation. Proponents are encouraged to engage with First Nations as early as possible in the planning stages to build relationships and for information sharing purposes. There are currently five First Nations who may have community interests encompassing the area of the Arlington claims. These First Nation organizations include the Okanagan Indian Band, Penticton Indian Band, the Okanagan Nation Alliance, Lower Similkameen Indian Band and the Upper Nicola Indian Band.

A large area designated as ungulate winter range for mule deer overlaps the property. Special restrictions affect silviculture activities within the winter range area, but these restrictions do not apply to any work (such as mineral exploration and development) that falls under the Mineral Tenure Act.

Historical records document numerous old workings within the claim as evidenced by the presence of overgrown pits, trenches, shafts, open cuts and short adits which may pose a potential public safety hazard. There are no significant waste dumps associated with the historic workings on the property and they do not, in the authors opinion, constitute a significant environmental liability. There are no former mill or tailings sites on the property.

As indicated in Figure 2, the Arlington property is surrounded by claims which were recently located in March and April 2021.

The economy of the Carmi / Beaverdell area has historically relied largely, or entirely, on local natural resources. Exploration and mining activities in the region are generally regarded favorably.

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

### *Accessibility*

There is excellent road access to the property. From Kelowna, access is south along Highway 33 for 67km to the Arlington Lakes Forest Service Road. To access the northern and western portions of the Arlington property, turn west (right) and follow the Arlington Lake Forest Service Road for approximately 4km to a Forest Service camp site located at the old Kettle Valley Railway station of Lakevale. The camp site is located immediately north of the northern claim boundary of the Arlington claim #1033354. Logging road access located 7.3km south of the Arlington Lake campground turnoff provides access to the central southern and eastern portions of the property.

Access to the southern portions of the claim group covered by the Fresh Pots claim (1079686) is by way of the China Creek Forest Service Road located 9.7km south of the Arlington Lake camp ground turn off. The China Creek F.S.R. crosses the western portion of the claim with secondary spur roads and skidder trails providing access to the central and eastern portions of the claim (Figure 2).

### *Climate*

The climate of the Arlington property area is typical of the mountainous regions of south central and southwestern British Columbia, with warm wet summers and cold snowy winters. Year-round development and mining would be possible. Field exploration seasons are best conducted from May through October as snow accumulations on the property have been reported from October through to May. The mean annual precipitation in the area of the property is approximately 481mm and 153cm of snow, and annual average temperatures range from -12 degrees Celsius to 15.5 degrees Celsius.

### *Local Resources*

Limited services, including room, board and groceries are available in the community of Beaverdell. Most services needed for exploration are available in either Rock Creek, located 48km to the south of Beaverdell at the junction of BC Provincial Highways 33 and 3 or in Kelowna located 67km to the north of the community of Beaverdell. A small sawmill in Beaverdell provides lumber for local needs. The closest full service international airport is located in Kelowna with regularly scheduled air service to Vancouver, Calgary and USA destinations. There is a small dirt airstrip located in Beaverdell which services both private and charter aircraft. With a recent history of mining in the Greenwood District, there are also ample personnel available with experience in mineral exploration and development. Exploration services such as drilling equipment or equipment rentals that are unavailable in Beaverdell can generally be found in the regional centers of Kelowna and Penticton.

### *Infrastructure*

Three phase power lines follow Highway 33 through the town of Beaverdell if needed for future mine development. Water sources are locally available within the claim from Hall Creek, China Creek, West Kettle River and bounding tributaries.

### *Physiography*

Outcrop exposure on the property is variable from 25% to 30%. In general, rock exposure is better in the steeper portions of the property and is scarce on the gentler slopes. Best exposures are located along the Kettle Valley Railway right-of-way. The scarcity of outcrop in the low slope areas hampers prospecting and mapping efforts. There are suitable sites within the claim boundary to develop potential processing plant facilities, tailing storage and waste disposal sites located on Crown land.

## **History**

Regionally, the area received considerable attention with the discovery of placer gold at Rock Creek during the mid-1850's and again after the establishment of the Canada – United States International Boundary and the subsequent discovery of the Fairview Mines and Camp McKinney. Later in the early parts of the 1900's, the West Kettle River area became prominent with prospectors resulting from the general lack of access to areas north of the border and the discovery of high-grade ruby silver on Wallace Mountain in 1889. The majority of the significant properties were staked on Wallace Mountain, Carmi and the Arlington Lakes area from 1896 to 1900. The major producing mines in the Beaverdell silver-lead-zinc vein camp were the Wellington, Sally and Rob Roy, Beaver and Beaverdell mines, with numerous other small workings throughout the area. The first ore shipment from the Beaverdell camp was in 1896. The Beaverdell Mine was the longest producing mine in the area, almost continuously between 1913 and 1991. During this period 1,198,829 tonnes of ore were mined from which 1,076,005,759 grams of silver, 520,197 grams of gold, 11,598,238 kilograms of lead and 13,900,078 kilograms of zinc were recovered (Minfile 082ESW030). The author (Richard Kemp) has been unable to verify the historical production and the information is not necessarily indicative of the mineralization on the property that is the subject of the technical report.

The Kettle Valley branch of the Canadian Pacific Railway was started in 1910. It traversed the Beaverdell-Carmi area and by 1913, rail steel had been laid as far as Arlington Lakes. With the influx of settlers; wagon roads and trails were established throughout the area and in the next decade many promising mineral discoveries were made in the area.

Historical exploration work in the area of the Arlington property is limited in scope. Work completed to date has located numerous old and overgrown pits, trenches, shafts and short adits. Much of this historical work is centered on the Kettle Valley Railway right-of-way, the timing of this historical work is assumed to be from the early part of the century.

As detailed below, three eras of limited historical exploration activity occurred during the early 1970's, 1987 and 1996. The source of this information is from the British Columbia Geological Survey Branch, Assessment Report Indexing System (ARIS) website as listed in section 27.0 of this report. More recently, Explorex Resources Inc. completed a one-week field program in June 2015. In April 2017, Explorex Resources optioned the Arlington property to Clarmin Exploration Inc who had the right to acquire 100% interest in the property. Clarmin completed field programs in 2017 and 2018. Clarmin did not exercise their option and returned the property to Explorex Resources Inc including the results of the 2017 / 2018 exploration field programs.

1970 Durocop Mines Ltd. (AR 2804). A 15-day geological survey was completed over the Elk 1-12 claims which covered the central and southern lakes of the Arlington chain of lakes and extended a further 915m to the south of Arlington Lakes. The survey was designed to create a geological map of the property and in the process document mineralization encountered. The report describes samples collected from mineralized outcrop yet none were submitted for analysis. The results of the program determined that mineralization (pyrite, chalcopyrite, molybdenum) is best developed within the Permian-Triassic aged Anarchist Group comprising intercalated volcanics and sediments and the Jurassic aged Nelson Plutonic suite; dominantly granodiorite to quartz diorite in composition. Mineralization is associated with shear zones which typically contain irregular veins of white quartz and are variably mineralized with pyrite, chalcopyrite, molybdenum and lesser pyrrhotite, magnetite with copper and iron carbonates and oxides. The location of the Elk 3 Minfile showing resulted from this work.

1971 D. Ellison (AR 3352). A seven-day field program was completed on the DKD 1 to 6 mineral claims owned by D. Ellison of Kelowna, B.C. The claims are roughly centered on the KVR right-of-way and Hall Creek and are located approximately 1.6 kilometers south of Arlington Lakes. In October 1971 a pace and compass grid was established over which a magnetometer survey was completed using a McPhar M700 magnetometer. Approximately 6.8 miles of magnetic surveys were completed over lines established at 400-foot intervals with readings taken at 100 foot intervals and tightened to 25 foot station intervals in anomalous areas. The survey lines were oriented in a northwest-southeast direction and aided in mapping geological contacts. During the course of the survey, outcrop areas were identified while sites with chalcopyrite mineralization were noted. The results of this work identified the location of the DKD 2, DKD 4 and DKD 6 Minfile showings. No samples were submitted for analysis. The results of the magnetometer survey identified a north-south trending magnetic anomaly up to 50,000 gammas in strength. Located showings of chalcopyrite mineralization are coincident with the anomaly. The geological contact between the gneissic diorite and mafic diorite was established, in part, on the basis of the magnetic anomaly.

1973 K.F. Brunning (AR 4461). A seven-day field program was completed in May 1973 over the Lakevale property which included a soil geochemical and geological survey to determine the potential of the property and to delineate areas of interest. The property included the DKD 1-6 and the BRU 15-23 claims. This extended the coverage to the north and east of the original DKD claim group. Mapping located several areas with old workings and outcrop exposures with quartz veining, shearing and sulphide enrichment.

The results of the surveys determined that the altered Jurassic aged diorite to quartz diorite is the best host for shear-controlled quartz veins with chalcopyrite, pyrite +/- molybdenum, sphalerite and galena mineralization. The geological survey concluded that mineralization on the property occurs as chalcopyrite, sphalerite, galena and molybdenum mineralization in quartz veins cutting altered diorite; disseminations and replacements of chalcopyrite, pyrite and specular hematite in and around shear zones within altered diorite and greenstone. Mineralization occurs less frequently as disseminations of magnetite, pyrite and chalcopyrite in highly altered basic rocks. A soil geochemical survey covered the property along east-west oriented survey lines established at 750-foot intervals. Samples were collected along the lines at 200-foot intervals. The samples were analyzed in a field laboratory utilizing the "Bloom test" for exchangeable heavy metals. The analysis is neither quantitative nor qualitative but is a fast and inexpensive method for indicating the presence of heavy metals. The result of the survey are not conclusive but indicates one major zone of metal concentration in the soils trending north-south through the center of the DKD claims measuring 4000 feet long by 1000 feet wide at its widest point. The results of this work identified the location of the DKD 2, DKD 4 and DKD 6 Minfile showings. No rock samples were submitted for analysis.

1973 D.C. Mitchell (AR 4720). An eight-day geological mapping and soil geochemical survey was completed over the Cu claims the same year as the geological/geochemical surveys on the adjoining BRU and DKD claims to the west. The soil geochemical survey covered the entire claim block with compass and chain grid lines oriented in an east-west direction and established at 750-foot intervals. Soil samples were collected from the B horizon at 200-foot intervals. Soil analysis was completed in the field utilizing the Bloom test for exchangeable heavy metals. The geochemical survey did not indicate any trends of anomalous heavy metal results and failed to identify the known locations of chalcopyrite enrichment. The mapping program identified three styles of mineralization on the property. Replacement of highly altered dyke rock or greenstone by massive and near massive chalcopyrite and pyrite carrying values in silver. Quartz veins along greenstone or dyke contacts usually associated with shearing carrying blebs and disseminations of chalcopyrite and pyrite and as minor disseminated chalcopyrite, magnetite and pyrite in dyke rocks. The results of this program identified numerous locations of historical surface work: i.e. trenching, shafts and adits with quartz veining, shearing and chalcopyrite mineralization; the location of the Arlington Minfile showing resulted from this work. Results from the

sampling program reports 0.92% Cu and 63.0g/t Ag over a 0.6 meter chip sample.

1987 Edward Carson and Associates (AR 17,030). During the period from June 18 to October 31, 1987, a program of geological mapping, prospecting and rock geochemistry was completed on the Black claim group. During the course of the prospecting and geological mapping program several areas of historical exploration activity in the form of surface trenching and test pits were located. The historical work dates back to the early parts of the century. A total of 23 rock grab samples and two stream silt samples were submitted to ACME Analytical Labs in Vancouver for analysis. Best results are reported from two rock grab samples collected along the northern boundary of the Black 2 claim returning 1.08% Cu and 65.4ppm Ag in sample 7851 and 1.61% Cu, 85.3ppm Ag and 12ppb Au in sample 7853. In the north central portion of the Black claim, seven rock grab samples were collected, best results are reported from rock grab sample 6661 assaying 5,504ppm Mo, 17,450ppm Cu, 59.8ppm Ag and 560ppb Au. All of the anomalous samples are described as being hosted by the Nelson Plutonic suite of rocks. The reader is cautioned, grab samples by nature are selective and therefore may not be representative of the mineralization being evaluated.

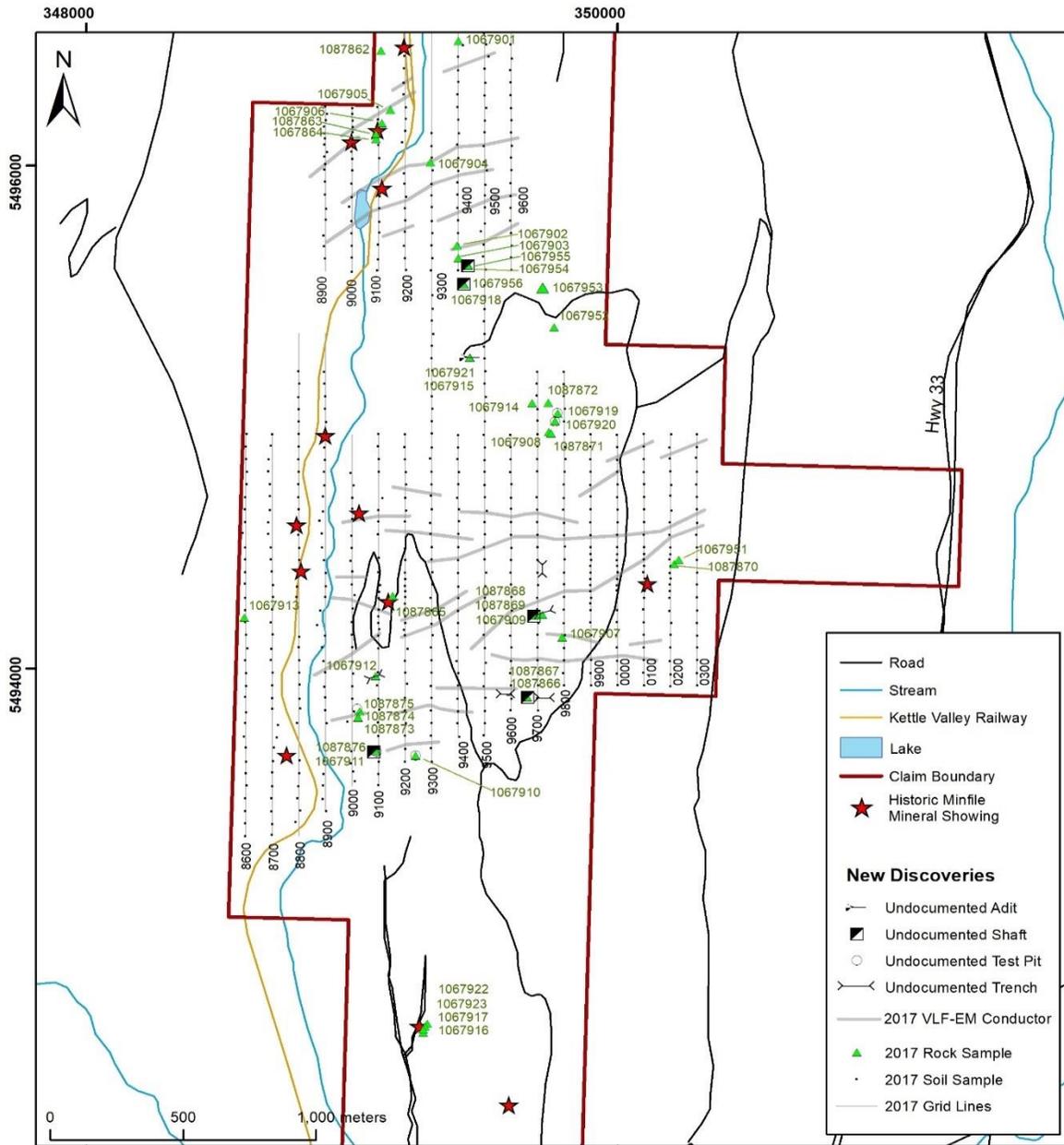
1996 Madman Mining Co. Ltd. (AR 24,921). A brief prospecting, soil sampling and a VLF-EM geophysical survey was completed on the companies Arlington property. The aim of the program was to locate and sample historic showings and conduct reconnaissance soil geochemical test lines across prospective bedrock units. VLF-EM data was collected long the soil lines. The prospecting and sampling program were centered along the KVR right-of-way. A total of six rock grab samples from six historical occurrences were submitted for analysis. Grab sample ARL04-L returned 0.16% Cu from mafic schist with chalcopyrite stringers, associated quartz stringers in clasts or xenoliths in granitoid rock from Minfile showing DKD-6. Grab sample ARL02-G is from Minfile showing DKD-2 returning 0.21% Cu and 11.8gm/tonne Ag from a malachite and azurite stained, highly oxidized vein from a railway rock cut. Grab sample ARL01-G is from a malachite and azurite stained boulder broken off from a KVR rail cut from a highly oxidized vein which appears to strike E-W and dip vertically. Analytical results returned 6.1 gm/tonne Au, 8.7 gm/tonne Ag and 0.18% Cu. The reader is cautioned, grab samples by nature are selective and therefore may not be representative of the mineralization being evaluated. The reconnaissance soil survey consisted of three east-west lines, each 400m long and established 500m apart on the west slope of Arlington Mountain. Soil samples were collected 25m apart. Anomalous Cu-Zn soil results are reported on the east side of the center soil line which may extend to the eastern end of the southernmost line. The overall trend of the anomaly is north-south with anomalous results up to 150m wide. The anomaly in part coincides with outcroppings of mafic schist. The VLF-EM survey utilized Seattle as the transmitting station. The survey lines were established too far apart to correlate readings from line to line.

2015 Explores Resources Inc (AR 36,026). A four-man field program was completed from June 1 to June 6, 2015 on the Arlington property. The program consisted of both magnetic and VLF-EM geophysical surveys and a prospecting and sampling program. A total of 12.0km of magnetic and VLF-EM geophysical surveys were completed covering 300ha of land. The geophysical surveys were completed along pre-existing bush road access trails oriented near north-south. The VLF-EM survey demonstrated its effectiveness in detecting and delineating the shear structures at each of the located Minfile showings. Several of the VLF-EM anomalies show on-trend anomalies in regions with no known showings nor outcrop exposure, thus presenting good targets for further exploration. The Total Field Magnetic results from the Magnetometer survey varied significantly. Two distinct magnetic domains were delineated, a low domain ranging from 51,000 nT to 54,000 nT, and a high domain, ranging from 55,000 nT to 58,000 nT. The high magnetic domain reflects the close proximity of the Carboniferous to Permian aged Anarchist Group while the lower magnetic domain reflects the Middle Jurassic aged Nelson Plutonic Rocks.

All of the located Minfile showings are noted to occur on or near the contact between the high and low magnetic domains, or the interpreted contact between the Anarchist and Nelson units. A total of nine out of thirteen Minfile occurrences were located in the field during the program. A total of 14 grab samples were collected from the various Minfile occurrences returning elevated and anomalous base and precious metal results from 19.0ppm to 1,490.3ppm Pb, 1,005.7ppm to 2.557% Cu and 4.1ppm to 131gm/t Ag from the Arlington showing, 1,095.3ppm Mo from the Elk 4 showing, 85.7ppb to 10,891.5ppb Au from the BRU 22 Minfile showing and 0.9ppb to 2,336.3ppb Au from the ELK 2 Minfile showing. The attitude of the mineralized structures generally varies from 072° to 108° with dips varying from 62° north to 66° south. The reader is cautioned, grab samples by nature are selective and therefore may not be representative of the mineralization being evaluated. Quartz veins typically occupy the structural zones and have been noted up to 1m in width (Elk 4). The reader is cautioned that grab samples by nature are selective and therefore may not be representative of the mineralization being evaluated. Further work was recommended consisting of two compass and GPS flagged soil geochemical grids oriented north-south with grid lines spaced at 100m intervals and sample stations established at 25 to 50m intervals. Magnetic and VLF-EM geophysical surveys are recommended over the grid to aid in mapping and to identify conductive trends associated with known MINFILE occurrences and newly located showings.

2017 Clarmin Exploration Inc. (AR 36,956). From May 8 to May 23, 2017, a 6-man field crew from Coast Mountain Geological Ltd collected 657 B horizon soil samples, 44 rock samples and surveyed 26.4-line kilometers of ground magnetic and VLF-EM data on behalf of Clarmin Exploration Inc. The 2017 field program was funded by Clarmin Exploration Inc. totaling \$105,893.17. Two separate grids were established with the aid of hand-held GPS and compass. Grid lines were oriented in a north – south

direction with a line spacing of 100m. Survey stations along the lines were identified with flagging at 25m to 50m intervals. The north grid consists of eight survey lines totaling 6.95km and the southern grid consists of 17 survey lines totaling 23.95km, both grids collectively cover 304.4ha of land (Figure 3). The soil sampling grids covered both the Middle Jurassic aged Nelson Plutonic Suite and the Carboniferous to Permian aged Anarchist group greenstones and encompasses all of the known MINFILE occurrences located on the property to date. The contact between these two geological units is ill defined and masked by glacial till draping the south and western slopes of Arlington Mountain. Based on 657 B horizon soil samples, statistical analysis of the results determined weakly anomalous, moderately anomalous and strongly anomalous levels for Cu, Pb, Zn and Ag.



# Figure 3

**2017 Soil and Rock Sample Locations,  
New Occurrences & VLF-EM Conductors**

Topo Source: Geogratis

**Jessy Resources Corp.**

Arlington Property  
Greenwood Mining Division

NTS 82E/11

Scale:  
1:20,000

Date: Nov. 22, 2021  
UTM NAD83 Zone 11

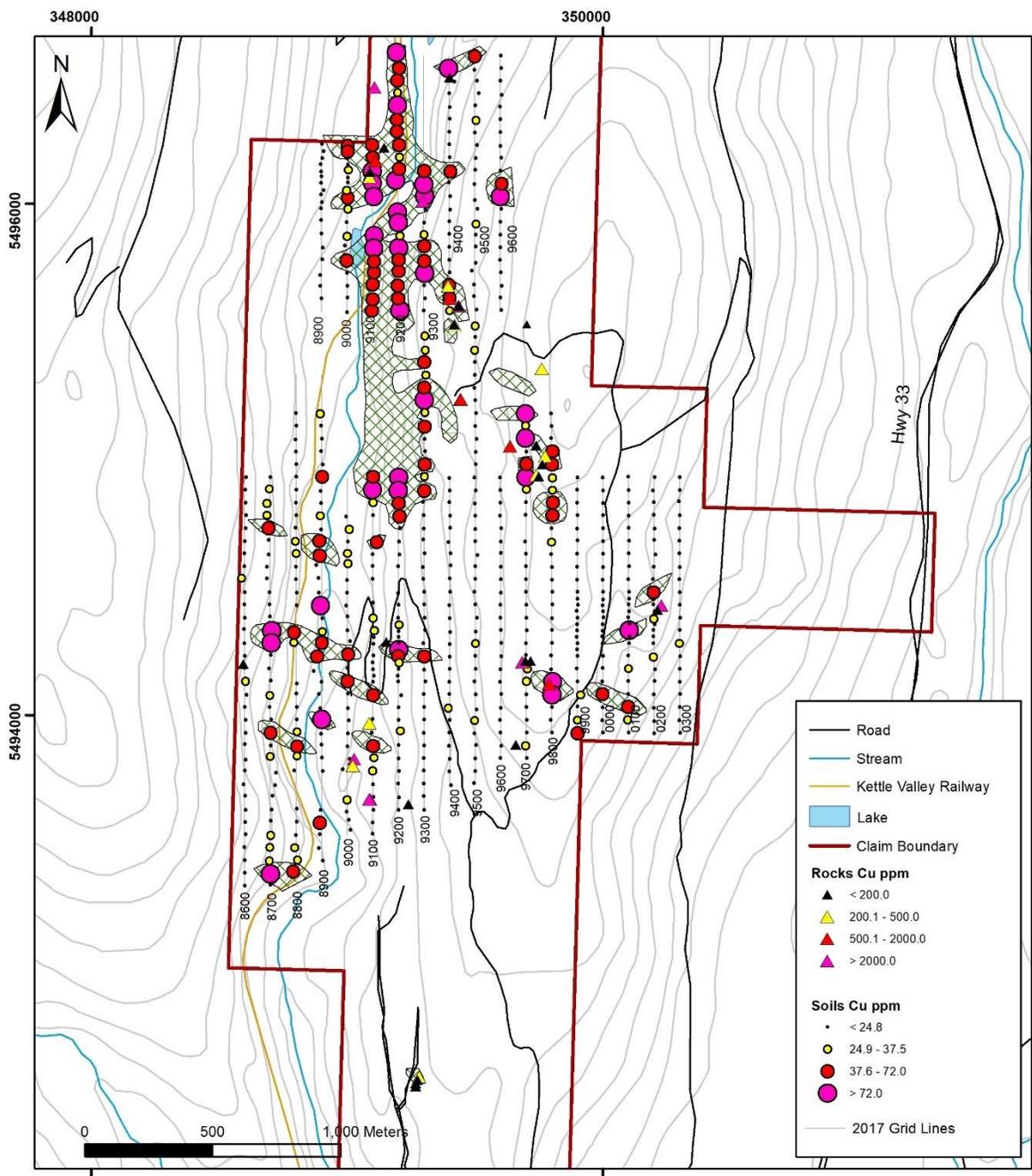
Element	Minimum Value (ppm)	Maximum Value (ppm)	Weakly Anomalous	Moderately Anomalous	Strongly Anomalous
Cu	2.4	990.5	24.9-37.5ppm	37.6-72.0ppm	>72.0ppm
Pb	2.5	268.8	11.2-14.0ppm	14.1-20.8ppm	>20.8ppm
Zn	18.0	517.0	137.0-169.6ppm	169.7-242.4ppm	>242.4ppm
Ag	0.01	3.9	0.2-0.3ppm	0.30-0.4ppm	>0.4ppm

A total of 44 rock grab samples were collected from newly located historical workings uncovered during the 2017 field program. The locations of these rock samples are shown in Figure 3 which highlights the relationship between the showings and the VLF-EM conductor trends. A total of 20 rock samples are deemed significant and are listed in Table 3. A total of 5 samples returned elevated and anomalous gold results from 1.3ppm to 11.67ppm Au. All five samples elevated in gold are located at the southern end of the southern grid which suggests the identified structures trending east-west in this area are enriched in Au, Ag and Cu (Figures 4, 5).

Sample Number	Type	Ag (ppm)	Au (ppm)	Cu (ppm)	Mo (ppm)	Pb (ppm)	Zn (ppm)
1067904	Grab*	4.7		3,304.4			
1067906	Grab*	5.4					9,268.0
1067907	Grab*	8.5				252.8	
1067909	Grab*	19.3		4,603.0		254.9	
1067911	Grab*	30.9	1.3	1.22%			
1067912	Grab*	17.3				2,538.1	
1067914	Grab*	3.6		1,653.4			
1067915	Grab*	5.2		1,482.4			
1067920	Grab*		1.9				
1067921	Grab*	4.8		1,614.6			
1067922	Grab*				1,224.0		
1067951	Grab*	5.5		3,144.4			
1067954	Grab*	22.7		1.071%			
1067956	Grab*	2.8					
1087862	Grab*	5.9		3,125.3			
1087866	Grab*	2.0	6.8				
1087873	Grab*	30.4	3.5	6,595.4	1,203.5		
1087874	40cm chip	4.14			1,784.9		
1087875	Grab*	3.4		1,218.4	1,795.7		
1087876	Grab*	211.0	11.7	3.22%			

\*Grab samples by nature are selective and therefore may not be representative of the mineralization being evaluated.

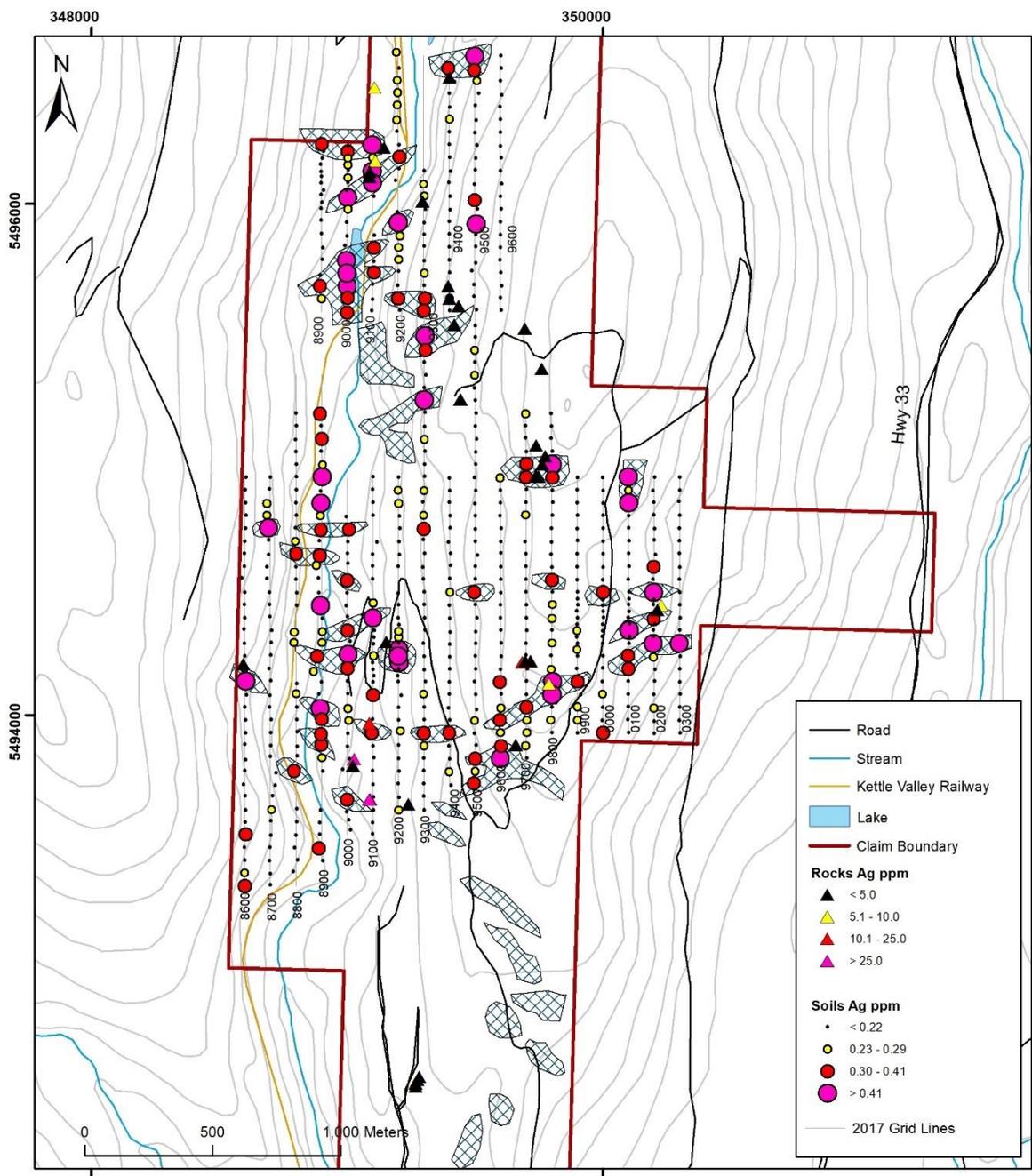
The magnetic and VLF-EM survey results are illustrated in Figure 6. In the southern grid, copper and silver soil geochemical results show east-west to northeast-southwest linear trends which closely approximate the structural trends identified by the VLF-EM survey suggesting the VLF-EM structures may be the host to sulphide enrichment. Also noted are scattered isolated anomalous



**Figure 4**  
**2017 Geochemical Results**  
**Cu ppm**

Topo Source: Geogratia

<b>Jessy Resources Corp.</b>		
Arlington Property Greenwood Mining Division		
NTS 82E/11	Scale: 1:20,000	Date: Nov. 22, 2021 UTM NAD83 Zone 11



**Figure 5**  
**2017 Geochemical Results**  
**Ag ppm**

Topo Source: Geogratias

**Jessy Resources Corp.**

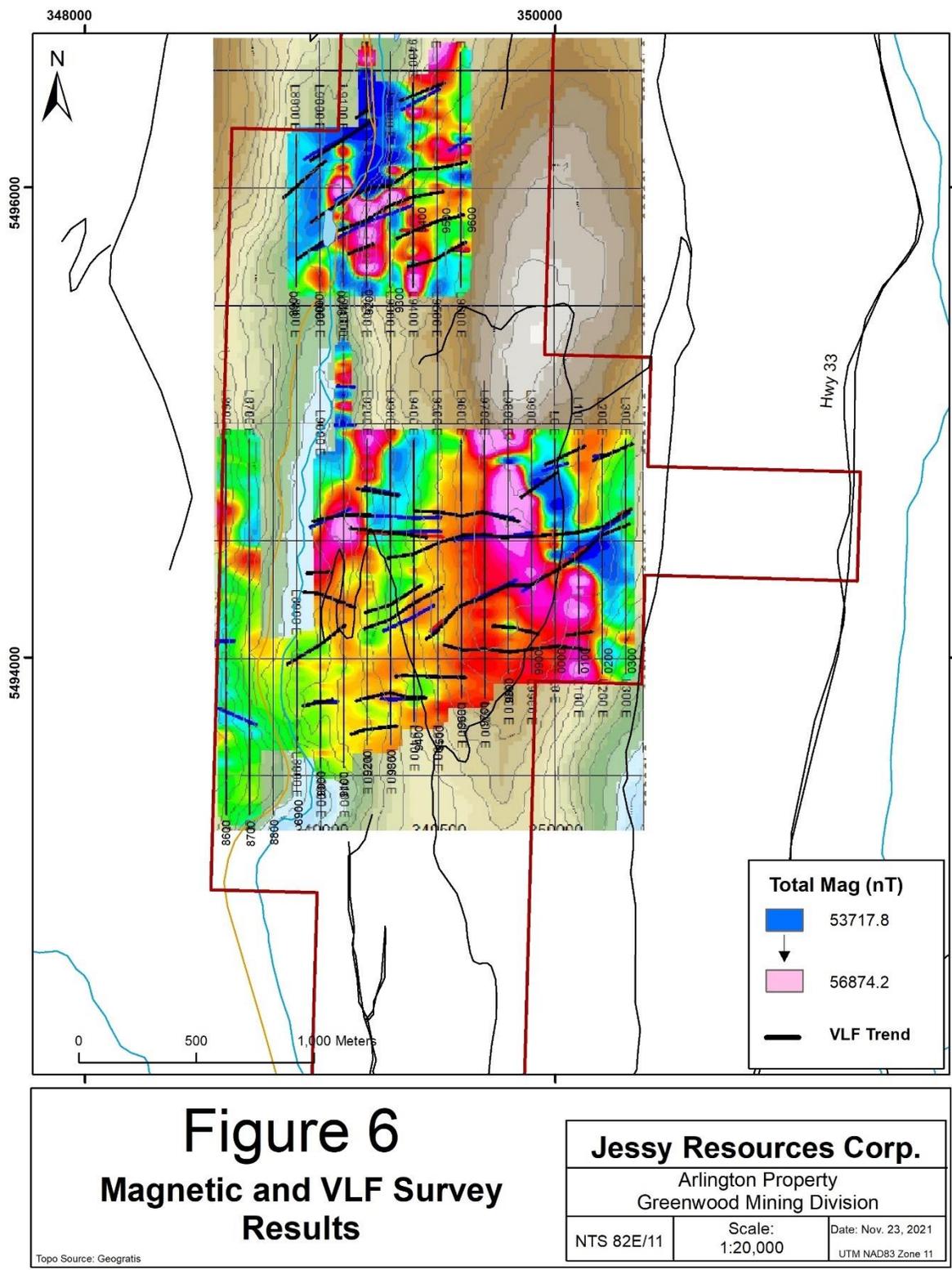
Arlington Property  
 Greenwood Mining Division

NTS 82E/11

Scale:  
 1:20,000

Date: Nov. 23, 2021

UTM NAD83 Zone 11



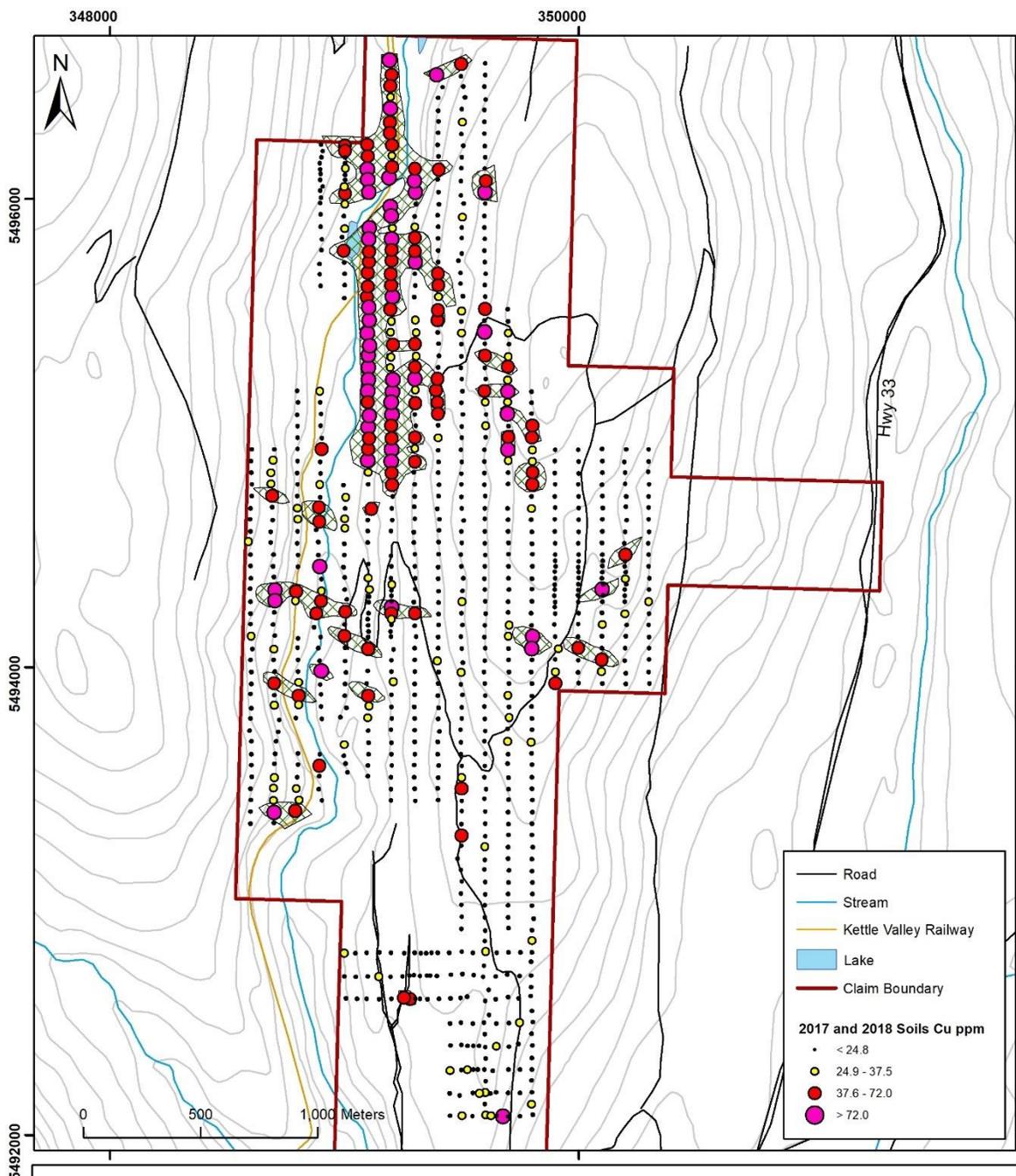
geochemical responses which may in fact reflect the narrow nature of the VLF-EM structures (<2m) and the sample density of 25m to 50m sample intervals. A closer sample spacing in these areas may better define potential mineralized trends. In the northern grid area anomalous Cu-Ag geochemical results are concentrated along the break in slope and primarily overlie the Anarchist Group volcanics along its contact with the Middle Jurassic aged Nelson Plutonic rocks. As noted at several mineralized occurrences, Anarchist rocks are often located in close proximity to mineralization and as such enrichment in the Cu-Ag soil geochemical results in the northern grid may in fact be due to the proximity of this contact with NE-SW trending VLF-EM conductors

located in this area. The broadly elevated copper soil results may also in part suggest enrichment is due to down slope migration with a concentration of elements occurring at the break in slope. Single and multi-line anomalous results for both copper and silver are noted at the end of lines between the two grids and along soil line 9200. Open ended anomalous results suggest additional mineralized zones may occur between the two grids which will require in fill sampling to better define any trends.

**2018 Clarmin Exploration Inc.** The 2018 field program was completed over a 7-day period from May 24 to May 30, 2018. A field crew consisting of a four-man soil sampling team and a two-man prospecting team completed the program resulting in the collection of 7 rock grab samples and 268 B horizon soil samples covering 109.0ha of land. The 2018 exploration field program was funded by Clarmin Exploration Inc. totaling \$47,379.46.

The soil sampling program was designed to follow up on anomalous soil and rock geochemical results received in 2017 from both the north and south soil grids. Infill soil sample lines have now completed the coverage between the two grids east of the Kettle Valley Railroad. Additional grid lines were emplaced to the south of the southern grid. The southern extension of the soil lines were completed along the east side of the claim group to the southern claim boundary to locate the Black showing. Following the location and examination of the Black showing, it was noted that the trend of the mineralized structure was oriented in a near north-south direction so a series of east-west trending soil lines were established and soil sampled to evaluate the on-strike potential of the Black Minfile occurrence. The results of the 2018 soil sampling program expanded the area of anomalous copper and silver soil results through the sampled area between the two grids (Figure 7, Figure 8). Much of the anomalous copper in soil results located along the west side of the northern grid reflects the presence of the underlying Anarchist Group volcanics. A sample of Anarchist hosting a small cm scale quartz vein with rare pyrite and malachite stain returned 414.4ppm Cu, 1.68g/t Ag (Sample #1750355).

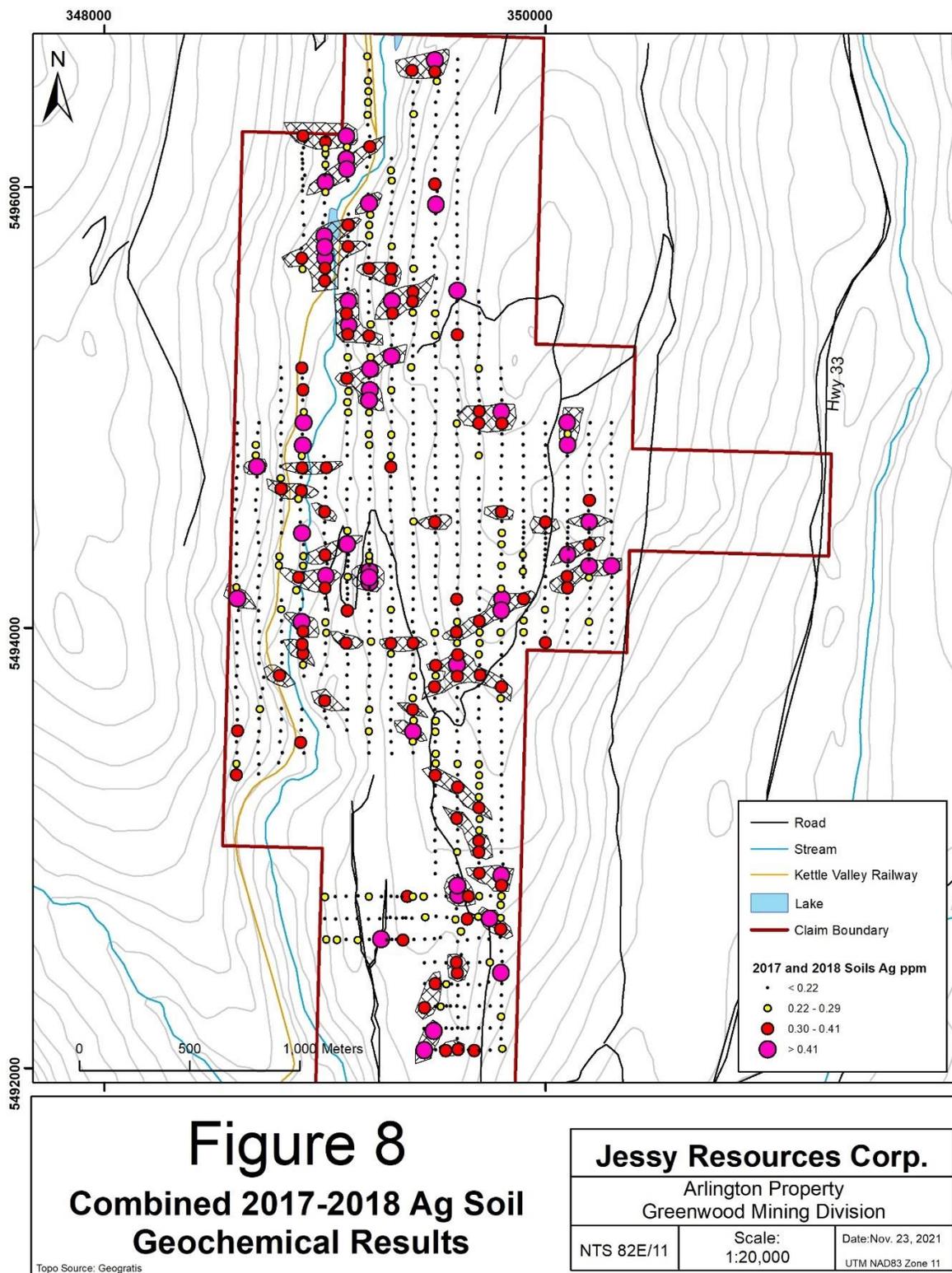
At the Black Minfile Occurrence a series of trenches and small test pits exposed a 20cm wide quartz vein trending at 153° dipping 53° to the south west. A grab sample of the quartz vein hosting chalcopyrite, molybdenite and pyrite returned anomalous results of 1.051% Cu, 37.65g/t Ag, 0.13g/t Au and 3,556.44ppm Mo (Sample #1750352).



**Figure 7**  
**Combined 2017-2018 Cu Soil**  
**Geochemical Results**

Topo Source: Geogratias

<b>Jessy Resources Corp.</b>		
Arlington Property Greenwood Mining Division		
NTS 82E/11	Scale: 1:20,000	Date: Nov. 23, 2021 UTM NAD83 Zone 11



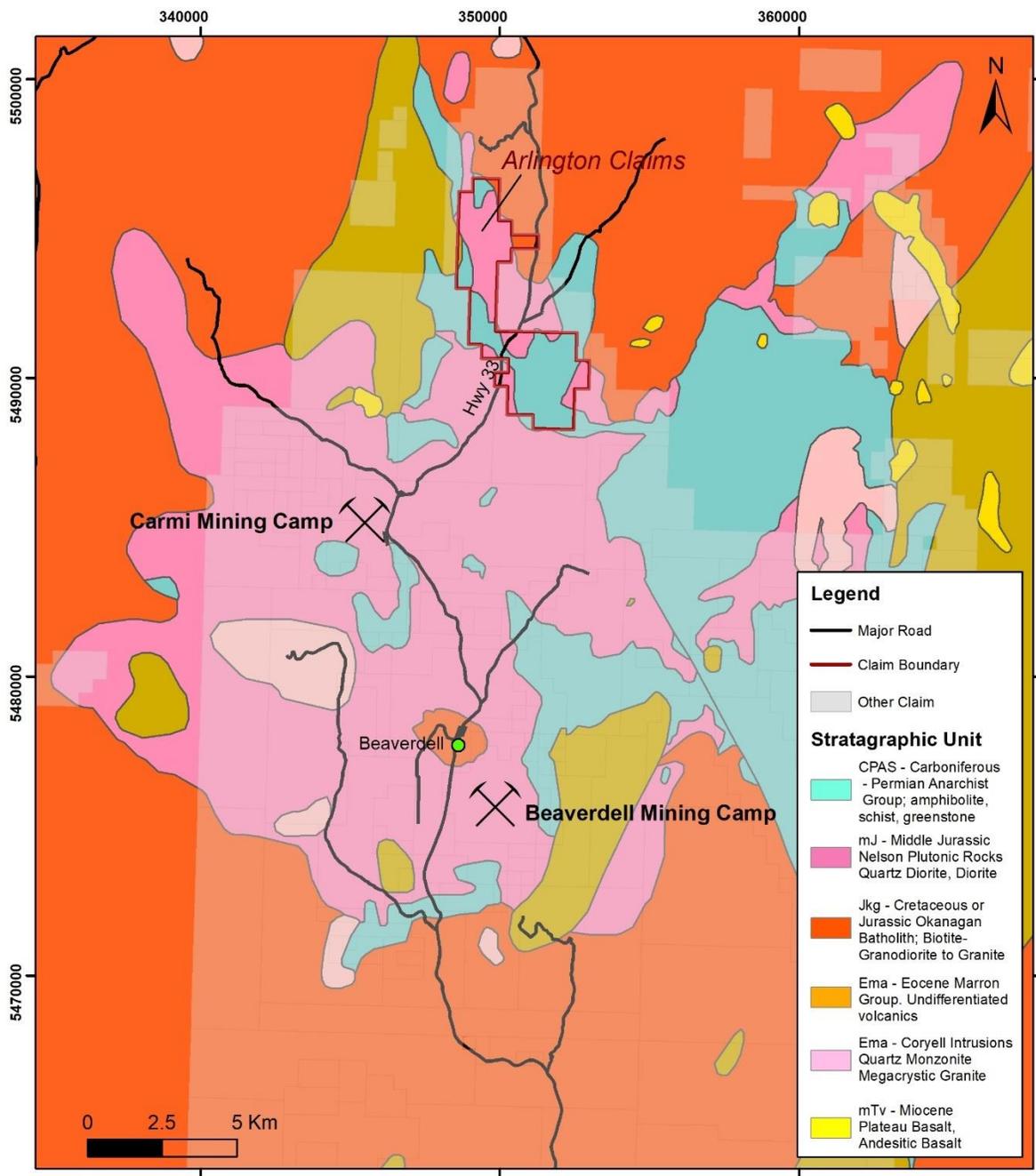
Approximately 45m to the south along strike of the Black showing is a historical trench where a grab sample of quartz vein material containing pyrite, chalcopyrite and molybdenite mineralization returned 4,358ppm Cu, 16.72g/t Ag, 0.117gm Au and 9,348.75ppm Mo (Sample #1750354). A second trench was located 41m further to the south of Sample #1750354 where heavy red iron oxide and malachite staining was associated with narrow cm scale quartz veining. A grab sample of the altered quartz vein material returned 2013.1ppm Cu, 3.32g/t Ag and 3,829.9ppm Mo (Sample #1750353). An east-west oriented soil grid covering the Black showing and its extension failed to return any significant copper soil results with elevated and anomalous silver soil results occurring only as scattered single point anomalies. Significant 2018 rock sample results are highlighted in Table 4 below.

Sample No	Sample Type	Copper (ppm, %)	Silver (ppm)	Au (ppm)	Molybdenum (ppm)	Lead (ppm)	Zinc (ppm)
1750351	Grab*	9.3	0.13	0.001	8.76	3.3	18
1750352	Grab*	1.051%	37.65	0.13	3556.44	3.5	37
1750353	Grab*	2013.1	3.32	0.027	3829.19	3.7	53
1750354	Grab*	4538.0	16.72	0.117	9348.75	7.8	136
1750355	Grab*	414.4	1.68	0.001	12.92	6.9	12
1750356	Grab*	89.9	0.23	0.001	6.31	9.1	87
1750357	Grab*	2.8	<0.005	<0.001	1.78	1.0	37

\* Grab samples by nature are selective and therefore may not be representative of the mineralization being evaluated.

### Geological Setting and Mineralization

The regional geology of the Penticton map sheet (NTS 82E) was mapped and compiled by D. Templeman-Kluit and published in 1989 as GSC Open File 1969. Kluit has mapped four dominant rock types in the surrounding area of the Arlington property (Figure 9). The oldest rocks in the district belong to the Paleozoic Anarchist Group which is Carboniferous to Permian in age and has been correlated with the Wallace Formation in the Beaverdell Camp. The Anarchist Group consists of metamorphosed mafic volcanics with lesser amounts of sediments. The unit weathers to a dense dark green color and is typically recessive occurring as amphibolite, greenstone, quartz chlorite schist, quartz biotite schist and minor serpentized peridotite. The Mesozoic Nelson Plutonic Rocks are middle Jurassic in age and have been correlated with granodiorite of the Westkettle Batholith which underlies the Beaverdell.



# Figure 9 Regional Geology

Topo Source: Geogratix

<b>Jessy Ventures Corp.</b>		
Arlington Property Greenwood Mining Division		
NTS 82E/11	Scale: 1:150,000	Date: Nov. 23, 2021 UTM NAD83 Zone 11

Mining Camp and is host to vein type Ag-Pb-Zn mineralization. The rocks are massive to moderately foliated and medium grey in color occurring as medium to coarse grained equigranular hornblende biotite granodiorite, quartz diorite, diorite and granite. The Nelson Plutonic Rocks are likely genetically related to the Okanagan Batholith. The Okanagan Batholith is the most prominent rock type in the region, bordering nearly all other rock types. The Middle to Early Mesozoic Okanagan Batholith is Cretaceous and/or Jurassic in age and occurs as a massive, light grey weathered, medium to coarse grained, equigranular to porphyritic and weakly to non-foliated biotite granodiorite to granite and includes undifferentiated granodiorite of the Nelson Plutonic Suite; age is poorly

constrained. The Eocene Marron Group, located to the west of the property, is the youngest unit in the area and is described as an undifferentiated andesite, dacite and trachyte.

Silver vein mineralization, characterized by the Beavertale deposits on Wallace Mountain, are mainly within the Westkettle batholith which contain pendants and screens of the Wallace Formation. Mineralization, mainly within the Westkettle granodiorite, locally extends for short distances into the Wallace Formation (Anarchist Group). Gold mineralization, characterized by the Carmi Mine, is commonly found near the contact of Westkettle granodiorite and Wallace Formation (Anarchist Group).

### *Property Geology*

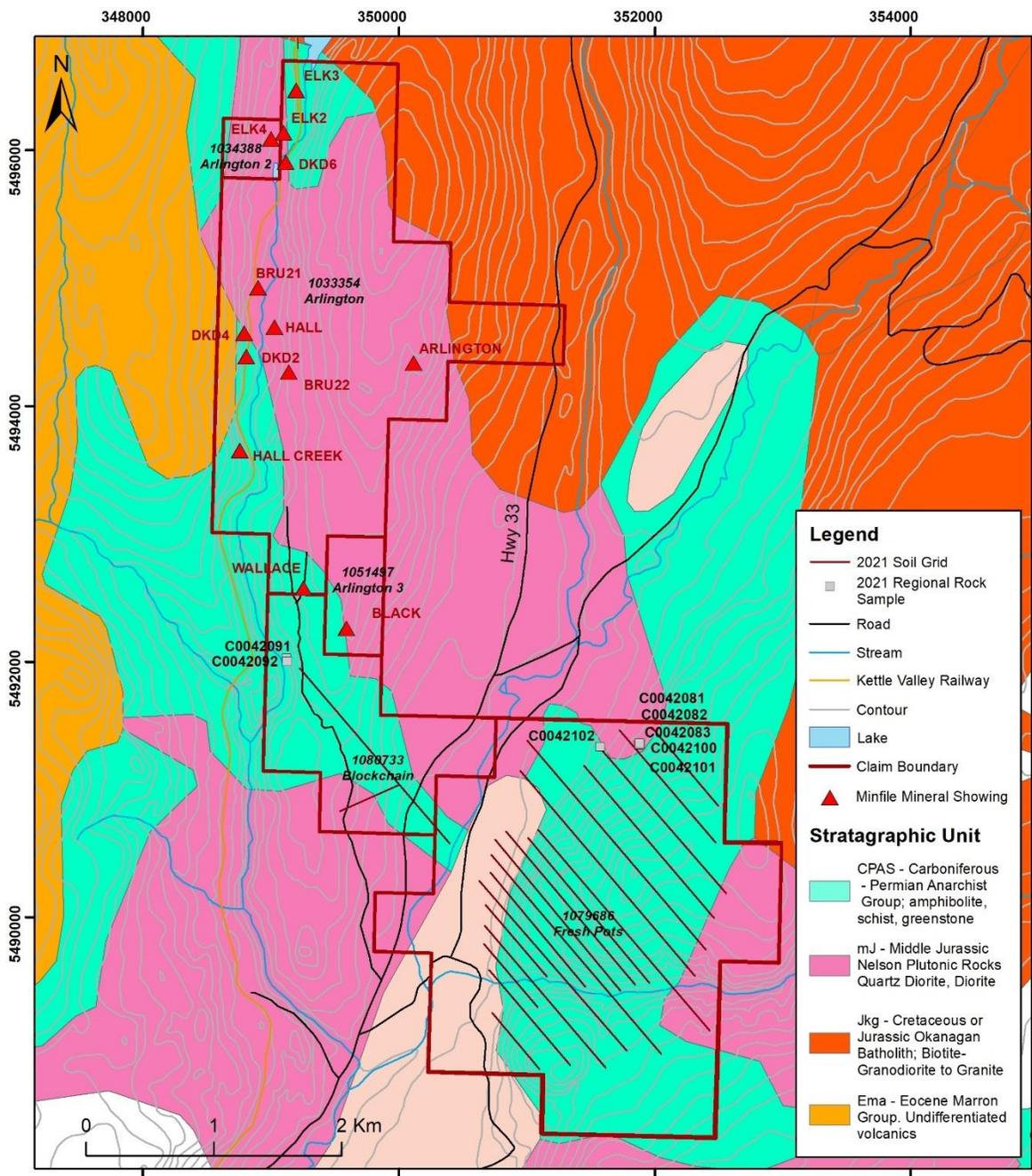
The Arlington claims are underlain by four distinct units; variations within these units are largely due to the degree of alteration present. The local geology is illustrated in Figure 10. Diorite and quartz diorite of the Nelson Plutonic suite underly the claims. Diorite is grey-pink in color and fine grained containing approximately 85% plagioclase feldspar, +/- 5% quartz and +/- 10% mafic minerals as biotite or hornblende. The diorite is most commonly gneissic; the degree of the gneissic banding is variable from quite tight to fairly broad. Alteration of the diorite becomes more apparent as one approaches the contact with the Carboniferous to Permian aged Anarchist group rocks and close to major zones of shearing. With increased proximity to the contact, the gneissic banding becomes tighter along with an increase in the intensity of shearing and fracturing. The diorite is chloritized, silicified and locally serpentinized close to the contact. Fractures and shears are developed and healed by quartz, K feldspar and epidote. The altered diorite is noted as a favorable host for quartz veining and chalcopyrite +/- galena, sphalerite, molybdenum, silver and gold mineralization.

Along the western side of the Arlington claims, roughly parallel to the trace of Hall Creek, is a north-south trending horizon of at least two bodies of intensely altered basic rock belonging to the Carboniferous to Permian aged Anarchist Group. The unit is generally a dense, dark green flaky chlorite biotite hornblende schist, frequently containing magnetite, pyrite and chalcopyrite as accessory minerals. Wherever this unit was encountered, the rock was strongly fractured, quite magnetic and locally brecciated with quartz, K feldspar and epidote breccia-fracture filling and veining. The contact between the Anarchist Group rocks and the Nelson Plutonic suite is sinuous, trending north northwest.

Anarchist Group stratigraphy covering the Arlington claims trends to the southwest through the Blockchain claim to quaternary valley cover along the west side of the West Kettle River Valley. A large body of Anarchist volcanic stratigraphy trends near north-south through the Fresh Pots claim and to date hosts all of the known historical workings. The contacts with the bounding Middle Jurassic quartz diorite and the Cretaceous to Jurassic aged Granodiorite are ill-defined. Rock samples collected during the soil geochemical sampling program suggests the Anarchist Group is locally intruded by strongly foliated unmapped intrusive rocks.

In the northeast and eastern portions of the Arlington property is porphyritic granite related to the Okanagan Batholith. The contact between the granite and diorite is irregular and in places fingers of the porphyritic granite are noted to invade the bounding diorite as long dyke like bodies. Rocks of the Okanagan Batholith are light grey in color with sub centimeter scale quartz eyes set in a fine-grained groundmass of quartz and feldspar. Where encountered, the granite is very uniform and equigranular with little to no alteration.

The Eocene aged Marron Group is the youngest stratigraphic unit on the property consisting of undifferentiated andesite, dacite and trachytic volcanic rocks located along the western portion of the Arlington claim boundary.



**Figure 10**  
**Local Geology**

<b>Jessy Resources Corp.</b>		
Arlington Property Greenwood Mining Division		
NTS 82E/11	Scale: 1:40,000	Date: Nov. 23, 2021 UTM NAD83 Zone 11

The stratigraphy underlying the Arlington claims vary in strike from northwesterly in the south part of the claim to northeasterly in the northern part of the property with an apparent warp in the stratigraphy in the central portion of the Arlington claim. The stratigraphy generally dips steeply to the east or is vertically inclined. Best outcrop exposures are located along the Kettle Valley Railroad right-of-way and along steep sided slopes.

## Mineralization

There are thirteen (13) BC Minfile showings located within the Arlington property boundary as illustrated in Figure 10. From north to south these Minfile occurrences are the ELK 3, ELK 2, ELK 4, DKD 6, DKD 4, DKD 2, ARLINGTON, HALL, BRU 21, BRU 22, HALL CREEK, WALLACE and the BLACK showings. All of these showings were first discovered and worked on during the early part of the 1900's. More recent assessment work completed on the Arlington property located, described and sampled the historical workings. Mineralization on the Arlington property is noted to occur in three general forms.

- 1) Chalcopyrite, sphalerite, galena and molybdenum are hosted in quartz veins which cut altered diorite intrusive rocks (Minfile 082ENW043).
- 2) Disseminations and replacements of chalcopyrite, pyrite and specular hematite in and around shear zones within a strongly jointed and altered gneissic diorite to quartz diorite intrusive hosting frequent quartz feldspar veining and greenstone rock units. The diorites to quartz diorite host are generally strongly chloritic and silicified (Minfile 082ENW045).
- 3) Disseminations of magnetite, pyrite and chalcopyrite in highly altered basic rocks. This style of mineralization is confined to a north-south trending zone which parallels Hall Creek and the KVR right-of-way and at the Arlington Minfile Occurrence. Mapping by the Geological Survey of Canada (GSC) identifies this unit as a greenstone belonging to the Anarchist Group. Previous claim holders describe this unit as a dense dark green flaky chlorite biotite hornblende schist, thought to be a dyke or sill like body (Minfile 082ENW015).

A summary of the Minfile occurrences located within the Arlington property are contained in Table 2. The source of the information listed in Table 2 is from historical Assessment Reports gained from the British Columbia Geological Survey Branch, Assessment Report Indexing System (ARIS) website as listed in Section 27.0 of this report.

Minfile Name	Minfile Number	Status	Mineralization	Details
ELK 3	082ENW038	Showing	Cpy, Py, Magnetite	No analysis
DKD 6	082ENW044	Showing	Cpy, Py, Magnetite	Grab: 0.16% Cu Assessment Report(AR) 24,921
ELK 2	082ENW005	Showing	Mo, Cu, Zn	Grab: 2,336.3ppb Au, 243.8ppm Ag, AR 36,026
ELK 4	082ENW006	Showing	Cpy	Grab: 6.9ppb Au, 1,095ppm Mo. AR 36,026.
DKD 4	082ENW043	Showing	Cpy	Grab: 6.1g/t Au, 8.7g/tAg,0.18% Cu AR 24,921
DKD 2	082ENW041	Showing	Cpy	Grab: 0.21% Cu, 11.8g/t Ag. AR 24,921
Arlington	082ENW015	Showing	Cpy, Py	Chip: 0.92%Cu, 63g/t Ag over 0.6m AR 4,720 Grab: 38.6ppb Au, 131gm/t Ag, 2.557% Cu, 1168.9ppm Pb. AR 36,026
Hall	082ENW065	Showing	Cpy	Grab: 14.2ppb Au, 1,854.1ppm Cu. AR 36,026
Bru 21	082ENW042	Showing	Cpy	No Analysis
Bru 22	082ENW045	Showing	Cpy, Py, Hematite	Grab: 10,891.5ppb Au, 6.5ppm Ag, 614.8ppm Cu. AR 36,026
Hall Creek	082ENW033	Showing	Asbestos	Grab: 4.6ppb Au. AR 36,026
Wallace	082ENW039	Showing	Scheelite, Cpy	Grab: 0.15%Cu AR 17,030
Black	082ENW061	Showing	Cpy, Ag, Mo, Au	Composite chip sample: 52.69g/t Ag, 0.68g/t Au, 1.72% Cu, 1.19% Mo. AR 17,030

A brief description of each of the Minfile occurrences on the property is included below.

**ELK 3:** The ELK 3 showing (MINFILE Number **082ENW038**) is exposed on the east side of a railway cut located approximately 250m south of Arlington Lakes. The showing consists of a hornblendite outcrop containing chalcopyrite and pyrite as fine disseminations and in quartz calcite stringers. Magnetite is common, as finely disseminated grains and in fracture fillings. The hornblendite appears to be a mafic intrusion in the Carboniferous-Permian Anarchist Group rocks. These are in contact with Cretaceous Okanagan Batholith to the north. Included with the ELK 3 showing is an outcrop located approximately 320 meters to the northeast of the main showing where copper mineralization was noted.

**DKD 6:** The DKD 6 showing (MINFILE Number **082ENW044**) is located 1 kilometer south of Arlington Lakes. The showing occurs in an unnamed Middle Jurassic intrusion near the east contact of a north-south trending band of Carboniferous-Permian Anarchist chlorite-biotite schist. An adit at the site was driven eastward on a quartz vein of unknown width. Disseminated magnetite, pyrite, chalcopyrite are noted within highly altered Anarchist Group rocks. Associated with the DKD 6 are two copper occurrences hosted in Anarchist chlorite-biotite schist located 100m to the northwest, disseminated chalcopyrite blebs in Anarchist chlorite biotite schist located 200m to the southwest and a copper occurrence in diorite located 250m to the west of the adit.

**ELK 2:** The Elk 2 showing (MINFILE Number **082ENW005**) is located 500m south of Arlington Lakes and 160m west of the Kettle Valley Railroad right of way. The showings consist of several mineralized quartz veins and a series of adits, trenches and a short shaft. Quartz veins vary from 60cm to 1.8m wide hosting chalcopyrite, sphalerite and molybdenite.

**ELK 4:** The Elk 4 showing (MINFILE Number **082ENW006**) is exposed on the east side of a small pond about 750m south of Arlington Lakes. The showing consists of a 2.5m deep pit which exposes a quartz vein hosting pyrite and chalcopyrite within granodiorite.

**DKD 4:** The DKD 4 showing (MINFILE Number **082ENW043**) is located 1.6 kilometers south of Arlington Lakes. The showing occurs in quartz diorite of a Middle Jurassic intrusion which is in contact with an altered gneissic diorite. The altered diorite is strongly chloritized, silicified and locally serpentinized. The showing occurs within a northwest-southeast trending, steeply dipping narrow shear zone along a railway rock cut exposure. Copper mineralization consists of chalcopyrite with abundant iron oxides, specular hematite, epidote, chlorite and biotite. Malachite staining of the outcrop exposure is also noted.

**DKD 2:** The DKD 2 showing (MINFILE Number **082ENW041**) is located 1.9 kilometers south of Arlington Lakes. The showing consists of a mineralized outcrop on the Kettle Valley right-of-way. Mineralization is hosted by a Middle Jurassic quartz diorite intrusion which is in contact with an altered gneissic diorite. The altered diorite is strongly chloritized, silicified and locally serpentinized. The showing consists of a west-northwest trending shear zone that dips 80 degrees to the south. Mineralization includes chalcopyrite with limonite, specular hematite, epidote, chlorite and biotite. Malachite staining is present on the outcrop. Greenstone of the Carboniferous-Permian Anarchist Group is located approximately 50 meters to the south.

**ARLINGTON:** The Arlington showing (MINFILE Number **082ENW015**) is located on the southeast slope of Arlington Mountain. The Arlington Mountain area has numerous old workings, pits and adits dating back to the early 1900's. The showing occurs near a contact between a Middle Jurassic quartz diorite intrusion and chlorite hornblende schist which may be part of the Carboniferous-Permian Anarchist Group. The showing has been trenched and a shaft/pit dug. A 1936 description describes the showing as a brecciated zone partly cemented with quartz and calcite and mineralized with chalcopyrite and pyrite and said to carry values in both silver and copper. Assessment work in 1987 suggested the dominant lithology at this location is granite gneiss. A channel sample taken in 1973 assayed 0.92% copper and 63 grams per tonne silver over 60cm. A high-grade grab sample in 1987 assayed 1.61% copper, 0.08% lead, 0.02% zinc and 85.3 grams per tonne silver.

**HALL:** The Hall showing (MINFILE Number **082ENW065**) is located 1.6 kilometers south of Arlington Lakes. The showing occurs within Middle Jurassic quartz diorite which lies near the west contact of a north-south trending band of Carboniferous-Permian Anarchist chlorite-biotite schist. An adit is located at the site and has been driven eastward on a quartz vein within a shear zone striking 015 degrees and dipping 60 degrees west. Copper mineralization is reported.

**BRU 21:** The Bru 21 showing (MINFILE Number **082ENW042**) is located 2 kilometers south of Arlington Lakes. The showing consists of two mineralized outcrops, 300 meters apart along the Kettle Valley Railway right-of-way and an adit 75 meters east of the railway. The showings are hosted by greenstone of the Carboniferous-Permian Anarchist Group. Chalcopyrite is noted at this location; no other information is available. A number of copper occurrences are found in this general area, but they are associated with quartz veins and shear zones in diorite; not greenstone.

**BRU 22:** The Bru 22 showing (MINFILE Number **082ENW045**) is located 2.5 kilometers south of Arlington Lakes. The showing consists of three (3) adits driven eastward on a shear hosted quartz vein trending in a northwest-southeast direction. The shear zone

cuts through quartz diorite of a Middle Jurassic intrusion. Hematite is noted to occur in the shear zone, and it is reported that disseminated chalcopyrite and pyrite are commonly associated with specular hematite in and around shear zones in diorite on the property. The general area has numerous old workings, pits and adits which date from the early 1900's.

**HALL CREEK:** The Hall Creek showing (MINFILE Number **082ENW033**) is located approximately 3.0 kilometers south of Arlington Lakes, on the west side of Hall Creek canyon. The showing consists of asbestos veins which cut through a serpentinized peridotite of the Carboniferous-Permian Anarchist Group. The serpentine and asbestos occur in the lower 3 meters of a sill-like black saxonite porphyry which is 20 meters thick. The serpentine occurs as green bands in the black rock and the asbestos occurs in little veinlets in the serpentine. The bands and veinlets are more or less parallel to the lower contact of the sill. The asbestos veins rarely exceed 2.5 centimeters thick.

**WALLACE:** The Wallace skarn showing (MINFILE Number **082ENW039**) is located approximately 3.7 kilometers south of Arlington Lakes. Scheelite, as noted in thin section, occurs in quartz veinlets within a limestone pendant of the Carboniferous-Permian Anarchist Group which has been altered to garnet and epidote. The garnet and epidote may be as a result of high-grade metamorphism. The skarn is hosted by a Middle Jurassic quartz diorite. Evaluation of the showing in 1987 (Assessment Report 17030) identifies both scheelite and chalcopyrite mineralization at this location (796ppm W and 0.15% Cu).

**BLACK:** The Black showing (MINFILE Number **082ENW061**) is located at the southern end of the Arlington claim group and 4.5km south of Arlington Lakes. The showing consists of a quartz vein hosted in an unnamed Middle Jurassic gneissic quartz diorite intrusive located near the west contact of a north-south band of Carboniferous-Permian Anarchist chlorite, biotite schist. A composite quartz vein sample containing chalcopyrite and molybdenite mineralization assayed 1.72% copper, 1.54oz/t Ag, 1.19% Mo and 0.02 oz/t gold (Assessment Report 17,030).

## Deposit Type

The dominant characteristics of the mineralized showings located to date on the property belong to Polymetallic vein Ag-Pb-Zn +/- Cu, Au, Mn type mineralization as described by Lefebure and Church (1996). Other names for this deposit style are Silver/base metal epithermal deposits.

Polymetallic Ag-Pb-Zn veins are the most common deposit type in British Columbia with over 2,000 occurrences and were a significant source of Ag, Pb, and Zn until the 1960's. These sulphide-rich veins containing sphalerite, galena, and silver +/- copper, gold, manganese and are hosted in carbonate and quartz gangue. Regional faults, fault sets and fractures are an important ore control. The polymetallic quartz veins are usually associated with second order structures. The deposits typically form steeply dipping, narrow tabular to splayed veins and commonly occur as sets of parallel and offset veins. Individual veins may vary from a few centimeters up to 3m wide and can be followed from a few hundred to more than 1,000m in length and depth and may widen to tens of meters in stockwork zones. These veins can occur in virtually any host.

Numerous examples of Polymetallic vein style mineralization within structurally controlled quartz veins are noted in the Beaverdell Camp and at the Carmi mine, located 16km and 7km respectively, to the south of the Arlington property. The author (Richard Kemp) cautions the reader that information on these properties has not been verified, nor is it necessarily indicative of mineralization on the Arlington property.

In the Beaverdell Camp granodiorite of the Westkettle batholith underlies most of the area. The Westkettle batholith has been correlated with the Nelson intrusions and has been dated to Middle Jurassic in age. The Westkettle batholith contains remnants of pendants and/or screens of metamorphosed rock. The Wallace Formation is correlative with the upper sections of the Carboniferous to Permian Anarchist Group. Lithologies include metamorphosed andesite tuffs and lavas, hornblende diorite porphyries, olivine gabbro and hornblendite. The contact between the Wallace Formation and the Westkettle batholith is sinuous, trending north with gentle east dips. The Westkettle granodiorite and the Beaverdell quartz monzonite are the dominant host rocks. Mineralization rarely extends into the Wallace Formation to the east. The following discussion on the Beaverdell Mine has been extracted from the Minfile Mineral Inventory number 082ESW030.

The Beaverdell silver rich veins are found along a 3.0 by 0.8-kilometer belt referred to as the Beaverdell mine area. Five distinctly separate quartz vein systems are arranged en echelon within this structural zone. In general, quartz breccia veins and stockworks are so complex that continuous mineralized sections are a maximum of a few meters before being faulted or disrupted. Some mineralized zones have been found that extend up to 150 meters horizontally.

Vein type mineralization of the Beaverdell camp is characterized by a high silver content. Mineralization is composed of galena, sphalerite and pyrite with lesser amounts of arsenopyrite, tetrahedrite, pyrrargyrite, chalcopyrite, polybasite, acanthite, native silver and pyrrhotite. The gangue minerals in veins are mainly quartz with lesser amounts of calcite, fluorite and sericite with rare barite.

Ore ground has been described as propylitically altered granodiorite, quartz diorite and quartz monzonite of the Westkettle batholith up to 15 meters wide. These zones are characterized by sericite, clay minerals, chlorite, calcite, epidote and hematite. The fault bounded veins commonly have a banded texture defined by outer, crudely parallel sulphide stringers. The wall rocks are brecciated and sheared over 30 to 150 centimeters width adjacent to veins. Weak sericite alteration of feldspars is pervasive in the Westkettle batholith.

The Beaverdell mine is composed of the past producing Highland Lass and Bell where the upper and lower Lass veins were mined and which have accounted for the majority of production. Most of the veins are hosted in granodiorite of the Westkettle batholith. Some mineralization locally extends for short distances into the Wallace Formation rocks which overlie the batholith at the eastern end of the mine area. The mineralized quartz veins occupy fissures along northeast trending faults in the eastern portion of the system. To the east the veins generally exhibit progressive increases in width and intensity and extent of wallrock alteration. The Bell and Lass veins average 0.9 and 1.5 meters wide respectively, but are rarely continuous for more than 5 to 10 meters without offset.

The Beaverdell Mine was the longest producing mine in the area; almost continuously between 1913 and 1991. Total historic production from the Beaverdell Camp is 1,198,829 tonnes of mined ore from which 1,076,005,759gm Ag, 520,197gm Au, 13,900,078kg Zn, 11,598,238kg Pb and 11,657kg Cu and 58,171kg of cadmium were recovered.

The Carmi mine is a past producer and is hosted by granodiorite of the Westkettle batholith and an irregular body of Permian aged Wallace Formation covering approximately 2.56 square kilometers. The Westkettle batholith varies in composition from granodiorite, quartz diorite and diorite. The granodiorite is medium grained, grey to pink in color with chlorite or biotite altered mafics. The quartz diorite phase is commonly foliated and porphyritic. These phases are intruded by quartz monzonite, quartz k feldspar and andesite dykes. Veins are composed of quartz, quartz and k-feldspar or quartz calcite +/- pyrite and are commonly associated with clay rich fault gouge.

The Carmi and Butcher Boy workings are on the same faulted vein, following a shear zone in fine grained granodiorite oriented along a strike of 090 degrees with dips from 45 to 60 degrees to the south. The vein has been traced along strike for over 549 meters with minor fault displacement. The vein varies from 5 to 213 centimeters wide. Mineralization consists of pyrite with lesser sphalerite and galena carrying gold and silver values. Minor chalcopyrite and molybdenum are also present.

The Carmi mine produced 4,780 tonnes of ore between 1901 and 1915, and between 1932 and 1940. Reported recovery were 279,585 grams silver, 87,929 grams of gold, 3,179 kilograms of lead and 7,307 kilograms of zinc. The reader is cautioned that the author has not verified the information on the Carmi mine, nor is this information necessarily indicative of mineralization on the Arlington property.

Based on the deposit model, exploration programs were designed for the Arlington property to use appropriate geochemical and geophysical methods for the detection of structural features and multi-element signatures associated with Polymetallic Ag-Pb-Zn +/- Cu, Au, Mn type vein deposits.

## **Exploration**

In November 2020 and January 2021, the Fresh Pots and Blockchain on-line mineral claims were staked by the Optionor to encompass ground geologically similar to the adjoining Arlington claims and is believed to host structurally controlled copper, gold, silver mineralization and copper-gold skarn mineralization. Historical Crown grant supporting documents, newspaper articles and mineral claim survey maps from the late 1890's detail a series of workings exploiting a ledge of magnetite carrying values in copper and gold (Boundary Creek Times, 1899) located north of China Creek, opposite Carmi. The China Creek area was a landmark mining camp in the late 1800's/early 1900's, and the creek itself reportedly produced placer gold between 1896-1898 that was believed to be sourced from the magnetite iron ledge (The Phoenix Pioneer, 1905). The Fresh Pots mineral claims are contiguous and adjoin the southern claim boundary of the Arlington claim (1033354) and the Arlington 3 claim (1051497) and is fully road accessible and has no record of modern exploration activity.

From May 8 to May 23, 2021, the Optionor hired a four-man field crew from Coast Mountain Geological Ltd. who collected 725 B horizon grid-based soil samples and 62 rock grab samples from the property. The soil sampling grid was established over a core area of historical crown grants located on the Fresh Pots claim where undocumented historical workings were located. Soil sample lines were oriented at 320° over the core area at a line spacing of 100m with soil samples collected along the lines at 25m intervals. To the southeast and northeast of the core grid area, soil sample lines were established at 200m intervals with soil samples collected at 50m intervals. To the northwest of the core grid area a single soil sample line was established across the Blockchain claim (#108733) resulting in 21 B horizon soil samples collected at 100m intervals. A total of 725 B horizon soil samples were collected during the program with 97% (704 samples) collected from the Fresh Pots claim (#1079686). The 2021 soil sampling survey grid

covers approximately 432 hectares of land.

A magnetometer survey was completed from September 14-16, 2021 on the Fresh Pots claim. The magnetometer survey covered westerly facing slopes to the Kettle River Valley. The west side of the pre-existing soil grid along the west facing slopes of the West Kettle River valley were re-established and intermediate lines were located by GPS, compass and flagging. A total of 10.1-km were surveyed along lines 50m apart with readings taken at 12.5m intervals resulting in 831 magnetic readings. The magnetometer survey grid encompassed an area roughly 1,600m north by 650m east covering 104 ha of land.

During the soil sampling program, field crew members walked each survey grid line and noted any outcrop locations or historical workings encountered. The spot location of outcrop exposures and historical workings were identified using a hand-held Garmin GPS60 or GPS62. Outcrop exposure on the property is variable from 25-30%. In general, rock exposure is better in the steeper portions of the property and is scarce on the gentler slopes. The scarcity of outcrop in the moderate to low slope areas hampered prospecting and mapping efforts. Spot locations of outcrop exposure were recorded with rock type and any alteration, structural features or the presence of sulphides recorded.

#### *Soil Geochemical Surveys*

A total of 725 B horizon soil samples were collected in 2021 along north-west trending compass and GPS flagged survey lines oriented at 320° azimuth; samples were collected from 25m, 50m and 100m intervals. At each of the soil sample sites, a hole was dug with a Geo Tool to depths varying from 15cm to 30cm to collect a B Horizon soil sample. The sample site is marked by flagging tape and inscribed with the sample number for future reference. A standard Kraft soil sample bag was used for sample collection. The soil was placed in the Kraft sample bag, folded closed and secured by flagging tape. The sample number was recorded on the outside of the bag with an indelible magic marker. Notes were taken at each soil sample site recording the samples GPS location, depth of sample, soil color, % silt and clay and the soil horizon sampled. General notes document slope direction, topography and any features which may influence the sample results: i.e. proximity to muck piles and trenches, talus slopes etc. Soil samples were first assayed in the field using a Niton portable XRF analyzer. The soil samples were allowed to air dry and then securely packed for transport to MSA LABS in Langley, B.C. under the supervision of Coast Mountain Geological personnel.

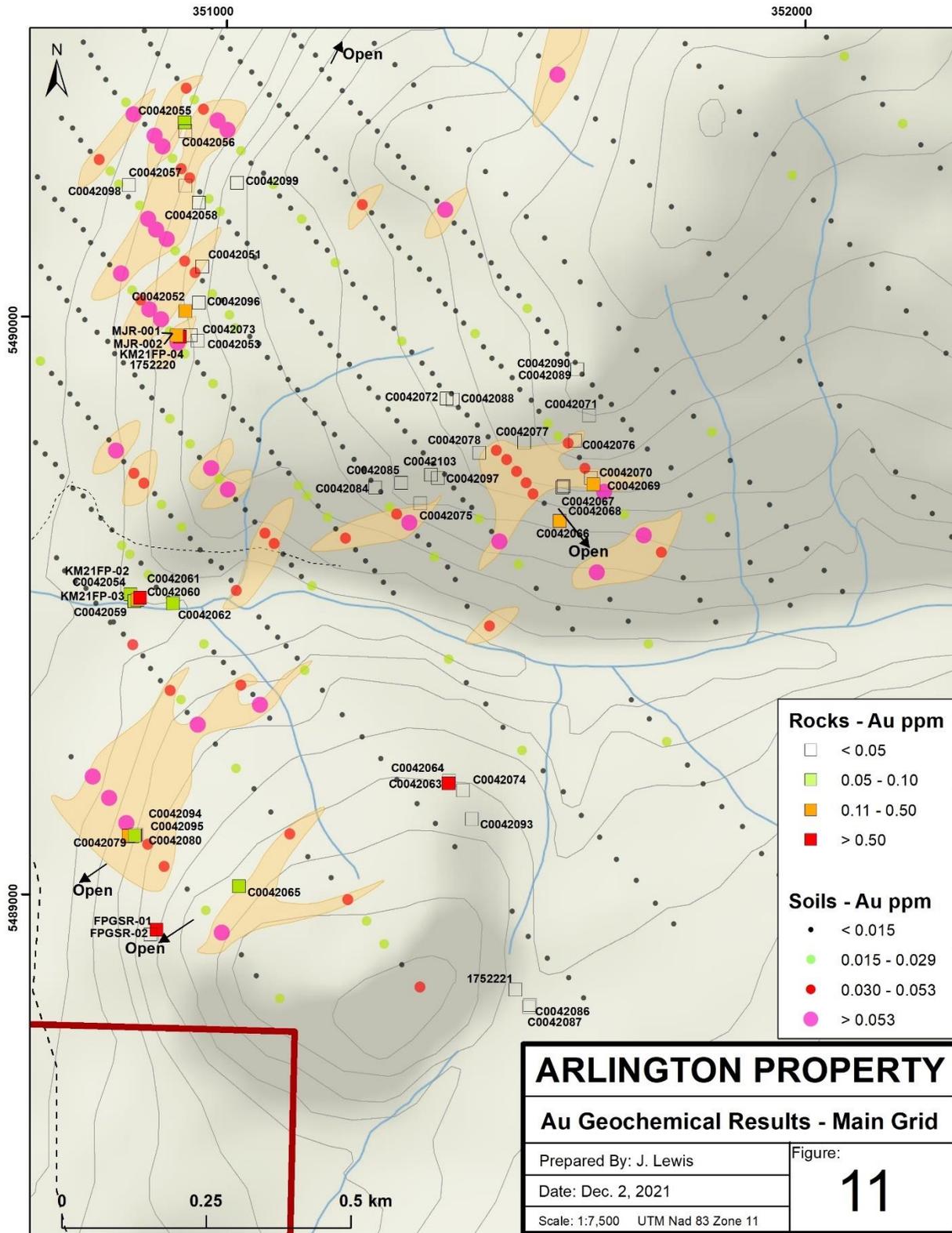
The soil sampling grid extends from the base of west facing slopes of the West Kettle River valley, east over the height of land to north and south facing slopes along China Creek. Grid lines at 200m separation were extended to the north claim boundary along west facing slopes to the West Kettle River.

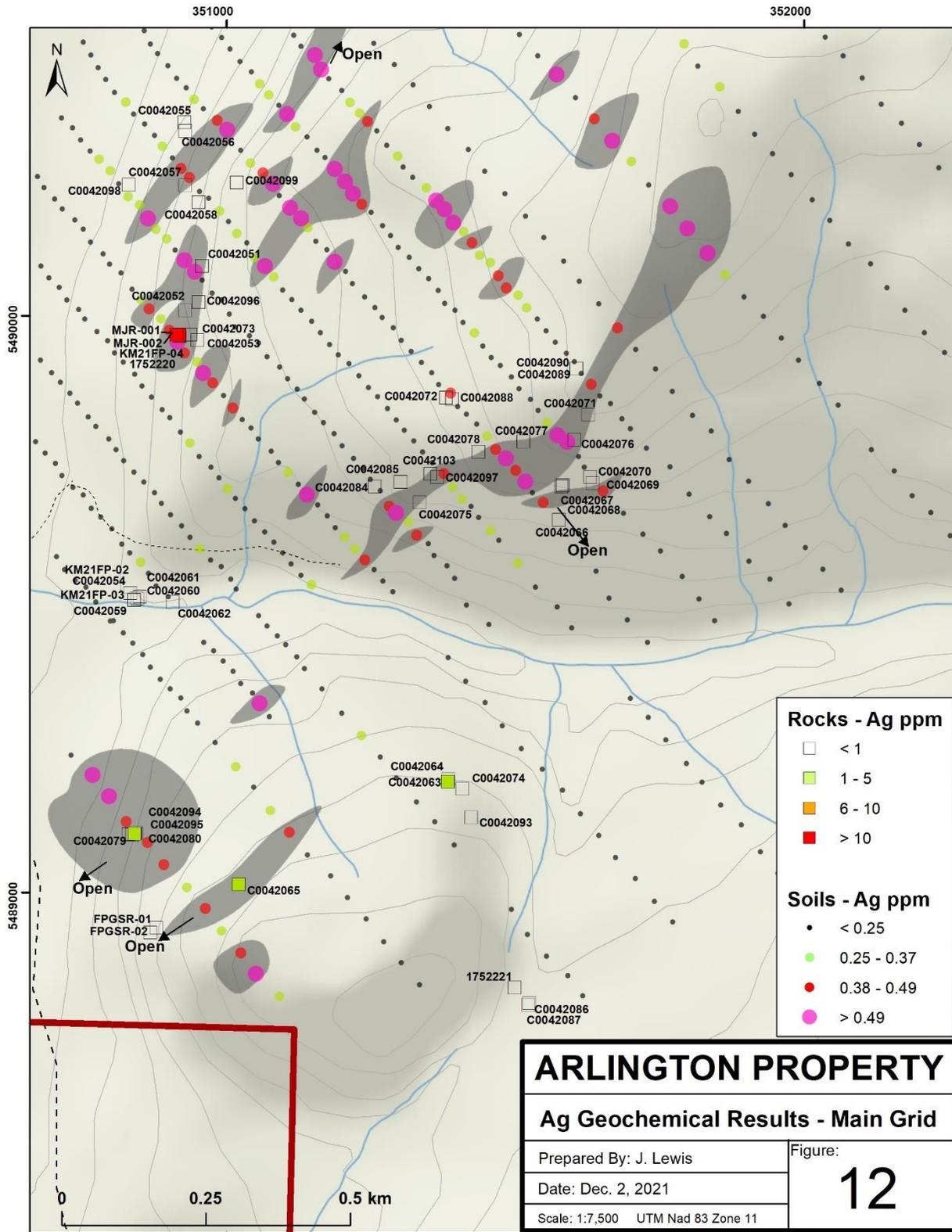
The soil sampling grid covers the location of historical crown grants and newly discovered historical workings within the Carboniferous to Permian aged Anarchist Group. All of the historical workings found during the soil sampling program are located near the up-slope cut-off of anomalous soil sample results or further up-slope.

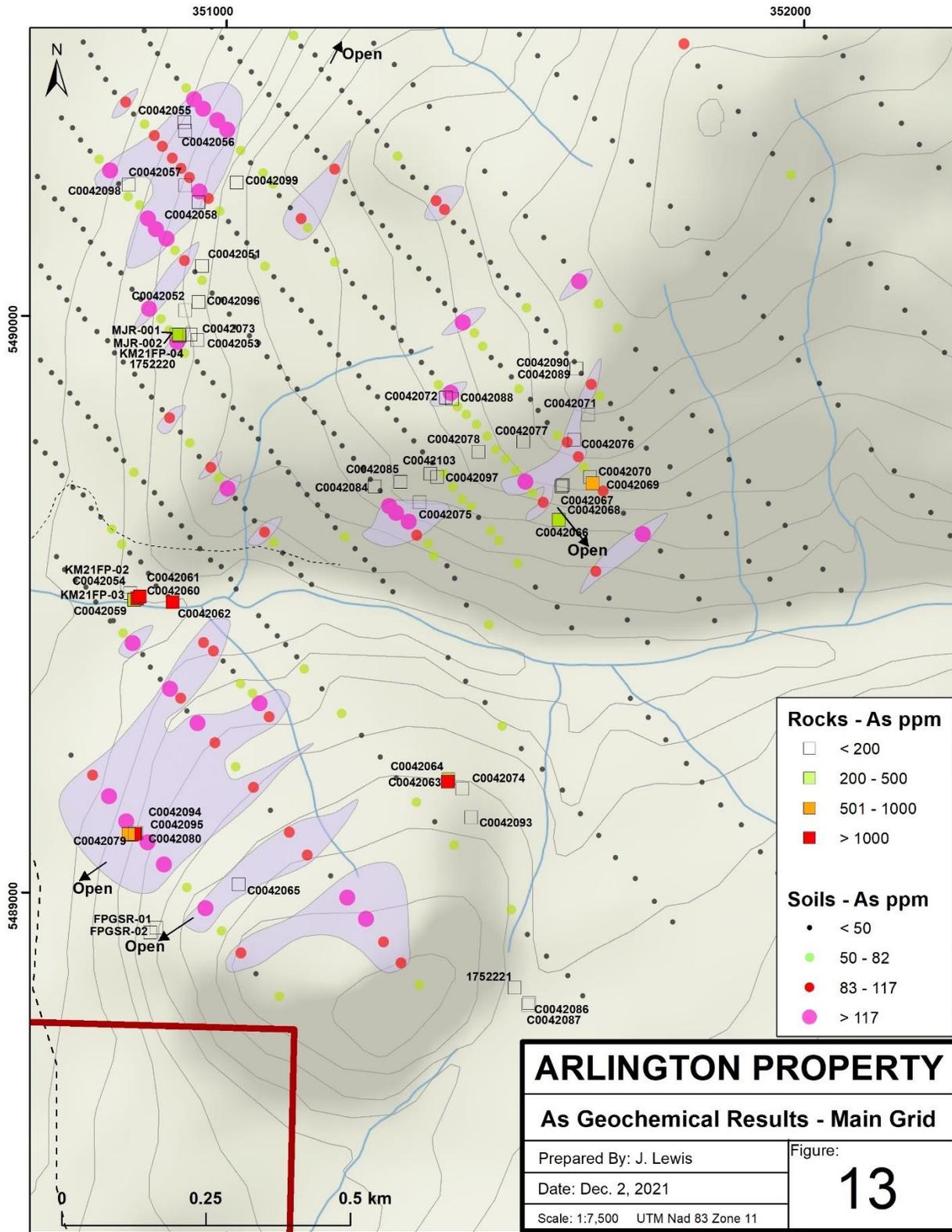
The results of the soil sampling program highlight several coincident and overlapping anomalous soil sample results between Cu-Co (Figures 14, 15) and Au-As (Figures 11, 13) soil anomalies, Ag shows coincidence with both these trends (Figure 12). Within the core area of the grid (i.e. the grid defined by 100m line spacing and 25m sample intervals) a broad multi-line Cu soil anomaly is located along west facing slopes and extends over 400m in a north-south direction. Rock grab sample MJR-001 collected from a historical shaft on the west facing slope on the western side of the soil grid returned strongly anomalous results of 0.31ppm Au, 35.9ppm Ag and 15,500ppm Cu. Along the eastern end of the soil geochem lines, a north-east trending multi-line Cu soil anomaly extending over a distance of 400m is located along south facing slopes to China Creek. Both copper and cobalt soil geochem results exhibit sharp, overlapping and coincident anomalies covering both single point and multi line Cu-Co clusters. Both of these trends exhibit sharp and well-defined upslope cut-offs. Perhaps the smearing of the anomalies is due, in part, to downslope creep.

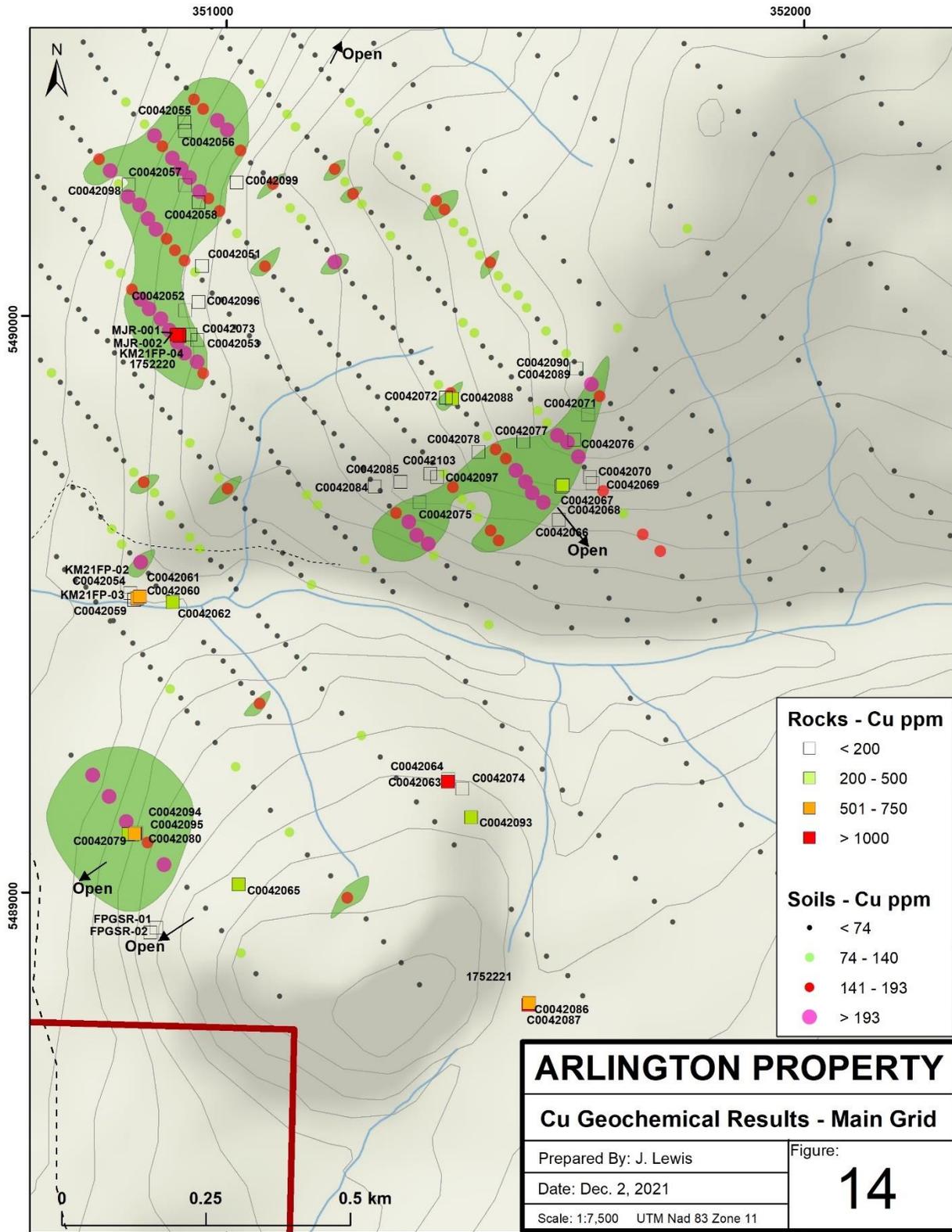
Similarly, Au-As soil geochemical anomalies covering the core grid area exhibit sharp, overlapping and coincident anomalous trends. Along the west facing slopes to the West Kettle River, Au and As soil anomalies are seen to extend over a distance of 300m north-south exhibiting a sharp and well defined up slope cut-off. At the eastern end of the survey lines, northeast trending Au-As soil anomalies are near coincident extending across the south facing China Creek slope for up to 300m in length. Rock sample #42070 is a sample of a gossanous quartz vein within quartz diorite along south facing slopes to China Creek returning 0.124ppm Au and 654.1ppm As.

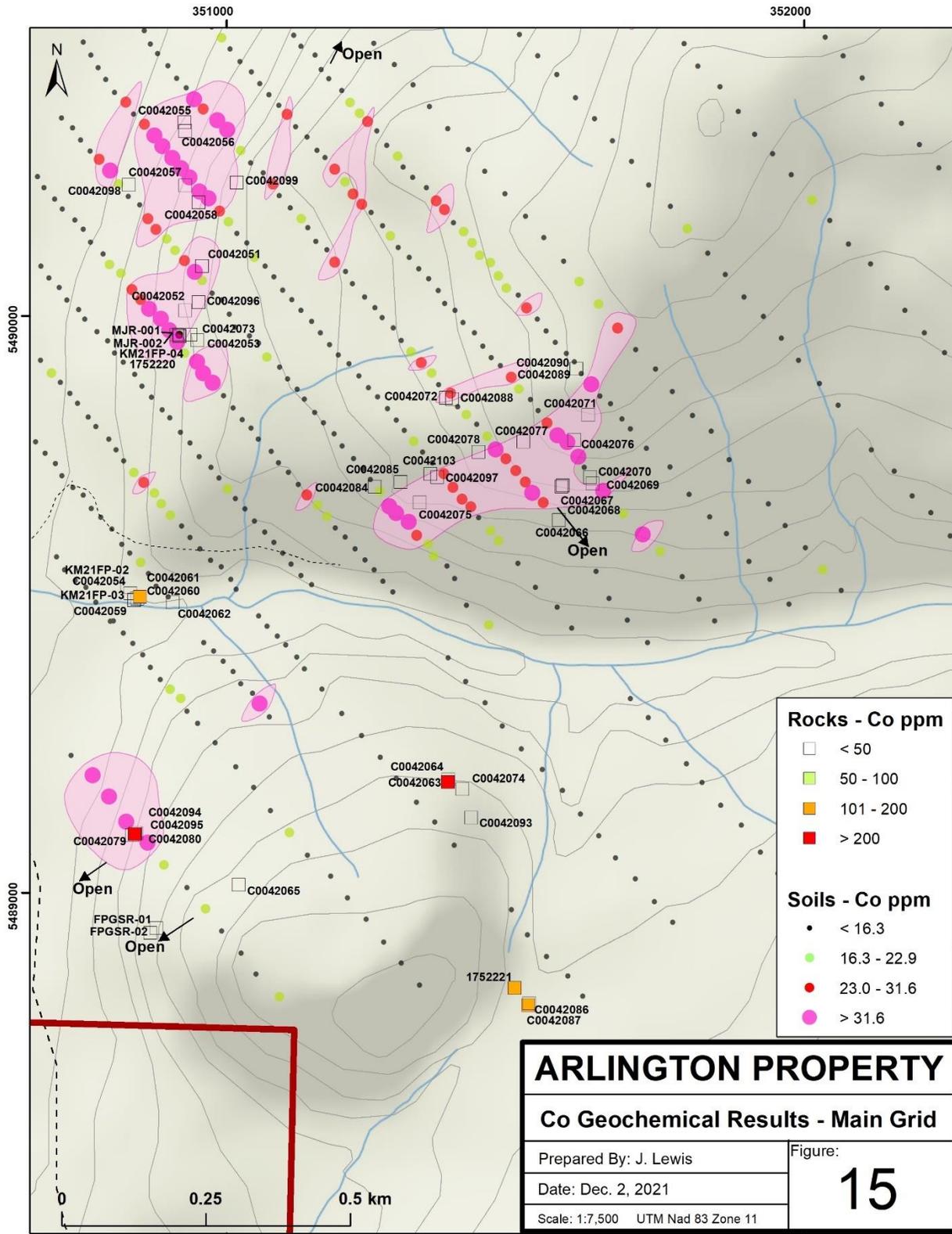
Silver soil geochemical results shows some coincidence with both the Cu-Co and Au-As geochemical trends. The silver soil anomaly across the core grid area trends in a north-east direction and is seen to extend over 800m in length following a north-east trending ridge line separating west facing slopes of the West Kettle River from east – west trending slopes of China Creek.











The above soil geochemical anomalies extend further to the south and southwest and appear to converge at China Creek where a grab rock sample (#42095) returned 1.85ppm Au, 9455.1ppm As, 231.7ppm Co and 16.03ppm Sb. The soil anomalies continue to the southwest as scattered single point to multi-line aggregates extending over 400m in length. The soil anomalies remain open to extension to the southwest and the northeast. Gold soil results returned single point and multi-line soil anomalies extending over 200m length trending towards the north northwest. In the same general area, anomalous arsenic soil results are noted as single point anomalies.

Reconnaissance style soil lines at a 200m line spacing and sample sites at 50m intervals were extended to the north claim boundary. Single point and multi line anomalous results were received for Au, Zn and As along west facing slopes to the West Kettle River. Anomalous zinc soil results are noted to extend over 300m in length to the northeast and is open to extension to the southwest and to the northeast trending towards grab sample #42100 (Figure 10) returning 0.212ppm Au, 11.42ppm Ag, 7.52ppm Sb and 2,835.7ppm Pb.

Soil Geochemical statistics are listed in Table 6 below.

Table 6 - Soil Geochemical Statistics

Element	Minimum Value (ppm)	Maximum Value (ppm)	Weakly Anomalous (ppm)	Moderately Anomalous (ppm)	Strongly Anomalous (ppm)
Cu	2.5	1,131.4	74 - 140	141 - 193	>193
Co	1.8	98.5	16.3 – 22.9	23.0 – 31.6	>31.6
Ag	0.05	1.6	0.25 – 0.37	0.38 – 0.49	>0.49
Au	0.0005	0.295	0.15 – 0.29	0.30 – 0.053	>0.053
As	0.6	975.7	50.0 – 82.0	83.0 – 117.0	>117.0

In the author’s opinion (Richard Kemp) the adequacy of the soil sampling program, sample quality, sampling method, selected analytical procedures and recorded sample site observations were representative and suitable for the purpose of the work conducted.

#### Rock Geochemical Surveys

During the course of the soil sampling program a total of 62 rock grab samples were collected. The reader is cautioned that grab samples by nature are selective and therefore may not be representative of the mineralization being evaluated. The location of the rock grab samples are indicated in Figures 10 to 15 and show their spatial relationship with the identified soil geochemical anomalies. A total of twenty-one (21) rock grab samples are deemed significant and are listed in Table 7, rock sample descriptions are located in Table 8. Of the twenty-one significant rock samples collected in 2021, thirteen rock grab samples returned elevated and anomalous gold results from 0.124g/t Au to 1.85g/t Au. Seven of the gold bearing rock samples are associated with elevated and anomalous arsenopyrite from 654.1ppm As to 10,001ppm As and antimony from 7.76ppm Sb to 55.35ppm Sb. Of the remaining anomalous rock samples, three samples (42061, 42064 and 42095) have Au, As, Cu, Co and Sb association while rock samples 42100 and 42101 returned elevated and anomalous Ag and Pb results located on the northern most grid lines close to the northern property boundary (Figure 10).

In the author’s opinion (Richard Kemp) the adequacy of the rock sampling program, selected sampling method, analytical procedures and recorded sample site observations were representable and suitable for the purpose of the work conducted. The rock sampling program was successful in characterizing the style of mineralization associated with the multi-element soil geochemical anomalies. The bulk of the elevated and anomalous rock sample results are located along the western half of the property on west facing slopes to the West Kettle River and to the south of China Creek.

Table 7 - Significant Rock Sample Results

Sample Number	UTM Coordinate		Elev (m)	Sample Type *	Au ppm	Ag ppm	As ppm	Cu ppm / %	Co ppm	Sb ppm	Pb ppm
	Easting (m)	Northing (m)									
42052	350928.7	5490009.0	1000.5	grab	0.173						
42060	350845.1	5489502.9	900.5	grab	0.195		3,752.2			8.53	
42061	350850.1	5489512.4	899.5	grab	1.16		10,001.0	606.9	161.9	55.35	
42062	350906.4	5489502.9	908.1	grab			2,442.8				
42064	351383.6	5489191.8	1057.2	grab	1.6		8,087.9	1,118.3	249.8	7.76	
42066	351585.8	5489645.0	1057.0	grab	0.151						
42070	351633.9	5489708.0	1113.4	grab	0.124		654.1				
42079	350836.2	5489099.0	971.5	grab	0.377		2,002.3				
42086	351523.2	5488804.4		grab				889.6	103.3		
42087	351524.3	5488808.0		grab				571.8			
42095	350841.6	5489101.1	978.6	grab	1.85		9,455.1		231.7	16.03	
42100	351883.7	5491359.5	1014.0	grab	0.212	11.42				7.52	2,835.7
42101	351883.7	5491359.5	1014.0	grab		7.87					2,942.0
1752220	350913	5489966	995	grab		20.5		1.096%			
1752221	351499	5488834	1072	grab					114		
KM21FP02	350830	5489100	988.35	grab	0.142		8,15.6				

KM21FP03	350841	5489101	997.97	grab				572.2		
KM21FP04	350918	5489964	994.12	grab	0.652	24.7		10,240		
FPGSR-01	350878	5488938		grab	0.43					
MJR-001	350918	5489967	969.92	grab	0.31	35.8		15,550		
MJR-002	350918	5489967	969.92	grab		27.8		14,700		

\* Grab samples by nature are selective and therefore may not be representative of the mineralization being evaluated.

Table 8 - Rock Sample Descriptions

Sample #	UTM Coordinate *		Sample Description
	Easting (m)	Northing (m)	
42052	350928.7	5490009.0	5mm qtz carb vnlet, Orange, yellow, purple gossan Gossan, Carb + Magnetite on cliff face
42060	350845.1	5489502.9	Adit sample, Silic & gossan, Py + Aspy
42061	350850.1	5489512.4	Rusty, weathered feature with Py, Aspy. Flt/Vn @ 295° - 64°
42062	350906.4	5489502.9	Yellow-red Gossan, S. side of Cr. Anarchist Bx @ 052° - 56°
42064	351383.6	5489191.8	Gossan at Diorite/Anarch contact? Silic, Wk mag. Sample 10% fg py + galena(?)
42066	351585.8	5489645.0	Gossan sub cm sulphide vn, weathered sulphide
42070	351633.9	5489708.0	Flt 228°-61°, gossanous, minor qtz vn in Diorite.
42079	350836.0	5489099.0	Flt Bx to Cataclasite, gossanous with pods of Aspy?
42086	351523.2	5488804.4	Skarn, Foliated Intrusive and marble. 10% fg Po, 1% Cpy
42087	351524.3	5488808.0	Skarn, foliated intrusive, gnt lmst. 3% Py, 0.5% Cpy
42095	350841.6	5489101.1	Heavy Weather, wall sample, magnetic, pyrite, Anarchist
42100	351883.7	5491359.5	yellow, orange, brown, red gossan
42101	351883.7	5491359.5	Same as above
42102	351574.8	5491330.9	Gossanous outcrop 10m from stream
42103	351301.7	5489711.4	Gossanous Hornblende Diorite outcrop
KM21FP02	350830.2	5489100.5	Sample narrow rusty shear in trench @ 320°-020°SW in Bx with f.g. sulphide. Anarchist
KM21FP03	350840.8	5489100.8	Continuation of above shear at 10°-50°, fine sulphide replace matrix between Bx clasts, wk mag
KM21FP04	350918.5	5489964.4	Mine muck sample at shaft, massive magnetite vn with Cpy, Py, 98% magnetite.
FPGSR-01	350878	5488938	Met sed with limonite and minor qtz carb vnlet. Anarchist
FPGSR-02	350868	5488930	Rusty Diorite, weakly foliated, trace Py
MJR-001	350917.7	5489966.8	Shaft wall sample, massive magnetite, cpy band at 010°-80°. 2-3% Cpy
MJR-002	350917.7	5489966.8	Dump Pile sample at shaft location
1752220	350913	5489966	Highly Bxed Anarchist, strong mag in open cut. 1% Py, Cpy and massive magnetite
1752221	351499	5488834	Blast trench along Rd exposes gnt skarn within Anarchist group. Pyrite, cpy trace to <1%

\*UTM Datum NAD 83, Zone 11N

### Magnetometer Survey

A magnetometer survey was completed from September 14-16, 2021 over the Fresh Pots claim. The survey covered the west half of the core soil grid area and was completed by two technicians from Coast Mountain Geological Ltd. utilizing two rover GSM-19 Overhauser Magnetometer units. A separate GSM-19 magnetometer was used as a base station to measure diurnal variations, with stationary readings taken every three seconds. All three units were time synchronized at the start of each day, and the moving magnetometers were tested by ensuring magnetic readings over a known point matched between the three units.

At the end of each day the raw survey data was downloaded from all three units, diurnal corrections were applied to the magnetic survey data from the base station, and the corrected data was compiled into a single Excel spreadsheet. Coordinates were registered in NAD 83 UTM Zone 11N. The raw field data and the compiled excel spreadsheet data were supplied to SJ Geophysics for interpretation.

The pre-existing soil grid covering the core area at 100m line spacing was re-established and intermediate lines were located by GPS, compass and flagging (Figure 16). A total of 10.1-line km were surveyed along lines 50m apart with readings taken at 12.5m intervals resulting in 831 magnetic readings. The magnetometer survey grid extends 1600m north by 650m east covering 104 ha of land.

S.J. Geophysics completed an interpretation memorandum on the Magnetic survey data collected on the Arlington Property dated November 15, 2021. The results of the magnetic interpretation state:

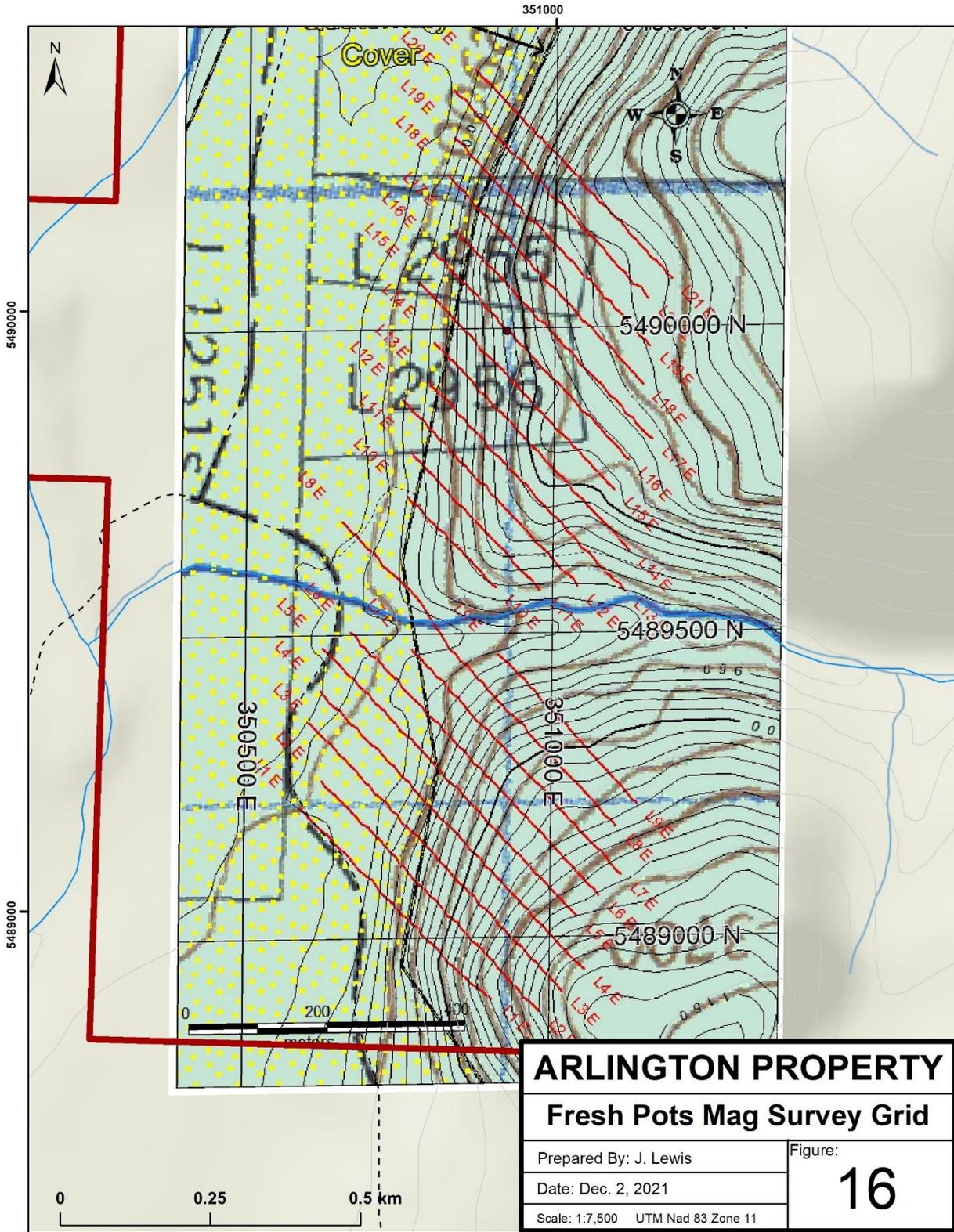
The magnetic data (Figure 17) is dominated by a narrow high magnetic lineation (MH1) striking roughly 010° which extends for approximately one kilometer in length from the northern most line 12E to L5E. Gaps occur in the magnetic data on L9E and L7E

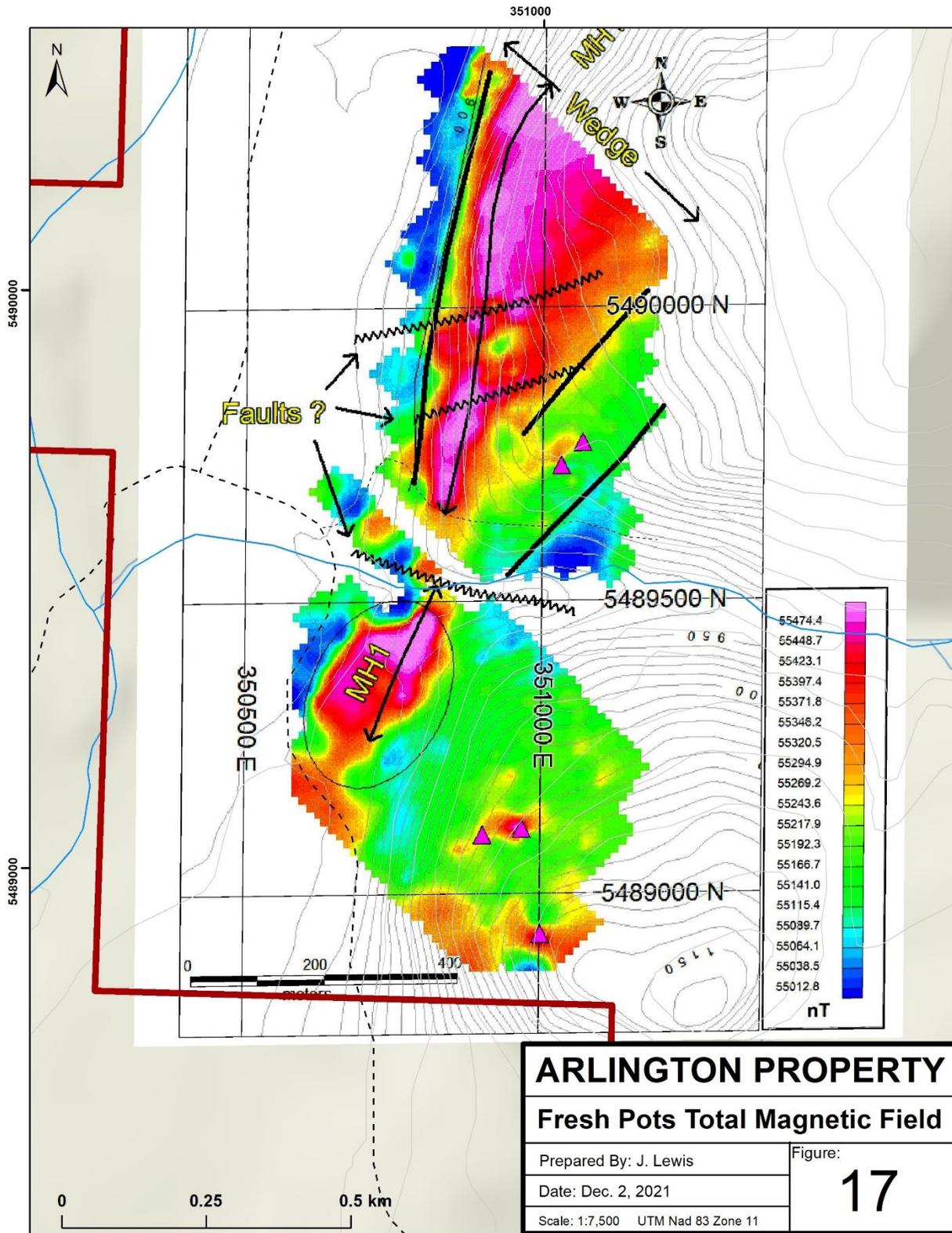
along the valley hosting China Creek. It is not clear whether the magnetic responses are continuous across this area. Magnetic High 1 (MH1) forms along the eastern edge of a large wedge shaped magnetic high that narrows to the south. The western edge of the wedge strikes  $005^{\circ}$  while the eastern edge strikes at  $033^{\circ}$ .

To the south of China Creek, the high magnetic amplitude linear (MH1) reforms as a north-easterly elongated ellipsoid body 250m in length. It is possible that the east-west trending China Creek is following a fault zone that may have disrupted the high magnetic body. It is unclear whether the two magnetic anomalies on either side of the creek reflects a continuous body.

The basic profile can be modelled as a simple contact response near an inflection point. The inflection point is poorly defined as the grid lines did not extend far enough to the west. The general area of increased magnetic activity correlates with potential fault zones. The modelling also suggests there could be a fault along the upper slopes of the ridge (down block to the east).  
SJ Geophysics concluded:

- the large-scale magnetic responses, including the MH1 trend can be attributed to the underlying Anarchist Greenstone unit that outcrops along the western facing slope of the Kettle River valley. Grid lines should be extended further to the west to define the western edge of the magnetic response and to map the contact.





- There are several east-west trends in the data. The most prominent is the disruption of data across China Creek which may be indicative of east–west faulting.
- A cluster of linear features, located at 350900mE/5489900mN may be associated with a deep strike fault structure and easterly trending cross faults suggesting a favourable structural environment for secondary mineralization.
- No extremely high amplitude magnetic anomalies indicative of skarn mineralization were detected.
- Based on the current data, in the north central area of the grid, the complex magnetic patterns and possible fault zones are considered a high priority for structural targets.

## **Drilling**

No drilling has been carried out on the project to the author’s (Richard Kemp) knowledge.

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

To the best of the author’s knowledge (Richard Kemp), historical work was completed to industry best practices of the time. Procedures for sampling, sample handling and security by Coast Mountain Geological Ltd. for Jessy Ventures Corp are believed by the author (Richard Kemp) to be adequate for the purposes of this report.

All of the rock and soil samples collected during the 2021 field program were securely stored at Coast Mountain Geological Ltd.’s field facilities and were hand delivered by Coast Mountain Geological Ltd staff to MSALABS in Langley BC for Multi element ICP-AES/MS, ultra trace level analysis for both rock and soil samples. MSALABS is an ISO 9001 and ISO/IEC17025 certified commercial laboratory. MSALABS is a Canadian company with over 25 years of experience analyzing geological material and is independent of Jessy Ventures Corp. and the Optionor.

The submitted soil samples were dried at the lab and then screened to -80 mesh size. The undersized fraction was analyzed and the oversize fraction is discarded. The soil samples were analyzed using MS Analytical package ICP-IMS-117 (39 element) trace level analysis with dilute aqua regia.

The submitted rock samples were first crushed to 70% passing 2mm, and then a representative split is taken and pulverized to 85% passing 75µm. The pulverized rock samples were analyzed using MS Analytical package ICP-IMS-111 (51 elements) Ultra trace level analysis with dilute aqua regia. Over limit results for silver, lead and zinc were reanalyzed using analytical procedure ICP-ES Ore Grade analysis using a 4-Acid or near total digestion. Only the most resistant minerals will not be dissolved using this analysis. Any over limit silver analysis following the ICP-ES ORE Grade analysis were reanalyzed using MS Analytical procedure FAS-418 Fire assay with a gravimetric finish.

Due to the early stage of the exploration work and the medium being sampled, controls and standards were not inserted into the sample stream by Coast Mountain Geological Ltd; MS Analytical provided in house QA/QC with suitable blanks, standards and duplicates which were inserted into the sample stream every 12 samples with the results evaluated and reviewed prior to release.

Both of these analytical methods use an aqua regia digestion which acts as an oxidizing agent to dissolve most of the oxides, sulphide and carbonate minerals and is therefore an excellent trace level exploration tool. This procedure is a partial digestion ideal for early-stage green fields exploration since more resistant minerals including silicates are not significantly digested. By leaving the matrix undissolved, mobile pathfinder elements produce greater anomaly to background contrast.

Rock samples collected from either outcrop or angular float during the 2021 field program were placed in clear, heavy gauge plastic sample bags along with a unique sample tag number for identification. The sample tag number was also inscribed by an indelible black marker on the outside of the plastic bag for identification. The bag was tightly sealed using flagging tape. Field notes were kept recording the rock sample number, the sample’s location in NAD 83, Zone 11 UTM coordinates provided by a hand-held GPS and notes describing the rock type encountered, identify and estimate the percent sulphides contained in the rock sample, the attitude of any structural components i.e. fault and shears, bedding, schistosity, quartz vein attitude etc. General comments regarding the presence of any historical workings, access etc was also recorded.

During the 2021 soil sampling program, the soil samples were first analyzed using a Thermo Scientific NITON Model XL3T 950 XRF Analyzer with Gold Package by a NRCan-certified operator. Two tablespoons of soil were removed from the 4inch X 6inch kraft soil sample bag and placed on a clean sheet of poly plastic. Any visible pebbles and organic matter were removed from the sample, a clean sheet of “Saran” wrap was placed over the sample and compacted to reduce air voids. The sample number was entered into the analyzer and the unit was set to Soil Sample Analysis – All Geo mode. The analyzer ran for a full 30 seconds, the preset time for which the main filter determines the element values. The main filter analyzes for Mo, Zr, Sr, U, Rb, Th, Pb, Au, Se, As, Hg, Zn, W, Cu, Ni, Co, Fe, and Mn with results reporting in parts per million (ppm).

The Thermo Scientific NITON Model XL3T 950 XRF Analyzer performs a spot measurement of the sample, examining an area of approximately 1cm in diameter and 0.1-3mm in depth. For each sample analysis the main, low, and high filters of the XRF were activated for 30 seconds each. The XRF results are qualitative when compared to assay results, and XRF results may not always be as quantitatively accurate as standard ICP or fire assay methods. Nevertheless, XRF analysis is useful in qualitatively identifying anomalous samples from background. For each sample the measurement is accompanied by a variable  $2\sigma$  error, specific for each element detected, which gives the reliability of the analysis. It is important to note that this error is not only different for each element within a given sample, but varies between samples for the same element. Errors were reduced by thoroughly drying the samples, as well as pressing the material to eliminate air pockets between grains. The XRF did not have a low enough detection limit to analyze for gold and silver.

In the author's opinion (Richard Kemp), the adequacy of sample preparation, security, and analytical procedures were suitable for the purpose of the work conducted. Future rock and soil sampling programs should include company inserted blank and standards into the sample stream at a rate of 1 blank/standard every 20 samples. Future rock sampling programs should include chip samples across the mineralized intervals to provide a sense of grade over the mineralized width with shoulder samples extending beyond the mineralized zone to unmineralized hanging and footwall samples.

### **Data Verification**

The Arlington property has several zones of known mineralization that were explored in the early 1900's. Not all of this historical work is documented as is noted on the Fresh Pots claim, and most of the old workings are badly sloughed so that mineralization is not well exposed. No modern-day exploration work has been completed on the Fresh Pots claim. The available data from these past exploration programs have been reviewed by the authors. While the content of the historic material appears to be accurate, neither QP has validated mineral concentrations data from original laboratory certificates or otherwise confirmed the authenticity, accuracy or completeness of the historic data. As a result, the actual results from current and future programs may be more or less favorable.

Exploration programs completed by Coast Mountain Geological Ltd in 2015, 2017, 2018 and 2021 were also evaluated and appear to have been carried out to current industry standards.

During the site visit by Ken MacDonald, one check grab sample (KM21-FP02) was taken at the Honey Crueller zone at the same location as sample FPSMR-031 which was taken as part of the 2021 sampling conducted by Coast Mountain Geological. The check grab sample was taken from a narrow, rusty mineralized shear zone in an old historical shallow blast pit. The pit measures about 3m deep by 3m wide by 15m long. The shear is exposed in the footwall of the cut; and variably measures mm to cm wide as it pinches and swells along strike; with a possible orientation at  $320^{\circ}/020^{\circ}$  SW. The sample is rusty, hackly cataclastic breccia with fine grained sulphides rimming quartz fragments and infilling tiny cracks. The host rock appears to be pale grey, weathered, dark grey-black fresh; dense, hard, calcareous metasilstone. The check sample returned anomalous values including 0.142 ppm Au, 0.36 ppm Ag and 815.6 ppm As; which accords well with anomalous sample FPSMR-031 from 2021 sampling which returned 0.337 ppm Au, 0.55 ppm Ag and 2002 ppm As (G. Schellenberg, pers comm; Oct. 21, 2021).

Another check grab sample (KM21-FP03) was taken approximately 1.5m SW of the first check grab sample along the continuation of the same shear. The rusty shear is roughly oriented  $010^{\circ}/50^{\circ}$  NW; and appears to be hosted in a highly brecciated cataclastic rock. The check sample returned 0.084 ppm Au, 1.96 ppm Ag and 161.9 ppm As.

A third check sample (KM21-FP04) was taken at the Fresh Pots showing. The sample is from massive blocky mine muck located at the base of an historic inclined shaft. The showing consists of a massive magnetite vein with clotty to disseminated chalcopyrite, pyrite and minor malachite. The vein appears to be structurally hosted in a pinch-swell structure but no apparent movement was noted. The sample returned 0.652 Au (0.7 ppm Au re-run with fire assay), 24.77 ppm Ag, and >10,000 ppm Cu (1.02% Cu re-run as assay).

The samples, along with a QA/QC Certified Reference Standard (CRS), were submitted to MSA Labs of Langley BC who followed similar analytical preparations and processes as described above. The author used a hand-held Garmin 60SCx GPS unit (accuracy:  $\pm 3.0m$ ) for location and a digital camera to record photographs.

It is the opinion of the authors that the adequacy of the data is of sufficient quality for the purposes of this report

### **Interpretation and Conclusions**

The Arlington property covers geologically prospective ground located 16 kilometers north of the historic silver-lead-zinc

Beaverdell Mining Camp and 7 kilometers north of the historic past producing Carmi Mine. There has been little effective modern exploration on the Arlington property, and the property is unique in this respect. Good opportunities remain untested on this property while most properties in the area that host showings of similar quality have been more thoroughly explored.

The 2021 field program identified coincident Cu-Co, Au-As, Ag and Zn soil anomalies extending up to 800m in length. Multi-line soil anomalies are located along the west facing slopes of the West Kettle River valley and south facing slopes to China Creek. Further to the southwest, these coincident anomalies appear to merge at China Creek and continue to the southwest as single and multi-line soil anomalies which are open to extension to the southern claim boundary. At the north end of the soil grid, widely spaced single point Au, As and multi-line Zn soil anomalies are located along west facing slopes of the West Kettle River valley. These anomalous trends remain open to the northern claim boundary.

The soil anomalies exhibit sharp and well defined up slope cutoffs with a smearing of results in the down slope direction. The smearing of the soil anomalies may be due to down slope creep or the possible presence of additional parallel mineralized structures as suggested by the magnetic survey data.

The soil sampling grid is underlain by Carboniferous to Permian aged Anarchist group stratigraphy. During the soil sampling program several rock grab samples of unmapped mineralized and altered diorite and quartz diorite intrusive were sampled and submitted for analysis returning elevated and anomalous results. The location of these unmapped altered Diorite and Quartz Diorite intrusive bodies are deemed significant for Carmi and Beaverdale type mineralization. During the soil sampling program many unrecorded historical trench, shaft, adits and open cuts were discovered, the majority of which were located at or upslope of the multi-element soil anomalies.

The magnetic survey was completed over the western half of the soil grid covering west facing slopes of the West Kettle River valley and well-developed, coincident Cu-Co, Au-As, Ag soil anomalies. The survey identified a large wedge shaped magnetic high zone that extends over one kilometer in length that narrows to the south. The magnetic feature encompasses all of the soil geochemical anomalies along its western edge where a narrow magnetic high lineation extends 1km to the north of China Creek and 250m to the south of China creek. The narrow magnetic high lineation may reflect a mineralized structure associated with the surrounding soil anomalies and appears to project towards Au, Ag and Zn soil anomalies further to the north. There are indications in the data that a shorter parallel structure may exist a further 50m up slope to the east. The magnetic survey identified a number of east-west trending fault structures most notably along China Creek. The magnetic survey identified a cluster of linear features located at 350900E / 5489900N which may be associated with a deep strike fault and easterly trending cross faults suggesting a favorable structural environment for secondary mineralization.

Based on a review of the historical data and results of the 2021 field program, the authors concludes the Arlington property is a property of merit and possesses good potential for the discovery of copper, silver, gold and other mineralization. Excellent road access and availability of exploration and mining services in the region makes it a worthy exploration target. The description and sample techniques utilized by previous workers are poorly described in the assessment reports and therefore the historical assay results must be considered with caution.

The property is in its early stage of exploration. The significant risk for the Arlington property is the same as all early-stage exploration properties and that is there may be no mineral resource in economic quantities. As of the Effective Date of this report, the authors are not aware of other significant risks that could affect the viability of the Arlington property.

## **Recommendations**

Based on the results received to date, further work is warranted to advance the Arlington property.

A mapping/prospecting program is required to evaluate the magnetic features associated with the existing soil anomalies, the potential for locating mineralized structures associated with the soil geochemical anomalies, the potential for extending mineralization out to the northern and southern claim boundaries, mapping and sampling of new showings and to provide a compilation map of the results.

Additional soil sampling is recommended to better define the existing open ended soil anomalies and to evaluate the potential for extending anomalous results to the claim boundaries east of the West Kettle River. Infill grid lines will be established at 100m intervals with B horizon soil samples collected from 25m to 50m intervals resulting in 1218 B horizon soil samples covering 29.2-line kilometers.

Additional magnetic surveys are further recommended totaling 24.2-line km to complete the magnetic coverage over the Fresh Pots claim, east of the West Kettle River. A VLF-EM survey is further recommended totaling 35.3-line km. The magnetic and VLF-EM

surveys will assist in detecting geological contacts and structures important in controlling or displacing mineralized veins and cross structures associated with Au, Ag, Cu, Co, Pb, Zn mineralization.

A trenching program is further recommended to evaluate the geochemical responses identified in 2021 extending south of the core grid area to the southern claim boundary.

The Arlington Property does not have a Mines Act permit. The work proposed in this report covering the 2022 field program will require a Notice of Work and Reclamation permit for the trenching program.

The recommended budget for the 2022 field program totals \$200,000.00 with a 15% administration fee of \$30,000.00 for a Project Grand Total of \$230,000.

**Cost Estimate**

*2022 Field Program Budget*

Wages: 2 Technicians, 1 Geologist, 1 P.Ge. \$2375/day x 28days	\$66,500
Accommodations: 4 people @ \$200/night x 28day	\$5,600
Food: (\$45/person/day x 4) x 28days	\$5,040
Transportation: Truck @ (\$150/day x 2truck) x 28days	\$8,400
Fuel: \$500/wk x 28days	\$2,000
Field Gear: \$262.50 x 28days	\$7,350
Consumables:	\$2,000
Rock Samples: 100 samples x \$28/sample	\$2,800
Soil Samples: 1,218 samples x \$23.00/sample	\$28,014
Niton XRF Analyzer: \$150/day x 28 days	\$4,200
Magnetometer: 24.2km (2 Roamers, 1 Base Station), 7 days	\$1,300
VLF-EM: 35.3km, 10 days	\$1,900
Trenching	\$46,900
Geophysical Interpretation	\$8,000
GIS, Report Writing	\$10,000
Sub Total	\$200,000
Administration 15%	\$30,000
Grand Total	\$230,000

## PART III - INFORMATION CONCERNING THE RESULTING ISSUER

*The following information is presented on a post-Transaction basis and is reflective of the projected business, financial and share capital position of the Corporation, as the Resulting Issuer, after giving effect to the Transaction and the Private Placement. This section only includes information respecting the Resulting Issuer after the Transaction that is materially different from information provided earlier in this Filing Statement under “Information Concerning the Corporation”.*

### CORPORATE STRUCTURE

The Resulting Issuer was incorporated on November 21, 2018 under the BCBCA under the name “Jessy Ventures Corp.” In conjunction with Completion of the Proposed Qualifying Transaction, the Corporation will change its name to “Generation Gold Corp.” The Resulting Issuer’s head office and registered and records office will be located at Suite 228 – 1122 Mainland Street, Vancouver, B.C., V6B 5L1.

### NARRATIVE DESCRIPTION OF THE BUSINESS

#### Stated Business Objective

Assuming Completion of the Proposed Qualifying Transaction, the Resulting Issuer will operate within the mining sector, and be listed on the Exchange as a Tier 2 mining issuer. The Resulting Issuer currently anticipates being a junior natural resource company engaged in the exploration and development of mineral properties located in Canada. The Resulting Issuer’s primary mineral interest will be the Option to acquire the Property. The Resulting Issuer will focus on successfully exercising the Option under the Option Agreement and advancing the Property carrying out the exploration plan as described in the Technical Report. See “*Part II - Information Concerning the Proposed Qualifying Transaction*”.

#### Milestones

The Resulting Issuer intends to explore and develop the Property in accordance with the recommendations set forth in the Technical Report. See “*Part II - Information Concerning the Proposed Qualifying Transaction – The Arlington Property*”. As described in greater detail under the heading “Recommendations” and in the Technical Report, the estimated cost of the recommended work program will be approximately \$230,000. A trenching program is further recommended to evaluate the geochemical responses identified in 2021 extending south of the core grid area to the southern claim boundary. The Arlington Property does not have a Mines Act permit. The work proposed in Technical Report covering the 2022 field program will require a Notice of Work and Reclamation permit for the trenching program.

Upon completion of the recommended work program, the Resulting Issuer will re-assess whether additional work on the Property is warranted depending on the results from the recommended work program. In addition to the Property, the Resulting Issuer will continue to investigate and evaluate additional mineral resource projects for acquisition, exploration or development.

Further to the foregoing, the Resulting Issuer will focus on keeping the Option in good standing and satisfying the requisite payment and expenditure requirements pursuant to the Option Agreement to exercise the Option if so warranted. See “*Part II - Information Concerning the Proposed Qualifying Transaction – The Arlington Property – The Option Agreement*”.

#### Exploration and Development

The Resulting Issuer intends to explore and develop the Property in accordance with the recommendations set forth in the Technical Report. See “*Part II - Information Concerning the Proposed Qualifying Transaction – The Arlington Property*”.

During the period from September 30, 2019 to April 28, 2020 there were no exploration expenditures incurred on the Arlington Property. The Optionor subsequently incurred exploration expenditures on the Arlington Property as disclosed in the Technical Report.

### DESCRIPTION OF SECURITIES

#### Resulting Issuer Common Shares

No changes to the Corporation’s capital structure are contemplated as a result of the Qualifying Transaction. The securities of the Resulting Issuer will be the existing securities of the Corporation. The Resulting Issuer will be authorized to issue an unlimited number of Resulting Issuer Common Shares and an unlimited number of Resulting Issuer Preferred Shares. The Resulting Issuer

Common Shares and the Resulting Issuer Preferred Shares will have the same rights, privileges, restrictions and conditions as the rights, privileges, restrictions and conditions as are attached to the Common Shares. See “Part I – Information Concerning the Corporation – Description of Securities”.

### Dividend Record and Policy

Other than pursuant to the TSXV’s policies, there are no restrictions on the Resulting Issuer that would prevent it from paying a dividend. The Board of Directors intends, however, to retain future earnings for reinvestment in the Resulting Issuer’s business and therefore has no current intention to pay dividends on the Resulting Issuer Common Shares in the foreseeable future. The Resulting Issuer’s dividend policy will be reviewed from time to time in the context of its earnings, financial condition and other relevant factors.

### PRO FORMA CONSOLIDATED CAPITALIZATION OF THE RESULTING ISSUER

The following table sets forth the pro forma consolidated capitalization of the Resulting Issuer as at July 31, 2022 after giving effect to the Private Placement and the Proposed Qualifying Transaction:

Designation of Security	Amount Authorized or to be Authorized	Amount Outstanding after Giving Effect to the Transaction	Amount Outstanding After Giving Effect to the Transaction and the Private Placement
Resulting Issuer Common Shares	Unlimited	7,824,332 <sup>(1)(2)</sup>	11,624,332 <sup>(1)(2)</sup>
Resulting Issuer Options	10% of issued and outstanding shares at time of grant	133,332 <sup>(3)</sup>	133,332 <sup>(3)</sup>
Resulting Issuer Warrants	N/A	Nil	3,800,000 <sup>(4)</sup>
Long Term Debt	Nil	Nil	Nil

**Notes:**

- (1) Includes 200,000 Shares and 900,000 Shares to be issued to the Optionor pursuant to the Option Agreement upon Completion of the Proposed Qualifying Transaction.
- (2) Of these shares, 3,500,000 are subject to the CPC Escrow Agreement. See “Escrowed Securities” below.
- (3) As of the date of this Filing Statement there are 133,332 stock options outstanding. See “Options and Other Rights to Purchase Securities” below. The Stock Option Plan is a 10% rolling plan.
- (4) Each Warrant will be exercisable for a Common Share at an exercise price of \$0.125 for three years from the date of issuance.

### FULLY DILUTED SHARE CAPITAL

In addition to the information set out in the capitalization table above, the following table sets out the fully diluted share capital of the Resulting Issuer after giving effect to the Private Placement and Proposed Qualifying Transaction:

Description of Security	Number of Securities	% Of Total
Resulting Issuer Common Shares currently issued and outstanding	6,724,332	43.2%

Resulting Issuer Common Shares to be issued under the Option Agreement	1,100,000 <sup>(1)</sup>	7.1%
Resulting Issuer Common Shares to be issued under the Private Placement	3,800,000	24.4%
Resulting Issuer Common Shares to be issued upon exercise of the Warrants issued under the Private Placement	3,800,000 <sup>(2)</sup>	24.4%
Resulting Issuer Stock Options currently issued and outstanding	133,332	0.9%
<b>Total</b>	<b>15,557,664</b>	<b>100%</b>

**Notes:**

- (1) 200,000 Shares and 900,000 Shares to be issued to the Optionor pursuant to the Option Agreement upon Completion of the Proposed Qualifying Transaction.
- (2) Each Warrant will be exercisable for a Common Share at an exercise price of \$0.125 for three years from the date of issuance.

**OPTIONS AND OTHER RIGHTS TO PURCHASE SECURITIES**

The Stock Option Plan will be the stock option plan of the Resulting Issuer upon Completion of the Proposed Qualifying Transaction. See “Part III – Information Concerning the Corporation – Stock Option Plan and Options Granted.”

As of the date of this Filing Statement, the Corporation has 133,332 stock options issued and outstanding under the Stock Option Plan.

**AVAILABLE FUNDS AND PRINCIPAL PURPOSES**

As at October 31, 2022, the Corporation had approximately \$235,845 in working capital. Upon Completion of the Proposed Qualifying Transaction and the Private Placement, the Corporation will have approximately \$615,845 of funds available.

The principal purpose of such funds, after the Completion of the Proposed Qualifying Transaction and for the 12 months thereafter, will be for, among other things, working capital and future exploration activities on the Property as recommended in the Technical Report. It is anticipated that the Resulting Issuer will use such funds as follows:

<b>Description</b>	<b>Budgeted Expenditures Assuming Private Placement of \$380,000</b>
Estimated general and administrative expenses over the 12 months following the Completion of the Proposed Qualifying Transaction	\$212,000 <sup>(1)</sup>
Exploration of the Property	\$230,000 <sup>(2)</sup>
Option Payments under the Option Agreement	\$45,000 <sup>(3)</sup>
Remaining transaction costs	\$26,500 <sup>(4)</sup>
Unallocated working capital	\$102,345
<b>Total</b>	<b>\$615,845</b>

**Notes:**

- (1) This amount includes the following estimated amounts: legal and audit fees of \$40,000; director and officer fees of \$48,000 (includes accounting; for further information please see “Executive Compensation”); regulatory, Exchange and compliance filing fees and costs of \$15,000; transfer agent costs of \$6,000; \$100,000 of consulting fees, and miscellaneous office costs of \$3,000.
- (2) This amount is the exploration budget proposed by the author in the Technical Report.
- (3) Pursuant to the Option Agreement, the Corporation is required to pay to the Optionor \$25,000 in cash on or before the first anniversary of the Completion of the Proposed Qualifying Transaction and issue 900,000 common shares at a deemed price of \$0.10 per common share (\$90,000) and \$20,000 in cash for the costs related to the Optionor’s recently completed exploration program on the Property within five days of the Completion of the Proposed Qualifying Transaction.
- (4) The remaining transaction costs are comprised of approximately \$13,000 in legal fees, \$7,000 in professional fees – audit and accounting, \$1,500 in transfer agent and regulatory filings and \$5,000 in listing and other filing fees.

The Resulting Issuer will spend the funds available to it on Completion of the Proposed Qualifying Transaction and for the principal purposes as indicated above. Notwithstanding the foregoing, there may also be circumstances where, for sound business reasons, a

reallocation of funds may be necessary for the Resulting Issuer to achieve these objectives. The Resulting Issuer may require additional funds in order to fulfill all of its expenditure requirements and objectives, in which case the Resulting Issuer expects to either issue additional securities or incur indebtedness. There is no assurance that additional funding required by the Resulting Issuer will be available if required.

## PRINCIPAL SHAREHOLDERS

To the knowledge of the directors and senior officers of the Corporation, no person will beneficially own, control or direct, directly or indirectly, shares carrying 10% or more of the voting rights attached to all of the common shares of the Resulting Issuer after Completion of the Proposed Qualifying Transaction and the Private Placement.

## DIRECTORS AND OFFICERS

### Directors and Officers of the Resulting Issuer

The board and management of the Resulting Issuer will be comprised of the following persons: Anthony Zelen (CEO and director), Chris Reynolds (director), David Weinkauf (director), Gary Schellenberg (director), and Ryan Cheung (CFO and Corporate Secretary). Their municipalities of residence, the number of voting securities of the Corporation beneficially owned by them, directly or indirectly, or over which they exercise control or direction, and their principal occupations during the past five years are as follows:

Name, Municipality of Residence and Proposed Position(s) with the Resulting Issuer	Principal Occupation or Employment during the Past Five Years <sup>(1)</sup>	Director of the Corporation Since <sup>(2)</sup>	Number of Common Shares Owned or Controlled, Directly or Indirectly
<b>Anthony Zelen</b> <sup>(3)</sup> Coldstream, BC CEO & Director	President of Zelen Consulting Inc., a Private company providing consulting services to public and private companies.	November 21, 2018	910,000  (7.8%) <sup>(4)</sup>
<b>Chris Reynolds</b> <sup>(3)</sup> Vancouver, BC Director	Principal with Ore Capital Partners and Founder of Progenitor Metals Corp. Previously, corporate development at Longview Capital Partners and Investment Advisor at Research Capital Corporation.	January 29, 2021	100,000  (0.8%) <sup>(4)</sup>
<b>David Weinkauf</b> <sup>(3)</sup> Calgary, AB Director	President, Next Level Health Sciences Inc. Previous President and CEO of the Weco Group of Companies.	April 11, 2019	410,000  (3.5%) <sup>(4)</sup>
<b>Gary Schellenberg</b> Vancouver, BC Director	Executive Officer and a Director of the Optionor; President of Coast Mountain Geological Ltd. since April 1987.	N/A (To be appointed upon Completion of the Proposed Qualifying Transaction) <sup>(5)</sup>	Nil
<b>Ryan Cheung</b> Vancouver, BC CFO & Corp. Secretary	Owner and founder of MCPA Services Inc. Chartered Professional Accountants.	March 17, 2020	190,000  (1.6%) <sup>(4)</sup>

**Notes:**

- (1) Unless otherwise indicated, to the knowledge of the applicable officer or director, the organization at which the officer or director was occupied or employed is still carrying on business.
- (2) Each director of Resulting Issuer ceases to hold office immediately before an annual general meeting for the election of directors is held but is eligible for re-election or re-appointment.
- (3) Member of the Audit Committee.
- (4) Percentages calculated on the basis of 11,624,332 Resulting Issuer Common Shares issued and outstanding on an undiluted basis assuming Completion of the Proposed Qualifying Transaction and the Private Placement for gross proceeds of \$380,000.
- (5) Gary Schellenberg is a director and the CEO of Origen Resources Inc. (the Optionor) and will be joining the Board of the Corporation at the time of closing the Proposed Qualifying Transaction.

**Management and Directors**

The following is a brief description of the key management and directors and officers of the Resulting Issuer. None of the officers or directors of the Resulting Issuer is an employee of the Corporation or will be an employee of the Resulting Issuer, and none has entered into any non-competition or non-disclosure agreements with the Corporation or the Resulting Issuer.

*Anthony Zelen – Chief Executive Officer and Director (Age: 50)*

Mr. Zelen has over 23 years of experience in finance, investor relations, start-ups and corporate development. He has served as a director and officer for a number of public companies listed both in the United States and Canada in roles relating to investor relations, public relations, financing and strategic marketing for companies in the technology, mining and oil and gas sectors. Mr. Zelen received an undergraduate degree from Simon Fraser University.

Mr. Zelen intends to dedicate approximately 20% of his working time to the affairs of the Resulting Issuer.

*Ryan Cheung – CFO and Corporate Secretary (Age: 44)*

Mr. Cheung, CPA, CA, is founder of MCPA Services Inc. Chartered Professional Accountants, providing accounting, management, securities regulatory compliance services to private and publicly-listed companies. Mr. Cheung also serves as an officer and/or director of a number of publicly-listed companies. Mr. Cheung holds a Bachelor of Commerce degree from the University of Victoria and is a member of the Chartered Professional Accountants of British Columbia.

Mr. Cheung intends to dedicate approximately 10% of his working time to the affairs of the Resulting Issuer.

*Gary Schellenberg – Director (Age: 63)*

Mr. Schellenberg has been a director and officer of numerous publicly traded companies and brings over 30 years of mining industry experience. He serves as Chairman, Chief Executive Officer and Director of Origen, Chairman, CEO and Director of Troubadour Resources Inc. (TSX.V:TR) and President of Coast Mountain Geological Ltd. He holds a Bachelor of Science degree in Geology from the University of British Columbia. Past industry roles include Director of Kodiak Copper Corp., CEO and Director of Explorex Resources Inc., CEO and Director of International Lithium Corp., CEO and Director of TNR Gold Corp., and a founding Director of Winspear Resources Ltd. that went on to discover the Snap Lake diamond mine operated by DeBeers from 2008 to 2015.

Mr. Schellenberg intends to dedicate approximately 15% of his working time to the affairs of the Resulting Issuer.

*Chris Reynolds – Director (Age: 30)*

Mr. Reynolds has been investing in the natural resource sector for over 10 years. Delivering solutions for corporate structure, strategy and communications for small-cap juniors, he was an instrumental part in the incubation of Lithium Consolidated Mineral Exploration, which went public on the Australian Securities Exchange in 2017. He started his career at Longview Capital Partners in corporate development, then worked as an investment adviser at Mackie Research Capital Corp. He is currently a principal with Ore Capital Partners and founder of Progenitor Metals Corp.

Mr. Reynolds intends to dedicate approximately 20% of his working time to the affairs of the Resulting Issuer.

*David Weinkauff – Director (Age: 54)*

Mr. Weinkauff's career has been focused on the real-estate industry. Mr. Weinkauff was recognized as Calgary's top 40 under 40 in 2004 and was nominated for Canada's top 40 under 40 in 2006 after graduating from the University of Calgary in 1993, with a Bachelor of Commerce Degree focused on Marketing and Finance. Mr. Weinkauff's volunteer work has been extensive including

sitting as a member of the board of directors of Children’s Wish Foundation of Alberta and the NWT and sitting on as the President of the advisory committee to Calgary Economic Development. Mr. Weinkauf is currently the founder and CEO of Next Level Health Sciences Inc., a private Canadian food science and technology company.

Mr. Weinkauf intends to dedicate approximately 10% of his working time to the affairs of the Resulting Issuer.

**COMMITTEES OF THE RESULTING ISSUER BOARD OF DIRECTORS**

The board of directors of the Resulting Issuer will have one committee following Completion of the Proposed Qualifying Transaction: the Audit Committee.

**Audit Committee**

The Audit Committee will be comprised of Anthony Zelen, Chris Reynolds and David Weinkauf. Messrs. Reynolds and Weinkauf meet the requirements for independence under NI 52-110, while Mr. Zelen is not independent as he will be CEO of the Resulting Issuer. Mr. Zelen will be the chair of the Audit Committee.

Each of the members of the Audit Committee meets the requirements for being “financially literate” within the meaning of NI 52-110. For the purposes of NI 52-110, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Resulting Issuer’s financial statements. All members of the Audit Committee have experience reviewing financial statements and dealing with related accounting and auditing issues. For a description of the education and experience of each proposed member of the Resulting Issuer’s Audit Committee relevant to the performance of his duties as a member of the Resulting Issuer’s Audit Committee, see “– *Management and Directors*” above. The Audit Committee’s main function will be to oversee the Resulting Issuer’s accounting and financial reporting processes, internal systems of control, independent auditor relationships and the audits of the Resulting Issuer’s financial statements. The Audit Committee will adopt a written charter that will set out its responsibilities, which will include:

- reviewing and pre-approving the engagement of the Resulting Issuer’s independent auditors to perform audit services and any permissible non-audit services;
- evaluating the performance of the Resulting Issuer’s independent auditors and deciding whether to retain their services;
- reviewing the Resulting Issuer’s annual and quarterly financial statements and reports and discussing the statements and reports with the Resulting Issuer’s independent auditors and management;
- reviewing with the Resulting Issuer’s independent auditors and management significant issues that may arise regarding accounting principles and financial statement presentation, as well as matters concerning the scope, adequacy and effectiveness of the Resulting Issuer’s financial controls; and
- establishing procedures for the receipt, retention and treatment of complaints received by the Resulting Issuer regarding financial controls, accounting or auditing matters.

The Audit Committee must pre-approve and disclose, as required, the retention of the external auditor for non-audit services to be provided to the Resulting Issuer that are permitted under applicable law. Annually, the external auditor will submit its work plan to the Audit Committee, including the nature and scope of any audit-related advisory services planned for the upcoming year. That plan will be reviewed and pre-approved by the Audit Committee. Any unplanned Audit Committee related advisory services or other advisory services will be presented for pre-approval at the regularly scheduled meetings of the Audit Committee. Audit Committee pre-approval of non-audit services will not be required if the engagement for the services is entered into pursuant to pre-approval policies and procedures established by the Audit Committee regarding the Resulting Issuer’s engagement of the external auditor, provided the policies and procedures are detailed as to the particular service, the Audit Committee is informed of each service provided and the policies and procedures do not include delegation of the Audit Committee’s responsibilities under applicable Canadian securities laws to the Resulting Issuer’s management. The Audit Committee may delegate to a member of the Audit Committee the authority to grant preapprovals, provided the pre-approvals are presented to the Audit Committee at its next subsequent meeting.

**OTHER REPORTING ISSUER EXPERIENCE**

The following table sets out the proposed directors and officers of the Resulting Issuer that are, or have been within the last five years, directors, officers or promoters of other Issuers that are or were reporting issuers in any jurisdiction:

Name	Name of Reporting Issuer	Stock Exchange	Position(s)	From	To
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				(MM/ YY)	(MM/YY)
Anthony Zelen	Samurai Capital Corp.	TSXV	Director & CEO	12/20	Present
	Rex Resources Corp.	TSXV	Director	07/20	Present
	Lida Resources Inc.	CSE	Director	12/20	Present
	Blockmate Ventures Inc.	TSXV	Director	05/21	09/22
	Hollister Biosciences Inc.	CSE	Director	11/19	10/21
	New Wave Holdings Corp.	CSE	Director	06/20	Present
	Paloma Resources Inc.	TSXV	Director	05/17	Present
	Prospect Park Capital Corp.	CSE	Director & CFO	07/21	Present
	BIGG Digital Assets Inc.	CSE	Director	11/17	08/20
	First Hydrogen Corp.	TSXV	Director	04/08	08/21
	New Destiny Mining Corp.	TSXV	Director	07/15	04/18
	Kings Entertainment Group Inc.	CSE	Director	12/21	Present
	Allied Corp.	OTCQB	Director	08/19	03/20
	Calaveras Resource Corp.	Reporting Issuer	Director	04/17	12/18
Longhorn Exploration Corp.	TSXV pending	Director & CEO	04/21	Present	
Chris Reynolds	Opawica Explorations Inc.	TSXV	Director	09/20	Present
	Rain City Resources Inc.	CSE	Director	08/20	Present
David Weinkauff	Samurai Capital Corp.	TSXV	Director	12/ 20	Present
Gary Schellenberg	Origen Resources Inc.	CSE	CEO & Director	09/19	Present
	Troubadour Resources Inc.	TSXV	CEO & Director	06/17	Present
	Forty Pillars Mining Corp.	CSE	Director	05/21	Present
	Kodiak Copper Corp.	TSXV	Director	12/14	12/20
	TNR Gold Corp.	TSXV	CEO & Director	08/90	01/17
	Explorex Resources Inc.	CSE	President & Director	08/11	04/20
New World Resources Corp.	TSXV	Director	03/03	05/20	
Ryan Cheung	Bright Minds Biosciences Inc.	CSE	CFO	09 / 20	Present
	Fission Uranium Corp.	TSX	CFO	05 / 20	04 / 21
	Fission 3.0 Corp.	TSXV	CFO	05 / 20	Present
	Jessy Ventures Corp.	TSXV	CFO	03 / 20	Present
	Voltage Metals Corp.	CSE	CFO	09 / 20	04 / 22
	Holly Street Enterprises Ltd.	TSXV	CFO	07 / 19	04 / 22
	Red Lake Gold Inc.	CSE	CFO	05 / 19	04 / 21
	Defense Metals Corp.	TSXV	CFO & Director	04 / 19	Present
	New Placer Dome Gold	TSXV	CFO	09 / 18	Present
	Telo Genomics Corp.	TSXV	Director	09 / 18	02 / 22
	Telo Genomics Corp.	TSXV	CFO	09 / 18	04 / 21
	DMG Blockchain Solutions	TSXV	CFO	09 / 17	07 / 21
	SKRR Explorations Inc.	TSXV	CFO	05 / 17	Present
	Gallagher Security Corp.	CSE	CFO	05 / 17	Present
	Strathmore Plus Energy Corp.	TSXV	CFO	05 / 17	Present
	Shine Minerals Corp.	TSXV	CFO	05 / 17	Present
	Dixie Gold Inc.	TSXV	CFO	10 / 15	04/21
	Midasco Capital Corp.	TSXV	CFO & Director	03 / 09	Present
	Alma Gold Inc.	Reporting Issuer	CFO	08 / 20	04 / 21
	Redfund Capital Corp.	CSE	CFO	08 / 17	05 / 19
	Calaveras Resource Corp.	Reporting Issuer	Director	03 / 17	11 / 18
	Maxtech Ventures Inc.	CSE	CFO	02 / 17	05 / 19
	Four Nines Gold Inc.	CSE	Director	03 / 15	11 / 18
	Senator Minerals Inc.	TSXV	Director	12 / 14	11 / 18
	Deep-South Resources Inc.	TSXV	CFO & Director	05 / 12	02 / 20
	Ashanti Sankofa Inc.	TSXV	Director	04 / 09	09 / 17
	Dagobah Ventures Ltd.	Reporting Issuer	Director	04 / 17	07 / 18
	Viena Capita Corp.	Reporting Issuer	Director	08 / 14	12 / 17
	Rex Resources Corp.	TSXV	CFO	07/ 20	01 / /22
	Monumental Minerals Corp.	TSXV	CFO & Director	06/20	Present
	Friday's Dog Holdings Inc.	TSXV	CFO	07/22	Present

## CONFLICTS OF INTEREST

Directors and officers of the Resulting Issuer also serve as directors and/or officers of other companies and may be presented from time to time with situations or opportunities which give rise to apparent conflicts of interest which cannot be resolved by arm's length negotiations, but only through exercise by the officers and directors of such judgment as is consistent with their fiduciary duties to the Resulting Issuer which arise under British Columbia corporate law, especially insofar as taking advantage, directly or indirectly, of information or opportunities acquired in their capacities as directors or officers of the Resulting Issuer. All conflicts of interest will be resolved in accordance with the BCBCA. Any transactions with officers and directors will be on terms consistent with industry standards and sound business practice in accordance with the fiduciary duties of those persons to the Resulting Issuer, and, depending upon the magnitude of the transactions and the absence of any disinterested board members, may be submitted to the shareholders for their approval.

For information concerning the director and officer positions held by the proposed directors of the Resulting Issuer, please see "*Other Reporting Issuer Experience*" directly above.

## PUBLIC COMPANY INVOLVEMENT, CORPORATE CEASE TRADE ORDERS OR BANKRUPTCIES

Except as disclosed below, during the past ten years, none of the proposed directors or officers of the Resulting Issuer were directors, officers or promoters of any other reporting issuer as defined under applicable securities legislation that was, during his tenure, the subject of a cease trade order or similar order or an order that denied that Issuer access to any statutory exemptions for a period of more than 30 consecutive days, or 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 Issuer.

Mr. Ryan Cheung, while acting as chief financial officer of DMG Blockchain Solutions Inc. ("**DMG**"), DMG was subject to a failure-to-file financial statements cease trade order ("**FFCTO**") issued by the regulator in each of British Columbia and Ontario on February 1, 2019. The FFCTO was revoked on August 28, 2019.

Mr. Ryan Cheung was also formerly the chief financial officer, chief executive officer and a director of Xemplar Energy Corp. ("**Xemplar**") which is subject to a cease trade order issued by the Alberta Securities Commission on August 7, 2015 relating to the failure to file Xemplar's audited annual financial statements, the annual management's discussion and analysis and the certification of annual filings for the year ended December 31, 2014 and, the failure to file Xemplar's interim unaudited financial statements, interim management's discussion and analysis and certification of interim filings for the period ended March 31, 2015. The cease trade order has not been revoked as of the date of this Prospectus. Mr. Cheung resigned as chief financial officer on April 30, 2013 and resigned as chief executive officer and director on April 28, 2015.

While Mr. Zelen was acting as the chief executive officer and a director of Lida Resources Corp. ("**Lida**"), Lida was subject to a failure-to-file financial statements management cease trade order ("**MCTO**") issued by the principal regulator of British Columbia on December 31, 2021. The MCTO was revoked on March 4, 2022.

Mr. Zelen is a director of New Wave Holdings Corp. which received a cease trade order on July 30, 2021 from its principal regulator (British Columbia) for failure to file its audited financial statements and management's discussion and analysis; the cease trade order was revoked on October 29, 2021.

## PENALTIES OR SANCTIONS

None of the proposed directors, officers or Control Persons of the Resulting Issuer have been subject to any penalties or sanctions imposed by a Court or by a securities regulatory authority relating to securities legislation, 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 be likely to be considered important to a reasonable security holder making a decision about the Proposed Qualifying Transaction.

## INDIVIDUAL BANKRUPTCIES

None of the proposed directors, officers or Control Persons of the Resulting Issuer or a personal holding company of such persons have, during the past ten years, been declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under bankruptcy or insolvency legislation or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his assets.

## EXECUTIVE COMPENSATION

It is currently anticipated that the Resulting Issuer will have two named executive officers (“NEOs”), Anthony Zelen (CEO) and Ryan Cheung (CFO).

### Compensation Discussion and Analysis

When determining compensation policies and individual compensation levels for the Resulting Issuer’s executive officers, a variety of factors, will be considered including: the overall financial and operating performance of the Resulting Issuer, each executive officer’s individual performance and contribution towards meeting corporate objectives; each executive officer’s level of responsibility and length of service; and industry comparables.

The Resulting Issuer’s compensation philosophy for its executive officers will follow three underlying principles: to provide compensation packages that encourage and motivate performance; to be competitive with other companies in the industry in which it operates, which are of similar size and scope of operations, so as to attract and retain talented executives; and to align the interests of its executive officers with the long-term interests of the Resulting Issuer and its Shareholders through equity related programs.

Compensation for the NEOs of the Resulting Issuer and other key employees will be determined in connection with or following the Completion of the Proposed Qualifying Transaction and will be in line with similar development-stage companies.

#### *Option-Based Awards*

The Resulting Issuer intends to grant option-based awards, being awards under an equity incentive plan of options, including share options, share appreciation rights, and similar instruments that have option-like features by granting stock options to its directors, officers and employees. Resulting Issuer stock options are expected to be granted under the Resulting Issuer Stock Option Plan. Subject to the Completion of the Transaction, Resulting Issuer stock options will be granted to certain executive officers, directors and consultants of the Resulting Issuer.

Please see “See “Part I – Information Concerning the Corporation – Stock Option Plan and Options Granted” for a discussion of the Resulting Issuer Option Plan, which is the same as the Stock Option Plan. Also, see “Options and Other Rights to Purchase Securities” below.

#### *Pension Plan Benefits*

The Resulting Issuer does not plan to have a pension plan, defined benefit plan, defined contribution plan or deferred compensation plan that provides for payments or benefits to the NEOs at, following, or in connection with retirement.

#### *Termination of Employment, Change in Responsibilities and Employment Contracts*

The Resulting Issuer may enter into employment or consulting agreements with any NEOs or key employees in connection with the Completion of the Proposed Qualifying Transaction or in the 12 months following Completion of the Transaction, which agreements may include terms with respect to: (a) the resignation, retirement or other termination of employment of the Named Executive Officer or key employee; (b) a change in control of the Resulting Issuer; or (c) a change in the Named Executive Officer’s responsibilities following a change in control of the Resulting Issuer.

### Directors Compensation

#### *Summary Compensation for Directors*

The Resulting Issuer expects to grant option-based awards to its directors upon Completion of the Transaction. In addition, the Resulting Issuer may decide to grant option-based awards to its directors during the 12 month period following Completion of the Transaction. Details of such grants will be announced by the Resulting Issuer in the event such a determination is made.

It is not anticipated that any directors of the Resulting Issuer who are not NEOs, will receive, in the 12 months following Completion of the Transaction, compensation pursuant to:

- (a) any standard arrangement for the compensation of directors for their services in their capacity as directors, including any additional amounts payable for committee participation or special assignments;
- (b) any other arrangement, in addition to, or in lieu of, any standard arrangement, for the compensation of directors in their capacity as director; or
- (c) any arrangement for the compensation of directors for services as consultants or experts.

The Resulting Issuer expects to compensate directors primarily through the grant of Stock Options and reimbursement of expenses incurred by such persons acting as directors of the Resulting Issuer.

#### *Pension Plan Benefits for Directors*

The Resulting Issuer does not plan to have a pension plan, defined benefit plan, defined contribution plan or deferred compensation plan that provides for payments or benefits to the directors, other than NEOs, at, following, or in connection with retirement.

#### **Summary Compensation Table**

In the 12-month period after giving effect to the Transaction, the Resulting Issuer anticipates compensating the NEOs and Directors as follows. No specific compensation agreements with the Resulting Issuer are currently in place and the compensation amounts are subject to discussion with the Resulting Issuer Board:

<b>Table of compensation excluding compensation securities</b>							
<b>Name and position</b>	<b>Year</b>	<b>Salary, consulting fee, retainer or commission (\$)</b>	<b>Bonus (\$)</b>	<b>Committee or meeting fees (\$)</b>	<b>Value of perquisites (\$)</b>	<b>Value of all other compensation (\$)</b>	<b>Total compensation (\$)</b>
<b>Anthony Zelen</b> <i>CEO and Director</i>	2022	12,000	Nil	Nil	Nil	Nil	12,000
<b>Ryan Cheung</b> <i>CFO &amp; Corporate Secretary</i>	2022	36,000	Nil	Nil	Nil	Nil	36,000
<b>David Weinkauff</b> <i>Director</i>	2022	Nil	Nil	Nil	Nil	Nil	Nil
<b>Chris Reynolds</b> <i>Director</i>	2022	Nil	Nil	Nil	Nil	Nil	Nil
<b>Gary Schellenberg</b> <i>Director</i>	2022	Nil	Nil	Nil	Nil	Nil	Nil

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

No director or officer of the Corporation, no proposed director or officer of the Resulting Issuer, and no other individual who at any time during the most recently completed financial year of the Corporation was a director or officer of the Corporation, and no Associate of any such individual, is indebted to the Corporation or is indebted to another entity, which indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation.

#### **INVESTOR RELATIONS ARRANGEMENTS**

The Corporation has no promotional or investor relations arrangement in place as of the date hereof.

#### **OPTIONS AND OTHER RIGHTS TO PURCHASE SECURITIES**

The Stock Option Plan will be the stock option plan of the Resulting Issuer upon Completion of the Proposed Qualifying Transaction. Please see “See “*Part I – Information Concerning the Corporation – Stock Option Plan and Options Granted*” for a discussion of the Resulting Issuer Option Plan, which is the same as the Stock Option Plan.

There are 133,332 stock options currently issued and outstanding under the Stock Option Plan as follows:

<b>Name</b>	<b>Number of Common Shares under Option</b>	<b>Exercise Price per Common Share</b>	<b>Expiry Date</b>
Anthony Zelen Director & CEO	66,666	\$0.10	October 8, 2024
David Weinkauff Director	66,666	\$0.10	October 8, 2024
<b>Total</b>	<b>133,332</b>		

The Resulting Issuer does not expect to issue any Resulting Issuer Options in connection with the Completion of the Qualifying Transaction.

## ESCROWED SECURITIES

### Summary

On Completion of the Proposed Qualifying Transaction, an aggregate of 3,500,000 Shares will continue to be held in escrow pursuant to the CPC Escrow Agreement and will be released in accordance with the terms thereof.

### Escrowed Securities

The following table lists, to the knowledge of the Corporation as of the date of this Filing Statement, the holders of escrowed securities, the number of securities held in escrow, and the percentage of securities held in escrow by each person who will be a holder of escrowed securities before and after the Completion of the Proposed Qualifying Transaction.

		Before Giving Effect to the Transaction		After Giving Effect to the Transaction and the Private Placement <sup>(3)</sup>	
Name and Municipality of Residence of Securityholder	Designation of Class	Number of Securities Held in Escrow <sup>(4)</sup>	Percentage of Class <sup>(1)</sup>	Number of Securities to be held in Escrow <sup>(4)</sup>	Percentage of Class <sup>(2)</sup>
Anthony Zelen Coldstream, B.C.	Common Shares	560,000	8.3%	560,000	4.8%
Zelen Consulting Inc. Coldstream, B.C.	Common Shares	350,000 <sup>(7)</sup>	5.2%	350,000	3%
Ryan Cheung Vancouver, B.C.	Common Shares	190,000	2.8%	190,000	1.7%
David Weinkauff Calgary, AB	Common Shares	410,000	6.1%	410,000	3.5%
Chris Reynolds Vancouver, B.C.	Common Shares	100,000	1.5%	100,000	0.8%
1185313 B.C. Ltd. Vancouver, B.C.	Common Shares	890,000 <sup>(5)</sup>	13.2%	890,000 <sup>(5)</sup>	7.7%
1249439 B.C. Ltd. Vancouver, B.C.	Common Shares	1,000,000 <sup>(6)</sup>	14.9%	1,000,000 <sup>(6)</sup>	8.6%
<b>Total</b>	<b>Common Shares</b>	<b>3,500,000</b>	<b>52%</b>	3,500,000	<b>30.1%</b>

#### Notes:

- (1) Based on 6,724,332 common shares issued and outstanding.
- (2) Based on 11,624,332 common shares issued and outstanding.
- (3) No securities issued under the Private Placement are anticipated to be subject to escrow.
- (4) Held pursuant to the CPC Escrow Agreement.
- (5) 1185313 B.C. Ltd. is owned and controlled by Emma Fairhurst.
- (6) 1249439 B.C. Ltd. is owned and controlled by Arielle Morgan.
- (7) Zelen Consulting Inc. is owned and controlled by Anthony Zelen.

The CPC Escrow Shares held under the CPC Escrow Agreement shall be released in accordance with the following timeline:

Release Dates	Percentage of Total Escrowed Securities to be released
On the issuance of the Final Exchange Bulletin	25% of the escrowed securities
6 months after the issuance of the Final Exchange Bulletin	25% of the remaining escrowed securities
12 months after the issuance of the Final Exchange Bulletin	25% of the remaining escrowed securities
18 months after the issuance of the Final Exchange Bulletin	25% of the remaining escrowed securities

## **Terms of Escrow**

Where escrowed shares are to be held by a company, such company will be required to agree not to carry out, while its shares are in escrow, any transaction that would result in the change of control of the company. Any such company will be required to further undertake to the TSXV that, to the extent reasonably possible, it will not permit or authorize any issuance of securities or transfer of securities that could reasonably result in a change of control of the company. All holders of escrowed shares must obtain TSXV consent to transfer Resulting Issuer Common Shares then subject to escrow, other than in specified circumstances set out in the applicable escrow agreement.

## **RISK FACTORS**

The following is a summary of certain risk factors relating to the Transaction, including risk factors relating to the Resulting Issuer, its business, the Property and the industry in which it will operate. These risk factors are not a definitive list of all risk factors associated with the Transaction or the Resulting Issuer. Additional risks and uncertainties, including those currently unknown or considered immaterial by the Corporation, may also adversely affect the Corporation, the Resulting Issuer, the Property, the business of the Resulting Issuer and/or the price or value of the Shares following completion of the Transaction. Readers should carefully consider all such risks, which include but are not limited to the following.

Prospective investors should consult with their professional advisors to assess an investment in the Corporation.

The risks discussed below also include forward-looking statements and actual results may differ substantially from those discussed in these forward-looking statements.

The securities of the Resulting Issuer must be considered speculative, generally because of the nature of the business. Prospective purchasers should evaluate carefully the following risk factors associated with an investment in the Resulting Issuer's securities prior to purchasing any of the securities offered hereunder.

### **Risks Relating to the Transaction**

#### ***Completion Risk***

Completion of the Transaction is subject to a number of conditions, certain of which may be outside the control of the Corporation, including, without limitation, completion of the Private Placement and receipt of Exchange approval. There can be no assurance, nor can the Corporation provide any assurance, that these conditions will be satisfied or, if satisfied, when they will be satisfied or that the Transaction will be completed as currently contemplated or at all. The requirement to take certain actions or to agree to certain conditions to satisfy such requirements or obtain any such approvals may have a material adverse effect on the business and affairs of the Resulting Issuer or the trading price of the Common Shares.

Final acceptance of the Transaction by the TSXV will be subject to the Corporation fulfilling all requirements of the TSXV. If such requirements are not met, the Transaction will not be completed. There is no guarantee that the Corporation will be able to satisfy the requirements of the TSXV such that it will issue the Final Exchange Bulletin.

If the Transaction is not completed, the Corporation will remain liable for significant consulting, accounting and legal costs relating to the Transaction and will not realize anticipated benefits of the Transaction. If the Transaction is not completed and the Board decides to seek another merger or business combination, there can be no assurance that it will be able to find a party that will agree to equivalent or more attractive terms than those of the Proposed Qualifying Transaction.

#### ***Possible Termination of the Option Agreement***

Each of the Corporation and the Optionor has the right to terminate the Option Agreement in certain circumstances. Accordingly, there is no certainty, nor can the Corporation provide any assurance, that the Option Agreement will not be terminated by either the Corporation or the Optionor before the Completion of the Proposed Qualified Transaction. See "*Information Concerning the Proposed Qualifying Transaction – The Option Agreement*".

#### ***Dilutive Effect of the Transaction and the Private Placement***

The issuance of the Common Shares to the Optionor, and the issuance of the Units under the Private Placement will have a significant dilutive effect on the ownership interest of the current Shareholders.

### ***Diversion of Attention of the Corporation's Management***

The Transaction could cause the attention of the Corporation's management to be diverted from their day-to-day operations. These disruptions could be exacerbated by a delay in completion of the Transaction and could have an adverse effect on the business, operating results or prospects of the Corporation regardless of whether the Transaction is ultimately completed, or of the Resulting Issuer if the Transaction is completed.

### **Risks Relating to the Business to be Carried on by the Resulting Issuer**

#### ***Limited Operating History***

The Corporation has a limited operating history upon which an evaluation of the Corporation, its current business and its prospects can be based. You should consider any purchase of the Corporation's securities in light of the risks, expenses and problems frequently encountered by all companies in the early stages of their corporate development. There is no assurance that the Corporation will be successful in achieving a return on shareholders' investment and the likelihood of success of the Corporation must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any business. An investment in the Common Shares carries a high degree of risk and should be considered speculative by purchasers. There is little probability of dividends being paid on the Common Shares.

#### ***Uncertain Liquidity and Capital Resources***

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

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

#### ***Going Concern and Requirement to Generate Cash Flow for Financial Obligations***

While the information in this Filing Statement has been prepared in accordance with IFRS on a going concern basis, which presumes the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future, there are conditions and events that cast significant doubt on the validity of this presumption. The Corporation's ability to continue as a going concern is dependent upon achieving profitable operations and upon obtaining additional financing. While the Corporation is making its commercial best efforts in this regard, the outcome of these matters cannot be predicted at this time. The Corporation's ability to generate sufficient cash flow from operations to make scheduled payments to its contractors, service providers and merchants will depend on future financial performance, which will be affected by a range of economic, competitive, regulatory, legislative and business factors, many of which are outside of its control. If the Corporation does not generate sufficient cash flow from operations to satisfy its contractual obligations, it may have to undertake alternative financing plans. The Corporation's inability to generate sufficient cash flow from operations or undertake alternative financing plans would have an adverse effect on its business, financial condition and results or operations, as well as its ability to satisfy its contractual obligations. Any failure to meet its financial obligations could result in termination of key contracts, which could harm the Corporation's ability to provide its products and services.

#### ***COVID-19***

Since March 30, 2020, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic

conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Corporation and its operations in future periods. Rapid spread of COVID-19 and declaration of the outbreak as a global pandemic has resulted in travel advisories and restrictions, certain restrictions on business operations, social distancing precautions and restrictions on group gatherings which are having direct impacts on businesses in Canada, the United States and around the world and could result in travel bans, closure of assay labs, work delays, difficulties for contractors and employees getting to site, and diversion of management attention all of which in turn could have a negative impact on exploration and development of the Property and the Corporation generally.

The government of Canada and/or British Columbia are continually issuing new rules and restrictions and changing them periodically based on the specific circumstances of the COVID-19 outbreak. The Corporation follows all rules, guidelines and restrictions that are implemented by the applicable governmental authorities. The Corporation's exploration work on the Property to date has not been adversely affected by COVID-19 other than to the extent that exploration activities and laboratory results have taken longer than expected due to certain delays.

### ***Ukraine-Russia Conflict***

In late February 2022, a conflict commenced in Ukraine. In response, various countries, including Canada, issued broad-ranging economic sanctions against Russia. The ramifications of the sanctions may not be limited to Russia and Ukraine and may spill over to and negatively impact other regional and global economic markets, sectors, industries and markets for securities and commodities globally. The current circumstances are dynamic and the duration of the conflict and related impact of imposed sanctions on the Corporation's business cannot be reasonably estimated at this time. While the Corporation expects direct impacts of the conflict in Ukraine to the business to be limited, the direct impacts on the economy may negatively affect the business and future operations of the Corporation.

### ***Mineral Exploration Risks***

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

### ***Fluctuations in Metal Prices***

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

### ***Global Financial Conditions***

Global financial conditions continue to be subject to volatility arising from international geopolitical developments and global economic phenomenon, as well as inflation, general financial market turbulence, including but not limited to a significant recent market reaction to the novel coronavirus ("COVID-19") pandemic, resulting in a significant reduction in many major market indices. Access to public financing and credit can be negatively impacted by the effect of these events on Canadian and global

credit markets. The health of the global financing and credit markets may impact the ability of the Corporation to obtain equity or debt financing in the future and the terms at which financing or credit is available to the Corporation. These instances of volatility and market turmoil could adversely impact the Corporation's operations and the trading price of the Common Shares. The adverse effects on the capital markets generally make the raising of capital by equity or debt financing much more difficult and the Corporation is dependent upon the capital markets to raise financing. Any of these events, or any other events caused by turmoil in world financial markets, may have a material adverse effect on the Corporation's business, operating results, and financial condition.

### ***Title Risk***

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

### ***First Nations Land Claims***

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

The land in which the mineral claims comprising the Property are situated is Crown Land and the mineral claims fall under the jurisdiction of the British Columbia Government. However, if the Corporation applies for permits from the Government of British Columbia, the Government may be required to consult with First Nations before a permit can be issued and the Corporation may also be required by law or practice to dialogue and consult with First Nations. The consultation process could result in delays or denials of the granting of any required permits.

### ***Community Groups***

There is an ongoing level of public concern relating to the effects of mining on the natural landscape, on communities and on the environment. Certain non-governmental organizations, public interest groups and reporting organizations who oppose resource development can be vocal critics of the mining industry. Any such actions and the resulting media coverage could have an adverse effect on the reputation and financial condition of the Corporation or its relationships with the communities in which it operates, which could have a material adverse effect on the Corporation's business, financial condition, results of operations, cash flows or prospects.

### ***Land Use Approvals and Permits***

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

In the ordinary course of business, the Corporation will be required to obtain and/or renew governmental licenses or permits for exploration, development, construction and commencement of mining at the Property. Obtaining or renewing the necessary governmental licenses or permits is a complex and time-consuming process involving public hearings and costly undertakings on the part of the Corporation. The duration and success of the Corporation's efforts to obtain and renew licenses or permits are contingent upon many variables not within the Corporation's control, including the interpretation of applicable requirements implemented by the licensing authority. The Corporation may not be able to obtain or renew licenses or permits that are necessary

to its operations, including, without limitation, an exploitation license, or the cost to obtain or renew licenses or permits may exceed what the Corporation believes they can recover from the Property. Any unexpected delays or costs associated with the licensing or permitting process could delay the development or impede the operation of a mine, which could adversely impact the Corporation's operations and profitability. There can be no guarantee that the Corporation will be able to obtain all necessary permits and approvals that may be required to undertake exploration activity or commence construction or operation of mine facilities on the Property.

### ***Exploration and Development Risk***

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

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

### ***Environmental Laws and Regulations***

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

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

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

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

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent

implementation thereof, could have a material adverse impact on the Corporation and cause increases in capital expenditures or require abandonment or delays in development of new mining properties.

### ***Volatility of Mineral Prices***

The Corporation's revenues, if any, are expected to be in large part derived from the extraction and sale of precious and base minerals and metals. Factors beyond the control of the Corporation may affect the marketability of metals discovered, if any. Metal prices have fluctuated widely, particularly in recent years. Consequently, the economic viability of any of the Corporation's exploration projects cannot be accurately predicted and may be adversely affected by fluctuations in mineral prices. In addition, currency fluctuations may affect the cash flow which the Corporation may realize from its operations, since most mineral commodities are sold in a world market in United States dollars.

### ***Infrastructure***

Exploration, development and processing activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important elements of infrastructure, which affect access, capital and operating costs. The lack of availability on acceptable terms or the delay in the availability of any one or more of these items could prevent or delay exploration or development of the Property. If adequate infrastructure is not available in a timely manner, there can be no assurance that the exploration or development of the Property will be commenced or completed on a timely basis, if at all. Furthermore, unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of necessary infrastructure could adversely affect the Corporation's operations.

### ***Climate Change***

Due to changes in local and global climatic conditions, many analysts and scientists predict an increase in the frequency of extreme weather events such as floods, droughts, forest and brush fires and extreme storms. Such events could materially disrupt the Corporation's operations, particularly if they affect the Corporation's sites, impact local infrastructure or threaten the health and safety of the Corporation's employees and contractors. Any such event could result in material economic harm to the Corporation. The Corporation is focused on operating in a manner designed to minimize the environmental impacts of its activities; however, environmental impacts from mineral exploration and mining activities are inevitable. Increased environmental regulation and/or the use of fiscal policy by regulators in response to concerns over climate change and other environmental impacts, such as additional taxes levied on activities deemed harmful to the environment, could have a material adverse effect on the Corporation's financial condition or results of operations.

### ***Claims and Legal Proceedings***

The Corporation may be subject to claims or legal proceedings covering a wide range of matters that arise in the ordinary course of business activities, including relating to former employees. These matters may give rise to legal uncertainties or have unfavourable results. The Corporation may carry liability insurance coverage and mitigate risks that can be reasonably estimated; however, there is a risk that insurance may not be adequate to cover all possible risks arising from the Corporation's operations. In addition, the Corporation may be involved in disputes with other parties in the future that may result in litigation or unfavourable resolution which could materially adversely impact the Corporation's financial position, cash flow, results of operations, and reputation, regardless of the specific outcome.

### ***Force Majeure***

The Corporation's projects now or in the future may be adversely affected by risks outside the control of the Corporation, including the price of gold on world markets, labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

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

Although the Corporation has set out its intended use of proceeds in this Filing Statement, these intended uses 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. The failure by the Corporation to apply these funds effectively could have a material adverse effect on the Corporation's business, including the Corporation's ability to achieve its stated business objectives.

### ***Influence of Third Party Stakeholders***

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

### ***Uninsurable Risks***

Exploration, development and production of mineral properties is subject to certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. It is not always possible to insure fully against such risks and we may decide not to take out insurance against such risks as a result of high premiums or for other reasons. Should such liabilities arise, they could have an adverse impact on our operations and could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Corporation.

### ***Competition***

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

### ***Management***

The Corporation's prospects depend in part on the ability of its senior management and directors to operate effectively and the loss of the services of such persons could have a material adverse effect on the Corporation. To manage its growth, the Corporation may have to attract and retain additional highly qualified management, financial and technical personnel and continue to implement and improve operational, financial and management information systems. The Corporation does not have key man insurance in place in respect of any of its directors or officers. If the Corporation is not successful in attracting, training and retaining qualified personnel, the efficiency of its operations could be impaired, which could have an adverse impact on its future cash flows, earnings, results of operations and financial condition. There is no assurance the Corporation can maintain the services of its directors, officers or other qualified personnel required to operate its business.

### ***Option Agreement Obligations***

The Option Agreement provides that Corporation upon Completion of the Proposed Qualifying Transaction, must make exploration expenditures on the Property and a series of payments in cash and issuances of Shares over certain time periods. If the Corporation fails to make such payments, issuances or expenditures in a timely fashion, the Corporation may lose its interest in the Property.

The Corporation does not own the mineral rights pertaining to the Property. Rather, it holds an option to acquire the mineral rights. There is no guarantee the Corporation will be able to raise sufficient funding in the future to explore and develop the Property so as to maintain its interests therein or pursue the acquisition of other property interests. If the Corporation loses or abandons its interest in the Property, there is no assurance that it will be able to acquire another mineral property of merit or that such an acquisition would be approved by the Exchange. There is also no guarantee that the Exchange will approve the acquisition of any additional properties by the Corporation, whether by way of option or otherwise, should the Corporation wish to acquire any additional properties. Unless the Corporation acquires additional property interests, any adverse developments affecting the Property could have a material adverse effect upon the Corporation and would materially and adversely affect any profitability, financial performance and results of operations of the Corporation.

Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that the funds required for development can be obtained on a timely basis. The discovery of mineral deposits is dependent upon a number of factors. The commercial viability of a mineral deposit once discovered is also dependent upon a number of factors, some of which relate to particular attributes of the deposit, such as size, grade and proximity to infrastructure, and some of which are more general factors such as metal prices and government regulations, including environmental protection. Most of these factors are beyond the control of the Corporation. In addition, because of these risks, there is no certainty that the expenditures to be made by the Corporation on the exploration of its Property as described herein will result in the discovery of commercial quantities of ore. The Corporation has no history of operating earnings and the likelihood of success must be considered in light of problems, expenses, etc. which may be encountered in establishing a business.

Mineral exploration and development involves a high degree of risk and few properties that are explored are ultimately developed

into producing mines. There is no assurance that the Corporation's mineral exploration and development programs at the Property will result in the definition of bodies of commercial mineralization.

### ***Conflicts of Interest***

Certain directors and officers of the Corporation and proposed directors and officers of the Resulting Issuer are, and may continue to be, involved in the mining and mineral exploration industry through their direct and indirect participation in corporations, partnerships or joint ventures which are potential competitors of the Corporation or the Resulting Issuer. Situations may arise in connection with potential acquisitions or investments where the other interests of these directors and officers may conflict with the interests of the Corporation or the Resulting Issuer. Directors and officers of the Corporation and proposed directors and officers of the Resulting Issuer with conflicts of interest will be subject to and will follow the procedures set out in applicable corporate and securities legislation, regulations, rules and policies.

### ***Risks Associated with Acquisitions***

If appropriate opportunities present themselves, the Corporation may acquire mineral claims, material interests in other mineral claims, and companies that the Corporation believes are strategic. The Corporation currently has no understandings, commitments or agreements with respect to any other material acquisition and no other material acquisition is currently being pursued. There can be no assurance that the Corporation will be able to identify, negotiate or finance future acquisitions successfully, or to integrate such acquisitions with its current business. The process of integrating an acquired Corporation or mineral claims into the Corporation may result in unforeseen operating difficulties and expenditures and may absorb significant management attention that would otherwise be available for ongoing development of the Corporation's business. Future acquisitions could result in potentially dilutive issuances of equity securities, the incurrence of debt, contingent liabilities and/or amortization expenses related to goodwill and other intangible assets, which could materially adversely affect the Corporation's business, results of operations and financial condition.

### ***Dividends***

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

### ***Reporting Issuer Status***

As a reporting issuer, the Corporation will be subject to reporting requirements under applicable securities law and stock exchange policies. Compliance with these requirements will increase legal and financial compliance costs, make some activities more difficult, time consuming or costly, and increase demand on existing systems and resources. Among other things, the Corporation will be required to file annual, quarterly and current reports with respect to its business and results of operations and maintain effective disclosure controls and procedures and internal controls over financial reporting. In order to maintain and, if required, improve disclosure controls and procedures and internal controls over financial reporting to meet this standard, significant resources and management oversight may be required. As a result, management's attention may be diverted from other business concerns, which could harm the Corporation's business and results of operations. The Corporation may need to hire additional employees to comply with these requirements in the future, which would increase its costs and expenses.

Management of the Corporation expects that being a reporting issuer will make it more expensive to maintain director and officer liability insurance. This factor could also make it more difficult for the Corporation to retain qualified directors and executive officers.

### ***Estimates and Assumptions***

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

### ***Costs and Compliance Risks***

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

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

### **Risks Relating to the Resulting Issuer's Securities**

#### ***Potential Dilution Following Completion of the Transaction***

Following completion of the Transaction, the Resulting Issuer may issue equity securities to finance its activities, including in order to finance exploration of the Property. If the Resulting Issuer were to issue additional equity securities, the ownership interest of existing Shareholders may be diluted and some or all of the Resulting Issuer's financial measures on a per share basis could be reduced. Moreover, as the Resulting Issuer's intention to issue additional equity securities becomes publicly known, the Resulting Issuer's share price may be materially adversely affected.

#### ***Trading Market Risk***

Prior to the Transaction, there has been no active public market for the Shares. An active trading market may not develop following completion of the Transaction or, if developed, may not be sustained. The lack of an active market may impair an investor's ability to sell its shares at the time he or she wishes to sell them or at a price that he or she considers reasonable. The lack of an active market may also reduce the fair market value of the Shares. An inactive market may also impair an investor's ability to raise capital by selling its Shares and may impair the Resulting Issuer's ability to acquire other companies by using the Shares as consideration.

#### ***Valuation Risk***

The valuation placed on the Property for the purposes of the Transaction has been determined by negotiation between and the Optionor. Among the factors included in determining valuation were the exploration potential of the Property (including with reference to the Technical Report) and the value of the Shares. There can be no assurance that the number of Common Shares to be issued to the Optionor under the Transaction will not, in the fullness of time, prove to be excessive. If the market determines that such number of Shares is excessive, the market price of the Shares will be adversely affected.

#### ***Volatility Risk***

If the Transaction is completed, the market price of the Common Shares could be volatile and could be subject to further significant fluctuations due to changes in sentiment in the market regarding operations or business prospects, among other factors.

The market price of a publicly-traded stock is affected by many variables not directly related to the corporate performance of the Corporation, including the market in which it is traded, the strength of the economy generally, the availability of the attractiveness of alternative investments, and the breadth of the public market for the stock. The effect of these and other factors on the market price of the Common Shares on the Exchange in the future cannot be predicted.

### **AUDITORS**

See "*Part I - Information Concerning the Corporation – Auditor, Transfer Agent and Registrar*".

### **TRANSFER AGENT AND REGISTRAR**

See "*Part I - Information Concerning the Corporation – Auditor, Transfer Agent and Registrar*".

## **PART IV - GENERAL MATTERS**

## **SPONSORSHIP**

Pursuant to the Sponsorship Policy, sponsorship is required in conjunction with a Qualifying Transaction. The Corporation has received an exemption from the Exchange from the sponsorship requirement on the basis that the Proposed Qualifying Transaction satisfies the conditions set forth in Section 3.4(a)(i) of the Sponsorship Policy.

## **INTERESTS OF EXPERTS**

The experts responsible for opinions referred to in this Filing Statement are as follows:

- (a) Charlton, the auditors of the Corporation; and
- (b) Richard Kemp, P.Geo. and Ken MacDonald, P.Geo., the authors of the Technical Report.

Charlton, is the external auditor of the Corporation and is independent of the Corporation within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of British Columbia.

Richard Kemp, P.Geo. and Ken MacDonald, P.Geo., the authors the author of the Technical Report, are independent of the Corporation.

## **OTHER MATERIAL FACTS**

There are no material facts about the Corporation, the Resulting Issuer or the Proposed Qualifying Transaction that are not disclosed in this Filing Statement.

## **BOARD APPROVAL**

Both the contents and the filing of this Filing Statement have been approved by the board of directors of the Corporation. Where information contained in this Filing Statement rests particularly within the knowledge of a person other than the Corporation, the Corporation has relied upon information furnished by such person.

## **CONDITIONAL APPROVAL FOR THE TRANSACTION**

The Exchange has conditionally accepted the Proposed Qualifying Transaction subject to the Corporation fulfilling all of the requirements of the Exchange.

## **FULL, TRUE AND PLAIN DISCLOSURE**

The foregoing contains full, true and plain disclosure related to the Corporation and the Resulting Issuer.

**CERTIFICATE OF THE CORPORATION**

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities of Jessy Ventures Corp., assuming Completion of the Proposed Qualifying Transaction.

Dated: November 9, 2022.

*“Anthony Zelen”*

Chief Executive Officer

*“Ryan Cheung”*

Chief Financial Officer

**On behalf of the board of directors of the Corporation**

*“Chris Reynolds”*

Director

*“David Weinkauff”*

Director

## ACKNOWLEDGEMENT – PERSONAL INFORMATION

“**Personal Information**” means any information about an identifiable individual, and includes information contained in any Items in the attached filing statement that are analogous to Items 4.2, 11, 12.1, 15, 17.2, 18.2, 23, 24, 26, 31.3, 32, 33, 34, 35, 36, 37, 38, 40 and 41 of TMX Form 3B2 - *Information Required In A Filing Statement For A Qualifying Transaction* (“**Form 3B2**”), as applicable.

The undersigned hereby acknowledges and agrees that it has obtained the express written consent of each individual to:

- (a) the disclosure of Personal Information by the undersigned to the Exchange (as defined in Appendix 6B) pursuant to Form 3B2; and
- (b) the collection, use and disclosure of Personal Information by the Exchange for the purposes described in Appendix 6B or as otherwise identified by the Exchange, from time to time.

Dated: November 9, 2022.

**JESSY VENTURES CORP.**

*“Anthony Zelen”*

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Chief Executive Officer & Director

**EXHIBIT A – FINANCIAL STATEMENTS OF JESSY VENTURES CORP.**

**JESSY VENTURES CORP.**

(A Capital Pool Company)

Financial Statements

For the Year Ended April 30, 2022

(Expressed in Canadian dollars)



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555 BURRARD STREET  
BOX 243  
VANCOUVER, BC V7X 1M9

charlton & company  
CHARTERED PROFESSIONAL ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of:  
Jessy Ventures Corp.

### Opinion

We have audited the accompanying financial statements of Jessy Ventures Corp. (the "Company"), which comprise the statements of financial position as at April 30, 2022 and 2021 and the statements of loss and comprehensive loss, cash flows, and changes in shareholders' equity for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at April 30, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

### Basis for Opinion

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

### Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Company incurred a net loss of \$120,025 during the year ended April 30, 2022 and, as of that date, the Company's total deficit was \$278,081. As stated in Note 1, these events and conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### Other Information

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

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

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

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

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

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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

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

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

A handwritten signature in dark ink that reads "Charlton & Company". The signature is written in a cursive, flowing style.

**CHARTERED PROFESSIONAL ACCOUNTANTS**

Vancouver, BC  
August 18, 2022

**JESSY VENTURES CORP.**  
**(A Capital Pool Company)**  
 Statements of Financial Position  
 (Expressed in Canadian dollars)

As at,	April 30, 2022	April 30, 2021
	\$	\$
<b>Assets</b>		
Current assets		
Cash (Note 4)	261,550	137,791
	261,550	137,791
Exploration and evaluation asset (Note 5)	10,000	-
<b>Total assets</b>	<b>271,550</b>	<b>137,791</b>
<b>Liabilities</b>		
Current liabilities		
Accounts payable and accrued liabilities (Note 7)	19,363	10,829
<b>Shareholders' equity</b>		
Share capital (Note 6)	490,368	245,118
Reserves (Note 6)	39,900	39,900
Deficit	(278,081)	(158,056)
<b>Total shareholders' equity</b>	<b>252,187</b>	<b>126,962</b>
<b>Total liabilities and shareholders' equity</b>	<b>271,550</b>	<b>137,791</b>

Nature and continuance of operations (Note 1)

Approved and authorized for issuance on behalf of the Board of Directors on August 18, 2022 by:

/s/ David Weinkauf  
 Director

/s/ Anthony Zelen  
 Director

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

**JESSY VENTURES CORP.****(A Capital Pool Company)**Statements of Loss and Comprehensive Loss  
(Expressed in Canadian dollars)

	For the years ended	
	April 30, 2022	April 30, 2021
	\$	\$
Expenses		
Bank fees and interest	1,249	164
Filing fees	31,859	16,469
Professional fees (Note 7)	86,917	19,077
<b>Loss and comprehensive loss for the year</b>	<b>(120,025)</b>	<b>(35,710)</b>
<b>Loss per share, basic and diluted</b>	<b>(0.02)</b>	<b>(0.02)</b>
<b>Weighted average shares outstanding, basic and diluted</b>	<b>5,857,794</b>	<b>2,000,000</b>

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

**JESSY VENTURES CORP.**  
**(A Capital Pool Company)**

Statements of Changes in Shareholders' Equity  
(Expressed in Canadian dollars)

	Share capital				Total shareholders' equity
	Number of shares	Amount	Reserves	Deficit	
		\$	\$	\$	\$
Balance, April 30, 2020	4,000,000	245,118	39,900	(122,346)	162,672
Loss for the year	-	-	-	(35,710)	(35,710)
Balance, April 30, 2021	4,000,000	245,118	39,900	(158,056)	126,962
Balance, April 30, 2021	4,000,000	245,118	39,900	(158,056)	126,962
Private placement	2,718,332	244,650	-	-	244,650
Warrant exercise	6,000	600	-	-	600
Loss for the year	-	-	-	(120,025)	(120,025)
Balance, April 30, 2022	6,724,332	490,368	39,900	(278,081)	252,187

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

**JESSY VENTURES CORP.****(A Capital Pool Company)**

Statements of Cash Flows

(Expressed in Canadian dollars)

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For the years ended	April 30, 2022	April 30, 2021
	\$	\$
Cash flows from operating activities		
Loss for the year	(120,025)	(35,710)
Changes in non-cash working capital items:		
Accounts payable and accrued liabilities	8,534	1,693
Net cash used in operating activities	(111,491)	(34,017)
Cash flows from investing activity		
Acquisition of property	(10,000)	-
Net cash used in investing activity	(10,000)	-
Cash flows from financing activities		
Proceeds from private placement	244,650	-
Proceeds from warrant exercise	600	-
Net cash provided by financing activities	245,250	-
Change in cash	123,759	(34,017)
Cash, beginning of year	137,791	171,808
Cash, end of year	261,550	137,791

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During the years ended April 30, 2022 and 2021, the Company made cash payments of \$nil for interest and taxes and the Company did not incur any non-cash financing or investing activities.

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

# **JESSY VENTURES CORP.**

## **(A Capital Pool Company)**

Notes to the Financial Statements  
For the Year Ended April 30, 2022  
(Expressed in Canadian dollars)

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### **1. NATURE AND CONTINUANCE OF OPERATIONS**

Jessy Ventures Corp. (the “Company”) was incorporated under the Business Corporations Act (British Columbia) on November 21, 2018. The Company was formed for the primary purpose of completing an Initial Public Offering (“IPO”) on the TSX Venture Exchange (“Exchange”) as a Capital Pool Corporation (“CPC”) as defined in Policy 2.4 of the Exchange. The principal business of the Company will be the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction (“Qualifying Transaction”) as defined in Policy 2.4 of the Exchange. The Company’s continuing operations as intended are dependent upon its ability to identify, evaluate and negotiate an acquisition, or business, or an interest. Such an acquisition will be subject to the approval of the regulatory authorities concerned and in the case of a non-arms’ length transaction, of the majority of the minority shareholders.

On October 8, 2019, the Company completed its IPO on the Exchange raising gross proceeds of \$200,000 through the issuance of 2,000,000 common shares at \$0.10 per common share. The Company’s common shares were approved for listing on the Exchange and commenced trading effective October 10, 2019 under the symbol “SARG.P”.

Until such time that a Qualifying Transaction is completed, 2,000,000 of the Company’s common shares are held in escrow (a total of 3,500,000 common shares are held in escrow – see Note 6). Additionally, the Company will have no significant revenue and will incur expenses primarily for Qualifying Transaction investigation, Exchange listing and filing requirements, professional services and office facilities and administration, subject to certain restrictions under Policy 2.4. On September 17, 2021, the Company entered into a definitive agreement which, if completed, would constitute its Qualifying Transaction (Note 5). As at April 30, 2022, the Qualifying Transaction is pending closing and Exchange approval.

On October 4, 2021, the Company’s shareholders approved, at an Annual General and Special Meeting of Shareholders, certain amendments to the Exchange Policy 2.4 – Capital Pool Companies (“New CPC Policy”) that became effective January 1, 2021, including, but not limited to:

- authorizing the Company to approve certain amendments to its stock option plan pursuant to which the total number of common shares of the Company reserved for issuance both before and after completion of a Qualifying Transaction is 10% of the issued and outstanding common shares of the Company as at the date of grant, rather than at the closing date of the initial public offering;
- removing the consequences associated with the Company not completing a Qualifying Transaction within 24 months of its listing date in accordance with the New CPC Policy;
- authorizing the Company to make certain amendments to the Company’s escrow agreement to effect certain changes contemplated under the New CPC Policy, including reducing the maximum escrow term to 18 months from 36 months following a Qualifying Transaction; and
- authorizing and permitting the Company to pay any finders’ fee or commission to a Non-Arm’s Length Party (as that term is defined in the New CPC Policy) to the Company upon completion of the Qualifying Transaction, in accordance with the terms of the New CPC Policy.

Certain restrictions on the use of proceeds raised by the Company have also been amended by the New CPC Policy to those disclosed in Note 4.

The registered and head office of the Company is located at 228 – 1122 Mainland Street, Vancouver, BC, V6B 5L1.

**JESSY VENTURES CORP.**  
**(A Capital Pool Company)**

Notes to the Financial Statements  
For the Year Ended April 30, 2022  
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**1. NATURE AND CONTINUANCE OF OPERATIONS (continued)**

**Going Concern**

These financial statements have been prepared on the 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. Should the Company be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due. As at April 30, 2022, the Company had a working capital of \$242,187 (April 30, 2021 – \$126,962) and has an accumulated deficit of \$278,081 (April 30, 2021 - \$158,056). The Company has not generated any revenues from operations and during the year ended April 30, 2022 incurred a loss of \$120,025 (April 30, 2021 - \$35,710). The Company expects to incur further losses in the development of its business. The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. These circumstances comprise a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. As a result, these financial statements do not reflect any adjustments to the carrying values of assets and liabilities, the reported expenses, and the balance sheet classifications used that may be necessary if the Company is unable to continue as a going concern.

In March 2020, the World Health Organization declared the outbreak of Covid-19 a global pandemic. The expected impacts on global commerce are far reaching. To date there have been significant stock market fluctuations, and the movement of people and goods has become restricted. As the Company does not have revenues, the ability to fund ongoing operations is affected by the availability of financing. Due to market uncertainty the Company may be restricted in its ability to raise additional funding. The impact of these factors on the Company is not yet determinable. However, they may have a material impact on the Company's financial position, results of operations and cash flows in future periods. In particular, there may be heightened risk of asset impairment and liquidity or going concern uncertainty.

**2. BASIS OF PRESENTATION**

**Statement of Compliance**

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

## **2. BASIS OF PRESENTATION (continued)**

### **Basis of Preparation**

These financial statements are presented in Canadian dollars, which is the Company's functional and presentation currency. These financial statements are prepared on a historical cost basis except for financial instruments classified as fair value through profit or loss ("FVTPL"), which are stated at their fair value. The accounting policies have been applied consistently throughout the entire periods presented in these financial statements.

### **Significant Accounting Judgments, Estimates and Assumptions**

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities. The estimates and associated assumptions are based on anticipations and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods. There have been no significant judgments made by management in the application of IFRS that have a significant effect on these financial statements.

### **Judgments**

- i) The evaluation of the Company's ability to continue as a going concern.
- ii) The assessment of indicators of impairment and reversal of impairment for the exploration and evaluation assets and the related determination of the recoverable amount and write-down of the properties where applicable.
- iii) The measurement of deferred income tax assets and liabilities.

### **Estimations**

- i) The fair value of share-based compensation.
- ii) The fair value of warrant compensation.

## **3. SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards within the framework of the significant accounting policies described below:

**JESSY VENTURES CORP.**  
**(A Capital Pool Company)**

Notes to the Financial Statements  
For the Year Ended April 30, 2022  
(Expressed in Canadian dollars)

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**3. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Exploration and evaluation assets**

Exploration and evaluation expenditures relate to the initial search for a mineral deposit and the subsequent evaluation to determine the economic potential of the mineral deposit. The exploration and evaluation stage commences when the Company obtains the legal right or license to begin exploration. This stage ends when management judges there is sufficient evidence to support the probability of future mining operations of economically recoverable reserves.

Once the legal right to explore a property has been acquired, all costs related to the acquisition, exploration and evaluation of exploration and evaluation assets are capitalized on a property-by-property basis pending determination of the technical feasibility and the commercial viability of the project. The capitalized costs are presented as either tangible or intangible exploration, and evaluation assets according to the nature of the assets acquired. When a license is relinquished, or a project is abandoned, the related costs are recognized in profit and loss immediately.

Management reviews the carrying value of capitalized exploration and evaluation expenditures at least annually. The review is based on the Company's intentions for development. If a project does not prove viable or the Company does not otherwise intend to develop, all unrecoverable costs associated with the project net of any impairment provisions are written off. Subsequent recovery of the resulting carrying value depends on successful development or sale of the undeveloped property.

**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 exploration and evaluation assets 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 restoration asset will be depreciated on the same basis as other mining assets.

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 mining assets 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 reclamation costs, are charged to the statement of loss and comprehensive loss for the period.

During the years ended April 30, 2022 and 2021, the Company recorded \$nil in decommissioning obligations.

**JESSY VENTURES CORP.**  
**(A Capital Pool Company)**

Notes to the Financial Statements  
For the Year Ended April 30, 2022  
(Expressed in Canadian dollars)

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**3. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Financial Instruments**

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 and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

i) Financial assets

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income (OCI) or through profit or loss); and
- those to be measured at amortized cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses are either recorded in profit or loss or OCI.

At present, the Company classifies all financial assets as held at amortized cost.

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Financial assets are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of financial assets depends on their classification. There are three measurement categories under which the Company classifies its financial assets:

- **Amortized cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included as finance income using the effective interest rate method.
- **Fair value through OCI (FVOCI):** Debt instruments that are held for collection of contractual cash flows and for selling the debt instruments, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains and losses, interest revenue, and foreign exchange gains and losses which are recognized in profit or loss. When the debt instrument is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains (losses). Interest income from these debt instruments is included as finance income using the

**3. SIGNIFICANT ACCOUNTING POLICIES** (continued)

effective interest rate method. As of April 30, 2022, the Company does not have any financial assets held at FVOCI.

- Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on an investment that is subsequently measured at FVTPL is recognized in profit or loss and presented net as revenue in the statement of loss and comprehensive loss in the period in which it arises.

ii) Financial liabilities

A financial liability is classified as at FVTPL if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. The fair value changes to financial liabilities at FVTPL are presented as follows: where the Company optionally designates financial liabilities at FVTPL the amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in OCI; and the remaining amount of the change in the fair value is presented in profit or loss. The Company does not designate any financial liabilities at FVTPL.

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method.

At present, the Company classifies all of its financial liabilities as held at amortized cost. These financial liabilities are classified as current liabilities as the payment is due within 12 months.

**Related parties**

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities.

A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

**Share capital and share issuance costs**

Costs directly attributable to the raising of capital are charged against the related share capital. Costs related to shares not yet issued are recorded as deferred share issuance costs. These costs are deferred until the issuance of the shares to which the costs relate, at which time the costs will be charged against the related share capital or charged to operations if the shares are not issued.

**Share-based compensation**

The Company may grant stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

## **JESSY VENTURES CORP.**

### **(A Capital Pool Company)**

Notes to the Financial Statements

For the Year Ended April 30, 2022

(Expressed in Canadian dollars)

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### **3. SIGNIFICANT ACCOUNTING POLICIES (continued)**

Stock options granted to directors, officers and employees are measured at their fair values determined on their grant date, using the Black-Scholes option pricing model, and are recognized as an expense over the vesting periods of the options on a graded basis. Options granted to consultants or other non-insiders are measured at the fair value of goods or services received from these parties, or at their Black-Scholes fair values if the fair value of goods or services received cannot be reliably measured. A corresponding increase is recorded to equity reserves for share-based compensation recorded.

When stock options are exercised, the cash proceeds along with the amount previously recorded as equity reserves are recorded as share capital. When the right to receive options is forfeited before the options have vested, any expense previously recorded is reversed.

#### **Warrants**

Warrants issued to agents in connection with a financing are recorded at fair value using the Black-Scholes option pricing model and charged as share issuance costs associated with the offering with an offsetting credit to share-based payment and warrants reserve.

Proceeds of the exercise of these warrants are credited to share capital together with the corresponding amount, if any, of the original warrant charge included in share-based payment and warrants reserve.

#### **Deferred Taxes**

Deferred tax assets and liabilities are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled.

The effect on deferred tax assets and liabilities of a change in tax rates is recognized in profit or loss in the period that substantive enactment occurs.

In assessing the recoverability of deferred tax assets other than deferred tax assets resulting from the initial recognition of assets and liabilities that do not affect accounting or taxable profit, management considers whether it is more likely than not that some portion or all of the deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced.

As the Company is a CPC with no operations, enough evidence is not yet available to determine if the Company will be able to recognize its deferred tax assets. As at April 30, 2022 and 2021, the deferred tax assets have not been recognized in the Company's Statement of Financial Position.

**JESSY VENTURES CORP.**  
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Notes to the Financial Statements  
For the Year Ended April 30, 2022  
(Expressed in Canadian dollars)

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**3. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(Loss) Earnings Per Share**

Basic (loss) earnings per share is calculated by dividing net (loss) earnings by the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting period. All 2,000,000 of the seed shares were considered contingently cancellable until the Company completed a Qualifying Transaction under the prior CPC rules, and accordingly, were not considered to be outstanding shares for the purposes of the loss per share calculation during the year ended April 30, 2021. On transition to the new rules on October 4, 2021, the 2,000,000 seed shares were no longer considered contingently cancellable and have been included in the weighted average number of common shares outstanding calculation as at April 30, 2022.

**Leases**

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset over a period of time in exchange for consideration. The Company assesses whether the contract involves the use of an identified asset, whether it has the right to obtain substantially all of the economic benefits from the use of the asset during the term of the contract and it has the right to direct the use of the asset.

The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the lease term, or the end of the useful life of the asset. The right-of-use asset may be reduced due to impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date discounted by the interest rate implicit in the lease or, if that rate cannot be readily determined the incremental borrowing rate. The lease liability is subsequently measured at amortized cost using the effective interest method. Lease payments included in the measurement of the lease liability comprise fixed payments, variable lease payments, and amounts expected to be payable at the end of the lease term.

The Company does not recognize the right-of-use assets and lease liabilities for short-term leases that have a lease term of twelve months or less. The lease payments associated with these leases are charged directly to income on a straight-line basis over the lease term.

As at April 30, 2022 and 2021, the Company does not have any leases.

**New accounting standards interpretations issued and applicable but not yet adopted**

IAS 1 –Presentation of Financial Statements (“IAS 1”), has been amended to clarify how to classify debt and other liabilities as either current or non-current. The amendment to IAS 1 is effective for the years beginning on or after January 1, 2023, with early application permitted. The Company is currently assessing the impact of this amendment.

## **JESSY VENTURES CORP.**

### **(A Capital Pool Company)**

Notes to the Financial Statements  
For the Year Ended April 30, 2022  
(Expressed in Canadian dollars)

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#### **4. CASH RESTRICTION**

The proceeds raised from the issuance of common shares may only be used for reasonable expenses related to the Company's IPO, reasonable expenses related to the proposed Qualifying Transaction, and reasonable general and administrative expenses not exceeding \$3,000 per month as prescribed in Exchange Policy 2.4.

#### **5. EXPLORATION AND EVALUATION ASSET**

On September 17, 2021, as amended December 22, 2021, March 15, 2022 and May 30, 2022, the Company entered into a Definitive Agreement ("Agreement") with Origen Resources Inc. to acquire an undivided 60% interest in the Arlington Property comprising five mineral claims within the Arrow Boundary District of south-central British Columbia, Canada. The proposed transaction would constitute the Company's Qualifying Transaction.

In order to exercise the option, the Company must pay \$185,000 and issue an aggregate of 2,000,000 common shares as follows:

- i) Pay \$10,000 in cash upon execution of the Agreement (paid) and issue 200,000 common shares on Exchange approval of the Agreement;
- ii) Pay \$25,000 in cash and issue 300,000 common shares on before the first anniversary of Exchange approval;
- iii) Pay \$50,000 in cash and issue 500,000 common shares on or before the second anniversary of Exchange approval; and
- iv) Pay \$100,000 in cash and issue 1,000,000 common shares on or before the third anniversary of Exchange approval.

In addition, the Company must incur \$750,000 in exploration expenditures as follows:

- i) \$125,000 on or before the first anniversary of Exchange approval;
- ii) \$250,000 on or before the second anniversary of Exchange approval; and
- iii) \$375,000 on or before the third anniversary of Exchange approval.

In addition, the Company must pay \$110,000 to Origen Resources Inc. for its recently completed exploration program within five days of Exchange approval.

As at April 30, 2022, the Company had capitalized \$10,000 (April 30, 2021 - \$nil) in acquisition costs to exploration and evaluation asset.

**JESSY VENTURES CORP.**  
**(A Capital Pool Company)**  
Notes to the Financial Statements  
For the Year Ended April 30, 2022  
(Expressed in Canadian dollars)

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**6. SHARE CAPITAL**

**Authorized share capital**

Unlimited common shares, without par value.

**Share issuances**

For the year ended April 30, 2022

On August 24, 2021, the Company closed a non-brokered private placement of 2,718,332 common shares issued at a price of \$0.09 per common share for gross proceeds of \$244,650. Of the shares issued, 1,500,000 were escrow shares and 1,218,332 were non-escrowed shares.

On October 7, 2021, 6,000 warrants were exercised into common shares at a price of \$0.10 per share for gross proceeds of \$600.

For the year ended April 30, 2021

No share capital activity.

**Equity Reserves**

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 the TSX-V requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable options to purchase its common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares at the closing of the IPO, exercisable for a period of up to ten years from the date of grant. The vesting conditions, if any, for stock options granted are determined at the discretion of the Company's Board of Directors. In addition, no stock option granted pursuant to this section may be exercised before the completion of the Qualifying Transaction unless the optionee agrees in writing to deposit the shares acquired into escrow until the issuance of the Final Exchange Bulletin.

On October 8, 2019, the Company granted 400,000 stock options to officers and directors with an exercise price of \$0.10 per share. These options vest immediately and expire five years from the date of issuance. The fair value of these stock options granted was determined to be \$29,500 using the Black-Scholes valuation model and the following inputs: i) exercise price \$0.10, ii) stock price \$0.10, iii) volatility: 99%, iv) risk free rate: 1.29%. During the year ended April 30, 2022, 266,668 stock options with an exercise price of \$0.10 were cancelled as a result of adopting the new CPC guidance. As of April 30, 2022, 133,332 stock options with an exercise price of \$0.10 remain with remaining life of 2.44 years.

**JESSY VENTURES CORP.**  
**(A Capital Pool Company)**  
Notes to the Financial Statements  
For the Year Ended April 30, 2022  
(Expressed in Canadian dollars)

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**6. SHARE CAPITAL (continued)**

Warrants

On October 8, 2019, the Company granted 200,000 warrants to certain brokers as compensation for the IPO financing with an exercise price of \$0.10 per share. These warrants vest immediately and expire two years from the date of issuance. The fair value of these stock options granted was determined to be \$10,400 using the Black-Scholes valuation model and the following inputs: i) exercise price \$0.10, ii) stock price \$0.10, iii) volatility: 99%, iv) risk free rate: 1.44%. During the year ended April 30, 2022, 6,000 warrants were exercised for gross proceeds of \$600 and 194,000 warrants expired unexercised on October 8, 2021. As at April 30, 2022, there were nil warrants outstanding.

**7. TRANSACTIONS WITH RELATED PARTIES**

Related parties are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Related parties include the Board of Directors, close family members and enterprises which are controlled by these individuals as well as persons performing similar functions.

During the twelve months ended April 30, 2022, the Company incurred \$16,275 in professional fees from an officer of the Company (April 30, 2021 - \$7,950).

As at April 30, 2022, there was \$Nil owing to related parties (April 30, 2021 - \$2,625) included in accounts payable and accrued liabilities.

**8. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

**Capital Management**

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

The Company includes share capital in the definition of capital.

The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the identification and evaluation of potential acquisitions. To secure the additional capital necessary to pursue these plans, the Company may attempt to raise additional funds through the issuance of equity or by securing strategic partners.

The Company is not subject to externally imposed capital requirements other than the cash restriction disclosed in Note 4.

## **8. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

### **Fair Values of Financial Instruments**

As at April 30, 2022, the Company's financial instruments consist of cash and accounts payable and accrued liabilities.

- Level 1– fair values based on unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – fair values based on inputs that are observable for the asset or liability, either directly or
- Level 3 – fair values based on inputs for the asset or liability that are not based on observable market data.

The Company's policy for determining when a transfer occurs between levels in the fair value hierarchy is to assess the impact at the date of the event or the change in circumstances that could result in a transfer. As at April 30, 2022 and April 30, 2021, the Company did not have any financial instruments classified at FVTPL.

The Company's financial instruments, consisting of cash, and accounts payable and accrued liabilities, approximate fair values due to the relatively short-term maturities of the instruments. All are measured at amortized cost. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

### **Credit Risk**

Credit risk refers to the risk that the counterparty will default on its contractual obligation resulting in financial loss to the Company. Credit risk is primarily related to the Company's cash. To minimize this risk, cash has been placed with a major Canadian financial institution.

### **Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations when they become due. The Company ensures that there is sufficient capital in order to meet short-term operating requirements, after taking into account the Company's holdings of cash. As at April 30, 2022, the Company had accounts payable and accrued liabilities of \$19,363 (April 30, 2021 - \$10,829) due within 12 months and had cash of \$261,550 (April 30, 2021 - \$137,791) to meet its current obligations. As a result, the Company has minimal liquidity risk.

### **Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or value of its holdings or financial instruments. The Company's activities have only been transacted in Canadian dollars since incorporation; in addition, the Company carries no interest-bearing debt. As such, the Company has minimal market risks facing it at present.

**JESSY VENTURES CORP.**  
**(A Capital Pool Company)**

Notes to the Financial Statements  
For the Year Ended April 30, 2022  
(Expressed in Canadian dollars)

**9. DEFERRED INCOME TAXES**

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

	April 30, 2022		April 30, 2021	
Loss for the year	\$	(120,025)	\$	(35,710)
Statutory tax rate		27.00%		27.00%
Expected recovery of income taxes		(32,000)		(10,000)
Change in other items		(3,000)		1,000
Change in unrecognized deductible temporary differences		35,000		9,000
Deferred income tax recovery	\$	-	\$	-

The significant components of the Company's deferred tax assets that have not been included on the statements of financial position are as follows:

	April 30, 2022		April 30, 2021	
Non-capital loss carry forwards	\$	74,000	\$	37,000
Share issuance costs		3,000		4,000
Unrecognized deferred tax assets	\$	77,000	\$	41,000

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

	April 30, 2022		April 30, 2021	
Temporary differences	\$		\$	
Share issuance costs	10,000	2025	15,000	2025
Non-capital losses available for future periods	273,000	2039 to 2042	138,000	2039 to 2041

Tax attributes are subject to review, and potential adjustment, by tax authorities.

**JESSY VENTURES CORP.**

(A Capital Pool Company)

Condensed Interim Financial Statements

For the Three Months Ended July 31, 2022

(Expressed in Canadian dollars - Unaudited)

**JESSY VENTURES CORP.**  
**(A Capital Pool Company)**

Condensed Interim Statements of Financial Position  
(Expressed in Canadian dollars – Unaudited)

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As at,	July 31, 2022	April 30, 2022
	\$	\$
<b>Assets</b>		
Current assets		
Cash (Note 4)	485,325	261,550
	485,325	261,550
Exploration and evaluation asset (Note 5)	10,000	10,000
<b>Total assets</b>	<b>495,325</b>	<b>271,550</b>
<b>Liabilities</b>		
Current liabilities		
Accounts payable and accrued liabilities (Note 7)	20,203	19,363
<b>Total liabilities</b>	<b>20,203</b>	<b>19,363</b>
<b>Shareholders' equity</b>		
Share capital (Note 6)	490,368	490,368
Funds intended for future private placement (Note 6)	225,000	-
Reserves (Note 6)	39,900	39,900
Deficit	(280,146)	(278,081)
<b>Total shareholders' equity</b>	<b>475,122</b>	<b>252,187</b>
<b>Total liabilities and shareholders' equity</b>	<b>495,325</b>	<b>271,550</b>

Nature and continuance of operations (Note 1)

Approved and authorized for issuance on behalf of the Board of Directors on September 30, 2022 by:

/s/ David Weinkauf  
Director

/s/ Anthony Zelen  
Director

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

**JESSY VENTURES CORP.**  
**(A Capital Pool Company)**

Condensed Interim Statements of Loss and Comprehensive Loss  
(Expressed in Canadian dollars - Unaudited)

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	For the three months ended	
	July 31, 2022	July 31, 2021
	\$	\$
Expenses		
Bank fees and interest	115	18
Filing fees	1,110	(139)
Professional fees	840	5,000
Loss and comprehensive loss for the period	(2,065)	(4,879)
Loss per share, basic and diluted	(0.00)	(0.00)
Weighted average shares outstanding, basic and diluted	6,724,332	2,000,000

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

**JESSY VENTURES CORP.**  
**(A Capital Pool Company)**

Condensed Interim Statements of Changes in Shareholders' Equity  
(Expressed in Canadian dollars - Unaudited)

	Share capital						
	Number of shares	Amount	Subscription received	Fund intended for future private placement	Reserves	Deficit	Total shareholders' equity
		\$	\$	\$	\$	\$	\$
Balance, April 30, 2021	4,000,000	245,118	-	-	39,900	(158,056)	126,962
Subscriptions received	-	-	244,650	-	-	-	244,650
Loss for the period	-	-	-	-	-	(4,879)	(4,879)
<b>Balance, July 31, 2021</b>	<b>4,000,000</b>	<b>245,118</b>	<b>244,650</b>	<b>-</b>	<b>39,900</b>	<b>(162,935)</b>	<b>366,733</b>
Balance, April 30, 2022	6,724,332	490,368	-	-	39,900	(278,081)	252,187
Funds intended for future private placement	-	-	-	225,000	-	-	225,000
Loss for the period	-	-	-	-	-	(2,065)	(2,065)
<b>Balance, July 31, 2022</b>	<b>6,724,332</b>	<b>490,368</b>	<b>-</b>	<b>225,000</b>	<b>39,900</b>	<b>(280,146)</b>	<b>475,122</b>

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

**JESSY VENTURES CORP.****(A Capital Pool Company)**

Condensed Interim Statements of Cash Flows

(Expressed in Canadian dollars - Unaudited)

	Three months ended	
	July 31, 2022	July 31, 2021
	\$	\$
<b>Cash flows from operating activities</b>		
Loss for the period	(2,065)	(4,879)
Changes in non-cash working capital items:		
Accounts payable and accrued liabilities	840	3,296
Net cash used in operating activities	(1,225)	(1,583)
<b>Cash flows from financing activities</b>		
Proceeds from subscription received	225,000	244,650
Net cash provided by financing activities	225,000	244,650
Change in cash	223,775	243,067
Cash, beginning of period	261,550	137,791
Cash, end of period	485,325	380,858

During the three months ended July 31, 2022 and 2021, the Company made cash payments of \$nil for interest and taxes and the Company did not incur any non-cash financing or investing activities.

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

# **JESSY VENTURES CORP.**

## **(A Capital Pool Company)**

Notes to the Condensed Interim Financial Statements  
For the Three Months Ended July 31, 2022  
(Expressed in Canadian dollars - Unaudited)

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### **1. NATURE AND CONTINUANCE OF OPERATIONS**

Jessy Ventures Corp. (the “Company”) was incorporated under the Business Corporations Act (British Columbia) on November 21, 2018. The Company was formed for the primary purpose of completing an Initial Public Offering (“IPO”) on the TSX Venture Exchange (“Exchange”) as a Capital Pool Corporation (“CPC”) as defined in Policy 2.4 of the Exchange. The principal business of the Company will be the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction (“Qualifying Transaction”) as defined in Policy 2.4 of the Exchange. The Company’s continuing operations as intended are dependent upon its ability to identify, evaluate and negotiate an acquisition, or business, or an interest. Such an acquisition will be subject to the approval of the regulatory authorities concerned and in the case of a non-arms’ length transaction, of the majority of the minority shareholders.

On October 8, 2019, the Company completed its IPO on the Exchange raising gross proceeds of \$200,000 through the issuance of 2,000,000 common shares at \$0.10 per common share. The Company’s common shares were approved for listing on the Exchange and commenced trading effective October 10, 2019 under the symbol “SARG.P”.

Until such time that a Qualifying Transaction is completed, 2,000,000 of the Company’s common shares are held in escrow (a total of 3,500,000 common shares are held in escrow – see Note 6). Additionally, the Company will have no significant revenue and will incur expenses primarily for Qualifying Transaction investigation, Exchange listing and filing requirements, professional services and office facilities and administration, subject to certain restrictions under Policy 2.4. On September 17, 2021, the Company entered into a definitive agreement which, if completed, would constitute its Qualifying Transaction (Note 5). As at July 31, 2022, the Qualifying Transaction is pending closing and Exchange approval.

On October 4, 2021, the Company’s shareholders approved, at an Annual General and Special Meeting of Shareholders, certain amendments to the Exchange Policy 2.4 – Capital Pool Companies (“New CPC Policy”) that became effective January 1, 2021, including, but not limited to:

- authorizing the Company to approve certain amendments to its stock option plan pursuant to which the total number of common shares of the Company reserved for issuance both before and after completion of a Qualifying Transaction is 10% of the issued and outstanding common shares of the Company as at the date of grant, rather than at the closing date of the initial public offering;
- removing the consequences associated with the Company not completing a Qualifying Transaction within 24 months of its listing date in accordance with the New CPC Policy;
- authorizing the Company to make certain amendments to the Company’s escrow agreement to effect certain changes contemplated under the New CPC Policy, including reducing the maximum escrow term to 18 months from 36 months following a Qualifying Transaction; and
- authorizing and permitting the Company to pay any finders’ fee or commission to a Non-Arm’s Length Party (as that term is defined in the New CPC Policy) to the Company upon completion of the Qualifying Transaction, in accordance with the terms of the New CPC Policy.

Certain restrictions on the use of proceeds raised by the Company have also been amended by the New CPC Policy to those disclosed in Note 4.

The registered and head office of the Company is located at 228 – 1122 Mainland Street, Vancouver, BC, V6B 5L1.

**JESSY VENTURES CORP.**  
**(A Capital Pool Company)**

Notes to the Condensed Interim Financial Statements  
For the Three Months Ended July 31, 2022  
(Expressed in Canadian dollars - Unaudited)

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

**Going Concern**

These condensed interim financial statements have been prepared on the 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. Should the Company be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due. As at July 31, 2022, the Company had a working capital of \$465,122 (April 30, 2022 – \$242,187) and has an accumulated deficit of \$280,146 (April 30, 2022 - \$278,081). The Company has not generated any revenues from operations and during the three months ended July 31, 2022 incurred a loss of \$2,065 (July 31, 2021 - \$4,879). The Company expects to incur further losses in the development of its business. The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. These circumstances comprise a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. As a result, these financial statements do not reflect any adjustments to the carrying values of assets and liabilities, the reported expenses, and the balance sheet classifications used that may be necessary if the Company is unable to continue as a going concern.

In March 2020, the World Health Organization declared the outbreak of Covid-19 a global pandemic. The expected impacts on global commerce are far reaching. To date there have been significant stock market fluctuations, and the movement of people and goods has become restricted. As the Company does not have revenues, the ability to fund ongoing operations is affected by the availability of financing. Due to market uncertainty the Company may be restricted in its ability to raise additional funding. The impact of these factors on the Company is not yet determinable. However, they may have a material impact on the Company's financial position, results of operations and cash flows in future periods. In particular, there may be heightened risk of asset impairment and liquidity or going concern uncertainty.

**2. BASIS OF PRESENTATION**

**Statement of Compliance**

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by the IASB. The same accounting policies and methods of computation are followed in these unaudited condensed interim financial statements as compared with the most recent annual financial statements as at and for the period ended July 31, 2022. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending April 30, 2023 could result in the restatement of these condensed interim financial statements.

**JESSY VENTURES CORP.**  
**(A Capital Pool Company)**

Notes to the Condensed Interim Financial Statements  
For the Three Months Ended July 31, 2022  
(Expressed in Canadian dollars - Unaudited)

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**2. BASIS OF PRESENTATION** (continued)

**Basis of Preparation**

These condensed interim financial statements are presented in Canadian dollars, which is the Company's functional and presentation currency. These condensed interim financial statements are prepared on a historical cost basis except for financial instruments classified as fair value through profit or loss ("FVTPL"), which are stated at their fair value. The accounting policies have been applied consistently throughout the entire periods presented in these condensed interim financial statements.

**Significant Accounting Judgments, Estimates and Assumptions**

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities. The estimates and associated assumptions are based on anticipations and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods. There have been no significant judgments made by management in the application of IFRS that have a significant effect on these condensed interim financial statements.

***Judgments***

- i) The evaluation of the Company's ability to continue as a going concern.
- ii) The assessment of indicators of impairment and reversal of impairment for the exploration and evaluation assets and the related determination of the recoverable amount and write-down of the properties where applicable.
- iii) The measurement of deferred income tax assets and liabilities.

***Estimations***

During the period ended July 31, 2022 and 2021, there were no significant estimates applied to these condensed interim financial statements.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies applied by the Company in these condensed interim financial statements are the same as those applied by the Company as at and for the year ended April 30, 2022.

**JESSY VENTURES CORP.**  
**(A Capital Pool Company)**

Notes to the Condensed Interim Financial Statements  
For the Three Months Ended July 31, 2022  
(Expressed in Canadian dollars - Unaudited)

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**4. CASH RESTRICTION**

The proceeds raised from the issuance of common shares may only be used for reasonable expenses related to the Company's IPO, reasonable expenses related to the proposed Qualifying Transaction, and reasonable general and administrative expenses not exceeding \$3,000 per month as prescribed in Exchange Policy 2.4.

**5. EXPLORATION AND EVALUATION ASSET**

On September 17, 2021, as amended December 22, 2021, March 15, 2022, May 30, 2022, and August 30, 2022, the Company entered into a Definitive Agreement ("Agreement") with Origen Resources Inc. to acquire an undivided 60% interest in the Arlington Property comprising five mineral claims within the Arrow Boundary District of south-central British Columbia, Canada. The proposed transaction would constitute the Company's Qualifying Transaction.

In order to exercise the option, the Company must pay \$185,000 and issue an aggregate of 2,000,000 common shares as follows:

- i) Pay \$10,000 in cash upon execution of the Agreement (paid) and issue 200,000 common shares on Exchange approval of the Agreement;
- ii) Pay \$25,000 in cash and issue 300,000 common shares on before the first anniversary of Exchange approval;
- iii) Pay \$50,000 in cash and issue 500,000 common shares on or before the second anniversary of Exchange approval; and
- iv) Pay \$100,000 in cash and issue 1,000,000 common shares on or before the third anniversary of Exchange approval.

In addition, the Company must incur \$750,000 in exploration expenditures as follows:

- i) \$125,000 on or before the first anniversary of Exchange approval;
- ii) \$250,000 on or before the second anniversary of Exchange approval; and
- iii) \$375,000 on or before the third anniversary of Exchange approval.

In addition, the Company must pay \$110,000 to Origen Resources Inc. for its recently completed exploration program within five days of Exchange approval.

Origen will retain a 1.5% net smelter royalty ("NSR") on the property, whereby the Company will have the right to repurchase 1.0% of the NSR for cash consideration of \$1,000,000.

As at July 31, 2022, the Company had capitalized \$10,000 (April 30, 2022 - \$10,000) in acquisition costs to exploration and evaluation asset.

## **JESSY VENTURES CORP. (A Capital Pool Company)**

Notes to the Condensed Interim Financial Statements  
For the Three Months Ended July 31, 2022  
(Expressed in Canadian dollars - Unaudited)

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### **6. SHARE CAPITAL**

#### **Authorized share capital**

Unlimited common shares, without par value. Unlimited number of preferred shares of which none are outstanding.

#### **Share issuances**

##### For the period ended July 31, 2022

During the period ended July 31, 2022, \$225,000 was received by the Company which is intended to be used in a future private placement.

##### For the year ended April 30, 2022

On August 24, 2021, the Company closed a non-brokered private placement of 2,718,332 common shares issued at a price of \$0.09 per common share for gross proceeds of \$244,650. Of the shares issued, 1,500,000 were escrow shares and 1,218,332 were non-escrowed shares.

On October 7, 2021, 6,000 warrants were exercised into common shares at a price of \$0.10 per share for gross proceeds of \$600.

##### Loss per share

During the period ended July 31, 2021, the Company had 2,000,000 seed shares which were contingently cancellable until the Company completed a Qualifying Transaction. On transition to the new rules on October 4, 2021, the 2,000,000 seed shares were no longer considered contingently cancellable and have been included in the weighted average number of common shares outstanding calculation as at July 31, 2022.

#### **Equity Reserves**

##### 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 the TSX-V requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable options to purchase its common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares at the closing of the IPO, exercisable for a period of up to ten years from the date of grant. The vesting conditions, if any, for stock options granted are determined at the discretion of the Company's Board of Directors. In addition, no stock option granted pursuant to this section may be exercised before the completion of the Qualifying Transaction unless the optionee agrees in writing to deposit the shares acquired into escrow until the issuance of the Final Exchange Bulletin.

On October 8, 2019, the Company granted 400,000 stock options to officers and directors with an exercise price of \$0.10 per share. These options vest immediately and expire five years from the date of issuance. The fair value of these stock options granted was determined to be \$29,500 using the Black-Scholes valuation model and the following inputs: i) exercise price \$0.10, ii) stock price \$0.10, iii) volatility: 99%, iv) risk free rate: 1.29%. During the year ended April 30, 2022, 266,668 stock options with an exercise price of \$0.10 were cancelled as a result of adopting the new CPC guidance.

**JESSY VENTURES CORP.**  
**(A Capital Pool Company)**

Notes to the Condensed Interim Financial Statements  
For the Three Months Ended July 31, 2022  
(Expressed in Canadian dollars - Unaudited)

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**6. SHARE CAPITAL (continued)**

As of July 31, 2022, 133,332 stock options with an exercise price of \$0.10 remain with remaining life of 2.19 years.

Warrants

On October 8, 2019, the Company granted 200,000 warrants to certain brokers as compensation for the IPO financing with an exercise price of \$0.10 per share. These warrants vest immediately and expire two years from the date of issuance. The fair value of these stock options granted was determined to be \$10,400 using the Black-Scholes valuation model and the following inputs: i) exercise price \$0.10, ii) stock price \$0.10, iii) volatility: 99%, iv) risk free rate: 1.44%. During the year ended April 30, 2022, 6,000 warrants were exercised for gross proceeds of \$600 and 194,000 warrants expired unexercised on October 8, 2021. As at July 31, 2022, there were Nil warrants outstanding.

**7. TRANSACTIONS WITH RELATED PARTIES**

Related parties are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Related parties include the Board of Directors, close family members and enterprises which are controlled by these individuals as well as persons performing similar functions.

During the three month periods ended July 31, 2022 and 2021, there were no transactions with or outstanding balances owed to or from related parties.

**8. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

**Capital Management**

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

The Company includes share capital in the definition of capital.

The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the identification and evaluation of potential acquisitions. To secure the additional capital necessary to pursue these plans, the Company may attempt to raise additional funds through the issuance of equity or by securing strategic partners.

The Company is not subject to externally imposed capital requirements other than the cash restriction disclosed in Note 4.

**JESSY VENTURES CORP.**  
**(A Capital Pool Company)**

Notes to the Condensed Interim Financial Statements  
For the Three Months Ended July 31, 2022  
(Expressed in Canadian dollars - Unaudited)

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**8. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

**Fair Values of Financial Instruments**

As at July 31, 2022, the Company's financial instruments consist of cash and accounts payable and accrued liabilities.

- Level 1– fair values based on unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – fair values based on inputs that are observable for the asset or liability, either directly or
- Level 3 – fair values based on inputs for the asset or liability that are not based on observable market data.

The Company's policy for determining when a transfer occurs between levels in the fair value hierarchy is to assess the impact at the date of the event or the change in circumstances that could result in a transfer. As at July 31, 2022 and April 30, 2022, the Company did not have any financial instruments classified at FVTPL.

The Company's financial instruments, consisting of cash and accounts payable and accrued liabilities, approximate fair values due to the relatively short-term maturities of the instruments. All are measured at amortized cost. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

**Credit Risk**

Credit risk refers to the risk that the counterparty will default on its contractual obligation resulting in financial loss to the Company. Credit risk is primarily related to the Company's cash. To minimize this risk, cash has been placed with a major Canadian financial institution.

**Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations when they become due. The Company ensures that there is sufficient capital in order to meet short-term operating requirements, after taking into account the Company's holdings of cash. As at July 31, 2022, the Company had current liabilities of \$20,203 (April 30, 2022 - \$19,363) due within 12 months and had cash of \$485,325 (April 30, 2022 - \$261,550) to meet its current obligations. As a result, the Company has minimal liquidity risk.

**Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or value of its holdings or financial instruments. The Company's activities have only been transacted in Canadian dollars since incorporation; in addition, the Company carries no interest-bearing debt. As such, the Company has minimal market risks facing it at present.

**EXHIBIT B – MANAGEMENT’S DISCUSSION AND ANALYSIS**

# **Management's Discussion and Analysis**

**Jessy Ventures Corp.  
(A Capital Pool Company)**

**For the Years Ended April 30, 2022 and 2021**

## **Jessy Ventures Corp.**

### Management's Discussion and Analysis of Financial Results

For the years ended April 30, 2022 and 2021

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*The following management discussion and analysis ("MD&A") should be read in conjunction with the financial statements and accompanying notes ("Financial Statements") of Jessy Ventures Corp. (the "Company") for the audited years ended April 30, 2022 and 2021, in addition to the related notes thereto. Results have been prepared using accounting policies in compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All monetary amounts are reported in Canadian dollars unless otherwise indicated.*

*For further information on the Company reference should be made to the Company's public filings which are available on SEDAR.*

### **Forward-Looking Statements**

This MD&A contains forward-looking statements. All statements, other than statements of historical fact, constitute "forward-looking statements" and include any information that addresses activities, events or developments that the Company believes, expects or anticipates will or may occur in the future including the Company's strategy, plans or future financial or operating performance and other statements that express management's expectations or estimates of future performance.

Forward-looking statements are generally identifiable by the use of the words "may", "will", "should", "continue", "expect", "anticipate", "estimate", "believe", "intend", "plan" or "project" or the negative of these words or other variations on these words or comparable terminology. All such forward-looking information and statements are based on certain assumptions and analyses made by the Company's management in light of their experience and perception of historical trends, current conditions and expected future developments, as well as other factors management believes are appropriate in the circumstances. These statements, however, are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed, implied by or projected in the forward-looking information or statements. Important factors that could cause actual results to differ from these forward-looking statements are discussed in Risks and Uncertainties.

There can be no assurance that any forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, the reader should not place any undue reliance on forward-looking information or statements. Except as required by law, the Company does not intend to revise or update these forward-looking statements.

## **Jessy Ventures Corp.**

Management's Discussion and Analysis of Financial Results

For the years ended April 30, 2022 and 2021

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### **INTRODUCTION**

The following discussion of performance and financial condition should be read in conjunction with the audited financial statements of Jessy Ventures Corp. (the "Company") for the years ended April 30, 2022 and 2021. The Company's financial statements are 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 Company's reporting currency is Canadian dollars unless otherwise stated. This Management's Discussion and Analysis ("MD&A") is dated August 18, 2022.

### **DESCRIPTION OF BUSINESS**

Jessy Ventures Corp. (the "Company") was incorporated under the Business Corporations Act (British Columbia) on November 21, 2018. The Company was formed for the primary purpose of completing an Initial Public Offering ("IPO") on the TSX Venture Exchange ("Exchange") as a Capital Pool Corporation ("CPC") as defined in Policy 2.4 of the Exchange. The principal business of the Company will be the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction ("Qualifying Transaction") as defined in Policy 2.4 of the Exchange. The Company's continuing operations as intended are dependent upon its ability to identify, evaluate and negotiate an acquisition, or business. Such an acquisition will be subject to the approval of the regulatory authorities concerned and in the case of a non-arms' length transaction, of the majority of the minority shareholders.

On October 8, 2019, the Company completed its IPO on the Exchange raising gross proceeds of \$200,000 through the issuance of 2,000,000 common shares at \$0.10 per common share. The Company's common shares were approved for listing on the Exchange and commenced trading effective October 10, 2019 under the symbol "SARG.P".

Until such time that a Qualifying Transaction is completed, some of the Company's common shares are held in escrow. Additionally, the Company will have no significant revenue and will incur expenses primarily for Qualifying Transaction investigation, Exchange listing and filing requirements, professional services and office facilities and administration, subject to certain restrictions under Policy 2.4. On September 17, 2021, the Company entered into a definitive agreement which, if completed, would constitute its Qualifying Transaction.

In March 2020, the World Health Organization declared the outbreak of Covid-19 a global pandemic. The expected impacts on global commerce are far reaching. To date there have been significant stock market fluctuations, and the movement of people and goods has become restricted. As the Company does not have revenues, the ability to fund ongoing operations is affected by the availability of financing. Due to market uncertainty the Company may be restricted in its ability to raise additional funding. The impact of these factors on the Company is not yet determinable. However, they may have a material impact on the Company's financial position, results of operations and cash flows in future periods. In particular, there may be heightened risk of asset impairment and liquidity or going concern uncertainty.

### **Annual General and Special Meeting of Shareholders**

On October 4, 2021, the Company's shareholders approved, at a Annual General and Special Meeting of Shareholders, certain amendments to the Exchange Policy 2.4 – Capital Pool Companies ("New CPC Policy") that became effective January 1, 2021, including, but not limited to:

- authorizing the Company to approve certain amendments to its stock option plan pursuant to which the total number of common shares of the Company reserved for issuance both before and after

## **Jessy Ventures Corp.**

### Management's Discussion and Analysis of Financial Results

For the years ended April 30, 2022 and 2021

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completion of a Qualifying Transaction is 10% of the issued and outstanding common shares of the Company as at the date of grant, rather than at the closing date of the initial public offering;

- removing the consequences associated with the Company not completing a Qualifying Transaction within 24 months of its listing date in accordance with the New CPC Policy;
- authorizing the Company to make certain amendments to the Company's escrow agreement to effect certain changes contemplated under the New CPC Policy, including reducing the maximum escrow term to 18 months from 36 months following a Qualifying Transaction; and
- authorizing and permitting the Company to pay any finders' fee or commission to a Non-Arm's Length Party (as that term is defined in the New CPC Policy) to the Company upon completion of the Qualifying Transaction, in accordance with the terms of the New CPC Policy.

Additional information on the Company, including the Transaction and all provisions approved at the October 4, 2021 Annual General and Special Meeting of Shareholders is available under the Company's profile at [www.sedar.com](http://www.sedar.com).

On September 17, 2021, the Company entered into a definitive agreement with Origen Resources Inc. which would constitute its Qualifying Transaction as disclosed below.

The registered and head office of the Company is located at 228 – 1122 Mainland Street, Vancouver, BC, V6B 5L1.

### **QUALIFYING TRANSACTION**

On September 17, 2021, as amended December 22, 2021, March 15, 2022 and May 30, 2022, the Company entered into a Definitive Agreement ("Agreement") with Origen Resources Inc. to acquire an undivided 60% interest in the Arlington Property comprising five mineral claims within the Arrow Boundary District of south-central British Columbia, Canada. The proposed transaction would constitute the Company's Qualifying Transaction.

In order to exercise the option, the Company must pay \$185,000 and issue an aggregate of 2,000,000 common shares as follows:

- Pay \$10,000 in cash upon execution of the Agreement (paid) and issue 200,000 common shares on Exchange approval of the Agreement;
- Pay \$25,000 in cash and issue 300,000 common shares on before the first anniversary of Exchange approval;
- Pay \$50,000 in cash and issue 500,000 common shares on or before the second anniversary of Exchange approval; and
- Pay \$100,000 in cash and issue 1,000,000 common shares on or before the third anniversary of Exchange approval.

In addition, the Company must incur \$750,000 in exploration expenditures as follows:

- \$125,000 on or before the first anniversary of Exchange approval;
- \$250,000 on or before the second anniversary of Exchange approval; and
- \$375,000 on or before the third anniversary of Exchange approval.

## Jessy Ventures Corp.

### Management's Discussion and Analysis of Financial Results

For the years ended April 30, 2022 and 2021

In addition, the Company must pay \$110,000 to Origen Resources Inc. for its recently completed exploration program within five days of Exchange approval.

On April 30, 2022 the Company had capitalized \$10,000 (April 30, 2021 - \$nil) in acquisition costs to exploration and evaluation asset.

#### SELECTED QUARTERLY FINANCIAL INFORMATION

The following selected financial information is derived from the audited financial statements of the Company. The figures have been prepared in accordance with IFRS.

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	April 30, 2022	January 31, 2022	October 31, 2021	July 31, 2021
	\$	\$	\$	\$
General and administrative expenses	35,193	22,982	56,971	4,879
Net loss and comprehensive loss	(35,193)	(22,982)	(56,971)	(4,879)
Net loss per share – Basic & fully diluted	(0.01)	(0.00)	(0.01)	-
Totals assets	271,550	300,032	336,358	384,369
Total liabilities	19,363	12,652	26,176	17,636
Cash dividends declared per share	Nil	Nil	Nil	Nil

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	April 30, 2021	January 31, 2021	October 31, 2020	July 31, 2020
	\$	\$	\$	\$
General and administrative expenses	20,498	6,852	4,636	3,793
Net loss and comprehensive loss	(20,498)	(6,852)	(4,636)	(3,793)
Net loss per share – Basic & fully diluted	-	-	(0.01)	-
Totals assets	137,791	150,579	154,243	166,732
Total liabilities	10,829	Nil	Nil	7,853
Cash dividends declared per share	Nil	Nil	Nil	Nil

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**Jessy Ventures Corp.**

## Management's Discussion and Analysis of Financial Results

For the years ended April 30, 2022 and 2021

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**SELECTED ANNUAL FINANCIAL INFORMATION**

	For the year ended April 30, 2022	For the year ended April 30, 2021	For the year ended April 30, 2020
	\$	\$	\$
Total assets	271,550	137,791	171,808
Total non-current liabilities	-	-	-
Total expenses	120,025	35,710	115,504
Less interest income	-	-	-
Loss and comprehensive loss	(120,025)	(35,710)	(115,504)
Basic & diluted loss per share	(0.02)	(0.02)	(0.10)
Weighted average number of common shares outstanding	5,857,794	2,000,000	1,120,219

**RESULTS OF OPERATIONS****For the three and twelve months ended April 30, 2022**

Net loss and comprehensive loss for the three and twelve months ended April 30, 2022 was \$35,193 and \$120,025 compared to \$20,498 and \$35,710 net loss for the comparable periods. The increase in overall net loss in the three and twelve months period is due to an increase in legal fees and regulatory fees related to the Company's proposed Qualifying Transaction. The Company expects continued fluctuations in expenses incurred as it seeks a Qualifying Transaction.

## **Jessy Ventures Corp.**

Management's Discussion and Analysis of Financial Results

For the years ended April 30, 2022 and 2021

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### **ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE**

Additional financial information is available in the Company's audited financial statements for the fiscal year ended April 30, 2022. These statements are available on SEDAR at [www.sedar.com](http://www.sedar.com).

The following addresses the specific disclosure requirements for venture issues without significant revenues:

- (a) Capitalized or expensed exploration and development costs – payment towards the Arlington Property option.
- (b) Expensed research and development costs – Not applicable
- (c) Deferred development costs – Not applicable
- (d) General administrative expenses – the financial information is presented in the Statement of Loss and Comprehensive Loss in the financial statements.
- (e) Any material costs, whether capitalized, deferred or expensed, not referred to in (a) through (d) – None.

### **Profits**

At this time, the Company is not anticipating profit or revenue from operations. The Company will report an annual deficit and quarterly deficit and will rely on its ability to obtain equity financing to fund its search for a Qualifying Transaction. For information concerning the business of the Company, please see "Company Overview".

### **LIQUIDITY AND CAPITAL RESOURCES**

As at April 30, 2022, the Company had working capital of \$242,187 (April 30, 2021 – \$126,962).

As at April 30, 2022, the shareholders' equity of \$252,187 (April 30, 2021 - \$126,962) comprised of share capital of \$490,368 (April 30, 2021 - \$245,118), reserves of \$39,900 (April 30, 2021 - \$39,900), and a deficit of \$278,081 (April 30, 2021 - \$158,056).

### **OUTSTANDING SHARE DATA**

- a) Authorized Share Capital: unlimited common shares without par value.
- b) Issued and Outstanding as at the date of this document: 6,724,332 common shares, 133,332 share purchase options and no share purchase warrants.

## **Jessy Ventures Corp.**

### Management's Discussion and Analysis of Financial Results

For the years ended April 30, 2022 and 2021

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#### **Share issuances**

On October 8, 2019, the Company completed its IPO of 2,000,000 common shares at a price of \$0.10 per share for total proceeds of \$200,000. Share issuance costs for the IPO totaled \$54,882 comprising agent's cash commission of \$20,000, and other related cash fees totaling \$24,482. Additionally, the Company issued 200,000 broker warrants with a \$10,400 fair value.

As at the completion of the Company's IPO, the 2,000,000 issued and outstanding common shares will be held in escrow pursuant to the requirements of the Exchange. 25% of the escrowed common shares will be released from escrow on the issuance of the Final Exchange Bulletin (as defined in the policies of the Exchange) (the "Initial Release") and an additional 25% will be released on each of the dates which are 6 months, 12 months, and 18 months following the Initial Release.

On August 24, 2021, the Company closed a non-brokered private placement of 2,718,332 common shares issued at a price of \$0.09 per common share for gross proceeds of \$244,650. Of the shares issued, 1,500,000 were escrow shares and 1,218,332 were non-escrowed shares.

On October 7, 2021, 6,000 warrants were exercised into common shares at a price of \$0.10 per share for gross proceeds of \$600.

#### **TRANSACTIONS WITH RELATED PARTIES**

Related parties are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Related parties include the Board of Directors, close family members and enterprises which are controlled by these individuals as well as persons performing similar functions.

During the twelve months ended April 30, 2022, the Company incurred \$16,275 in professional fees from Ryan Cheung, Chief Financial Officer of the Company (April 30, 2021 - \$7,950).

As at April 30, 2022, there was \$Nil owing to Ryan Cheung (April 30, 2021 - \$2,625) included in accounts payable and accrued liabilities.

#### **OFF BALANCE SHEET TRANSACTIONS**

The Company does not have any off-balance sheet arrangements as at April 30, 2022 or as of the date of this report.

#### **CRITICAL JUDGMENTS AND ESTIMATES**

The preparation of the 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 fair value measurements for financial instruments and the recoverability and measurement of deferred tax assets.

## **Jessy Ventures Corp.**

### Management's Discussion and Analysis of Financial Results

For the years ended April 30, 2022 and 2021

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The preparation of the 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 applying to 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 significant accounting judgments and estimates made in the April 30, 2022 financial statements were as follows:

#### ***Judgments***

- i) The evaluation of the Company's ability to continue as a going concern.
- ii) The assessment of indicators of impairment and reversal of impairment for the exploration and evaluation assets and the related determination of the recoverable amount and write-down of the properties where applicable.
- iii) The measurement of deferred income tax assets and liabilities.

#### ***Estimations***

- i) The fair value of share-based compensation.
- ii) The fair value of warrant compensation.

## **FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

### **Capital Management**

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

The Company includes share capital in the definition of capital.

The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the identification and evaluation of potential acquisitions. To secure the additional capital necessary to pursue these plans, the Company may attempt to raise additional funds through the issuance of equity or by securing strategic partners.

### **Cash Restrictions**

The proceeds raised from the issuance of common shares may only be used for reasonable expenses related to the Company's IPO, reasonable expenses related to the proposed Qualifying Transaction, and reasonable general and administrative expenses not exceeding \$3,000 per month as prescribed in Exchange Policy 2.4.

## **FINANCIAL INSTRUMENTS**

The Company's financial instruments, consisting of cash, and accounts payable and accrued liabilities, approximate fair values due to the relatively short-term maturities of the instruments. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

## **Jessy Ventures Corp.**

### Management's Discussion and Analysis of Financial Results

For the years ended April 30, 2022 and 2021

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#### **Credit Risk**

Credit risk refers to the risk that the counterparty will default on its contractual obligation resulting in financial loss to the Company. Credit risk is primarily related to the Company's cash. To minimize this risk, cash has been placed with a major Canadian financial institution.

#### **Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations when they become due. The Company ensures that there is sufficient capital in order to meet short-term operating requirements, after taking into account the Company's holdings of cash. As at April 30, 2022, the Company had accounts payable and accrued liabilities of \$19,363 (April 30, 2021 - \$10,829) due within 12 months and had cash of \$261,550 (April 30, 2021 - \$137,791) to meet its current obligations. As a result, the Company has minimal liquidity risk.

#### **Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or value of its holdings or financial instruments. The Company's activities have only been transacted in Canadian dollars since incorporation; in addition, the Company carries no interest-bearing debt. As such, the Company has minimal market risks facing it at present.

#### **RISKS & UNCERTAINTIES**

The Company currently has no source of recurring income, has not commenced commercial operations, has no significant assets other than cash, has no history of earnings and does not intend to pay dividends. In addition, there can be no assurance that the Company will be able to obtain additional financing in the future on terms acceptable to the Company or at all. The Company's success depends to a certain degree upon key members of the management. It is expected that these individuals will be a significant factor in our growth and success. The loss of the service of members of the management team or certain key employees could have a material adverse effect on the Company.

**Management's Discussion and Analysis**

**Jessy Ventures Corp.  
(A Capital Pool Company)**

**For the First Quarter Ended July 31, 2022 and 2021**

## **Jessy Ventures Corp.**

### Management's Discussion and Analysis of Financial Results

For the first quarter ended July 31, 2022 and 2021

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*The following management discussion and analysis ("MD&A") should be read in conjunction with the financial statements and accompanying notes ("Financial Statements") of Jessy Ventures Corp. (the "Company") for the interim period ended July 31, 2022, in addition to the related notes thereto. In addition, the MD&A should be read in conjunction with the audited year ended April 30, 2022 financial statements with related notes thereto. Results have been prepared using accounting policies in compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All monetary amounts are reported in Canadian dollars unless otherwise indicated.*

*For further information on the Company reference should be made to the Company's public filings which are available on SEDAR.*

### **Forward-Looking Statements**

This MD&A contains forward-looking statements. All statements, other than statements of historical fact, constitute "forward-looking statements" and include any information that addresses activities, events or developments that the Company believes, expects or anticipates will or may occur in the future including the Company's strategy, plans or future financial or operating performance and other statements that express management's expectations or estimates of future performance.

Forward-looking statements are generally identifiable by the use of the words "may", "will", "should", "continue", "expect", "anticipate", "estimate", "believe", "intend", "plan" or "project" or the negative of these words or other variations on these words or comparable terminology. All such forward-looking information and statements are based on certain assumptions and analyses made by the Company's management in light of their experience and perception of historical trends, current conditions and expected future developments, as well as other factors management believes are appropriate in the circumstances. These statements, however, are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed, implied by or projected in the forward-looking information or statements. Important factors that could cause actual results to differ from these forward-looking statements are discussed in Risks and Uncertainties.

There can be no assurance that any forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, the reader should not place any undue reliance on forward-looking information or statements. Except as required by law, the Company does not intend to revise or update these forward-looking statements.

## **Jessy Ventures Corp.**

### Management's Discussion and Analysis of Financial Results

For the first quarter ended July 31, 2022

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## **INTRODUCTION**

The following discussion of performance and financial condition should be read in conjunction with the unaudited condensed interim financial statements of Jessy Ventures Corp. (the "Company") for the first quarter ended July 31, 2022 and 2021. The Company's condensed interim financial statements are 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 Company's reporting currency is Canadian dollars unless otherwise stated. This Management's Discussion and Analysis ("MD&A") is dated September 30, 2022.

## **DESCRIPTION OF BUSINESS**

Jessy Ventures Corp. (the "Company") was incorporated under the Business Corporations Act (British Columbia) on November 21, 2018. The Company was formed for the primary purpose of completing an Initial Public Offering ("IPO") on the TSX Venture Exchange ("Exchange") as a Capital Pool Corporation ("CPC") as defined in Policy 2.4 of the Exchange. The principal business of the Company will be the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction ("Qualifying Transaction") as defined in Policy 2.4 of the Exchange. The Company's continuing operations as intended are dependent upon its ability to identify, evaluate and negotiate an acquisition, or business. Such an acquisition will be subject to the approval of the regulatory authorities concerned and in the case of a non-arms' length transaction, of the majority of the minority shareholders.

On October 8, 2019, the Company completed its IPO on the Exchange raising gross proceeds of \$200,000 through the issuance of 2,000,000 common shares at \$0.10 per common share. The Company's common shares were approved for listing on the Exchange and commenced trading effective October 10, 2019 under the symbol "SARG.P".

Until such time that a Qualifying Transaction is completed, some of the Company's common shares are held in escrow. Additionally, the Company will have no significant revenue and will incur expenses primarily for Qualifying Transaction investigation, Exchange listing and filing requirements, professional services and office facilities and administration, subject to certain restrictions under Policy 2.4. On September 17, 2021, the Company entered into a definitive agreement which, if completed, would constitute its Qualifying Transaction. As at July 31, 2022, the Qualifying Transaction is pending closing and Exchange approval.

In March 2020, the World Health Organization declared the outbreak of Covid-19 a global pandemic. The expected impacts on global commerce are far reaching. To date there have been significant stock market fluctuations, and the movement of people and goods has become restricted. As the Company does not have revenues, the ability to fund ongoing operations is affected by the availability of financing. Due to market uncertainty the Company may be restricted in its ability to raise additional funding. The impact of these factors on the Company is not yet determinable. However, they may have a material impact on the Company's financial position, results of operations and cash flows in future periods. In particular, there may be heightened risk of asset impairment and liquidity or going concern uncertainty.

## **Annual General and Special Meeting of Shareholders**

On October 4, 2021, the Company's shareholders approved, at a Annual General and Special Meeting of Shareholders, certain amendments to the Exchange Policy 2.4 – Capital Pool Companies ("New CPC Policy") that became effective January 1, 2021, including, but not limited to:

- authorizing the Company to approve certain amendments to its stock option plan pursuant to which the total number of common shares of the Company reserved for issuance both before and after

## **Jessy Ventures Corp.**

### Management's Discussion and Analysis of Financial Results

For the first quarter ended July 31, 2022

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completion of a Qualifying Transaction is 10% of the issued and outstanding common shares of the Company as at the date of grant, rather than at the closing date of the initial public offering;

- removing the consequences associated with the Company not completing a Qualifying Transaction within 24 months of its listing date in accordance with the New CPC Policy;
- authorizing the Company to make certain amendments to the Company's escrow agreement to effect certain changes contemplated under the New CPC Policy, including reducing the maximum escrow term to 18 months from 36 months following a Qualifying Transaction; and
- authorizing and permitting the Company to pay any finders' fee or commission to a Non-Arm's Length Party (as that term is defined in the New CPC Policy) to the Company upon completion of the Qualifying Transaction, in accordance with the terms of the New CPC Policy.

Additional information on the Company, including the Transaction and all provisions approved at the October 4, 2021 Annual General and Special Meeting of Shareholders is available under the Company's profile at [www.sedar.com](http://www.sedar.com).

On September 17, 2021, the Company entered into a definitive agreement with Origen Resources Inc. which would constitute its Qualifying Transaction as disclosed below.

The registered and head office of the Company is located at 228 – 1122 Mainland Street, Vancouver, BC, V6B 5L1.

### **QUALIFYING TRANSACTION**

On September 17, 2021, as amended December 22, 2021, March 15, 2022, May 30, 2022, and August 30, 2022, the Company entered into a Definitive Agreement ("Agreement") with Origen Resources Inc. to acquire an undivided 60% interest in the Arlington Property comprising five mineral claims within the Arrow Boundary District of south-central British Columbia, Canada. The proposed transaction would constitute the Company's Qualifying Transaction.

In order to exercise the option, the Company must pay \$185,000 and issue an aggregate of 2,000,000 common shares as follows:

- Pay \$10,000 in cash upon execution of the Agreement (paid) and issue 200,000 common shares on Exchange approval of the Agreement;
- Pay \$25,000 in cash and issue 300,000 common shares on before the first anniversary of Exchange approval;
- Pay \$50,000 in cash and issue 500,000 common shares on or before the second anniversary of Exchange approval; and
- Pay \$100,000 in cash and issue 1,000,000 common shares on or before the third anniversary of Exchange approval.

In addition, the Company must incur \$750,000 in exploration expenditures as follows:

- \$125,000 on or before the first anniversary of Exchange approval;
- \$250,000 on or before the second anniversary of Exchange approval; and
- \$375,000 on or before the third anniversary of Exchange approval.

## Jessy Ventures Corp.

### Management's Discussion and Analysis of Financial Results

For the first quarter ended July 31, 2022

In addition, the Company must pay \$110,000 to Origen Resources Inc. for its recently completed exploration program within five days of Exchange approval.

Origen will retain a 1.5% net smelter royalty ("NSR") on the property, whereby the Company will have the right to repurchase 1.0% of the NSR for cash consideration of \$1,000,000.

On July 31, 2022 the Company had capitalized \$10,000 (April 30, 2022 - \$10,000) in acquisition costs to exploration and evaluation asset.

### SELECTED QUARTERLY FINANCIAL INFORMATION

The following selected financial information is derived from the audited financial statements of the Company. The figures have been prepared in accordance with IFRS.

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	July 31, 2022	April 30, 2022	January 31, 2022	October 31, 2021
	\$	\$	\$	\$
General and administrative expenses	2,065	35,193	22,982	56,971
Net loss and comprehensive loss	(2,065)	(35,193)	(22,982)	(56,971)
Net loss per share – Basic & fully diluted	(0.00)	(0.01)	(0.00)	(0.01)
Totals assets	495,325	271,550	300,032	336,358
Total liabilities	20,203	19,363	12,652	26,176
Cash dividends declared per share	Nil	Nil	Nil	Nil

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	July 31, 2021	April 30, 2021	January 31, 2021	October 31, 2020
	\$	\$	\$	\$
General and administrative expenses	4,879	20,498	6,852	4,636
Net loss and comprehensive loss	(4,879)	(20,498)	(6,852)	(4,636)
Net loss per share – Basic & fully diluted	(0.00)	(0.00)	(0.00)	(0.01)
Totals assets	384,369	137,791	150,579	154,243
Total liabilities	17,636	10,829	Nil	Nil
Cash dividends declared per share	Nil	Nil	Nil	Nil

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## Jessy Ventures Corp.

### Management's Discussion and Analysis of Financial Results

For the first quarter ended July 31, 2022

## SELECTED ANNUAL FINANCIAL INFORMATION

	For the years ended		
	April 30, 2022	April 30, 2021	April 30, 2020
	\$	\$	\$
Total assets	271,550	137,791	171,808
Total non-current liabilities	-	-	-
Total expenses	120,025	35,710	115,504
Less interest income	-	-	-
Loss and comprehensive loss	(120,025)	(35,710)	(115,504)
Basic & diluted loss per share	(0.02)	(0.02)	(0.10)
Weighted average number of common shares outstanding	5,857,794	2,000,000	1,120,219

## RESULTS OF OPERATIONS

### For the three months ended July 31, 2022

Net loss and comprehensive loss for the three months ended July 31, 2022 was \$2,065 compared to \$4,879 net loss for the comparable period. The decrease in overall net loss in the three months period is due to a decrease in legal fees. The Company expects continued fluctuations in expenses incurred as it seeks to complete its Qualifying Transaction.

## ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Additional financial information is available in the Company's condensed interim financial statements for the first quarter ended July 31, 2022. These statements are available on SEDAR at [www.sedar.com](http://www.sedar.com).

The following addresses the specific disclosure requirements for venture issues without significant revenues:

- Capitalized or expensed exploration and development costs – payment towards the Arlington Property option.
- Expensed research and development costs – Not applicable
- Deferred development costs – Not applicable
- General administrative expenses – the financial information is presented in the Statement of Loss and Comprehensive Loss in the financial statements.
- Any material costs, whether capitalized, deferred or expensed, not referred to in (a) through (d) – None.

## Profits

At this time, the Company is not anticipating profit or revenue from operations. The Company will report an annual deficit and quarterly deficit and will rely on its ability to obtain equity financing to fund its search for a Qualifying Transaction. For information concerning the business of the Company, please see "Company Overview".

## **Jessy Ventures Corp.**

### Management's Discussion and Analysis of Financial Results

For the first quarter ended July 31, 2022

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#### **LIQUIDITY AND CAPITAL RESOURCES**

As at July 31, 2022, the Company had working capital of \$465,122 (April 30, 2022 – \$242,187).

As at July 31, 2022, the Company received \$225,000 intended to be used in a future private placement.

As at July 31, 2022, the shareholders' equity of \$475,122 (April 30, 2022 - \$252,187) comprised of share capital of \$490,368 (April 30, 2022 - \$490,368), subscriptions received \$225,000 (April 30, 2022 - \$nil), reserves of \$39,900 (April 30, 2022 - \$39,900), and a deficit of \$280,146 (April 30, 2022 - \$278,081).

#### **OUTSTANDING SHARE DATA**

- a) Authorized Share Capital: unlimited common shares without par value and an unlimited number of preferred shares.
- b) Issued and Outstanding as at the date of this document: 6,724,332 common shares, 133,332 share purchase options and no share purchase warrants.

#### **Share issuances**

On October 8, 2019, the Company completed its IPO of 2,000,000 common shares at a price of \$0.10 per share for total proceeds of \$200,000. Share issuance costs for the IPO totaled \$54,882 comprising agent's cash commission of \$20,000, and other related cash fees totaling \$24,482. Additionally, the Company issued 200,000 broker warrants with a \$10,400 fair value.

As at the completion of the Company's IPO, the 2,000,000 issued and outstanding common shares will be held in escrow pursuant to the requirements of the Exchange. 25% of the escrowed common shares will be released from escrow on the issuance of the Final Exchange Bulletin (as defined in the policies of the Exchange) (the "Initial Release") and an additional 25% will be released on each of the dates which are 6 months, 12 months, and 18 months following the Initial Release.

On August 24, 2021, the Company closed a non-brokered private placement of 2,718,332 common shares issued at a price of \$0.09 per common share for gross proceeds of \$244,650. Of the shares issued, 1,500,000 were escrow shares and 1,218,332 were non-escrowed shares.

On October 7, 2021, 6,000 warrants were exercised into common shares at a price of \$0.10 per share for gross proceeds of \$600.

#### **TRANSACTIONS WITH RELATED PARTIES**

Related parties are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Related parties include the Board of Directors, close family members and enterprises which are controlled by these individuals as well as persons performing similar functions.

During the three month periods ended July 31, 2022 and 2021, there were no transactions with or outstanding balances owed to or from related parties.

## **Jessy Ventures Corp.**

Management's Discussion and Analysis of Financial Results

For the first quarter ended July 31, 2022

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### **OFF BALANCE SHEET TRANSACTIONS**

The Company does not have any off-balance sheet arrangements as at July 31, 2022 or as of the date of this report.

### **CRITICAL JUDGMENTS AND ESTIMATES**

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 fair value measurements for financial instruments and the recoverability and measurement of deferred tax assets.

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 applying to 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 significant accounting judgments and estimates made in the July 31, 2022 financial statements were as follows:

#### ***Judgments***

- i) The evaluation of the Company's ability to continue as a going concern.
- ii) The assessment of indicators of impairment and reversal of impairment for the exploration and evaluation assets and the related determination of the recoverable amount and write-down of the properties where applicable.
- iii) The measurement of deferred income tax assets and liabilities.

#### ***Estimations***

During the period ended July 31, 2022 and 2021, there were no significant estimates applied to the condensed interim financial statements.

### **FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

#### **Capital Management**

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

The Company includes share capital in the definition of capital.

The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the identification and evaluation of potential acquisitions. To secure the additional

## **Jessy Ventures Corp.**

### Management's Discussion and Analysis of Financial Results

For the first quarter ended July 31, 2022

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capital necessary to pursue these plans, the Company may attempt to raise additional funds through the issuance of equity or by securing strategic partners.

#### **Cash Restrictions**

The proceeds raised from the issuance of common shares may only be used for reasonable expenses related to the Company's IPO, reasonable expenses related to the proposed Qualifying Transaction, and reasonable general and administrative expenses not exceeding \$3,000 per month as prescribed in Exchange Policy 2.4.

#### **FINANCIAL INSTRUMENTS**

The Company's financial instruments, consisting of cash, accounts payable and accrued liabilities, and loans payable, approximate fair values due to the relatively short-term maturities of the instruments. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

#### **Credit Risk**

Credit risk refers to the risk that the counterparty will default on its contractual obligation resulting in financial loss to the Company. Credit risk is primarily related to the Company's cash. To minimize this risk, cash has been placed with a major Canadian financial institution.

#### **Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations when they become due. The Company ensures that there is sufficient capital in order to meet short-term operating requirements, after taking into account the Company's holdings of cash. As at July 31, 2022, the Company had accounts payable and current liabilities of \$20,203 (April 30, 2022 - \$19,363) due within 12 months and had cash of \$485,325 (April 30, 2022 - \$261,550) to meet its current obligations. As a result, the Company has minimal liquidity risk.

#### **Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or value of its holdings or financial instruments. The Company's activities have only been transacted in Canadian dollars since incorporation; in addition, the Company carries no interest-bearing debt. As such, the Company has minimal market risks facing it at present.

#### **RISKS & UNCERTAINTIES**

The Company currently has no source of recurring income, has not commenced commercial operations, has no significant assets other than cash, has no history of earnings and does not intend to pay dividends. In addition, there can be no assurance that the Company will be able to obtain additional financing in the future on terms acceptable to the Company or at all. The Company's success depends to a certain degree upon key members of the management. It is expected that these individuals will be a significant factor in

**Jessy Ventures Corp.**

Management's Discussion and Analysis of Financial Results  
For the first quarter ended July 31, 2022

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our growth and success. The loss of the service of members of the management team or certain key employees could have a material adverse effect on the Company.

**EXHIBIT C – FINANCIAL STATEMENTS RESPECTING THE PROPERTY**

**Origen Resources Inc.  
Arlington Property Carve-Out**

**CARVE-OUT FINANCIAL STATEMENTS  
(Expressed in Canadian Dollars)**

**FOR THE YEAR ENDED SEPTEMBER 30, 2021 AND THE PERIOD FROM APRIL 28, 2020 TO SEPTEMBER  
30, 2020**

**488 - 625 Howe Street  
Vancouver, B.C. V6C 2T6**

**TELEPHONE: 604-681-0221**

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Origen Resources Inc.

### *Opinion*

We have audited the accompanying carve-out financial statements of the Arlington Property from Origen Resources Inc. (the Entity”), which comprise the carve-out statements of financial position as at September 30, 2021 and 2020 and the carve-out statements of loss and comprehensive loss, changes in equity, and cash flows for the year ended September 30, 2021 and the period from April 28, 2020 to September 30, 2020, and notes to the carve-out financial statements, including a summary of significant accounting policies.

In our opinion, these carve-out financial statements present fairly, in all material respects, the financial position of the Entity as at September 30, 2021 and 2020, and its financial performance and its cash flows for the year ended September 30, 2021 and the period from April 28, 2020 to September 30, 2020 in accordance with International Financial Reporting Standards (“IFRS”).

### *Basis for Opinion*

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

### *Material Uncertainty Related to Going Concern*

We draw attention to Note 2 of the carve-out financial statements, which indicates that the Entity had \$nil cash on hand, is not generating any revenues and has incurred losses since inception. As stated in Note 2, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Entity’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### *Emphasis of Matter – Basis of Preparation*

We draw attention to the fact that as described in Note 2 in the carve-out financial statements, the Entity did not operate as a separate legal entity during the year ended September 30, 2021 and the period from April 28, 2020 to September 30, 2020. The carve-out financial statement for the above periods are, therefore, not necessarily indicative of the results that would have occurred if the Entity had been a separate stand-alone entity during the periods presented or of future results of the Entity. Our opinion is not modified in respect of this matter.

### *Other Information*

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

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



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

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

### ***Responsibilities of Management and Those Charged with Governance for the Carve-out Financial Statements***

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

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

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

### ***Auditor's Responsibilities for the Audit of the Carve-out Financial Statements***

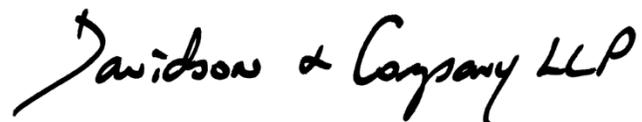
Our objectives are to obtain reasonable assurance about whether the carve-out financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a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

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

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

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

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

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

Vancouver, Canada

Chartered Professional Accountants

July 6, 2022

# Origen Resources Inc. Arlington Property Carve-Out

Carve-Out Statements of Financial Position

(Expressed in Canadian Dollars)

	<b>September 30, 2021</b>	September 30, 2020
<b>ASSETS</b>		
<b>Current</b>		
Receivables	\$ 5,136	\$ -
	5,136	-
<b>Non-current assets</b>		
Exploration and evaluation assets (Notes 4 and 5)	227,500	64,920
	\$ 232,636	\$ 64,920
<b>LIABILITIES AND EQUITY</b>		
<b>Current</b>		
Accounts payable	\$ 107,853	\$ -
	107,853	-
<b>EQUITY</b>		
Reserves (Note 9)	229,906	74,675
Deficit	(105,123)	(9,755)
	124,783	64,920
	\$ 232,636	\$ 64,920

Approved on Behalf of the Board on July 6, 2022.

*The accompanying notes are an integral part of these carve-out financial statements*

# Origen Resources Inc. Arlington Property Carve-Out

Carve-Out Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

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	<b>For the year ended September 30, 2021</b>	<b>For the period from April 28, 2020 to September 30, 2020</b>
<b>EXPENSES</b>		
Consulting (Note 5)	\$ 17,542	\$ 2,670
General office	2,312	213
Management fees (Note 5)	15,194	1,496
Marketing	12,037	-
Professional fees (Note 5)	17,787	1,206
Rent (Note 5)	1,545	163
Share-based payments (Note 5 and 9)	22,889	3,335
Transfer agent and filing fees	6,062	672
<b>Loss and comprehensive loss</b>	<b>\$ (95,368)</b>	<b>\$ (9,755)</b>

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*The accompanying notes are an integral part of these carve-out financial statements*

## Origen Resources Inc. Arlington Property Carve-Out

Carve-Out Statements of Changes in Equity

(Expressed in Canadian Dollars)

	Funded by Origen Resources Inc.	Equity settled share -based payments	Total reserves	Deficit	Total
<b>Balance, April 28, 2020</b>	\$ -	\$ -	\$ -	\$ -	\$ -
Funding provided by and expenses paid by Origen Resources Inc.	71,340	-	71,340	-	71,340
Share-based payments	-	3,335	3,335	-	3,335
Net loss for the period	-	-	-	(9,755)	(9,755)
<b>Balance, September 30, 2020</b>	71,340	3,335	74,675	(9,755)	64,920
Funding provided by and expenses paid by Origen Resources Inc.	132,342	-	132,342	-	132,342
Share-based payments	-	22,889	22,889	-	22,889
Net loss for the year	-	-	-	(95,368)	(95,368)
<b>Balance, September 30, 2021</b>	\$ 203,682	\$ 26,224	\$ 229,906	\$ (105,123)	\$ 124,783

*The accompanying notes are an integral part of these carve-out financial statements*

# Origen Resources Inc. Arlington Property Carve-Out

## Carve-Out Statements of Cash Flows

(Expressed in Canadian Dollars)

	<b>For the year ended September 30, 2021</b>	<b>For the period from April 28, 2020 to September 30, 2020</b>
<b>Cash flows from operating activities</b>		
Net loss for the period	\$ (95,368)	\$ (9,755)
Non-cash items:		
Share-based payments	22,889	3,335
Net cash used in operating activities	(72,479)	(6,420)
<b>Cash flows from investing activities</b>		
Exploration and evaluation assets	(3,863)	(1,000)
Recovery on exploration and evaluation assets	10,000	-
Net cash provided by (used in) investing activities	6,137	(1,000)
<b>Cash flows from financing activity</b>		
Funds provided by Origen Resources Inc.	66,342	7,420
Net cash provided by financing activity	66,342	7,420
<b>Net change in cash</b>	-	-
<b>Cash, beginning of the period</b>	-	-
<b>Cash, end of the period</b>	\$ -	\$ -

Supplemental cash flow information (Note 11)

*The accompanying notes are an integral part of these carve-out financial statements*

# Origen Resources Inc. Arlington Property Carve-Out

Notes to the Carve-Out Financial Statements

For the year ended September 30, 2021 and the period from April 28, 2020 to September 30, 2020  
(Expressed in Canadian Dollars)

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## 1 OPTION AGREEMENT

On April 28, 2020, Origen Resources Inc. (the “Company” or “Origen”) acquired 100% of the Arlington Property as part of the Plan of Arrangement with Raffles Financial Group Limited (formerly Explorex Resources Inc.) (“Raffles”), whereby Raffles spun out certain assets and liabilities to the Company. The Arlington Property is an exploration stage project located in British Columbia, Canada and includes five mineral claims. Certain of the mineral claims are subject to a 1% net smelter royalty (“NSR”), which can be purchased by the Company for \$1,000,000.

On September 17, 2021, the Company granted Jessy Ventures Corp. (“Jessy Ventures”) an option to acquire a 60% interest in the property by paying \$185,000, issuing 2,000,000 common shares and incurring \$750,000 in exploration expenditures on the property as follows:

- Paying \$10,000 upon signing as a non-refundable deposit (received);
- Issuing 200,000 common shares upon final receipt of final approval of the option agreement by the TSX Venture Exchange (the “Exchange Approval Date”);
- Paying \$25,000, issuing 300,000 common shares and incurring \$125,000 in exploration expenditures on or before the first anniversary of the Exchange Approval Date;
- Paying \$50,000, issuing 500,000 common shares and incurring \$250,000 in exploration expenditures on or before the second anniversary of the Exchange Approval Date; and
- Paying \$100,000, issuing 1,000,000 common shares and incurring \$375,000 in exploration expenditures on or before the third anniversary of the Exchange Approval Date.

Any shortfall in cumulative exploration expenditures can be settled in either cash or common shares at the option of the Company. Jessy Ventures is also required to pay the costs that the Company had incurred on the recently completed exploration program on the property totaling \$110,000 within 5 days of the Exchange Approval Date.

Upon exercise of the option, the Company will be granted a 1.5% NSR on the property, of which Jessy Ventures can purchase 1.0% of the NSR for \$1,000,000 within one year of commencement of commercial production.

The option agreement will be terminated if the Exchange Approval Date has not been obtained by August 31, 2022.

These carve-out financial statements represent the historical operations of the Arlington Property since acquisition by Origen. The assets, liabilities, expenses and cash flows of the operations included in the exploration business to be optioned by Origen (the “Entity”) have been derived from Origen’s historical financial information. The operations of the Entity were not a separate legal entity during the periods presented. The Entity was part of Origen.

These carve-out financial statements were authorized for issuance by the Board of directors of the Company on July 6, 2022.

# Origen Resources Inc. Arlington Property Carve-Out

Notes to the Carve-Out Financial Statements

For the year ended September 30, 2021 and the period from April 28, 2020 to September 30, 2020  
(Expressed in Canadian Dollars)

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## 2 BASIS OF PRESENTATION AND GOING CONCERN

These carve-out financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and Interpretations issued by the International Financial Reporting Interpretation Committee (“IFRIC”).

These carve-out financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values, as explained in the accounting policies below. In addition, the financial statements have been prepared using the accrual basis of accounting, except for cash flow disclosure.

These carve-out financial statements are presented in Canadian dollars, which is also the Entity’s functional currency.

The purpose of these carve-out financial statements is to provide general purpose historical financial information of the Entity in connection with the option agreement detailed in Note 1. Therefore, these carve-out financial statements present the historical financial information of Origen that make up the Entity, either fully, or partially, where only specifically identifiable assets and liabilities are included, and allocations of shared income and expenses of Origen that are attributable to the Entity.

The basis of preparation for the carve-out statements of financial position, loss and comprehensive loss, cash flows and changes in equity of the Entity have been applied. The carve-out financial statements have been extracted from historical accounting records of Origen with estimates used, when necessary, for certain allocations.

- The carve-out statements of financial position reflect the assets and liabilities recorded by Origen which have been assigned to the Entity on the basis that they are specifically identifiable and attributable to the Entity;
- The carve-out statements of loss and comprehensive loss included a pro-rata allocation of Origen’s income and expenses incurred in each of the periods presented based on the percentage of exploration and evaluation activity on the carve-out exploration and evaluation assets being transferred, compared to the expenditures incurred on all of Origen’s exploration and evaluation assets, and based on specifically identifiable activities attributable to the Entity. The allocation of income and expense for each period presented is as follows: for the year ended September 30, 2021 – 8.44% and the period from April 28, 2020 to September 30, 2020 – 1.81%. The percentages are considered reasonable under the circumstances.

Management cautions readers of these carve-out financial statements that the Entity’s results do not necessarily reflect what the results of operations, financial position, or cash flows would have been had the Entity been a separate entity. Further, the allocation of income and expense in the carve-out statements of loss and comprehensive loss do not necessarily reflect the nature and level of the Entity’s future income and operating expenses. Origen’s investment in the Entity, presented as equity in these carve-out financial statements, includes the accumulated total loss and comprehensive loss of the Entity.

# Origen Resources Inc. Arlington Property Carve-Out

## Notes to the Carve-Out Financial Statements

For the year ended September 30, 2021 and the period from April 28, 2020 to September 30, 2020  
(Expressed in Canadian Dollars)

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These carve-out financial statements have been prepared on a going concern basis, which assumes that the Entity will continue in operation for the foreseeable future and will be able to realize its assets and settle its liabilities in the normal course of business. At September 30, 2021, the Entity had \$nil cash on hand, is not generating any revenues and has incurred losses since inception. Whether and when the Entity can obtain profitability and positive cash flows from operations is uncertain. These material uncertainties may cast significant doubt on the ability of the Entity to continue as a going concern. The Entity's ability to continue its operations is dependent upon support from its current parent company, Origen. These carve-out financial statements do not give effect to the required adjustments to the carrying amounts and classification of assets and liabilities should the Entity be unable to continue as a going concern. Such adjustments could be material.

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

### 3 SIGNIFICANT ACCOUNTING POLICIES

#### a) Financial instruments

The following is the Entity's accounting policy for financial assets and liabilities:

##### Financial assets:

The Entity classifies its financial assets in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI"), or at amortized cost.

The determination of the classification of financial assets is made at initial recognition. Equity instruments that are held for trading (including all equity derivative instruments) are classified as FVTPL; for other equity instruments, on the day of acquisition the Entity can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI.

Financial assets at FVTPL: Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of financial assets held at FVTPL are included in the statement of loss and comprehensive loss in the period.

Financial assets at FVTOCI: Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive loss in the period.

# Origen Resources Inc. Arlington Property Carve-Out

## Notes to the Carve-Out Financial Statements

For the year ended September 30, 2021 and the period from April 28, 2020 to September 30, 2020  
(Expressed in Canadian Dollars)

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Financial assets at amortized cost: A financial asset is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest. They are classified as current assets or non-current assets based on their maturity date and are initially recognized at fair value and subsequently carried at amortized cost less any impairment. The Entity's receivables are recognized at amortized cost.

Impairment of financial assets at amortized cost: The Entity recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

### Financial liabilities

The Entity classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was incurred. The Entity's accounting policy for each category is as follows:

Financial liabilities at FVTPL: This category comprises derivatives or liabilities acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of loss and comprehensive loss.

Financial liabilities at amortized cost: This category includes accounts payable which are recognized at amortized cost using the effective interest method.

Transaction costs in respect of financial instruments at FVTPL are recognized in the statement of loss and comprehensive loss immediately, while transaction costs associated with all other financial instruments are included in the initial measurement of the financial instrument.

#### b) Share-based compensation

The Entity benefits from Origen's stock option plan which allows directors, officers, employees and consultants to acquire shares of Origen. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model and is recognized over the vesting period. Consideration paid for the shares on the exercise of stock options is credited to capital stock.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the Entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of the goods or services received.

# Origen Resources Inc. Arlington Property Carve-Out

## Notes to the Carve-Out Financial Statements

For the year ended September 30, 2021 and the period from April 28, 2020 to September 30, 2020  
(Expressed in Canadian Dollars)

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### c) Income taxes

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

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

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Entity intends to settle its current tax assets and liabilities on a net basis.

### d) Exploration and evaluation assets

Exploration costs are capitalized on an individual prospect basis until such time as an economic ore body is defined or the prospect is abandoned. No exploration costs are capitalized until the legal right to explore the property has been obtained. When it is determined that such costs will be recouped through successful development and exploitation, the capitalized expenditures are depreciated over the expected productive life of the asset. Costs for a producing asset are amortized on a unit-of-production method based on the estimated life of the ore reserves, while costs for the prospects abandoned are written off.

Impairment review for exploration and evaluation assets is carried out on a project by project basis, with each project representing a single cash generating unit. At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that these assets are impaired. An impairment review is undertaken when indicators of impairment arise but typically when one or more of the following circumstances apply:

- Unexpected geological occurrences are identified that render the resource uneconomical;
- Title to the asset is compromised;
- Fluctuations in the metal prices render the project uneconomical;
- Variation in the currency of operations; and
- Threat to political stability in the country of operation.

# Origen Resources Inc. Arlington Property Carve-Out

## Notes to the Carve-Out Financial Statements

For the year ended September 30, 2021 and the period from April 28, 2020 to September 30, 2020  
(Expressed in Canadian Dollars)

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From time to time, the Entity may acquire or dispose of exploration and evaluation assets pursuant to the terms of option agreements. Due to the fact that these options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as exploration and evaluation assets or recoveries when the payments are made or received.

The recoverability of the amounts capitalized for the undeveloped exploration and evaluation assets is dependent upon the determination of economically recoverable ore reserves, confirmation of the Company's interest in the underlying mineral claims, the ability to farm out its exploration and evaluation assets, the ability to obtain the necessary financing to complete their development and future profitable production or proceeds from their disposition thereof.

When entitled, the Entity records refundable mineral exploration tax credits or incentive grants on an accrual basis and as a reduction of the carrying value of the mineral property interest. When the Entity is entitled to non-refundable exploration tax credits, and it is probable that they can be used to reduce future taxable income, a deferred income tax benefit is recognized.

### e) Impairment of tangible and intangible assets

Tangible and intangible assets with finite useful lives are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the assets' cash-generating unit, which is the lowest group of assets in which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets.

An impairment loss is charged to profit or loss except to the extent it reverses gains previously recognized in other comprehensive loss/income. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior periods. A reversal of an impairment loss is recognized in profit or loss.

### **New accounting standards issued and not yet effective**

Certain IFRS pronouncements that are mandatory for accounting years beginning on or after October 1, 2021 have been issued. The Company anticipates that the application of these new and revised standards, amendments and interpretations will have no material impact on its results and financial position.

# Origen Resources Inc. Arlington Property Carve-Out

Notes to the Carve-Out Financial Statements

For the year ended September 30, 2021 and the period from April 28, 2020 to September 30, 2020  
(Expressed in Canadian Dollars)

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## Significant judgments, estimates and assumptions

The preparation of these carve-out financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the carve-out financial statements and the reported expenses during the period. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

### *Valuation of exploration and evaluation assets*

The carrying value and the recoverability of exploration and evaluation assets, which are included in the carve-out statements of financial position. The cost model is utilized and the value of the exploration and evaluation assets is based on the expenditures incurred. For the initial value of the exploration and evaluation properties transferred in the April 2020 Plan of Arrangement (Note 1). Management estimated the fair value of the exploration and evaluation assets transferred which formed the value recorded on completion of the transaction. At every reporting period, management assesses the potential impairment which involves assessing whether or not facts or circumstances exist that suggest the carrying amount exceeds the recoverable amount.

### *Valuation of share-based payments*

The valuation of shares issued in non-cash transactions. Generally, the valuation of non-cash transactions is based on the value of the goods or services received. When this cannot be determined, it is based on the fair value of the non-cash consideration. When non-cash transactions are entered into with employees and those providing similar services, the non-cash transactions are measured at the fair value of the consideration given up using market prices.

### *Pro-rata allocation of Origen's income and expenses*

The pro-rata allocation of Origen's income and expenses indirectly attributable to the Arlington Property. Generally, the pro-rata allocation of Origen's shared income and expenses shall be allocated based on a reasonable method. In determining this method, Management has assessed various approaches, and concluded that an allocation based on the percentage of exploration and evaluation activities on the carve-out exploration and evaluation assets, compared to the expenditures incurred on all of Origen's exploration and evaluation assets is the most reasonable.

The preparation of financial statements in accordance with IFRS requires the Entity to make judgments, apart from those involving estimates, in applying accounting policies. There are currently no critical accounting judgements.

# Origen Resources Inc. Arlington Property Carve-Out

Notes to the Carve-Out Financial Statements

For the year ended September 30, 2021 and the period from April 28, 2020 to September 30, 2020

(Expressed in Canadian Dollars)

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## 4 EXPLORATION AND EVALUATION ASSETS

	Arlington Property
<b>Acquisition Costs</b>	
Opening, April 28, 2020	\$ -
Plan of Arrangement	63,920
Closing, September 30, 2020	63,920
Additions	69,500
Closing, September 30, 2021	133,420
<b>Exploration Costs</b>	
Opening, April 28, 2020	
Equipment, field supplies, and other	1,000
Closing, September 30, 2020	1,000
Assay	25,695
Geological	33,613
Equipment, field supplies, and other	43,772
Recoveries	(10,000)
Closing, September 30, 2021	94,080
<b>Balance, September 30, 2021</b>	<b>\$ 227,500</b>

# Origen Resources Inc. Arlington Property Carve-Out

Notes to the Carve-Out Financial Statements

For the year ended September 30, 2021 and the period from April 28, 2020 to September 30, 2020  
(Expressed in Canadian Dollars)

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## 5 RELATED PARTY TRANSACTIONS

Key management personnel are the persons responsible for the planning, directing and controlling the activities of the Entity and include both executive and non-executive directors, and entities controlled by such persons. The Entity considers all directors and officers of Origen to be key management personnel. To determine related party transactions for the Arlington Property, the allocation methodology outlined in Note 2 has been consistently applied.

During the year ended September 30, 2021, the Entity entered into the following transactions with key management personnel:

Paid or accrued exploration costs of \$102,717 (2020 - \$nil) that were capitalized as exploration and evaluation assets to a company controlled by a director and Chief Executive Officer of Origen.

Paid or accrued management fees of \$7,597 (2020 - \$816) to a company controlled by a director and Chief Executive Officer of Origen.

Paid or accrued management fees of \$7,597 (2020 - \$680) to a company controlled by a director and officer of Origen.

Paid or accrued consulting fees of \$675 (2020 - \$216) to a director of Origen.

Paid or accrued consulting fees of \$6,078 (2020 - \$435) to a company controlled by a director of Origen.

Paid or accrued rent of \$1,545 (2020 - \$163) to a company controlled by a director and Chief Executive Officer of Origen.

Paid or accrued professional fees of \$3,049 (2020 - \$272) to a company controlled by the Chief Financial Officer of Origen.

Paid or accrued professional fees of \$1,013 (2020 - \$109) to a company controlled by a director and Chief Executive Officer of Origen.

Paid or accrued consulting fees of \$7,597 (2020 - \$nil) to a company controlled by a director of Origen.

During the year ended September 30, 2021, Origen issued 950,000 (2020 - 1,500,000) stock options to the officers, directors and spouse of an officer and director of Origen. Upon the issuance, \$13,637 (2020 - \$2,779) in share-based compensation expense was recorded by the Entity.

As at September 30, 2021, accounts payable included \$107,853 (2020 - \$nil) payable to a company controlled by a director and Chief Executive Officer of Origen.

# Origen Resources Inc. Arlington Property Carve-Out

## Notes to the Carve-Out Financial Statements

For the year ended September 30, 2021 and the period from April 28, 2020 to September 30, 2020  
(Expressed in Canadian Dollars)

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### Commitments – Consulting Agreements

On April 28, 2020, as part of the April 2020 Plan of Arrangement, Origen assumed a commitment relating to a consulting agreement with a former director of Raffles, whereby Origen would receive consulting service at an annual cost of \$63,000 until August 31, 2021. On May 15, 2020, Origen entered into a termination agreement in respect of this consulting agreement and settled all future contractual obligations by paying \$25,000 (paid) and issuing 275,000 common shares (issued and valued at \$50,875) of Origen. The Entity recorded \$1,376 as consulting fees for the period ended September 30, 2020 in connection with the original agreement and termination.

## 6 CAPITAL MANAGEMENT

The Entity does not have share capital and its equity is a carve-out amount from Origen's equity. Origen has no debt and does not expect to enter into debt financing. Origen manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristic of underlying assets. Origen is not subject to any externally imposed capital requirements and does not presently utilize any quantitative measures to monitor its capital. Origen has no traditional revenue sources. Origen's ability to continue as a going concern on a long-term basis and realize its assets and discharge its liabilities in the normal course of business, rather than through a process of forced liquidation, is primarily dependent upon its continued ability to find and develop mineral property interests, and there being a favorable market in which to sell or option the mineral properties interest; and/or its ability to borrow or raise additional funds from equity markets.

## 7 FINANCIAL INSTRUMENTS AND RISK

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

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

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

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

The Entity's risk exposures and the impact on the Entity's carve-out financial instruments are summarized below:

### *Liquidity risk*

The Entity's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2021, the Entity had a cash balance of \$nil to settle current liabilities of \$107,853. The Entity is dependent upon support from its current parent company, Origen, to meet liabilities when due.

# Origen Resources Inc. Arlington Property Carve-Out

Notes to the Carve-Out Financial Statements

For the year ended September 30, 2021 and the period from April 28, 2020 to September 30, 2020  
(Expressed in Canadian Dollars)

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## *Credit risk*

Credit risk is the risk of potential loss to the Entity if the counterparty to a financial instrument fails to meet its contractual obligations. The Entity's credit risk is primarily attributable to its liquid financial assets.

## *Market risk*

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

### a) Interest rate risk

The Entity has no cash balance and no interest-bearing debt.

### b) Foreign currency risk

The Entity does not have assets or liabilities in a foreign currency.

### c) Price risk

The Entity is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Entity's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Entity closely monitors the commodity prices of precious metals, individual equity movements and the stock market to determine the appropriate course of action to be taken by the Entity.

## **8 SEGMENTED INFORMATION**

As at September 30, 2021, the Entity currently operates in one segment, being the acquisition and exploration and evaluation of resource assets located in Canada as described in Note 4.

## **9 RESERVES**

Reserves is comprised of funding from Origen, and equity settled share-based payments. Funding from Origen represents the accumulated net contributions from Origen. Equity settled share-based payments represents the Entity's pro-rata portion of Origen's share-based payment expense. This has been allocated as the Entity benefits from Origen's stock option plan which allows directors, officers, employees and consultants to acquire shares of Origen.

# Origen Resources Inc. Arlington Property Carve-Out

Notes to the Carve-Out Financial Statements

For the year ended September 30, 2021 and the period from April 28, 2020 to September 30, 2020  
(Expressed in Canadian Dollars)

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## 10 INCOME TAXES

During the year ended September 30, 2021 and period from April 28, 2020 to September 30, 2020, the Entity did not have legal form as the Arlington Property was part of Origen.

Deferred income tax assets and liabilities are calculated using the difference between the carrying amount of the mineral property and its corresponding tax value. However, the Entity does not meet the criteria to recognize any deferred tax assets. Therefore, no deferred tax assets have been recorded.

Expenses presented on the carve-out statements of loss and comprehensive loss represent an allocation of Origen's expenses and do not represent tax deductible expenses to the Entity.

## 11 SUPPLEMENTAL CASH FLOW INFORMATION

During the year ended September 30, 2021 and period from April 28, 2020 to September 30, 2020, the following non-cash transactions were excluded from the carve-out statements of cash flows:

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	For the year ended September 30, 2021	For the period from April 28, 2020 to September 30, 2020
Exploration expenditures in accounts payable	\$ 107,853	\$ -
Shares of Origen issued for April 2020 Plan of Arrangement	\$ -	\$ 63,920
Shares of Origen issued for exploration and evaluation assets	\$ 66,000	\$ -

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# ORIGEN

## RESOURCES INC.

### MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

**For the year ended September 30, 2021**

#### **July 6, 2022**

This Management's Discussion and Analysis ("MD&A") of the Arlington Property from Origen Resources Inc. (the "Entity") provides analysis of the Entity's financial results for the year ended September 30, 2021. The following information should be read in conjunction with the audited carve-out financial statements including the notes thereto for the year ended September 30, 2021, prepared in accordance with International Financial Reporting Standards ("IFRS") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). Financial information contained herein is expressed in Canadian dollars, unless stated otherwise. All information in this MD&A is current as of July 6, 2022 unless otherwise indicated. Readers are cautioned that this MD&A contains "forward-looking statements" and that actual events may vary from management's expectations. Readers are encouraged to read the cautionary note contained herein regarding such forward-looking statements. This MD&A was reviewed, approved and authorized for issue by the Company's Audit Committee, on behalf of our Board of Directors, on July 6, 2022.

#### **Background**

On April 28, 2020, Origen Resources Inc. (the "Company" or "Origen") acquired 100% of the Arlington Property as part of the Plan of Arrangement with Raffles Financial Group Limited (formerly Explores Resources Inc.) ("Raffles"), whereby Raffles spun out certain assets and liabilities to the Company. The Arlington Property is an exploration stage project located in British Columbia, Canada and includes five mineral claims. Certain of the mineral claims are subject to a 1% net smelter royalty ("NSR"), which can be purchased by the Company for \$1,000,000.

On September 17, 2021, the Company granted Jessy Ventures Corp. ("Jessy Ventures") an option to acquire a 60% interest in the property by paying \$185,000, issuing 2,000,000 common shares and incurring \$750,000 in exploration expenditures on the property as follows:

- Paying \$10,000 upon signing as a non-refundable deposit (received);

- 
- Issuing 200,000 common shares upon final receipt of final approval of the option agreement by the TSX Venture Exchange (the “Exchange Approval Date”);
  - Paying \$25,000, issuing 300,000 common shares and incurring \$125,000 in exploration expenditures on or before the first anniversary of the Exchange Approval Date;
  - Paying \$50,000, issuing 500,000 common shares and incurring \$250,000 in exploration expenditures on or before the second anniversary of the Exchange Approval Date; and
  - Paying \$100,000, issuing 1,000,000 common shares and incurring \$375,000 in exploration expenditures on or before the third anniversary of the Exchange Approval Date.

Any shortfall in cumulative exploration expenditures can be settled in either cash or common shares at the option of the Company. Jessy Ventures is also required to pay the costs that the Company had incurred on the recently completed exploration program on the property totaling \$110,000 within 5 days of the Exchange Approval Date.

Upon exercise of the option, the Company will be granted a 1.5% NSR on the property, of which Jessy Ventures can purchase 1.0% of the NSR for \$1,000,000 within one year of commencement of commercial production.

The option agreement will be terminated if the Exchange Approval Date has not been obtained by August 31, 2022.

### **Overall Performance**

As at September 30, 2021, the Entity had \$nil cash on hand, is not generating any revenues and has incurred losses since inception. Whether and when the Entity can obtain profitability and positive cash flows from operations is uncertain. These material uncertainties may cast significant doubt on the ability of the Entity to continue as a going concern. The Entity’s ability to continue its operations is dependent upon support from its current parent company, Origen. These carve-out financial statements do not give effect to the required adjustments to the carrying amounts and classification of assets and liabilities should the Entity be unable to continue as a going concern. Such adjustments could be material.

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

**Mineral Property**

	Arlington Property
<b>Acquisition Costs</b>	
Opening, April 28, 2020	\$ -
Plan of Arrangement	63,920
Closing, September 30, 2020	63,920
Additions	69,500
Closing, September 30, 2021	133,420
<b>Exploration Costs</b>	
Opening, April 28, 2020	
Equipment, field supplies, and other	1,000
Closing, September 30, 2020	1,000
Assay	25,695
Geological	33,613
Equipment, field supplies, and other	43,772
Recoveries	(10,000)
Closing, September 30, 2021	94,080
<b>Balance, September 30, 2021</b>	<b>\$ 227,500</b>

Arlington Property, British Columbia

On April 28, 2020, Origen acquired the Arlington property as part of the Plan of Arrangement.

On April 15, 2021, Origen increased the size of its Arlington property through the purchase of a 100% interest in the Fresh Pot claims in Beaverdell, British Columbia by paying \$3,500 in cash and issuing 200,000 common shares by August 15, 2021. The Fresh Pot claims are subject to a 1% NSR royalty, which can be purchased by the Company for \$1,000,000.

The 100% owned Arlington property is located 17 km north of Beaverdell and 67 km south of Kelowna within the Arrow Boundary District of south-central British Columbia. The property consists of three mineral claims covering 649 hectares that cover geologically prospective ground immediately north of the historic Beaverdell Mining Camp and the Carmi mine.

**Results of Operations**

Selected Annual Results

The following is a summary of certain selected financial information of the Entity as at and for the periods ended September 30, 2021 and 2020.

	<b>For the year ended September 30, 2021</b>	<b>For the period from April 28, 2020 to September 30, 2020</b>
	\$	\$
Total Revenues	-	-
Net Loss	(95,368)	(9,755)
Loss Per Share (basic and diluted)	N/A	N/A
Total Assets	232,636	64,920
Total Non-current Financial Liabilities	-	-
Dividends	-	-

During the year ended September 30, 2021, the Entity incurred a net loss of \$95,368 as compared to \$9,755 for the period ended September 30, 2020. The carve-out statements of loss and comprehensive loss included a pro-rata allocation of Origen’s income and expenses incurred in each of the periods presented based on the percentage of exploration and evaluation activity on the carve-out exploration and evaluation assets being transferred, compared to the expenditures incurred on all of Origen’s exploration and evaluation assets, and based on specifically identifiable activities attributable to the Entity. The allocation of income and expense for each period presented is as follows: for the year ended September 30, 2021 – 8.44% and the period from April 28, 2020 to September 30, 2020 – 1.81%. The percentages are considered reasonable under the circumstances.

Significant expenditures / movements included:

- Share-based payments of \$22,889 (2020 - \$3,335) – the increase is due to less stock options/warrants of Origen being issued during the period ended September 30, 2020.
- Professional fees of \$17,787 (2020 - \$1,206) and Consulting fees of \$17,542 (2021 - \$2,670) – the increase related to increased activity in Origen related to general administrative, financing, and entering into the exploration and evaluation asset agreements.
- Management fees of \$15,194 (2020 - \$1,496) – the increase is due to increased activity in Origen.

### Quarterly Information

Results for the most recent quarters ending with the most recently completed quarter, being September 30, 2021. As the Arlington Property was acquired on April 28, 2020 there are only six periods to present.

	<b>Three Months Ended</b>			
	<b>September 30,</b>	<b>June 30,</b>	<b>March 31,</b>	<b>December 31,</b>
	<b>2021</b>	<b>2021</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Interest income	Nil	Nil	Nil	Nil
Net loss	(72,464)	(5,678)	(14,978)	(2,248)
Basic and diluted earnings (loss) per common share	N/A	N/A	N/A	N/A

	<b>Three Months Ended</b>	
	<b>September 30,</b>	<b>June 30,</b>
	<b>2020</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Interest income	Nil	Nil
Net loss	(2,456)	(7,299)
Basic and diluted earnings (loss) per common share	N/A	N/A

During the period ended June 30, 2020, the costs allocated from Origen consisted mainly of consulting and professional fees which related to completing the Plan of Arrangement. In addition, Origen issued 1,800,000 stock options. During the period, \$3,335 in share-based compensation was recorded by the Entity.

During the three months ended March 31, 2021, the costs allocated from Origen consisted mainly of consulting and professional fees which related to increased activity in Origen, including general administrative, financing, and entering into exploration and evaluation asset agreements. In addition, Origen issued 1,400,000 stock options. During the period, \$6,112 in share-based compensation was recorded by the Entity.

During the three months ended June 30, 2021, the costs allocated from Origen consisted mainly of consulting, professional fees and marketing expenses which related to increased activity in Origen. In addition, Origen issued 200,000 warrants. During the period, \$1,168 in share-based compensation was recorded by the Entity.

During the three months ended September 30, 2021, the costs allocated from Origen consisted mainly of consulting, management fees, professional fees and marketing expenses which related to increased activity in Origen.

### **Related Party Transactions**

Key management personnel are the persons responsible for the planning, directing and controlling the activities of the Entity and include both executive and non-executive directors, and entities controlled by such persons. The Entity considers all directors and officers of Origen to be key management personnel. To determine related party transactions for the Arlington Property, the allocation methodology outlined in Note 2 of the carve-out financial statements has been consistently applied.

During the year ended September 30, 2021, the Entity entered into the following transactions with key management personnel:

Paid or accrued exploration costs of \$102,717 (2020 - \$nil) that were capitalized as exploration and evaluation assets to a company controlled by a director and Chief Executive Officer of Origen.

Paid or accrued management fees of \$7,597 (2020 – \$816) to a company controlled by a director and Chief Executive Officer of Origen.

Paid or accrued management fees of \$7,597 (2020 - \$680) to a company controlled by a director and officer of Origen.

Paid or accrued consulting fees of \$675 (2020 - \$216) to a director of Origen.

Paid or accrued consulting fees of \$6,078 (2020 - \$435) to a company controlled by a director of Origen.

Paid or accrued rent of \$1,545 (2020 - \$163) to a company controlled by a director and Chief Executive Officer of Origen.

Paid or accrued professional fees of \$3,049 (2020 - \$272) to a company controlled by the Chief Financial Officer of Origen.

Paid or accrued professional fees of \$1,013 (2020 - \$109) to a company controlled by a director and Chief Executive Officer of Origen.

Paid or accrued consulting fees of \$7,597 (2020 - \$nil) to a company controlled by a director of Origen.

During the year ended September 30, 2021, Origen issued 950,000 (2020 – 1,500,000) stock options to the officers, directors and spouse of an officer and director of Origen. Upon the issuance, \$13,637 (2020 – \$2,779) in share-based compensation expense was recorded by the Entity.

As at September 30, 2021, accounts payable included \$107,853 (2020 - \$nil) payable to a company controlled by a director and Chief Executive Officer of Origen.

Commitments – Consulting Agreements

On April 28, 2020, as part of the April 2020 Plan of Arrangement, Origen assumed a commitment relating to a consulting agreement with a former director of Raffles, whereby Origen would receive consulting service at an annual cost of \$63,000 until August 31, 2021. On May 15, 2020, Origen entered into a termination agreement in respect of this consulting agreement and settled all future contractual obligations by paying \$25,000 (paid) and issuing 275,000 common shares (issued and valued at \$50,875) of Origen. The Entity recorded \$1,376 as consulting fees for the period ended September 30, 2020 in connection with the original agreement and termination.

### **Liquidity and Capital Resources**

	September 30, 2021	September 30, 2020
<b>As At</b>	<b>\$</b>	<b>\$</b>
Working capital deficiency	(102,717)	-
Deficit	(105,123)	(9,755)
Cash	-	-
Current assets	5,136	-
Current liabilities	107,853	-
Equity	124,783	64,920

The Entity does not have any commitments for material capital expenditures, and none are presently contemplated other than normal operating requirements.

The Entity does not generate sufficient cash flow from operations to fund its exploration activities. The Entity's ability to continue its operations is dependent upon support from its current parent company, Origen.

	September 30, 2021	September 30, 2020
<b>For the period ended</b>	<b>\$</b>	<b>\$</b>
Cash used in operating activities	(72,479)	(6,420)
Cash provided by (used in) investing activities	6,137	(1,000)
Cash provided by financing activities	66,342	7,420
Change in cash	-	-

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**Off Balance Sheet Agreements**

As at September 30, 2021, the Entity had no material off-balance sheet arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that trigger financing, liquidity, market or credit risk to the Entity.

**Proposed Transactions**

As of the date of this MD&A, there are no proposed transactions.

**Critical Accounting Policies and Estimates**

The details of the Entity's accounting policies are presented in Note 3 of the carve-out financial statements for the year ended September 30, 2021.

**Capital Management**

The Entity does not have share capital and its equity is a carve-out amount from Origen's equity. Origen has no debt and does not expect to enter into debt financing. Origen manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristic of underlying assets. Origen is not subject to any externally imposed capital requirements and does not presently utilize any quantitative measures to monitor its capital. Origen has no traditional revenue sources. Origen's ability to continue as a going concern on a long-term basis and realize its assets and discharge its liabilities in the normal course of business, rather than through a process of forced liquidation, is primarily dependent upon its continued ability to find and develop mineral property interests, and there being a favorable market in which to sell or option the mineral properties interest; and/or its ability to borrow or raise additional funds from equity markets.

**Financial Instruments and Risk**

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

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

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

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

The Entity's risk exposures and the impact on the Entity's carve-out financial instruments are summarized below:

*Liquidity risk*

The Entity's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2021, the Entity had a cash balance of \$nil to settle current

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liabilities of \$107,853. The Entity is dependent upon support from its current parent company, Origen, to meet liabilities when due.

*Credit risk*

Credit risk is the risk of potential loss to the Entity if the counterparty to a financial instrument fails to meet its contractual obligations. The Entity's credit risk is primarily attributable to its liquid financial assets.

*Market risk*

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

a) Interest rate risk

The Entity has no cash balance and no interest-bearing debt.

b) Foreign currency risk

The Entity does not have assets or liabilities in a foreign currency.

c) Price risk

The Entity is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Entity's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Entity closely monitors the commodity prices of precious metals, individual equity movements and the stock market to determine the appropriate course of action to be taken by the Entity.

**Risk and Uncertainties**

The Company's operations and results are subject to a number of different risks at any given time. These factors include, but are not limited to, disclosure regarding exploration, additional financing, project delay, titles to properties, price fluctuations and share price volatility, operating hazards, insurable risk and limitations of insurance, management, foreign country and regulatory requirements, currency fluctuations and environmental regulation risk.

a) the state of the capital markets, which will affect the ability of the Company's to finance mineral property acquisitions and expand its contemplated exploration programs;

b) the prevailing market prices for base metals and precious metals;

c) the consolidation and potential abandonment of the Company's property as exploration results provide further information relating to the underlying value of the property; and

d) the ability of the Company to identify and successfully acquire additional mineral properties in which the Company may acquire an interest whether by option, joint venture or otherwise, in addition to or as an alternative to the property.

### **Other Risk Factors**

#### *Additional Financing*

The Company has limited financial resources and provides no assurance that it will obtain additional funding for future acquisitions and development of projects or to fulfill its obligations under applicable agreements. The Company provides no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of the Company's properties with the possible dilution or loss of such interests. Further, revenues, financings and profits, if any, will depend upon various factors, including the success, if any, of exploration programs and general market conditions for natural resources. The Company provides no assurance that it can operate profitably or that it will successfully implement its plans for its further exploration and development of its properties.

#### *Permits and Licenses*

The Company will require licenses and permits from various governmental and non-governmental authorities for its operations. The Company has obtained, or plans to obtain, all necessary licenses and permits required to carry on the activities it is currently conducting or which it proposes to conduct under applicable laws and regulations. However, such licenses and permits are subject to change in regulations and in various operating circumstances. The Company provides no assurance that it will obtain all necessary licenses and permits required to carry out exploration, development and mining operations.

#### *Political Regulatory Risks*

Any changes in government policy may result in changes to laws affecting ownership of assets, mining policies, monetary policies, taxation, rates of exchange, environmental regulations, and labour relations, repatriation of income and return of capital. This may affect both the Company's ability to undertake exploration and development activities in respect of the properties in the manner currently contemplated, as well as its ability to continue to explore, develop and operate the properties. The possibility that future governments may adopt substantially different policies, which might extend to expropriation of assets, cannot be ruled out.

#### *Currency Risk*

Currency fluctuations may affect the cash flow which the Company may realize from its operations, since most mineral commodities are sold in a world market in United States dollars. The Company's costs are incurred primarily in Canadian dollars.

#### *Dependence on Key Individuals*

The Company is dependent on a relatively small number of key personnel, the loss of any one of whom could have an adverse effect on the Company. In addition, the Company will be highly dependent upon

contractors and third parties in the performance of its exploration and development activities. The Company provides no guarantee that such contractors and third parties will be available to carry out such activities on behalf of the Company or be available upon commercially acceptable terms.

#### *Competitive Factors in the Precious and Base Metals Markets*

Most mineral resources including precious and base metals are essentially commodities markets in which one would expect to be a small producer with an insignificant impact upon world production. As a result, production, if any, would be readily sold and would likely have no impact on world market prices. The significant downturn in the world economies in recent months has driven the commodities prices much lower which has made raising capital more difficult than past years.

#### **Forward-Looking Information**

This MD&A, which contains certain forward-looking statements, are intended to provide readers with a reasonable basis for assessing the financial performance of the Company. All statements, other than statements of historical fact, are forward-looking statements. The words “believe”, “expect”, “anticipate”, “contemplate”, “target”, “plan”, “intends”, “continue”, “budget”, “estimate”, “may”, “will”, “schedule” and similar expressions identify forward looking statements. Forward looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant business, economic and competitive uncertainties and contingencies.

Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements. Such factors include, but are not limited to, fluctuations in the currency markets such as Canadian dollar, fluctuations in the prices of commodities, changes in government legislation, taxation, controls, regulations and political or economic developments in Canada, the United States, or other countries in which the Company carries or may carry on business in the future, risks associated with mining or development activities, the speculative nature of exploration and development, including the risk of obtaining necessary licenses and permits, and quantities or grades of reserves. Many of these uncertainties and contingencies can affect the Company’s actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, the Company. Readers are cautioned that forward-looking statements are not guarantees of future performance. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those acknowledged in such statements. The Company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except to the extent required by applicable laws.

#### **Financial and Disclosure Controls and Procedures**

The Company’s disclosure controls, and procedures (“DCAP”) are designed to provide reasonable assurance that relevant information is gathered and reported to senior management, including the Chief Executive Officer and the Chief Financial Officer, on a timely basis so that appropriate decisions can be made regarding public disclosures. We have designed internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. During the year ended September 30, 2021, there were no changes in internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company’s internal control over financial reporting.

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**Management’s Responsibility for Financial Statements**

Information provided in the MD&A and the financial statements is the responsibility of management. In the preparation of the carve-out financial statements, estimates are sometimes necessary to make a determination of the carrying value for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the carve-out financial statements. Management maintains a system of internal controls to provide reasonable assurance that the Company’s assets are safeguarded and to facilitate the preparation of relevant and timely information.

**Additional Information in relation to the Company**

Additional information relating to the Company is available:

- (a) On SEDAR at [www.sedar.com](http://www.sedar.com) under Origen Resources Inc
- (b) On Origen’s website at <https://origenresources.com/>

**Origen Resources Inc.  
Arlington Property Carve-Out**

**CONDENSED INTERIM CARVE-OUT FINANCIAL STATEMENTS  
(Unaudited - Expressed in Canadian Dollars)**

**FOR THE THREE AND NINE-MONTH PERIOD ENDED JUNE 30, 2022 and 2021**

**488 - 625 Howe Street  
Vancouver, B.C. V6C 2T6**

**TELEPHONE: 604-681-0221**



# Origen Resources Inc. Arlington Property Carve-Out

Condensed Interim Carve-Out Statements of Financial Position

(Unaudited - Expressed in Canadian Dollars)

	<u>June 30, 2022</u>	<u>September 30, 2021</u>
<b>ASSETS</b>		
<b>Current</b>		
Receivables	\$ -	\$ 5,136
	-	5,136
<b>Non-current assets</b>		
Exploration and evaluation assets (Notes 4 and 5)	<u>235,237</u>	<u>227,500</u>
	\$ 235,237	\$ 232,636
<b>LIABILITIES AND EQUITY</b>		
<b>Current</b>		
Accounts payable	\$ <u>115,977</u>	\$ <u>107,853</u>
	115,977	107,853
<b>EQUITY</b>		
Reserves (Note 9)	287,297	229,906
Deficit	<u>(168,037)</u>	<u>(105,123)</u>
	<u>119,260</u>	<u>124,783</u>
	\$ 235,237	\$ 232,636

Approved on Behalf of the Board on September 8, 2022.

*The accompanying notes are an integral part of these condensed interim carve-out financial statements*

# Origen Resources Inc. Arlington Property Carve-Out

Condensed Interim Carve-Out Statements of Loss and Comprehensive Loss  
(Unaudited - Expressed in Canadian Dollars)

	<b>For the three- months ended June 30, 2022</b>	For the three- months ended June 30, 2021	<b>For the nine- months ended June 30, 2022</b>	For the nine- months ended June 30, 2021
<b>EXPENSES</b>				
Consulting (Note 5)	\$ 752	\$ 645	\$ 8,495	\$ 3,302
General office	89	170	747	607
Management fees (Note 5)	1,132	1,314	23,134	3,624
Marketing	2,001	2,263	7,841	2,870
Professional fees (Note 5)	2,658	(594)	8,100	3,298
Rent (Note 5)	315	131	1,229	362
Share-based payments (Note 5 and 9)	(815)	1,168	7,042	7,280
Transfer agent and filing fees	356	581	1,714	1,561
<b>Operating expenses</b>	<b>(6,488)</b>	<b>(5,678)</b>	<b>(58,302)</b>	<b>(22,904)</b>
Financing income (expense) (Note 5)	606	-	(4,612)	-
<b>Loss and comprehensive loss</b>	<b>\$ (5,882)</b>	<b>\$ (5,678)</b>	<b>\$ (62,914)</b>	<b>\$ (22,904)</b>

*The accompanying notes are an integral part of these condensed interim carve-out financial statements*

## Origen Resources Inc. Arlington Property Carve-Out

Condensed Interim Carve-Out Statements of Changes in Equity  
(Unaudited - Expressed in Canadian Dollars)

	Funded by Origen Resources Inc.	Equity settled share -based payments	Total reserves	Deficit	Total
<b>Balance, September 30, 2020</b>	\$ 71,340	\$ 3,335	\$ 74,675	\$ (9,755)	\$ 64,920
Funding provided by and expenses paid by Origen Resources Inc.	15,987	-	15,987	-	15,987
Share-based payments	-	7,280	7,280	-	7,280
Net loss for the period	-	-	-	(22,904)	(22,904)
<b>Balance, June 30, 2021</b>	87,327	10,615	97,942	(32,659)	65,283
Funding provided by and expenses paid by Origen Resources Inc.	116,355	-	116,355	-	116,355
Share-based payments	-	15,609	15,609	-	15,609
Net loss for the period	-	-	-	(72,464)	(72,464)
<b>Balance, September 30, 2021</b>	203,682	26,224	229,906	(105,123)	124,783
Funding provided by and expenses paid by Origen Resources Inc.	50,488	-	50,488	-	50,488
Share-based payments	-	7,042	7,042	-	7,042
Exercise of Origen Resources Inc. stock options	-	(139)	(139)	-	(139)
Net loss for the period	-	-	-	(62,914)	(62,914)
<b>Balance, June 30, 2022</b>	\$ 254,170	\$ 33,127	\$ 287,297	\$ (168,037)	\$ 119,260

*The accompanying notes are an integral part of these condensed interim carve-out financial statements*

# Origen Resources Inc. Arlington Property Carve-Out

## Condensed Interim Carve-Out Statements of Cash Flows

(Unaudited - Expressed in Canadian Dollars)

	For the nine- months ended June 30, 2022	For the nine- months ended June 30, 2021
<b>Cash flows from operating activities</b>		
Net loss for the period	\$ (62,914)	\$ (22,904)
Non-cash items:		
Share-based payments	7,042	7,280
Exercise of Origen Resources Inc. stock options	(139)	-
Change in non-cash working capital items:		
Receivables	5,523	-
Net cash used in operating activities	(50,488)	(15,624)
<b>Cash flows from investing activity</b>		
Exploration and evaluation assets	-	(363)
Net cash used in investing activity	-	(363)
<b>Cash flows from financing activity</b>		
Funds provided by Origen Resources Inc.	50,488	15,987
Net cash provided by financing activity	50,488	15,987
<b>Net change in cash</b>	-	-
<b>Cash, beginning of the period</b>	-	-
<b>Cash, end of the period</b>	\$ -	\$ -

Supplemental cash flow information (Note 10)

*The accompanying notes are an integral part of these condensed interim carve-out financial statements*

# Origen Resources Inc. Arlington Property Carve-Out

Notes to the Condensed Interim Carve-Out Financial Statements

For the three and nine-month period ended June 30, 2022 and 2021

(Unaudited - Expressed in Canadian Dollars)

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## 1 OPTION AGREEMENT

On April 28, 2020, Origen Resources Inc. (the “Company” or “Origen”) acquired 100% of the Arlington Property as part of the Plan of Arrangement with Raffles Financial Group Limited (formerly Explorex Resources Inc.) (“Raffles”), whereby Raffles spun out certain assets and liabilities to the Company. The Arlington Property is an exploration stage project located in British Columbia, Canada and includes five mineral claims. Certain of the mineral claims are subject to a 1% net smelter royalty (“NSR”), which can be purchased by the Company for \$1,000,000.

On September 17, 2021, the Company granted Jessy Ventures Corp. (“Jessy Ventures”) an option to acquire a 60% interest in the property by paying \$185,000, issuing 2,000,000 common shares and incurring \$750,000 in exploration expenditures on the property as follows:

- Paying \$10,000 upon signing as a non-refundable deposit (received);
- Issuing 200,000 common shares upon final receipt of final approval of the option agreement by the TSX Venture Exchange (the “Exchange Approval Date”);
- Paying \$25,000, issuing 300,000 common shares and incurring \$125,000 in exploration expenditures on or before the first anniversary of the Exchange Approval Date;
- Paying \$50,000, issuing 500,000 common shares and incurring \$250,000 in exploration expenditures on or before the second anniversary of the Exchange Approval Date; and
- Paying \$100,000, issuing 1,000,000 common shares and incurring \$375,000 in exploration expenditures on or before the third anniversary of the Exchange Approval Date.

Any shortfall in cumulative exploration expenditures can be settled in either cash or common shares at the option of the Company. Jessy Ventures is also required to pay the costs that the Company had incurred on the recently completed exploration program on the property totaling \$110,000 within 5 days of the Exchange Approval Date.

Upon exercise of the option, the Company will be granted a 1.5% NSR on the property, of which, Jessy Ventures can purchase 1.0% of the NSR for \$1,000,000 within one year of commencement of commercial production.

The option agreement will be terminated if the Exchange Approval Date has not been obtained by October 31, 2022.

These unaudited condensed interim carve-out financial statements represent the historical operations of the Arlington Property since acquisition by Origen. The assets, liabilities, expenses and cash flows of the operations included in the exploration business to be optioned by Origen (the “Entity”) have been derived from Origen’s historical financial information. The operations of the Entity were not a separate legal entity during the periods presented. The Entity was part of Origen.

These condensed interim carve-out financial statements were authorized for issuance by the Board of directors of the Company on September 8, 2022.

# Origen Resources Inc. Arlington Property Carve-Out

Notes to the Condensed Interim Carve-Out Financial Statements

For the three and nine-month period ended June 30, 2022 and 2021

(Unaudited - Expressed in Canadian Dollars)

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## 2 BASIS OF PRESENTATION AND GOING CONCERN

These unaudited condensed interim carve-out financial statements have been prepared in accordance with IAS 34 – Interim Financial Reporting as issued by the International Accounting Standards Board (“IASB”). Accordingly, certain disclosures included in annual carve-out financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the IASB have been condensed or omitted and these unaudited condensed interim carve-out financial statements should be read in conjunction with the Entity’s audited carve-out financial statements for the year ended September 30, 2021.

These condensed interim carve-out financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values, as explained in the accounting policies below. In addition, the condensed interim carve-out financial statements have been prepared using the accrual basis of accounting, except for cash flow disclosure.

These condensed interim carve-out financial statements are presented in Canadian dollars, which is also the Entity’s functional currency.

The purpose of these condensed interim carve-out financial statements is to provide general purpose historical financial information of the Entity in connection with the option agreement detailed in Note 1. Therefore, these condensed interim carve-out financial statements present the historical financial information of Origen that make up the Entity, either fully, or partially, where only specifically identifiable assets and liabilities are included, and allocations of shared income and expenses of Origen that are attributable to the Entity.

The basis of preparation for the condensed interim carve-out statements of financial position, loss and comprehensive loss, cash flows and changes in equity of the Entity have been applied. The condensed interim carve-out financial statements have been extracted from historical accounting records of Origen with estimates used, when necessary, for certain allocations.

- The condensed interim carve-out statements of financial position reflect the assets and liabilities recorded by Origen which have been assigned to the Entity on the basis that they are specifically identifiable and attributable to the Entity;
- The condensed interim carve-out statements of loss and comprehensive loss included a pro-rata allocation of Origen’s income and expenses incurred in each of the periods presented based on the percentage of exploration and evaluation activity on the carve-out exploration and evaluation assets being transferred, compared to the expenditures incurred on all of Origen’s exploration and evaluation assets, and based on specifically identifiable activities attributable to the Entity. The allocation of income and expense for each period presented is as follows: for the three and nine-month period ended June 30, 2022 – 7.58%, the three and nine-month period ended June 30, 2021 – 2.68% and the year ended September 30, 2021 – 8.44%. The percentages are considered reasonable under the circumstances.

# Origen Resources Inc. Arlington Property Carve-Out

Notes to the Condensed Interim Carve-Out Financial Statements

For the three and nine-month period ended June 30, 2022 and 2021

(Unaudited - Expressed in Canadian Dollars)

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Management cautions readers of these condensed interim carve-out financial statements that the Entity's results do not necessarily reflect what the results of operations, financial position, or cash flows would have been had the Entity been a separate entity. Further, the allocation of income and expense in the condensed interim carve-out statements of loss and comprehensive loss do not necessarily reflect the nature and level of the Entity's future income and operating expenses. Origen's investment in the Entity, presented as equity in these condensed interim carve-out financial statements, includes the accumulated total loss and comprehensive loss of the Entity.

These condensed interim carve-out financial statements have been prepared on a going concern basis, which assumes that the Entity will continue in operation for the foreseeable future and will be able to realize its assets and settle its liabilities in the normal course of business. At June 30, 2022, the Entity had \$nil cash on hand, is not generating any revenues and has incurred losses since inception. Whether and when the Entity can obtain profitability and positive cash flows from operations is uncertain. These material uncertainties may cast significant doubt on the ability of the Entity to continue as a going concern. The Entity's ability to continue its operations is dependent upon support from its current parent company, Origen. These condensed interim carve-out financial statements do not give effect to the required adjustments to the carrying amounts and classification of assets and liabilities should the Entity be unable to continue as a going concern. Such adjustments could be material.

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

### **3 SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies, significant estimates, judgements and assumptions, methods of computation and presentation applied in these condensed interim carve-out financial statements are consistent with those of the most recent annual audited carve-out financial statements. Accordingly, these condensed interim carve-out financial statements should be read in conjunction with the Entity's most recent annual audited carve-out financial statements.

#### **New accounting standards issued and not yet effective**

Certain IFRS pronouncements that are mandatory for accounting years beginning on or after January 1, 2022 have been issued. The Entity anticipates that the application of these new and revised standards, amendments and interpretations will have no material impact on its results and financial position.

# Origen Resources Inc. Arlington Property Carve-Out

Notes to the Condensed Interim Carve-Out Financial Statements

For the three and nine-month period ended June 30, 2022 and 2021

(Unaudited - Expressed in Canadian Dollars)

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## 4 EXPLORATION AND EVALUATION ASSETS

	Arlington Property
<b>Acquisition Costs</b>	
Opening, September 30, 2020	\$ 63,920
Additions	69,500
Closing, September 30, 2021, and June 30, 2022	\$ 133,420
<b>Exploration Costs</b>	
Opening, September 30, 2020	\$ 1,000
Assay	25,695
Geological	33,613
Equipment, field supplies, and other	43,772
Recoveries	(10,000)
Closing, September 30, 2021	94,080
Assay	246
Geological	2,000
Equipment, field supplies, and other	5,491
Closing, June 30, 2022	\$ 101,817
<b>Balance, September 30, 2021</b>	<b>\$ 227,500</b>
<b>Balance, June 30, 2022</b>	<b>\$ 235,237</b>

# Origen Resources Inc. Arlington Property Carve-Out

Notes to the Condensed Interim Carve-Out Financial Statements

For the three and nine-month period ended June 30, 2022 and 2021

(Unaudited - Expressed in Canadian Dollars)

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## 5 RELATED PARTY TRANSACTIONS

Key management personnel are the persons responsible for the planning, directing and controlling the activities of the Entity and include both executive and non-executive directors, and entities controlled by such persons. The Entity considers all directors and officers of Origen to be key management personnel. To determine related party transactions for the Arlington Property, the allocation methodology outlined in Note 2 has been consistently applied.

During the nine-months ended June 30, 2022, the Entity entered into the following transactions with key management personnel:

Paid or accrued exploration costs of \$7,737 (September 30, 2021 - \$102,717) that were capitalized as exploration and evaluation assets to a company controlled by a director and Chief Executive Officer of Origen.

Paid or accrued management fees of \$11,946 (2021 - \$1,812) to a company controlled by a director and Chief Executive Officer of Origen.

Paid or accrued management fees of \$11,188 (2021 - \$1,691) to a company controlled by a director and officer of Origen.

Paid or accrued consulting fees of \$nil (2021 - \$215) to a former director of Origen.

Paid or accrued consulting fees of \$6,371 (2021 - \$1,450) to a company controlled by a director of Origen.

Paid or accrued rent of \$1,229 (2021 - \$362) to a company controlled by a director and Chief Executive Officer of Origen.

Paid or accrued professional fees of \$95 (2021 - \$768) to a company controlled by the former Chief Financial Officer of Origen.

Paid or accrued professional fees of \$2,117 (2021 - \$nil) to a company controlled by the Chief Financial Officer of Origen.

Paid or accrued professional fees of \$683 (2021 - \$242) to a company controlled by a director and Chief Executive Officer of Origen.

Paid or accrued consulting fees of \$758 (2021 - \$1,611) to a company controlled by a director of Origen.

During the nine-months ended June 30, 2022, Origen issued 250,000 (2021 - 950,000) stock options to an officer and a director of Origen. Upon the issuance, \$4,638 (2021 - \$4,337) in share-based compensation expense was recorded by the Entity.

As at June 30, 2022, accounts payable included \$115,977 (September 30, 2021 - \$107,853) payable to a company controlled by a director and Chief Executive Officer of Origen.

# Origen Resources Inc. Arlington Property Carve-Out

Notes to the Condensed Interim Carve-Out Financial Statements

For the three and nine-month period ended June 30, 2022 and 2021

(Unaudited - Expressed in Canadian Dollars)

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## Short term loan

During the nine-months ended June 30, 2022, Origen received a non-interest-bearing short-term loan from Crest Resources Inc. of \$1,000,000 for a 30-day term. In exchange, the Company issued Crest Resources Inc. a one-time bonus of 160,000 common shares (valued at \$60,800). The loan has been repaid during the nine-months ended June 30, 2022, and the Entity has recorded \$4,612 (2021 - \$nil) as financing fees.

## 6 CAPITAL MANAGEMENT

The Entity does not have share capital and its equity is a carve-out amount from Origen's equity. Origen has no debt and does not expect to enter into debt financing. Origen manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristic of underlying assets. Origen is not subject to any externally imposed capital requirements and does not presently utilize any quantitative measures to monitor its capital. Origen has no traditional revenue sources. Origen's ability to continue as a going concern on a long-term basis and realize its assets and discharge its liabilities in the normal course of business, rather than through a process of forced liquidation, is primarily dependent upon its continued ability to find and develop mineral property interests, and there being a favorable market in which to sell or option the mineral properties interest; and/or its ability to borrow or raise additional funds from equity markets.

## 7 FINANCIAL INSTRUMENTS AND RISK

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

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

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

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

The Entity's risk exposures and the impact on the Entity's condensed interim carve-out financial instruments are summarized below:

### *Liquidity risk*

The Entity's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at June 30, 2022, the Entity had a cash balance of \$nil to settle current liabilities of \$115,977. The Entity is dependent upon support from its current parent company, Origen, to meet liabilities when due.

# Origen Resources Inc. Arlington Property Carve-Out

Notes to the Condensed Interim Carve-Out Financial Statements

For the three and nine-month period ended June 30, 2022 and 2021

(Unaudited - Expressed in Canadian Dollars)

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## *Credit risk*

Credit risk is the risk of potential loss to the Entity if the counterparty to a financial instrument fails to meet its contractual obligations. The Entity's credit risk is primarily attributable to its liquid financial assets.

## *Market risk*

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

### a) Interest rate risk

The Entity has no cash balance and no interest-bearing debt.

### b) Foreign currency risk

The Entity does not have assets or liabilities in a foreign currency.

### c) Price risk

The Entity is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Entity's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Entity closely monitors the commodity prices of precious metals, individual equity movements and the stock market to determine the appropriate course of action to be taken by the Entity.

## **8 SEGMENTED INFORMATION**

As at June 30, 2022, the Entity currently operates in one segment, being the acquisition and exploration and evaluation of resource assets located in Canada as described in Note 4.

## **9 RESERVES**

Reserves is comprised of funding from Origen, and equity settled share-based payments. Funding from Origen represents the accumulated net contributions from Origen. Equity settled share-based payments represents the Entity's pro-rata portion of Origen's share-based payment expense. This has been allocated as the Entity benefits from Origen's stock option plan which allows directors, officers, employees and consultants to acquire shares of Origen.

# Origen Resources Inc. Arlington Property Carve-Out

Notes to the Condensed Interim Carve-Out Financial Statements

For the three and nine-month period ended June 30, 2022 and 2021

(Unaudited - Expressed in Canadian Dollars)

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## 10 SUPPLEMENTAL CASH FLOW INFORMATION

During the nine-months ended June 30, 2022 and 2021, the following non-cash transactions were excluded from the condensed interim carve-out statements of cash flows:

	For the nine- months ended June 30, 2022	For the nine- months ended June 30, 2021
Exploration expenditures in accounts payable	\$ 115,977	\$ -

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# ORIGEN

## RESOURCES INC.

### MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

**For the period ended June 30, 2022**

#### **September 8, 2022**

This Management's Discussion and Analysis ("MD&A") of the Arlington Property from Origen Resources Inc. (the "Entity") provides analysis of the Entity's financial results for the three and nine-month period ended June 30, 2022. The following information should be read in conjunction with the condensed interim carve-out financial statements including the notes thereto for the three and nine-month period ended June 30, 2022, and with the audited carve-out financial statements for the year ended September 30, 2021 and the notes to those financial statements, prepared in accordance with International Financial Reporting Standards ("IFRS") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). Financial information contained herein is expressed in Canadian dollars, unless stated otherwise. All information in this MD&A is current as of September 8, 2022 unless otherwise indicated. Readers are cautioned that this MD&A contains "forward-looking statements" and that actual events may vary from management's expectations. Readers are encouraged to read the cautionary note contained herein regarding such forward-looking statements. This MD&A was reviewed, approved and authorized for issue by the Company's Audit Committee, on behalf of our Board of Directors, on September 8, 2022.

#### **Background**

On April 28, 2020, Origen Resources Inc. (the "Company" or "Origen") acquired 100% of the Arlington Property as part of the Plan of Arrangement with Raffles Financial Group Limited (formerly Explorex Resources Inc.) ("Raffles"), whereby Raffles spun out certain assets and liabilities to the Company. The Arlington Property is an exploration stage project located in British Columbia, Canada and includes five mineral claims. Certain of the mineral claims are subject to a 1% net smelter royalty ("NSR"), which can be purchased by the Company for \$1,000,000.

On September 17, 2021, the Company granted Jessy Ventures Corp. ("Jessy Ventures") an option to acquire a 60% interest in the property by paying \$185,000, issuing 2,000,000 common shares and incurring \$750,000 in exploration expenditures on the property as follows:

- Paying \$10,000 upon signing as a non-refundable deposit (received);

- 
- Issuing 200,000 common shares upon final receipt of final approval of the option agreement by the TSX Venture Exchange (the “Exchange Approval Date”);
  - Paying \$25,000, issuing 300,000 common shares and incurring \$125,000 in exploration expenditures on or before the first anniversary of the Exchange Approval Date;
  - Paying \$50,000, issuing 500,000 common shares and incurring \$250,000 in exploration expenditures on or before the second anniversary of the Exchange Approval Date; and
  - Paying \$100,000, issuing 1,000,000 common shares and incurring \$375,000 in exploration expenditures on or before the third anniversary of the Exchange Approval Date.

Any shortfall in cumulative exploration expenditures can be settled in either cash or common shares at the option of the Company. Jessy Ventures is also required to pay the costs that the Company had incurred on the recently completed exploration program on the property totaling \$110,000 within 5 days of the Exchange Approval Date.

Upon exercise of the option, the Company will be granted a 1.5% NSR on the property, of which, Jessy Ventures can purchase 1.0% of the NSR for \$1,000,000 within one year of commencement of commercial production.

The option agreement will be terminated if the Exchange Approval Date has not been obtained by October 31, 2022.

### **Overall Performance**

As at June 30, 2022, the Entity had \$nil cash on hand, is not generating any revenues and has incurred losses since inception. Whether and when the Entity can obtain profitability and positive cash flows from operations is uncertain. These material uncertainties may cast significant doubt on the ability of the Entity to continue as a going concern. The Entity’s ability to continue its operations is dependent upon support from its current parent company, Origen. These carve-out financial statements do not give effect to the required adjustments to the carrying amounts and classification of assets and liabilities should the Entity be unable to continue as a going concern. Such adjustments could be material.

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

**Mineral Property**

	Arlington Property
<b>Acquisition Costs</b>	
Opening, September 30, 2020	\$ 63,920
Additions	69,500
Closing, September 30, 2021, and June 30, 2022	\$ 133,420
<b>Exploration Costs</b>	
Opening, September 30, 2020	\$ 1,000
Assay	25,695
Geological	33,613
Equipment, field supplies, and other	43,772
Recoveries	(10,000)
Closing, September 30, 2021	94,080
Assay	246
Geological	2,000
Equipment, field supplies, and other	5,491
Closing, June 30, 2022	\$ 101,817
<b>Balance, September 30, 2021</b>	<b>\$ 227,500</b>
<b>Balance, June 30, 2022</b>	<b>\$ 235,237</b>

Arlington Property, British Columbia

On April 28, 2020, Origen acquired the Arlington property as part of the Plan of Arrangement.

On April 15, 2021, Origen increased the size of its Arlington property through the purchase of a 100% interest in the Fresh Pot claims in Beaverdell, British Columbia by paying \$3,500 in cash and issuing 200,000 common shares by August 15, 2021. The Fresh Pot claims are subject to a 1% NSR royalty, which can be purchased by the Company for \$1,000,000.

The 100% owned Arlington property is located 17 km north of Beaverdell and 67 km south of Kelowna within the Arrow Boundary District of south-central British Columbia. The property consists of three mineral claims covering 649 hectares that cover geologically prospective ground immediately north of the historic Beaverdell Mining Camp and the Carmi mine.

**Results of Operations**

**Quarterly Information**

Results for the most recent quarters ending with the most recently completed quarter, being June 30, 2022.

	Three Months Ended			
	June 30, 2022 \$	March 31, 2022 \$	December 31, 2021 \$	September 30, 2021 \$
Interest income	Nil	Nil	Nil	Nil
Net loss	(5,882)	(10,591)	(46,441)	(72,464)
Basic and diluted earnings (loss) per common share	N/A	N/A	N/A	N/A

	Three Months Ended			
	June 30, 2021 \$	March 31, 2021 \$	December 31, 2020 \$	September 30, 2020 \$
Interest income	Nil	Nil	Nil	Nil
Net loss	(5,678)	(14,978)	(2,248)	(2,456)
Basic and diluted earnings (loss) per common share	N/A	N/A	N/A	N/A

During the three months ended March 31, 2021, the costs allocated from Origen consisted mainly of consulting and professional fees which related to increased activity in Origen, including general administrative, financing, and entering into exploration and evaluation asset agreements. In addition, Origen issued 1,400,000 stock options. During the period, \$6,112 in share-based compensation was recorded by the Entity.

During the three months ended June 30, 2021, the costs allocated from Origen consisted mainly of consulting, professional fees and marketing expenses which related to increased activity in Origen. In addition, Origen issued 200,000 warrants. During the period, \$1,168 in share-based compensation was recorded by the Entity.

During the three months ended September 30, 2021, the costs allocated from Origen consisted mainly of consulting, management fees, professional fees and marketing expenses which related to increased activity in Origen.

During the three months ended December 31, 2021, the costs allocated from Origen consisted mainly of consulting, management fees, professional fees and marketing expenses which related to increased activity in Origen. In addition, Origen received a non-interest-bearing short-term loan from Crest Resources Inc. of \$1,000,000. The loan has been repaid during the three-months ended December 31, 2021, and the Entity has recorded \$5,218 as financing fees.

During the three months ended March 31, 2022, the costs allocated from Origen consisted mainly of consulting, management fees, professional fees and marketing expenses. In addition, Origen issued 125,000 stock options. During the period, \$1,827 in share-based compensation was recorded by the Entity.

During the three months ended June 30, 2022, the costs allocated from Origen consisted mainly of management fees, professional fees and marketing expenses.

### **Related Party Transactions**

Key management personnel are the persons responsible for the planning, directing and controlling the activities of the Entity and include both executive and non-executive directors, and entities controlled by such persons. The Entity considers all directors and officers of Origen to be key management personnel. To determine related party transactions for the Arlington Property, the allocation methodology outlined in Note 2 of the condensed interim carve-out financial statements for the three and nine-month period ended June 30, 2022 has been consistently applied.

During the nine-months ended June 30, 2022, the Entity entered into the following transactions with key management personnel:

Paid or accrued exploration costs of \$7,737 (September 30, 2021 - \$102,717) that were capitalized as exploration and evaluation assets to a company controlled by a director and Chief Executive Officer of Origen.

Paid or accrued management fees of \$11,946 (2021 – \$1,812) to a company controlled by a director and Chief Executive Officer of Origen.

Paid or accrued management fees of \$11,188 (2021 - \$1,691) to a company controlled by a director and officer of Origen.

Paid or accrued consulting fees of \$nil (2021 - \$215) to a former director of Origen.

Paid or accrued consulting fees of \$6,371 (2021 - \$1,450) to a company controlled by a director of Origen.

Paid or accrued rent of \$1,229 (2021 - \$362) to a company controlled by a director and Chief Executive Officer of Origen.

Paid or accrued professional fees of \$95 (2021 - \$768) to a company controlled by the former Chief Financial Officer of Origen.

Paid or accrued professional fees of \$2,117 (2021 - \$nil) to a company controlled by the Chief Financial Officer of Origen.

Paid or accrued professional fees of \$683 (2021 - \$242) to a company controlled by a director and Chief Executive Officer of Origen.

Paid or accrued consulting fees of \$758 (2021 - \$1,611) to a company controlled by a director of Origen.

During the nine-months ended June 30, 2022, Origen issued 250,000 (2021 – 950,000) stock options to an officer and a director of Origen. Upon the issuance, \$4,638 (2021 – \$4,337) in share-based compensation expense was recorded by the Entity.

As at June 30, 2022, accounts payable included \$115,977 (September 30, 2021 - \$107,853) payable to a company controlled by a director and Chief Executive Officer of Origen.

#### Short term loan

During the nine-months ended June 30, 2022, Origen received a non-interest-bearing short-term loan from Crest Resources Inc. of \$1,000,000 for a 30-day term. In exchange, the Company issued Crest Resources Inc. a one-time bonus of 160,000 common shares (valued at \$60,800). The loan has been repaid during the nine-months ended June 30, 2022, and the Entity has recorded \$4,612 (2021 - \$nil) as financing fees.

#### Liquidity and Capital Resources

	<b>June 30, 2022</b>	<b>September 30, 2021</b>
<b>As At</b>	<b>\$</b>	<b>\$</b>
Working capital deficiency	(115,977)	(102,717)
Deficit	(168,037)	(105,123)
Cash	-	-
Current assets	-	5,136
Current liabilities	115,977	107,853
Equity	119,260	124,783

The Entity does not have any commitments for material capital expenditures, and none are presently contemplated other than normal operating requirements.

The Entity does not generate sufficient cash flow from operations to fund its exploration activities. The Entity's ability to continue its operations is dependent upon support from its current parent company, Origen.

<b>For the nine-month period ended</b>	<b>June 30, 2022 \$</b>	<b>June 30, 2021 \$</b>
Cash used in operating activities	(50,488)	(15,624)
Cash used in investing activity	-	(363)
Cash provided by financing activity	50,488	15,987
Change in cash	-	-

### **Off Balance Sheet Agreements**

As at June 30, 2022, the Entity had no material off-balance sheet arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that trigger financing, liquidity, market or credit risk to the Entity.

### **Proposed Transactions**

As of the date of this MD&A, there are no proposed transactions.

### **Critical Accounting Policies and Estimates**

The details of the Entity's accounting policies are presented in Note 3 of the carve-out financial statements for the year ended September 30, 2021.

### **Capital Management**

The Entity does not have share capital and its equity is a carve-out amount from Origen's equity. Origen has no debt and does not expect to enter into debt financing. Origen manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristic of underlying assets. Origen is not subject to any externally imposed capital requirements and does not presently utilize any quantitative measures to monitor its capital. Origen has no traditional revenue sources. Origen's ability to continue as a going concern on a long-term basis and realize its assets and discharge its liabilities in the normal course of business, rather than through a process of forced liquidation, is primarily dependent upon its continued ability to find and develop mineral property interests, and there being a favorable market in which to sell or option the mineral properties interest; and/or its ability to borrow or raise additional funds from equity markets.

### **Financial Instruments and Risk**

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

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

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

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

The Entity's risk exposures and the impact on the Entity's carve-out financial instruments are summarized below:

*Liquidity risk*

The Entity's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at June 30, 2022, the Entity had a cash balance of \$nil to settle current liabilities of \$115,977. The Entity is dependent upon support from its current parent company, Origen, to meet liabilities when due.

*Credit risk*

Credit risk is the risk of potential loss to the Entity if the counterparty to a financial instrument fails to meet its contractual obligations. The Entity's credit risk is primarily attributable to its liquid financial assets.

*Market risk*

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

a) Interest rate risk

The Entity has no cash balance and no interest-bearing debt.

b) Foreign currency risk

The Entity does not have assets or liabilities in a foreign currency.

c) Price risk

The Entity is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Entity's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Entity closely monitors the commodity prices of precious metals, individual equity movements and the stock market to determine the appropriate course of action to be taken by the Entity.

**Risk and Uncertainties**

The Company's operations and results are subject to a number of different risks at any given time. These factors include, but are not limited to, disclosure regarding exploration, additional financing, project delay, titles to properties, price fluctuations and share price volatility, operating hazards, insurable risk and limitations of insurance, management, foreign country and regulatory requirements, currency fluctuations and environmental regulation risk.

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- a) the state of the capital markets, which will affect the ability of the Company's to finance mineral property acquisitions and expand its contemplated exploration programs;
- b) the prevailing market prices for base metals and precious metals;
- c) the consolidation and potential abandonment of the Company's property as exploration results provide further information relating to the underlying value of the property; and
- d) the ability of the Company to identify and successfully acquire additional mineral properties in which the Company may acquire an interest whether by option, joint venture or otherwise, in addition to or as an alternative to the property.

### **Other Risk Factors**

#### *Additional Financing*

The Company has limited financial resources and provides no assurance that it will obtain additional funding for future acquisitions and development of projects or to fulfill its obligations under applicable agreements. The Company provides no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of the Company's properties with the possible dilution or loss of such interests. Further, revenues, financings and profits, if any, will depend upon various factors, including the success, if any, of exploration programs and general market conditions for natural resources. The Company provides no assurance that it can operate profitably or that it will successfully implement its plans for its further exploration and development of its properties.

#### *Permits and Licenses*

The Company will require licenses and permits from various governmental and non-governmental authorities for its operations. The Company has obtained, or plans to obtain, all necessary licenses and permits required to carry on the activities it is currently conducting or which it proposes to conduct under applicable laws and regulations. However, such licenses and permits are subject to change in regulations and in various operating circumstances. The Company provides no assurance that it will obtain all necessary licenses and permits required to carry out exploration, development and mining operations.

#### *Political Regulatory Risks*

Any changes in government policy may result in changes to laws affecting ownership of assets, mining policies, monetary policies, taxation, rates of exchange, environmental regulations, and labour relations, repatriation of income and return of capital. This may affect both the Company's ability to undertake exploration and development activities in respect of the properties in the manner currently contemplated, as well as its ability to continue to explore, develop and operate the properties. The possibility that future governments may adopt substantially different policies, which might extend to expropriation of assets, cannot be ruled out.

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*Currency Risk*

Currency fluctuations may affect the cash flow which the Company may realize from its operations, since most mineral commodities are sold in a world market in United States dollars. The Company's costs are incurred primarily in Canadian dollars.

*Dependence on Key Individuals*

The Company is dependent on a relatively small number of key personnel, the loss of any one of whom could have an adverse effect on the Company. In addition, the Company will be highly dependent upon contractors and third parties in the performance of its exploration and development activities. The Company provides no guarantee that such contractors and third parties will be available to carry out such activities on behalf of the Company or be available upon commercially acceptable terms.

*Competitive Factors in the Precious and Base Metals Markets*

Most mineral resources including precious and base metals are essentially commodities markets in which one would expect to be a small producer with an insignificant impact upon world production. As a result, production, if any, would be readily sold and would likely have no impact on world market prices. The significant downturn in the world economies in recent months has driven the commodities prices much lower which has made raising capital more difficult than past years.

**Forward-Looking Information**

This MD&A, which contains certain forward-looking statements, are intended to provide readers with a reasonable basis for assessing the financial performance of the Company. All statements, other than statements of historical fact, are forward-looking statements. The words "believe", "expect", "anticipate", "contemplate", "target", "plan", "intends", "continue", "budget", "estimate", "may", "will", "schedule" and similar expressions identify forward looking statements. Forward looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant business, economic and competitive uncertainties and contingencies.

Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements. Such factors include, but are not limited to, fluctuations in the currency markets such as Canadian dollar, fluctuations in the prices of commodities, changes in government legislation, taxation, controls, regulations and political or economic developments in Canada, the United States, or other countries in which the Company carries or may carry on business in the future, risks associated with mining or development activities, the speculative nature of exploration and development, including the risk of obtaining necessary licenses and permits, and quantities or grades of reserves. Many of these uncertainties and contingencies can affect the Company's actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, the Company. Readers are cautioned that forward-looking statements are not guarantees of future performance. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those acknowledged in such statements. The Company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except to the extent required by applicable laws.

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**Financial and Disclosure Controls and Procedures**

The Company's disclosure controls, and procedures ("DCAP") are designed to provide reasonable assurance that relevant information is gathered and reported to senior management, including the Chief Executive Officer and the Chief Financial Officer, on a timely basis so that appropriate decisions can be made regarding public disclosures. We have designed internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. During the period ended June 30, 2022, there were no changes in internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

**Management's Responsibility for Financial Statements**

Information provided in the MD&A and the financial statements is the responsibility of management. In the preparation of the condensed interim carve-out financial statements, estimates are sometimes necessary to make a determination of the carrying value for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the condensed interim carve-out financial statements. Management maintains a system of internal controls to provide reasonable assurance that the Company's assets are safeguarded and to facilitate the preparation of relevant and timely information.

**Additional Information in relation to the Company**

Additional information relating to the Company is available:

- (a) On SEDAR at [www.sedar.com](http://www.sedar.com) under Origen Resources Inc
- (b) On Origen's website at <https://origenresources.com/>

**EXHIBIT D – PRO FORMA FINANCIAL STATEMENTS OF THE RESULTING ISSUER**

**Jessy Ventures Corp.**  
**(Resulting Issuer)**

**PRO-FORMA CONSOLIDATED FINANCIAL STATEMENTS**  
**(Unaudited)**  
**(Expressed in Canadian Dollars)**

**July 31, 2022**

**JESSY VENTURES CORP.**  
**(Resulting Issuer)**  
**Unaudited Pro-Forma Consolidated Statement of Financial Position**  
**As at July 31, 2022**

	Jessy Ventures Corp. As at July 31, 2022	Notes	Pro-Forma Adjustments	Resulting Issuer As at July 31, 2022
Current Assets				
Cash	\$ 485,325	5 (a) 5 (b) 5 (c)	\$ (20,000) (26,500) 155,000	\$ 593,825
<b>Total Current Assets</b>	<b>485,325</b>		<b>108,500</b>	<b>593,825</b>
Exploration and evaluation assets	10,000	5 (a) 5 (a) 5 (a)	20,000 90,000 20,000	140,000
<b>Total Assets</b>	<b>\$ 495,325</b>		<b>\$ 238,500</b>	<b>\$ 733,825</b>
Current Liabilities				
Accounts payable and accrued liabilities	\$ 20,203		\$ -	\$ 20,203
<b>Total Liabilities</b>	<b>20,203</b>		<b>-</b>	<b>20,203</b>
Shareholders' Equity				
Share capital	490,368	5 (a) 5 (a) 5 (c)	20,000 90,000 155,000	755,368
Subscription received	225,000			225,000
Reserves	39,900		-	39,900
Deficit	(280,146)	5 (b)	(26,500)	(306,646)
<b>Total Shareholders' Equity</b>	<b>475,122</b>		<b>238,500</b>	<b>713,622</b>
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>\$ 495,325</b>		<b>\$ 238,500</b>	<b>\$ 733,825</b>

The accompanying notes are integral part of these pro-forma consolidated financial statements.

**JESSY VENTURES CORP.**  
**(Resulting Issuer)**  
**Notes to Unaudited Pro-Forma Consolidated Financial Statements**  
**As at July 31, 2022**

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1. **Basis of Presentation**

The accompanying unaudited pro-forma financial statements of Jessy Ventures Corp. (“Company” or “Jessy”) have been prepared by management in accordance with International Financial Reporting Standards (“IFRS”) from information derived from the financial statements of Jessy and the terms of the Definitive Agreement dated September 17, 2021, amended, between Jessy and Origen Resources Inc. (“Origen”) together with other information available to the Company. The Company applies IFRS as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”).

The resulting issuer will be known as Jessy Ventures Corp. The unaudited pro-forma financial statements to which these notes relate have been prepared for inclusion in the filing statement of Jessy Ventures Corp. dated November 2, 2022 (the “**Filing Statement**”) to be filed by Jessy in conjunction with the Transaction (as defined herein). All capitalized terms used but not defined herein have the meaning ascribed thereto in the Filing Statement.

Jessy entered into a definitive option agreement Origen on September 17, 2021, as amended. Jessy intends on using the Arlington property as its qualifying transaction to obtain a full listing on the TSX Venture Exchange and to carry out exploration expenditures on the property.

It is management's opinion that the unaudited pro-forma financial statement include all adjustments necessary for the fair presentation, in all material respects, of the transactions described in notes 3 and 4 in accordance with IFRS, applied on a basis consistent with Jessy's accounting policies, except as otherwise noted. The unaudited pro-forma financial statements are not necessarily indicative of the financial position that would have resulted if the Transaction had occurred on July 31, 2022.

Upon completion of the Transaction, the Resulting Issuer is expected to have 11,624,332 common shares (Note 6) issued and outstanding, in addition, the Company will have 3,800,000 share purchase warrants, and 133,332 stock options outstanding.

The unaudited pro-forma financial statements should be read in conjunction with the historical financial statements and notes thereto of the Company, included elsewhere in the Filing Statement.

The unaudited pro-forma financial statements of the Resulting Issuer have been compiled from (a) the interim financial statements of Jessy at July 31, 2022, and (b) additional information set out in Note 3, 4 and 5.

The unaudited pro-forma consolidated financial statements have been prepared as if the Transaction described in Note 3 hereof had occurred on July 31, 2022, and represents the related assets and liabilities included in the July 31, 2022 interim financial statements of Jessy.

The unaudited pro-forma consolidated financial statements have been compiled using the significant accounting policies as set out in Jessy's unaudited financial statements for the nine-month period ended July 31, 2022, and those accounting policies expected to be adopted by the Resulting Issuer.

The unaudited pro-forma consolidated financial statements may not necessarily be indicative of the financial position that would have been attained had the transactions actually taken place at the dates indicated and do not purport to be indicative of the effects that may be expected to occur in the future.

In the opinion of Jessy's management, the unaudited pro-forma consolidated financial statements include all adjustments necessary for the fair presentation of the transactions described in Note 3.

**JESSY VENTURES CORP.**  
**(Resulting Issuer)**  
**Notes to Unaudited Pro-Forma Consolidated Financial Statements**  
**As at July 31, 2022**

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**1. Basis of Presentation (Continued)**

Actual amounts recorded upon approval of the Transaction will differ from those recorded in the unaudited pro-forma financial statements of Jessy. Completion of the Transaction is subject to a number of conditions, including, but not limited to, final approval of the TSX Venture Exchange.

These unaudited pro-forma consolidated financial statement are expressed in Canadian dollars.

**2. Significant Accounting Policies**

The unaudited pro-forma financial statements have been compiled using the significant accounting policies, as set out in the audited financial statements of Jessy as at and for the year ended April 30, 2022 and 2021. In addition to the share issuance accounting policy described in the accounting policy note for the year ended April 30, 2022, proceeds from unit private placements are allocated between shares and warrants issued using the residual method whereby proceeds are allocated first to common shares based on the market value of the common shares at the time the units are issued, and any excess is allocated to warrants.

Jessy's accounting policy for exploration and evaluation expenditures are capitalized as long as there is a reasonable expectation of future economic benefit that will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after an expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off in the profit or loss in the period the new information becomes available.

**3. The Transaction**

On September 17, 2021, as amended December 22, 2021, March 15, 2022, May 30, 2022, and August 30, 2022, the Company entered into a Definitive Agreement ("Agreement") with Origen Resources Inc. to acquire an undivided 60% interest in the Arlington Property comprising five mineral claims within the Arrow Boundary District of south-central British Columbia, Canada. The proposed transaction would constitute the Company's Qualifying Transaction.

In order to exercise the option, the Company must pay \$185,000 and issue an aggregate of 2,000,000 common shares as follows:

- Pay \$10,000 in cash upon execution of the Agreement (paid) and issue 200,000 common shares on Exchange approval of the Agreement;
- Pay \$25,000 in cash and issue 300,000 common shares on before the first anniversary of Exchange approval;
- Pay \$50,000 in cash and issue 500,000 common shares on or before the second anniversary of Exchange approval; and
- Pay \$100,000 in cash and issue 1,000,000 common shares on or before the third anniversary of Exchange approval.

In addition, the Company must incur \$750,000 in exploration expenditures as follows:

- \$125,000 on or before the first anniversary of Exchange approval;
- \$250,000 on or before the second anniversary of Exchange approval; and
- \$375,000 on or before the third anniversary of Exchange approval.

In addition, the Company must pay \$110,000 to Origen Resources Inc. for its recently completed exploration program within five days of Exchange approval through the issuance of 900,000 shares with a deemed value of \$0.10 per share, and cash payment of \$20,000.

As at July 31, 2022, the Company had capitalized \$10,000 (April 30, 2021 - \$nil) in acquisition costs to exploration and evaluation asset.

**JESSY VENTURES CORP.**  
**(Resulting Issuer)**  
**Notes to Unaudited Pro-Forma Consolidated Financial Statements**  
**As at July 31, 2022**

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**4. Accounting for the Acquisition of the Arlington Property**

For accounting purposes, the Arlington property does not meet the definition of a business under IFRS 3. Accordingly, the transaction is accounted for as an asset acquisition. The purchase price of \$130,000, comprising 200,000 Jessy shares at a deemed price of \$0.10 per share, 900,000 Jessy shares at a deemed price of \$0.10 per share, and \$20,000 payment to Origen as described on Note 3, is allocated to the Arlington carry value for accounting purposes.

The Arlington property does not meet the definition of a business; therefore, the transaction is outside of the scope of IFRS 3 Business Combinations. Instead, the Transaction will be accounted for under IFRS 2 Share-based Payment. IFRS 2 generally requires equity settled, share based transactions to be measured or valued at the fair value of the consideration (goods or services) received. If the value of the goods or services received cannot be estimated reliably, then the default requires that they be measured indirectly, and requires the equity-settled transactions to be measured with reference to the fair value of the equity instruments issued rather than that of the goods or services received. As the fair value of the Arlington property cannot be estimated reliably, the transaction was measured based on the fair value of shares and cash issued to Origen.

The capital structure and the dollar amounts of share capital and reserves prior to the completion of the Transaction would comprise the values presented in the unaudited interim financial statements of Jessy effected for the various subsequent transactions leading up to closing including the items disclosed in Note 5.

**5. Pro-Forma Assumptions and Adjustments**

The unaudited pro-forma consolidated financial statements reflect the following assumptions and adjustments:

- (a) The preliminary purchase price allocation is summarized as follows:

Consideration paid to acquire the Arlington property:		\$
Shares issuable under the Agreement (200,000 shares at \$0.10 per share)		20,000
Shares issued to reimburse exploration costs (900,000 shares at \$0.10 per share)		90,000
Cash paid to reimburse exploration costs		20,000
		<hr/>
Allocated as follows to the Arlington property carry value		130,000
		<hr/>

The purchase price Jessy will pay comprises 200,000 Jessy shares at a deemed price of \$0.10 per share and \$120,000 comprised of 900,000 shares at a deemed value of \$0.10 per share, and \$20,000 cash payment.

- (b) The remaining transaction costs comprise approximately \$13,000 in legal fees, \$7,000 audit and accounting fees, \$1,500 in transfer agent and regulatory filings and \$5,000 in listing and other filing fees.
- (c) The Company intends to close a private placement of 3,800,000 Units at a price of \$0.10 per Unit for gross proceeds of \$380,000 of which \$225,000 was received in advance by the Company during the period ended July 31, 2022. Each Unit will comprise one common shares, and one share purchase warrant exercisable at \$0.125 per share for three years from the date of grant. The value of the common shares would be deemed to be \$0.10 similar to the deemed price per share to be issued for the Arlington property; the residual value of the attached warrant would be \$Nil.

**JESSY VENTURES CORP.**  
**(Resulting Issuer)**  
**Notes to Unaudited Pro-Forma Consolidated Financial Statements**  
**As at July 31, 2022**

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**6. Pro-Forma Share Capital**

After giving effect to the pro-forma adjustments and assumptions in Note 5, and assuming there are no further issuances under the Concurrent Financing following the date hereof, the issued and fully paid share capital of the Company would be as follows:

	<i>Notes</i>	<i>Shares</i>	<i>Amount</i>	<i>Subscriptions Received</i>	<i>Reserves</i>	<i>Deficit</i>	<i>Total Equity</i>
			\$	\$	\$	\$	\$
<b>Equity of Jessy as at July 31, 2022</b>		<b>6,724,332</b>	<b>490,368</b>	<b>225,000</b>	<b>39,900</b>	<b>(280,146)</b>	<b>475,122</b>
Shares issuable under the Agreement	5 (a)	200,000	20,000	-	-	-	<b>20,000</b>
Shares issued to reimburse exploration costs	5 (a)	900,000	90,000	-	-	-	<b>90,000</b>
Closing on Jessy private placement	5 (c)	3,800,000	155,000	-	-	-	<b>155,000</b>
Transaction costs	5 (b)	-	-	-	-	(26,500)	<b>(26,500)</b>
<b>Balance – July 31, 2022</b>		<b>11,624,332</b>	<b>755,368</b>	<b>225,000</b>	<b>39,900</b>	<b>(306,646)</b>	<b>713,622</b>

**7. Effective Tax Rate**

The pro-forma effective income tax rate applicable to the consolidated operations subsequent to the completion of the Transaction is 27%.