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## PROSPECTUS

INITIAL PUBLIC OFFERING

May 14, 2021

### GOTHAM RESOURCE CORP. (a capital pool company)

\$400,000 OR 4,000,000 COMMON SHARES

PRICE: \$0.10 PER COMMON SHARE

GOTHAM RESOURCE CORP. (the "**Company**") hereby offers through its agent, Haywood Securities Inc. (the "**Agent**"), 4,000,000 common shares at a price of \$0.10 per common share (each, a "**Common Share**") for gross proceeds of \$400,000. The purpose of this offering (the "**Offering**") is to provide the Company with a minimum of funds with which to identify and evaluate businesses or assets with a view to completing a Qualifying Transaction (as hereinafter defined). Any proposed Qualifying Transaction must be approved by the Exchange and, in the case of a Non Arm's Length Qualifying Transaction, as hereinafter defined, must also receive Majority of the Minority Approval, as hereinafter defined, in accordance with Exchange Policy 2.4 - Capital Pool Company (the "**CPC Policy**"). The Company is a Capital Pool Company ("**CPC**"). It has not commenced commercial operations and has no assets other than a minimum amount of cash. Except as specifically contemplated in the CPC Policy, until the Completion of the Qualifying Transaction, the Company will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a proposed Qualifying Transaction. See "Business of the Company" and "Use of Proceeds".

	<u>Common Shares</u>	<u>Price to Public</u>	<u>Agent's Commission<sup>(1)</sup></u>	<u>Proceeds to the Company<sup>(2)</sup></u>
Per Common Share	1	\$ 0.10	\$ 0.008	\$ 0.092
Total Offering	4,000,000	\$ 400,000	\$ 32,000	\$ 368,000

*Notes:*

- (1) A cash commission of 8% of the gross proceeds of the Offering will be paid to the Agent. Additionally, a corporate finance fee of \$15,000 plus applicable taxes will be paid to the Agent on closing of the Offering. The Company will pay the Agent's expenses related to the offering including reasonable fees (not to exceed \$15,000) and disbursements and taxes of the Agent's legal counsel. The Agent will also be granted the Agent's Warrants (as hereinafter defined). The Agent's Warrants entitle the Agent to purchase up to 320,000 Common Shares (the "**Agent's Warrant Shares**") at a price of \$0.10 per Agent's Warrant Share exercisable for a period of 24 months from the Listing Date (as hereinafter defined) subject to acceleration at the option of the Company in the event that the 10 day volume weighted average trading price of the Common Shares as traded on the Exchange exceeds \$0.50 for a period of 10 consecutive trading days (the "**Acceleration Provision**"). The Agent's Warrants are qualified for distribution under this prospectus. See "Plan of Distribution - Agency Agreement and Agent's Compensation".

- (2) *Before deducting the remaining costs of this issue estimated at \$118,000 which includes listing fees, the corporate finance fee payable to the Agent, legal and audit fees and other expenses. See "Use of Proceeds".*

This Offering is made on a "commercially reasonable efforts" basis by the Agent and is subject to a minimum subscription of 4,000,000 Common Shares for total gross proceeds to the Company of \$400,000. The offering price of the Common Shares was determined by negotiation between the Company and the Agent. All funds received from subscriptions for Common Shares will be held by the Agent pursuant to the terms of the Agency Agreement (as hereinafter defined) between the Company and the Agent. If the minimum subscription is not raised within 90 days of the issuance of a receipt for the final prospectus or such other time as may be consented to by the Agent and persons or companies who subscribed within that period, all subscription monies will be returned to subscribers without interest or deduction, unless the subscribers have otherwise instructed the Agent.

Pursuant to the Agency Agreement, the Agent will be issued non-transferable share purchase warrants (the "**Agent's Warrants**") to purchase up to 320,000 Agent's Warrant Shares at a price of \$0.10 per Agent's Warrant Share exercisable for a period of 24 months from the Listing Date (as defined herein subject to the Acceleration Provision). The Agent's Warrants are qualified for distribution under this prospectus. See "Agency Agreement and Agent's Compensation". In addition, and subject to regulatory approval, the Company has granted to directors and officers of the Company options to purchase an aggregate of 1,625,000 Common Shares under the Company's incentive stock option plan. See "Options to Purchase Securities".

Other than the initial distribution of the Common Shares pursuant to this prospectus, the issuance of the Agent's Warrants and the grant of CPC Stock Options to the directors and officers of the Company, trading in all securities of the Company is prohibited during the period between the date a receipt for this preliminary prospectus is issued by the Commissions (as defined herein) and the time the Common Shares are listed for trading except, subject to prior acceptance of the Exchange, where appropriate registration and prospectus exemptions are available under securities legislation or where the applicable Commissions grant a discretionary order.

The Company has applied to list its Common Shares on the Exchange. Listing will be subject to the Company fulfilling all of the listing requirements of the Exchange.

**There is no market through which these securities may be sold and purchasers may not be able to resell securities purchased under this prospectus. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation. See "Risk Factors".**

James Paterson, a director, Corporate Secretary and Chief Financial Officer of the Company resides outside of Canada and has appointed Farris LLP, 25<sup>th</sup> Floor, 700 West Georgia Street, Vancouver, BC, Canada, V7Y 1B3, as his agent for service of process in Canada. Purchasers are advised that it may not be possible for investors to enforce judgements obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or otherwise resides outside of Canada, even if the party appointed an agent for service of process.

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

Haywood Securities Inc., as the Agent, offers these Common Shares on a commercially reasonable efforts basis, if, as and when subscriptions are accepted by the Company, subject to prior sale, in accordance with the terms and conditions of the Agency Agreement referred to under "Plan of Distribution" and subject to the approval of certain legal matters by Farris LLP, on behalf of the Company and by DuMoulin Black LLP, on behalf of the Agent.

## **Risk Factors**

**Investment in the Common Shares offered by this prospectus is highly speculative due to the nature of the Company's business and its present stage of development. This Offering is suitable only to those investors who are prepared to risk the loss of their entire investment. See "Risk Factors".**

The Company has a limited operating history and does not currently own any assets other than cash. The business objective of the Company is to identify and evaluate assets or businesses with a view to completing a Qualifying Transaction approved by the Exchange and, in the case of a Non-Arm's Length Qualifying Transaction, Majority of the Minority Approval; however, there can be no assurance that the Company will successfully complete a Qualifying Transaction. The Company has not entered into an Agreement in Principle, as hereafter defined. The Company has not commenced the process of identifying potential acquisitions. The Company may find that even if the terms of a potential acquisition are economic, the Company may not be able to finance such acquisition and additional funds may be required to meet such obligations. Since the Company has not placed any geographical restrictions on the location of a Qualifying Transaction, such Qualifying Transaction may involve the acquisition of a business located outside of Canada and, as such, purchasers should be aware that it may be difficult or may not be possible to effect service or notice to commence legal proceedings upon any directors, officers and experts outside of Canada and that it may not be possible to enforce against such persons or the Company, judgments obtained in Canadian courts predicated upon the civil liability provisions of applicable securities laws in Canada. Where the investment or acquisition is financed by the issuance of shares from the Company's treasury, control of the Company may change and shareholders may suffer further dilution of their investment. The Company will be in competition with other corporations with greater resources. The Company has neither a history of earnings nor has it paid any dividends and it is unlikely to generate earnings or pay dividends in the immediate or foreseeable future. See "*Risk Factors*".

## **Maximum Investment**

Pursuant to the CPC Policy, 75%, or 3,000,000, of the total number of Common Shares offered under this prospectus are subject to the following limits:

- (a) the maximum number of Common Shares that may be directly or indirectly purchased by any one purchaser pursuant to the Offering is 2%, or 80,000, of the total number of Common Shares offered under this prospectus; and
- (b) the maximum number of Common Shares that may be directly or indirectly purchased by any one purchaser, together with that purchaser's Associates and Affiliates, is 4%, or 160,000 of the total number of Common Shares offered under this prospectus.

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that share certificates evidencing the Common Shares in definitive form will be available for delivery on the closing date.

No person is authorized to provide any information or to make any representation in connection with this Offering other than as contained in this prospectus.

Haywood Securities Inc.  
700 – 200 Burrard Street  
Vancouver, British Columbia, V6C 3L6

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## GLOSSARY

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

- (a) A company is an "Affiliate" of another company if:
  - (i) one of them is the subsidiary of the other; or
  - (ii) each of them is controlled by the same Person.
- (b) A company is "controlled" by a Person if:
  - (i) voting securities of the company are held, other than by way of security only, by or for the benefit of that Person; and
  - (ii) the voting securities, if voted, entitle the Person to elect a majority of the directors of the company.
- (c) A Person beneficially owns securities that are beneficially owned by:
  - (i) a company controlled by that Person; or
  - (ii) an Affiliate of that Person or an Affiliate of any company controlled by that Person.

"**Agency Agreement**" means the agency agreement dated May 14, 2021 among the Company and the Agent in connection with the Offering.

"**Agent**" means Haywood Securities Inc., located at Suite 700, 200 Burrard Street, Vancouver, British Columbia, V6C 3L6.

"**Agent's Commission**" means the cash commission equal to 8% of the gross proceeds of the Offering payable by the Company to the Agent on closing of the Offering.

"**Agent's Warrants**" means the non-transferable share purchase warrants to be issued by the Company to the Agent entitling the Agent to purchase up to 320,000 Agent's Warrant Shares at a price of \$0.10 per Agent's Warrant Share exercisable for a period of 24 months from the Listing Date, subject to the Acceleration Provision;

"**Agent's Warrant Shares**" means the Common Shares issuable to the Agent on exercise of the Agent's Warrants.

"**Aggregate Pro Group**" means all Persons who are members of any Pro Group whether or not the Member is involved in a contractual relationship with the Company to provide financing sponsorship and other advisory services.

"**Agreement in Principle**" means any enforceable agreement or any other agreement or similar commitment which identifies the fundamental terms upon which the parties agree or intend to agree which:

- (a) identifies assets or a business to be acquired which would reasonably appear to constitute Significant Assets and the acquisition of which would reasonably appear to constitute a Qualifying Transaction;

- (b) identifies the parties to the Qualifying Transaction;
- (c) identifies the consideration to be paid for the Significant Assets or otherwise identifies the means by which the consideration will be determined; and
- (d) identifies the conditions to any further formal agreements to complete the transaction; and

in respect of which there are no material conditions to closing (other than receipt of shareholder approval and Exchange acceptance), the satisfaction of which is dependent upon third parties and beyond the reasonable control of the Non Arm's Length Parties to the CPC or the Non Arm's Length Parties to the Qualifying Transaction.

"**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 him 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 or her spouse who has the same residence as that Person;

but:

- (e) where the Exchange determines that two Persons shall, or shall not, be deemed to be associates with respect to a Member firm, Member corporation or holding company of a Member corporation, then such determination shall be determinative of their relationships in the application of Rule D. 1.00 of the TSX Venture Exchange Rule Book and Policies with respect to that Member firm, Member corporation or holding company.

"**Commissions**" means the British Columbia Securities Commission, Alberta Securities Commission and Ontario Securities Commission.

"**Common Shares**" means the common shares in the share capital of the Company, which are single voting common shares of the Company.

"**company**" unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual.

"**Company**" means Gotham Resource Corp., a corporation incorporated under the *Business Corporations Act* (British Columbia).

"**Completion of the Qualifying Transaction**" means the date on which the Final QT Exchange Bulletin is issued by the Exchange.

**"Control Person"** means any Person that holds or is one of a combination of Persons 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.

**"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 Commissions in compliance with the CPC Policy; and
- (b) in regard to which the Final QT Exchange Bulletin has not yet been issued.

**"CPC Policy"** means Policy 2.4 "Capital Pool Companies" of the Exchange.

**"CPC Stock Options"** means an option to purchase Common Shares of the Company which may be granted by the Company in accordance with the CPC Policy.

**"Escrow Agreement"** means the escrow agreement dated May 13, 2021 among the Company, Odyssey Trust Company, and certain founding shareholders of the Company.

**"Exchange"** or **"TSXV"** means the TSX Venture Exchange Inc.

**"Final QT Exchange Bulletin"** means the bulletin issued by the Exchange following closing of the Qualifying Transaction and the submission of all required documentation and that evidences the final Exchange acceptance of the Qualifying Transaction.

**"Initial Listing Requirements"** means the minimum financial, distribution and other standards that must be met by applicants seeking a listing on a particular tier of the Exchange.

**"initial public offering"** or **"IPO"** means a transaction that involves an issuer issuing securities from its treasury pursuant to its first prospectus.

**"Insider"** if used in relation to the Company, means:

- (a) a director or senior officer of the Company;
- (b) a director or senior officer of a company that is an Insider or subsidiary of the Company;
- (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 Company; or
- (d) the Company itself if it holds any of its own securities.

**"Listing Date"** means the day that the Company's Common Shares are listed for trading on the Exchange.

**"Majority of the Minority Approval"** means the approval by the majority of the votes cast at a meeting of Shareholders of the CPC, or by written consent of Shareholders holding more than 50% of the issued Common Shares, provided that the votes attached to Common Shares held by the following Persons and their Associates and Affiliates are excluded from the calculation of any such approval or written consent:

- (a) Non Arm's Length Parties to the CPC;

- (b) Non Arm's Length Parties to the Qualifying Transaction; and
- (c) in the case of a Related Party Transaction:
  - (i) if the CPC holds its own shares, the CPC; and
  - (ii) a Person acting jointly or in concert with a Person referred to in paragraph (a) or (b) in respect of the transaction.

"**Member**" means a Person who has executed the Members' Agreement, as amended from time to time, and is accepted as and becomes a member of the Exchange under the Exchange requirements.

"**Members' Agreement**" means the members' agreement among the Exchange and each Person who, from time to time, is accepted as and becomes a Member of the Exchange under the Exchange requirements.

"**Non Arm's Length Parties to the Qualifying Transaction**" means the Vendor(s), any Target Company(ies) and includes, in relation to Significant Assets or Target Company(ies), the Non Arm's 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 Qualifying Transaction and Associates or Affiliates of all such other parties.

"**Non Arm's Length Party**" means:

- (d) in relation to a Company:
  - (i) a Promoter, officer, director, other Insider or Control Person of that Company and any Associates or Affiliates of any of such Persons; or
  - (ii) another entity, or an Affiliate of that entity, if that entity or its Affiliate have the same Promoter, officer, director, Insider or Control Person as the Company; and
- (e) in relation to an individual, means any Associate of the individual or any company of which the individual is a Promoter, officer, director, Insider or Control Person.

"**Non Arm's Length Qualifying Transaction**" means a proposed Qualifying Transaction where the same party or parties or their respective Associates or 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.

"**Offering**" means the offering of Common Shares in accordance with the terms of this prospectus.

"**Person**" means a company or individual.

"**Preferred Shares**" means the preferred shares in the capital of the Company.

"**Principal**" means:

- (a) a Person who acted as a Promoter of the issuer within two years before the IPO prospectus or date of the bulletin issued by the Exchange that evidences the final Exchange acceptance of a transaction (the "**Final Exchange Bulletin**");
- (b) a director or senior officer of the issuer or any of its material operating subsidiaries at the time of the IPO prospectus or Final Exchange Bulletin;

- (c) a **20% holder** - a Person that holds securities carrying more than 20% of the voting rights attached to the issuer's outstanding securities immediately before and immediately after the issuer's IPO or immediately after the Final Exchange Bulletin for non IPO transactions; and
- (d) a **10% holder** - 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 the issuer's IPO or immediately after the Final Exchange Bulletin for non IPO 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, 50% held by one or more Principals will be treated as a Principal. (In calculating this percentage, securities of the entity that may be issued to the Principals under outstanding convertible securities are to be included in both the Principals' securities of the entity and the total securities of the entity outstanding.) Any securities of the issuer that this entity holds will be subject to escrow requirements.

A Principal's spouse and their relatives that live at the same address as the Principal will also be treated as Principals and any securities of the issuer they hold will be subject to escrow requirements.

**"Pro Group"** means;

- (a) Subject to subparagraphs (b), (c) and (d), "Pro Group" shall include, either individually or as a group:
  - (i) the Member;
  - (ii) employees of the Member;
  - (iii) partners, officers and directors of the Member;
  - (iv) Affiliates of the Member; and
  - (v) Associates of any parties referred to in subparagraphs (i) through (iv).
- (b) The Exchange may, in its discretion, include a Person or party in the Pro Group for the purposes of a particular calculation where the Exchange determines that the Person is not acting at arm's length to the Member;
- (c) The Exchange may, in its discretion, exclude a Person from the Pro Group for the purposes of a particular calculation where the Exchange determines that the Person is acting at arm's length of the Member;

- (d) The Member may deem a Person who would otherwise be included in the Pro Group pursuant to subparagraph (a) to be excluded from the Pro Group where the Member determines that:
- (i) the Person is an Affiliate or Associate of the Member acting at arm's length of the Member;
  - (ii) the Associate or Affiliate has a separate corporate and reporting structure;
  - (iii) there are sufficient controls on information flowing between the Member and the Associate or Affiliate; and
  - (iv) the Member maintains a list of such excluded Persons.

"**Promoter**" has the meaning specified in section 1(1) of the Securities Act (British Columbia).

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

"**Qualifying Transaction Agreement**" means any agreement or other similar commitment respecting the Qualifying Transaction which identifies the fundamental terms upon which the parties agree or intend to agree, including:

- (a) the Significant Assets and/or Target Company;
- (b) the parties to the Qualifying Transaction;
- (c) the value of the Significant Assets and/or Target Company and the consideration to be paid or otherwise identifies the means by which the consideration will be determined; and
- (d) the conditions to any further formal agreements or completion of the Qualifying Transaction.

"**Related Party Transaction**" has the meaning ascribed to that term under Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions, and includes a related party transaction that is determined by the Exchange to be a Related Party Transaction. The Exchange may deem a transaction to be a Related Party Transaction where the transaction involves Non Arm's Length Parties, or other circumstances exist which may compromise the independence of the issuer with respect to the transaction.

"**Resulting Issuer**" means the issuer that was formerly a CPC that exists upon issuance of the Final QT Exchange Bulletin.

"**SEDAR**" means System for Electronic Document Analysis and Retrieval.

"**Significant Assets**" means one or more assets or businesses which, when purchased, optioned or otherwise acquired by the CPC, together with any other concurrent transaction, would result in the CPC meeting the Initial Listing Requirements of the Exchange.

"**Sponsor**" has the meaning specified in Exchange *Policy 1.1 – Interpretation*.

"**Target Company**" means a company to be acquired by the CPC as its Significant Asset pursuant to a Qualifying Transaction.

**"Vendor"** or **"Vendors"** means one or all of the beneficial owners of the Significant Assets and/or Target Company.

## SUMMARY OF PROSPECTUS

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

**Business of the Company:** The principal business of the Company will be the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. The Company has not commenced commercial operations and has no assets other than a minimal amount of cash. The Company has not identified any potential acquisitions. An acquisition financed by the issuance of Common Shares could result in a change in control of the Company and may cause the shareholders' interests in the Company to be diluted. See "Business of the Company" and "Dilution".

**Offering:** A total of 4,000,000 Common Shares are being offered under this prospectus at a price of \$0.10 per Common Share. In addition, the Company will issue to the Agent the Agent's Warrants to purchase up to 320,000 Agent's Warrant Shares at an exercise price of \$0.10 per Agent's Warrant Share exercisable for a period of 24 months from the Listing Date, subject to the Acceleration Provision. The issuance of the Agent's Warrants is qualified under this prospectus. The Company has also granted options to its directors and officers to purchase an aggregate of 1,625,000 Common Shares under the Company's incentive stock option plan. See "Plan of Distribution", "Options to Purchase Securities" and "Agency Agreement and Agent's Compensation".

**Use of Proceeds:** The net proceeds to the Company will be \$368,000 (after deducting the Agent's Commission but before deduction of the estimated expenses of the Offering). The net proceeds of this Offering will be used to provide the Company with a minimum of funds with which to identify and evaluate assets or businesses for acquisition with a view to completing a Qualifying Transaction. The Company may not have sufficient funds to secure such businesses or assets once identified and evaluated and additional funds may be required. See "Use of Proceeds" for details of the restrictions and prohibition on the Company's use of funds.

**Management and Directors:**

Chase Taylor-Robins	-	Director, Chief Executive Officer
John Edward Robins	-	Director
James (Jim) Ryan Paterson	-	Director, Chief Financial Officer, Corporate Secretary
Jay Sujir	-	Director

See "Directors, Officers and Promoters".

**Escrowed Securities:** 10,000,000 of the currently issued and outstanding Common Shares of the Company and all of the stock options, being 1,625,000 stock options, will be deposited in escrow pursuant to the terms of the Escrow Agreement and will be released from escrow in stages over a period of

18 months after the date of the Final QT Exchange Bulletin. See "Escrowed Securities".

**Risk Factors:**

Investment in the Common Shares must be regarded as highly speculative due to the proposed nature of the Company's business and its present stage of development. The Company was only recently incorporated and has no active business or assets other than cash. It does not have a history of earnings, nor has it paid any dividends and will not generate earnings or pay dividends until at least after the Completion of the Qualifying Transaction. **The Offering is only suitable to investors who are prepared to rely entirely on the directors and management of the Company and can afford to risk the loss of their entire investment.** The directors and officers of the Company will only devote part of their time and attention to the affairs of the Company and there are potential conflicts of interest to which some of the directors and officers of the Company will be subject in connection with the operations of the Company. Assuming completion of the Offering, an investor will suffer an immediate dilution on investment of 31% or \$0.031 per Common Share based on the gross proceeds of this Offering and prior issues, before deduction of selling commissions or related expenses of the Offering. There can be no assurance that an active and liquid market for the Company's Common Shares will develop and an investor may find it difficult to resell the Common Shares. Until Completion of the Qualifying Transaction, the Company will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. The Company has only limited funds with which to identify and evaluate possible Qualifying Transactions and there can be no assurance that the Company will be able to identify or complete a suitable Qualifying Transaction.

The Qualifying Transaction may involve the acquisition of a business or assets located outside of Canada. It may therefore be difficult or impossible to effect service or notice to commence legal proceedings upon any directors, officers and experts outside of Canada and it may not be possible to enforce against such persons or companies judgments obtained in Canadian courts predicated upon the civil liability provisions applicable to securities laws in Canada. See "Business of the Company", "Directors, Officers and Promoters", "Capitalization", "Dilution", "Risk Factors" and "Conflicts of Interest".

## THE COMPANY

The Company was incorporated on October 8, 2020 by Certificate of Incorporation issued pursuant to the provisions of the *Business Corporations Act* (British Columbia) under the name "Gotham Resource Corp."

The head office and the registered and records office of the Company is located at Suite 2500, 700 West Georgia Street, Vancouver, British Columbia, Canada, V7Y 1B3.

## BUSINESS OF THE COMPANY

### Preliminary Expenses

As at the date of this Prospectus, the Company had accrued liabilities for auditing fees in the amount of \$10,000 payable to Davidson & Company LLP, Chartered Professional Accountants. In addition, certain of the Offering proceeds will be utilized to satisfy the obligations of the Company related to the Offering, including the expenses of its auditor and legal fees, the fees of the Exchange, the Agent's Commission and corporate finance fee, the Agent's expenses and fees, and expenses and fees of the securities regulatory authorities. See "Use of Proceeds".

### Proposed Operations until Completion of a Qualifying Transaction

The Company proposes to identify and evaluate businesses and assets with a view to completing a Qualifying Transaction. Any proposed Qualifying Transaction must be accepted by the Exchange and in the case of a Non Arm's Length Qualifying Transaction is also subject to Majority of the Minority Approval in accordance with the CPC Policy. The Company has not conducted commercial operations. The Company currently has not identified a specific business sector in which it proposes to pursue a Qualifying Transaction.

Until Completion of a Qualifying Transaction, the Company will not carry on any business other than the identification and evaluation of businesses or assets with a view to completing a potential Qualifying Transaction. With the consent of the Exchange, this may include the raising of additional funds in order to finance an acquisition. Except as described under "Use of Proceeds", the funds raised pursuant to this Offering and any subsequent financing will be utilized only for the identification and evaluation of potential Qualifying Transactions and not for any deposit, loan or direct investment in a potential acquisition.

Although the Company has commenced the process of identifying potential acquisitions with a view to complete a Qualifying Transaction, the Company has not yet entered into an Agreement in Principle.

### Method of Financing

The Company may use cash, bank financing, the issuance of treasury shares, or public financing of debt or equity, or a combination of these for the purpose of financing its proposed Qualifying Transaction. **A Qualifying Transaction financed by the issue of treasury shares could result in a change in the control of the Company and may cause the shareholders' interest in the Company to be further diluted.**

### Criteria for a Qualifying Transaction

The Company will consider acquisitions of assets or businesses operated or located both inside and outside of Canada, as permitted by the CPC Policy. All potential acquisitions will be screened initially by management of the Company to determine their economic viability. Approval of acquisitions will be made

by the board of directors of the Company. The board of directors of the Company will examine proposed acquisitions having regard to sound business fundamentals, utilizing the expertise and experience of the directors. The board of directors of the Company must approve any proposed Qualifying Transaction. In exercising their powers and discharging their duties in relation to a proposed Qualifying Transaction, the directors will act honestly and in good faith with a view to the best interests of the Company and will exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

### **Filings and Shareholder Approval of a Non Arm's Length Qualifying Transaction**

Upon the Company reaching a Qualifying Transaction Agreement, the Company must issue a comprehensive news release, at which time the Exchange generally will halt trading in the Company's Common Shares until the filing requirements of the Exchange have been satisfied as set forth under "Trading Halts, Suspensions and Delisting". Within 75 days after issuance of such news release, the Company shall be required to submit for review to the Exchange a Disclosure Document that complies with Exchange requirements containing prospectus level disclosure of the Significant Assets and the Company, assuming Completion of the Qualifying Transaction. Where the proposed Qualifying Transaction is a Non-Arm's Length Qualifying Transaction, the Company must obtain Majority of the Minority Approval of the Qualifying Transaction. Where the proposed Qualifying Transaction is not a Non-Arm's Length Qualifying Transaction, the Exchange will not require the Company to obtain Shareholder approval of the Qualifying Transaction provided that it files the CPC Filing Statement or a Prospectus.

Once the Conditional Acceptance Documents have been accepted for filing, the Exchange will advise the Company that it is cleared to file the final Disclosure Document on SEDAR and:

- (a) where Shareholder approval of the Qualifying Transaction is not required, the Company must file the final CPC Filing Statement or Prospectus on SEDAR at least seven business days prior to:
  - (i) the resumption of trading in the securities of the Resulting Issuer following the Completion of the Qualifying Transaction, if the securities of the Company are halted from trading; or
  - (ii) the Completion of the Qualifying Transaction, if the securities of the Company are not halted from trading;
- (b) where Shareholder approval is required and is to be obtained at a meeting of Shareholders, the Company will file on SEDAR and mail to its Shareholders the notice of meeting, CPC Information Circular and form of proxy, together with any other required documents; and
- (c) where Shareholder approval is required and is to be obtained by written consent, the Company will file on SEDAR the final Disclosure Document.

If required by the Exchange, the Company will retain a Sponsor, who must be a Member of the Exchange or a Participating Organization of the Toronto Stock Exchange, and who will be required to submit to the Exchange a Sponsor Report prepared in accordance with the Policies of the Exchange. The Company will no longer be considered to be a CPC upon the Exchange having issued the Final QT Exchange Bulletin. The Exchange will generally not issue the Final QT Exchange Bulletin until the Exchange has received:

- (i) confirmation of Shareholder approval of the Qualifying Transaction, if required;
- (ii) confirmation of closing of the Qualifying Transaction; and

- (iii) all post-meeting or final documentation, as applicable, otherwise required to be filed with the Exchange pursuant to the CPC Policy.

Upon issuance of the Final QT Exchange Bulletin, the CPC Policy will generally cease to apply, with the exception of the escrow provisions of the CPC Policy.

### **Initial Listing Requirements**

The Resulting Issuer must satisfy the Exchange's Initial Listing Requirements for the particular industry sector in either Tier 1 or Tier 2 as prescribed under the applicable Policies of the Exchange.

### **Trading Halts, Suspensions and Delisting**

The Exchange will generally halt trading in the Common Shares from the date of the public announcement of the Qualifying Transaction Agreement until all filing requirements of the Exchange have been satisfied, which includes the submission of a Sponsorship Acknowledgment Form where the Qualifying Transaction is subject to sponsorship. In addition, personal information forms, or, if applicable, declarations for all individuals who may be directors, senior officers, Promoters, or Insiders of the Resulting Issuer must be filed with the Exchange and any preliminary background searches that the Exchange considers necessary or advisable must also be completed before the trading halt will be lifted by the Exchange.

Even if all filing requirements have been satisfied and preliminary background checks completed, the Exchange may continue or reinstate a halt in trading of the Common Shares for public policy reasons including:

1. the unacceptable nature of the business of the Resulting Issuer; or
2. the number of conditions precedent to, or the nature and number of deficiencies required to be resolved prior to, completion of the Qualifying Transaction, are so significant or numerous as to make it appear to the Exchange that the halt should be reinstated or continued.

A trading halt may also be imposed by the Exchange where the Company fails to file the supporting documents relating to the Qualifying Transaction within a period of 75 days after public announcement of the Qualifying Transaction Agreement or if the Company fails to file post-meeting or final documents, as applicable, within the time required. A trading halt may also be imposed if a Sponsor terminates its sponsorship.

In the event that the Common Shares of the Company are delisted by the Exchange, within 90 days from the date of such delisting, the Company shall wind up and shall make a pro rata distribution of its remaining assets to its shareholders, unless shareholders, pursuant to a majority vote exclusive of the votes of Non Arm's Length Parties to the Company, determine to deal with the issuer or its remaining assets in some other manner. See "Filings and Shareholder Approval of a Non Arm's Length Qualifying Transaction".

### **Refusal of Qualifying Transaction**

The Exchange, in its sole discretion, may not accept a Qualifying Transaction where:

1. the Resulting Issuer fails to satisfy the applicable Initial Listing Requirements of the Exchange;
2. the Resulting Issuer will be a financial institution, finance company, finance issuer or mutual fund, as defined in the securities legislation;

3. notwithstanding the definition of a Qualifying Transaction, there is any other reason for denying acceptance of the Qualifying Transaction.

## USE OF PROCEEDS

### Proceeds and Principal Purposes

The following indicates the principal uses to which the Company proposes to use the total funds available to it upon the completion of this Offering:

Gross cash proceeds received by the Company from the sale of Common Shares prior to this Offering <sup>(1)</sup>	\$ 725,000
Less: Expenses and costs relating to raising the seed share cash proceeds <sup>(2)</sup>	Nil
Plus: Gross cash proceeds to be raised by the Company from the sales of Common Shares pursuant to this Offering	\$ 400,000
Less: Estimated commissions, expenses and costs relating to this Offering <sup>(3)</sup>	<u>(\$118,000)</u>
<b>Estimated funds to be available to the Company on completion of the Offering<sup>(4)</sup></b>	<b><u>\$ 1,007,000</u></b>
Funds available for identifying and evaluating assets or business prospects <sup>(4)(5)</sup>	\$ 935,000
Estimated general and administrative expenses until Completion of a Qualifying Transaction <sup>(5)</sup>	<u>\$ 72,000</u>
<b>Total net proceeds</b>	<b><u>\$ 1,007,000</u></b>

Notes:

- (1) See "Prior Sales".
- (2) No costs have been allocated towards the issuance of these shares. See the Company's balance sheet as at March 31, 2021.
- (3) Includes estimated listing and filing fees, the Agent's Commission of \$32,000 and the Agent's corporate finance fee of \$15,000 plus applicable taxes, the Agent's legal fees, the Company's estimated legal fees of \$20,000, audit fees of \$7,500, and other expenses.
- (4) In the event, and to the extent, the Agent exercises the Agent's Warrants or the directors or officers exercise their stock options, there will be available to the Company a maximum of up to an additional \$194,500, which will be added to the working capital of the Company. There is no assurance that the foregoing Agent's Warrants or stock options will be exercised.
- (5) In the event that the Company enters into an Qualifying Transaction Agreement prior to spending the entire \$935,000 on identifying and evaluating assets or businesses, the remaining funds may be used to finance or partially finance the acquisition of Significant Assets or for working capital after Completion of the Qualifying Transaction.

Until required for the Company's purposes, the proceeds will only be invested in securities of, or those guaranteed by, the Government of Canada or any Province or territory of Canada or the Government of the United States of America, in certificates of deposit or interest bearing accounts of Canadian chartered banks, trust companies or credit unions.

The proceeds from this Offering and any prior sale of Common Shares, after deducting the expenses associated with this Offering, will only be sufficient to identify and evaluate a finite number of assets and businesses, and additional funds may be required to finance any acquisition to which the Company may commit.

### **Permitted Use of Funds**

Until the Completion of the Qualifying Transaction and except as otherwise specifically provided by the CPC Policy and described in "Private Placements for Cash", and "Prohibited Payments to Non Arm's Length Parties", and "Finder's Fees" the gross proceeds realized from the sale of all securities issued by the Company will be used by the Company only to identify and evaluate businesses or assets and obtain shareholder approval, if applicable, for a proposed Qualifying Transaction, including expenses such as:

- (a) reasonable expenses relating to the Company's IPO, including:
  - (i) fees for legal services and audit services relating to the preparation and filing of this prospectus;
  - (ii) Agent's fees, costs and commissions; and
  - (iii) printing costs, including printing of this prospectus and share certificates;
- (b) reasonable general and administrative expenses of the Company (not exceeding in aggregate \$3,000 per month), including:
  - (i) office supplies, office rent and related utilities;
  - (ii) equipment leases;
  - (iii) fees for legal services; and
  - (iv) fees for accounting and advisory services;
- (c) reasonable expenses relating to a proposed Qualifying Transaction, including:
  - (i) valuations or appraisals;
  - (ii) business plans;
  - (iii) feasibility studies and technical assessments;
  - (iv) sponsorship reports;
  - (v) Geological Reports;
  - (vi) financial statements;
  - (vii) fees for legal services; and
  - (viii) fees for accounting, assurance and audit services;
- (d) agents' and finders' fees, costs and commissions;
- (e) assurance and audit fees of the Company;
- (f) escrow agent and transfer agent fees of the Company; and

- (g) regulatory filing fees of the Company.

In addition, a maximum aggregate amount of \$25,000 may be advanced as a non-refundable deposit or unsecured loan to a Target Company or Vendor(s), as the case may be, without the prior acceptance of the Exchange. Any proposed deposit, advance or loan of funds from the Company to the Target Company or a Vendor(s) in excess of such \$25,000 maximum aggregate may only be made as a secured loan with the prior acceptance of the Exchange where all of the following conditions are satisfied:

- (i) the Qualifying Transaction is not a Non-Arm's Length Qualifying Transaction;
- (ii) the Qualifying Transaction has been announced in a comprehensive news release;
- (iii) due diligence with respect to the Qualifying Transaction is well underway;
- (iv) if applicable, a Sponsor has been engaged or the sponsorship requirement has been waived;
- (v) the loan has been announced in a new release at least 15 days prior to the date of any such loan; and
- (vi) the total amount of all deposits, advances and loans from the Company does not exceed a maximum of \$250,000 in aggregate unless the aggregate amount advanced from the Company to the Target Company or the Vendor(s) does not represent more than 20% of the working capital of the Company.

#### **Private Placements for Cash**

After the closing of the Offering and until the Completion of the Qualifying Transaction, the Company will not issue any securities unless written acceptance of the Exchange is obtained before issuance. Prior to the Completion of a Qualifying Transaction, the Exchange generally will not accept a private placement by the Company where the gross proceeds raised from the issuance of securities both prior to and pursuant to the Offering, together with any proceeds anticipated to be raised upon closing of the private placement, will exceed \$10,000,000. Generally, the only securities issuable pursuant to such a private placement will be Common Shares and Agent's Options. Subject to certain limited exceptions, any Common Shares issued pursuant to the private placement to Non Arm's Length Parties to the Company and to Principals of the Resulting Issuer will be subject to escrow.

#### **Prohibited Payments to Non Arm's Length Parties**

Except as described under "Options to Purchase Securities", "Permitted Use of Funds" and "Finder's Fees", the Company has not made, and until the Completion of the Qualifying Transaction will not make, any payment of any kind, directly or indirectly, to a Non Arm's Length Party to the Company or a Non Arm's Length Party to the Qualifying Transaction, or to a person engaged in investor relations activities, promotional or market making services in respect of the Company or the Securities of the Company or any Resulting Issuer, by any means, including:

1. remuneration, which includes but is not limited to salaries, consulting fees, management contract fees or directors' fees, finders' fees (except as permitted under the CPC Policy), loans, advances and bonuses; and
2. deposits and similar payments.

Further, no such payment will be made by the Company or by any other Person after the Completion of a Qualifying Transaction if such payment relates to services rendered or obligations incurred prior to or in connection with the Qualifying Transaction.

Notwithstanding the above, the Company may reimburse a Non Arm's Length Party to the Company for reasonable general and administrative of the Company, (including office supplies, office rent and related utilities, equipment leases, fees for legal services and fees for accounting and advisory services not exceeding \$3,000 per month, and fees for legal services relating to a proposed Qualifying Transaction, and the Company may also reimburse a Non Arm's Length Party to the Company for reasonable out-of-pocket expenses incurred in pursuing the business of the Company described in "Permitted Use of Funds".

The foregoing restrictions on the use of proceeds and prohibitions on payments to Non Arm's Length Parties and persons engaged in investor relations activities continue to apply until the Completion of the Qualifying Transaction.

### **Finder's Fee**

Upon Completion of the Qualifying Transaction, the Company and Target Company may pay finder's fees in aggregate pursuant to Exchange Policy 5.1 – *Loans, Loan Bonuses, Finder's Fees and Commissions*:

- (a) to a Person that is not a Non-Arm's Length Party to the Company; and
- (b) to a Non-Arm's Length Party to the Company, provided that:
  - (i) the Qualifying Transaction is not a Non-Arm's Length Qualifying Transaction;
  - (ii) the Qualifying Transaction is not a transaction between the Company and an existing public company;
  - (iii) the finder's fee is payable in the form of cash, Common Shares and/or warrants only;
  - (iv) the amount of any concurrent financing is not included in the value of the measurable benefit used to calculate the finder's fee; and
  - (v) approval of the finder's fee is obtained by ordinary resolution at a meeting of Shareholders of the Company or by the written consent of Shareholders of the Company holding more than 50% of the issued Common Shares, provided that the votes attached to the Common Shares held by the recipient of the finder's fee and its Associates and Affiliates are excluded from the calculation of any such approval or written consent.

## **PLAN OF DISTRIBUTION**

### **Agency Agreement and Agent's Compensation**

Pursuant to the Agency Agreement dated May 14, 2021 among the Company and the Agent, the Company has appointed the Agent as its agent to offer for sale on a "commercially reasonable efforts" basis to the public 4,000,000 Common Shares as provided in this prospectus, at a price of \$0.10 per Common Share for gross proceeds of \$400,000 subject to the terms and conditions in the Agency Agreement. The Agent will receive a cash commission of 8% of the aggregate gross proceeds from the sale of the Common Shares. Additionally, a corporate finance fee of \$15,000 (plus applicable taxes) will be paid to the Agent on closing of the Offering. The Agent will be reimbursed by the Company for its expenses related to the Offering, including legal fees, which shall not exceed \$15,000, excluding taxes and disbursements.

The Company has also agreed to issue to the Agent the Agent's Warrants which entitles the Agent to purchase up to 320,000 Agent's Warrant Shares representing 8% of the aggregate number of Common Shares offered to the public at an exercise price of \$0.10 per Common Share, which may be exercised for a period of 24 months from the Listing Date subject to the Acceleration Provision. All of the Agent's Warrants are qualified for distribution under this prospectus. Not more than 50% of the Agent's Warrant Shares received on exercise of the Agents' Warrants may be sold by the Agent prior to the Completion of the Qualifying Transaction. The remaining 50% of the Agent's Warrant Shares may be sold after the Completion of the Qualifying Transaction.

The Agent has agreed to use its "commercially reasonable efforts" to secure subscriptions for the Common Shares offered hereunder on behalf of the Company and may make co-brokerage arrangements with other investment dealers at no additional cost to the Company. The obligations of the Agent under the Agency Agreement may be terminated at the Agent's discretion on the basis of its assessment of the state of financial markets and may also be terminated on the occurrence of certain events as stated in the Agency Agreement.

### **Commercially Reasonable Efforts Offering and Minimum Distribution**

The total Offering is of 4,000,000 Common Shares for total gross proceeds of \$400,000. Under the CPC Policy, 75% or 3,000,000 of the total number of Common Shares offered under this prospectus are subject to the following limits:

- (a) the maximum number of Common Shares that may be directly or indirectly purchased by any one purchaser pursuant to the Offering is 2% or 80,000 of the total number of Common Shares offered under this prospectus; and
- (b) the maximum number of Common Shares that may be directly or indirectly purchased by any one purchaser, together with that purchaser's Associates and Affiliates, is 4% or 160,000 of the total number of Common Shares offered under this prospectus.

The funds received from the Offering will be held by the Agent, and will not be released until a minimum of \$400,000 has been received. The total subscription must be raised within 90 days of the date a receipt for the final prospectus is issued, or such other time as may be consented to by persons or companies who subscribed within that period, failing which the Agent will return all funds collected to the original subscribers without interest or deduction, unless subscribers have otherwise instructed the Agent.

### **Other Securities to be Distributed**

The Company has granted options to its directors and officers entitling the holders thereof to purchase an aggregate of 1,625,000 Common Shares of the Company at a price of \$0.10 per Common Share in accordance with the policies of the Exchange.

### **Determination of Price**

The offering price of the Common Shares hereunder was determined by negotiation between the Company and the Agent.

### **Listing Application**

The Company has applied to list its Common Shares on the Exchange. Listing will be subject to the Company fulfilling all of the listing requirements of the Exchange.

## **Venture Issuer**

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

## **Restrictions on Trading**

Other than the initial public offering of the Common Shares pursuant to this prospectus, the issuance of the Agent's Warrants and the grant of options to the directors and officers of the Company, no securities of the Company will be permitted to be issued during the period between the date a receipt for the preliminary prospectus is issued by the Commissions, and the time the Common Shares are listed for trading on the Exchange, except subject to prior acceptance of the Exchange, where appropriate registration and prospectus exemptions are available under securities legislation or where the applicable securities regulatory authorities grant a discretionary order.

## **DESCRIPTION OF SHARE CAPITAL**

### **Common Shares**

The Company is authorized to issue an unlimited number of Common Shares without nominal or par value of which, as at the date hereof, 12,250,000 are issued and outstanding as fully paid and non-assessable. In addition, a maximum of 4,000,000 Common Shares will be issued under this prospectus, 320,000 Common Shares are reserved for issuance on exercise of the Agent's Warrants and an aggregate of up to 1,625,000 Common Shares will be issued under stock options granted to the officers and directors of the Company. See "Plan of Distribution".

Subject to the rights, privileges, restrictions and conditions attached to the preferred shares, the holders of Common Shares are entitled to dividends, if, as and when declared by the board of directors, to one vote per Common Share at meetings of the shareholders of the Company and, upon liquidation, to share equally in such assets of the Company as are distributable to the holders of Common Shares. All Common Shares to be outstanding after completion of this Offering will be fully paid and non-assessable.

### **Preferred Shares**

The Company is authorized to issue an unlimited number of Preferred Shares without nominal or par value. The Preferred Shares may be issued from time to time in one or more series, each consisting of a number of Preferred Shares as determined by the board of directors of the Company which also may fix the designations, rights, privileges, restrictions and conditions attaching to the shares of each series of Preferred Shares. There are no Preferred Shares issued and outstanding. The Preferred Shares of each series shall, with respect to payment of dividends and distribution of assets in the event of voluntary or involuntary liquidation, dissolution or winding-up of the Company or any other distribution of the assets of the Company among its shareholders for the purpose of winding-up its affairs, rank on a parity with the Preferred Shares of every other series and shall be entitled to preference over the Common Shares and the shares of any other class ranking junior to the Preferred Shares. The Preferred Shares of any series may be purchased for cancellation or made subject to redemption as determined by the board of directors of the Company.

To date, the Company has not paid any dividends on its outstanding Common Shares. The future payment of dividends will be dependent upon the financial requirements of the Company to fund further growth,

financial condition of the Company and other factors which the board of directors of the Company may consider in the circumstances. It is not contemplated that any dividends will be paid in the immediate or foreseeable future.

### CAPITALIZATION

The following table sets out particulars of the share capital of the Company.

<b>Designation of Security</b>	<b>Amount Authorized</b>	<b>Amount outstanding as of March 31, 2021 <sup>(1)(2)</sup></b>	<b>Amount outstanding as of the date of this prospectus <sup>(1)(3)</sup></b>	<b>Amount to be outstanding on completion of the Offering <sup>(1)(3)(4)</sup></b>
Common Shares	unlimited	\$714,584 (12,250,000 Common Shares)	\$ 714,584 (12,250,000 Common Shares)	\$ 1,114,584 (16,250,000 Common Shares)
Preferred Shares	unlimited	nil	nil	Nil
Long Term Debt	N/A	nil	nil	Nil

*Notes:*

- (1) *The Company has reserved 320,000 Common Shares to be issued under the Offering pursuant to the exercise of the Agent's Warrants representing up to 320,000 Agent's Warrant Shares at an exercise price of \$0.10 per Agent's Warrant Share exercisable for a period of 24 months from the Listing Date, subject to the Acceleration Provision. The Company has also reserved an aggregate of up to 1,625,000 Common Shares at an exercise price of \$0.10 per Common Share pursuant to stock options granted to the officers and directors of the Company pursuant to its Option Plan (as defined below) expiring 10 years from the Listing Date. See "Plan of Distribution".*
- (2) *As of the date of the most recent balance sheet the Company has not commenced commercial operations.*
- (3) *Before deducting the Agent's Commission and expenses, and other costs and expenses of the Offering, estimated at \$118,000. See "Use of Proceeds".*
- (4) *In addition to the Common Shares that were issued below the offering price prior to the Offering, the Common Shares issued to Non Arm's Length Parties and Principals of the Resulting Issuer as well as to members of the Aggregate Pro Group, which are outstanding as of the date hereof, will be held in escrow pursuant to the CPC Policy.*

### OPTIONS TO PURCHASE SECURITIES

The Company has adopted an incentive stock option plan (the "**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 Exchange requirements, grant to directors, officers, employees and consultants to the Company, non-transferable options to purchase Common Shares, which will not exceed 10% of the number of Common Shares issued and outstanding at the time of grant. Such options will be exercisable for a period of up to ten years from the date of grant and the exercise price of such options cannot be less than the greater of \$0.10 and the discounted market price (as that term is defined in Exchange Policy 1.1). Until the Completion of the Qualifying Transaction, the number of Common Shares reserved for issuance to: (a) any individual director or officer will not exceed 5% of the issued and outstanding Common Shares as at the date of grant of the option; and (b) all technical consultants will not exceed 2% of the issued and outstanding Common Shares as at the date of grant of the option. In addition, the Option Plan provides that no more

than 2% of the issued Common Shares of the Company will be granted to any one consultant in any 12 month period; and no more than an aggregate of 2% of the issued Common Shares of the Company will be granted to an employee conducting investor relations activities in any 12 month period provided the Company is no longer a CPC. The Company, as long as it is a CPC, will not grant options to any person providing investor relations activities, promotional or market-making services. Except as otherwise provided, Options may be exercised for up to 90 days following cessation of the optionee's position with the Company, or such longer period as the board of directors of the Company may determine, provided that if the cessation of office, employment, directorship, or consulting arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option. If an optionee's position with the Company is terminated for cause, then such optionee's options shall terminate and therefore cease to be exercisable upon such termination for cause. Notwithstanding any other provisions of the Option Plan, if a participant does not continue as an eligible person of the Resulting Issuer following the Completion of the Qualifying Transaction, then each option held by such participant shall terminate and therefore cease to be exercisable not later than 12 months after the participant ceases to be an eligible person of the Resulting Issuer.

All Stock Options and Common Shares acquired pursuant to the exercise of options under the Option Plan prior to the date of the Final QT Exchange Bulletins are subject to escrow under the 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 Offering with an exercise price that is less than the issue price of this Offering are subject to escrow under the Escrow Agreement. See "Escrowed Securities".

Pursuant to the Option Plan, the board of directors of the Company has granted the following options to purchase Common Shares of the Company to officers and directors of the Company:

<b>Optionee</b>	<b>Number of Common Shares Under Option</b>	<b>Exercise Price Per Common Share</b>	<b>Expiry Date<sup>(1)</sup></b>
Chase Taylor-Robins	406,250	\$0.10	10 years from Listing Date
John Robins	406,250	\$0.10	10 years from Listing Date
James Paterson	406,250	\$0.10	10 years from Listing Date
Jay Sujir	406,250	\$0.10	10 years from Listing Date
<b>Total</b>	<b>1,625,000</b>		

*Note:*

(1) *These options will expire ten years from the Listing Date.*

### **PRIOR SALES**

Since the date of incorporation of the Company, (i) 12,250,001 Common Shares have been issued in accordance with the following table; and (ii) 1,500,000 Common Shares of the Company have been sold to members of the Aggregate Pro Group:

<b>Date</b>	<b>Number of Common Shares</b>	<b>Issue Price Per Common Share</b>	<b>Aggregate Issue Price</b>	<b>Consideration Received</b>
October 8, 2020	1 <sup>(1)</sup>	\$ 1.00	\$1.00	cash
December 30, 2020	10,000,000	\$0.05	\$500,000	cash

<b>Date</b>	<b>Number of Common Shares</b>	<b>Issue Price Per Common Share</b>	<b>Aggregate Issue Price</b>	<b>Consideration Received</b>
January 5, 2021	1,500,000	\$0.10	\$150,000	cash
February 8, 2021	750,000	\$0.10	\$75,000	cash

*Note:*

(1) *Initial founder's share, which has been repurchased by the Company and cancelled.*

## **ESCROWED SECURITIES**

### **Securities Escrowed Prior to the Completion of the Qualifying Transaction**

All of the 10,000,000 Common Shares issued prior to this Offering at a price below \$0.10 per Common Share together with all Common Shares held by or that may be acquired by Non Arm's Length Parties of the Company either under the Offering or otherwise prior to the date of the Final QT Exchange Bulletin will be deposited with Odyssey Trust Company under the Escrow Agreement.

All stock options and all Common Shares acquired on exercise of stock options prior to the date of the Final QT Exchange Bulletin must also be deposited in escrow and will be subject to escrow until the Final QT Exchange Bulletin is issued. 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 Offering with an exercise price that is less than the issue price of this Offering are also subject to escrows under the Escrow Agreement.

The following table sets out, as at the date hereof, the number of Common Shares of the Company and the number of stock option, which are held in escrow.

<b>Name and Municipality of Residence of Shareholder</b>	<b>Common Shares</b>	<b>Number of Common Shares Escrowed</b>	<b>Percentage of Common Shares of the Company Prior to Giving Effect to the Offering</b>	<b>Percentage of Common Shares of the Company After Giving Effect to the Offering<sup>(1)</sup></b>	<b>Number of Stock Options held in escrow</b>
J. Sujir Law Corporation <sup>(2)</sup> Vancouver, BC	2,500,000	2,500,000	20.41%	15.38%	406,250
Chase Taylor-Robins Lions Bay, BC	2,500,000	2,500,000	20.41%	15.38%	406,250
John Robins Vancouver, BC	2,500,000	2,500,000	20.41%	15.38%	406,250
Brunswick Capital Corporation <sup>(3)</sup> Vancouver, BC	500,000	500,000	4.08%	3.08%	NIL
James Paterson South Carolina, USA	2,000,000	2,000,000	16.33%	12.31%	406,250

*Notes:*

- (1) *Assuming no Common Shares are purchased by these persons under the Offering.*
- (2) *J. Sujir Law Corp. is controlled by Jay Sujir, a director of the Company*
- (3) *Brunswick Capital Corporation is a private company controlled by James Paterson and John Robins, both of whom are directors of the Company.*
- (4) *There are 12,250,000 Common Shares outstanding as at the date hereof, and there will be 16,250,000 Common Shares outstanding upon completion of the Offering.*

Where the Common Shares of the Company which are required to be held in escrow are held by a non-individual (a "**holding company**"), each holding company pursuant to the Escrow Agreement, has agreed, or will agree, not to carry out any transactions during the currency of the Escrow Agreement which would result in a change of control of the holding company, without the consent of the Exchange. Any holding company must sign an undertaking to the Exchange 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 holding company. In addition, the Exchange may require an undertaking from any control person of the holding company not to transfer the shares of that company.

**Under the CPC Escrow Agreement:**

- (a) all CPC Stock Options granted prior to the date of the Final QT Exchange Bulletin and all Common Shares that were issued pursuant to the exercise of such CPC Stock Options prior to the date of the Final QT Exchange Bulletin will be released from escrow on the date of the Final QT Exchange Bulletin, other than CPC Stock Options that were granted prior to the Company's IPO with an exercise price that is less than the issue price of the Common Shares under this prospectus and any Common Shares that were issued pursuant to the exercise of such CPC Stock Options which will be released from escrow in accordance with (b);
- (b) except for the CPC Stock Options and Common Shares issued pursuant to the exercise of such CPC Stock Options that are released from escrow on the date of the Final QT Exchange Bulletin as provided for in (a), all of the securities held in escrow will be released from escrow in accordance with the following schedule:

Release Dates	Percentage to be Released
Date of Final QT Exchange Bulletin	25%
Date 6 months following Final QT Exchange Bulletin	25%
Date 12 months following Final QT Exchange Bulletin	25%
Date 18 months following Final QT Exchange Bulletin	25%
TOTAL	100%

The Exchange's prior consent must be obtained before a transfer within escrow of escrowed Common Shares. Generally, the Exchange will only permit a transfer within escrow to be made to existing Principals of the Company and/or to incoming Principals in connection with a proposed Qualifying Transaction.

If a Final QT Exchange Bulletin is not issued, the escrowed Common Shares will not be released. Under the Escrow Agreement, upon the issuance by the Exchange of a Bulletin delisting the Company, Odyssey Trust Company., as escrow agent, is irrevocably authorized to:

- (a) immediately cancel all of the escrowed Common Shares held by each Non-Arm's Length Party to the Company that were issued at a price below the Offering price under this prospectus and all CPC Stock Options and Option Shares held by such persons; and
- (b) cancel all of the escrowed securities on a date that is 10 years from the date of such Exchange Bulletin.

### **Escrowed Securities on Qualifying Transaction**

Generally, in connection with the Qualifying Transaction, subject to certain exemptions, all securities of the Resulting Issuer held by Principals of the Resulting Issuer will be required to be escrowed in accordance with the Policies of the Exchange.

### **Voluntary Pool**

The 2,250,000 common shares of the Company that were issued at \$0.10 per share are subject to voluntary pooling restriction pursuant to which 25% of the shares will be released from pool on the date of the Final QT Exchange Bulletin and 25% will be released each six months thereafter.

## **PRINCIPAL SHAREHOLDERS**

The following table lists those persons who own 10% or more of the issued and outstanding Common Shares of the Company as of the date hereof:

<b>Name and Municipality of Residence of Shareholder</b>	<b>Type of Ownership</b>	<b>Number of Common Shares</b>	<b>Percentage of Common Shares of the Company Prior to Giving Effect to the Offering</b>	<b>Percentage of Common Shares of the Company After Giving Effect to the Offering<sup>(2)</sup></b>
Jay Sujir Law Corporation <sup>(1)</sup> (Vancouver, BC)	Of record and beneficially	2,500,000	20.41%	15.38%
Chase Taylor-Robins (Lions Bay, BC)	Of record and beneficially	2,500,000	20.41%	15.38%
John Robins (Vancouver, BC)	Of record and beneficially	2,500,000	20.41%	15.38%
James Paterson (Fort Mill, South Carolina, USA)	Of record and beneficially	2,000,000	16.33% <sup>(4)</sup>	12.31%

*Notes:*

- (1) *J. Sujir Law Corp. is controlled by Jay Sujir, a director of the Company*
- (2) *Assuming no Common Shares are purchased by those pursuant under the Offering*
- (3) *On a fully diluted basis, assuming exercise of all outstanding stock options, each of Mr. Sujir, Mr. Tylor-Robins, Mr. Robins would each own 2,906,250 Common Shares, representing 20.95% of the then outstanding Common Shares prior to completion of the Offering and 16.26% of the outstanding Common Shares after completion of the Offering, and Mr. Paterson would own 2,406,250 Common Shares representing 17.34% of the outstanding Common Shares prior to completion of the Offering and 13.46% of the outstanding Common Shares after completion of the Offering.*
- (4) *In addition, 500,000 are held by Brunswick Capital Corporation, a private company controlled by James Paterson and John Robins, both of whom are directors of the Company.*

**DIRECTORS, OFFICERS AND PROMOTERS**

**Name, Residence, Occupation**

The following is a list of the current directors, officers and Promoters of the Company, their jurisdiction of residence, their current positions with the Company;

<b>Name and Municipality of Residence</b>	<b>Positions and Offices Held</b>	<b>Date elected or appointed</b>	<b>Principal Occupation during the proceeding five years</b>
Chase Taylor-Robins <sup>(2)</sup> (Lions Bay, BC)	Director, Chief Executive Officer	December 30, 2020	Investor Relations and Business Consultant with Discovery Group since July 2020. Prior to that Mr. Taylor-Robins was obtaining his post-graduate degree in Management at the University of Auckland.

John Robins <sup>(1)(2)</sup> (Vancouver, BC)	Director	December 30, 2020	Self-employed professional geologist since 1984.
James Paterson <sup>(1)(2)</sup> (Fort Mill, South Carolina, USA)	Director, Chief Financial Officer, Corporate Secretary	December 30, 2020	CEO since 2010 and a director since March 2008 of ValOre Metals Corp. (previously named Kivalliq Energy Corporation)
Jay Sujir <sup>(1)(2)</sup> (Vancouver, BC)	Director	December 30, 2020	Partner at Farris LLP

Notes:

- (1) *Member of Audit Committee.*
- (2) *All directors are considered to be promoters of the Company.*

As a group, the director and officers of the Company and, or control or direct, directly or indirectly, 10,000,000 Common Shares of the Company, being 81.63% of the outstanding Common Shares as at the date of the Prospectus.

Each director is a consultant to the Company and no director or officer has entered into a non-competition or non-disclosure agreement with the Company. Each director holds office until the next annual general meeting of shareholders of the Company, subject to earlier resignation or removal. The term of office of each officer expires at the discretion of the board of directors of the Company (the “**Board**”).

In addition to any other requirements of the Exchange, the Exchange expects management of the Company to meet a high management standard. The directors and officers of the Company believe that, on a collective basis, management possesses the appropriate experience, qualifications and history to be capable of identifying, investigating and acquiring Significant Assets.

**Chase Taylor-Robins, B.A.Sc, PGC B.Mgt (age 24), Chief Executive Officer, Director**

Manager of Business Development and Investor Relations with Great Bear Royalties and Discovery Group since July 2020. Prior to that Mr. Taylor-Robins completed his postgraduate education in Business Management at the University of Auckland following his dual bachelor’s degree in Arts and Sciences with a specialization in Economics.

**Mr. Robins will devote the time necessary to perform the work required in connection with the management of the Company and the completion of the Qualifying Transaction.**

**John Robins, P. Geo (age 61), Director**

Mr. Robins is a professional geologist, prospector and entrepreneur with over 35 years of experience in the mining industry. In 2008 he was awarded the Spud Huestis award for his contributions to mineral exploration in British Columbia and Yukon.

He has been involved in several notable discoveries including the 5 million oz Coffee Gold deposit in Yukon, Three Bluffs gold deposit in the Committee Bay greenstone belt and the Aviat/Churchill diamond districts of Nunavut. He has been involved in over a billion dollars in M&A activity and has participated in generating over \$500 million in direct and indirect mineral expenditures throughout Canada, Latin America and Australia.

Mr. Robins was the founder and co-founder of several notable companies including Hunter Exploration, Kaminak Gold Corp., Stornoway Diamond Corp., Northern Empire Resources Corp., Bluestone Resources Inc. and Fireweed Zinc Corp.

Mr. Robins acts as Executive Chairman to Bluestone Resources Inc., Fireweed Zinc Ltd. and K2 Gold Corp. and Strategic Advisor to Great Bear Resources, Genesis Metals Corp., Kodiak Copper Corp., ValOre Metals Corp., Elemental Royalties Corp., and Ethos Gold Corp.

Mr. Robins will devote the time necessary to perform the work required in connection with the management of the Company and the completion of the Qualifying Transaction.

**James Paterson, BComm (age 46), Director, Corporate Secretary and Chief Financial Officer**

Mr. Paterson is a principal of Discovery Group and has been actively involved in marketing and corporate development activities for the group companies since 2002. Mr. Paterson has 22 years of industry experience, including capital raises, acquisitions, joint-ventures, spin-outs, RTOs, and IPOs. He is the Chairman and CEO of ValOre Metals Corp. and was a driving force behind more than \$60 million in equity financings for ValOre that lead to multiple discoveries and a 200% increase in mineral resources at ValOre's Angilak uranium project.

Mr. Paterson was a long-standing and active director of Kaminak Gold Corp. (acquired by Goldcorp.) and founding director of Northern Empire Resources Corp. (acquired by Coeur Mining). In 2007, Jim founded Corsa Capital Ltd. Corsa's 2008 IPO lead to a 2010 transaction which created a leading U.S. metallurgical coal producer with a C\$250M market capitalization.

Mr. Paterson is the Chairman and CEO of ValOre Metals Corp., a director of Bluestone Resources Inc. and Strategic Advisor to Great Bear Resources Ltd., Genesis Metals Corp., Kodiak Copper Corp., Elemental Royalties Corp., and Ethos Gold Corp.

Mr. Paterson will devote the time necessary to perform the work required in connection with the management of the Company and the completion of the Qualifying Transaction.

**Jay Sujir (age 61), Director**

Mr. Sujir is a securities and natural resources lawyer who has extensive experience in advising and assisting public companies. He has been a partner with Farris LLP since 2015. Previously, Mr. Sujir was a partner at Anfield, Sujir, Kennedy and Durno LLP. Mr. Sujir obtained his Bachelor of Arts degree from the University of Victoria in 1982 with a double major in Economics and Philosophy and obtained his Bachelor of Law degree from the University of Victoria in 1985. He is a member of the Law Society of British Columbia and the Canadian Bar Association.

Mr. Sujir will devote the time necessary to perform the work required in connection with the management of the Company and the completion of the Qualifying Transaction.

**Other Corporate Information**

Pursuant to the provisions of the *Business Corporations Act* (British Columbia), the Company is required to have an audit committee. The general function of the audit committee is to review the overall audit plan and the Company's system of internal controls, to review the results of the external audit and to resolve any potential dispute with the Company's auditor. The audit committee of the Company currently consists of John Robins, James Paterson, and Jay Sujir.

## Other Reporting Issuer Experience

The following table sets out the directors, officers and Promoter(s) of the Company 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 Canadian jurisdiction:

Name of Director, Officer or Promoter	Name of Reporting Issuer	Name of Exchange or Market <sup>(1)</sup>	Position	Term
John Robins	Bluestone Resources Inc.	TSXV	Director	2008 – Present
	K2 Gold Corp.	TSXV	Director	2012 – Present
	Fireweed Zinc Ltd.	TSXV	Director	2017 – Present
	Elemental Royalties Corp.	TSXV	Director	2020 – Present
	Great Bear Royalties Corp.	TSXV	Director	2021 - Present
	Kaminak Gold Corp.	TSXV	Director	2005 – 2016
	Northern Empire Corp.	TSXV	Director	2014 - 2018
	ValOre Metals Corp	TSXV	Director	2008 - 2017
James Paterson	ValOre Metals Corp	TSXV	Director & CEO	2008 - Present
	Great Bear Royalties Corp.	TSXV	Director	2021 – Present
	Bluestone Resources Ltd.	TSXV	Director	2011-2020
	K2 Gold Corp.	TSXV	Director	2012-2016
	Kaminak Gold Corp.	TSXV	Director	2009-2016
	Northern Empire Corp.	TSXV	Director	2014-2018
Jay Sujir	Abigail Capital Corporation	TSXV	Director	March 2019 – Present
	Arcturus Ventures Inc.	TSXV	Director	July 2019 – October 2019
	Baltic I Acquisition Corp.	TSXV	Director	December 2018 - Present
	Carlin Gold Corporation	TSXV	Director	July 2012 – Present
	Collingwood Resources Corp.	TSXV	Director	July 2017 – Present
	Excelsior Mining Corp.	TSXV	Director	May 2010 – June 2018
	Helix Applications Inc.	TSXV	Director	October 2019 – Present
	Kenorland Minerals Ltd.	TSXV	Director	April 2019 – Present
	Kootenay Zinc Corp.	CSE	Director	September 2016 – October 2017
	Kutcho Copper Corp.	TSXV	Director	December 2017 – Present
	Leagold Mining Corporation	TSXV	Director	July 2016 – April 2017
	Liberio Copper & Gold Corporation	TSXV	Director	June 2008 – Present
	Mexican Gold Corp.	TSXV	Director	July 2019 – Present
	Red Eagle Exploration Limited	TSXV	Director	November 2015 – April 2017
	Red Eagle Mining Corporation	TSXV	Director	January 2010 – November 2018
	Roughrider Exploration Limited	TSXV	Director	December 2011 – Present
Vanadian Energy Corp.	TSXV	Director	November 2003 – Present	
Voleo Trading Systems Inc.	TSXV	Director	May 2019 – Present	

Note:

(1) "TSXV" is the TSX Venture Exchange and "CSE" is the Canadian Securities Exchange.

## Corporate Cease Trade Orders or Bankruptcies

Other than specified below, no director, officer, Insider or Promoter of the Company, or any shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company is or has within the ten years before the date of this prospectus been a director, officer, Insider or Promoter

of any issuer that, while such person was acting in that capacity, was the subject of a cease trade or similar order or an order that denied the issuer access to any exemptions under applicable securities legislation for a period of more than 30 consecutive days or became a bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver-manager or trustee appointed to hold its assets:

- From January 2010 to November 2018, Jay Sujir was on the board of directors of Red Eagle Mining Corp. ("**Red Eagle**") which owned and operated the Santa Rosa mine in Colombia. Due to start up issues Red Eagle had difficulty servicing its project debt and the mine was only able to commence commercial production on the basis of forbearances from the secured lenders. In August 2018 Red Eagle obtained a firm commitment from a third party to refinance the debt with substantial concessions and co-operation from the secured lenders, but in October 2018 the third party defaulted on its commitment and as a result, the secured lenders withdrew their forbearances and appointed a receiver-manager over the assets of Red Eagle.
- Jay Sujir was on the board of directors of Red Eagle which is subject to a cease-trade order issued on November 20, 2018 by the British Columbia Securities Commission and evidences the decision of the regulator or securities regulatory authority in Ontario for failure to file interim financial statements, management's discussion and analysis, and certification of interim filings for the period ended September 30, 2018.

### **Penalties or Sanctions**

No director, officer, Insider or Promoter of the Company, or any shareholder holding sufficient securities of the Company to affect materially the control of the Company has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by any securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or has been subject to any other penalties or sanctions imposed by a court or regulatory body or self-regulatory authority that would be likely to be considered important to a reasonable investor making an investment decision.

### **Personal Bankruptcies**

No director, officer, Insider or Promoter of the Company, or any shareholder holding sufficient securities of the Company to affect materially the control of the Company, or a personal holding company of any such persons, has, within the ten years preceding the date of this prospectus, as applicable, become bankrupt, 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 their assets.

### **Conflicts of Interest**

There are potential conflicts of interest to which the directors, officers, Insiders and Promoters of the Company may be subject in connection with the operations of the Company. All of the directors, officers, Insiders and Promoters are engaged in and will continue to be engaged in corporations or businesses which may be in competition with the search by the Company for businesses or assets in order to close a Qualifying Transaction. Accordingly, situations may arise where all of the directors, officers, Insiders and Promoters will be in direct competition with the Company. Conflicts, if any, will be subject to the procedures and remedies as provided under the *Business Corporations Act* (British Columbia).

## **Audit Committee**

### **ITEM 1 – THE AUDIT COMMITTEE’S CHARTER**

#### **Purpose**

The overall purpose of the Audit Committee (the “Committee”) is to ensure that the Company’s management has designed and implemented an effective system of internal financial controls, to review and report on the integrity of the consolidated financial statements and related financial disclosure of the Company and to review the Company’s compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of financial information.

#### **Composition, Procedures and Organization**

1. The Committee shall consist of at least three members of the Board, the majority of whom are not executive officers, employees or control persons of the Company or an affiliate of the Company.
2. The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Committee for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.
3. Unless the Board shall have appointed a chair of the Committee, the members of the Committee shall elect a chair and a secretary from among their number.
4. The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other.
5. The Committee shall have access to such officers and employees of the Company and to the Company’s external auditors, and to such information respecting the Company, as it considers to be necessary or advisable in order to perform its duties and responsibilities.
6. Meetings of the Committee shall be conducted as follows:
  - (a) the Committee shall meet at least four times annually at such times and at such locations as may be requested by the chair of the Committee. The external auditors or any member of the Committee may request a meeting of the Committee;
  - (b) the external auditors shall receive notice of and have the right to attend all meetings of the Committee; and
  - (c) management representatives may be invited to attend all meetings except private sessions with the external auditors.
7. The internal auditors and the external auditors shall have a direct line of communication to the Committee through its chair and may bypass management if deemed necessary. The Committee, through its chair, may contact directly any employee in the Company as it deems necessary, and any employee may bring before the Committee any matter involving questionable, illegal or improper financial practices or transactions.

#### **C. Roles and Responsibilities**

1. The overall duties and responsibilities of the Committee shall be as follows:
  - (a) to assist the Board in the discharge of its responsibilities relating to the Company's accounting principles, reporting practices and internal controls and its approval of the Company's annual and quarterly consolidated financial statements and related financial disclosure;
  - (b) to establish and maintain a direct line of communication with the Company's internal and external auditors and assess their performance;
  - (c) to ensure that the management of the Company has designed, implemented and is maintaining an effective system of internal financial controls; and
  - (d) to report regularly to the Board on the fulfilment of its duties and responsibilities.
  
2. The duties and responsibilities of the Committee as they relate to the external auditors shall be as follows:
  - (a) to recommend to the Board a firm of external auditors to be engaged by the Company, and to verify the independence of such external auditors;
  - (b) to review and approve the fee, scope and timing of the audit and other related services rendered by the external auditors;
  - (c) review the audit plan of the external auditors prior to the commencement of the audit;
  - (d) to review with the external auditors, upon completion of their audit:
    - (i) contents of their report;
    - (ii) scope and quality of the audit work performed;
    - (iii) adequacy of the Company's financial and auditing personnel;
    - (iv) co-operation received from the Company's personnel during the audit;
    - (v) internal resources used;
    - (vi) significant transactions outside of the normal business of the Company;
    - (vii) significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems; and
    - (viii) the non-audit services provided by the external auditors;
  - (e) to discuss with the external auditors the quality and not just the acceptability of the Company's accounting principles; and
  - (f) to implement structures and procedures to ensure that the Committee meets the external auditors on a regular basis in the absence of management.
  
3. The duties and responsibilities of the Committee as they relate to the Company's internal auditors are to:

- (a) periodically review the internal audit function with respect to the organization, staffing and effectiveness of the internal audit department;
  - (b) review and approve the internal audit plan; and
  - (c) review significant internal audit findings and recommendations, and management's response thereto.
4. The duties and responsibilities of the Committee as they relate to the internal control procedures of the Company are to:
- (a) review the appropriateness and effectiveness of the Company's policies and business practices which impact on the financial integrity of the Company, including those relating to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management;
  - (b) review compliance under the Company's business conduct and ethics policies and to periodically review these policies and recommend to the Board changes which the Committee may deem appropriate;
  - (c) review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Company; and
  - (d) periodically review the Company's financial and auditing procedures and the extent to which recommendations made by the internal audit staff or by the external auditors have been implemented.
5. The Committee is also charged with the responsibility to:
- (a) review the Company's quarterly statements of earnings, including the impact of unusual items and changes in accounting principles and estimates and report to the Board with respect thereto;
  - (b) review and approve the financial sections of:
    - (i) the annual report to shareholders; ·
    - (ii) the annual information form, if required;
    - (iii) annual and interim MD&A;
    - (iv) prospectuses;
    - (v) news releases discussing financial results of the Company; and
    - (vi) other public reports of a financial nature requiring approval by the Board, and report to the Board with respect thereto; ·
  - (c) review regulatory filings and decisions as they relate to the Company's consolidated financial statements;

- (d) review the appropriateness of the policies and procedures used in the preparation of the Company's consolidated financial statements and other required disclosure documents, and consider recommendations for any material change to such policies;
- (e) review and report on the integrity of the Company's consolidated financial statements;
- (f) review the minutes of any audit committee meeting of subsidiary companies;
- (g) review with management, the external auditors and, if necessary, with legal counsel, any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of the Company and the manner in which such matters have been disclosed in the consolidated financial statements;
- (h) review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of financial information; and
- (i) develop a calendar of activities to be undertaken by the Committee for each ensuing year and to submit the calendar in the appropriate format to the Board of Directors following each annual general meeting of shareholders.

6. The Committee shall have the authority:

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

## **ITEM 2: COMPOSITION OF THE AUDIT COMMITTEE<sup>1</sup>**

The current members of the Committee are John Robins, James Paterson, and Jay Sujir. All of the members are "financially literate" within the meaning used in National Instrument 52-110 (the "Instrument") of the Canadian Securities Administrators. Mr. Robins is "independent" within the meaning of section 1.4 of the Instrument. Mr. Sujir is not "independent" within the meaning used in the Instrument as he is a partner at Farris LLP, the lawyers of the Company and Mr. Paterson is not "independent" within the meaning used in the Instrument as he acts as the Company's Chief Financial Officer and Corporate Secretary.

## **ITEM 3: RELEVANT EDUCATION AND EXPERIENCE**

The relevant education and/or experience of each member of the Audit Committee is as follows:

### **MR. ROBINS**

Mr. John Robins is a professional geologist, prospector and entrepreneur with over 35 years of experience in the mining industry. In 2008 he was awarded the Spud Huestis award for his contribution to mineral exploration in British Columbia and Yukon. He has been involved in several notable discoveries including the 5 million oz Coffee Gold deposit in Yukon, Three Bluff gold deposit in the Committee Bay greenstone belt and the Aviat/Churchill diamond districts of Nunavut. He has been involved in over a billion dollars in M&A activity and has generated over \$500 million in direct and indirect mineral expenditures throughout Canada, Latin America and Australia. Mr. Robins acts as Chairman to Bluestone Resources Inc., Fireweed

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Zinc Ltd. and K2 Gold Corp. and Strategic Advisor to GBR, Genesis Metals Corp., ValOre Metals Corp. and Enthos Gold Corp. Mr. Robin's background has given him the required experience to understand and assess the general application of the accounting principles used by the Company and to understand internal controls and procedures for financial reporting.

#### **MR. PATERSON**

Mr. James Paterson, a resident of Fort Mill, SC, USA, is the Chief Executive Officer of ValOre Metals Corp. (previously named Kivalliq Energy Corporation). Mr. Paterson has 23 years of corporate experience with several North American publicly traded companies, participating in acquisitions, joint-ventures, spinouts, reverse transactions, and initial public offering. Since January 2010 Mr. Paterson has been involved as an executive or as an active director of companies which have raised more than \$350 million in equity financings and been part of significant corporate transactions (director of Kaminak Gold acquired by Goldcrop and Northern Empire acquired by Coeur Mining) Mr. Paterson founded, was President and Chief Executive Officer, and a director of Corsa Capital Ltd., a company which acquired and capitalized coal mining assets in the USA. Mr. Paterson serves as a director of ValOre Metals Corp., a mineral exploration company listed on the TSXV. Mr. Paterson's background has given him the required experience to understand and assess the general application of the accounting principles used by the Company and to understand internal controls and procedures for financial reporting. Mr. Paterson obtained a Bachelor of Commerce degree from Royal Roads University in 2004.

#### **MR. JAY SUJIR**

Mr. Sujir is a securities and natural resources lawyer who has extensive experience in advising and assisting public companies. He has been a partner with Farris LLP since 2015. Previously, Mr. Sujir was a partner at Anfield, Sujir, Kennedy and Durno LLP. Mr. Sujir obtained his Bachelor of Arts degree from the University of Victoria in 1981 with a double major in Economics and Philosophy and obtained his Bachelor of Law degree from the University of Victoria in 1985. He is a member of the Law Society of British Columbia and the Canadian Bar Association. Mr. Sujir's background has given him the required experience to understand and assess the general application of the accounting principles used by the Company and to understand internal controls and procedures for financial reporting.

#### **ITEM 4: AUDIT COMMITTEE OVERSIGHT**

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Committee to nominate or compensate an external auditor (currently, Davidson & Company LLP, Chartered Accountants) not adopted by the Board.

#### **ITEM 5: RELIANCE ON CERTAIN EXEMPTIONS**

Since the commencement of the Company's most recently completed financial year, the Company has not relied on the exemptions contained in sections 2.4, 6.1.1(4), 6.1.1(5), 6.1.1(6) or 8 of the Instrument. Section 2.4 provides an exemption from the requirement that the audit committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided. Sections 6.1.1(4), 6.1.1(5) and 6.1.1(6) provide exemptions from audit committee composition requirements applicable to venture issuers in certain circumstances. Section 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

**ITEM 6: PRE-APPROVAL POLICIES AND PROCEDURES**

Formal policies and procedures for the engagement of non-audit services have yet to be formulated and adopted. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Company's Board, and where applicable by the Audit Committee, on a case by case basis.

**ITEM 7: EXTERNAL AUDITOR SERVICE FEES (BY CATEGORY)**

The aggregate fees charged to the Company by the external auditor for the period from incorporation to March 31, 2021 are as follows:

	<u>For the Period from Incorporation to March 31, 2021</u>
Audit Fees	\$7,500
Audit Related fees	nil
Tax fees	nil
<u>All other fees (non-tax)- quarterly report assistance/prospectus review</u>	<u>nil</u>
<u>Total Fees:</u>	<u>\$7,500</u>

**ITEM 8: EXEMPTION**

In respect of the most recently completed financial year, the Company is relying on the exemption set out in section 6.1 of NI 52-110 with respect to compliance with the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110

**Executive Compensation**

Except as set out below or otherwise disclosed in this prospectus, prior to Completion of a Qualifying Transaction, no payment of any kind has been made, or will be made, directly or indirectly, by the Company to a Non Arm's Length Party to the Company or a Non Arm's Length Party to the Qualifying Transaction, or to any person engaged in investor relations activities in respect of the securities of the Company or any Resulting Issuer by any means, other than:

- (a) grants of CPC Stock Options as described in "Options to Purchase Securities";
- (b) payment for and reimbursement of certain expenses as described in "Use of Proceeds – Permitted Use of Funds" and "Use of Proceeds – Prohibited Payments to Non-Arm's Length Parties"; and
- (c) finder's fees as described in "Use of Proceeds – Finder's Fees.

Further, no payment will be made by the Company, or by any party on behalf of the Company, after Completion of the Qualifying Transaction if the payment relates to services rendered or obligations incurred or in connection with the Qualifying Transaction. Following Completion of the Qualifying Transaction, it is anticipated that the Company shall pay compensation to its directors and officers.

**DILUTION**

Purchasers of Common Shares under this prospectus will suffer an immediate dilution of 31% or \$0.031 per Common Share on the basis of there being 16,250,000 Common Shares of the Company issued and

outstanding following completion of the Offering. Dilution has been computed on the basis of total gross proceeds to be raised by this prospectus and from sales of securities prior to filing of this prospectus, without deduction of commissions or related expenses incurred by the Company.

## **RISK FACTORS**

Investment in the Common Shares must be regarded as highly speculative due to the proposed nature of the Company's business and its present stage of development. The following are risk factors associated with the Company:

1. the Company was only recently incorporated, has not commenced commercial operations and has no assets other than cash. It has no history of earnings, and shall not generate earnings or pay dividends until at least after Completion of the Qualifying Transaction;
2. investment in the Common Shares offered by the prospectus is highly speculative given the proposed nature of the Company's business and its present stage of development;
3. the directors and officers of the Company will only devote a portion of their time to the business and affairs of the Company and some of them are or will be engaged in other projects or businesses such that conflicts of interest may arise from time to time. See "Conflicts of Interest";
4. assuming completion of the Offering, an investor will suffer an immediate dilution to its investment of 31% or \$0.031 per Common Share;
5. there can be no assurance that an active and liquid market for the Company's Common Shares will develop and an investor may find it difficult to resell its Common Shares;
6. until Completion of a Qualifying Transaction, the Company is not permitted to carry on any business other than the identification and evaluation of potential Qualifying Transactions;
7. the Company has only limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that the Company will be able to identify a suitable Qualifying Transaction;
8. even if a proposed Qualifying Transaction is identified, there can be no assurance that the Company will be able to successfully complete the transaction;
9. Completion of a Qualifying Transaction is subject to a number of conditions including acceptance by the Exchange and, in the case of a Non Arm's Length Qualifying Transaction, Majority of the Minority Approval;
10. unless the shareholder has the right to dissent and be paid fair value in accordance with applicable corporate or other law, a shareholder who votes against a proposed Non Arm's Length Qualifying Transaction for which Majority of the Minority Approval by shareholders has been given, will have no rights of dissent and no entitlement to payment by the Company of fair value for the Common Shares;
11. upon public announcement of a proposed Qualifying Transaction, trading in the Common Shares of the Company will be halted and will remain halted for an indefinite period of time, typically until a Sponsor has been retained (if required) and certain preliminary reviews have been conducted. The Common Shares of the Company will be reinstated to trading before the Exchange has reviewed the transaction and before the Sponsor has completed its full review. Reinstatement

- to trading provides no assurance with respect to the merits of the transaction or the likelihood of the Company completing the proposed Qualifying Transaction;
12. trading in the Common Shares of the Company may be halted at other times for other reasons, including for failure by the Company to submit documents to the Exchange in the time periods required;
  13. neither the Exchange nor any securities regulatory authority passes upon the merits of the proposed Qualifying Transaction;
  14. in the event that management of the Company resides outside of Canada or the Company identifies a foreign business as a proposed Qualifying Transaction, investors may find it difficult or impossible to effect service of notice to commence legal proceedings upon any management resident outside of Canada or upon the foreign business and may find it difficult or impossible to enforce against such persons, judgments obtained in Canadian courts;
  15. the Qualifying Transaction may be financed in whole or in part by the issuance of additional securities by the Company and this may result in further dilution to the investor, which dilution may be significant and which may also result in a change of control of the Company; and
  16. subject to prior acceptance by the Exchange, the Company may be permitted to loan or advance up to the greater of \$250,000 and 20% of its working capital to a target business without shareholder approval and there can be no assurance that the Company will be able to recover that loan.

**As a result of these factors, this Offering is only suitable to investors who are willing to rely solely on management of the Company and who can afford to lose their entire investment. Those investors who are not prepared to do so should not invest in the Common Shares.**

### **LEGAL PROCEEDINGS**

The Company is not currently a party to any legal proceedings, nor is the Company currently contemplating any legal proceedings. Management of the Company is currently not aware of any legal proceedings contemplated against the Company.

### **RELATIONSHIP BETWEEN THE COMPANY AND AGENT**

The Company is not a "related issuer" or "connected issuer" of the Agent for the purposes of National Instrument 33-105 – Underwriting Conflicts. The Agent was not involved in the decision by the Company to distribute Common Shares pursuant to the Offering, nor was the Offering requested or suggested to the Company by the Agent. The Agent, through its corporate finance department, was involved in the determination of the terms of the Offering in its capacity as agent for the sale of the Common Shares on a "commercially reasonable efforts" basis. The Agent does not, prior to completion of the Offering, own directly or indirectly, any securities of the Company and the only proceeds of the Offering to be received by it is the remuneration to be paid to it in connection with the sale of the Common Shares, which includes the Agent's Commission, the corporate finance fee payable to it and the Agent's Warrants. See "Plan of Distribution".

Members of the Aggregate Pro Group currently own 1,500,000 Common Shares of the Company, representing approximately 12.24% of the issued and outstanding Common Shares prior to giving effect to the Offering.

## **RELATIONSHIP BETWEEN THE COMPANY AND PROFESSIONAL PERSONS**

Certain legal matters relating to this Offering will be passed upon by Farris LLP, on behalf of the Company, and by DuMoulin Black LLP, on behalf of the Agent. Jay Sujir, a director of the Company, is a partner with the law firm of Farris LLP and currently indirectly holds 2,500,000 Common Shares of the Company and has been granted stock options in the Company entitling him to purchase up to 406,250 Common Shares of the Company at a price of \$0.10 each until 10 years from the Listing Date. Following the completion of the initial public offering of the Company, Jay Sujir will indirectly hold 15.38% of the Common Shares of the Company (assuming no Common Shares were purchased under the Offering) or, if all stock options are exercised, 16.26% of the Common Shares of the Company.

All payments made by the Company to Farris LLP as responsible solicitor prior to the Completion of a Qualifying Transaction have been made in compliance with restrictions on payments made to Related Parties set forth in CPC Policy.

Other than as set forth above: a) no Person whose profession or business gives authority to a statement made by such Person and who is named in this prospectus has received or shall receive a direct or indirect interest in the property of the Company or any Associate or Affiliate of the Company; and b) as at the date hereof, the aforementioned Persons beneficially own, directly or indirectly, no securities of the Company or its Associates and Affiliates. In addition, other than as set forth above, none of the aforementioned Persons nor any director, officer or employee of any of the aforementioned Persons, is or is expected to be elected, appointed or employed as a director, senior officer or employee of the Company or of an Associate or Affiliate of the Company, or a Promoter of the Company or of an Associate or Affiliate of the Company.

## **AUDITOR, TRANSFER AGENT AND REGISTRAR**

The auditor of the Company is Davidson & Company LLP of, 1200 – 609 Granville Street, Vancouver, British Columbia, V7Y 1G6.

Odyssey Trust Company, 409 Granville Street, Vancouver, British Columbia, V6C 1T2 is the transfer agent and registrar for the Company's Common Shares.

## **MATERIAL CONTRACTS**

The Company has not entered into any contracts material to investors in the Common Shares hereunder within the two years prior to the date hereof, other than the following:

1. Agency Agreement dated as of May 14, 2021 among the Company and the Agent. See "Plan of Distribution".
2. Escrow Agreement dated as of May 13, 2021 among the Company, Odyssey Trust Company and those shareholders that executed such agreement. See "Escrowed Securities".

Copies of these agreements will be available for inspection at the registered office of the Company located at Suite 2500, 700 West Georgia Street, Vancouver, BC, V7Y 1B3 during ordinary business hours while the securities offered by this prospectus are in the course of distribution and for a period of 30 days thereafter.

### **OTHER MATERIAL FACTS**

There is no other material fact relating to the securities to be offered hereunder not disclosed elsewhere in this prospectus.

### **PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION**

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

**SCHEDULE "A" – FINANCIAL STATEMENTS**

**Financial Statements of the Company,  
audited for the period from Incorporation  
to March 31, 2021**

**Gotham Resource Corp.**  
(A Capital Pool Company)

**Financial Statements**

**For the Period from the Date of Incorporation  
(October 8, 2020) to March 31, 2021**

**(In Canadian Dollars)**

## INDEPENDENT AUDITOR'S REPORT

To the Directors of  
Gotham Resource Corp.

### *Opinion*

We have audited the accompanying financial statements of Gotham Resource Corp. (the "Company"), which comprise the statement of financial position as at March 31, 2021, and the statements of loss and comprehensive loss, cash flows and changes in shareholders' equity for the period from incorporation on October 8, 2020 to March 31, 2021, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2021, and its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards ("IFRS").

### *Basis for Opinion*

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

### *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.

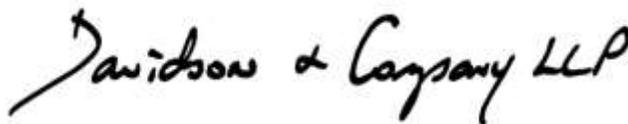
As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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 Erez Bahar.

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

May 14, 2021



**Gotham Resource Corp.**  
**Statement of Loss and Comprehensive Loss**  
**For the Period from the Date of Incorporation (October 8, 2020) to March 31, 2021**  
(in Canadian Dollars)

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<b>Expenses</b>	
Filing fees	\$ 12,940
Professional fees (Note 5)	18,100
Share-based compensation (Notes 3 and 5)	127,091
<hr/>	
<b>Net loss and comprehensive loss for the period</b>	<b>(158,131)</b>
<hr/>	
<b>Net loss per share – basic and diluted</b>	<b>\$ (0.03)</b>
<hr/>	
<b>Weighted average shares outstanding- basic and diluted</b>	<b>6,182,471</b>
<hr/>	

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

**Gotham Resource Corp.**  
**Statement of Changes in Cash Flows**  
**For the Period from the Date of Incorporation (October 8, 2020) to March 31, 2021**  
(in Canadian Dollars)

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**Cash provided by (used in)**

**Operating**

Net loss for the period	\$ (158,131)
Items not involving cash:	
Share-based compensation	127,091
Changes in non-cash working capital Items:	
Accounts payable and accrued liabilities	31,040

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**Cash provided by (used in) operating activities** -

**Financing**

Proceeds from share issuance	725,000
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**Cash provided by financing activities** 725,000

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**Net change in cash held in trust** 725,000

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**Cash held in trust, end of period** \$ 725,000

**Supplemental cash flow information**

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Cash received for interest	\$ -
Cash paid for interest	-
Cash paid for taxes	-
Accounts payable included in share issuance costs	10,416
Accounts payable included in deferred financing costs	7,334

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

**Gotham Resource Corp.**  
**Statement of Changes in Shareholders' Equity**  
**For the Period from the Date of Incorporation (October 8, 2020) to March 31, 2021**  
(in Canadian Dollars)

	Number of Shares	Share Capital	Reserves	Accumulated Deficit	Shareholders' Equity
Founder's share issued	1	\$ 1	\$ -	\$ -	\$ 1
Repurchase of founder's share	(1)	(1)	-	-	(1)
Common shares issued (Note 3)	12,250,000	725,000	-	-	725,000
Share-based compensation	-	-	127,091	-	127,091
Share issuance costs	-	(10,416)	-	-	(10,416)
Net loss for the period	-	-	-	(158,131)	(158,131)
<b>Balance, March 31, 2021</b>	<b>12,250,000</b>	<b>\$ 714,584</b>	<b>\$ 127,091</b>	<b>\$ (158,131)</b>	<b>\$ 683,544</b>

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

## **1. INCORPORATION AND NATURE OF BUSINESS**

Gotham Resource Corp. (the "Corporation") was incorporated under the British Columbia Business Corporations Act on October 8, 2020 and is in the process of applying for status as a Capital Pool Company as defined in the Policy 2.4 of the TSX Venture Exchange (the "Exchange") Corporate Finance Manual (the "Manual"). The principal business of the Corporation will be the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction ("QT"). The Corporation has not commenced commercial operations and has no assets other than cash held in trust. Given the nature of the activities, no separate segmented information is reported. The Corporation's continuing operations, as intended, are dependent on its ability to secure equity financing with which it intends to identify and evaluate potential acquisitions of businesses, and once identified and evaluated, to negotiate an acquisition thereof or participation therein subject to receipt of regulatory and, if required, shareholders' approval.

The proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses for future investment, with the exception that up to \$3,000 per month may be used for reasonable general and administrative expenses of the Corporation. These restrictions apply until completion of a QT by the Corporation as defined under the policies of the Exchange Policy 2.4.

The head office and the registered head office of the Corporation is located at Suite 2500, 700 West Georgia Street, Vancouver, British Columbia, Canada, V7Y 1B3.

On May 14, 2021 the Board of Directors approved the financial statements for the period from the Date of Incorporation (October 8, 2020) to March 31, 2021.

The global outbreak of COVID-19 (coronavirus) has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Corporation as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

## **2. SIGNIFICANT ACCOUNTING POLICIES**

### **Statement of Compliance**

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

### **Basis of Presentation**

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

**2. SIGNIFICANT ACCOUNTING POLICIES – continued**

**Financial Instruments**

*Recognition*

The Corporation recognizes financial assets and financial liabilities on the date the Corporation becomes a party to the contractual provisions of the instruments.

*Classification*

The Corporation classifies its financial assets and financial liabilities in the following measurement categories: i) those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss, and ii) those to be measured at amortized cost. The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at fair value through profit or loss (irrevocable election at the time of recognition). For assets and liabilities measured at fair value, gains and losses are either recorded in profit or loss or other comprehensive income.

The Corporation reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

The Corporation has implemented the following classifications:

Cash held in trust is classified as assets at fair value and any period change in fair value is recorded in profit or loss.

Accrued liabilities are classified as other financial liabilities and measured at amortized cost using the effective interest rate method.

*Measurement*

All financial instruments are required to be measured at fair value on initial recognition, plus, in case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs of financial assets and financial liabilities carried at FVTPL are expensed in profit or loss.

Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments or principal and interest on the principal outstanding are generally measured at amortized cost at the end of the subsequent accounting periods. All other financial assets including equity investments are measured at their fair values at the end of subsequent accounting periods, with any changes taken through profit and loss or other comprehensive income (irrevocable election at the time of recognition).

**2. SIGNIFICANT ACCOUNTING POLICIES – continued**

Additional fair value measurement disclosure includes classification of financial instrument fair values in a fair value hierarchy comprising three levels reflecting the significance of the inputs used in making the measurements which are as follows:

Level 1: Valuations based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices, such as quoted interest or currency exchange rates; and

Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

Cash held in trust is a level 1 financial instrument measured at fair value on the statement of financial position.

**Cash Held in Trust**

Cash held in trust consists of cash held by the Corporation's legal counsel, which has no restrictions and is available on demand.

**Income Taxes**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period. Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to set off the amounts, and the intention is to settle on a net basis, or to realize the asset and settle the liability simultaneously. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of operations and comprehensive income.

Deferred income tax is provided using the balance sheet method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognized for all taxable temporary differences and deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to be recovered or settled. Deferred tax assets are recognized to the extent that realization of such benefits is probable.

**Deferred Financing Costs**

Legal fees, professional fees and other expenses related to equity financings are deferred until these financings close, at which time they will be offset against proceeds from the financing to which they relate. Should the financings not close as contemplated, these deferred financing fees will be expensed.

**2. SIGNIFICANT ACCOUNTING POLICIES – continued**

**Share-based Compensation**

The Corporation may grant stock options of the Corporation to allow directors, officers, employees and consultants to acquire common shares of the Corporation. Stock options granted to directors, officers and employees are measured at their fair values determined on the date of grant using the Black-Scholes option pricing model and recognized as an expense over the vesting periods of the options. 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 the goods or services received cannot be measured. A corresponding increase is recorded to equity reserves for share-based compensation recorded.

**Estimates**

The preparation of financial statements in conformity with IFRS accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates used in the financial statements.

**3. SHARE CAPITAL**

**Authorized** - Unlimited common shares

As at March 31, 2021, there were 12,250,000 common shares issued and outstanding.

**Escrowed Shares**

During the period ended March 31, 2021, the Corporation issued 10,000,000 common shares at \$0.05 per share for gross proceeds of \$500,000 and 2,250,000 common shares at \$0.10 per share for gross proceeds of \$225,000.

All common shares of the Corporation acquired in the secondary market prior to the completion of a Qualifying Transaction by non-arms length parties, as defined in the policies of the Exchange, are required to be deposited in escrow. Subject to certain permitted exemptions, all securities of the Corporation held by principals of the resulting issuer will also be subject to escrow.

12,250,000 issued and outstanding common shares will be held in escrow pursuant to the requirements of the Exchange.

**Options**

Options may be granted for a maximum term of ten years from the date of the grant. They are non-transferable and are exercisable as determined by the Directors when the option is granted.

Any shares issued upon exercise of the options prior to the Corporation entering into a Qualifying Transaction will be subject to escrow restrictions.

The stock option plan is subject to regulatory approval.

**Gotham Resource Corp.**  
**Notes to the Financial Statements**  
**For the Period from the Date of Incorporation (October 8, 2020) to March 31, 2021**  
(in Canadian Dollars)

**3. SHARE CAPITAL – continued**

1,625,000 stock options were granted during the period ended March 31, 2021 (Note 5). The fair value of the options granted was determined to be \$127,091 using the Black-Scholes option pricing model under the following assumptions: risk-free rate – 1.55%, expected life – 10 years, expected volatility – 75% and expected dividends - \$nil.

	Number		Weighted Average Exercise Price
Balance, October 8, 2020	-	\$	-
Granted	1,625,000		0.10
<b>Outstanding and exercisable, March 31, 2021</b>	<b>1,625,000</b>	<b>\$</b>	<b>0.10</b>

Grant Date	Number of options Outstanding and Exercisable	Exercise Price	Expiry date
February 25, 2021	1,625,000	\$0.10	10 years from Listing Date <sup>1</sup>
<b>Total</b>	<b>1,625,000</b>	<b>\$0.10</b>	

<sup>1</sup> The date that the Company's common shares are listed for trading on the Exchange

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

**Capital Management**

The Corporation'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 Corporation includes equity, comprised of share capital and accumulated deficit, in the definition of capital.

The Corporation'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 Corporation may attempt to raise additional funds through the issuance of equity or by securing strategic partners.

The proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses for future investment, with the exception that up to \$3,000 per month may be used for reasonable general and administrative expenses of the Corporation. These restrictions apply until completion of a QT by the Corporation as defined under the policies of the Exchange Policy 2.4.

**4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES - continued**

**Risk Disclosures and Fair Values**

The Corporation's financial instruments, consisting of cash held in trust and accrued liabilities approximate fair value due to the relatively short-term maturity of the instruments. It is management's opinion that the Corporation is not exposed to significant interest, currency or credit risks arising from these financial instruments.

**5. RELATED PARTY TRANSACTIONS**

During the period from the date of incorporation (October 8, 2020) to March 31, 2021, the Corporation incurred legal fees of \$8,100, share issuance costs of \$10,416, and deferred financing costs of \$7,334 for services provided by a law firm whose partner is a director at the Corporation. As at March 31, 2021, \$25,850 is included in accounts payable for these services. The Corporation also issued 1,625,000 stock options with a fair value of \$127,091 to directors of the Corporation during the period ended March 31, 2021 (Note 3).

There were no other transaction with related parties and no remuneration was paid to key personnel from the date of incorporation (October 8, 2020) to March 31, 2021.

**6. SUBSEQUENT EVENT**

**Filing of Prospectus and Initial Public Offering**

The Corporation intends to file a prospectus to offer to sell and issue 4,000,000 Common Shares of the Corporation (the "Offering") at a price of \$0.10 per Common Share (the "Offering Price") for total gross proceeds to the Corporation of \$400,000.

The Corporation has entered into an agreement with Haywood Securities Inc. (the "Agent") to raise gross proceeds of \$400,000 in connection with Offering. The Corporation will pay a commission of 8% of gross proceeds to the Agent and will grant Agent Warrants equal to 8% of the number common shares sold in the offering, which entitles the holder to purchase Common Shares at a price of \$0.10 for a period of 24 months. The Corporation is also required to pay an administration fee and will reimburse the Agent for legal fees and other reasonable expenses incurred pursuant to the Offering.

## CERTIFICATE OF THE COMPANY

Date: May 14, 2021

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of each of the Provinces of British Columbia, Alberta and Ontario.

“Chase Taylor- Robins”

Chase Taylor-Robins  
Chief Executive Officer, Director

“James Paterson”

James Paterson  
Chief Financial Officer, Corporate Secretary

## ON BEHALF OF THE BOARD

“Jay Sujir”

Jay Sujir  
Director

“John Robins”

John Robins  
Director

## **CERTIFICATE OF THE AGENT**

Dated: May 14, 2021

To the best of our knowledge, information and belief, this prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of each of the provinces of British Columbia, Alberta and Ontario.

### **HAYWOOD SECURITIES INC.**

Per:

“Kevin Campbell”

Kevin Campbell  
Managing Director, Investment Banking