

**Form 62-103F1**

***Required Disclosure under the Early Warning Requirements***

**Item 1 – Security and Reporting Issuer**

- 1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.

Engineer Gold Mines Ltd. (“Engineer Gold”). Engineer Gold’s head office is located at 804 - 750 West Pender Street, Vancouver, BC V6C 2T7.

- 1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.

The transaction took place by way of a private placement, and not through the facilities of any stock exchange or marketplace.

**Item 2 – Identity of the Acquiror**

- 2.1 State the name and address of the acquiror (the “Acquiror”).

The Acquiror is Standard Drilling & Engineering Ltd., a corporation controlled by J. Frank Callaghan (both with an address at 4395 Prospect Road, North Vancouver, B.C. V7N 3L8).

- 2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.

On December 18, 2019, the Acquiror acquired 2,000,000 Units of Engineer Gold at a price of \$0.10 per unit, as part of private placement participation totaling \$200,000. Each Unit is comprised of one common share and one share purchase warrant (a “Warrant”). Each Warrant is exercisable to purchase one common share of the Engineer Gold at a price of \$0.15 per share for a period of 30 months. As a result of this transaction and previous holdings, J. Frank Callaghan currently owns directly and indirectly through the acquiror 7,618,121 common shares of Engineer Gold representing 19.68% of the issued and outstanding common shares of Engineer Gold.

- 2.3 State the names of any joint actors.

J. Frank Callaghan

**Item 3 – Interest in Securities of the Reporting Issuer**

- 3.1 State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file this report and the change in the Acquiror’s security holding percentage in the class of securities.

Prior to the acquisition, J. Frank Callaghan owned 5,618,121 common shares representing 15.73% of the issued and outstanding common shares. Immediately after the acquisition J. Frank Callaghan directly and indirectly through the Acquiror, will beneficially own and control 7,618,121 common shares representing approximately 19.68% of the issued and outstanding common shares. As a result of the acquisition described above, the Offeror now owns or directs a total of 1,250,000 share purchase warrants. If all of these warrants were exercised, the Offeror would own or direct a total of 8,868,121 common shares, representing approximately 22.19% (calculated on a partially diluted basis) of the 39,956,725 then issued and outstanding common shares of the Issuer.

- 3.2 State whether the Acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file this report.

The Acquiror acquired direct control over the securities which triggered the requirement to file this report.

- 3.3 If the transaction involved a securities lending arrangement, state that fact.

*Not applicable*

- 3.4 State the designation and number or principal amount of securities and the Acquiror's security holding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.

Immediately prior to the subject transaction, J. Frank Callaghan owned and controlled 5,618,121 common shares (15.73%) of Engineer Gold; after the completion of the subject transaction J. Frank Callaghan, directly and indirectly through the Acquiror, will beneficially own and control 7,618,121 common shares (19.68%) of Engineer Gold's common shares.

- 3.5 State the designation and number or principal amount of securities and the Acquiror's security holding percentage in the class of securities referred to in Item 3.4 over which

- (a) the Acquiror, either alone or together with any joint actors, has ownership and control,

J. Frank Callaghan, directly and indirectly through the Acquiror, owns 7,618,121 common shares of Engineer Gold, representing approximately 19.68% of the outstanding shares of Engineer Gold.

- (b) the Acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the Acquiror or any joint actor,

*Not applicable.*

- (c) the Acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.

*Not applicable.*

- 3.6 If the Acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the acquiror's security holdings.

*Not applicable.*

- 3.7 If the Acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.

*Not applicable.*

State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.

*Not applicable.*

- 3.8 If the Acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.

*Not applicable.*

#### **Item 4 – Consideration Paid**

- 4.1 State the value, in Canadian dollars, of any consideration paid or received per security and in total.

Please see item 2.2.

- 4.2 In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the Acquiror.

*Not applicable.*

- 4.3 If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.

*Not applicable.*

### **Item 5 – Purpose of the Transaction**

State the purpose or purposes of the Acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer.

The securities are held for investment purposes.

Describe any plans or future intentions which the Acquiror and any joint actors may have which relate to or would result in any of the following:

- (a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;  
*None at this time.*
- (b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;  
*None at this time.*
- (c) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;  
*None at this time.*
- (d) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;  
*None at this time.*
- (e) a material change in the present capitalization or dividend policy of the reporting issuer;  
*None at this time.*
- (f) a material change in the reporting issuer's business or corporate structure;  
*None at this time.*
- (g) a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company;  
*None at this time.*
- (h) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;  
*None at this time.*
- (i) the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;  
*None at this time.*
- (j) a solicitation of proxies from security holders;  
*None at this time.*
- (k) an action similar to any of those enumerated above.  
*None at this time.*

The Acquiror may, from time to time, acquire additional securities of Engineer Gold, may continue to hold their present position or may dispose of their securities.

**Item 6 – Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer**

Describe the material terms of any agreements, arrangements, commitments or understandings between the Acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder’s fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.

*Not applicable.*

**Item 7 – Change in Material Fact**

If applicable, describe any change in a material fact set out in a previous report filed by the Acquiror under the early warning requirements or Part 4 in respect of the reporting issuer’s securities.

*Not applicable.*

**Item 8 – Exemption**

If the Acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.

*Not applicable.*

**Item 9 – Certification**

The Acquiror must certify that the information in this report is true and complete in every respect. In the case of an agent, the certification is based on the agent’s best knowledge, information and belief but the Acquiror is still responsible for ensuring that the information filed by the agent is true and complete.

This report must be signed by each person on whose behalf the report is filed or his authorized representative.

It is an offence to submit information that, in a material respect and at the time and in the light of the circumstances in which it is submitted, is misleading or untrue.

I, as the Acquiror, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

December 20, 2019

Per: “J. Frank Callaghan” \_\_\_\_\_

Authorized Signatory  
**Standard Drilling & Engineering Ltd.**