

*A copy of this preliminary prospectus has been filed with the securities regulatory authorities in British Columbia and Alberta but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the prospectus is obtained from the securities regulatory authorities.*

*No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. The securities offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended, and, subject to certain exceptions, may not be offered, sold or delivered, directly or indirectly in the United States of America, its territories or possessions. This prospectus does not constitute an offer to sell or solicitation of an offer to buy any of these securities within the United States. See "Plan of Distribution".*

## PRELIMINARY PROSPECTUS

Initial Public Offering

November 9, 2021

# LONGHORN EXPLORATION CORP.

## OFFERING:

2,500,000 COMMON SHARES AT A PRICE OF \$0.20 PER SHARE

This prospectus (the "**Prospectus**") qualifies for distribution in British Columbia and Alberta 2,500,000 Common Shares (as defined herein) (the "**Shares**") of Longhorn Exploration Corp. (the "**Company**") at a price of \$0.20 (the "**Offering Price**") per Share (the "**Offering**"). This Offering is being made to investors resident in British Columbia and Alberta. In addition, the Agent may offer the Shares outside of Canada and the United States in compliance with local securities laws and in accordance with the Agency Agreement (as defined herein). The Offering Price and terms of the Offering have been determined by arms-length negotiation between the Company and Haywood Securities Inc. (the "**Agent**").

The Company has applied to list the Common Shares of the Company, including the Shares, Broker Warrant Shares (as defined herein) and any Over-Allotment Shares (as defined herein) on the Exchange (as defined herein). The listing is subject to the Company fulfilling all the listing requirements of the Exchange, including prescribed distribution requirements. The listing of the Common Shares on the Exchange is a condition of closing of this Offering. There can be no assurance that the Company will meet all of the listing requirements of the Exchange.

	Number of Shares	Price to the Public	Agent's Commission <sup>(2)(5)</sup>	Net Proceeds <sup>(2)(3)(4)</sup>
Share Offering	2,500,000	\$500,000	\$45,000	\$455,000
Per Share <sup>(1)</sup>	1	\$0.20	\$0.018	\$0.182

(1) The price of the Shares was determined by arms-length negotiations between the Company and the Agent.

(2) Under the terms of an agency agreement between the Agent and the Company dated ●, 2021 (the "**Agency Agreement**"), the Offering will be conducted on a best efforts basis. Upon completion of the Offering (as defined herein), the Agent will receive non-transferable Common Share purchase warrants (the "**Agent's Warrants**") entitling it to acquire that number of Common Shares (the "**Broker Warrant Shares**") equal to 9% of the number of Shares (including any Over-Allotment Shares sold on exercise of the Over-Allotment Option (as defined herein)) issued pursuant to the Offering, other than in respect of the Shares sold under the Offering (including any Over-Allotment Shares sold on exercise of the Over-Allotment Option) to purchasers on the President's List (as defined herein) for which the Agent will receive the President's List Warrants (as defined herein), each Agent's Warrant exercisable at a price of \$0.20 per Broker Warrant Share at any time on or before the date which is twenty-four (24) months from the Closing Date (as defined herein). The Agent shall receive a cash commission equal to 9% of the gross proceeds of the Offering (including the proceeds from the sale of any Over-Allotment Shares on exercise of the Over-Allotment Option) (the "**Commission**"), other than in respect of gross proceeds from the sale of Shares under the Offering (including any Over-Allotment Shares sold on exercise of the Over-Allotment Option) to purchasers on the President's List (as defined herein) for which the Agent will receive the President's

List Commission (as defined herein). The Agent will also receive a corporate finance fee of \$20,000 payable in cash (the “**Corporate Finance Cash Fee**”), and will be reimbursed for its expenses related to the Offering, including the fees and disbursements of its legal counsel. The Agent has received a retainer of \$10,000 from the Company towards such fees and expenses. The Agent’s Warrants (which include the President’s List Warrants) are qualified for distribution pursuant to this Prospectus.

- (3) Before deduction of the remaining costs of the Offering, including the expenses of the Agent, legal and audit expenses of the Company, and regulatory fees, estimated at \$73,000 and the Corporate Finance Cash Fee. See “Use of Proceeds”.
- (4) The Company has granted to the Agent an option (the “**Over-Allotment Option**”), exercisable, in whole or in part, at the sole discretion of the Agent, at any time up to forty-eight (48) hours prior to the Closing Date, to arrange for the sale of up to an additional 375,000 Common Shares (the “**Over-Allotment Shares**”), representing 15% of the number of Shares sold under the Offering at a price of \$0.20 per Over-Allotment Share, to cover the Agent’s over-allocation position, if any, and for market stabilization purposes. If the Over-Allotment Option is exercised in full, the total Gross Proceeds, Agent’s Commission and Net Proceeds to the Company will be \$575,000, \$51,750 and \$523,250, respectively. A purchaser who acquires Over-Allotment Shares forming part of the Agent’s over-allocation position acquires those securities under this Prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. This Prospectus qualifies the grant of the Over-Allotment Option and the distribution of the Over-Allotment Shares issuable upon exercise of the Over-Allotment Option. See “*Plan of Distribution*”.
- (5) Assuming no President’s List Commission.

The completion of this Offering is subject to a minimum subscription of 2,500,000 Shares with aggregate gross proceeds of \$500,000 (the “**Minimum Offering**”). If subscriptions representing the Minimum Offering are not received within 90 days of the issuance of a receipt for this Prospectus, or if a receipt has been issued for an amendment to this Prospectus, within 90 days of the issuance of such receipt and in any event not later than 180 days from the date of receipt for this Prospectus, the Offering will cease. The Agent, pending closing of the Minimum Offering, will hold in trust all subscription funds received pursuant to the provisions of the Agency Agreement. If the Minimum Offering is not completed, the subscription proceeds received by the Agent in connection with the Offering will be returned to the subscribers without interest or deduction.

Potential investors are advised to consult their own legal counsel and other professional advisors in order to assess income tax, legal and other aspects of this investment.

**There is no market through which these securities may be sold and purchasers may not be able to resell the Shares purchased under the 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”.**

As at the date of this 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 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).

**An investment in the securities offered hereunder by the Company should be considered speculative due to the nature of the business of the Company, its present stage of development, and other risk factors. Investors should not invest any funds in this Offering unless they can afford to lose their entire investment. Investors must be willing to rely on the ability, expertise, judgment and discretion of the management. See “Risk Factors”.**

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

Readers should not assume that the information contained in this Prospectus is accurate as of any date other than the date on the cover page of this Prospectus.

The Company is neither a “connected issuer” nor a “related issuer” of the Agent as defined in National Instrument 33-105 – *Underwriting Conflicts*.

The Agent's position is as follows:

Agent's Position	Maximum Number of Securities Available	Exercise Period or Acquisition Date	Exercise Price or Deemed Acquisition Price
Agent's Warrants	258,750 Agent's Warrants <sup>(1)(2)</sup>	Up to twenty-four (24) months from the Closing Date	\$0.20
Over-Allotment Option	375,000 Over-Allotment Shares <sup>(1)</sup>	Up to forty-eight (48) hours prior to the Closing Date	\$0.20
<b>Total securities issuable</b>	<b>633,750</b>		

(1) Assuming the Over-Allotment Option is exercised in full. In the event that the Over-Allotment Option is not exercised, the maximum number of Agent's Warrants will be 225,000.

(2) Assuming no President's List Warrants.

This Prospectus qualifies the distribution of the Shares, the grant of the Over-Allotment Option, the distribution of the Over-Allotment Shares issuable on exercise of the Over-Allotment Option and the Agent's Warrants (which include the President's List Warrants). See "Plan of Distribution".

Investments in natural resource issuers involve a significant degree of risk. The degree of risk increases substantially where the issuer's properties are in the exploration stage as opposed to the development stage. The property that the Company currently holds an interest in is in the exploration stage and without known bodies of commercial ore. An investment in the Shares should only be made by persons who can afford the total loss of their investment. See the section of this Prospectus entitled "*Risk Factors*".

In accordance with applicable laws and policies, the Agent may effect transactions that stabilize or maintain the market price of the Company's Common Shares at a level other than which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

Haywood Securities Inc., as Agent, offers the Shares on a best efforts basis subject to prior sale if, as and when issued by the Company in accordance with the conditions contained in the Agency Agreement referred to under "Plan of Distribution" of this Offering. 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. No person is authorized to provide any information or make any representation in connection with the Offering other than as contained in this Prospectus.

Certain legal matters related to the Offering have been reviewed on behalf of the Company by AFG Law LLP and on behalf of the Agent by Miller Thomson LLP.

It is expected that share certificates evidencing the Shares in definitive form will be available for delivery at the closing of the Offering unless the Agent elects for electronic delivery through the non-certificated inventory ("**NCI**") system of CDS Clearing and Depository Services Inc. ("**CDS**") or its nominee. If delivered in NCI form, purchasers of Shares will receive only a customer confirmation from the registered dealer that is a CDS participant and from or through which the Shares were purchased.

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## GLOSSARY

“**Agency Agreement**” means the agency agreement dated ●, 2021 between the Agent and the Company relating to the Offering.

“**Agent**” means Haywood Securities Inc.

“**Agent’s Warrants**” means the non-transferable compensation warrants to purchase up to that number of Broker Warrant Shares equal to 9% of the Shares sold under the Offering (including any Over-Allotment Shares), or 2% in the case of the President’s List Warrants, exercisable for a period of twenty-four (24) months from the Closing Date at \$0.20 per Broker Warrant Share, issuable to the Agent as described under the heading “Plan of Distribution”.

“**Board**” means the Company’s board of directors.

“**Broker Warrant Shares**” means the Common Shares issuable on exercise of the Agent’s Warrants.

“**CEO**” means Chief Executive Officer.

“**CFO**” means Chief Financial Officer.

“**Closing**” means the closing of the Offering.

“**Closing Date**” means such date that the Company and the Agent mutually determine to close the sale of the Shares offered pursuant to this Prospectus, in compliance with the regulatory requirements governing distribution of securities.

“**Commission**” means the cash commission payable to the Agent pursuant to the Agency Agreement, which commission is equal to 9% of the gross proceeds from the sale of the Shares including gross proceeds from the sale of any Over-Allotment Shares on exercise of the Over-Allotment Option, subject to the President’s List Commission.

“**Common Share**” means a Class A common share without par value in the capital of the Company.

“**Company**” or “**Longhorn**” means Longhorn Exploration Corp.

“**Effective Date**” means the date that is three (3) days after the date of the final Exchange bulletin giving notice of the approval by the Exchange of the listing of the Common Shares on the facilities of the Exchange.

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

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

“**Listing Date**” means the date on which the Common Shares are listed on the Exchange.

“**NI 41-101**” means National Instrument 41-101 – *General Prospectus Requirements*.

“**NI 43-101**” means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*.

“**NP 46-201**” means National Policy – *Escrow for Initial Public Offerings*.

“**Offering**” means the Offering of Shares as described in this Prospectus.

“**Offering Price**” means \$0.20 per Share.

“**Optionor**” means Chris Dyakowski.

“**Over-Allotment Option**” means the option granted to the Agent exercisable, in whole or in part, at the sole discretion of the Agent, at any time up to forty-eight (48) hours prior to the Closing Date to arrange for the purchase of up to 375,000 Over-Allotment Shares, to cover over-allotments, if any, in connection with the sale of the Shares under this Prospectus and for market stabilization purposes.

“**Over-Allotment Shares**” means up to 375,000 Common Shares at a price of \$0.20 per Over-Allotment Share sold pursuant to the exercise of the Over-Allotment Option.

“**President’s List**” means the list of purchasers of the Offering provided to the Agent by the Company.

**“President’s List Commission”** means the cash Commission payable to the Agent equal to 2% of the proceeds from the sale of Shares sold pursuant to the Offering (including any Over-Allotment Shares sold upon exercise of the Over-Allotment Option) to purchasers under the President’s List.

**“President’s List Warrants”** means the Agent’s Warrants issuable to the Agent to purchase that number of Broker Warrant Shares equal to 2% of the number of Shares sold pursuant to the Offering (including any Over-Allotment Shares upon exercise of the Over-Allotment Option) to purchasers under the President’s List.

**“Property”** or the **“Fame Property”** means certain mineral claims situated in the Clinton Mining Division, British Columbia, more particularly described in Schedule “A” to the Property Option Agreement.

**“Property Option Agreement”** means the option agreement dated May 10, 2021, made between the Company and the Optionor relating to the Property.

**“Prospectus”** means this prospectus and any appendices, schedules or attachments hereto.

**“Shares”** means the 2,500,000 Common Shares offered for sale under this Prospectus.

**“Stock Option Plan”** means the Company’s stock option plan adopted on September 23, 2021 by the Board and providing for the granting of incentive stock options to the Company’s directors, officers, employees and consultants.

**“Subscriber”** means a person or other entity that subscribes for Shares under the Offering.

**“Technical Report”** means the technical report dated effective October 21, 2021 entitled “Technical Report on the Fame Property” prepared in accordance with the requirements of NI 43-101, authored by Agnes M. Koffyberg, M.Sc., P.Geo., (the **“Author”**), an independent consulting geologist and Qualified Person, addressed to the Company in respect of the Property.

## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Prospectus contains “forward-looking information” within the meaning of applicable Canadian securities legislation. These statements include statements relating to the plans, expectations and assumptions concerning the Fame Property, the timing and budget for exploration and the anticipated exploration programs on the Fame Property as set forth in the Technical Report, the expected cash needs and anticipated use of proceeds from this Offering, statements with respect to geological interpretation, and statements concerning the financial condition, operating strategies and operating and legal risks of the Company.

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

- the principal business carried on and intended to be carried on by the Company;
- proposed expenditures for exploration and development work on the Fame Property in accordance with the recommendations of the Technical Report, and general and administrative expenses relating to the business of the Company;
- the completion and timing of the proposed exploration program on the Fame Property;
- the size and price of the Offering and the terms and conditions of the Offering;
- the timing and closing of the Offering, including the receipt for this Prospectus, in a timely manner, of regulatory and other required approvals;
- the listing of the Common Shares on the Exchange, including the Company fulfilling all applicable listing requirements;
- the ability and intention of the Company to raise further capital to achieve its business objectives; and
- effects of COVID-19 (as defined herein) outbreak as a global pandemic.

The Company uses the words “anticipate,” “continue,” “likely,” “estimate,” “expect,” “may,” “could,” “will,” “project,” “should,” “believe” and similar expressions to identify forward-looking statements. Statements that contain these words discuss the Company’s future expectations, contain projections or state other forward-looking information. Although the Company believes the expectations and assumptions reflected in those forward-looking statements are reasonable, the Company cannot make any assurances that these expectations and assumptions will provide to be correct. The Company’s actual results, performance or achievements could differ materially from those expressed or implied in these forward-looking statements as a result of unknown risks, uncertainties, assumptions or the factors described under “Risk Factors” in this Prospectus and other factors set forth in this Prospectus, including, but not limited to:

- results of exploration at the Fame Property;
- the economic viability of exploration at the Fame Property;
- the Company’s ability to raise necessary capital to finance continued exploration of the Fame Property;
- the Company’s ability to retain key management and mining personnel necessary to successfully operate the Company’s business strategy; and
- the effects of COVID-19 outbreak as a global pandemic and expectations regarding the level of disruption to exploration at the Fame Property as a result.

Such forward-looking statements are also based on a number of assumptions made by the Company in light of the experience and perception of historical trends, current conditions and expected future developments which may prove to be incorrect, including for example, assumptions that: the Offering will be completed; the timelines to be established for the exploration of the Fame Property will be within general industry experience; the costs of exploration activities will not deviate significantly from recent trends; the Company will be able to retain key personnel; general business and economic conditions will be consistent with recent trends; the availability and final receipt of required approvals, licenses and permits; sufficient working capital; access to adequate services and supplies; commodity and precious metal prices; interest rates; access to capital and debt markets and associated costs of funds; availability of a qualified work force; that the Company will be able to procure equipment and supplies in sufficient quantities and on a timely basis; that engineering and exploration timetables and capital costs for the Company's exploration plans are not incorrectly estimated or affected by unforeseen circumstances or adverse weather conditions; that any environmental and other proceedings or disputes are satisfactorily resolved; that the Company maintains its ongoing relations with its business partners and governmental authorities; the future operations of the Company on its properties; and the effects of COVID-19 on the global economy and the ability of the Company to secure adequate staff and equipment for the operations of the Company as well as a safe environment that follows recommended COVID-19 safety protocols.

Many of these factors are beyond the Company's ability to control or predict. Readers of this Prospectus should not unduly rely on any of the forward-looking statements. These statements speak only as of the date of this Prospectus. Readers should not place undue reliance on forward-looking statements. Except to the extent as required by applicable securities laws in Canada, the Company does not undertake to revise these forward-looking statements to reflect future events or developments. Actual results may vary from such forward-looking information for a variety of reasons, including but not limited to risks and uncertainties disclosed in this prospectus under the heading "*Risk Factors*".

Forward-Looking information is disclosed under the headings "Use of Proceeds" and "Risk Factors".

### **NOTE TO INVESTORS**

An investor should rely only on the information contained in this Prospectus and is not entitled to rely on certain parts of the information contained in this Prospectus to the exclusion of others. Neither the Company nor the Agent has authorized anyone to provide investors with additional or different information. Neither the Company nor the Agent is offering to sell these securities in any jurisdictions where the offer or sale is not permitted. The information contained in this Prospectus is accurate only as of the date of this Prospectus, regardless of the time of delivery of this Prospectus or any sale of the Shares. The Company's business, financial condition, results of operations and prospects may have changed since the date of this Prospectus.

### **TECHNICAL INFORMATION**

Technical information relating to the Property contained in this Prospectus is derived from, and in some instances is an extract from, the Technical Report.

Reference should be made to the full text of the Technical Report which has been filed with Canadian securities regulatory authorities pursuant to NI 43-101 (as defined herein), available for review under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

The Company is a mineral exploration company and its Property is in the mineral exploration stage only. The degree of risk increases substantially where an issuer's properties are in the mineral exploration stage as opposed to the development or operational stage. An investment in the Shares is speculative and involves a high degree of risk and should only be made by persons who can afford the total loss of their investment. Prospective investors

should consider the risk factors in connection with an investment in the Company as set out under the heading “Risk Factors”.

### **ELIGIBILITY FOR INVESTMENT**

In the opinion of AFG Law LLP, counsel to the Company, based on the current provisions of the *Income Tax Act* (Canada) (the “Act”) and the regulations thereunder, in force as of the date hereof, and any specific proposals to amend the Act publicly announced by or on behalf of the Minister of Finance Canada prior to the date hereof, provided that, at the particular time, the Common Shares are listed on a “designated stock exchange” (as such term is defined in the Act and which currently includes tier 2 of the Exchange) or the Company is otherwise a “public corporation” (as such term is defined in the Act), the Common Shares will, at such particular time, be “qualified investments” under the Act for a trust governed by a registered retirement savings plan (“RRSP”), a registered retirement income fund (“RRIF”), a registered education savings plan (“RESP”), a deferred profit sharing plan, a registered disability savings plan (“RDSP”) and a tax-free savings account (“TFSA”), each as defined under the Act (collectively, the “Plans”).

The Common Shares are not currently listed on a designated stock exchange and the Company is not currently a “public corporation”, as that term is defined in the Tax Act. The Company has applied to list the Common Shares on the Exchange as of the day before the Closing of the Offering, followed by an immediate halt in trading of the Common Shares in order to allow the Company to satisfy the conditions of the Exchange and to have the Common Shares listed and posted for trading prior to the issuance of the Common Shares on the Closing of the Offering. The Company must rely on the Exchange to list the Common Shares on the Exchange and have them posted for trading prior to the issuance of the Common Shares on the Closing of the Offering and to otherwise proceed in such manner as may be required to result in the Common Shares being listed on the Exchange at the time of their issuance on Closing. If the Common Shares are not listed on the Exchange at the time of their issuance on the Closing of the Offering and the Company is not otherwise a “public corporation” at that time, the Common Shares will not be qualified investments for the Plans at that time.

Notwithstanding that the Common Shares may be a qualified investment for a trust governed by an RRSP, RRIF, RESP, RDSP or TFSA (a “Registered Plan”), the annuitant of the RRSP or RRIF, the subscriber under an RESP or the holder of a TFSA or RDSP, as the case may be, (the “Controller”) will be subject to a penalty tax in respect of Common Shares acquired by a Registered Plan if such Common Shares are a “prohibited investment” for the particular Registered Plan. The Common Shares will generally be a “prohibited investment” of a Registered Plan if the Controller of the Registered Plan does not deal at arm’s length with the Company for the purposes of the Act or has a “significant interest” (as defined in subsection 207.01(4) of the Act) in the Company. In addition, the Common Shares will not be a “prohibited investment” if the Common Shares are “excluded property” as defined in the Act for a Registered Plan.

**Purchasers who intend to hold Common Shares in their Plans, should consult their own tax advisors in regard to the application of these rules in their particular circumstances.**

## PROSPECTUS SUMMARY

*The following is a summary of the Company, investment highlights, and the principal features of the Offering and should be read together with, and is qualified in its entirety by, the more detailed information and financial data and statements contained elsewhere in this Prospectus. Readers are directed to carefully review this Prospectus in its entirety.*

### **The Company**

The Company is a mineral resource company engaged in the identification, acquisition and exploration of mineral properties, primarily in the Province of British Columbia. See “Business of the Company”. The Company’s main emphasis is the exploration of the Fame Property located in the Clinton Mining Division, British Columbia, to which the Company has an option to acquire 100% undivided interest in pursuant to the Property Option Agreement. The Fame Property is more specifically described below in this Prospectus under the heading “Narrative Description of the Business”.

### **The Fame Property**

Pursuant to the terms of the Property Option Agreement, the Company has the option to acquire a 100% undivided interest in the Property. Pursuant to the Property Option Agreement, the Company agreed to, over a thirty-six month period: (a) make cash payments to the Optionor in the aggregate amount of \$300,000; (b) issue to the Optionor 3,000,000 Common Shares; and (c) incur a minimum of \$2,000,000 in exploration expenditures on the Property.

The Property consists of eleven (11) mineral claims comprising a total of approximately 3200.05 hectares in the Clinton Mining Division, British Columbia.

The Technical Report on the Property, dated effective October 21, 2021, was completed by the Author who is a “Qualified Person” as defined in NI 43-101. See “Narrative Description of the Business”.

### **The Offering**

Minimum Offering of 2,500,000 Shares for aggregate gross proceeds of \$500,000.

Issue Price is \$0.20 per Share (the Commission of up to \$0.018 per Share shall be paid to the Agent out of the gross proceeds of the Offering, including proceeds from the sale of any Over-Allotment Shares).

The Company has granted to the Agent the Over-Allotment Option, exercisable, in whole or in part, at the sole discretion of the Agent, at any time up to forty-eight hours prior to the Closing Date, to sell up to 375,000 Over-Allotment Shares, representing 15% of the number of Shares sold under the Offering at a price of \$0.20 per Over-Allotment Share, to cover over-allotments, if any, in connection with market stabilization purposes. A purchaser who acquires Over-Allotment Shares forming part of the Agent’s over-allocation position acquires those securities under this Prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. This Prospectus qualifies the grant of the Over-Allotment Option and the distribution of the Over-Allotment Shares issuable upon exercise of the Over-Allotment Option. See “Plan of Distribution”.

The Agent will also receive the Agent’s Warrants (including the President’s Commission and Warrants).

The Prospectus qualifies the distribution of the Agent’s Warrants (which include the President’s List Warrants)

See “Plan of Distribution”.

### **Net Proceeds**

The net proceeds of the Offering after deduction of the Commission will be \$455,000 (assuming the Over-Allotment Option is not exercised and assuming no President’s List Commission) before deduction of the remaining costs of the Offering, which are estimated to be \$73,000 and the Corporate Finance Cash Fee of \$20,000. If the Over-Allotment Option is exercised in full, the total gross proceeds, Agent’s Commission and net proceeds to the Company will be \$575,000, \$51,750 and \$523,250, respectively.

## Use of Proceeds

The gross proceeds to the Company from the sale of the Shares will be \$500,000 (assuming no exercise of the Over-Allotment Option). The total funds available to the Company at the Closing, after deducting the remaining estimated expenses of the Offering of \$73,000, the Agent's Commission of \$45,000 (assuming no President's List Commission) and the Corporate Finance Cash Fee of \$20,000 and including working capital as at October 31, 2021 of approximately \$77,000, are estimated to be \$439,000. The Company intends to expend available funds for the following principal purposes over the twelve (12) month period following the Listing Date:

	<b>Minimum</b>
Cost of the Phase I exploration program on the Property <sup>(1)</sup>	\$201,500
Property payments pursuant to the Property Option Agreement within 10 days of the Effective Date <sup>(1)</sup>	\$20,000
General and administrative costs for 12 months <sup>(2)</sup>	\$80,000
Unallocated working capital	\$137,500
<b>TOTAL</b>	<b>\$439,000</b>

(1) See "Narrative Description of the Business".

(2) The Company estimates that its general and administrative costs will include transfer agent fees of \$6,000, professional fees (including legal and audit) of \$40,000, director and management fees (including accounting fees) of \$24,000 and Exchange fees of \$10,000.

**The Company has had a negative operating cash flow since the commencement of its activities and in its most recently completed financial year and will continue to for the foreseeable future.** See "Use of Proceeds" and "Risk Factors".

Although the Company intends to expend the proceeds from the Offering as set out above, the amount actually expended for the purposes described above could vary significantly depending on, among other things, the price of gold and other precious metals, unforeseen events, and the Company's future operating and capital needs from time to time. There may be circumstances where, for sound business reasons, a reallocation of funds may be necessary.

Any additional proceeds from the exercise of the Over-Allotment Option will be added to working capital of the Company.

## Risk Factors

An investment in the Shares should be considered highly speculative and investors may incur a loss on their investment. The Company has an option only to acquire an interest in the Fame Property. There is no guarantee that the Company will be able to meet its obligations under the Property Option Agreement. The risks, uncertainties and other factors, many of which are beyond the control of the Company, that could influence actual results include, include but are not limited to the following: exploring mineral properties is high risk; insufficient capital; limited operating history; lack of operating cash flow; there is not presently an active market for the Company's Common Shares; the future price of the Company's Common Shares will vary depending on factors unrelated to the Company's performance or intrinsic fair value; the Company's ability to discovery commercial quantities of ore is uncertain; the Company's ability to market ore discovered by the Company is uncertain and dependent on variables beyond the Company's control and subject to a high degree of variability and uncertainty; the Company's ability to develop commercially marketable ore depends on variables that are unknown at this time; some aspects of the Company's operations entail risk that cannot be insured against or may not be covered by insurance; the calculation of the economic value of ore is subject to a high degree of variability and uncertainty; the Company does not have a guarantee of title; uncertainties about the resolution of Aboriginal rights in British Columbia may affect the Company; community groups; global financial conditions may impact the Company's ability to raise additional funds; the COVID-19 pandemic is impacting mining operations and the global economy; property interests; the future price of gold is uncertain and may be lower than expected; climate change may making mining operations more expensive; the Company is an early stage company; the Company operates at a loss and may never generate

a profit; the Company operates in a highly competitive environment; the Company operates in a highly regulated environment that is subject to changes, some unforeseen, to government policy; obtaining and renewing licenses and permits; the Company operates in an environment with significant environmental and safety regulations and risks; regulatory requirements; volatility of mineral prices; infrastructure; risks associated with acquisitions; dependence on management; the Company is subject to legal and political risks; adverse general economic conditions; claims and legal proceedings; force majeure; uncertainty of use of proceeds; some of the Company's directors have significant involvement in other companies in the same sector; the value of the Shares may be significantly diluted; price volatility of publicly traded securities; and reporting issuer status. See the section entitled "Risk Factors" for details of these and other risks relating to the Company's business. **An investment in the Shares is suitable for only those investors who are willing to risk a loss of their entire investment and who can afford to lose their entire investment. Subscribers should consult their own professional advisors to assess the income tax, legal and other aspects of an investment in the Shares.**

### Summary of Financial Information

The following selected financial information is subject to the detailed information contained in the financial statements of the Company and notes thereto appearing elsewhere in the Prospectus. The selected financial information is derived from the audited financial statements for the financial period from incorporation on April 27, 2021 to August 31, 2021. The Company has established August 31, 2021 as its financial year end. See "Selected Financial Information and Management Discussion and Analysis".

	<b>From Incorporation on April 27, 2021 to August 31, 2021 (audited)</b>
Total Revenues	-
Exploration and Evaluation Assets	\$130,291
Professional Fees	\$15,250
Office and Miscellaneous Expenses	\$5,774
Stock-based compensation expense	Nil
Net Loss and Comprehensive Loss for the Period	\$21,024
Loss per share (basic and diluted)	(\$0.01)
Total Assets	\$260,647
Total Liabilities	\$77,671
Cash dividends per share	Nil

### Currency

Unless otherwise indicated, all currency amounts herein are stated in Canadian Dollars.

## CORPORATE STRUCTURE

### Name, Address and Incorporation

The Company was incorporated on April 27, 2021 under the name "Longhorn Exploration Corp." pursuant to the *Business Corporations Act* (British Columbia).

The Company's head office and registered and records office are located at Suite 605 – 815 Hornby Street, Vancouver, British Columbia V6Z 2E6.

### Intercorporate Relationships

The Company has no subsidiaries.

## GENERAL DEVELOPMENT OF THE BUSINESS

### History

The Company is involved in the identification, acquisition and exploration of mineral properties primarily in the Province of British Columbia. Since incorporation, the Company has taken the following steps in developing its business: (i) identified and acquired a mineral property interest with sufficient merit to warrant exploration; (ii) raised funds to progress the Company's exploration activities on its mineral property, as described herein; (iii) completed the Technical Report on the Fame Property; and (iv) retained directors, officers and employees with the skills required to successfully operate a public mineral exploration company.

The directors and officers of the Company have experience in mineral exploration and development and several potential prospects were examined commencing immediately upon incorporation. On May 10, 2021, the Company entered into the Property Option Agreement, pursuant to which the Company was granted the sole and irrevocable right and option to acquire 100% interest in the Fame Property. Information regarding the Fame Property and the particulars of the material terms of the Property Option Agreement are described in greater detail below.

### Business of the Company

The principal business activities carried on by the Company since incorporation and expected to be carried on during the current financial year is exploration operations on the Fame Property. Throughout the remainder of its current financial year, the Company intends to continue to fulfill its obligations under the Property Option Agreement, and undertake the Phase I exploration program on the Fame Property as recommended in the Technical Report. While exploration of the Fame Property and commitments under the Property Option Agreement are the Company's current and foreseeable focus, during that same time period, the Company may also assess other mineral properties and potentially seek to acquire interests in such properties if the Company determines such properties have certain geologic or economic merit and if the Company has adequate financial resources to pursue such acquisitions.

The Company entered into the Property Option Agreement dated May 10, 2021 with the Optionor, pursuant to which the Company was granted an irrevocable and exclusive option to acquire a 100% interest in the Property. The Optionor holds the mineral claims which comprise the Property. The Optionor is at arm's length to the Company.

In order to exercise its option to acquire a 100% interest in the Property, pursuant to the terms of the Property Option Agreement, the Company is required to, over a thirty-six month period following the Listing Date: (a) make cash payments to the Optionor in the aggregate amount of \$300,000; (b) issue to the Optionor 3,000,000 Common Shares; and (c) incur a minimum of \$2,000,000 in exploration expenditures on the Property, in accordance with the schedule as set out under "Narrative Description of the Business – Fame Property" below.

To the date of this Prospectus, the Company has raised \$229,000 through the sale of Common Shares by way of private placements. See "Prior Sales".

### Competitive Conditions

The mineral exploration industry is competitive, with many companies competing for the limited number of precious and base metals acquisition and exploration opportunities that are economic under current or foreseeable metals prices, as well as for available investment funds. Competition is also high for the recruitment of qualified personnel and equipment.

## **Government Regulation**

Mining operations and exploration activities in Canada are subject to various laws and regulations which govern prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, protection of the environment, mine safety, hazardous substances and other matters.

The Company believes that it is and will continue to be in compliance in all material respects with applicable statutes and the regulations passed in Canada, but no assurance can be given that the same will not be changed or that any such changes would not have material adverse effects on the Company's activities. There are no current orders or directions relating to the Company with respect to the foregoing laws and regulations.

## **Environmental Regulation**

The Company's mineral exploration activities are subject to various federal, provincial and local laws and regulations, as applicable, governing protection of the environment. In general, these laws are amended often and are becoming more restrictive. The Company's policy is to conduct its business in a way that safeguards public health and the environment. The Company believes that its operations are conducted in material compliance with applicable environmental laws and regulations.

Since its incorporation, the Company has not had any material environmental incidents or non-compliance with any applicable environmental laws or regulations. The Company estimates that it will not incur material capital expenditures for environmental control facilities during the current fiscal year and in the future unless the Company transitions from a mineral exploration company to a development and/or production.

## **Other Property Interests and Mining Claims**

The Company currently has no other interests other than as described in this Prospectus.

## **Trends**

As a junior mining issuer, the Company is highly subject to the cycles of the mineral resource sector and the financial markets as they relate to junior companies.

The Company's financial performance is dependent upon many external factors. Both prices and markets for metals are volatile, difficult to predict and subject to changes in domestic and international, political, social and economic environments. Circumstances and events beyond its control could materially affect the financial performance of the Company.

## **Economic Dependence**

The Company's business is not dependent on any contract to sell the major part of its products or services or to purchase the major part of its requirements for goods, services or raw materials, or on any franchise or licence or other agreement to use a patent, formula, trade secret, process or trade name upon which its business depends. It is not expected that the Company's business will be affected in the current financial year by the renegotiation or termination of contracts or subcontracts. The Company has an option to acquire a 100% undivided interest in the Property pursuant to the Property Option Agreement. There is no guarantee that the Company will be able to meet its obligations under the Property Option Agreement.

## **Employees**

As of August 31, 2021, the Company had no employees. As the Company expands its activities, it is probable that it will hire employees and may engage additional consultants.

## NARRATIVE DESCRIPTION OF THE BUSINESS

### Stated Business Objectives

The Company is a natural resource company engaged in the acquisition and exploration of mining properties. The Company's principal focus since incorporation for the foreseeable future is exploration operations on the Fame Property to which the Company holds a 100% option to acquire. The Company commenced operations on the Fame Property in August 2021. To the date of this Prospectus, the Company has incurred expenditures totaling \$130,291 in respect of the Fame Property, consisting of \$110,291 in exploration costs and \$20,000 in acquisition costs pursuant to the Property Option Agreement.

The Company intends on expending existing working capital and net proceeds raised from the Offering to pay the balance of the estimated costs of this Offering, to undertake exploration on the Fame Property, make required cash payments under the Property Option Agreement, to pay general and administrative costs for the next twelve months and for working capital.

### Fame Property

#### *Property Option Agreement*

The Fame Property consists of eleven (11) mineral claims comprising a total of approximately 3,200.05 hectares in the Clinton Mining Division, British Columbia.

On May 10, 2021, the Company entered into the Property Option Agreement with the Optionor, pursuant to which the Company may earn and acquire a 100% right, title and interest, subject only to a 2.0% net smelter return royalty payable to the Optionor, in the Fame Property by:

- (a) making a total of \$300,000 cash payments to the Optionor as follows:
  1. \$20,000 within 60 days after execution and delivery of the Property Option Agreement (paid);
  2. \$20,000 within 10 days after the Effective Date;
  3. \$75,000 by the 18-month anniversary of the Effective Date;
  4. \$60,000 by the 24-month anniversary of the Effective Date; and
  5. \$125,000 by the 36-month anniversary of the Effective Date,
  
- (b) issuing a total of 3,000,000 Common Shares to the Optionor as follows:
  1. 400,000 Common Shares within 10 days after the Effective Date;
  2. 600,000 Common Shares by the 18-month anniversary of the Effective Date;
  3. 1,000,000 Common Shares by the 24-month anniversary of the Effective Date; and
  4. 1,000,000 Common Shares by the 36-month anniversary of the Effective Date,
  
- (c) incurring minimum expenditures on the Fame Property of not less than an aggregate of \$2,000,000 according to the following schedule:
  1. \$200,000 on or before the 12-month anniversary of the Effective Date;
  2. an additional \$600,000 by the 24-month anniversary of the Effective Date; and
  3. an additional \$1,200,000 by the 36-month anniversary of the Effective Date.

The cash payments, Common Share issuances and exploration expenditures on the Property may be accelerated at the Company's option.

The Property Option Agreement grants the Company an option only. The Company is, therefore, not obligated to meet any of the above option obligations in the event that it chooses to terminate the Property Option Agreement and abandon the Property for any reason. The Company may terminate the Property Option Agreement at any time on notice to the Optionor prior to exercise of the Option. The Property Option Agreement will be deemed to be terminated by the Company if: (a) the Company fails to make any payments, issue any Common Shares or complete any exploration expenditures by the dates set out in the Property Option Agreement and any such failure persists for more than 45 days following the due date for any such payment, issuance or expenditure or (b) the Effective Date has not occurred by February 28, 2022.

Pursuant to the Property Option Agreement, the Company is entitled to be the operator with respect to all exploration work to be carried out on the Property for the duration of the option. Upon completion by the Company of all of its obligations under the Property Option Agreement, it will have earned a 100% undivided interest in the Property, subject only to a 2.0% net smelter returns royalty payable to the Optionor upon commencement of commercial production, half of which may be repurchased by the Company for \$500,000, leaving a remainder of a 1.0% net smelter returns royalty.

Further, pursuant to the Property Option Agreement, if at any time a party stakes or otherwise acquires, directly or indirectly, a right to any mining claim, licence, lease, grant, concession, permit patent or other mineral property located wholly or partly within two (2) km of the outermost boundary of the Fame Property as of the date of execution of the Property Option Agreement, the other party has the right to require such acquired rights to be subject to the Property Option Agreement.

**The following information has been excerpted from the Technical Report, a technical report prepared in accordance with NI 43-101 titled “Technical Report on the Fame Property” prepared by the Author, dated effective October 21, 2021. During the period of the Offering, the Technical Report is available on the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com). Certain maps and figures are not included in the Prospectus, but they may be viewed in the Technical Report. The following information has been revised in respect of certain references. Prospective purchasers are encouraged to read the Technical Report in its entirety.**

## **Property Description and Location**

### ***Location***

The Property is located in south-central British Columbia, approximately 82 kilometres ("km") southwest of the City of Williams Lake, BC, and about 50 km southeast of the community of Hanceville (Figure 4.1). The Property ranges from latitude 51° 28' 29" to 51° 31' 14" north and from longitude 122° 42' 50" to 122° 49' 13" west. The approximately centre, to within 100 m, is 616208E, 5704908 N, Zone 10, NAD 83, as UTM units.

### ***Ownership***

The Property consists of 11 contiguous BC Mineral Tenures Online ("**MTO**") mineral titles in the Clinton Mining Division. These titles cover an area of 3,200 hectares (Figure 4.2). The titles are located on BCGS Map Sheets 092O 046, 047, 056 and 057. Table 4.1 lists the details of these titles. There are no underlying district lots on the Property. The mineral titles are 100% owned by Mr. Christopher Dyakowski.

The status of all the mineral titles is listed as protected. The BC Ministry of Mines issued a blanket Time Extension (Protection) Order on March 27, 2020, that automatically applies to all titles with good to / expiry dates on or before December 31, 2021. The Order stated that these titles have been given extra time, to December 31, 2021, to register work (or payment instead of work). Enough work (or payment instead of work) must be registered on or before December 31, 2021 to bring the good to / expiry date of the titles into good standing.

Exploration expenditures to maintain the mineral titles of the Fame Property are about \$64,000 per year. Expenditures by Longhorn in 2021 are sufficient to maintain the mineral titles beyond June 2022.

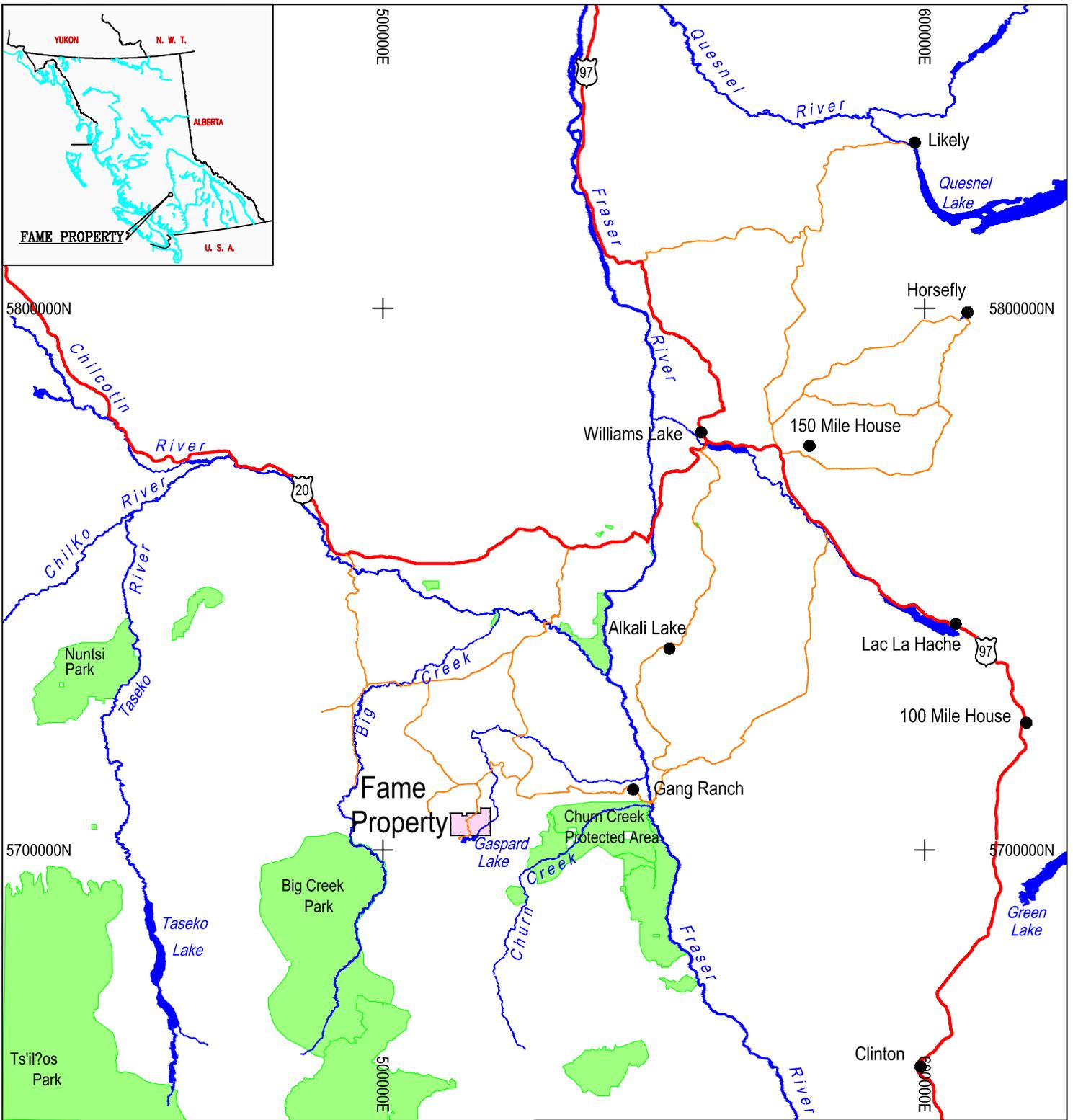
Longhorn entered into the Property Option Agreement with Christopher Dyakowski on May 10, 2021, to which Longhorn has the option (the "**Option**") to earn a 100% interest in the Fame Property. The Option may be exercised by Longhorn performing the following:

- i. incurring exploration expenditures of \$2,000,000 over a 36-month period, including a minimum \$200,000 on or before the 12-month anniversary of the Effective Date, and the final \$1,200,000 on or before the 36-month anniversary of the Effective Date;
- ii. making cash payments totalling \$300,000, on or before the 36-month anniversary of the Effective Date; and
- iii. issuing 3,000,000 shares of Longhorn over a 36-month period.

**Table 4.1: List of Mineral Titles, Fame Property**

Tenure Number	Claim Name	Owner	Map Number	Issue Date	Good To Date*	Area (ha)
799487	FAME 1	Christopher Dyakowski	092O	2010/JUN/26	2021/JUN/26	80.49
799502	FAME 2	" "	092O	2010/JUN/26	2021/JUN/26	281.68
799503	FAME 3	" "	092O	2010/JUN/26	2021/JUN/26	181.13
799522	FAME 4	" "	092O	2010/JUN/26	2021/JUN/26	181.10
799562	FAME 5	" "	092O	2010/JUN/26	2021/JUN/26	60.36
799564	FAME 6	" "	092O	2010/JUN/26	2021/JUN/26	80.51
799602	FAME 7	" "	092O	2010/JUN/26	2021/JUN/26	462.80
799623	FAME 8	" "	092O	2010/JUN/26	2021/JUN/26	483.14
799624	FAME 9	" "	092O	2010/JUN/26	2021/JUN/26	503.02
799642	FAME 10	" "	092O	2010/JUN/26	2021/JUN/26	503.28
799643	FAME 11	" "	092O	2010/JUN/26	2021/JUN/26	382.54
					<b>Total hectares</b>	<b>3,200.05</b>

\*The status of all the mineral titles is listed as protected. The BC Ministry of Mines issued a blanket Time Extension (Protection) Order on March 27, 2020, that automatically applies to all titles with good to / expiry dates on or before December 31, 2021. The Order stated that these titles have been given extra time, to December 31, 2021, to register work (or payment instead of work). Enough work (or payment instead of work) must be registered on or before December 31, 2021 to bring the good to / expiry date of the titles into good standing. Exploration expenditures to maintain the mineral titles of the Fame Property are about \$64,000 per year. Expenditures by Longhorn in 2021 are sufficient to maintain the mineral titles beyond June 2022.



Longhorn Exploration Corp.

Fame Property

Clinton MD, BC

**Property Location & Access**



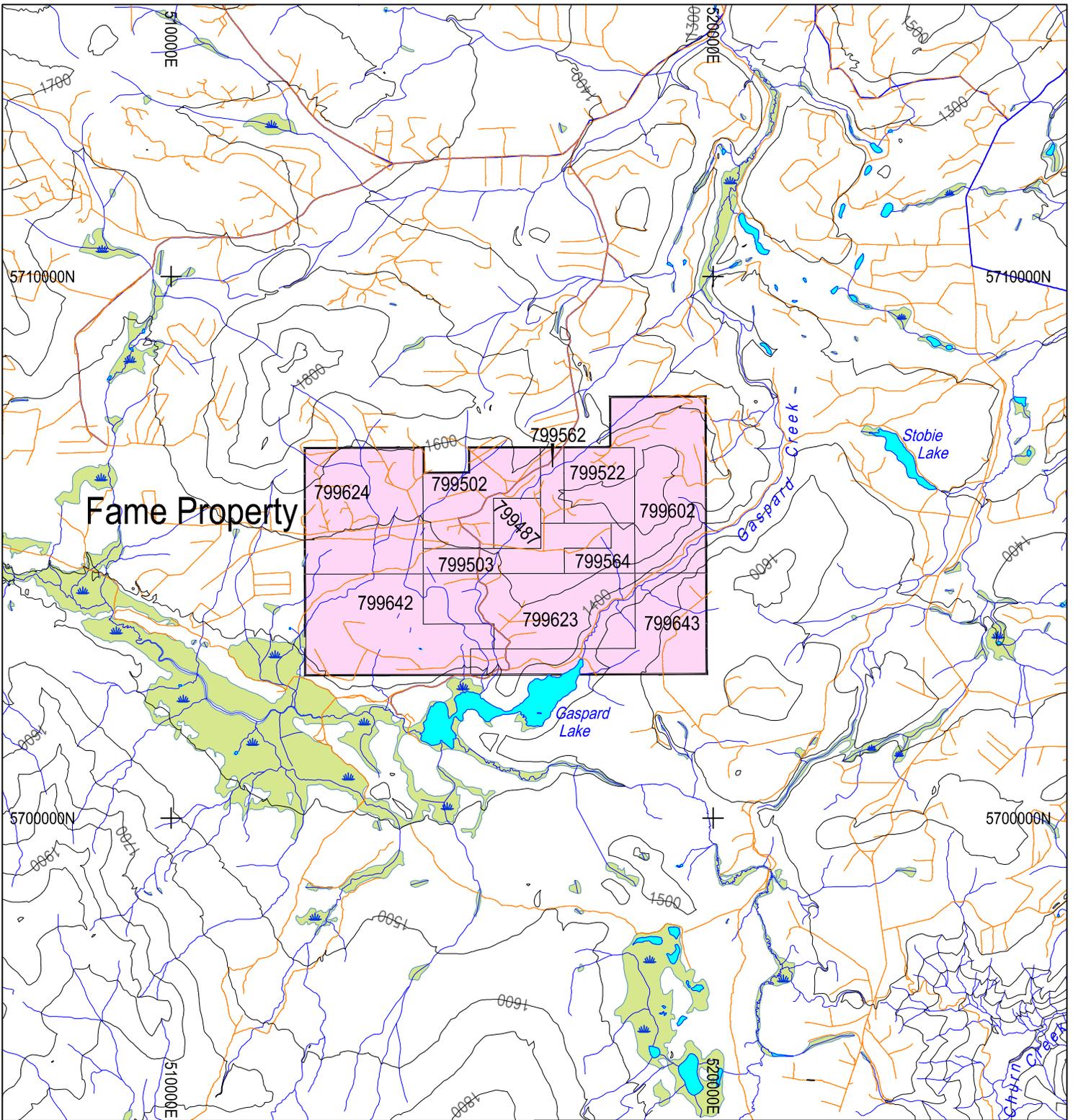
kilometres  
Datum = NAD 83 Zone 10



To accompany a report by : A.Koffyberg, PGeo.

Base map after : NM10, NN10 digital BC

Dwg. by:	Discovery	Scale:	1:1,000,000
Date:	Sept.30, 2021	Figure:	4.1



**Fame Property**

Longhorn Exploration Corp.

Fame Property

Clinton MD, BC

**Mineral Title Locations**



kilometres

Datum = NAD 83 Zone 10

Topographic contour Interval = 100m



To accompany a report by : A.Koffyberg, PGeo.

Base map after : Trim 1:20,000 / 0920.046,.047,.056,.057

Dwg. by: Discovery

Scale: 1:100,000

Date: Sept.30, 2021

Figure: 4.2

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

The Property is located in south-central British Columbia, about 82 km southwest of the City of Williams Lake and 94 km west-northwest of the town of Clinton. The Property can be reached via Highway 20 from Williams Lake, heading west for approximately 44 km to the village of Riske Creek. From Riske Creek, the 2000 Forest Service Road (“FSR”), also known as the Farwell Canyon Road, heads south across the Chilcotin River. At the "Y" road junction after 33 km, the FSR 2000 continues on the left fork, following the signs to the FSR 2200 and Gaspard Creek roads, followed by the right fork at the junction of the FSR 2200 and 2800. After 33 km, the road intersects the FSR 2900, which leads onto the Property. Total road distance from Williams Lake is approximately 120 km with a travel time of about two hours.

Alternatively, the Property can be reached from Clinton, by heading north on Highway 97 for 16 km to Chasm, then turning left onto the Meadow Lake gravel road. After 21 km, this road joins the Dog Creek (Canoe Creek) road. At a distance of 75 km from the highway, the Gang Ranch Road leaves the Dog Creek Road and crosses the Fraser River, and then passes by the Gang Ranch. About 5 km further is the turnoff for the FSR 3100, which heads west to the FRS 2800, and eventually to the junction of the FSR 2200 – 2800 roads, as mentioned above. Total road distance from Clinton is approximately 150 km with a travel time of three hours. Access within the Property is via a network of maintained and unmaintained gravel logging roads.

The Property, about 7 km east-west by 5 km north-south, lies within the Chilcotin Plateau, which is part of the larger Central Plateau, and is situated between the Coast Mountains to the west and the Fraser River to the east. The terrain in the region is characterized by low, rolling hills cut by sporadic, steep-sided gullies. The relief on the Property is about 300 metres, ranging from about 1,350 metres at Gaspard Lake to 1,665 metres in the northeast corner. There is little outcrop exposure through most of the Property; in general, exposures occur along road cuts and within river valleys. The general direction of glacial transport is north-northeast.

Gaspard Lake lies to south of the Property and flows into Gaspard Creek. The southern part of the Property drains into Gaspard Lake whereas the northern part drains into Gaspard Creek, which flows north and east to eventually join the Fraser River. Creeks on the Property are small and usually ephemeral. Wetlands are present locally. Vegetation includes forested areas of lodge pole pine, with local spruce, poplar and willow near streams. Large parts of the Property have been logged and currently consist of grassland, clear-cuts or second growth forest, approximately 20 to 30 years old.

The climate of the region is semi-arid with an average annual precipitation of 426 mm (17 inches). Summers are hot and dry, averaging between 17 and 24°C, whereas winters are cold and typically between 0 and -15°C. Snow accumulates between November and April with an average light snowpack of about one metre. Exploration is best done from May to October.

The City of Williams Lake is the largest city in the Cariboo – Chilcotin region. Located along Highway 97, it is also supported by rail service and has regular scheduled air service to Vancouver. It can provide support services including heavy equipment rental, lodging, fuel and supplies. Some support services are also available in the town of Clinton.

There is sufficient water available on the Property for drilling at the exploration stage. Mining operations are not relevant at this time. Infrastructure such as power supply, along with available mining personnel are located at Williams Lake.

## **History**

The history section has been summarized in a technical report by geologist G.J. Allen entitled “Technical Report on the Geophysical, Geochemical and Prospecting Surveys on the Fame Property, Clinton Mining Division,

British Columbia”, for San Antonio Ventures Inc. (“**Allen (2014)**”); the following section has been adapted from his summary.

The area was first explored in the 1970s, when various companies explored for porphyry copper and uranium deposits. Long Lac Mineral Exploration Ltd. drilled two percussion holes immediately southwest of the current Property, targeting uranium in basal Miocene sediments. Drill hole WH/1 was abandoned in till at 30.5 metres and drill hole WH/2 penetrated till and 82.3 metres of apparent Miocene basalt. No radiation levels were reported, and neither hole reached their target depths.

Exploration for epithermal gold-silver mineralization in the region began in the mid-1980s with the opening of the Blackdome gold mine in 1986. At that time, geologist B. Bowen discovered gold-bearing, vuggy, quartz vein float along a logging road-cut while following up a stream sediment anomaly. The “Discovery zone”, on the present day Property, consists of a northwest trending area roughly 100 by 400 metres.

The following summer Bowen and partner A.C. Gordon continued prospecting and rock sampling in the area of the Discovery zone. Gold values within vuggy vein and breccia float reached up to 38,200 ppb Au. They staked the Fame and Fortune mineral claims and optioned the property to Canamax Resources Inc. (“**Canamax**”) in 1988.

Canamax staked additional claims (Gas 1 to 17) and completed geological mapping at a scale of 1:20,000, with selected areas at a scale of 1:5,000. In addition, 2,873 soil samples were collected on three grids. The program outlined the Kelsch showing and the Double Diamond Showing, to the northeast of the Discovery zone. This work was followed by backhoe trenching on 15 trenches on the Discovery showing. Best rock chip results include 2 metres of 3,400 ppb Au; 1.7 metres of 3,920 ppb Au; 6 metres of 937 ppb Au; and 300 metres of 1,543 ppb Au, in 4 different trenches. Trenching was also done on the Kelsch and Double Diamond showings. Later that summer, diamond drilling was done in the Discovery area and the Kelsch showing, totalling 702 metres in nine NQ core holes. Best intersection was a 1.5 metre interval grading 1.16 g/t Au on a granodiorite dike margin. No information is given for holes GAS 88-4, 5 and 9. The company terminated their option the following year.

Bowen and Gordon continued to evaluate their property in 1989, staking additional mineral claims, and expanding the known area of mineralization. They prospected a total area of 30 square kilometres, took 128 rock chip and grab samples, 127 soil samples and 7 silt samples, as well as completed an air photo lineament study. They identified a new area of mineralization, termed the Twilight zone to the southwest of the Discovery zone. Interpretation of air photos identified a regional northeast trending feature termed the Kelsch Lineament, extending for several kilometres, and thought to be spatially related to the gold showings. A separate northwest structure, termed the Discovery Lineament was outlined, with the Discovery zone occurring along and parallel to the lineament.

In 1990, the property was optioned to Goldsmith Minerals Ltd (“**Goldsmith**”). Goldsmith conducted ground magnetic and VLF resistivity surveys on five grids, looking for zones of silicification. At the Discovery and Twilight zones, resistivity anomalies were outlined as singular targets, whereas at the Double Diamond - Kelsch showing area, a series of parallel, northeast trending, resistive zones were outlined over an area of about 400 metres.

The resistivity geophysical targets were drilled later that year with six NQ diamond drill holes totalling 817.9 metres; five holes located within the current Property. Holes 90-1 and 90-2 drilled the Twilight zone, intersecting vuggy, epithermal-type quartz veins and a few scattered one-metre intervals containing anomalous gold up to 890 ppb Au. One drill hole (90-3) on the Discovery zone did not intersect significant mineralization. Within holes 90-4 and 90-5 on the (Kelsch) Double Diamond showing, a few zones of quartz stringers and associated silicification were intersected, but no significant gold values were obtained.

Goldsmith carried out another reconnaissance VLF survey along the extensions of the Twilight and Kelsch showings. Resistivity anomalies were outlined north of Gaspard Lake and northeast of the Kelsch showing. Two reverse circulation drill holes were drilled in 1991 at the Twilight zone. Hole 91-1 twinned the former hole 90-2 to compare analytical results; similar gold values (660 ppb versus 980 ppb) were obtained at similar depths between 30.5 and 32 meters. Hole 91-2 was collared 100 metres to the southwest along the extension, but failed to drill any significant mineralization. The property was allowed to lapse.

The property was re-staked by geologist L. Caron in 1998 as the Fame 1-6 claims. Exploration in 1998 and 1999 comprised prospecting, geological observations, rock sampling and air photo interpretation. Rock sampling of epithermal vein material in the historical Discovery trenches yielded gold values of 13,000, 8,470 and 5,060 ppb Au. Vuggy quartz vein float had values of 7,190, 2,130 and 1,090 ppb Au. Geologist G. Peatfield concluded that the property was under-explored and had potential for additional discoveries.

The property was staked by J.A. Kemp and J.T. Turner in 2004, converted to BC MTO online mineral titles in 2005, and subsequently optioned to Appleton Exploration Inc. (“**Appleton**”). The property was explored in 2006 as part of the Stobart / Fame group of claims; a large property staked in order to cover the majority of the Spences Bridge Group rocks along its northern extension. As part of the 2006 exploration program, a 1,000 metre by 1,000 metre soil grid was established over the Twilight zone. Dispersed gold-in-soil anomalies were located over an area one kilometre by 600 metres, with values from 10 to 75 ppb Au. In total, seven rock grabs were collected: four on the Double Diamond showing, two from the Discovery zone and one from the Twilight zone. The two samples of quartz veins and breccias from the Discovery zone ran 2,270 and 150 ppb Au.

In 2007, the company continued exploration with excavator trenching in the Double Diamond showing (five trenches) and the Kelsch showing (three trenches), along with a limited gridded soil survey in these areas. Chip sampling resulted in 4 metres of 400 ppb Au and 5 metres of 460 ppb Au within two trenches in the Double Diamond showing. Trenching in the Kelsch showing failed to reach bedrock. Small gridded soil surveys were also completed in these showings. The claims were allowed to lapse in 2010.

The Property, as it exists today, was staked in 2010, using BC MTO online staking by Mr. R. Billingsley, and subsequently optioned to San Antonio Ventures Inc. (“**San Antonio**”). San Antonio contracted Aeroquest Airborne to conduct an airborne magnetic and TEM survey later that year. In total, 405 line-km were flown in an east-west direction, covering an area of 3,170 hectares. A northeast trending area of low magnetic susceptibility, approximately 1.2 km wide, was outlined, coincident with the Kelsch lineament, and with the known showings on the Property. Figure 6.1 outlines this area between lineaments A1 and A2. A similar, parallel magnetic low region trends along Gaspard Creek approximately 3 km to the southeast, labelled Fault B on Figure 6.1. Secondary cross cutting lineaments were also outlined, trending to the northwest (Lineaments C, D, E and F on Figure 6.1). Results from the AeroTEM survey outlined a conductor to the southwest of the Discovery zone; however it was thought that the response was due to water saturated, conductive alluvium or till.

In 2011, based on recommendations from a technical report by geologist J.R. Kerr entitled “Technical Report on the Fame Property, Clinton Mining Division, British Columbia”, the company conducted an extensive soil geochemical survey and a limited amount of prospecting on the known showings. Soil lines were set north-south, with 100 metre spacing, and grid stations at every 50 metres. In total, 4,417 “B” horizon soil samples were collected, resulting in the majority of the Property being surveyed, except for the eastern section.

Gold values range up to 339 ppb Au and form sporadic, isolated gold highs, with several high values located at the Discovery zone. Technical Report on the Geophysical, Geochemical and Prospecting Surveys on the Fame Property, Clinton Mining Division, British Columbia authored by G.J. Allen in 2011 outlined a cluster of gold highs roughly parallel to and north of the Kelsch lineament. Other northwest gold anomalous trends were outlined. Arsenic values were low, generally less than 10 ppm As. Similarly, silver values were generally less

than 0.5 ppm Ag, but did cluster in the northwest corner of the Property, suggesting an underlying lithology distinct from the rest of the grid. Copper values were less than 70 ppm Cu and were similar to silver.

The 2011 prospecting program resulted in a total of 26 rock samples and 12 soil samples collected. One rock consisting of quartz vein float, collected in the historic Double Diamond trench, contained 1,709 ppb Au and 50 ppm As.

San Antonio continued exploration in 2012 by contracting SJ Geophysics Ltd. to conduct a 3D induced polarization (IP) survey. The survey covered the known showings on the Property as well as part of the 1.2 km wide magnetic susceptibility low along the Kelsch lineament. Lines were oriented north-south and spaced at 100 metre intervals, for a total of 15 line-km.

Three zones of higher chargeability were outlined at a depth of 125 metres. In the south central part of the grid, one zone of high chargeability is coincident with a zone of higher resistivity, lying 200 metres east of the historical 1988 float samples that had high gold mineralization. This represents a potential pyritic, silicification zone related to epithermal mineralization. Two other chargeability anomalies lie in the southeast and southwest corner of the survey and remain open to the south and west. In addition, weaker chargeability anomalies were associated with the Double Diamond and Kelsch showings.

The resistivity at a depth of 125 metres showed zones of higher resistivity that formed a ring shape, and were peripheral to the known gold showings. It is interpreted that the zones represent areas of silicification.

The Property was sold to Christopher Dyakowski in May, 2016. It was subsequently optioned to Calaveras Resources Corp. in March, 2017, and an updated technical report was written by G.J. Allen. No exploration work was completed and Mr. Dyakowski retained ownership of the Property.

In summary, 14 diamond drill holes and 2 reverse circulation holes have been drilled on the Property by previous owners. Details of the results of these drill holes are presented in Table 6.1, and locations of the historical drill holes are shown on Figure 6.2, along with the results of the 2012 IP survey. Numerous rock samples, from outcrop, subcrop and float, have been collected in various exploration programs; the gold and arsenic values are highlighted in Table 6.2. Backhoe trenching, by Canamax in 1988 and Appleton in 2007, also outlined quartz veining, and kaolinite alteration of host volcanic rocks in several trenches in the Discovery, Kelsch and Double Diamond showings. Table 6.3 lists the significant historical gold and arsenic values from these historical trenching programs.

**Table 6.1 Historical Drill Hole Summary – Fame Property**

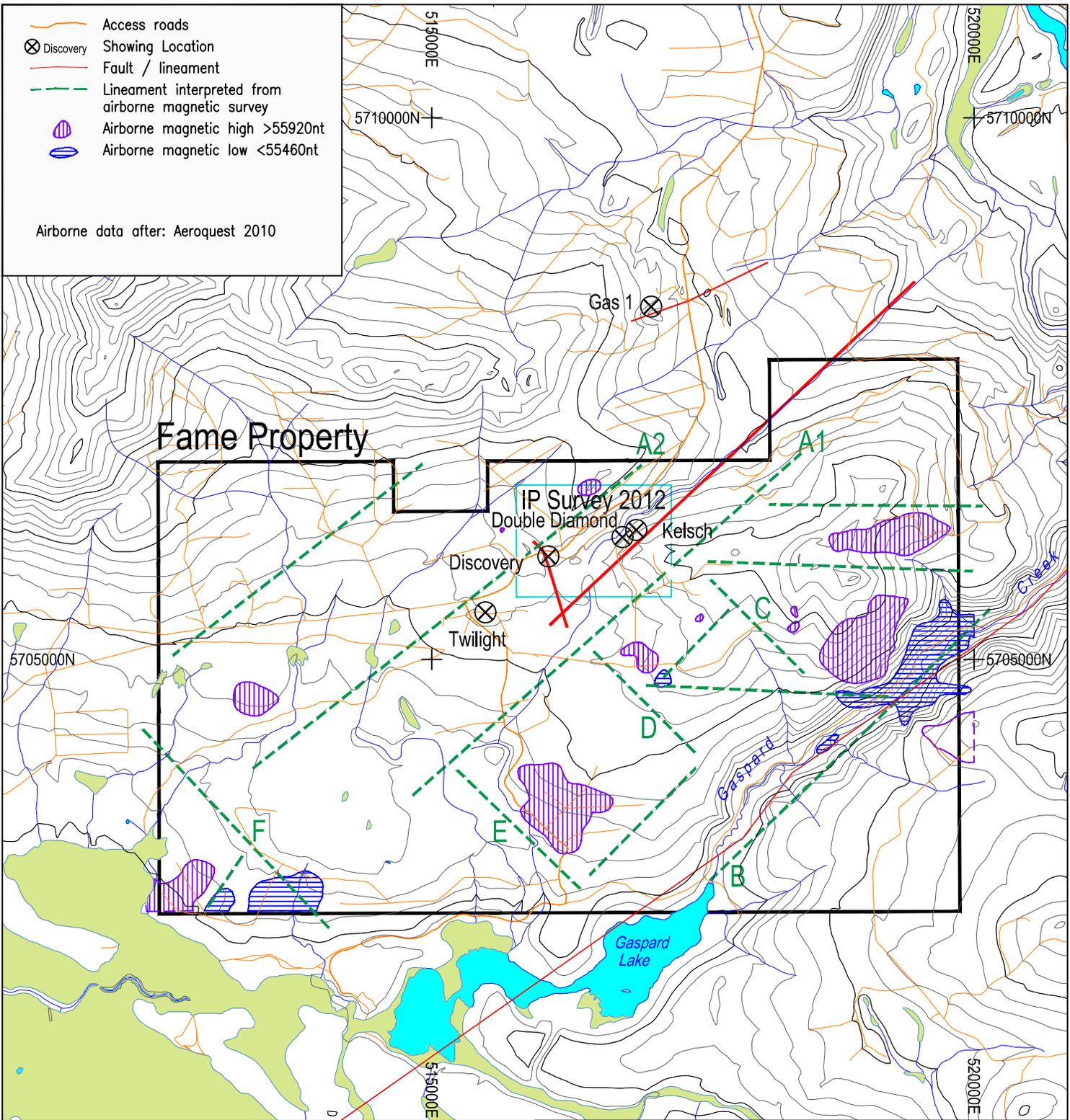
Hole ID	Type	Year	Company	Showing	Assessment Report	Best results
Gas 88-1	DD	1988	Canamax Resources Inc	Discovery	18386	21.3 m zone of 20, 1 to 30 mm, drusy qtz veins; 1.3 m of 1.16 g/t Au
Gas 88-2	DD	1988	Canamax Resources Inc	Discovery	18386	contains pyritic clay breccia zones
Gas 88-3	DD	1988	Canamax Resources Inc	Discovery	18386	contains pyritic clay breccia zones
Gas 88-4	DD	1988	Canamax Resources Inc	Discovery	18386	no drill log; assay data can not be correlated
Gas 88-5	DD	1988	Canamax Resources Inc	Discovery	18386	no drill log; assay data can not be correlated
Gas 88-6	DD	1988	Canamax Resources Inc	Discovery	18386	2, 5mm drusy qtz veins; jasper at bottom of hole; no drill log
Gas 88-7	DD	1988	Canamax Resources Inc	Kelsch	18386	strongly kaolinized; 360 ppb Au within a 25 cm qtz breccia; no drill log
Gas 88-8	DD	1988	Canamax Resources Inc	Discovery	18386	no drusy qtz veins; jasper at bottom of hole; no drill log
Gas 88-9	DD	1988	Canamax Resources Inc	Discovery	18386	contains pyritic clay breccia zones; no drill log
90-1	DD	1990	Goldsmith Minerals Ltd	Twilight	20910	intensely fractured; no significant mineralization
90-2	DD	1990	Goldsmith Minerals Ltd	Twilight	20910	3 epithermal vein systems; 1 m intervals of 660, 890 and 410 ppb Au
90-3	DD	1990	Goldsmith Minerals Ltd	Discovery	20910	no significant mineralization
90-4	DD	1990	Goldsmith Minerals Ltd	Double Diamond	20910	qtz stringers, no significant mineralization
90-5	DD	1990	Goldsmith Minerals Ltd	Double Diamond	20910	qtz stringers, no significant mineralization
RC 91-1	RC	1991	Goldsmith Minerals Ltd	Twilight	22253	980 ppb Au across 1.5 m
RC 91-2	RC	1991	Goldsmith Minerals Ltd	Twilight	22253	no significant mineralization

**Table 6.2 Significant Historical Rock Results – Fame Property**

Sample ID	Report	Year of work	Area of Sampling	Rock Type	Au (ppb)	As (ppm)
6DB-072R	AR 17638	1987	Discovery area, north of road	altered volcanic rock	129	215
6DB-074R	AR 17638	1987	Discovery area, north of road	altered volcanic rock	101	477
7DG-012R	AR 17638	1987	Discovery area, float	vuggy qtz vein	7,190	58
7DG-001R	AR 17638	1987	Discovery area, subcrop	siliceous, vuggy vein breccia	5,530	84
7DG-011R	AR 17638	1987	Discovery area, subcrop	vuggy qtz veintlets in bleached andesite	3,940	84
7DB-005R	AR 17638	1987	Discovery area, subcrop	composite of vuggy qtz vein material	645	63
7DB-003R	AR 17638	1987	Discovery area, outcrop	hematized andesite cut by qtz veinlets	265	156
7DB-010R	AR 17638	1987	Discovery area, road cut	bleached andesite, clay alt'n, minor qtz, rusty	355	223
7DB-014R	AR 17638	1987	Discovery area, subcrop	rusty andesite with vuggy qtz veinlets	127	395
7DB-020R	AR 17638	1987	Discovery area, float	vuggy, rusty qtz	3,960	95
7DB-021R	AR 17638	1987	Discovery area, north of road cut, float	vuggy, rusty qtz	590	91
7DB-022R	AR 17638	1987	Discovery area, subcrop	siliceous, vuggy vein breccia	5,430	85
7DB-024R	AR 17638	1987	SE of Discovery area, float	siliceous, vuggy vein breccia	38,200	76
7DB-025R	AR 17638	1987	SE of Discovery area, float	siliceous, vuggy vein breccia	7,420	56
7DB-026R	AR 17638	1987	SE of Discovery area, float	bleached andesite with abundant qtz veinlets	4,560	130
9DG-51R	AR 19251	1989	Discovery area, outcrop	rusty qtz breccia	8,630	n/a
9DG-44R	AR 19251	1989	Discovery area, outcrop	outcrop of rusty quartz breccia	590	n/a
9DB-45F	AR 19251	1989	Discovery area, float	volcanic rock, vuggy qtz veinlets	11,850	n/a
9DB-46F	AR 19251	1989	Discovery area, float	vein breccia	22,560	49
98-02	AR 25983	1999	Discovery area (east), float	vuggy qtz vein	2,130	120
98-03	AR 25983	1999	Discovery area (east), float	vuggy qtz vein	485	4
98-05	AR 25983	1999	Discovery area (east), float	vuggy qtz vein	1,090	52
98-09	AR 25983	1999	Discovery zone historic trenches	epithermal vein material	5,060	146
98-10	AR 25983	1999	Discovery zone historic trenches	epithermal vein material	8,470	58
1012	AR 25983	1999	Discovery zone historic trenches	epithermal vein material	13,000	102
75140	AR 28950	2007	Discovery zone	qtz vein, limonite	150	180
75141	AR 28950	2007	Discovery zone	qtz vein, limonite	2,270	65
130984	AR 32620	2011	Discovery area, road cut	rusty qtz breccia	180	288
130985	AR 32620	2011	Discovery area, road cut	rock chip composite from talus	154	181
130986	AR 32620	2011	Discovery area, road cut	small qtz veins within altered volcanic rock	286	123
9DG-32F	AR 19251	1989	Double Diamond	qtz breccia float	360	n/a
9DG-33R	AR 19251	1989	Double Diamond	qtz breccia vein, rock grab	230	n/a
1010	AR 25983	1999	Double Diamond historic trenches	epithermal breccia	105	11
75136	AR 28950	2007	Double Diamond	limonitic qtz veins	160	45
75138	AR 28950	2007	Double Diamond	limonitic qtz veins	155	30
37714	AR 32620	2011	Double Diamond historic trenches	qtz stringers in altered breccia in old trench	519	41
37715	AR 32620	2011	Double Diamond historic trenches	qtz veins in old trench	152	45
37716	AR 32620	2011	Double Diamond historic trenches	old trench material, qtz veining	1,709	50
130993	AR 32620	2011	Double Diamond historic trenches	old trench material	74	183
86686	AR 29934	2008	Kelsch showing	altered volc breccia with qtz stringers	845	17
86687	AR 29934	2008	Kelsch showing	altered volc breccia with qtz stringers	1,650	15
9DG-72R	AR 19251	1989	Twilight showing	1.3 metres across qtz vein breccia	1,860	9
9DG-69F	AR 19251	1989	Twilight showing	volcanic flow with strockwork veining, float	760	8
9DG-74R	AR 19251	1989	Twilight showing	composite of qtz breccia, subcrop	850	18
9DG-70R	AR 19251	1989	Twilight showing	green dacite with vuggy qtz	590	15
9DG-71R	AR 19251	1989	Twilight showing	massive silica vein material, vuggy	580	8
98-11	AR 25983	1999	Twilight showing	epithermal breccia	140	6
1009	AR 25983	1999	Twilight showing	epithermal breccia	950	8

**Table 6.3 Historical Trench Results – Fame Property**

Sample ID	Trench	Year, Company	Length (cm)	Au (ppb)	As (ppm)
<b>Discovery showing</b>					
88 GHT 61	D1	1988, Canamax	15	2,270	100
88 GHT 60	D2	1988, Canamax	100	2,300	140
88 GHT 62	D2	1988, Canamax	20	2,000	50
88 GHT 63	D2	1988, Canamax	25	620	45
88 GHT 67	D3	1988, Canamax	25	4,490	60
88 GHT 64	D4	1988, Canamax	70	1,000	90
88 GHT 65	D4	1988, Canamax	30	240	180
88 GHT 66	D4	1988, Canamax	20	1,420	1000
88 GHT 57	D5	1988, Canamax	8	14,800	120
88 GHT 58	D5	1988, Canamax	100	3,800	180
88 GHT 59	D5	1988, Canamax	100	3,000	190
88 GHT 39	D6	1988, Canamax	100	4,600	150
88 GHT 40	D6	1988, Canamax	70	2,950	250
88 GHT 38	D7	1988, Canamax	100	2,100	140
88 GHT 37	D8	1988, Canamax	35	2,550	210
88 GHT 35	D9	1988, Canamax	20	3,100	180
88 GHT 36	D9	1988, Canamax	20	2,500	620
88 GHT 34	D10	1988, Canamax	30	4,750	280
88 GHT 87	D10	1988, Canamax	200	500	130
88 GHT 88	D10	1988, Canamax	200	2,180	164
88 GHT 89	D10	1988, Canamax	200	130	186
88 GHT 32	D11	1988, Canamax	25	5,250	570
88 GHT 33	D11	1988, Canamax	25	7,000	230
88 GHT 80	D11	1988, Canamax	100	210	394
88 GHT 81	D11	1988, Canamax	100	1,820	158
88 GHT 82	D11	1988, Canamax	100	2,600	366
<b>Kelsch showing</b>					
88 GXT 254	K3	1988, Canamax	70	905	160
88 GXT 255	K4	1988, Canamax	50	700	11
88 GXT 256	K4	1988, Canamax	90	1,250	17
88 GXT 231	K5	1988, Canamax	100	360	18
88 GXT 232	K5	1988, Canamax	100	875	14
88 GXT 233	K5	1988, Canamax	100	325	17
88 GXT 257	K6	1988, Canamax	90	435	12
88 GXT 258	K7	1988, Canamax	50	110	50
88 GXT 259	K8	1988, Canamax	70	3,560	22
88 GXT 260	K8	1988, Canamax	70	200	15
88 GXT 261	K9	1988, Canamax	100	600	22
	FM-07-01	2007, Appleton	no bedrock		
	FM-07-07	2007, Appleton	no bedrock		
	FM-07-08	2007, Appleton	no bedrock		
<b>Double Diamond</b>					
88 GHT 508	trench	1988, Canamax	-	80	n/a
88 GHT 509	trench	1988, Canamax	-	30	n/a
88 GHT 509	trench	1988, Canamax	-	30	n/a
88 GHT 510	trench	1988, Canamax	-	50	n/a
41973	FM-07-03	2007, Appleton	100	195	23
41980-41983	FM-07-04	2007, Appleton	400	400	182
41978	FM-07-04	2007, Appleton	100	250	120
41975	FM-07-04	2007, Appleton	100	305	239
41990	FM-07-05	2007, Appleton	100	95	40
41905-41909	FM-07-06	2007, Appleton	500	460	102



- Access roads
- Discovery
- Fault / lineament
- Lineament interpreted from airborne magnetic survey
- Airborne magnetic high >55920nt
- Airborne magnetic low <55460nt

Airborne data after: Aeroquest 2010

## Fame Property

Longhorn Exploration Corp.

Fame Property

Clinton MD, BC

## Historical Geophysical Surveys



kilometres  
Datum = NAD 83 Zone 10  
Topographic contour Interval = 20m



To accompany a report by : A.Koffyberg, PGeo.

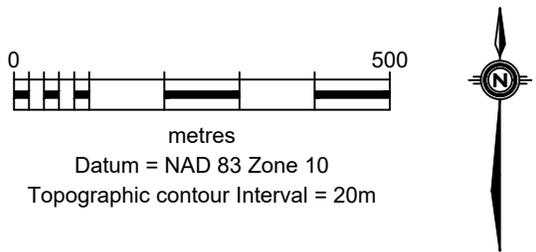
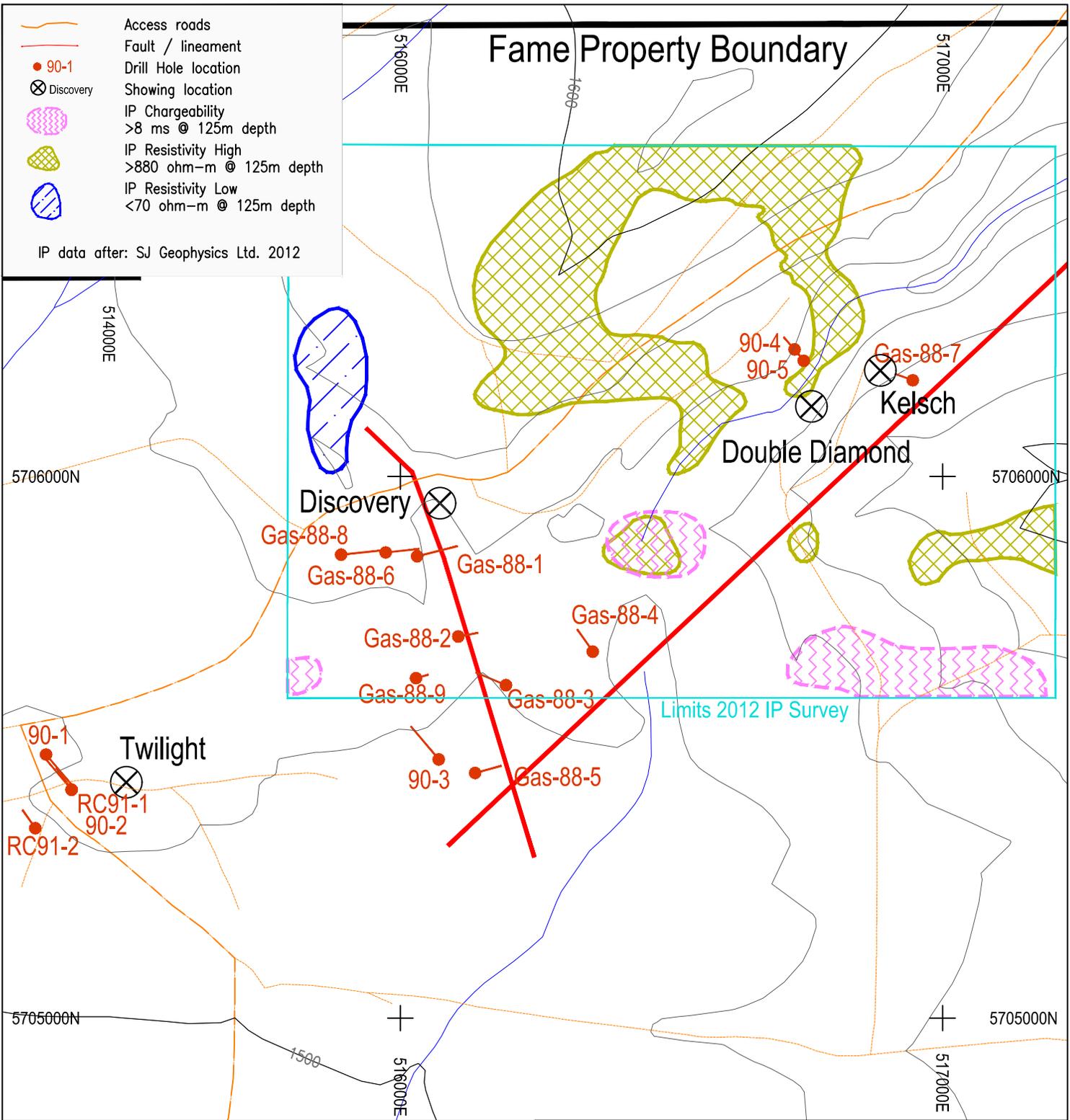
Base map after : Trim 1:20,000 / 0920.046,.047,.056,.057

Dwg. by: Discovery

Scale: 1:50,000

Date: Sept.30, 2021

Figure: 6.1



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Fame Property

Clinton MD, BC

Historical Drilling

To accompany a report by : A.Koffyberg, PGeo.  
Base map after : Trim 1:20,000 / 0920.046,.047,.056,.057

Dwg. by:	Discovery	Scale:	1:10,000
Date:	Sept.30, 2021	Figure:	6.2

## Geological Setting and Mineralization

### *Regional Geology*

The Property lies within the southern portion of the Stikine terrane, within the Intermontane Belt of central British Columbia, which is generally a region of low topography and low structural relief. The Stikine terrane is a northwest-trending belt of Paleozoic and Mesozoic volcanic rocks, related sedimentary rocks, and co-magmatic intrusive rocks, and represents an island arc and marginal basin assemblage of rocks.

Lithologies within the southern part of the Stikine terrane include the mid-Cretaceous Spences Bridge Group and the possibly genetically-related intrusions of the Cretaceous Mount Alex plutonic complex. The Spences Bridge Group occurs predominately within the Quesnel terrane to the south, where it forms a northwest trending volcanic belt, about 320 km long, stretching from north of Princeton in a northwest direction to east of Lillooet. Within the southern part of the Stikine terrane, the Spences Bridge Group occurs as a faulted, northern extension of the belt. It outcrops as a series of outliers in the region of the Property.

Spences Bridge Group rocks consist of a thick sequence of gently folded, volcanic rocks with lesser sediments, dipping shallowly to the northeast. Andesite is the predominant rock type, but lithologies can range from rhyolite to basalt. Rocks of this group are interpreted to have formed as a chain of stratovolcanoes associated with subsiding, fault-bounded basins. Age dating of plant megafossils indicates an age of about 100 Ma, suggesting that the volcanic rocks were deposited in post-accretionary time within the Quesnel, Cache Creek and Stikine terranes.

The rocks are unconformably overlain by Miocene to Pliocene plateau basalts and related clastic sediments of the Chilcotin Group. The rocks consist of dark to medium grey, orange-brown weathering basalts. Individual flows commonly range from a few metres to more than 10 metres thick. Layering is near horizontal, the rocks are undeformed and the minerals are unaltered. Quaternary glacial till and alluvium mantle the entire region. Prominent striations indicate that the direction of glacial movement is north-northeast.

Major regional structures in the area include the Fraser Fault, which is a north-northwest striking, right lateral, strike-slip fault, the Yalakom Fault, and the Hungry Valley Thrust Fault. The Fraser Fault is a major fault of Eocene age; magnetotelluric and seismic data suggest that it penetrates the entire crust. Vertical movements are on the order of less than 3 km, but right lateral offsets have been measured over a distance of 100 km. It is estimated that movement along the dextral Yalakom Fault is between 70 and 120 km since the Tertiary. The Hungry Valley Thrust Fault occurs 5 km south of the Blackdome deposit and has displaced Lower Cretaceous sedimentary rocks northwest onto Upper Cretaceous and Tertiary rocks.

The region was geologically mapped by H. W. Tipper of the Canadian Geological Survey (“GSC”) in 1963, and updated in 1978. Further geological mapping resulted in a new compilation by the GSC in 2013. Figure 7.1 shows the regional geology. The legend is given as Figure 7.2.

There are several known mineral deposits in the region, which are described below. Past results or discoveries on proximate land are not necessarily indicative of the results that may be achieved on the Fame Property. The Author has been unable to verify the information and that the information is not necessarily indicative of the mineralization on the property that is the subject of the Technical Report.

### *Blackdome Deposit*

The Blackdome deposit is located approximately 24 km southeast of the Fame Property. As described in a NI 43-101 technical report by Godard et al. from 2010 entitled “Technical Report on the Preliminary Assessment of the Elizabeth Blackdome Project, British Columbia, Canada”, the Blackdome deposit is a low sulphidation, epithermal, Au-Ag bearing deposit, characterized by low temperature deposition of quartz veining, clay

alteration, bleaching and silicification. The ore bodies are relatively high grade, small shoots located along fault zones. Ore shoots have a strike length of about 30 to 60 metres and measured 50 to 100 metres up and down dip, and is strongly structurally controlled.

Host lithologies are flows from andesite to rhyolite in composition and volcanoclastic rocks of mid-Eocene age, dated at 51.5 Ma. The Eocene strata are disconformably overlain by post-ore, Lower Miocene aphanitic basalt flows, seen at the peak of Blackdome Mountain. Andesitic and rhyolite dikes intrude the Eocene rocks along the same trend as the ore-bearing structures.

Gold and silver mineralization occurs in quartz veins and siliceous breccias. Minerals hosting precious metals include native gold, electrum, silver, and several silver sulphides and sulphosalts. Accessory minerals include pyrite, chalcopyrite, galena and sphalerite as disseminations and fracture fillings. Alteration of host rocks associated with mineralized veins includes argillic and potassic alteration, and silicification.

Veins are classified as epithermal and are thought to have formed from the upward movement of hot hydrothermal fluids in mid-Eocene to early Oligocene time. Veins are structurally controlled and occupy faults and extensional structures. Vein/fault systems generally strike north-northeast and dip 40-70° northwest. North to northeast trending extensional structures, that were generated by the regional northwest trending faulting, are the host for the gold mineralization at Blackdome.

The No. 1 and 2 vein systems are the major mineralized structures and have been traced for almost four kilometres. These veins were the principal producers for the historic mine. Production began in 1986 by Blackdome Mining Ltd., and continued until 1990, producing a total of 7,000 kg (225,000 ounces) of gold and 17,000 kg (547,000 ounces) of silver from 338,000 tonnes of ore, at a grade of 21.9 g/t Au. From 1998 to 1999, a further 203.6 kg (6,547 ounces) of gold and 538 kg (17,300 ounces) of silver were produced from 21,286 tonnes of ore.

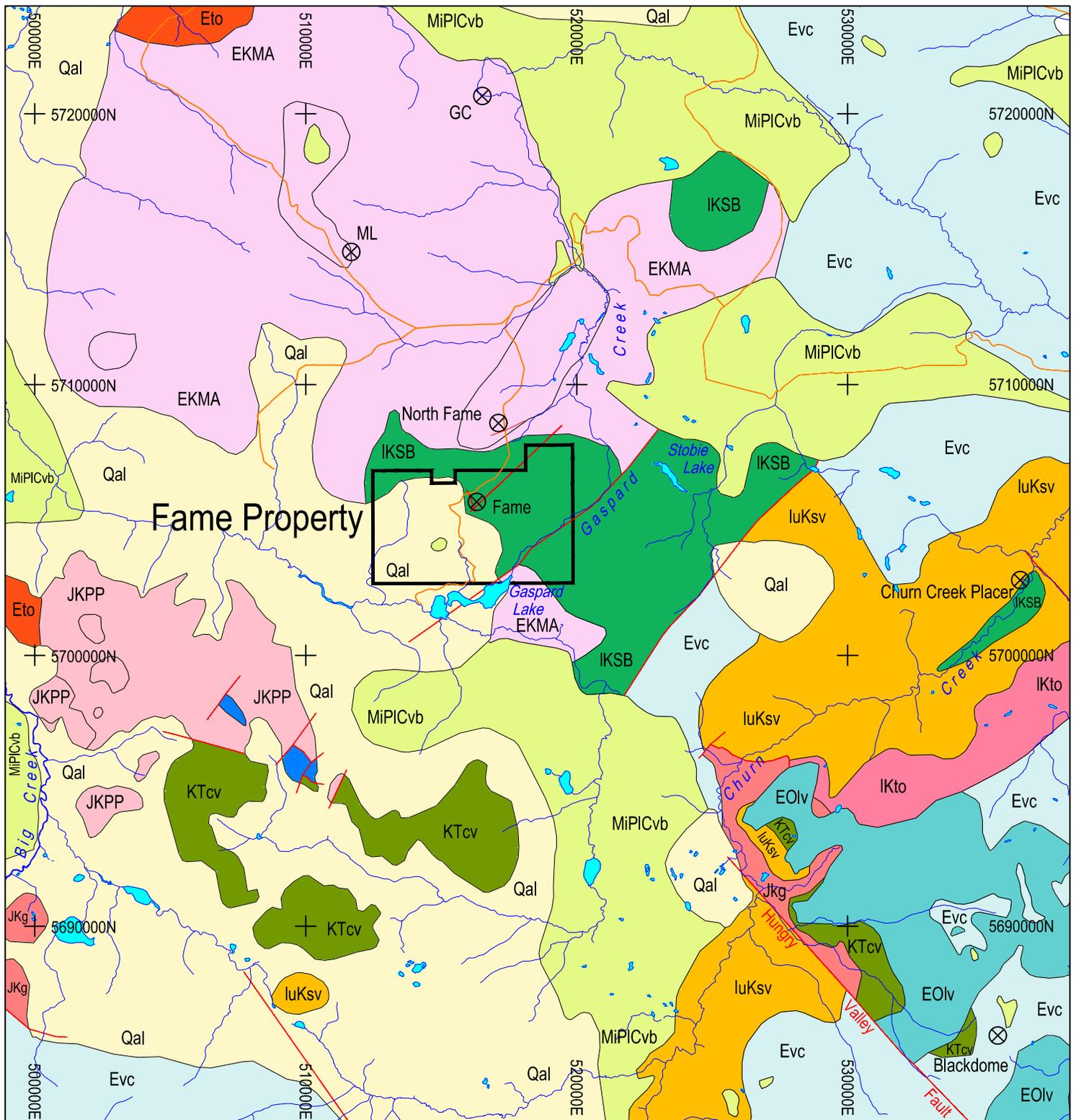
#### *Shovelnose showing*

The Spences Bridge Group is an important target for epithermal, precious metal mineralization, and was first recognized as such in the early 2000s. The largest mineralization outlined to date is the Shovelnose low sulphidation, epithermal prospect owned by Westhaven Gold Corp. Other low sulphidation epithermal gold occurrences situated along the northwest trend of the Spences Bridge Group rocks include Prospect Valley, Stoonka Creek and Skoonka North.

On the Shovelnose property, structurally hosted, low sulphidation epithermal gold mineralization has been found in seven zones. Six of those zones are structurally linked along a four km, northerly trend that remains open to the north and south. Soil geochemistry, magnetic data, and to a lesser extent IP surveys have been instrumental in defining structural zones and linear trends, which have helped to target exploration.

Exploration has largely focussed on the South Zone. Three northwest-trending gold-bearing vein zones have been identified at the South Zone, the longest (Vein 1) striking four km, with a vertical extent of 350 metres, along a northwest striking, steep southwest dipping normal fault. The South zone is underlain by rhyolite crystal lithic tuffs and rhyolite flows of the Pimainus Formation, which is the lower unit of the Spences Bridge Group. The formation is 2.5 km thick and in general consists of basaltic to rhyolitic lavas intercalated with pyroclastic rocks.

As of February, 2021, 220 core holes have been drilled on the property. Mineralization on the South Zone occurs within a 200-metre vertical range between 1,100 and 1,300 metres above sea level. Multiple phases of veining and brecciation are evident. Gold pathfinder elements associated with gold and silver mineralization include arsenic (pyrite, marcasite), molybdenum (ginguro, pyrite, marcasite), selenium (naumannite - silver selenide) and copper (chalcopyrite).



Fame Property

Longhorn Exploration Corp.

Fame Property

Clinton MD, BC

Regional Geology



kilometres  
Datum = NAD 83 Zone 10



See Figure 7.2 for Geological Legend

To accompany a report by : A.Koffyberg, PGeo.

Base map after : NM10, Digital BC

Dwg. by: Discovery

Scale: 1:200,000

Date: Sept.30, 2021

Figure: 7.1

# LEGEND



Access roads

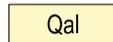


Discovery

Minfile Occurrence / Showing Location



Fault



Qal

Quaternary: alluvium cover



MiPICvb

Miocene: Chilcotin Group; basaltic volcanic rocks



EOlv

Eocene to Oligocene: unnamed, undivided volcanic rocks



Evc

Eocene: unnamed volcanoclastic rocks



Eto

Eocene: unnamed tonalite intrusive rocks



KTcv

Cretaceous to Tertiary: unnamed volcanoclastic rocks



IKto

Late Cretaceous: unnamed tonalite intrusive rocks



luKcv

Lower to Upper Cretaceous: unnamed volcanoclastic rocks



luKsv

Lower to Upper Cretaceous: unnamed marine sedimentary and volcanic rocks



IKSB

Lower Cretaceous: Spences Bridge Group; calc-alkaline volcanic rocks



EKMA

Early Cretaceous: Mount Alex Plutonic Complex; includes quartz diorite, granodiorite and tonalite intrusive rocks



EKP

Early Cretaceous: Piltz Peak and Mount Wales Plutonic Suite: dioritic intrusive rocks



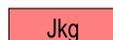
JKPP

Early Cretaceous: Piltz Peak and Mount Wales Plutonic Suite: tonalite intrusive rocks



Jkg

Jurassic to Cretaceous: unnamed intrusive rocks



JKml

Jurassic to Cretaceous: unnamed lower amphibolite/kyanite grade metamorphic rocks

Geology after: BCGS: NM 10 / Map Place 1

See Figures 7.1 & 7.3 for Geological Maps

To accompany a report by : A.Koffyberg, PGeo.

Base map after : NM10, Digital BC with geology

Longhorn Exploration Corp.

Fame Property

Clinton MD, BC

**Geological Legend**

Dwg. by:	Discovery	Scale: 1:200,000
Date:	Sept.30, 2021	Figure: 7.2

### ***Property Geology***

The Property is covered with extensive glacial till, so the underlying local geology is not well understood. The eastern and central parts of the Property are underlain by the mid-Cretaceous Spences Bridge Group, consisting of calc-alkaline andesitic rocks. Spences Bridge Group rocks in this area are part of the northern, faulted extension of the main body of Spences Bridge Group volcanic belt to the south. On the Property, these rocks consist of dark green, red or purple andesite with an aphanitic or porphyritic texture, and volcanic breccia comprised of andesitic fragments. These rocks are sometimes cut by veins of calcite-epidote-quartz up to 0.5 metres wide. Near the showings, the rock is moderately fractured, sheared and brecciated. Geological mapping by Butrenchuk in 2007 suggested that the andesitic rocks belong to the Spruis Formation of the Spences Bridge Group. The western part of the Property is covered by glacial till and alluvium. A small plug of Miocene to Pleistocene-aged Chilcotin Group alkaline volcanic rocks is exposed in this area. Part of the southeast corner is underlain by tonalite of the Early Cretaceous Mount Alex plutonic complex. Prospecting by Bowen and Gordon in 1988, and geological mapping by F.R. Harris in 1988 within the Property, indicated that the northwestern portion of the Discovery zone, as well as the host rocks in the Twilight showing, are underlain by light grey, banded, felsic volcanic tuffs, and were thought to be of possible Eocene age.

A northeast trending fault has been mapped along Gaspard Creek, and lies parallel to the “Kelsch lineament”, as defined in historical programs. The Kelsch lineament is spatially related to all the known showings on the Property.

### ***Mineralization***

The Property hosts several showings, which are detailed below. In general, mineralization found to date has been documented in float and in outcrop and subcrop in the vicinity of the Discovery zone and along the north margin of the northeast trending Kelsch lineament. In all showings, mineralization consists of white, massive to cockscomb-textured, drusy, quartz stockwork and open space filling, in an argillic altered, brecciated volcanic rock host. The host rocks are thought to be Spences Bridge Group andesitic rocks in the Discovery, Kelsch and Double Diamond showings, whereas the host rocks at the Twilight showing are felsic volcanic rocks.

#### ***Discovery Showing***

Drusy quartz veins, 0.5 to 20 cm wide and associated kaolinized volcanic rocks strike northwest, dip southwest and are exposed over a strike length of 35 metres and a width of 37 metres. Canamax collected thirty rock chip samples from a trenching program in 1988, exposing a roughly 30-metre wide zone with sporadic, limonite stained, quartz stockwork zones up to 1 metre wide, with individual quartz veins up to 20 cm in width. Best rock chip results include 2 metres of 3,400 ppb Au; 1.7 metres of 3,920 ppb Au; 6 metres of 937 ppb Au; and 300 metres of 1,543 ppb Au, in four different trenches. Three diamond drill holes on the showing encountered lower gold values in drusy quartz veins, jasper veins and a clay breccia zone. Hole GAS88-1 intersected a 16-metre zone of sporadic, kaolin altered andesite, cut by millimetre to centimetre scale, drusy quartz veins. Gold values up to 560 ppb Au were obtained, but the overall gold grade appeared to be in the 100 – 200 ppb Au range.

#### ***Kelsch Showing***

The showing, located approximately 900 m northeast of the Discovery Zone, consists of a northeast striking, steeply dipping, drusy quartz breccia vein up to 3 metres wide, hosted in andesitic rocks. Canamax discovered the showing in 1988 and hand-trenched the showing, exposing the structure for 15 metres. Eleven chip samples across the zone averaged 847 ppb Au and 33 ppm As. Shearing cuts both the vein and the host rocks are locally strongly kaolinized. It is located northwest of the northwesterly striking Kelsch lineament. A 1988 drill hole by Canamax at the showing encountered broken, kaolinized rock and was shut down at 52.7 metres, failing to reach its target depth. One interval, at a depth of 44.7 metres, yielded 360 ppb Au within a 25-cm quartz breccia. Two

drill holes were drilled by Goldsmith in 1990; the best intersection was in hole 90-4, within a fault zone at a depth of 73 metres, and contained 410 ppb Au. Two grab samples collected in 2007 by Appleton returned values of 845 and 1650 ppb Au within altered volcanic breccia containing chalcedony.

#### *Double Diamond Showing*

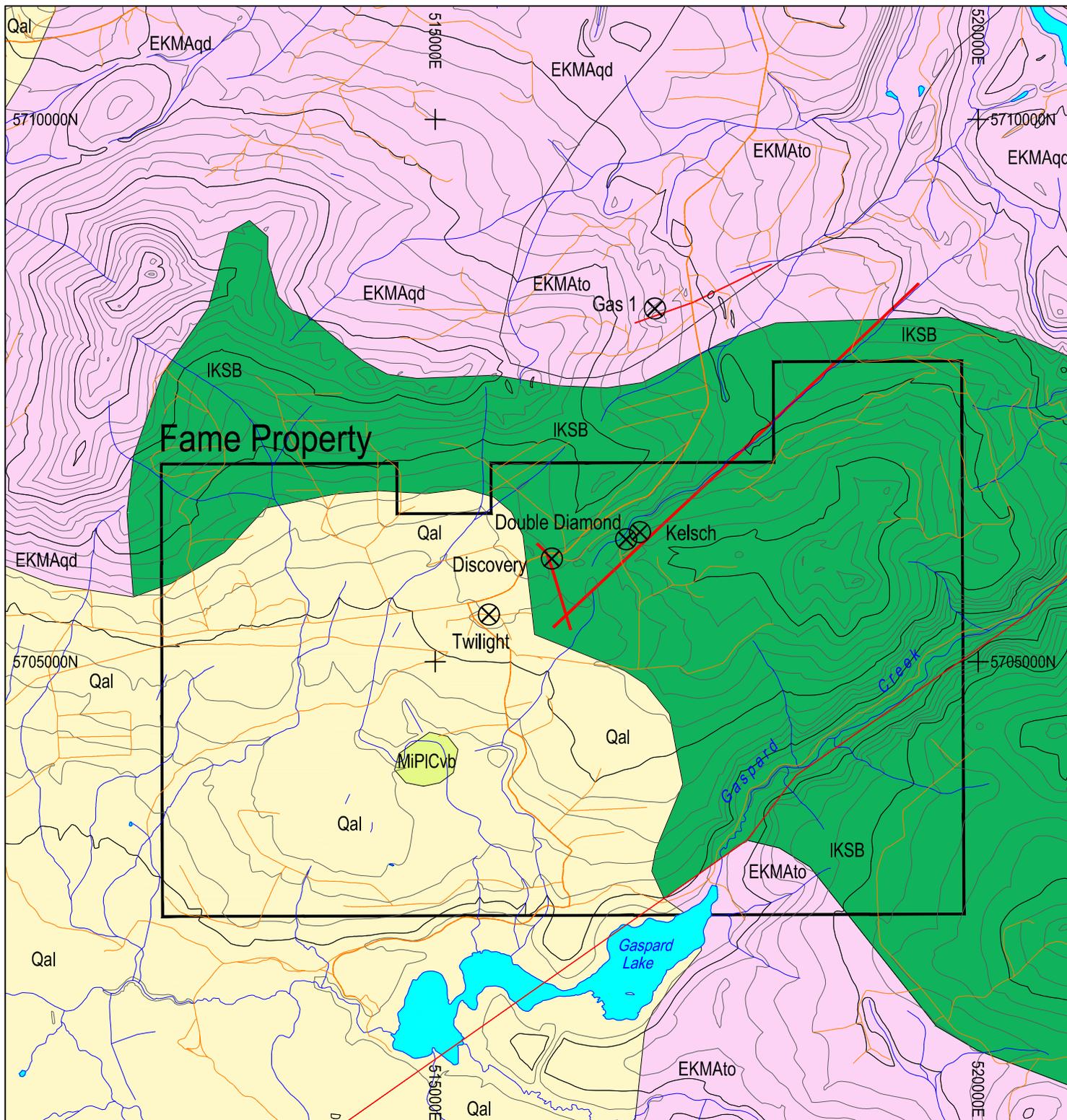
Discovered by Bowen and Gordon in 1988, the showing is located on the northwestern side of the Kelsch lineament, 130 metres southwest of the Kelsch showing. Hand trenching by Canamax exposed a quartz breccia zone, hosted in kaolinized volcanic rocks, exposed for 9.5 metres long and 2 metres wide, striking to the northeast and dipping 60 degrees northwest. Three representative samples assayed 80, 50 and 30 ppb Au.

#### *Twilight Showing*

The showing was discovered by Bowen and Gordon in 1988. It is located approximately 700 metres southwest of the Discovery Zone, occurring in a low-lying area. Drusy quartz vein breccia and stockwork veining occur in at least four, separate, northeast trending, mineralized structures across an exposed area of about 60 metres. Bowen and Gordon collected 15 rock chip and grab samples in 1989 and 8 returned anomalous gold values of greater than 400 ppb Au. One quartz vein breccia structure had a width of about 70 cm (9DG-72R). Chip sampling yielded gold grades up to 1.86 g/t Au across 70 cm in a quartz vein breccia.

Mineralization is hosted by a medium green, feldspar, porphyritic dacite unit which locally exhibits flow banding and pervasive jasper alteration. Abundant chalcedony is also present. Exotic granodiorite fragments within the dacite were noted in two localities. Bowen postulated the age of the host rock to be probably Eocene.

Two diamond drill holes were drilled in 1990 by Goldsmith; hole 90-2 intersected three 1-metre epithermal systems carrying anomalous gold values of 660 ppb Au (31-32 m downhole); 890 ppb Au (57-58 m); and 410 ppb Au (79-80 m). Hole 90-1 failed to intersect significant mineralization; the rock was intensely fractured and weathered.



kilometres  
 Datum = NAD 83 Zone 10  
 Topographic contour Interval = 20m



See Figure 7.2 for Geological Legend

To accompany a report by : A.Koffyberg, PGeo.

Base map after : Trim 1:20,000 / 0920.046,.047,.056,.057

Longhorn Exploration Corp.

Fame Property

Clinton MD, BC

Property Geology

Dwg. by: Discovery

Scale: 1:50,000

Date: Sept.30, 2021

Figure: 7.3

## Deposit Type

The main target type on the Property is an epithermal gold deposit. As noted by Allen (2014), mineralization on the Fame Property is characterized by quartz veins with textures that include open crystal-lined vugs, cockscomb texture, and rare thin banding. Argillic alteration is restricted to structures and their margins. Sulphides are present but in low abundance.

As described by the BC Geological Survey deposit model type H04 for low sulphidation epithermal gold – silver deposits, this type of deposit is typically hosted in volcanic island and continent-margin arcs and continental volcanic fields with extensional structures. These deposits can form in most types of volcanic rocks, though calcalkaline andesitic compositions predominate. These deposits can be of any age, though Tertiary deposits are the most abundant. Jurassic deposits are important in British Columbia, such as the deposits of the Toodoggone district.

Ore zones are typically localized in structures, but may occur in permeable lithologies. Upward -flaring ore zones centered on structurally-controlled, hydrothermal conduits are typical. Large vein systems of greater than one metre wide and hundreds of metres in strike length can occur. Vein systems can be laterally extensive but ore shoots have relatively restricted vertical extent. High grade ore are commonly found in dilational zones in faults at flexures, splays and in branched veins.

In some districts, epithermal mineralization is tied to a specific metallogenic event, either structural, magmatic or both. The veins are emplaced within a restricted stratigraphic interval generally within one kilometre of the paleosurface. Mineralization near surface takes place in hot spring systems or in deeper underlying hydrothermal conduits. Normal faults, margins of grabens, coarse clastic caldera moat-filled units, radial and ring dike fracture sets are all ore fluid channeling structures. Hanging wall fractures in mineralized structures are particularly favourable for high grade ore.

Veins are composed of quartz, amethyst, chalcedony and calcite. They may contain lesser amounts of adularia, sericite, barite, fluorite, Ca-Mg-Mn-Fe carbonate minerals such as rhodochrosite, hematite and chlorite. Veins commonly exhibit open space filling, crustification, comb structure, colloform banding and multiple brecciation.

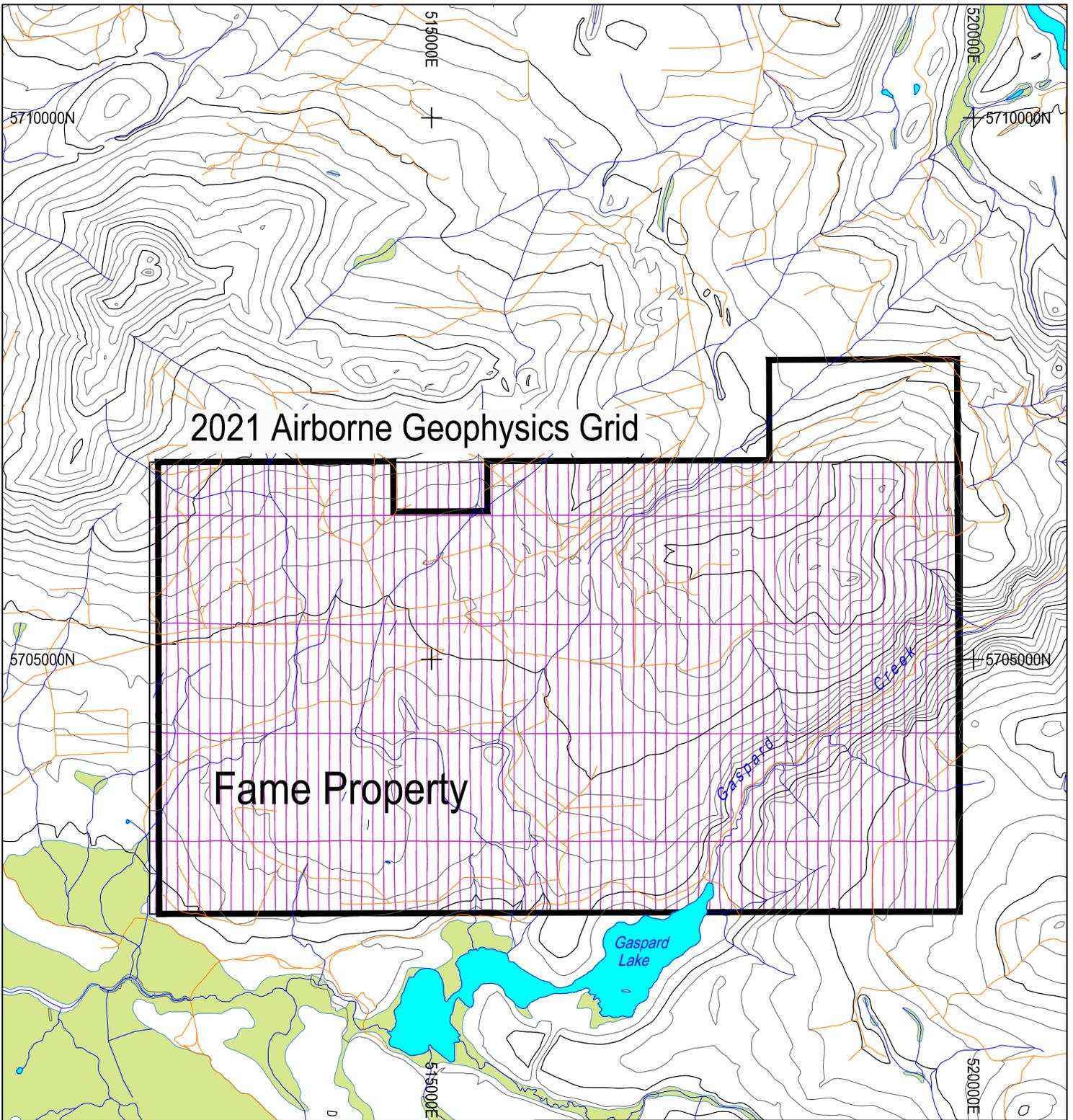
Mineralization within the veins consists of pyrite, electrum, gold, silver and argentite, with lesser chalcopyrite, sphalerite, galena, tetrahedrite, silver sulphosalt and / or selenide minerals. Deposits can be strongly zoned along strike and vertically. Deposits are commonly zoned vertically over 250 to 350 metres from a base-metal poor, Au-Ag-rich top to a relatively Ag-rich base-metal zone and an underlying base-metal rich zone grading at depth into a sparse base-metal, pyritic zone. That is, from surface to depth, metal zones contain: Au-Ag-As-Sb-Hg to Au-Ag-Pb-Zn-Cu to Ag-Pb-Zn.

Alteration is important in this deposit model. Silicification is extensive in ores as multiple generations of quartz and chalcedony are commonly accompanied by adularia and calcite. Pervasive silicification in vein envelopes is flanked by sericite-illite-kaolinite assemblages. Intermediate argillic alteration form adjacent to some veins; advanced argillic alteration may form along the tops of mineralized zones. Propylitic alteration dominates at depth and peripherally.

Examples of low sulphidation epithermal deposits in Canada include: Toodoggone District including Lawyers, Baker and Shas, BC; Blackdome, BC; Premier, BC; and Cinola, BC. International examples include: Comstock Lode, Nevada, USA; Creed, Colorado USA; and Pachuca, Mexico.

## Exploration

Longhorn carried out exploration on the Property in August, 2021. The program consisted of an airborne geophysical survey that was flown over the Property. Magnetic, VLF-EM and radiometric data was obtained. Figure 9.1 shows the extent of the airborne geophysical survey.



2021 Airborne Geophysics Grid

Fame Property

Longhorn Exploration Corp.

Fame Property

Clinton MD, BC

2021 Airborne Survey Flight Lines



kilometres  
Datum = NAD 83 Zone 10  
Topographic contour Interval = 20m

Geophysics after: Precision Geosurveys Inc. Job 21176

To accompany a report by : A.Koffyberg, PGeo.

Base map after : Trim 1:20,000 / 0920.046,.047,.056,.057

Dwg. by:	Discovery	Scale:	1:50,000
Date:	Sept.30, 2021	Figure:	9.1

### ***Airborne Geophysical Survey Parameters***

In August, 2021, Longhorn contracted Precision GeoSurveys Inc., of Langley, BC, to perform a helicopter-supported– airborne geophysical survey over the Property. The survey block was flown at 100-m line spacing with a heading of along east-west lines and tie lines were flown at 1,000-m spacing along north-south lines, for a total of 343 line-kilometres and an aerial extent of 31.2 square kilometres. The base of the operation was a Tyvax Lodge, BC, located south of the survey block. Airborne gradient magnetic, very-low-frequency electromagnetic (VLF-EM), and radiometric data were collected.

The nominal flight height was approximately 50 m above ground level, with a tolerance of  $\pm 10$  m due to tall trees, steep topography, mitigation of wildlife harassment or cultural features. The survey was flown using an AS350 helicopter. The aircraft is owned and operated by Precision GeoSurveys Inc. It was equipped with a data acquisition system, GPS navigation system, pilot guidance unit (PGU), laser altimeter, cesium vapor magnetometer, fluxgate magnetometer, a VLF-EM receiver, gamma ray spectrometer, barometer and temperature/humidity probe. Magnetic base stations, consisting of two GEM GSM-19T magnetometers, were used to record temporal magnetic variations. The magnetometer was a Scintrex CS-3 split-beam cesium vapour magnetometer, mounted on the front of the helicopter in a non-magnetic and non-conductive "stinger" configuration, to measure total magnetic intensity. During flight along a survey line, small attitude changes in the pitch, roll and yaw of the helicopter were measured by a triaxial fluxgate magnetometer, to apply corrections to the magnetic data.

For the VLF survey, a Herz Totem-2A system was used as the receiver from the VLF transmitter stations. It was also placed within the "stinger" at the front of the helicopter to minimize interference from electromagnetic fields generated from the aircraft. The two transmitting stations used were station NLK of Seattle, Washington (line data) and station NAA of Cutler, Maine, USA (ortho data). Signal strength from Cutler, Maine, was weak and unreliable; therefore incomplete VLF-EM data were collected.

Gamma radiation data were collected by an Advanced Gamma Ray spectrometer (AGRS-5), manufactured by Nuvia Dynamics. The AGRS is a self-calibrating, fully integrated detection system containing five thallium-activated synthetic sodium iodide crystals, with user-selectable 256, 512 or 1024 channel output at 1 Hz sampling rate. The AGRS system was mounted in the rear passenger cabin of the helicopter, away from the fuel tank to minimize variable gamma attenuation from fluctuating fuel levels.

### ***Airborne Geophysical Survey Results***

The geophysical data has been interpreted by Mike Cunningham, of Balch Exploration Consulting Inc. His interpretation is given below:

#### ***Interpretation***

It is difficult to directly detect epithermal gold deposits with geophysical surveying techniques; however, magnetic, electromagnetic (EM), and radioactivity can be powerful aids in regional geological mapping. Magnetic surveys can be used to delineate lithologies, regional faults, and shear zones that may control gold mineralization structures. EM surveys could identify low resistivity regions associated to weathering and altered volcanic sequences around epithermal vein mineralization. Radioactivity may be able to map massive quartz veins and associated alteration (high potassium source).

#### ***Aeromagnetic Survey***

Interpretation of the magnetic field maps (Figures 9.2, 9.3, 9.4) highlight similar findings to which Allen (2014) found. Particularly lineament A, B, C, G, H, I, and K are evident. Lineament J was identified, however it appears

to be trending more southwest ( $83^{\circ}/263^{\circ}$ ) than westward. Lineament M and N are new interpretations that are possible continuations of lineament J and K through the magnetic low corridor described by Allen (2014) (bound between lines A). Lineament M appears to intersect with some of the gold showings (Discovery, Double Diamond, and Kelsch). Lineament N is south of M and is parallel to subparallel of it.

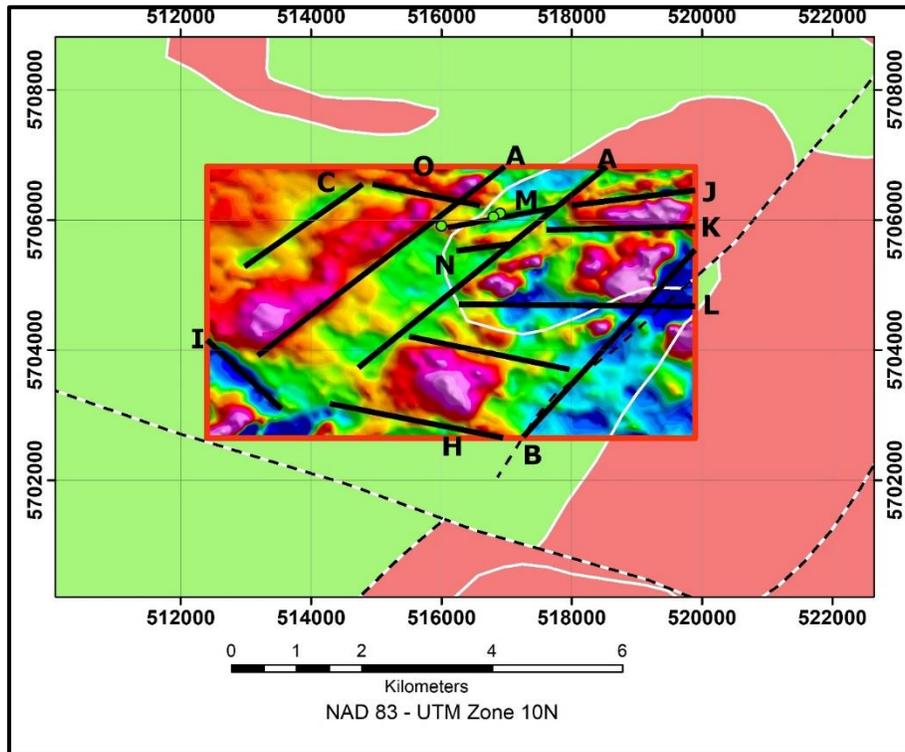


Figure 9.2 – Magnetics: Total magnetic intensity survey data. Black dashed lines are previously interpreted faults. Solid black lines are linear structures identified in the magnetic data. Background geology map has white outlines with: green – intrusive quartz diorite; and red – calc-alkaline volcanics.

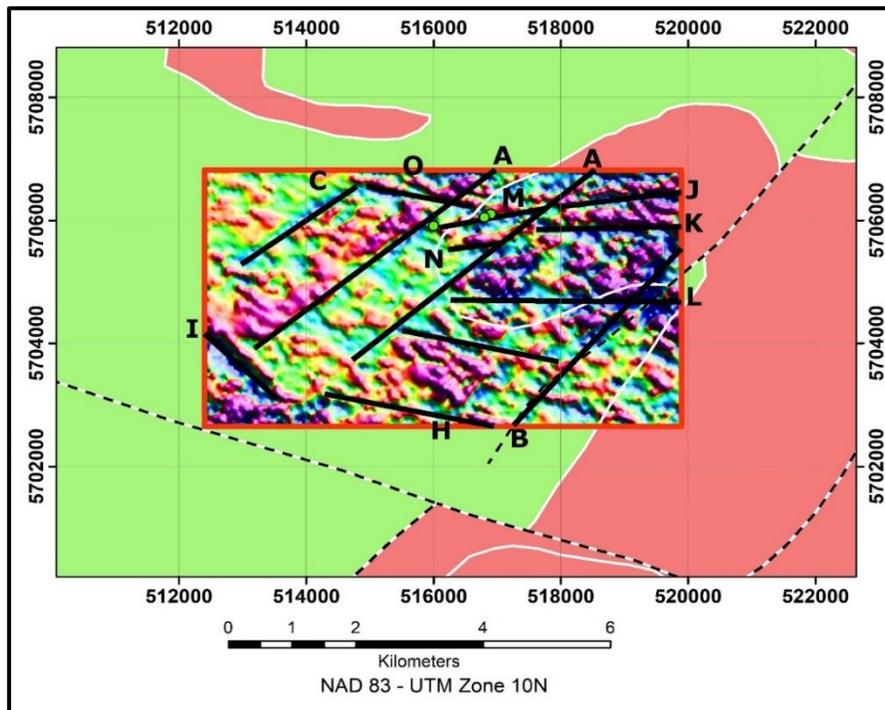


Figure 9.3 – Magnetics: calculated vertical gradient of the Fame block. Black dashed lines are previously interpreted faults. Solid black lines are linear structures identified in the magnetic data. Background geology map description - see Fig 9.2.

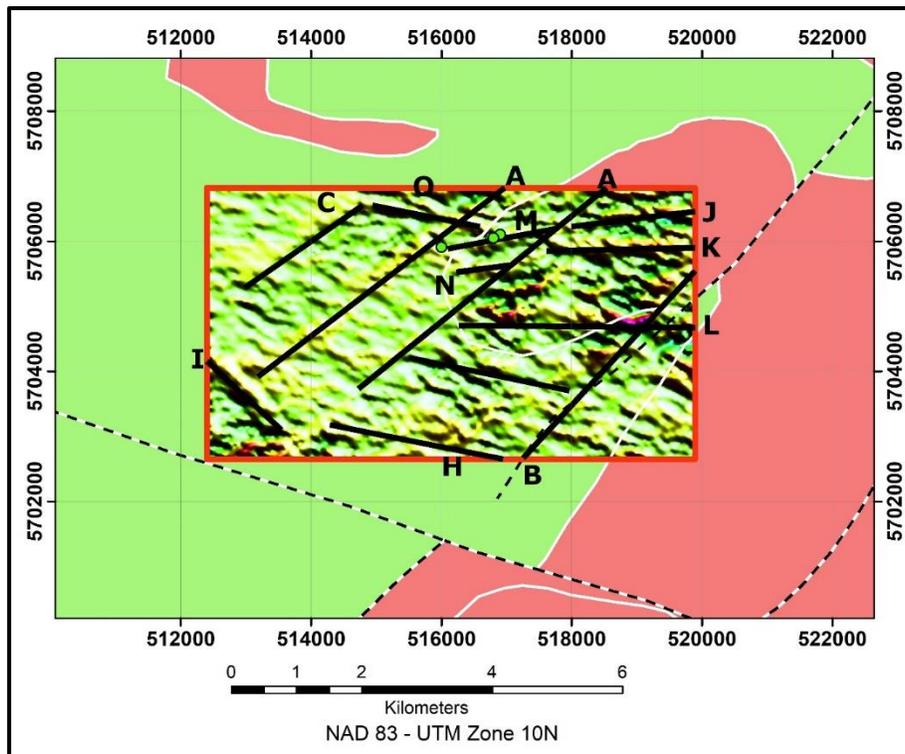


Figure 9.4 – Magnetics: In-line gradient of the Fame block. Black dashed lines are previously interpreted faults. Solid black lines are linear structures identified in the magnetic data. Background geology map description - see Fig 9.2.

### *EM-VLF Survey*

VLF-EM can be affected by topography and overburden. Comparing the TF VLF-EM and the DTM there is some correlation with topography, however the VLF-EM potentially shows some structural detail of underlying conductors. The total field (TF) VLF-EM increases from the southwest of the survey block to the northeast; like the terrain map. Furthermore, Allen (2014) reported that there is significant overburden covering the property so the VLF-EM results may not be indicative of underlying gold epithermal hosting structures. That said, the TF VLF-EM shows a high response with a strike N-S along the eastern edge of the survey area (Figure 9.5 - lines 1, 2 and B. Lines 1 and 2 appear to follow topographic lows observed within the terrain map while line B appears to follow the northeast trending fault identified in the geology map, and in the magnetic data (Figure 9.2). There are also lineaments west of line 1 striking east-west to southeast-northwest (Figure 9.5 - lines 3 to 6) which could correspond to higher conductivity structures but may also relate to local variation in overburden and topography.

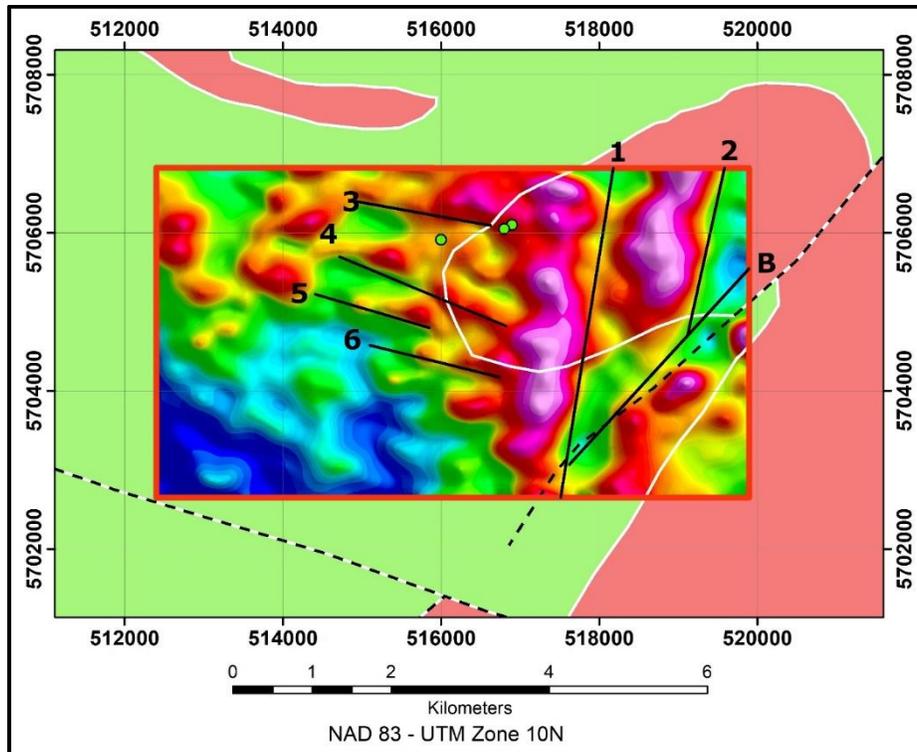


Figure 9.5 – VLF-EM: Total Field for station NLK over the Fame block. Black dashed lines are previously interpreted faults. Solid black lines are linear structures identified in the VLF-EM data. Background geology map description - see Fig 9.2.

### *Radiometric Survey*

The radiometric survey potentially provides some evidence of where granitic structures may be located; both the total count (Figure 9.6) and percent potassium (Figure 9.7) highlight four regions of different activity levels: R1, R2, R3, and R4. R1 and R3 are mottled with higher activity than R2 and R4. Higher potassium levels suggest granitic type geology; however, the mottled texture suggests that this may be due to overburden rather than underlying structure. R2 and R4 may be lower potassium levels due to the presence of surface water rather than a difference in geology. These regions may correlate with surface water (river/lake) shown in the claims map of the survey area.

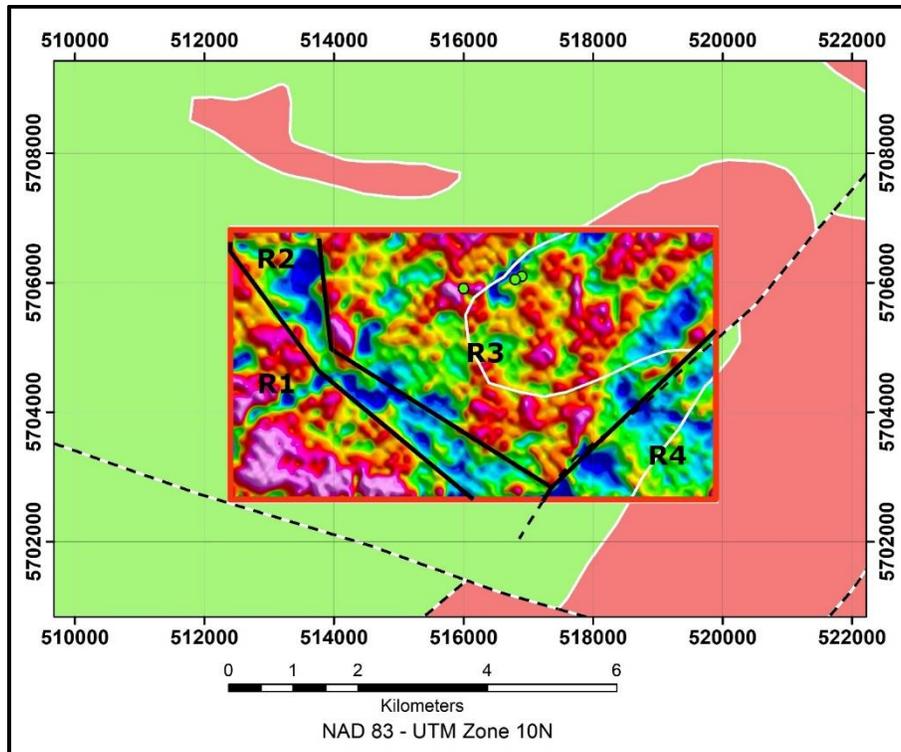


Figure 9.6 – Radiometrics: Total count over the survey block. Black dashed lines are previously interpreted faults. Solid black lines are separating lines between potentially different radiometric regions. Background geology map description - see Fig 9.2.

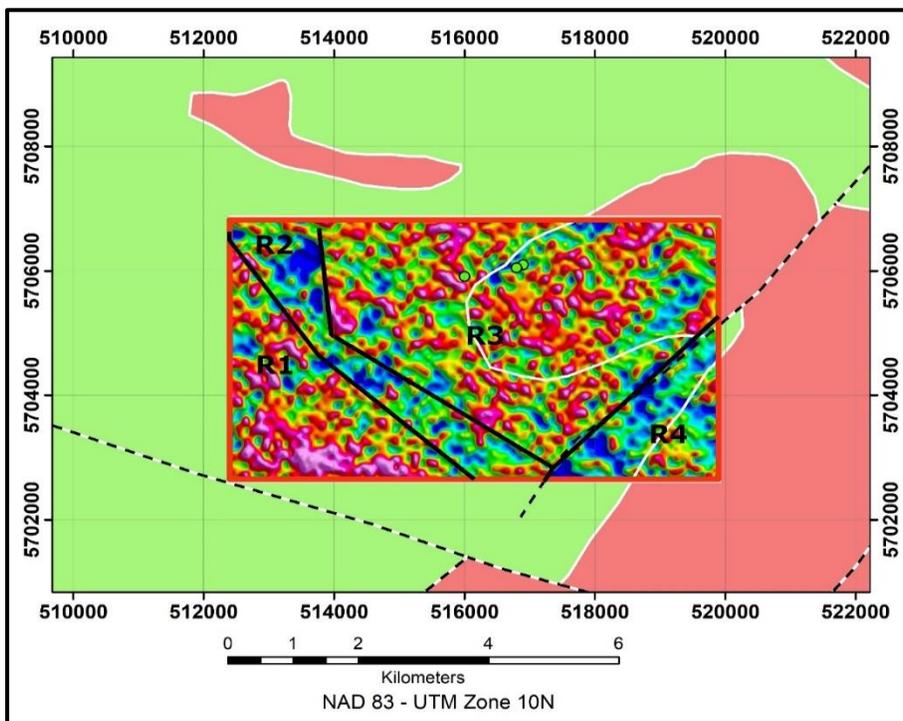


Figure 9.7 – Radiometrics: Percentage potassium over the survey block. Black dashed lines are previously interpreted faults. Solid black lines are separating lines between potentially different radiometric regions. Background geology map description - see Fig 9.2.

## **Conclusions**

Gold mineralisation outlined by Allen (2014) does appear to be within two lineaments A (Figure 9.2). Within this region, near the previous gold zones (Discover, Double Diamond, and Kelsch) two subparallel lineaments appear to be trending southwestward, one of which seems to intersect the gold zones. The southern lineament may be of interest for further exploration.

## **Drilling**

No drilling has been carried out on the Property by Longhorn. Historical drilling conducted between 1988 and 1991 is described in this Prospectus under “Narrative Description of the Business – Fame Property – History”, and summarized in Table 6.1. No resource has been defined by the historical drilling.

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

No rock or soil samples have been collected on the Property by Longhorn. Historical rock and soil geochemical sampling is described in this Prospectus under “Narrative Description of the Business – Fame Property – History”.

## **Data Verification**

Work programs carried out prior to the implementation of NI 43-101 standards in 2001 were reported under a different standard of disclosure. The Author is satisfied that the historical data gives an accurate indication of the nature and style of the known mineral occurrences on the Property. Assessment reports with certified lab reports detailing historical work have been reviewed by the Author. Multiple, historical drill programs by various operators, run by professional geologists, and the collection of anomalous rock samples by subsequent professional geologists, confirmed the presence of epithermal gold-type mineralization.

Three separate, historical drill programs have been carried out on the Property; details of which are given in this Prospectus under “Narrative Description of the Business – Fame Property – History”. The first program was conducted by Canamax, resulting in nine holes totalling 702 metres, eight of which were in the Discovery zone and one at the Kelsch showing. Assay data for the core samples from hole GAS 88-1 to GAS88-3, and GAS88-6 to 88-8 are presented in logs or sections in BC assessment report 18386. The best section that is documented was from drill hole GAS88-1 within a zone of clay altered breccia at a granodiorite dike margin of 1.5 metres grading 1.16 g/t Au. A zone projected to be the down-dip extension of the surface mineralization at the Discovery zone intersected 111 ppb Au across 21.3 metres. GAS 88-7, drilled in the Kelsch showing, failed to reach its target depth because of drilling difficulties. No data are available for holes GAS88-4, 5 and 9.

Drilling by Goldsmith in 1990 totalled 664.8 metres in five core holes, testing the Twilight, Discovery and Double Diamond showings. Assay data, logs and sections are given in BC assessment report 20910. The company drilled two reverse circulation holes in 1991, twinning a previous hole to compare analytical results, and aiming to increase the gold grade with a larger sample size in the RC holes. Assay data, logs and sections are given in BC assessment report 22253.

Data verification by the Author included a site visit to the Discovery and Twilight showings. During the site visit, the rock type and mineralization style of the showings was confirmed. The historical drill sites were not located; however this is not unusual given the time frame of 30 years since the diamond drilling by Goldsmith. No core boxes of the historical drilling were located; however, there was evidence on the ground that drilling had taken place. In addition, the locations of several historical trenches were located.

During the site visit, four rock samples were collected from various showings. The Property was accessed using a 4-wheel drive vehicle from Big Creek Lodge, which provided accommodation for field work on the Property. Table 12.1 describes the rocks collected during the site visit. The lithologies and presence of mineralization at the showings has been verified.

**Table 12.1: Rock samples collected during the visit**

Sample	Showing / Area	Easting (Zone 10)	Northing (Zone 10)	Description	Analytical Results Au (ppm)
983R21-001	Twilight zone	515427	5705463	subcrop; vuggy, drusy qtz within brown volcanic rock	0.112
983R21-002	Discovery zone	516023	5706015	outcrop above road; qtz stringers, up to 2 cm wide cutting dark andesite	<0.005
983R21-003	Discovery zone	516045	5706011	outcrop along rock cut, composite, rusty faults, carbonate stringers in andesite	<0.005
983R21-004	Discovery zone	516149	5705984	float, qtz stockwork veining, epidote, altered andesite	0.33

The 2021 rock samples were delivered by courier to MSALabs in Langley, BC for sample preparation and analysis. Sample preparation involved crushing the entire sample; followed by pulverizing a 250 g sub-sample to 85% passing 75 µm. Fire assay with atomic absorption finish, and multi-element analysis (ICP-AES/MS on 0.5 g sample) was done for gold and a 39-element analysis.

No standards, blanks or duplicates were submitted due to the reconnaissance nature of the sampling. MSALabs is an ISO 170258 and ISO 9001 accredited laboratory. In the Author's opinion, MSALabs works to industry standards. MSALabs is independent of Longhorn and the Author.

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

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

### **Mineral Resource and Mineral Reserve Estimates**

There have been no resource or reserve estimates determined for the Property.

### **Interpretation and Conclusions**

The Property is host to gold mineralization in association with epithermal gold-type mineralization. Several mineral occurrences are present on the Property, including the Discovery, Kelsch, Double Diamond and Twilight showings. The Discovery zone is associated with north-northwest striking and moderately dipping, southwest structures. The Twilight, Kelsch and Double Diamond showings are associated with northeast striking and moderately to steeply, northwest dipping structures.

The Property is in an area of geological potential, located within the northern extension of the Spences Bridge Group of volcanic rocks. The Spences Bridge Group volcanic belt is an important, low sulphidation, epithermal, precious metal camp, as evidenced by several showings outlined in the southern part of the volcanic belt, including the Shovelnose occurrence.

The Property has primarily been explored by prospecting, trenching and diamond drilling in the late 1980s through to the early 1990s, trenching in 2007, and more recently, from 2010 to 2012, with an airborne

geophysical survey, a grid-based soil sampling program and an IP geophysical survey. The recent 2021 work by Longhorn included an airborne magnetometer, VLF-EM and radiometric geophysical survey.

The presence of a thick mantle of glacial till in the region has obscured outcrop and hampered exploration. Historical drilling did not have the gold grades as seen on surface, but have not fully tested the showings. The geophysical IP survey conducted in 2012 provided new information at depth and outlined several drill targets. These targets have not yet been tested. Soil geochemical gold anomalies generated in 2011 also remain untested.

Recent work in 2021 by Longhorn includes an airborne geophysical survey comprising magnetic, VLF-EM and radiometric data. The 2021 airborne magnetic map shows similar results to the 2010 Aeroquest magnetic survey, with a magnetic low region between the two pronounced lineaments, which also contain the known showings on the Property. Several cross-cutting structures are outlined, trending northwest. New interpretation of the 2021 magnetic data added two new lineaments that cut through the magnetic low region. The total field map of the VLF-EM airborne survey showed a high response with a north-south strike along the eastern edge of the survey area; however, VLF-EM data can also be affected by topography and overburden. The radiometric survey highlighted four regions of different activity levels; however, the mottled texture of the response suggests that this may be due to overburden rather than underlying structure.

The Property is at the exploration stage. The Author has confidence in the reliability of the geological and geochemical data as presented in historical reports as well as the 2021 exploration program carried out by Longhorn. The historical data gives an accurate indication of the nature and style of the known mineral occurrences on the Property. The exploration completed to date makes the Fame Property a property of merit for further exploration.

By way of comparison, soil geochemistry, magnetic data (magnetic lows) and to a lesser extent IP and DC resistivity surveys (resistivity highs), have been instrumental in defining zones and linear trends that have helped to target exploration on the Shovelnose property. These techniques will also be helpful in future exploration programs on the Property, to overcome the difficulties of searching for targets beneath a blanket of glacial till. The Property remains underexplored for this reason.

## **Recommendations**

The Property warrants further exploration for low sulphidation, epithermal gold mineralization. The 2012 IP survey that was conducted over most of the known showings was successful in delineating zones of higher chargeability, which may relate to zones of disseminated pyrite or other sulphides; higher resistivity, which may relate to either intrusions or zones of silicification; in addition to providing depth profiles of targets. Several drill targets were outlined from the 2012 survey (Allen, 2014). In addition, two chargeability highs in the southwest and southeast corners of the survey remain open. It is recommended that the IP survey be expanded to the south and west, to include the Twilight zone, to close off the chargeability highs, and to include geochemical targets generated from the 2011 soil survey, for a total of 20.5 line-km. The proposed grid should match the 2012 grid, of 100-metre spaced lines oriented north to south, and having similar parameters to the 2012 survey. Any geophysical targets generated from the survey should be explored in the field.

Concurrently, an infill soil survey should be completed. The 2011 soil grid consisted of lines spaced at 100 metres, running north to south, and soil samples were collected at 50-metre spacing along the lines. Because of thick overburden and the nature of epithermal gold deposits, soils collected at tighter line spacing of 50 metres, and an interval of 25-m along the lines, will better define any potential geochemical anomalies. An infill soil survey, covering the extent of the 2012 IP survey as well as the Twilight zone, should sample the lines in between the original north-south lines, and continue further west at 50-metre spacing, for about 500 metres west and 500 metres south. This would generate about 1,000 soil samples. Data from the two geochemical surveys should

subsequently be combined and re-interpreted, providing greater accuracy in defining any geochemical anomalies. From the results of the new geophysical data, combined with the geochemical data, targets could be generated for any future drilling programs.

The budget for this phase is estimated to be \$200,000. This is based on an IP survey covering the Twilight zone, consisting of ten, north to south lines of one km in length; and 15 lines of 700 metres in length, for a total of 20.5 line-km. Some line cutting may have to be done in forested areas. Although permitting is not necessary for an IP survey, the BC Ministry of Mines, Energy and Low Carbon Innovation needs to be informed that an IP survey is planned. An infill soil geochemical survey is also included.

The reader is cautioned that in the event of positive results from the proposed program, more exploration and investment will be required to properly evaluate the Property. It is the opinion of the Author that the character of the Fame Property is of sufficient merit to justify the Phase I recommended program.

### ***Recommended Phase I Exploration Budget***

Project Manager	5	days	@	\$750	/day	\$3,750
Soil Samplers (4)	40	days	@	\$350	/day	\$14,000
Vehicle	10	days	@	\$150	/day	\$1,500
Fuel						\$1,500
ATV rental						\$1,000
Accommodation & meals (x4)	10	days	@	\$200	/day	\$2,000
Soil Analysis - ICPMS	1000	samples	@	\$35	/sample	\$35,000
Field Supplies						\$500
IP Geophysical Survey	20.5	ln-km	@	\$4,000	ln-km	\$82,000
Line-cutting	20.5	ln-km	@	\$1,750	ln-km	\$35,875
Report						\$6,000
					<b>Subtotal</b>	<b>\$183,125</b>
					Contingency - 10%	\$18,313
					<b>Total Budget</b>	<b>\$201,438</b>

Phase II should comprise a core drilling program to examine targets generated from the results of Phase I. Five holes of approximately 200 metre depths could reasonably test these targets. Permitting is necessary for a drill program. A Phase II program, which is contingent upon the results of Phase I, is estimated to cost \$221,000.

### ***Recommended Phase II Exploration Budget***

Project Manager	2	days	@	\$800	/day	\$1,600
Geologist	25	days	@	\$600	/day	\$15,000
Assistant	25	days	@	\$450	/day	\$11,250
Vehicle	25	days	@	\$150	/day	\$3,750
Fuel						\$650
Room and Board (x2)	25	days	@	\$200	/day	\$10,000
Core Saw	0.5	month	@	\$1,500	/month	\$750
Drilling Mob/Demob						\$2,000
Drilling metreage	1,000	metres	@	\$125	/metre	\$125,000
Drilling moves/sites	5	sites	@	\$1,000	/site	\$5,000
Analysis - ICP	500	samples	@	\$40	/sample	\$20,000
Field Supplies						\$500
Report						\$6,000
					<b>Subtotal</b>	<b>\$201,500</b>
					Contingency - 10%	\$20,150
					<b>Total Budget</b>	<b>\$221,650</b>

## USE OF PROCEEDS

### Proceeds

The completion of this Offering is subject to a minimum subscription of 2,500,000 Shares with aggregate gross proceeds of \$500,000. If subscriptions representing the Minimum Offering are not received within 90 days of the issuance of a receipt for this Prospectus, or if a receipt has been issued for an amendment to this Prospectus, within 90 days of the issuance of such receipt and in any event not later than 180 days from the date of receipt for this Prospectus, the Offering will cease. The Agent, pending closing of the Minimum Offering, will hold in trust all subscription funds received pursuant to the provisions of the Agency Agreement. If the Minimum Offering is not completed, the subscription proceeds received by the Agent in connection with the Offering will be returned to the subscribers without interest or deduction.

### Funds Available

The net proceeds to the Company from the sale of the Shares after deducting the Agent's Commission of \$45,000 (assuming no President's List Commission), but prior to deducting the estimated expenses of the Offering and the Corporate Finance Cash Fee, will be \$455,000. Upon deducting from the net proceeds the remaining estimated expenses of the Offering of \$73,000, the Corporate Finance Cash Fee of \$20,000, and including working capital surplus as at October 31, 2021 of approximately \$77,000, the total available funds to the Company are estimated to be \$439,000 (assuming the Over-Allotment Option is not exercised).

The proposed principal uses of the total funds available to the Company upon completion of the Offering (assuming the Over-Allotment Option is not exercised) for the 12 months following the Closing are as follows:

	<b>Minimum</b>
Cost of the Phase I exploration program on the Property <sup>(1)</sup>	\$201,500
Property payments pursuant to the Property Option Agreement within 10 days of the Effective Date <sup>(1)</sup>	\$20,000
General and administrative costs for 12 months <sup>(2)</sup>	\$80,000
Unallocated working capital	\$137,500
<b>TOTAL</b>	<b>\$439,000</b>

(1) See "Narrative Description of the Business".

(2) The Company estimates that its general and administrative costs will include transfer agent fees of \$6,000, professional fees (including legal and audit) of \$40,000, director and management fees (including accounting fees) of \$24,000 and Exchange fees of \$10,000.

Although the Company intends to expend the proceeds from the Offering as set out above, the amount actually expended for the purposes described above could vary significantly depending on, among other things, price of gold and other precious metals, unforeseen events, the results of the Phase I exploration program and the Company's future operating and capital needs from time to time. There may be circumstances where, for sound business reasons, a reallocation of funds may be necessary.

The Phase I exploration program on the Fame Property is expected to commence in early-spring 2022. If the results of the Phase I work program are positive, then a follow up drilling, trenching and expanded soil and rock sampling program would be warranted to be carried out as a Phase II work program. The detailed scope of work, budget and final location of drill holes and trenching work comprising the Phase II program will be dependent upon results of Phase I work. See "Narrative Description of the Business – Recommendations" in this Prospectus excerpted from the Technical Report regarding further details on the composition and costs of the Phase I program and details regarding the potential Phase II exploration program.

If a Phase II exploration program is warranted, unallocated working capital will be contributed to its funding. The Company's unallocated working capital will not suffice to fully fund a Phase II work program on the Property and there is no assurance that the Company can successfully obtain additional financing to fund a Phase II work program or other exploration work in excess of the Phase I work program on the Property. Subject to the Phase II work program proceeding, unallocated funds from the Offering and from the exercise of any of the Agent's Warrants will be otherwise added to the working capital of the Company.

The Company's allocation for general and administrative costs in the funds available post-Offering will be sufficient to meet its general and administrative costs to fund ongoing operations for at least 12 months.

Since the Company does not currently have revenues and cannot expect to have any revenues in the foreseeable future, the Company will be funding its negative cash flow from operating activities with the proceeds of the Offering. Those operating activities will not generate revenues for the Company. See the sections of this Prospectus entitled "Risk Factors – Lack of Operating Cash Flow" and "Risk Factors – The Company operates at a loss and may never generate a profit".

The current COVID-19 pandemic and other unforeseen events may also impact the ability of the Company to use the proceeds from the sale of the Shares as intended or disclosed in this Prospectus. See "Risk Factors". See the sections of this Prospectus entitled "Risk Factors – Global financial conditions may impact the Company's ability to raise additional funds" and "Risk Factors – The COVID-19 pandemic is impacting mining operations and the global economy".

### **Business Objectives and Milestones**

The Company expects to accomplish the following objectives or milestones using the funds available upon completion of the Offering (including \$77,000 working capital surplus as at October 31, 2021 and assuming the Over-Allotment Option is not exercised):

<b>Event</b>	<b>Time Frame</b>
1. Closing the Offering	Within 90 days of filing the final Prospectus (cost \$73,000)
2. Make cash payments pursuant to the Property Option Agreement	Within 10 days of the Effective Date (cost \$20,000)
3. Carry out the Phase I exploration program on the Fame Property	Within 12 months of the Effective Date (cost \$201,500)

If appropriate opportunities present themselves, the Company may acquire mineral claims, material interests in other mineral claims, and companies that the Company believes are strategic. The Company currently has no understandings, commitments or agreements with respect to any other material acquisition and no other material acquisition is currently being pursued.

The impact of the COVID-19 pandemic has major implications for all economic activities, including that of the Company. At this time, it is not possible to predict the duration or magnitude of the adverse results of the outbreak, however, management believes that the impact to the Company will continue to be limited mainly to the curtailment of travel and access to mineral projects due to travel and social distancing restrictions as well as its ability to raise financing. There has been no material disruption to the Company's current operations to date. The Company's current focus is on Fame Property located in British Columbia, Canada, and as a result, access to the property is not prohibited and exploration activities have not been disrupted but there is no assurances that disruptions due COVID-19 will not occur in the future.

## DIVIDENDS OR DISTRIBUTIONS

The Company has not, since its incorporation on April 27, 2021, paid any dividends on any of the Common Shares. The Company has no present intention to pay dividends. The future dividend policy will be determined by the Board on the basis of earnings, financial requirements and other relevant factors.

No dividends will be paid on any class or series of shares nor will shares or any series thereof be redeemed if such act would result in the Company having insufficient net assets to redeem the Preferred Shares (as defined herein), if applicable.

## SELECTED FINANCIAL INFORMATION AND MANAGEMENT DISCUSSION AND ANALYSIS

### Overview for period from incorporation on April 27, 2021 to August 31, 2021

The Company is engaged in the business of mineral exploration in British Columbia. On May 10, 2021, the Company entered into the Property Option Agreement with the Optionor to acquire a 100% interest in the Property. The Fame Property is the sole property interest of the Company at this date.

During the period from incorporation on April 27, 2021 to August 31, 2021, the Company raised a total of \$204,000 in cash from the issuance of an aggregate of 4,600,000 Common Shares pursuant to private placements. Subsequent to the period from incorporation on April 27, 2021 to August 31, 2021, the Company raised an additional \$25,000 in cash from the issuance of 500,000 Common Shares pursuant to a private placement on October 14, 2021.

### Selected Annual Information

The following table represents selected annual financial information of the Company derived from the audited financial statements for the period from incorporation on April 27, 2021 to August 31, 2021 and should be read in conjunction with the same.

	<b>From Incorporation on April 27, 2021 to August 31, 2021 (audited)</b>
Total Revenues	-
Exploration and Evaluation Assets	\$130,291
Professional Fees	\$15,250
Office and Miscellaneous Expenses	\$5,774
Stock-based compensation expense	Nil
Net Loss and Comprehensive Loss for the Period	\$21,024
Loss per share (basic and diluted)	(\$0.01)
Total Assets	\$260,647
Total Liabilities	\$77,671
Cash dividends per share	Nil

To the date of this Prospectus, the Company has incurred expenditures totaling \$130,291 in respect of the Fame Property, consisting of consisting of \$110,291 in exploration costs and \$20,000 in acquisition costs pursuant to the Property Option Agreement.

## Management’s Discussion and Analysis

The Company’s management’s discussion and analysis (“**Management’s Discussion and Analysis**”) provides an analysis of the Company’s financial results for the period from incorporation on April 27, 2021 to August 31, 2021, and should be read in conjunction with the financial statements of the Company for such period, and the notes thereto respectively. The Company’s Management’s Discussion and Analysis is attached to this Prospectus as Schedule C.

Certain information included in the Company’s Management’s Discussion and Analysis is forward-looking and based upon assumptions and anticipated results that are subject to uncertainties. Should one or more of these uncertainties materialize or should the underlying assumptions prove incorrect, actual results may vary significantly from those expected. See “Cautionary Statement Regarding Forward-Looking Statements” for further detail.

## DESCRIPTION OF SECURITIES DISTRIBUTED

### Authorized and Issued Share Capital

The authorized share capital of the Company consists of an unlimited number of Common Shares and an unlimited number as Class B preferred shares without par value (“**Preferred Shares**”). As of the date of this Prospectus, 5,100,000 Common Shares are issued and outstanding as fully paid and non-assessable shares and no Preferred Shares are outstanding.

### Common Shares

The holders of the Common Shares are entitled to receive notice of and to attend and vote at all meetings of the shareholders of the Company and each Common Share shall confer the right to one vote in person or by proxy at all meetings of the shareholders of the Company. The holders of the Common Shares, subject to the rights of Preferred Shares holders and any payment of dividends declared but unpaid on Preferred Shares (if applicable), are entitled to receive such dividends in any financial year as the Board may determine by resolution. In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or in the event of the redemption, purchase or acquisition of any shares, the reduction of capital or any other return of capital, the holders of the Common Shares are entitled to receive, subject to the prior rights of the holders of Preferred Shares, an amount equal to the paid-up capital thereon and any dividends declared thereon and unpaid, and any remaining property and assets of the Company. The Common Shares are not subject to call or assessment rights, rights regarding purchase for cancellation or surrender, or any pre-emptive or conversion rights.

In addition to the Common Shares issued and outstanding, the following table sets out the number of and percentage of the Common Shares of the Company proposed to be outstanding on a fully-diluted basis after giving effect to the Offering.

	No. of Common Shares <sup>(1)(2)</sup>	Percentage of Total
Issued and outstanding as at the date of the Prospectus	5,100,000	65.18%
Issuable pursuant to the Offering	2,500,000	31.95%
Reserved for issuance pursuant to Agent’s Warrants	225,000	2.87%
Total outstanding on a fully-diluted basis	<u>7,825,000</u>	<u>100.00%</u>

(1) Not including the 400,000 Common Shares issuable within 10 days of the Effective Date pursuant to the Property Option Agreement.

(2) Assumes no exercise of the Over-Allotment Option and assumes no President’s List Warrants.

## Preferred Shares

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

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

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

The Company, as of the date hereof, has no intention to issue Preferred Shares.

## Agent's Warrants

On Closing, the Company will issue to the Agent that number of Agent's Warrants equal to 9% of the Shares sold under the Offering (including any Over-Allotment Shares), other than in respect of Shares (including any Over-Allotment Shares) sold to purchasers on the President's List for which the Agent will receive the President's List Warrants. Each Agent's Warrant is exercisable into one Broker Warrant Share for \$0.20 per Broker Warrant Share for a period of 24 months from the Closing Date.

The Agent's Warrants (which include the President's List Warrants) are qualified for distribution by this Prospectus.

## CONSOLIDATED CAPITALIZATION

The following table outlines the consolidated capitalization of the Company as at August 31, 2021 and the date of this Prospectus, to reflect any material changes in the share and loan capital of the Company and both before and after giving effect to the Offering. The table should be read in conjunction with the audited financial statements of the Company, attached hereto as Schedule B.

Description	Authorized Amount	Outstanding as at August 31, 2021 (Audited)	Outstanding at the date of this Prospectus (Unaudited)	Outstanding after giving effect to the Offering (Unaudited)
Common Shares	Unlimited	4,600,000	5,100,000	7,600,000 <sup>(1)(2)(3)(4)(5)</sup>
Agent's Warrants	N/A	Nil	Nil	225,000 <sup>(5)</sup>
Options	10% rolling	Nil	Nil	Nil
Preferred Shares	Unlimited	Nil	Nil	Nil
Long Term Debt	Nil	Nil	Nil	Nil

- (1) Assumes the issuance of 2,500,000 Shares under the Offering.
- (2) Does not include any Common Shares issuable upon exercise of the Agent's Warrants.
- (3) Certain of these Common Shares to be subject to certain escrow and resale restrictions. See "Escrowed Securities".
- (4) Does not include 400,000 Common Shares to be issued to the Optionor within ten days of the Effective Date pursuant to the Property Option Agreement.
- (5) Assumes no exercise of the Over-Allotment Option and assumes no President's List Warrants. If the Over-Allotment Option is exercised in full, 375,000 Over-Allotment Shares and an additional 33,750 Agent's Warrants will be outstanding after giving effect to the Offering

## OPTIONS TO PURCHASE SECURITIES

### Incentive Stock Options and Stock Option Plan

The Board approved the incentive stock option plan of the Company (the "**Plan**"), for the employees, directors, officers, consultants and employees of a person or company which provides management services to the Company or its subsidiary companies (the "**Participants**"), to grant such Participants stock options. The aggregate number of Common Shares that may be issuable pursuant to option grants under the Plan cannot exceed 10% of the Company's issued and outstanding Common Shares as at the date of grant. This is a "rolling" plan as the number of Common Shares reserved for issuance pursuant to the grant of stock options will increase as the Company's issued and outstanding number of Common Shares increases. Up to an aggregate of 760,000 Common Shares, representing approximately 10% of the proposed number of issued and outstanding Common Shares after completion of the Offering (assumes no exercise of the Over-Allotment Option), will be available for the grant of stock options under the Plan.

The Plan is administered by the Board and provides that the Board may grant options to purchase Common Shares on terms that the Board may determine, within the limitations of the Plan. The exercise price of an option issued under the Plan is determined by the Board, but may not be less than the closing market price of the Common Shares on the day preceding the date of granting of the option less any available discount, in accordance with the policies of the Exchange (the "**Discounted Market Price**") or such other price as may be agreed to by the Company and accepted by the Exchange, provided that the exercise price for each optioned Common Share in respect of options granted within 90 days of a "distribution" by a "prospectus" (as such terms are defined in Exchange Policy 1.1) shall not be less than the greater of the Discounted Market Price and the price per Common Share paid by public investors for listed Common Shares of the Company under the "distribution". No option may be granted for a term longer than 10 years. The options are not transferrable or assignable.

An option may expire on such earlier date or dates as may be fixed by the Board, subject to earlier termination in the event the optionee ceases to be eligible under the Plan by reason of death, retirement or otherwise. If an optionee ceases to be eligible under the Plan by reason of being dismissed from any such position, all unexercised option rights will be immediately terminated. If an optionee ceases to be eligible under the Plan by any reason other than termination for cause or as a result of death, the optionee will have a right for a period of the earlier of: (a) 90 days from the date of the optionee ceasing to be eligible and (b) the normal expiry date of the options,

to exercise the options under the Plan, with all unexercised options terminating immediately upon expiration of such period.

The Plan provides for the following restrictions: (i) no Participant may be granted an option if that option would result in the total number of stock options granted to the Participants in the previous 12 months, exceeding 5% of the issued and outstanding Common Shares unless the Company has obtained disinterested Shareholder approval in accordance with Exchange policies; (ii) the aggregate number of options granted to Participants conducting Investor Relations Activities (as defined in Exchange Policies) in any 12 month period must not exceed 2% of the issued and outstanding Common Shares, calculated at the time of grant; and, (iii) the aggregate number of options granted to any one consultant in any 12 month period must not exceed 2% of the issued and outstanding Common Shares, calculated at the time of grant. In addition, Options granted to consultants conducting Investor Relations Activities will vest over a period of 12 months as to 25% on the date that is three months from the date of grant, and a further 25% on each successive date that is three months from the date of the previous vesting or such longer vesting period as the Board may determine. Vesting of Options is otherwise at the discretion of the Board.

As at the date of this Prospectus, the Company has not granted any incentive stock options to purchase Common Shares pursuant to the Plan.

### Agent's Warrants

Upon completion of the Offering, the Agent will receive Agent's Warrants entitling it to acquire that number of Common Shares equal to 9% of the aggregate number of Shares (including any Over-Allotment Shares) sold under the Offering, other than in respect of Shares (including any Over-Allotment Shares) sold to purchasers under the President's List for which the Agent will receive the President's List Warrants. Each Agent's Warrant is exercisable into one Broker's Warrant Share at a price of \$0.20 per Broker's Warrant Share at any time on or before 24 months from the Closing Date.

There are no assurances that the Agent's Warrants will be exercised in whole, in part or at all.

### PRIOR SALES

The following table summarizes the sales of securities of the Company since incorporation:

Issue Date	Price Per Common Share	Number of Common Shares Issued	Proceeds to the Company
April 27, 2021	\$0.01	650,000 <sup>(1)</sup>	\$6,500
June 3, 2021	\$0.05	2,200,000 <sup>(2)(3)</sup>	\$110,000
June 30, 2021	\$0.05	1,600,000 <sup>(4)(5)</sup>	\$80,000
July 7, 2021	\$0.05	150,000 <sup>(6)</sup>	\$7,500
October 14, 2021	\$0.05	500,000 <sup>(6)</sup>	\$25,000
<b>TOTAL</b>		<b>5,100,000</b>	<b>\$229,000</b>

- (1) Subject to the Escrow Agreement pursuant to the escrow restrictions imposed by NP 46-201. See "Escrowed Securities".
- (2) 500,000 of these Common Shares are subject to the Escrow Agreement pursuant to the escrow restrictions imposed by NP 46-201. See "Escrowed Securities".
- (3) 1,700,000 of these Common Shares are subject to resale restrictions imposed by Exchange Policy 5.4 (as defined herein) and the Pooling Agreement (as defined herein). See "Escrowed Securities".
- (4) 700,000 of these Common Shares are subject to the Escrow Agreement pursuant to the escrow restrictions imposed by NP 46-201. See "Escrowed Securities".
- (5) 900,000 of these Common Shares are subject to resale restrictions imposed by Exchange Policy 5.4 and the Pooling Agreement.
- (6) Subject to resale restrictions imposed by Exchange Policy 5.4 and the Pooling Agreement. See "Escrowed Securities".

## **ESCROWED SECURITIES**

### **Escrowed Securities**

Under the applicable policies and notices of the Canadian Securities Administrators securities held by “Principals”, as that term is defined in NP 46-201, are required to be held in escrow in accordance with the national escrow regime applicable to initial public distributions. Equity securities, including Common Shares, owned or controlled by the Principals of the Company are subject to the escrow requirements.

Principals include all persons or companies that, on the completion of the Offering, fall into one of the following categories:

- (i) directors and senior officers of the Company;
- (ii) promoters of the Company during the two years preceding this Offering;
- (iii) those that own and/or control more than 10% of the Company’s voting securities immediately before and after completion of this Offering and if they also have elected or appointed or have the right to elect or appoint one or more directors or senior officers of the Company or of a material operating subsidiary of the Company; and
- (iv) those who own and/or control more than 20% of the Company’s voting securities immediately before and after completion of this Offering.

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 Company that they hold will also be subject to escrow requirements.

The Principals of the Company are Anthony Zelen, Todd Hanas, Peter Dyakowski, Raymond Wladichuk and Ryan Cheung.

Pursuant to an escrow agreement dated as of September 23, 2021, among the Company, the Escrow Agent and the Principals of the Company (the “**Escrow Agreement**”), the Principals agreed to deposit in escrow their Common Shares (the “**Escrowed Securities**”) with the Escrow Agent. The Escrow Agreement provides that 10% of the Escrowed Securities will be released from escrow upon the Listing Date and that an additional 15% will be released therefrom every 6 month interval thereafter, over a period of 36 months.

The Company is an “emerging issuer” as defined in the applicable policies and notices of the Canadian Securities Administrators and if the Company achieves “established issuer” status during the term of the Escrow Agreement, it will “graduate” resulting in a catch-up release and an accelerated release of any securities remaining in escrow under the 18 month schedule applicable to established issuers as if the Company had originally been classified as an established issuer.

Pursuant to the terms of the Escrow Agreement, the Escrowed Securities may not be transferred or otherwise dealt with during the term of the Escrow Agreement unless the transfers or dealings within the escrow are:

- (i) transfers to continuing or, upon their appointment, incoming directors and senior officers of the Company or of a material operating subsidiary, with approval of the Company’s Board;
- (ii) transfers to an RRSP or similar trustee plan provided that the only beneficiaries are the transferor or the transferor’s spouse or children or parents;
- (iii) transfers upon bankruptcy to the trustee in bankruptcy;
- (iv) pledges to a financial institution as collateral for a loan, provided that upon a realization the securities remain subject to escrow; and

- (v) tenders of Escrowed Securities to a take-over bid are permitted provided that, if the tenderer is a Principal of the successor corporation upon completion of the take-over bid, securities received in exchange for tendered Escrowed Securities are substituted in escrow on the basis of the successor corporation's escrow classification.

The following table sets forth details of the Escrowed Securities that are subject to the Escrow Agreement as of the date of this Prospectus:

Name	No. of Escrowed Common Shares <sup>(1)</sup>	Percentage (Prior Giving Effect to the Offering) <sup>(2)</sup>	Percentage (After Giving Effect to the Offering) <sup>(3)</sup>
Anthony Zelen	800,000 <sup>(4)</sup>	15.69%	10.53%
Ryan Cheung	150,000	2.94%	1.97%
Todd Hanas	300,000	5.88%	3.95%
Peter Dyakowski	300,000	5.88%	3.95%
Raymond Wladichuk	300,000	5.88%	3.95%
<b>Total:</b>	<b>1,850,000</b>	<b>36.27%</b>	<b>24.34%</b>

(1) These Common Shares have been deposited in escrow with the Escrow Agent pursuant to the Escrow Agreement.

(2) Calculated based on 5,100,000 Common Shares issued and outstanding as of the date of this Prospectus.

(3) Calculated based on the aggregate number of issued and outstanding Common Shares after completion of the Offering totaling 7,600,000 Common Shares (assuming the Over-Allotment Option is not exercised).

(4) 300,000 of these Common Shares are held by Zelen Consulting Inc., a private company owned and controlled by Anthony Zelen.

### Shares Subject to Resale Restrictions

Common Shares that are issued to non-Principals of the Company prior to completion of the Offering (“**Seed Shares**”) may be subject to escrow restrictions or hold periods imposed by Exchange Policy 5.4 - *Escrow, Vendor Considerations and Resale Restrictions* (“**Policy 5.4**”). A total of 3,250,000 Common Shares are Seed Shares subject to resale restrictions under Policy 5.4 as follows:

Common Shares	Resale Restrictions
500,000 Common Shares issued at \$0.05 per Common Share	20% of the total released on the Closing Date and 20% of the total released every 3 months thereafter, resulting in a total release 1 year after the Closing Date (*see “Voluntary Pooling” below)
2,750,000 Common Shares issued at \$0.05 per Common Share	20% of the total released on the Closing Date and 20% of the total released every month thereafter, resulting in a total release 4 months after the Closing Date (*see “Voluntary Pooling” below)

Holders of the 3,250,000 Seed Shares issued at \$0.05 per Common Share listed in the table above have entered into the Pooling Agreement (as defined herein) or otherwise have agreed, pursuant to the terms of a subscription agreement, to certain pooling terms that impose resale restrictions stricter or equal to those imposed by Exchange Policy 5.4. See “Voluntary Pooling” directly below.

### Voluntary Pooling

Notwithstanding the terms of the applicable resale restrictions imposed by Policy 5.4 as set out directly above, all of the 3,250,000 Seed Shares issued at \$0.05 per Common Share listed above are subject to the same pooling restrictions, pursuant to which 20% of the total Seed Shares issued at \$0.05 per Common Share will be released

on the Closing Date and an additional 20% of the total will be released every three (3) months thereafter, resulting in a total release one (1) year after the Closing Date. 1,700,000 of the 3,250,000 Seed Shares listed above are subject to a voluntary pooling agreement among the Company and certain of the holders dated July 7, 2021 (the “**Pooling Agreement**”), and the remaining 1,550,000 Seed Shares are, pursuant to the terms of a subscription agreement, subject to the same pooling terms as are imposed under the Pooling Agreement.

### PRINCIPAL SHAREHOLDERS

The following table sets forth, to the best of the Company’s knowledge, as of the date hereof, the only persons or companies who beneficially own, directly or indirectly, or exercise control or direction over, directly or indirectly, 10% or more of the issued and outstanding Common Shares before and after giving effect to the Offering:

Prior to the Offering			After Giving Effect to the Offering		
Name	Number of Common Shares of Record and Beneficially Owned Directly or Indirectly	Percentage of Common Shares Held	Number of Common Shares of Record and Beneficially Owned Directly or Indirectly	Percentage of Common Shares Held <sup>(1)</sup>	Percentage of Common Shares Held <sup>(2)</sup>
Anthony Zelen	800,000 <sup>(3)</sup>	15.69%	800,000	10.53%	9.72%

(1) Calculated based on the aggregate number of issued and outstanding Common Shares after completion of the Offering totaling 7,600,000 Common Shares (assuming the Over-Allotment Option is not exercised).

(2) On a fully-diluted basis, assuming completion of the Offering, full exercise of the Over-Allotment Option and the exercise all the Agent’s Warrants, the aggregate number of issued and outstanding Common Shares would total 8,233,750 Common Shares.

(3) 300,000 of these Common Shares are held by Zelen Consulting Inc., a private company owned and controlled by Anthony Zelen.

### DIRECTORS AND OFFICERS

Each director of the Company holds office until the next annual general meeting of the shareholders or until his successor is duly elected or appointed, unless his office is earlier vacated in accordance with the articles of the Company or he becomes disqualified to act as a director. As at the date of this Prospectus, the number and percentage of Common Shares beneficially owned, or controlled or directed, directly or indirectly, by the directors and officers of the Company as a group is 1,850,000 or 36.27% of the current issued and outstanding Common Shares of the Company. Upon Closing of the Offering, assuming the Agent has not exercised the Agent’s Warrants and none of the directors or officers purchase any of the Shares, the number and percentage of the Common Shares beneficially owned, or controlled or directed, directly or indirectly, by all of the directors and officers of the Company will be 1,850,000 or 24.34% (assumes no exercise of the Over-Allotment Option) of the then current issued and outstanding Common Shares of the Company.

The names, municipality of residence, position within the Company and the present and principal occupations for the past five years of each of the directors and officers of the Company are set forth in the following table.

Name and Province of Residence and Position with the Company	Director/ Officer Since	Principal Occupation for the Past Five Years	Common Shares Beneficially Owned Directly or Indirectly (at the date of this Prospectus) <sup>(2)(3)</sup>
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<b>Anthony Zelen</b> <sup>(1)</sup> British Columbia, Canada <i>CEO and Director</i>	Director and Officer since April 27, 2021	President of Zelen Consulting Inc., a Private company providing consulting services to public and private companies.	800,000 <sup>(4)</sup> (15.69%)
<b>Ryan Cheung</b> British Columbia, Canada <i>CFO and Corporate Secretary</i>	Officer since April 27, 2021	Owner and founder of MCPA Services Inc. Chartered Professional Accountants.	150,000 (2.94%)
<b>Todd Hanas</b> <sup>(1)</sup> British Columbia, Canada <i>Director</i>	Director since April 27, 2021	President and CEO of Bluesky Corporate Communications Ltd., a communications, corporate finance and investor relations consulting firm.	300,000 (5.88%)
<b>Peter Dyakowski</b> Ontario, Canada <i>Director</i>	Director since April 27, 2021	Executive Vice-President of Scholars, a North American supplemental education system. President of a private real estate development company in Hamilton, Ontario.	300,000 (5.88%)
<b>Raymond Wladichuk</b> <sup>(1)</sup> British Columbia, Canada <i>Director</i>	Director since April 27, 2021	Registered Professional Geoscientist.	300,000 (5.88%)

(1) Denotes a member of the Audit Committee of the Company.

(2) Calculated based on 5,100,000 Common Shares issued and outstanding as of the date of this Prospectus.

(3) Subject to the Escrow Agreement pursuant to the escrow restrictions imposed by NP 46-201. See "Escrowed Securities".

(4) 300,000 of these Common Shares are held by Zelen Consulting Inc., a private company owned and controlled by Anthony Zelen.

The term of office of the directors expires annually at the time of the Company's next annual general meeting of shareholders.

After completion of the Offering, these directors and officers, as a group, will own or exercise control over 1,850,000 of the issued and outstanding Common Shares, which will represent or 24.34% of the outstanding Common Shares upon completion of the Offering (assumes no exercise of the Over-Allotment Option).

The following is a brief description of the background of the key management, directors and promoters of the Company.

**Anthony Zelen, CEO, Director and Promoter (Age: 50)**

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

Mr. Zelen intends to dedicate approximately 25% of his working time to the affairs of the Company.

Mr. Zelen is a consultant to the Company and has not entered into a non-competition or nondisclosure agreement with the Company.

**Ryan Cheung, CFO and Corporate Secretary (Age: 43)**

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

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

Mr. Cheung is a consultant to the Company and has not entered into a non-competition or nondisclosure agreement with the Company.

**Todd Hanas, Director (Age: 54)**

Todd Hanas is the President and CEO of Bluesky Corporate Communications Ltd., a business communications, corporate finance and investor relations/consulting firm for both private and public companies with its primary focus on the resource sector. Mr. Hanas has served as a director of a number of private and publicly-listed companies in the resource sector. Currently, he serves as CEO and Director of New Target Mining Corp. (TSXV: NEW), a British Columbia based mineral exploration company.

Mr. Hanas intends to dedicate approximately 10% of his working time to the affairs of the Company.

Mr. Hanas is a consultant to the Company and has not entered into a non-competition or nondisclosure agreement with the Company.

**Peter Dyakowski, Director (Age: 37)**

Peter Dyakowski is the Executive Vice-President of Scholars, a North American supplemental education system with over 70 franchise locations. He is also President of a private real estate development company in Hamilton, Ontario, and sits on the Boards of Directors of several Canadian not-for-profit organizations including Parachute Canada, a national injury-prevention charity.

A retired Canadian Football League offensive lineman, Mr. Dyakowski was most recently a member of the Saskatchewan Roughriders. He played for the Hamilton Tiger-Cats from 2007 to 2016 and remains involved with the league in his current capacity as Treasurer of the Canadian Football League Players' Association (CFLPA), which represents the professional football players in the CFL. In addition to serving as Treasurer, Mr. Dyakowski also sits on the CFLPA's Bargaining Committee in negotiations with the CFL.

Mr. Dyakowski intends to dedicate approximately 10% of his working time to the affairs of the Company.

Mr. Dyakowski is a consultant to the Company and has not entered into a non-competition or nondisclosure agreement with the Company.

**Raymond Wladichuk, Director (Age: 33)**

Mr. Wladichuk, a British Columbia registered Professional Geoscientist, has been involved in the junior mining industry since 2011. He is a technical and managerial consultant in the natural resource, engineering, and construction industries and has held executive and director positions for a number of publicly traded exploration companies. He holds a Bachelor of Science in Earth Sciences and a Graduate Diploma in Business Administration from Simon Fraser University.

Mr. Wladichuk intends to dedicate approximately 15% of his working time to the affairs of the Company.

Mr. Wladichuk is a consultant to the Company and has not entered into a non-competition or nondisclosure agreement with the Company.

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

Except as disclosed below, as at the date of this Prospectus, no director or executive officer of the Company is, or within the ten years prior to the date of this Prospectus has been a director, CEO or CFO of any company (including the Company), that:

- (a) was subject to a cease trader order, an order similar to a cease trade order or an order that that denied the relevant company access to any exemption under securities legislation (an “order”) that was issued while the director or executive officer was acting in the capacity as director, CEO or CFO; or
- (b) was subject to an order that was issued after the director or executive officer ceased to be a director, CEO or CFO and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or CFO.

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

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

As at the date of this Prospectus, no director, executive officer or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company of the Company: is, as at the date of this Prospectus, or has been within 10 years before the date of this Prospectus, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became 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.

### **Penalties or Sanctions**

No director, officer, or shareholder holding a sufficient number of 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 a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

### **Personal Bankruptcies**

No existing or proposed director, officer, or shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company has, during the ten years prior to the date hereof, become bankrupt or made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or instituted

any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his or her assets.

### **Conflicts of Interest**

The directors and officers of the Company will not be devoting all of their time to the affairs of the Company. In particular, the CEO of the Company, as to 25%, and the CFO of the Company, as to 10%, will only be devoting part of their time to the affairs of the Company. The directors and officers of the Company are directors and officers of other companies, some of which are in the same business as the Company. The directors and officers of the Company are required by law to act in the best interests of the Company. They have the same obligations to the other companies in respect of which they act as directors and officers. Discharge by the directors and officers of their obligations to the Company may result in a breach of their obligations to the other companies, and in certain circumstances this could expose the Company to liability to those companies. Similarly, discharge by the directors and officers of their obligations to the other companies could result in a breach of their obligation to act in the best interests of the Company. Such conflicting legal obligations may expose the Company to liability to others and impair its ability to achieve its business objectives.

## **AUDIT COMMITTEE AND CORPORATE GOVERNANCE**

### **Audit Committee**

National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”), NI 41-101 and Form 52-110F2 require the Company, as a venture issuer, to disclose certain information relating to the Company’s audit committee (the “**Audit Committee**”) and its relationship with the Company’s independent auditors.

### *Audit Committee Charter*

The text of the Audit Committee’s charter is attached as Schedule A.

### *Composition of Audit Committee*

The members of the Company’s Audit Committee are:

Todd Hanas <sup>(3)</sup>	Independent <sup>(1)</sup>	Financially literate <sup>(2)</sup>
Raymond Wladichuk	Independent <sup>(1)</sup>	Financially literate <sup>(2)</sup>
Anthony Zelen	Not Independent <sup>(1)</sup>	Financially literate <sup>(2)</sup>

(1) A member of an audit committee is independent if the member has no direct or indirect material relationship with the Company, which could, in the view of the Board, reasonably interfere with the exercise of a member’s independent judgment.

(2) An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements.

(3) Chair of the Audit Committee.

### *Relevant Education and Experience*

Each member of the Company’s present Audit Committee has adequate education and experience that is relevant to their performance as an Audit Committee member and, in particular, the requisite education and experience that have provided the member with:

- (a) an understanding of the accounting principles used by the Company to prepare its financial statements;

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

**Todd Hanas**: Mr. Hanas has experience as a director of publicly listed issuers with a specific focus in the resource sector. Currently, he serves as CEO and Director of New Target Mining Corp. (TSXV: NEW), a British Columbia based mineral exploration company. Mr. Hanas is also the President and CEO of Bluesky Corporate Communications Ltd., a business communications, corporate finance and investor relations/consulting firm for both private and public companies. Mr. Hanas has been involved in a variety of matters requiring financial literacy including reviewing and approving financial statements for resource issuers in his capacity as a director.

**Anthony Zelen**: Mr. Zelen has over 23 years of experience in finance, investor relations, start-ups and corporate development. He has served as a director and officer for a number of public companies listed both in the United States and Canada as well as serving on the audit committee for several of them.

**Raymond Wladichuk**: Mr. Wladichuk, a British Columbia registered Professional Geoscientist, has been involved in the junior mining industry since 2011, and with several publicly-listed companies. He has extensive knowledge and experience on budgeting, costs, and financial matters in the mining industry. Mr. Wladichuk has been involved in a variety of matters requiring financial literacy including reviewing and approving financial statements for resource issuers in his capacity as a director.

See "Directors and Officers" for further details.

### ***Audit Committee Oversight***

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Company's Board.

### ***Reliance on Certain Exemptions***

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Sections 2.4, 6.1.1(4), (5) and (6) of NI 52-110, or an exemption from NI 52-110, in whole or in part, granted under Part 8 of National Instrument 52-110.

### ***Pre-Approval Policies and Procedures***

The Audit Committee is authorized by the Company's Board to review the performance of the Company's external auditors and approve in advance provision of services other than auditing and to consider the independence of the external auditors, including a review of the range of services provided in the context of all consulting services bought by the Company. The Audit Committee is authorized to approve in writing any non-audit services or additional work which the Chairman of the Audit Committee deems is necessary, and the Chairman will notify the other members of the Audit Committee of such non-audit or additional work and the reasons for such non-audit work for the Committee's consideration, and if thought fit, approval in writing.

### ***External Auditor Service Fees***

The fees billed by the Company's external auditors during the financial period from incorporation date of April 27, 2021 to August 31, 2021 for audit and non-audit related services provided to the Company are as follows:

<b>From Incorporation April 27, 2021 to August 31, 2021</b>	<b>Audit Fees</b>	<b>Audit Related Fees<sup>(1)</sup></b>	<b>Tax Fees<sup>(2)</sup></b>	<b>All other Fees<sup>(3)</sup></b>
2021	\$7,500	Nil	Nil	Nil

(1) Fees charged for assurance and related services that are reasonably related to the performance of an audit, and not included under Audit Fees.

(2) Fees charged for tax compliance, tax advice and tax planning services.

(3) Fees for services other than disclosed in any other column.

### ***Exemption***

The Company has relied upon the exemption provided by section 6.1 of NI 52-110, which exempts a venture issuer from the requirement to comply with the restrictions on the composition of its Audit Committee and the disclosure requirements of its Audit Committee in an annual information form as prescribed by NI 52-110.

### **Corporate Governance**

#### ***General***

The Company's Board believes that good corporate governance improves corporate performance and benefits all shareholders. National Policy 58-201 - *Corporate Governance Guidelines* provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Company. In addition, National Instrument 58-101 - *Disclosure of Corporate Governance Practices* ("NI 58-101") prescribes certain disclosure by the Company of its corporate governance practices. This disclosure is presented below.

#### ***Board of Directors***

The Company's Board facilitates its exercise of independent supervision over the Company's management through frequent meetings of the Board.

The Company's Board is comprised of four (4) directors, of whom each of Todd Hanas, Peter Dyakowski and Raymond Wladichuk are independent for the purposes of NI 58-101. Anthony Zelen is not independent as he serves as CEO of the Company.

#### ***Directorships***

Certain of the Company's directors are also currently directors of other reporting issuers as follows:

<b>Name</b>	<b>Reporting Issuer</b>
Anthony Zelen	Samurai Capital Corp. (TSXV) Rex Resources Corp. (TSXV) Lida Resources inc. (CSE) Midpoint Holdings Limited (TSXV) Jessy Ventures Corp. (TSXV) Hollister Biosciences Inc. (CSE) New Wave Holdings Corp. (CSE) Paloma Resources Inc. (TSXV) Prospect Park Capital Corp. (CSE)

Todd Hanas	New Target Mining Corp. (TSXV) Patriot Battery Metals Inc. (CSE)
Raymond Wladichuk	Apogee Minerals Ltd. (TSXV) Quebec Silica Resources Corp. (CSE) Snowy Owl Gold Corp. (CSE)

### ***Orientation and Continuing Education***

New members of the Board receive an orientation package which includes reports on operations and results, and public disclosure filings by the Company. Meetings of the Board are sometimes held at the Company's offices and, from time to time, are combined with presentations by the Company's management to give the directors additional insight into the Company's business. In addition, management of the Company makes itself available for discussion with all members of the Board.

### ***Ethical Business Conduct***

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

### ***Nomination of Directors***

The Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of view and experience.

The Board does not have a nominating committee, and these functions are currently performed by the Board as a whole. However, if there is a change in the number of directors required by the Company, this policy will be reviewed.

### ***Compensation***

The Board is responsible for determining compensation for the directors of the Company to ensure it reflects the responsibilities and risks of being a director of a public company.

### ***Other Board Committees***

The Board has no committee other than the Audit Committee.

### ***Assessments***

Due to the minimal size of the Company's Board, no formal policy has been established to monitor the effectiveness of the directors, the Board and its committees.

## **EXECUTIVE COMPENSATION**

### **Compensation Discussion and Analysis**

The purpose of this Compensation Discussion and Analysis is to provide information about the Company's executive compensation objectives and processes and to discuss compensation decisions relating to its Named

Executive Officers (“NEO”) listed in the summary compensation table that follows. During its fiscal period ended August 31, 2021, the following individuals were NEOs (as determined by applicable securities legislation) of the Company:

Anthony Zelen – CEO

Ryan Cheung – CFO and Corporate Secretary

As of the date of this Prospectus, the Company’s directors have not established any benchmark or performance goals to be achieved or met by the NEOs, however, such NEOs are expected to carry out their duties in an effective and efficient manner so as to advance the business objectives of the Company. The satisfactory discharge of such duties is subject to ongoing monitoring by the Company’s directors.

Notwithstanding the foregoing, given that the Company has not, as of yet, generated any significant income or cash flow from operations and operates with limited financial resources to ensure that funds are available to complete scheduled programs, the Board has to consider not only the financial situation of the Company at the time of the determination of executive compensation, but also the estimated financial situation in the mid and long term. An important element of executive compensation is the grant of incentive stock options by the Company to its employees, directors and officers which do not require cash disbursement by the Company. See “Summary Compensation Table” below.

### ***Compensation Objectives and Principles***

In assessing the compensation of its executive officers, the Company does not have in place any formal objectives, criteria or analysis; compensation payable is currently determined by the Board.

The primary goal of the Company’s executive compensation process is to attract and retain the key executives necessary for the Company’s long term success, to encourage executives to further the development of the Company and its operations and to motivate qualified and experienced executives. The key elements of executive compensation awarded by the Company are: (i) base salary; (ii) potential annual incentive awards; and (iii) incentive stock options. The Board is of the view that all elements should be considered rather than any single element. The Board has not considered the implications of the risk associated with the Company’s compensation policies and practices. The compensation program is designed to reward each executive based on individual, business and corporate performance and is also designed to incent such executives to drive the annual and long-term business goals of the organization.

For executive officers who are offered compensation, such compensation will primarily be comprised of a base salary, fees and/or stock options to purchase Common Shares.

### ***Incentive Plan Awards - Option Based Awards***

Options to purchase Common Shares are intended to align the interests of the Company’s directors and officers with those of its shareholders, to provide a long term incentive that rewards these individuals for their contribution to the creation of shareholder value and to reduce the cash compensation the Company would otherwise have to pay. The Company’s Stock Option Plan is administered by the Board. The Board also considers previous grants of options and the overall number of options that are outstanding relative to the number of outstanding Common Shares in determining whether to make any new grants of options and the size and terms of any such grants, as well as the level of effort, time, responsibility, ability, experience and level of commitment of the officer in determining the level of incentive stock option compensation.

### ***Benefits and Perquisites***

The Company does not, as of the date of this Prospectus, offer any benefits or perquisites to its NEOs other than entitlement to incentive stock options as otherwise disclosed and discussed herein.

### ***Summary Compensation Table***

The following table sets out information concerning: (i) the compensation to be paid to each of the Company's NEOs and Directors for the financial period ending August 31, 2021; and (ii) the expected compensation to be paid to each of the Company's NEOs and directors for the financial year ending August 31, 2022.

<b>Table of compensation excluding compensation securities</b>							
<b>Name and position</b>	<b>Year Ended<sup>(1)</sup></b>	<b>Salary, consulting fee, retainer or commission (\$)<sup>(2)</sup></b>	<b>Bonus (\$)</b>	<b>Committee or meeting fees (\$)</b>	<b>Value of perquisites (\$)</b>	<b>Value of all other compensation (\$)</b>	<b>Total compensation (\$)</b>
<b>Anthony Zelen</b> <i>CEO and Director</i>	2021 2022	Nil -	Nil -	Nil -	Nil -	Nil -	Nil -
<b>Ryan Cheung</b> <i>CFO &amp; Corporate Secretary</i>	2021 2022	\$5,000 \$24,000	Nil -	Nil -	Nil -	Nil -	\$5,000 \$24,000
<b>Todd Hanas</b> <i>Director</i>	2021 2022	Nil -	Nil -	Nil -	Nil -	Nil -	Nil -
<b>Peter Dyakowski</b> <i>Director</i>	2021 2022	Nil -	Nil -	Nil -	Nil -	Nil -	Nil -
<b>Raymond Wladichuk</b> <i>Director</i>	2021 2022	Nil -	Nil -	Nil -	Nil -	Nil -	Nil -

Note:

(1) Period and year ended August 31.

(2) All amounts indicated in this column are consulting fees. At this time, no contractual obligations exist between any director or senior officer and the Company.

### ***Options and Other Compensation Securities***

No share-based or option-based awards were granted to any NEO or Director during the period from incorporation on April 27, 2021 to August 31, 2021.

### ***Pension Plan Benefits***

The Company does not offer any pension plan benefits to its NEOs.

### ***Termination and Change of Control Benefits***

The Company is not a party to any contract, agreement, plan or arrangement with its NEOs that provide for payments to NEOs at, following or in connection with any termination (whether voluntary, involuntary or constructive) resignation or retirement, or as a result of a change in control of the Company or a change in a NEOs responsibilities.

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the directors, executive officers or employees of the Company or former directors, executive officers or employees of the Company or its subsidiaries had any indebtedness outstanding to the Company or any of the subsidiaries as at the date hereof and no indebtedness of these individuals to another entity is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of the subsidiaries as at the date hereof. Additionally, no individual who is, or at any time during the Company's last financial year was, a director or executive officer of the Company, proposed management nominee for director of the Company or associate of any such director, executive officer or proposed nominee is as at the date hereof, or at any time since the beginning of the Company's last financial year has been, indebted to the Company or any of its subsidiaries or to another entity where the indebtedness to such other entity is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries, including indebtedness for security purchase or any other programs.

## PLAN OF DISTRIBUTION

### Shares

Pursuant to the Agency Agreement, the Company has appointed the Agent to offer for sale on a best efforts basis in British Columbia and Alberta a minimum of 2,500,000 Shares at a price of \$0.20 per Share (and up to an additional 375,000 Over-Allotment Shares if the Over-Allotment Option is exercised in full).

The completion of this Offering is subject to the Minimum Offering of 2,500,000 Shares. If subscriptions representing the Minimum Offering are not received within 90 days of the issuance of a receipt for this Prospectus, or if a receipt has been issued for an amendment to this Prospectus, within 90 days of the issuance of such receipt and in any event not later than 180 days from the date of receipt for this Prospectus, the Offering will cease. The Agent, pending closing of the Minimum Offering, will hold in trust all subscription funds received pursuant to the provisions of the Agency Agreement. If the Minimum Offering is not completed, the subscription proceeds received by the Agent in connection with the Offering will be returned to the subscribers without interest or deduction.

The Company has granted to the Agent an Over-Allotment Option, exercisable, in whole or in part, at the sole discretion of the Agent, at any time up to forty-eight (48) hours prior to the Closing Date, to arrange for the purchase of up to an additional 375,000 Over-Allotment Shares, representing approximately 15% of the number of Shares sold under the Offering at a price of \$0.20 per Over-Allotment Share, to cover over-allotments, if any, in connection with the sale of the Shares under this Prospectus and for market stabilization purposes. If the Over-Allotment Option is exercised in full, the total gross proceeds, Agent's Commission and net proceeds to the Company will be \$575,000, \$51,750 and \$523,250, respectively. A purchaser who acquires Over-Allotment Shares forming part of the Agent's over-allocation position acquires those securities under this Prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. This Prospectus qualifies the grant of the Over-Allotment Option and the distribution of the Over-Allotment Shares issuable upon exercise of the Over-Allotment Option.

**The Company has applied to list the Common Shares of the Company, including the Shares, Broker Warrant Shares and any Over-Allotment Shares, on the Exchange. The listing is subject to the Company fulfilling all the listing requirements of the Exchange, including prescribed distribution requirements. The listing of the Common Shares on the Exchange is a condition of closing of this Offering. There can be no assurance that the Company will meet all the listing requirements of the Exchange.**

**As at the date of this 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, a U.S. 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).**

**None of the securities comprising the Shares have been or will be registered under the U.S. Securities Act, or any state securities laws, and accordingly may not be offered, sold or delivered within the United States (as such term is defined in Regulation S under the U.S. Securities Act) except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws. Except as permitted in the Agency Agreement, and as expressly permitted by applicable laws of the United States, the Agent will not offer, sell or deliver the Shares within the United States.**

Subject to the Minimum Offering being sold, the Agent will receive the Commission equal to 9% of the gross proceeds of Shares sold under the Offering (including any Over-Allotment Shares sold), other than in respect of Shares (including any Over-Allotment Shares) sold under the Offering to purchasers on the President's List for which the Agent will receive the President's List Commission. The Commission (including the President's List Commission) will be paid from the proceeds raised from the Offering (including proceeds from any exercise of the Over-Allotment Option).

Upon completion of the Offering, the Agent will receive Agent's Warrants entitling it to acquire that number of Broker Warrant Shares equal to 9% of the aggregate number of Shares (including any Over-Allotment Shares) sold under the Offering, other than in respect of Shares (including any Over-Allotment Shares) sold under the Offering to purchasers on the President's List for which the Agent will receive the President's List Warrants. Each Agent's Warrant is exercisable into one Broker Warrant Share at \$0.20 per Broker Warrant Share for up to 24 months from the Closing Date.

The Company, on completion of the Offering, will pay the Agent a \$20,000 Corporate Finance Cash Fee. The Agent will also be reimbursed for its reasonable expenses, including the fees and disbursements of its legal counsel. The Agent has received a retainer of \$10,000 from the Company towards such fees and expenses.

The Agent's Warrants (which include the President's List Warrants) are qualified for distribution under this Prospectus as Qualified Compensation Securities.

The obligations of the Agent under the Agency Agreement may be terminated prior to closing of the Offering at the Agent's discretion on the basis of its assessment of the state of the financial markets and may also be terminated at any time upon the occurrence of certain stated events.

Provided that the Offering is completed, the Company agrees that it will not, directly or indirectly, issue, sell, offer, grant an option or right in respect of, or otherwise dispose of, or agree to or announce any intention to issue, sell, offer, grant an option or right in respect of, or otherwise dispose of, any additional Common Shares or any securities convertible into or exchangeable for Common Shares, other than pursuant to (i) the grant or exercise of stock options and other similar issuances pursuant to any stock option plan or similar share compensation arrangements in place prior to the Closing Date; (ii) the issue of Common Shares upon the exercise of convertible securities, warrants or options outstanding prior to the Closing Date; and (iii) previously scheduled property and/or other corporate acquisitions, from the date hereof and continuing for a period of 90 days from the Closing Date without the prior written consent of the Agent, such consent not to be unreasonably withheld or delayed.

The Company's officers and directors agree, not to sell, (or announce any intention to do so), any Common Shares or securities exchangeable or convertible into Common Shares for a period of 90 days from Closing without the prior written consent of the Agent, such consent not to be unreasonably withheld.

Other than as disclosed in this Prospectus, there are no payments in cash, securities or other consideration being made, or to be made, to a promoter, finder or any other person or Company in connection with the Offering.

In accordance with applicable laws and policies, the Agent may effect transactions that stabilize or maintain the market price of the Company's Common Shares at a level other than which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

The directors, officers and other insiders of the Company may purchase Shares under this Offering.

The Offering Price of the Shares was set by arm's length negotiations between the Company and the Agent.

It is expected that share certificates evidencing the Shares in definitive form will be available for delivery at the closing of the Offering unless the Agent elects for electronic delivery through the non-certificated inventory ("NCI") system of CDS Clearing and Depository Services Inc. ("CDS") or its nominee. If delivered in NCI form, purchasers of Shares will receive only a customer confirmation from the registered dealer that is a CDS participant and from or through which the Shares were purchased.

## **RISK FACTORS**

**AN INVESTMENT IN THE SHARES IS SPECULATIVE IN NATURE AND INVOLVES A HIGH DEGREE OF RISK. IN ADDITION TO THE OTHER INFORMATION PRESENTED IN THIS PROSPECTUS, PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER THE FOLLOWING RISK FACTORS IN EVALUATING AN INVESTMENT IN THE SHARES.**

A purchase of any of the securities of the Company involves a high degree of risk and should be undertaken only by purchasers whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. An investment in the securities of the Company should not constitute a major portion of an individual's investment portfolio and should only be made by persons who can afford a total loss of their investment. Prospective purchasers should evaluate carefully the following risk factors associated with an investment in the Company's securities prior to purchasing any of the securities.

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

The risks discussed below also include forward-looking statements and actual results may differ substantially from those discussed in these forward-looking statements. See "Cautionary Statement Regarding Forward-Looking Statements" in this Prospectus.

The securities offered by this Prospectus must be considered speculative, generally because of the nature of the Company's business. In particular:

### **Exploring mineral properties is high risk**

The Company is in the business of exploring mineral properties, which is a highly speculative endeavour. A purchase of any of the securities offered hereunder involves a high degree of risk and should be undertaken only by purchasers whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. The Offering Price of the Shares issuable under this Offering significantly exceeds the net tangible book value per Common Share. An investment in the securities offered hereunder should not constitute a major portion of an individual's investment portfolio and should only be made by persons who can afford a total loss of their entire investment. Prospective purchasers should evaluate carefully the following risk factors associated with an investment in the Company's securities prior to purchasing any of the securities offered hereunder.

### **Insufficient Capital**

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

### **Limited Operating History**

The Company is an early stage company and the Fame Property is an exploration stage property. As such, the Company will be subject to all of the business risks and uncertainties associated with any new business enterprise, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenues. The current state of the Fame Property requires significant additional expenditures before any cash flow may be generated. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success of the Company must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any business.

An investment in the Common Shares carries a high degree of risk and should be considered speculative by purchasers. There is little probability of dividends being paid on the Common Shares.

### **Lack of Operating Cash Flow**

The Company currently has no source of operating cash flow and is expected to continue to do so for the foreseeable future. The Company's failure to achieve profitability and positive operating cash flows could have a material adverse effect on its financial condition and results of operations. If the Company sustains losses over an extended period of time, it may be unable to continue its business. Further exploration and development of the Fame Property will require the commitment of substantial financial resources. It may be several years before the Company will generate any revenues from operations, if at all. There can be no assurance that the Company will realize revenue or achieve profitability.

### **There is not presently an active market for the Company's Common Shares**

There is currently no market for the securities offered by the Company and there can be no assurance that an active market will develop or be sustained after the Offering. The lack of an active public market could have a material adverse effect on the price of the Company's Common Shares. The Offering Price of the Shares to the public was established by arm's length negotiation between the Company and the Agent, and may not be indicative of fair market value or future market prices.

### **The future price of the Common Shares will vary depending on factors unrelated to the Company's performance or intrinsic fair value**

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

### **The Company's ability to discover commercial quantities of ore is uncertain**

Exploration for minerals is a speculative venture necessarily involving some substantial risk. The program proposed by the Company is an exploratory search for ore. There is no certainty that the expenditures to be made by the Company in the acquisition and exploration of the interests described herein will result in discoveries of commercial quantities of ore. The Fame Property does not contain any known body of commercial ore.

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

**The Company's ability to market ore discovered by the Company is uncertain and dependent on variables beyond the Company's control and subject to a high degree of variability and uncertainty**

Resource exploration and development is a speculative business and involves a high degree of risk. The marketability of natural resources which may be acquired or discovered by the Company will be affected by numerous factors beyond the control of the Company. These factors include market fluctuations, the proximity and capacity of natural resource markets and processing equipment, government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

**The Company's ability to develop commercially marketable ore depends on variables that are unknown at this time**

The grade of any ore ultimately mined from a mineral deposit may differ from that produced from drilling results. Production volumes and costs can be affected by such factors as the proximity and capacity of processing facilities, permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. Short-term factors relating to ore reserves, such as the need for orderly development of ore bodies or the processing of new or different grades, may also have an adverse effect on the results of operations. Moreover, there can be no assurance that minerals recovered in small scale laboratory tests will be achieved under production scale conditions. Although precautions to minimize risks will be taken, processing operations are subject to hazards such as equipment failure or failure of tailings impoundment facilities, which may result in environmental pollution and consequent liability.

**Some aspects of the Company's operations entail risk that cannot be insured against or may not be covered by insurance**

Mining operations generally involve a high degree of risk. The Company may become subject to liability for pollution, cave-ins or hazards against which it cannot insure or against which it may elect not to insure. The payment of such liabilities may have a material adverse effect on the Company's financial position.

### **The calculation of the economic value of ore is subject to a high degree of variability and uncertainty**

There is a degree of uncertainty attributable to the calculation of reserves, resources and corresponding grades being dedicated to future production. Until reserves or resources are actually mined and processed, the quantity of reserves or resources and grades must be considered as estimates only. In addition, the quantity of reserves or resources may vary depending on metal prices. Any material change in the quantity of reserves, resource grade or stripping ratio may affect the economic viability of the Company's properties. In addition, there can be no assurance that mineral recoveries in small scale laboratory tests will be duplicated in large tests under on-site conditions or during production.

### **The Company does not have a guarantee of title**

While the Company has conducted due diligence with respect to its Property, this should not be construed as a guarantee of title. The properties may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by undetected defects. The Company must expend monies to carry out further work on the properties described in this Prospectus in order to keep in good standing the interests as described under the heading "Description of Business" and "Interest in Mineral Property" in this Prospectus.

### **Uncertainties about the resolution of Aboriginal rights in British Columbia may affect the Company**

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

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

### **Community Groups**

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

### **Global financial conditions may impact the Company's ability to raise additional funds**

Global financial conditions continue to be subject to volatility arising from international geopolitical developments and global economic phenomenon, as well as general financial market turbulence, including but not limited to a significant recent market reaction to the novel coronavirus (“COVID-19”) pandemic, resulting in a significant reduction in many major market indices. Access to public financing and credit can be negatively impacted by the effect of these events on Canadian and global credit markets. The health of the global financing and credit markets may impact the ability of the Company to obtain equity or debt financing in the future and the terms at which financing or credit is available to the Company. These instances of volatility and market turmoil could adversely impact the Company’s operations and the trading price of the Common Shares. The adverse effects on the capital markets generally make the raising of capital by equity or debt financing much more difficult and the Company is dependent upon the capital markets to raise financing. Any of these events, or any other events caused by turmoil in world financial markets, may have a material adverse effect on the Company’s business, operating results, and financial condition.

### **The COVID-19 pandemic is impacting mining operations and the global economy**

The current global uncertainty with respect to the spread of COVID-19, the rapidly evolving nature of the pandemic and local and international developments related thereto and its effect on the broader global economy and capital markets may have a negative effect on the Company and the exploration and advancement of the Fame Property. Rapid spread of COVID-19 and declaration of the outbreak as a global pandemic has resulted in travel advisories and restrictions, certain restrictions on business operations, social distancing precautions and restrictions on group gatherings which are having direct impacts on businesses in Canada, the United States and around the world and could result in travel bans, closure of assay labs, work delays, difficulties for contractors and employees getting to site, and diversion of management attention all of which in turn could have a negative impact on exploration and development of the Fame Property and the Company generally. Travel restrictions and protocols put in place by the government of Canada and/or British Columbia may lead to the Company postponing future operations on the Fame Property. The spread of COVID-19 may also have a material adverse effect on global economic activity and could result in volatility and disruption to global supply chains and the financial and capital markets, which could affect the business, financial condition, results of operations and other factors relevant to the Company, including its ability to raise additional financing. The government of Canada and/or British Columbia are continually issuing new rules and restrictions and changing them periodically based on the specific circumstances of the COVID-19 outbreak. The Company follows all rules, guidelines and restrictions that are implemented by the applicable governmental authorities. The Company’s exploration work on the Property to date has not been adversely affected by COVID-19 other than to the extent that exploration activities and laboratory results have taken longer than expected due to certain delays.

### **Property Interests**

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

Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that the funds required for development can be obtained on a timely basis. The discovery of mineral deposits is dependent

upon a number of factors. The commercial viability of a mineral deposit once discovered is also dependent upon a number of factors, some of which relate to particular attributes of the deposit, such as size, grade and proximity to infrastructure, and some of which are more general factors such as metal prices and government regulations, including environmental protection. Most of these factors are beyond the control of the Company. In addition, because of these risks, there is no certainty that the expenditures to be made by the Company on the exploration of its Fame Property as described herein will result in the discovery of commercial quantities of ore. The Company has no history of operating earnings and the likelihood of success must be considered in light of problems, expenses, etc. which may be encountered in establishing a business.

Mineral exploration and development involves a high degree of risk and few properties that are explored are ultimately developed into producing mines. There is no assurance that the Company's mineral exploration and development programs at the Fame Property will result in the definition of bodies of commercial mineralization.

### **The future price of gold is uncertain and may be lower than expected**

The price of gold and other commodities has fluctuated widely in recent years. The price of gold is affected by numerous factors beyond the Company's control, including: (i) the strength of the Canadian and U.S. economies and the economies of other industrialized and developing nations; (ii) global or regional political or economic conditions; (iii) the relative strength of the Canadian and U.S. dollars and other currencies; (iv) expectations with respect to the rate of inflation; (v) current and expected interest rates and exchange rates; (vi) actual and anticipated purchases and sales of gold by central banks, financial institutions and other large holders, including speculators; (vii) demand for jewelry containing gold; (viii) investment activity, including speculation, in gold as a commodity or as a hedge against currency devaluation; and (ix) supply and demand dynamics, including the cost of substitutes, inventory levels and carrying charges.

### **Climate change may make mining operations more expensive**

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

### **The Company is an early stage company**

The Company has only recently commenced operations and has no operating earnings. The likelihood of success of the Company must be considered in light of the problems, expenses and difficulties, complications and delays frequently encountered in connection with the establishment of any business. The Company has limited financial resources and there is no assurance that additional funding will be available to it for further exploration and development of its projects or to fulfil its obligations under applicable agreement. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of the Fame Property with the possible loss of such interest. Further, revenues, financings and profits, if any, will depend upon various factors, including the success, if any, of exploration programs and general market conditions for natural resources. There is no assurance that the Company can operated profitably or that it will successfully implement its plans.

**The Company operates at a loss and may never generate a profit**

The Company operates at a loss and there is no assurance that the Company will ever be profitable. The Company had a negative operating cash flow in its most recently completed financial year and will continue to for the foreseeable future. The Company may not have enough funds to carry out its Phase II exploration program on the Fame Property and additional financings may be required.

**The Company operates in a highly competitive environment**

The mineral exploration and mining business is competitive in all of its phases. The Company competes with numerous other companies and individuals, including competitors with greater financial, technical and other resources than the Company, in the search for and the acquisition of attractive mineral properties. The ability of the Company to acquire properties in the future will depend not only on its ability to develop its present properties, but also on its ability to select and acquire suitable properties or prospects for mineral exploration. There is no assurance that the Company will continue to be able to compete successfully with its competition in acquiring such properties or prospects.

**The Company operates in a highly regulated environment that is subject to changes, some unforeseen, to government policy**

The current or future operations of the Company, including exploration and development activities and commencement of production on its properties, require permits from various levels of government. Such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. The Company believes it is in substantial compliance with all material laws and regulations that currently apply to its activities. There can be no assurance however, that all permits which the Company may require for construction of mining facilities and conduct of mining operations, particularly environmental permits, will be obtainable on reasonable terms or that compliance with such laws and regulations would not have an adverse effect on the profitability of any mining project that the Company might undertake.

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

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

**Obtaining and Renewing Licenses and Permits**

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

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

### **The Company operates in an environment with significant environmental and safety regulations and risks**

Mining, like many other extractive natural resource industries, is subject to potential risks and liabilities associated with pollution of the environment and the disposal of waste products occurring as a result of mineral exploration and production. Environmental liability may result from mining activities conducted by others prior to the Company's ownership of its properties. To the extent the Company is subject to uninsured environmental liabilities, the payment of such liabilities would reduce funds otherwise available of the Company and could have a material adverse effect on the Company. Should the Company be unable to fund fully the cost of remedying an environmental problem, the Company might be required to suspend operations or enter into interim compliance measures.

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

The Company may be subject to reclamation requirements designed to minimize long-term effects of mining exploitation and exploration disturbance by requiring the operating Company to control possible deleterious effluents and to re-establish to some degree pre-disturbance landforms and vegetation. Any significant environmental issues that may arise, however, could lead to increased reclamation expenditures and could have a material adverse impact on the Company's financial resources.

Environmental laws and regulations may affect the operations of the Company. These laws and regulations set various standards regulating certain aspects of health and environmental quality. They provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are or were conducted. The permission to operate can be withdrawn temporarily where there is evidence of serious breaches of health and safety standards, or even permanently in the case of extreme breaches. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of acquired properties or noncompliance with environmental laws or regulations. In all major developments, the Company generally relies on recognized designers and development contractors from which the Company will, in the first instance, seek indemnities. The Company intends to minimize risks by taking steps to ensure compliance with environmental, health and safety laws and regulations and operating to applicable environmental standards. There is a risk that environmental laws and regulations may become more onerous, making the Company's operations more expensive.

### **Regulatory Requirements**

Even if the Fame Property is proven to host economic reserves of precious or non-precious metals, factors such as governmental expropriation or regulation may prevent or restrict mining of any such deposits. Exploration and mining activities may be affected in varying degrees by government policies and regulations relating to the mining industry. Any changes in regulations or shifts in political conditions are beyond the control of the

Company and may adversely affect its business. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, income taxes, expropriation of the Fame Property, environmental legislation and mine safety.

### **Volatility of Mineral Prices**

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

### **Infrastructure**

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

### **Risks Associated with Acquisitions**

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

### **Dependence on Management**

The success of the Company will be dependent upon the performance of its management and key employees. The loss of any key executive or manager of the Company may have an adverse effect on the future of the Company's business. The number of persons skilled in acquisition, exploration and development of mining properties is limited and competition for such persons is intense. As the Company's business activity grows, it will require additional key financial, administrative, geologic and mining personnel as well as additional operations staff. There is no assurance that it will be successful in attracting, training and retaining qualified personnel as competition for persons with these skill sets increases. If the Company is not successful in attracting, training and retaining qualified personnel, the efficiency of its operations could be impaired, which could have an adverse impact on its future cash flows, earnings, results of operations and financial condition.

The success of the Company is currently largely dependent on the performance of its directors and officers. The loss of the services of any of these persons could have a materially adverse effect on the

Company's business and prospects. There is no assurance the Company can maintain the services of its directors, officers or other qualified personnel required to operate its business.

### **The Company is Subject to Legal and Political Risks**

Mineral exploration and mining activities may be affected in varying degrees by political instability, economic conditions, and changes in government regulations such as investment laws, tax laws, business laws, environmental laws and mining laws, affecting the Company's business. Government limitations, restrictions or requirements may be implemented. There can be no assurance that neighbouring countries' or provinces political and economic policies in relation to British Columbia or Canada, as applicable, will not have adverse economic effects on the exploration, and potentially, the development of the Company's assets, including with respect to ability to access power, transport and sell products, access construction labour, supplies and materials, and market conditions more generally.

### **Adverse General Economic Conditions**

The unprecedented events in global financial markets in the past several years have had a profound impact on the global economy. Many industries, including the mineral exploration sector, were impacted by these market conditions. Some of the key impacts of the financial market turmoil included contraction in credit markets resulting in a widening of credit risk, devaluations, high volatility in global equity, commodity, foreign exchange and precious metal markets and a lack of market liquidity. A similar slowdown in the financial markets or other economic conditions, including but not limited to, inflation, fuel and energy costs, lack of available credit, the state of the financial markets, interest rates and tax rates, may adversely affect the Company's operations. Specifically, a global credit/liquidity crisis could impact the cost and availability of financing and the Company's overall liquidity, the volatility of mineral prices would impact the Company's prospects, volatile energy, commodity and consumables prices and currency exchange rates would impact costs and the devaluation and volatility of global stock markets would impact the valuation of its equity and other securities. These factors could have a material adverse effect on the Company's financial condition and results of operations.

In recent years, the securities markets in Canada, as well as in other countries around the world, have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price that have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for the Common Shares will be subject to market trends and conditions generally, notwithstanding any potential success of the Company in developing assets, adding additional resources, establishing feasibility of deposits or creating revenues, cash flows or earnings. The value of securities will be affected by market volatility. An active public market for the Common Shares might not develop or be sustained. If an active public market for the Common Shares does not develop or continue, the liquidity of a shareholder's investment may be limited and the price of the Common Shares may decline.

### **Claims and Legal Proceedings**

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

### **Force Majeure**

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

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

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

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

Although the Company has set out its intended use of proceeds in this Prospectus, these intended uses are estimates only and subject to change. While management does not contemplate any material variation, management does retain broad discretion in the application of such proceeds. The failure by the Company to apply these funds effectively could have a material adverse effect on the Company's business, including the Company's ability to achieve its stated business objectives.

### **Some of the Company's directors have significant involvement in other companies in the same sector**

Certain of the directors of the Company serve as directors of other companies or have significant shareholdings in other companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a Board meeting, a director who has such a conflict will abstain from voting for or against the approval of such a participation or such terms. From time to time several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment. In accordance with the laws of the Province of British Columbia, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

### **The value of the Shares may be significantly diluted**

A substantial number of Common Shares were issued at prices that were substantially less than the price of the Shares. This will result in a significant dilution of the value of the Shares.

### **Price Volatility of Publicly Traded Securities**

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for the Common Shares will be subject to market trends generally. The value of Common Shares distributed hereunder will be affected by such volatility.

## **Estimates and Assumptions**

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

## **Reporting Issuer Status**

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

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

## **PROMOTERS**

Anthony Zelen is considered to be a promoter of the Company in that he took the initiative in organizing the Company. Mr. Zelen currently holds, directly and indirectly, 800,000 Common Shares representing 15.69% of the Company's currently issued Common Shares. See "*Principal Shareholders*" for further details.

Information about Mr. Zelen is disclosed elsewhere in the Prospectus in connection with his capacity as a director and officer of the Company. See "*Directors and Officers*" for further details.

## **LEGAL PROCEEDINGS**

The Company is not a party to any legal proceedings and is not aware of any such proceedings known to be contemplated.

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

No director or executive officer of the Company or any shareholder holding, on record or beneficially, directly or indirectly, more than 10% of the issued and outstanding Common Shares, or any of their respective associates or affiliates, had any material interest, directly or indirectly, in any material transaction with the Company within the three years preceding the date of this Prospectus or in any proposed transaction which has materially affected or would materially affect the Company.

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

The Agent or certain employees, associates or affiliates of the Agent, hold or have direct or indirect beneficial ownership of, 600,000 Common Shares or 11.76% of the current issued and outstanding Common Shares of the

Company. The Company is not a related issuer or connected issuer with respect to the Agent (as such terms are defined in National Instrument 33-105 *Underwriting Conflicts*).

### **AUDITORS**

The auditor of the Company is Crowe MacKay LLP, Chartered Professional Accountants at 1100 – 1177 West Hastings Street, Vancouver, BC, V6E 4T5.

### **REGISTRAR AND TRANSFER AGENT**

The registrar and transfer agent of the Company is Computershare Investor Services Inc. at 510 Burrard Street, 3<sup>rd</sup> Floor, Vancouver, B.C., V6C 3B9.

### **MATERIAL CONTRACTS**

Except for contracts made in the ordinary course of business, the following are the only material contracts entered into by the Company within two years prior to the date hereof which are currently in effect and considered to be currently material:

1. Property Option Agreement made between the Company and the Optionor dated May 10, 2021, referred to under “General Development of the Business”.
2. Escrow Agreement among the Company, the Escrow Agent, the Principals and certain other shareholders of the Company dated September 23, 2021 referred to under “Escrowed Shares”.
3. Agency Agreement between the Company and Haywood Securities Inc. dated for reference ●, 2021 referred to under “Plan of Distribution”.

A copy of any material contract and the Technical Report may be inspected during distribution of the Shares being offered under this Prospectus and for a period of 30 days thereafter during normal business hours at the Company’s offices at Suite 605 – 815 Hornby Street, Vancouver, British Columbia V6Z 2E6. As well, the Technical Report is available for viewing on SEDAR located at the following website: [www.sedar.com](http://www.sedar.com).

### **INTERESTS OF EXPERTS**

Other than disclosed herein, no person or company whose profession or business gives authority to a report, valuation, statement or opinion and who is named as having prepared or certified a part of this Prospectus or as having prepared or certified a report or valuation described or included in this Prospectus, as listed below, holds or is to hold any beneficial or registered interest, direct or indirect, in any securities or property of the Company or any associate or affiliate of the Company:

- Agnes M. Koffyberg, M.Sc., P.Geo., the Author of the Technical Report on the Property, is a Qualified Person (as defined in NI 43-101) and independent from the Company within the meaning of NI 43-101, is responsible for certain information of a scientific or technical nature relating to the Company’s Fame Property in this Prospectus;
- Crowe MacKay LLP, Chartered Professional Accountants are the auditors of the Company and audited the Company’s financial statements for the period from April 27, 2021 to August 31, 2021. Crowe MacKay LLP has informed the Company that it is independent of the Company within the meaning of the rules of professional conduct of the Chartered Professional Accountants of British Columbia; and

- The information in this Prospectus under the heading “Eligibility for Investment” has been included in reliance upon the opinion of AFG Law LLP. Nick Ayling and Ben Grant, of AFG Law LLP own 500,000 Common Shares and 200,000 Common Shares, respectively, as at the date of this Prospectus.

### **OTHER MATERIAL FACTS**

There are no other material facts other than as disclosed herein.

### **PURCHASERS’ STATUTORY RIGHT OF WITHDRAWAL AND RESCISSION**

Securities legislation in the Provinces of British Columbia and Alberta provides subscribers with the right to withdraw from an agreement to purchase securities. This 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 subscriber, provided that the remedies for rescission or damages are exercised by the subscriber within the time limit prescribed by the securities legislation of the subscriber’s province or territory. The subscriber 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.

### **FINANCIAL STATEMENTS**

Attached to and forming part of this Prospectus are the audited financial statements of the Company for the financial period from incorporation on April 27, 2021 to August 31, 2021.

**SCHEDULE A**

**LONGHORN EXPLORATION CORP.**  
**(the “Company”)**

**AUDIT COMMITTEE CHARTER**

**[see attached]**

**LONGHORN EXPLORATION CORP.**  
(the "Company")

**AUDIT COMMITTEE CHARTER**

**1. Mandate and Purpose of the Committee**

The Audit Committee (the "**Committee**") of the board of directors (the "**Board**") of **Longhorn Exploration Corp.** (the "**Company**") is a standing committee of the Board whose primary function is to assist the Board in fulfilling its oversight responsibilities relating to:

- (a) the integrity of the Company's financial statements;
- (b) the Company's compliance with legal and regulatory requirements, as they relate to the Company's financial statements;
- (c) the qualifications, independence and performance of the Company's auditor;
- (d) internal controls and disclosure controls;
- (e) the performance of the Company's internal audit function;
- (f) consideration and approval of certain related party transactions; and
- (g) performing the additional duties set out in this Charter or otherwise delegated to the Committee by the Board.

**2. Authority**

The Committee has the authority to:

- (i) engage and compensate independent counsel and other advisors as it determines necessary or advisable to carry out its duties; and
- (ii) communicate directly with the Company's auditor.

The Committee has the authority to delegate to individual members or subcommittees of the Committee.

**3. Composition and Expertise**

The Committee shall be composed of a minimum of three members, each of whom is a director of the Company. A majority of the Committee's members must be "financially literate" as such term is defined in applicable securities legislation and a majority of whom are not Officers, employees or Control Persons of the Company or any of its Associates or Affiliates as such terms are defined in the policies of the TSX Venture Exchange.

Committee members shall be appointed annually by the Board at the first meeting of the Board following each annual meeting of shareholders. Committee members hold office until the next annual meeting of shareholders or until they are removed by the Board or cease to be directors of the Company.

The Board shall appoint one member of the Committee to act as Chair of the Committee. If the Chair of the Committee is absent from any meeting, the Committee shall select one of the other members of the Committee to preside at that meeting.

#### **4. Meetings**

Any member of the Committee or the auditor may call a meeting of the Committee. The Committee shall meet at least four times per year and as many additional times as the Committee deems necessary to carry out its duties. The Chair shall develop and set the Committee's agenda, in consultation with other members of the Committee, the Board and senior management.

Notice of the time and place of every meeting shall be given in writing to each member of the Committee, at least 72 hours (excluding holidays) prior to the time fixed for such meeting. The Company's auditor shall be given notice of every meeting of the Committee and, at the expense of the Company, shall be entitled to attend and be heard thereat. If requested by a member of the Committee, the Company's auditor shall attend every meeting of the Committee held during the term of office of the Company's auditor.

A majority of the Committee shall constitute a quorum. No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present in person or by means of such telephonic, electronic or other communications facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously. Business may also be transacted by the unanimous written consent resolutions of the members of the Committee, which when so approved shall be deemed to be resolutions passed at a duly called and constituted meeting of the Committee.

The Committee may invite such directors, officers and employees of the Company and advisors as it sees fit from time to time to attend meetings of the Committee.

The Committee shall meet without management present whenever the Committee deems it appropriate.

The Committee shall appoint a Secretary who need not be a director or officer of the Company. Minutes of the meetings of the Committee shall be recorded and maintained by the Secretary and shall be subsequently presented to the Committee for review and approval.

#### **5. Committee and Charter Review**

The Committee shall conduct an annual review and assessment of its performance, effectiveness and contribution, including a review of its compliance with this Charter. The Committee shall conduct such review and assessment in such manner as it deems appropriate and report the results thereof to the Board.

The Committee shall also review and assess the adequacy of this Charter on an annual basis, taking into account all legislative and regulatory requirements applicable to the Committee, as well as any guidelines recommended by regulators or the Toronto Stock Exchange and shall recommend changes to the Board thereon.

#### **6. Reporting to the Board**

The Committee shall report to the Board in a timely manner with respect to each of its meetings held. This report may take the form of circulating copies of the minutes of each meeting held.

#### **7. Duties and Responsibilities**

- (a) Financial Reporting

The Committee is responsible for reviewing and recommending approval to the Board of the Company's annual and interim financial statements, MD&A and related news releases, before they are released.

The Committee is also responsible for:

- (i) being satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, other than the public disclosure referred to in the preceding paragraph, and for periodically assessing the adequacy of those procedures;
- (ii) engaging the Company's auditor to perform a review of the interim financial statements and receiving from the Company's auditor a formal report on the auditor's review of such interim financial statements;
- (iii) discussing with management and the Company's auditor the quality of applicable accounting principles and financial reporting standards, not just the acceptability of thereof;
- (iv) discussing with management any significant variances between comparative reporting periods; and
- (v) in the course of discussion with management and the Company's auditor, identifying problems or areas of concern and ensuring such matters are satisfactorily resolved.

(b) Auditor

The Committee is responsible for recommending to the Board:

- (i) the auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company; and
- (ii) the compensation of the Company's auditor.

The Company's auditor reports directly to the Committee. The Committee is directly responsible for overseeing the work of the Company's auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the Company's auditor regarding financial reporting.

(c) Relationship with the Auditor

The Committee is responsible for reviewing the proposed audit plan and proposed audit fees. The Committee is also responsible for:

- (i) establishing effective communication processes with management and the Company's auditor so that it can objectively monitor the quality and effectiveness of the auditor's relationship with management and the Committee;

- (ii) receiving and reviewing regular feedback from the auditor on the progress against the approved audit plan, important findings, recommendations for improvements and the auditor's final report;
- (iii) reviewing, at least annually, a report from the auditor on all relationships and engagements for non-audit services that may be reasonably thought to bear on the independence of the auditor; and
- (iv) meeting in camera with the auditor whenever the Committee deems it appropriate.

(d) Accounting Policies

The Committee is responsible for:

- (i) reviewing the Company's accounting policy note to ensure completeness and acceptability with applicable accounting principles and financial reporting standards as part of the approval of the financial statements;
- (ii) discussing and reviewing the impact of proposed changes in accounting standards or securities policies or regulations;
- (iii) reviewing with management and the auditor any proposed changes in major accounting policies and key estimates and judgments that may be material to financial reporting;
- (iv) discussing with management and the auditor the acceptability, degree of aggressiveness/conservatism and quality of underlying accounting policies and key estimates and judgments; and
- (v) discussing with management and the auditor the clarity and completeness of the Company's financial disclosures.

(e) Risk and Uncertainty

The Committee is responsible for reviewing, as part of its approval of the financial statements:

- (i) uncertainty notes and disclosures; and
- (ii) MD&A disclosures.

The Committee, in consultation with management, will identify the principal business risks and decide on the Company's "appetite" for risk. The Committee is responsible for reviewing related risk management policies and recommending such policies for approval by the Board. The Committee is then responsible for communicating and assigning to the applicable Board committee such policies for implementation and ongoing monitoring.

The Committee is responsible for requesting the auditor's opinion of management's assessment of significant risks facing the Company and how effectively they are managed or controlled.

(f) Controls and Control Deviations

The Committee is responsible for reviewing:

- (i) the plan and scope of the annual audit with respect to planned reliance and testing of controls; and
- (ii) major points contained in the auditor's management letter resulting from control evaluation and testing.

The Committee is also responsible for receiving reports from management when significant control deviations occur.

(g) **Compliance with Laws and Regulations**

The Committee is responsible for reviewing regular reports from management and others (e.g. auditors) concerning the Company's compliance with financial related laws and regulations, such as:

- (i) tax and financial reporting laws and regulations;
- (ii) legal withholdings requirements;
- (iii) environmental protection laws; and
- (iv) other matters for which directors face liability exposure.

(h) **Related Party Transactions**

All transactions between the Company and a related party (each a "related party transaction"), other than transactions entered into in the ordinary course of business, shall be presented to the Committee for consideration.

The term "related party" includes (i) all directors, officers, employees, consultants and their associates (as that term is defined in the *Securities Act* (British Columbia)), as well as all entities with common directors, officers, employees and consultants (each "general related parties"), and (ii) all other individuals and entities having beneficial ownership of, or control or direction over, directly or indirectly securities of the Company carrying more than 10% of the voting rights attached to all of the Company's outstanding voting securities (each "10% shareholders").

Related party transactions involving general related parties which are not material to the Company require review and approval by the Committee. Related party transactions that are material to the Company or that involve 10% shareholders require approval by the Board, following review thereof by the Committee and the Committee providing its recommendation thereon to the Board.

## **8. Non-Audit Services**

All non-audit services to be provided to the Company or its subsidiary entities by the Company's auditor must be pre-approved by the Committee.

## **9. Submission Systems and Treatment of Complaints**

The Committee is responsible for establishing procedures for:

- (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
- (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

The Committee is responsible for reviewing complaints and concerns that are brought to the attention of the Chair of the Audit Committee and for ensuring that any such complaints and concerns are appropriately addressed. The Committee shall report quarterly to the Board on the status of any complaints or concerns received by the Committee.

#### **10. Procedure For Reporting Of Fraud Or Control Weaknesses**

Each employee is expected to report situations in which he or she suspects fraud or is aware of any internal control weaknesses. An employee should treat suspected fraud seriously, and ensure that the situation is brought to the attention of the Committee. In addition, weaknesses in the internal control procedures of the Company that may result in errors or omissions in financial information, or that create a risk of potential fraud or loss of the Company's assets, should be brought to the attention of both management and the Committee.

To facilitate the reporting of suspected fraud, it is the policy of Company that the employee (the "whistleblower") has anonymous and direct access to the Chair of the Audit Committee. Should a new Chair be appointed prior to the updating of this document, current Chair will ensure that the whistleblower is able to reach the new Chair in a timely manner. In the event that the Chair of the Audit Committee cannot be reached, the whistleblower should contact the Chair of the Board of Directors. Access to the names and place of employment of the Company's Directors can be found in the Company's website.

In addition, it is the policy of the Company that employees concerned about reporting internal control weaknesses directly to management are able to report such weaknesses to the Committee anonymously. In this case, the employee should follow the same procedure detailed above for reporting suspected fraud.

#### **11. Hiring Policies**

The Committee is responsible for reviewing and approving the Company's hiring policies regarding partners, employees and former partners and employees of the present and former auditor of the Company.

**SCHEDULE B**

**LONGHORN EXPLORATION CORP.**

**FINANCIAL STATEMENTS**

**FOR THE PERIOD FROM INCORPORATION ON  
APRIL 27, 2021 TO AUGUST 31, 2021  
(AUDITED)**

**[see attached]**

**Longhorn Exploration Corp.**

**Financial Statements**

**From April 27, 2021 (date of incorporation) to August 31, 2021**

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## **Independent Auditor's Report**

To the of Longhorn Exploration Corp

### **Opinion**

We have audited the financial statements of Longhorn Exploration Corp ("the Company"), which comprise the statement of financial position as at August 31, 2021 and the statements of comprehensive loss, changes in equity and cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

### **Basis for Opinion**

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

### **Material Uncertainty Related to Going Concern**

We draw attention to Note 1 to the financial statements which describes the material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

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

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

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

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

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

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

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

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

**Chartered Professional Accountants  
Vancouver, Canada**

**LONGHORN EXPLORATION CORP.**  
**STATEMENT OF FINANCIAL POSITION**  
(Expressed in Canadian Dollars)

As at	Note	August 31, 2021
<b>ASSETS</b>		<b>\$</b>
<b>Current assets</b>		
Cash		130,356
<hr/>		
Exploration and evaluation assets	4	130,291
<hr/>		
<b>TOTAL ASSETS</b>		<b>260,647</b>
<hr/>		
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	6	77,671
<hr/>		
<b>EQUITY</b>		
Share capital	5	204,000
Accumulated deficit		(21,024)
<hr/>		
		182,976
<hr/>		
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>260,647</b>

*The accompanying notes are integral to these financial statements.*

**Approved on Behalf of the Board of Directors on ●, 2021.**

/s/  
Director

/s/  
Director

**LONGHORN EXPLORATION CORP.**  
**STATEMENT OF CHANGES IN EQUITY**  
(Expressed in Canadian Dollars)

<b>Share Capital</b>					
	Note	Number of Class A Common Shares	Amount	Accumulated Deficit	Total
			\$	\$	\$
<b>Founders shares issued on incorporation (April 27, 2021)</b>	5	<b>650,000</b>	<b>6,500</b>	-	<b>6,500</b>
Private placement	5	3,950,000	197,500	-	197,500
Net loss for the period		-	-	(21,024)	(21,024)
<b>Balance, August 31, 2021</b>		<b>4,600,000</b>	<b>204,000</b>	<b>(21,024)</b>	<b>182,976</b>

*The accompanying notes are integral to these financial statements.*

**LONGHORN EXPLORATION CORP.**  
**STATEMENT OF COMPREHENSIVE LOSS**  
(Expressed in Canadian Dollars)

	Note	From April 27, 2021 (date of incorporation) to August 31, 2021
		\$
<b>EXPENSES</b>		
Office and administrative		5,774
Professional	6	15,250
<b>NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD</b>		<b>(21,024)</b>
<b>Weighted Average Number of Shares Outstanding</b>		<b>2,879,779</b>
<b>Basic and Diluted Loss Per Share</b>		<b>(0.01)</b>

*The accompanying notes are integral to these financial statements.*

**LONGHORN EXPLORATION CORP.****STATEMENT OF CASH FLOW**

(Expressed in Canadian Dollars)

	<b>From April 27, 2021 (date of incorporation) to August 31, 2021</b>
	<b>\$</b>
<b>CASH FLOWS USED IN OPERATING ACTIVITIES</b>	
<b>Net Loss for the period</b>	<b>(21,024)</b>
Changes in non-cash working capital item:	
Accounts payable and accrued liabilities	<b>15,250</b>
	<b>(5,774)</b>
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>	
Mineral property acquisition	<b>(20,000)</b>
Exploration and evaluation expenditures	<b>(47,870)</b>
	<b>(67,870)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Proceeds from private placement	<b>204,000</b>
<b>Net increase in cash</b>	<b>130,356</b>
<b>Cash, beginning of the period</b>	<b>-</b>
<b>Cash, end of the period</b>	<b>130,356</b>
<b>Supplemental information:</b>	
Exploration and evaluation expenditures included in accounts payable and accrued liabilities	<b>62,421</b>
Interest paid	<b>-</b>
Income taxes paid	<b>-</b>

*The accompanying notes are integral to these financial statements.*

**LONGHORN EXPLORATION CORP.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FROM APRIL 17, 2021 (DATE OF INCORPORATION) TO AUGUST 31, 2021**  
(Expressed in Canadian Dollars)

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## **1. NATURE OF OPERATIONS**

Longhorn Exploration Corp. (the “Company”) was incorporated under the Business Corporations Act (British Columbia) on April 27, 2021, and is primarily engaging in mineral exploration activities in British Columbia, Canada. The Company is taking steps to list its shares on a Canadian stock exchange. The head office and the principal address of the Company are located at 605 – 815 Hornby Street, Vancouver, BC V6Z 2E6, Canada.

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at August 31, 2021, the Company had a net loss of \$21,024, working capital of \$52,685, had not advanced its mineral properties to commercial production, and is not able to finance day to day activities through operations. The Company’s continuation as a going concern is dependent upon the successful exercise of its mineral property option agreement, results from its mineral property exploration activities and its ability to attain profitable operations and generate funds from and/or raise equity capital or borrowings sufficient to meet current and future obligations and ongoing operating losses. These uncertainties may cast a significant doubt on the ability of the Company to continue operations as a going concern. Management intends to finance operating costs over the next twelve months with its proceeds from its initial public offering of its shares, loans from directors and companies controlled by directors and/or additional private placement of common shares. These financial statements do not include any adjustments that might result from this uncertainty. Such adjustments could be material.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. The impact of the COVID-19 pandemic has major implications for all economic activities, including that of the Company. At this time, it is not possible to predict the duration or magnitude of the adverse results of the outbreak; however, management believes that the impact to the Company will be limited mainly to the curtailment of travel and access to mineral projects due to travel and social distancing restrictions as well as its ability to raise financing. There has been no material disruption to the Company’s current operations to date. The Company’s current focus is on its project located in British Columbia, Canada and as a result, access to the property is not prohibited. The Company may consider acquisitions of other properties in foreign or domestic jurisdictions in the future.

## **2. BASIS OF PRESENTATION**

### **Statement of compliance**

These financial statements for the period from April 27, 2021 (date of incorporation) to August 31, 2021 have been prepared in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”). These statements are presented in Canadian Dollars, which is the Company’s functional currency.

These financial statements have been prepared on a historical cost basis, except for certain financial instruments classified as financial instruments at fair value through profit or loss, which are stated at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The financial statements were authorized for issue by the Board of Directors on **November XX, 2021.**

### **Significant estimates and judgements**

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

Significant estimates and judgements about the future and other sources of estimation uncertainty that management has made at the reporting date that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from estimates and judgements made, relate to, but are not limited to the following:

*Ability to continue as a going-concern*

Management assesses the Company's ability to continue as a going concern at each reporting date, using all quantitative and qualitative information available. This assessment, by its nature, relies on estimates of future cash flows and other future events (as discussed in Note 1), whose subsequent changes could materially impact the validity of such an assessment.

*Recoverability of the carrying value of exploration and evaluation assets*

Assets or cash-generating units ("CGUs") are evaluated at each reporting date to determine whether there are any indications of impairment. The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment for the Company's exploration and evaluation assets.

Significant judgment is required when determining whether facts and circumstances suggest that the carrying amount of exploration and evaluation assets may exceed its recoverable amount. The retention of regulatory permits and licenses, the Company's ability to obtain financing for exploration and development activities and its future plans on the exploration and evaluation assets, current and future metal prices, and market sentiment are all factors considered by the Company.

*Mining exploration flow-through expenditures*

The Company is required to spend proceeds received from the issuance of flow-through shares on qualifying resources expenditures. Differences in judgment between management and regulatory authorities with respect to qualified expenditures may result in disallowed expenditures by the tax authorities. Any amount disallowed may result in the Company's required expenditures not being fulfilled.

### **3. SIGNIFICANT ACCOUNTING POLICIES**

#### **Exploration and evaluations assets**

The Company may hold interests in mineral property interests in various forms, including prospecting licenses, exploration and exploitation concessions, mineral leases and surface rights, and property options. The Company capitalizes payments made in the process of acquiring legal title to these properties. Mineral property interest acquisition costs are recorded at historical cost. Exploration and evaluation expenditures incurred on properties prior to obtaining legal rights to explore the specific area are charged to operations as incurred.

The carrying values of exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The carrying value of the exploration and evaluation asset is reviewed for indications of impairment at each reporting date. When impairment indicators exist, the asset's recoverable amount is estimated. If it is determined that the estimated recoverable amount is less than the carrying value of an asset, then a write-down is made with a charge to operations.

An impairment loss is reversed if there is indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of amortization, if no impairment loss had been recognized.

### **Flow-through shares**

Flow-through shares entitle a company that incurs certain resource expenditures in Canada to renounce them for tax purposes allowing the expenditures to be deducted for income tax purposes by the investors who purchase the shares.

At the time of closing a financing involving flow-through shares, the Company allocates proceeds received first to common shares based on the market trading price of the common shares at the time the flow-through shares are priced, and any excess is allocated to flow-through premium liability.

Thereafter, as qualifying resource expenditures are incurred, these costs are expensed as exploration and evaluation costs and the flow-through premium, if any, is amortized to profit or loss. At the end of each reporting period, the Company reviews its tax position and records an adjustment to its deferred tax expense/liability accounts for taxable temporary differences, including those arising from the transfer of tax benefits to investors through flow-through shares. For this adjustment, the Company considers the tax benefits (of qualifying resource expenditures already incurred) to have been effectively transferred, if it has formally renounced those expenditures at any time. The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule in accordance with Government of Canada flow-through regulations. When applicable, this flow-through share tax expense is accrued and recorded in profit or loss.

### **Income taxes**

#### Current income tax:

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, at the reporting date, in the countries where the Company operates and generates taxable income.

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

#### Deferred income tax:

Deferred income tax is recognized, using the asset and liability method, on temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

### **Rehabilitation provisions**

The Company is subject to various government laws and regulations relating to environmental disturbances caused by exploration and evaluation activities. The Company records the present value of the estimated costs of legal and constructive obligations required to restore the exploration sites in the period in which the obligation is determined. The nature of the rehabilitation activities includes restoration, reclamation and re-vegetation of the affected exploration sites.

The rehabilitation provision generally arises when the environmental disturbance is subject to government laws and regulations. When the liability is recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related mineral property. Over time, the discounted liability is increased for the changes in present value based on current market discount rates and liability specific risks and the change is recorded to profit and loss. Additional environmental disturbances or changes in rehabilitation costs will be recognized as additions to the corresponding assets and rehabilitation liability in the period in which they occur.

As at August 31, 2021, management is not aware of any reportable rehabilitation provisions.

### **Equity Instruments**

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares are classified as equity instruments. Common shares issued for consideration other than cash are valued at the fair value of the assets received or the services rendered. If the fair value of the assets received or services rendered cannot be reliably measured, common shares issued for consideration will be valued at their fair value on the date of issuance. Where the Company issued common shares and warrants together as units, value is allocated first to share capital based on the market value of common shares on the date of issue, with any residual value from the proceeds being allocated to the warrants.

### **Financial Instruments**

#### Financial assets

##### *Initial recognition and measurement*

A financial asset is measured initially at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. On initial recognition, a financial asset is classified as measured at amortized cost or fair value through profit or loss. A financial asset is measured at amortized cost if it meets the conditions that i) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows, ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, and iii) is not designated as fair value through profit or loss.

##### *Subsequent measurement*

The Company classifies its financial assets into the following categories, depending on the purpose for which the asset was acquired. Management determines the classification of its financial assets at initial recognition.

*Financial assets at amortized cost* - Amortized cost are those assets which are held within a business whose objective is to hold financial assets to collect contractual cash flows; and the terms of the financial assets must provide on specified dates cash flows solely through the collection of principal and interest.

There are no financial assets classified as measured as amortized cost.

*Fair value through profit or loss ("FVTPL")* - A financial asset shall be measured at fair value through profit or loss unless it is measured at amortized cost or FVOCI. The Company may however make the irrevocable option to classify particular investments as FVTPL. The Company has classified its cash as FVTPL.

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*Fair value through other comprehensive income ("FVTOCI")* - FVTOCI assets are those assets which are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets; and the contractual terms of the financial assets give rise on specified dates to cash flows solely through the collection of principal and interest. A financial asset measured at fair value through other comprehensive income is recognized initially at fair value less transaction costs directly attributable to the asset. After initial recognition, the asset is measured at fair value with changes in fair value included as "financial asset at fair value through other comprehensive income" in other comprehensive income.

The Company does not have any financial assets measured at FVTOCI.

Financial liabilities

Management determines the classification of its financial liabilities at initial recognition.

*Financial liabilities at amortized cost* - The Company classifies all financial liabilities as subsequently measured at amortized cost using the effective interest method, except for financial liabilities carried at FVTPL and certain other exceptions.

The Company's accounts payable and accrued liabilities are financial liabilities measured at amortized cost.

Financial liabilities are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

*Financial liabilities at FVTPL* - A financial liability measured at FVTPL is initially measured at fair value with any associated transaction costs being recognized in profit or loss when incurred. Subsequently, the financial liability is re-measured at fair value, and a gain or loss is recognized in profit or loss in the reporting period in which it arises.

The Company does not have any financial liabilities measured at FVTPL.

Offsetting financial assets and liabilities

Financial assets and liabilities are offset and the net amount is presented in the statement of financial position only when the Company has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If, at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of operations, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition of financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of operations.

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**Loss per share**

Basic loss per share is calculated by dividing the net loss available to common shareholders by the weighted average number of common shares outstanding during the period. The diluted loss per share is calculated based on the weighted average number of common shares outstanding during the period, plus the effects of the dilutive common share equivalents. This method requires that the dilutive effect of outstanding options and warrants issued be calculated using the treasury stock method. This method assumes that all common share equivalents have been exercised at the beginning of the period (or at the time of issuance, if later), and that the funds obtained thereby were used to purchase common shares of the Company at the average trading price of common shares during the period.

**4. EXPLORATION AND EVALUATION ASSETS**

Exploration and evaluation assets comprise the following accumulated expenditures:

	<b>Fame Project</b>
	\$
<b>Balance at April 27, 2021 (date of incorporation)</b>	-
Acquisition costs	20,000
Airborne survey	90,000
Camp costs	1,662
Geological Reports	10,800 7,829
<b>Balance at August 31, 2021</b>	<b>130,291</b>

**Fame Project**

On May 10, 2021, the Company entered into a purchase option agreement (“Option Agreement” or “Option”) with Chris Dyakowski (“Optionor”), whereby the Company was granted exclusive rights to acquire 100% of the Optionor’s 11 mining claims located in the Chilcotin, British Columbia, Canada.

In order to exercise the option, the Company must meet the following commitments:

- a. Pay to the Optionor an aggregate of \$300,000 as follows:
  - i. \$20,000 within 60 days after execution of the Option Agreement (paid);
  - ii. \$20,000 within 10 days of listing on a Canadian stock exchange;
  - iii. \$75,000 on or before the 18-month anniversary of listing on a Canadian stock exchange;
  - iv. \$60,000 on or before the 24-month anniversary of listing on a Canadian stock exchange; and
  - v. \$125,000 on or before the 36-month anniversary of listing on a Canadian stock exchange.
  
- b. Issue to the Optionor an aggregate of 3,000,000 common shares of the Company as follows:
  - i. 400,000 shares within 10 days of listing on a Canadian stock exchange;
  - ii. 600,000 shares on or before the 18-month anniversary of listing on a Canadian stock exchange;
  - iii. 1,000,000 shares on or before the 24-month anniversary of listing on a Canadian stock exchange; and
  - iv. 1,000,000 shares on or before the 36-month anniversary of listing on a Canadian stock exchange.

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- c. Incur no less than \$2,000,000 of exploration expenditures as follows:
- i. \$200,000 on or before 12-month anniversary of listing on a Canadian stock exchange;
  - ii. an additional \$600,000 on or before the 24-month anniversary of listing on a Canadian stock exchange; and
  - iii. an additional \$1,200,000 on or before the 36-month anniversary of listing on a Canadian stock exchange.

If the Company exercises the Option and acquires 100% rights, title and interest in the claims, the Optionor will be entitled to 2.0% net smelter royalty (one-half of which may be repurchased for \$500,000).

## **5. SHARE CAPITAL**

### **Authorized:**

Unlimited number of fully paid Class A common shares without par value and with voting rights ("Common shares").  
Unlimited number of Class B preferred shares (none outstanding).

### **Issued:**

***From April 27, 2021 (date of incorporation) to August 31, 2021***

On incorporation on April 27, 2021, the Company issued 650,000 founders shares at a price of \$0.01 per share for gross proceeds of \$6,500.

Pursuant to a private placement, on June 3, 2021, the Company issued 2,200,000 flow through common shares at a price of \$0.05 per share for gross proceeds of \$110,000. All proceeds were allocated to the share capital. There was \$nil proceeds allocated to the flow through premium.

Pursuant to a private placement, on June 30, 2021, the Company issued 1,600,000 common shares at a price of \$0.05 per share for gross proceeds of \$80,000.

Pursuant to a private placement, on July 7, 2021, the Company issued 150,000 common shares at a price of \$0.05 per share for gross proceeds of \$7,500.

## **6. RELATED PARTY TRANSACTIONS**

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. The Company has identified its directors and officers as its key management personnel.

	<b>From April 27, 2021 (date of incorporation) to August 31, 2021</b>
	<b>\$</b>
Professional	<b>5,000</b>

As at August 31, 2021, \$5,000 was owing to related parties of the Company. Any balances that would have been owing to related parties would be unsecured, would not bear interest, and would have no fixed terms of payments.

## **7. FINANCIAL AND CAPITAL RISK MANAGEMENT**

### **Fair value**

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for assets or liabilities that are not based on observable market data.

The fair values of the Company's financial instruments are not materially different from their carrying values due to the short-term maturity nature of the financial instruments. Cash is measured using level 1 hierarchy.

### **Management of Industry and Financial Risk**

The Company is engaged primarily in mineral exploration and manages related industry risk issues directly. The Company may be at risk for environmental issues and fluctuations in commodity pricing. Management is not aware of and does not anticipate any significant environmental remediation costs or liabilities in respect of its current operations.

The Company's financial instruments are exposed to certain financial risks, which include the following:

#### ***Credit risk***

Credit risk is the risk of loss due to the counterparty's inability to meet its obligations. The Company's exposure to credit risk is on its cash. Risk associated with cash is managed through the use of major banks which are high credit quality financial institutions as determined by rating agencies. The Company is not exposed to significant credit risk.

#### ***Liquidity risk***

Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations when they become due. The Company ensures that there is sufficient capital in order to meet short-term operating requirements, after taking into account the Company's holdings of cash. The Company's cash is held in corporate bank accounts available on demand. The Company's accounts payable and accrued liabilities are due within 90 days of August 31, 2021. Liquidity risk has been assessed as being low. The Company is not exposed to significant liquidity risk.

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

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and price risk. The Company is not exposed to significant market risk.

#### ***Currency Risk***

The Company is subject to normal market risks including fluctuations in foreign exchange rates and interest rates. While the Company manages its operations in order to minimize exposure to these risks, the Company has not entered into any derivatives or contracts to hedge or otherwise mitigate this exposure. The Company is not exposed to significant currency risk.

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***Interest Rate Risk***

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk.

***Price Risk***

The Company is exposed to price risk with respect to equity prices. Price risk as it relates to the Company is defined as the potential adverse impact on the Company's ability to raise financing due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company. The Company is not exposed to significant price risk.

***Capital management***

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of components of shareholders' equity. There were no changes in the Company's approach to capital management during the period. The Company is actively looking to acquire an interest in a business or assets, and this involves a high degree of risk. The Company has not determined whether it will be successful in its endeavors and does not generate cash flows from operations. The Company's primary source of funds comes from the issuance of common shares. The Company does not use other sources of financing that require fixed payments of interest and principal due to lack of cash flow from current operations and is not subject to any externally imposed capital requirements.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern.

The Company is not subject to any externally imposed capital requirements.

**8. DEFERRED INCOME TAX**

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

	<b>August 31, 2021</b>
Net loss for the period	<b>(21,024)</b>
Statutory tax rate	<b>27%</b>
Expected income taxes (recovery) at the statutory tax rate	<b>(5,676)</b>
Change in tax assets not recognized	<b>5,676</b>
Income tax expense (recovery)	<b>-</b>

The Company has the following tax effected deductible temporary differences for which no deferred tax asset has been recognized:

	<b>August 31, 2021</b>
Deferred Tax Assets (Liabilities)	<b>\$</b>
Loss carry-forwards	<b>8,000</b>
Mineral resources	<b>(2,000)</b>
Unrecognized deferred tax assets	<b>(6,000)</b>
Net deferred tax assets	<b>-</b>

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The Company has non-capital losses of approximately \$29,000 available to offset future income for income tax purposes which commence expiring in 2041. Due to the uncertainty of realization of these loss carry-forwards, the benefit is not reflected in the financial statements.

**9. SEGMENTED INFORMATION**

The Company operates in one business segment being the exploration and development of resource properties. All assets of the Company are located in Canada.

**10. COMMITMENTS**

As at August 31, 2021 the Company is committed to expend a further \$7,500 of flow-through share proceeds related to flow-through shares issued during the year on qualifying exploration expenditures. The Company must incur the eligible expenditures within 24 months from issuing the flow-through shares. The expenditures must be incurred by June 3, 2023.

**11. SUBSEQUENT EVENTS**

On October 14, 2021, the Company completed a private placement of 500,000 class A common shares at \$0.05 per share for total proceeds of \$25,000.

**SCHEDULE C**

**LONGHORN EXPLORATION CORP.**

**MANAGEMENT'S DISCUSSION & ANALYSIS  
FOR THE PERIOD FROM INCORPORATION ON  
APRIL 27, 2021 TO AUGUST 31, 2021**

**[see attached]**

## **LONGHORN EXPLORATION CORP.**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS FROM April 27, 2021 (DATE OF INCORPORATION) TO AUGUST 31, 2021**

(All amounts expressed in Canadian dollars, unless otherwise stated)

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This Management Discussion and Analysis ("MD&A") provides a detailed analysis of the business of Longhorn Exploration Corp. (the "Company") and describes its financial results from April 27, 2021 (date of incorporation) to August 31, 2021. The MD&A should be read in conjunction with the financial statements of the Company and related notes, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). Refer to Note 3 of the August 31, 2021 audited financial statements for disclosure of the Company's significant accounting policies and a discussion of future accounting policy changes. The Company's reporting currency is the Canadian dollar and all amounts in this MD&A are expressed in the Canadian dollar.

#### **Management's Responsibility**

The Company's management is responsible for the preparation and presentation of the financial statements and the MD&A. The financial statements have been prepared in accordance with International Financial Accounting Standards ("IFRS") as issued by the International Accounting Standards Board. This MD&A has been prepared in accordance with the requirements of securities regulators, including National Instrument 51-102 of the Canadian Securities Administrators.

#### **Forward-Looking Statements**

This MD&A may contain forward-looking statements based on assumptions and judgments of management regarding events or results that may prove to be inaccurate as a result of exploration or other risk factors beyond its control. Actual results may differ materially from the expected results.

Except for statements of historical fact, this MD&A contains certain "forward-looking information" within the meaning of applicable securities law. Forward-looking information is frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate" and other similar words, or statements that certain events or conditions "may" or "will" occur. In particular, forward-looking information in this MD&A includes, but is not limited to, statements with respect to future events and is subject to certain risks, uncertainties and assumptions. Although we believe that the expectations reflected in the forward-looking information are reasonable, there can be no assurance that such expectations will prove to be correct. We cannot guarantee future results, performance or achievements. Consequently, there is no representation that the actual results achieved will be the same, in whole or in part, as those set out in the *forward-looking information*.

Forward-looking information is based on the opinions and estimates of management at the date the statements are made, which are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those anticipated in the forward-looking information. Some of the risks and other factors that could cause results to differ materially from those expressed in the forward-looking statements include, but are not limited to: general economic conditions in Canada, the United States and globally; governmental regulation of the mining industry, including environmental regulation; geological, technical and drilling problems; unanticipated operating events; competition for and/or inability to retain drilling rigs, personnel and other services; the availability of capital on acceptable terms; the need to obtain required approvals from regulatory authorities; stock market volatility; volatility in market prices for commodities; failure to maintain or obtain all necessary government permits, approvals and authorizations; the impact of Covid-19 or other viruses and diseases on the Company's ability to operate; failure to maintain community acceptance (including First Nations); increase in costs; litigation; failure of counterparties to perform their contractual obligations; liabilities inherent in mining operations; changes in tax laws and incentive programs relating to the mining industry; and the other factors described herein under "Risks and Uncertainties" as well as in our public filings available at [www.sedar.com](http://www.sedar.com). Readers are cautioned that this list of risk factors should not be construed as exhaustive.

## **LONGHORN EXPLORATION CORP.**

### **Management's Discussion and Analysis of Financial Condition and Results of Operations From April 27, 2021 (date of incorporation) to August 31, 2021**

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The forward-looking information contained in this MD&A is expressly qualified by this cautionary statement. We undertake no duty to update any of the forward-looking information to conform such information to actual results or to changes in our expectations except as otherwise required by applicable securities legislation. Readers are cautioned not to place undue reliance on forward-looking information.

This MD&A is current as at ●, 2021.

## **BACKGROUND**

The Company is a development stage company engaged in the acquisition and exploration of mineral properties. The Company is currently focusing its exploration activities on precious metals in the Chilcotin area of British Columbia, Canada. The Company is a British Columbia company. Its primary business objective is to successfully earn into its key mineral project, and locate and develop this key project into an economically viable mineral property. The Company is primarily a junior exploration company with no revenues from mineral producing operations. The recoverability of amounts shown for the mineral properties and related deferred exploration expenditures is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the exploration of the property, and upon future profitable production.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. The impact of the COVID-19 pandemic has major implications for all economic activities, including that of the Company. At this time, it is not possible to predict the duration or magnitude of the adverse results of the outbreak, however, management believes that the impact to the Company will be limited mainly to the curtailment of travel and access to mineral projects due to travel and social distancing restrictions as well as its ability to raise financing. There has been no material disruption to the Company's current operations to date. The Company's current focus is on its project located in British Columbia, Canada and as a result, access to the property is not prohibited. The Company may consider acquisitions of other properties in foreign or domestic jurisdictions in the future.

## **MINERAL PROPERTIES**

### **Fame Project**

On May 10, 2021, the Company entered into a purchase option agreement ("Option Agreement" or "Option") with Chris Dyakowski ("Optionor"), whereby the Company was granted exclusive rights to acquire 100% of the Optionor's 11 mining claims located in the Chilcotin, British Columbia, Canada.

In order to exercise the option, the Company must meet the following commitments:

- a. Pay to the Optionor an aggregate of \$300,000 as follows:
  - i. \$20,000 within 60 days after execution of the Option Agreement (paid);
  - ii. \$20,000 within 10 days of listing on a Canadian stock exchange;
  - iii. \$75,000 on or before the 18-month anniversary of listing on a Canadian stock exchange;
  - iv. \$60,000 on or before the 24-month anniversary of listing on a Canadian stock exchange; and
  - v. \$125,000 on or before the 36-month anniversary of listing on a Canadian stock exchange.

## **LONGHORN EXPLORATION CORP.**

### **Management's Discussion and Analysis of Financial Condition and Results of Operations From April 27, 2021 (date of incorporation) to August 31, 2021**

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- b. Issue to the Optionor an aggregate of 3,000,000 common shares of the Company as follows:
  - i. 400,000 shares within 10 days of listing on a Canadian stock exchange;
  - ii. 600,000 shares on or before the 18-month anniversary of listing on a Canadian stock exchange;
  - iii. 1,000,000 shares on or before the 24-month anniversary of listing on a Canadian stock exchange; and
  - iv. 1,000,000 shares on or before the 36-month anniversary of listing on a Canadian stock exchange.

Incur no less than \$2,000,000 of exploration expenditures as follows:

- i. \$200,000 on or before 12-month anniversary of listing on a Canadian stock exchange;
- ii. an additional \$600,000 on or before the 24-month anniversary of listing on a Canadian stock exchange; and
- iii. an additional \$1,200,000 on or before the 36-month anniversary of listing on a Canadian stock exchange.

If the Company exercises the Option and acquires 100% rights, title and interest in the claims, the Optionor will be entitled to 2.0% net smelter royalty (one-half of which may be repurchased for \$500,000).

## **LIQUIDITY AND CAPITAL RESOURCES**

In management's view, given the nature of the Company's operations, which consist of exploration and evaluation of a mining property, the most relevant financial information relates primarily to current liquidity, solvency and planned property expenditures. The Company's financial success will be dependent upon the extent to which it can successfully exercise its option, discover mineralization and the economic viability of developing its properties.

Such development may take years to complete and the amount of resulting income, if any, is difficult to determine. The sales value of any minerals discovered by the Company is largely dependent upon factors beyond the Company's control, including the market value of the metals to be produced. The Company does not expect to receive significant income from any of its properties in the foreseeable future.

At August 31, 2021, the Company had working capital of \$52,685, including cash of \$130,356.

On incorporation on April 27, 2021, the Company issued 650,000 founders shares at a price of \$0.01 per share for gross proceeds of \$6,500.

Pursuant to a private placement, on June 3, 2021, the Company issued 2,200,000 flow through common shares at a price of \$0.05 per share for gross proceeds of \$110,000. All proceeds were allocated to the share capital. There was \$nil proceeds allocated to the flow through premium.

Pursuant to a private placement, on June 30, 2021, the Company issued 1,600,000 common shares at a price of \$0.05 per share for gross proceeds of \$80,000.

Pursuant to a private placement, on July 7, 2021, the Company issued 150,000 common shares at a price of \$0.05 per share for gross proceeds of \$7,500.

On October 14, 2021, the Company completed a private placement of 500,000 class A common shares at \$0.05 per share for total proceeds of \$25,000.

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The Company's expected cash resources are sufficient to meet its working capital and mineral property requirements for the next year, however the Company has no source of revenue therefore management will continue to seek new sources of capital to maintain its operations and to further the development and acquisition of its mineral properties.

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. During the year ended August 31, 2021, the Company incurred a net loss of \$21,024.

**OUTSTANDING SHARE DATA**

The following share capital as of date of this document is:

	<b>Balance</b>
Shares issued and outstanding	5,100,000

**RESULTS OF OPERATION**

**Date of Incorporation, April 27, 2021 (date of incorporation) to August 31, 2021**

The Company incurred a net loss of \$21,024 for the current period including \$15,250 in professional fees comprising \$2,750 in legal fees, \$7,500 in audit fees, and \$5,000 in accounting fees (see "Related Party Transactions" discussion below). There are no meaningful comparisons to be made with prior periods.

**SELECTED QUARTERLY INFORMATION FOR MOST RECENT COMPLETED QUARTERS**

	<b>Date of Incorporation, April 27, 2021 to August 31, 2021</b>
	\$
Net profit (loss)	(21,024)
Basic profit (loss) per share	(0.01)
Diluted profit (loss) per share	N/A

**SELECTED ANNUAL INFORMATION FOR MOST RECENT COMPLETED YEARS**

	<b>Date of Incorporation, April 27, 2021 to August 31, 2021</b>
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**LONGHORN EXPLORATION CORP.****Management's Discussion and Analysis of Financial Condition and Results of Operations  
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\$

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<b>Income Statement</b>	
Net profit (loss)	(21,024)
Loss per share (basic and diluted)	(0.01)
<b>Balance Sheet</b>	
Total resource properties	130,291
Total assets	260,647
Total long-term liabilities	-

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**FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

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	Ref.	August 31, 2021
		\$
Other financial assets	a	130,291
Other financial liabilities	b	77,671

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a. Comprises cash and prepaid expenses.

b. Comprises accounts payable.

The Company has determined the estimated fair values of its financial instruments based on appropriate valuation methodologies; however, considerable judgment is required to develop these estimates. The fair values of the Company's financial instruments are not materially different from their carrying values.

**Management of Industry and Financial Risk**

The Company is engaged primarily in mineral exploration and manages related industry risk issues directly. The Company may be at risk for environmental issues and fluctuations in commodity pricing. Management is not aware of and does not anticipate any significant environmental remediation costs or liabilities in respect of its current operations.

The Company's financial instruments are exposed to certain financial risks, which include the following:

***Credit risk***

Credit risk is the risk of loss due to the counterparty's inability to meet its obligations. The Company's exposure to credit risk is on its cash. Risk associated with cash is managed through the use of major banks which are high credit quality financial institutions as determined by rating agencies. The Company is not exposed to significant credit risk.

***Liquidity risk***

Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations when they become due. The Company ensures that there is sufficient capital in order to meet short-term operating requirements, after taking into account the Company's holdings of cash. The Company's cash is held in corporate bank accounts available on demand. The

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Company's accounts payable and accrued liabilities are due within 90 days of August 31, 2021. Liquidity risk has been assessed as being low. The Company is not exposed to significant liquidity risk.

***Market Risk***

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and price risk. The Company is not exposed to significant market risk.

***Currency Risk***

The Company is subject to normal market risks including fluctuations in foreign exchange rates and interest rates. While the Company manages its operations in order to minimize exposure to these risks, the Company has not entered into any derivatives or contracts to hedge or otherwise mitigate this exposure. The Company is not exposed to significant currency risk.

***Interest Rate Risk***

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk.

***Price Risk***

The Company is exposed to price risk with respect to equity prices. Price risk as it relates to the Company is defined as the potential adverse impact on the Company's ability to raise financing due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company. The Company is not exposed to significant price risk.

***Capital management***

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of components of shareholders' equity. There were no changes in the Company's approach to capital management during the period. The Company is actively looking to acquire an interest in a business or assets, and this involves a high degree of risk. The Company has not determined whether it will be successful in its endeavors and does not generate cash flows from operations. The Company's primary source of funds comes from the issuance of common shares. The Company does not use other sources of financing that require fixed payments of interest and principal due to lack of cash flow from current operations and is not subject to any externally imposed capital requirements.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern.

The Company is not subject to any externally imposed capital requirements.

**LONGHORN EXPLORATION CORP.**

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**RELATED PARTY TRANSACTIONS**

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. The Company has identified its directors and officers as its key management personnel.

	<b>From April 27, 2021 (date of incorporation) to August 31, 2021</b>
	\$
Professional fees charged by a private company owned by Ryan Cheung, Chief Financial Officer.	<b>5,000</b>

As at August 31, 2021, \$5,000 was owing to a private company owned by Ryan Cheung, the Chief Financial Officer. Any balances that would have been owing to related parties would be unsecured, would not bear interest, and would have no fixed terms of payments.

**Off-Balance Sheet Transactions**

The Company has not entered into any significant off-balance sheet arrangements or commitments.

**CRITICAL ACCOUNTING ESTIMATES**

The preparation of these financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses.

The use of estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods. Accounts which require management to make material estimates and significant assumptions in determining amounts recorded include: impairment of exploration and evaluation assets, share-based payments, and determination of functional currency.

*i) Impairment*

The Company assesses its exploration and evaluation assets annually to determine whether any indication of impairment exists. Where an indicator of impairment exists, an estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs to sell and value in use. These assessments may require the use of estimates and assumptions such as long-term commodity prices, discount rates, future capital requirements, and exploration potential.

## **LONGHORN EXPLORATION CORP.**

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#### *ii) Share based payments*

The Company follows accounting guidelines in determining the fair value of stock-based compensation. The computed amount is not based on historical cost, but is derived based on subjective assumptions input into an option pricing model. The model requires that management make forecasts as to future events, including estimates of: the expected life of options; future volatility of the Company's share price in the expected hold period (using historical volatility as a reference); and the appropriate risk-free rate of interest. Stock-based compensation incorporates an expected forfeiture rate. The resulting value calculated is not necessarily the value that the holder of the option could receive in an arm's length transaction, given that there is no market for the options and they are not transferable. It is management's view that the value derived is highly subjective and dependent entirely upon the input assumptions made.

#### *iii) Functional and presentational currency*

These financial statements are presented in Canadian dollars, which is the Company's functional currency.

#### *iv) Basis of measurement*

These financial statements have been prepared on a historical cost basis and except for cash flow information, using the accrual basis of accounting.

## **PROPOSED TRANSACTIONS**

None.

## **RISK AND UNCERTAINTIES**

The Company is in the mineral exploration and development business and, as such, is exposed to a number of risks and uncertainties that are not uncommon to other companies in the same business. Some of the possible risks include the following:

- a) The industry is capital intensive and subject to fluctuations in metal prices, market sentiment, foreign exchange and interest rates. The recovery of the Company's investment in exploration and evaluation assets and the attainment of profitable operations are dependent upon the discovery and development of economic ore reserves and the ability to arrange sufficient financing to bring the ore reserves into production.
- b) The most likely sources of future funds for further acquisitions and exploration programs undertaken by the Company are the sale of equity capital and the offering by the Company of an interest in its properties to be earned by another interested party carrying out further exploration or development. If such exploration programs are successful, the development of economic ore bodies and commencement of commercial production may require future equity financings by the Company, which are likely to result in substantial dilution to the holdings of existing shareholders.
- c) The Company's capital resources are largely determined by the strength of the resource markets and the status of the Company's projects in relation to these markets, and its ability to compete for the investor support of its projects.
- d) The prices of metals greatly affect the value and potential value of its exploration and evaluation assets. This, in turn, greatly affects its ability to raise equity capital, negotiate option agreements and form joint ventures.

**LONGHORN EXPLORATION CORP.**

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- e) The Company must comply with health, safety, and environmental regulations governing air and water quality and land disturbances and provide for mine reclamation and closure costs. The Company's permission to operate could be withdrawn temporarily where there is evidence of serious breaches of such regulations, or even permanently in the case of extreme breaches. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of acquired properties or noncompliance with environmental laws or regulations.
- f) The operations of the Company will require various licenses and permits from various governmental authorities. There is no assurance that the Company will be successful in obtaining the necessary licenses and permits to continue exploration and development activities in the future.
- g) Although the Company has taken steps to verify title to exploration and evaluation assets in which it has an interest, these procedures do not guarantee the Company's title. Such assets may be subject to prior agreements or transfers and title may be affected by such undetected defects.

Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, then actual results may vary materially from those described in any forward looking statement. The development and exploration activities of the Company are subject to various laws governing exploration, development, and labour standards which may affect the operations of the Company as these laws and regulations set various standards regulating certain aspects of health and environmental quality. They provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are, or were conducted.

**MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

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

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**CERTIFICATE OF LONGHORN EXPLORATION CORP.**

Dated: November 9, 2021

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 British Columbia and Alberta.

*“Anthony Zelen”*

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**Anthony Zelen**  
CEO

*“Ryan Cheung”*

\_\_\_\_\_  
**Ryan Cheung**  
CFO and Corporate Secretary

**ON BEHALF OF THE BOARD OF DIRECTORS**

*“Todd Hanas”*

\_\_\_\_\_  
**Todd Hanas**  
Director

*“Raymond Wladichuk”*

\_\_\_\_\_  
**Raymond Wladichuk**  
Director

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**CERTIFICATE OF PROMOTER**

Dated: November 9, 2021

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 British Columbia and Alberta.

*“Anthony Zelen”*

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**Anthony Zelen**

**CERTIFICATE OF THE AGENT**

Dated: November 9, 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 British Columbia and Alberta.

**HAYWOOD SECURITIES INC.**

*“Don Wong”*

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**Don Wong**

Vice President, Investment Banking