

*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. No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. 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".*

August 8, 2017

## PROSPECTUS

### INITIAL PUBLIC OFFERING

# FIRST LEGACY MINING CORP.

(the "Corporation")

## OFFERING:

4,000,000 COMMON SHARES AT A PRICE OF \$0.15 PER SHARE

This prospectus (the "**Prospectus**") qualifies for distribution in British Columbia and Alberta 4,000,000 Common Shares of the Corporation (the "**Shares**") at a price of \$0.15 (the "**Offering Price**") per Share (the "**Offering**"). This Offering is being made to investors resident in British Columbia and Alberta. The Offering Price and terms of the Offering have been determined by negotiation between the Corporation and PI Financial Corp. (the "**Agent**").

The Corporation has applied to list the Common Shares (as defined herein) of the Corporation on the Exchange (as defined herein), which has been conditionally approved by the Exchange subject to the Corporation fulfilling all the listing requirements of the Exchange.

	Number of Shares	Gross Proceeds	Agent's Commission <sup>(1)</sup>	Net Proceeds <sup>(2)</sup>
<b>Share Offering</b>	4,000,000	\$600,000	\$60,000	\$540,000
<b>Per Share</b>	1	\$0.15	\$0.015	\$0.135

- (1) The Corporation has agreed to pay the Agent a cash commission equal to 10% of the gross proceeds from the sale of Shares under the Offering (the "**Commission**"), and to grant to the Agent compensation options (the "**Compensation Options**") equal in number to 10% of the number of Shares sold under the Offering. Each Compensation Option will entitle the Agent to purchase one Common Share, at an exercise price equal to \$0.25 per Common Share for a period of twenty-four (24) months from the Listing Date. The Corporation shall pay the Agent a corporate finance fee of \$25,000 plus GST of \$1,250 for a total of \$26,250 (of which \$12,500 plus GST of \$625 has been paid by the Corporation to the Agent as a non-refundable corporate finance fee deposit and the balance shall be paid to the Agent on the Closing Date). See "Plan of Distribution".
- (2) Before deducting expenses of the Offering, estimated at \$60,000 (excluding the Commission but including fees and expenses of the Agent (including its legal expenses) and the legal and audit expenses of the Corporation), which will be paid from the proceeds of the Offering.

The offering hereunder is subject to a minimum subscription of 4,000,000 shares (\$600,000). In the event such subscriptions are not attained within 90 days of the issuance of the final receipt for this Prospectus or, if a receipt is 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 the receipt for the final Prospectus, all funds raised hereunder will be

retained by the Agent and refunded to investors without interest or deduction. The Agent, pending closing of the Offering, will hold in trust all subscription funds received pursuant to the provisions of the Agency Agreement. If the minimum amount of funds required to be raised under the Offering is not completed within the permitted distribution period as described above, the subscription proceeds received by the Agent in connection with the Offering will be returned to the subscribers without interest or deduction. See the section of this Prospectus entitled “Plan of Distribution”.

**There is no market through which these securities may be sold and purchasers may not be able to resell securities purchased under this Prospectus. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities and the extent of issuer regulation. The securities offered hereunder must be considered highly speculative due to the nature of the Corporation’s business - see “Risk Factors”.**

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 sole property of the Corporation is in the exploration stage and is without a known body 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”.

As at the date of this Prospectus, the Corporation 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, or a marketplace outside Canada and the United States of America other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc.

The Agent, as exclusive agent of the Corporation for the purposes of this Offering, conditionally offers the Shares on a commercially reasonable efforts basis, subject to prior sale, if, as and when issued by the Corporation and accepted by the Agent in accordance with the Agency Agreement referred to under “Plan of Distribution”. Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that one or more global certificates representing the aggregate number of Shares subscribed for under this Prospectus will be issued in registered form to CDS Clearing and Depository Services Inc. (“CDS”) and will be deposited with CDS on the Closing Date. No certificate evidencing the Shares will be issued to purchasers under this Prospectus, and registration will be made in the depository services of CDS. Purchasers of Shares will only receive a customer confirmation from the Agent or registered dealer who is a CDS participant and from whom or through whom a beneficial interest in the Shares is purchased.

The Agent’s position is as follows:

<b>Agent’s Position</b>	<b>Number of Securities Available</b>	<b>Exercise Period or Acquisition Date</b>	<b>Exercise Price or Deemed Acquisition Price</b>
Compensation Options <sup>(1)</sup>	400,000	Twenty-four (24) months from the Listing Date	\$0.25
<b>Total securities issuable</b>	<b>400,000</b>		

(1) These securities are qualified for distribution by this Prospectus. See “Description of Securities Distributed” for more information about the Compensation Options.

Certain legal matters relating to the securities offered hereby will be passed upon by AFG Law LLP, on behalf of the Corporation and by Miller Thomson LLP, on behalf of the Agent. No person is authorized to provide any information or to make any representation in connection with this offering other than as contained in this Prospectus.

**AGENT:**

**PI FINANCIAL CORP.**

1900 - 666 Burrard Street  
Vancouver, BC V6C 3N1  
TELEPHONE: (604) 664-2900  
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## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Except for statements of historical fact relating to the Corporation, certain statements in this Prospectus may constitute forward-looking information, future oriented financial information, or financial outlooks (collectively, “**forward-looking information**”) within the meaning of Canadian securities laws. Forward-looking information may relate to this Prospectus, the Corporation’s future outlook and anticipated events or results and, in some cases, can be identified by terminology such as “may”, “will”, “could”, “should”, “expect”, “plan”, “anticipate”, “believe”, “intend”, “estimate”, “projects”, “predict”, “potential”, “targeted”, “possible”, “continue” or other similar expressions concerning matters that are not historical facts and include, but are not limited in any manner to, the Corporation’s opportunities, strategies, competition, expected activities and expenditures as the Corporation pursues its business plan, the adequacy of the Corporation’s available cash resources and other statements about future events or results and those with respect to commodity prices, mineral resources, mineral reserves, realization of mineral reserves, existence or realization of mineral resource estimates, the timing and amount of future production, the timing of construction of any proposed mine and process facilities, capital and operating expenditures, the timing of receipt of permits, rights and authorizations, and any and all other timing, development, operational, financial, economic, legal, regulatory and political factors that may influence future events or conditions, as such matters may be applicable. In particular, this Prospectus contains forward-looking statements pertaining to the following:

- Proposed expenditures for exploration work, and general and administrative expenses (see: “Narrative Description of the Business – Recommendations” and “Use of Proceeds” for further details); and
- Expectations generally regarding completion of this Offering, the ability to raise further capital for corporate purposes and the utilization of the net proceeds of the Offering.

Such forward-looking statements are based on a number of material factors and assumptions, including, but not limited in any manner to, those disclosed elsewhere herein and any other of the Corporation’s concurrent public filings, and include the availability and final receipt of required approvals, licenses and permits, sufficient working capital to conduct future exploration activities, access to adequate services and supplies, economic conditions, commodity prices, foreign currency exchange rates, interest rates, access to capital and debt markets and associated costs of funds, availability of a qualified work force, that exploration timetables and capital costs for the Corporation’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, and that the Corporation maintains its ongoing relations with its business partners and governmental authorities. While the Corporation considers these material factors and assumptions to be reasonable based on information currently available to it, they may prove to be incorrect. 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. See “Risk Factors”. Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Corporation to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such factors include, among others, that the Corporation has a limited operating history, resource exploration and development is a speculative business, the Corporation may lose or abandon its interest in the Property, the Property is in the exploration stage and is without known bodies of commercial ore, the Corporation may not 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 any of its properties, environmental laws and regulations may become more onerous, the Corporation’s ability to raise additional funds by equity financing and the fluctuating price of metals, as well as the other factors discussed in the section of this Prospectus entitled “*Risk Factors*”. Although the Corporation has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Forward-looking statements are based upon management’s beliefs, estimates and opinions on the date the statements are made and, other than as required by law, the Corporation

does not intend, and undertakes no obligation to, update any forward looking information to reflect, among other things, new information or future events.

For the reasons set forth above, investors should not place undue reliance on forward looking statements. This Prospectus includes many cautionary statements, including those stated under the heading “Risk Factors”. You should read these cautionary statements as being applicable to all related forward-looking statements wherever they appear in this Prospectus.

### 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 Corporation nor the Agent has authorized anyone to provide investors with additional or different information. Neither the Corporation 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 Common Shares. The Corporation’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 and is available for review under the Corporation’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).

### ELIGIBILITY FOR INVESTMENT

Based on the provisions of the *Income Tax Act* (Canada) and the regulations thereunder in force as of the date hereof (the “**Tax Act**”), in the opinion of AFG Law LLP, counsel to the Corporation, if the Shares were issued on the date hereof and listed and posted for trading on a “designated stock exchange” as defined in the Tax Act (which includes the Exchange), the Shares would at that time be a qualified investment under the Tax Act for a trust governed by a “registered retirement savings plan” (“**RRSP**”), “registered retirement income fund” (“**RRIF**”), “registered disability savings plan”, “deferred profit sharing plan”, “registered education savings plan” and “tax free savings account” (“**TFSA**”), as those terms are defined in the Tax Act (collectively, the “**Plans**”).

Notwithstanding that a Share may be a qualified investment for a TFSA, RRSP or RRIF (a “**Registered Plan**”), if the Share is a “prohibited investment” within the meaning of the Tax Act for a Registered Plan, the holder or annuitant of the Registered Plan, as the case may be, will be subject to penalty taxes as set out in the Tax Act. The Shares will generally be a “prohibited investment” for a Registered Plan if the holder or annuitant, as the case may be, does not deal at arm’s length with the Corporation for the purposes of the Tax Act or has a “significant interest” (as defined in the Tax Act) in the Corporation. Generally, a holder or annuitant will not have a significant interest in the Corporation unless annuitant or holder and/or persons not dealing at arm’s length with the annuitant or holder, owns directly or indirectly 10% of the issued shares of any class of the capital stock of the Corporation or of a corporation related to the Corporation for purposes of the Tax Act. However, the Shares generally will not be a prohibited investment if the Shares are “excluded property” within the meaning of the Tax Act for the Registered Plans. If certain proposed amendments to the Tax Act released by the Ministry of Finance on March 22, 2017 are enacted as proposed, the prohibited investment rules will extend to trusts governed by registered disability savings plans and registered education savings plans.

Prospective purchasers who intend to hold Shares in trusts governed by Plans should consult their own tax advisors in regards to the application of these rules under the Tax Act in their particular circumstances.

The Shares are not currently listed on a “designated stock exchange”. Concurrent with the filing of this Prospectus, the Corporation is applying to list the Shares on the Exchange as of the Closing date, followed by an immediate halt in trading of the Shares in order to allow the Issuer to satisfy the conditions of the Exchange. The Corporation will rely upon the Exchange to list the Shares on the Exchange as of the Closing Date and otherwise proceed in the manner described above to render the Shares issued on the Closing to be listed on a designated stock exchange within the meaning of the Tax Act for the Plans at the time of issuance. If the Exchange does not proceed as anticipated, the Shares will not be a “qualified investment” for the Plans at the time of Closing.

**Prospective holders that intend to hold Shares in a Registered Plan are urged to consult their own tax advisors to ensure that the Shares would not constitute a “prohibited investment” in their particular circumstances.**

## GLOSSARY

“**Agency Agreement**” means the Agency Agreement dated August 8, 2017 between the Agent and the Corporation relating to the Offering.

“**Agent**” means PI Financial Corp.

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

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

“**Closing Date**” means such date that the Corporation 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 paid to the Agent equal to 10% of the gross proceeds of the Offering.

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

“**Compensation Options**” means the options to purchase up to that number of Common Shares equal to 10% of the Shares sold under the Offering, exercisable for a period of twenty-four (24) months from the Listing Date at \$0.25 per Common Share. granted to the Agent as described under the heading “Plan of Distribution”.

“**Corporate Finance Fee**” means the \$26,250 (\$25,000 plus GST) payable by the Corporation to the Agent, pursuant to the terms of the Agency Agreement;

“**Corporation**” means First Legacy Mining Corp.

“**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 43-101**” means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*, of the Canadian Securities Administrators.

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

“**Offering Price**” means \$0.15 per Share.

“**Optionor**” means LaCroix Mineral Exploration Ltd., the beneficial owner of the claims comprising the Lac Burge Property which are registered to Vorenius Metal Corp. (the “**Registered Owner**”) and held in trust on behalf of LaCroix Mineral Exploration Ltd. pursuant to a declaration of trust, both of which are private British Columbia corporations wholly owned by Reza Mohamed of Vancouver, British Columbia.

“**Property**” or “**Lac Burge Property**” means the 29 mineral claims comprising a total of approximately 1,626.08 hectares, located in the Township of Duplessis, approximately 215km north-east of Val-d’Or, Québec, which the Corporation has an option to acquire pursuant to the Property Option Agreement.

“**Property Option Agreement**” means the option agreement dated January 16, 2017, made between the Corporation and the Optionor relating to the Property.

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

“**Shares**” means the 4,000,000 Common Shares offered for sale under this Prospectus.

“**Stock Option Plan**” means the Corporation’s stock option plan adopted on March 24, 2017 by the Board and providing for the granting of incentive stock options to the Corporation’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 February 6, 2017 entitled “Technical Report on the Lac Burge Property, Miquelon, Québec, Canada” prepared in accordance with the requirements of NI 43-101, authored by Abby

Peterson, P. Geo. (the “**Author**”), an independent consulting geologist, addressed to the Corporation in respect of the Property.

## **PROSPECTUS SUMMARY**

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

### **The Corporation**

The Corporation is engaged in the business of exploration of mineral properties in Canada. Its objective is to locate and develop economic precious and base metals properties of merit. The Corporation holds an option to acquire a 100% undivided interest in the Lac Burge Property described herein. The Corporation’s objective is to explore and develop the Lac Burge Property. See “Narrative Description of the Business”.

### **Management, Directors & Officers**

Max Sali	<i>Chief Executive Officer, Director and Promoter</i>
Richard Grayston	<i>Chief Financial Officer, Corporate Secretary and Director</i>
Todd Macdonald	<i>Director</i>
Kris Raffle	<i>Director and Qualified Person</i>

See “Directors and Officers”.

### **The Offering**

#### *Offering*

The Corporation is offering 4,000,000 Shares for sale at the Offering Price. See “Plan of Distribution”.

#### *Additional Distribution*

The Corporation qualifies the distribution of the Compensation Options.

See “Plan of Distribution”.

### **The Property**

Pursuant to the terms of the Property Option Agreement, the Corporation has the option to acquire a 100% interest in the Property. Pursuant to the Property Option Agreement, the Corporation agreed to, over a twenty-eight (28) month period: (a) make cash payments to the Optionor in the aggregate amount of \$45,000; (b) issue the Optionor 1,550,000 common shares of the Corporation; and (c) incur \$1,000,000 in exploration expenditures on the Property.

The Lac Burge Property consists of 29 mineral claims comprising a total of approximately 1,626.08 hectares, located within the Abitibi Greenstone Belt (Northwestern Québec, Canada) in the Township of Duplessis, approximately 215km north-east of Val-d’Or, Québec.

The Technical Report on the Property, dated February 6, 2017, was completed by the Author who is a “Qualified Person” as defined in NI 43-101. See “Narrative Description of the Business”.

### **Use of Proceeds**

If all the Shares offered pursuant to this Offering are sold, the Corporation will receive aggregate net proceeds of \$466,875 from the sale of Shares pursuant to this Prospectus after deducting the Agent’s Commission, the balance of the Corporate Finance Fee, being \$13,125, and the estimated expenses for this Offering of \$60,000. These funds will be combined with the Corporation’s existing working capital balance of approximately \$159,363 as at July 31, 2017, for total available funds of \$626,238 which will be used by the Corporation in order of priority, as follows:

#### **Principal Purpose**

#### **Funds to be Used**<sup>(1)</sup>

Proposed Phase 1 exploration program at the and budget on the Property as outlined in the Technical Report <sup>(2)</sup>	\$387,263
General and administrative expenses for 12 months <sup>(3)</sup>	\$75,000
Unallocated Working Capital	\$163,975
<b>Total</b>	<b>\$626,238</b>

- (1) See “Use of Proceeds”. The Corporation intends to spend the funds available to it as stated in this Prospectus. There may be circumstances, however, where for sound business reasons a reallocation of funds may be necessary.
- (2) See “Narrative Description of the Business – Recommendations” for a summary of the work to be undertaken, a breakdown of the estimated costs, and the nature of title to or the Corporations’ interest in the Property.
- (3) See “Use of Proceeds”.

The Corporation has negative cash flow from operations in its most recently completed financial year.

### Risk Factors

An investment in the Shares should be considered highly speculative and investors may incur a loss on their investment. The Corporation has an option only to acquire an interest in the Property. There is no guarantee that the Corporation 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 Corporation, that could influence actual results include, but are not limited to: insufficient capital; no established market; limited operating history; lack of operating cash flow; resale of shares; price volatility of publicly traded securities; market for securities; property interests; exploration, development and production risks; mineral resources and reserves; obtaining and renewing licenses and permits; no assurances; title risks, loss of interest in properties; uninsurable risks; additional funding requirements; dilution; first nations land claims; environmental risks; regulatory requirements; volatility of mineral prices; offering price; infrastructure; risks associated with acquisitions; executive employee recruitment and retention; adverse general economic conditions; claims and legal proceedings; force majeure; uncertainty of use of proceeds; competition; conflicts of interest; dividends; litigation; reporting issuer status; tax issues; and operating hazards, risks and insurance. See the section entitled “Risk Factors” for details of these and other risks relating to the Corporation’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 Shares.**

### Summary of Financial Information

The following selected financial information is subject to the detailed information contained in the financial statements of the Corporation 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 October 5, 2016 to March 31, 2017. The Corporation has established March 31<sup>st</sup> as its financial year end. See “Selected Financial Information and Management Discussion and Analysis”.

	<b>From Incorporation on October 5, 2016 to March 31, 2017 (audited)</b>
Total revenues	Nil
Loss for the Period	(\$173,207)
Total Assets	\$284,806

Total Liabilities	\$10,513
Shareholder's Equity	\$274,293
Loss per share (basic and diluted)	\$0.03

### Currency

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

## CORPORATE STRUCTURE

### Name and Incorporation

The Corporation was incorporated on October 5, 2016 under the name "First Legacy Mining Corp." pursuant to the *Business Corporations Act* (British Columbia).

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

### Intercorporate Relationships

The Corporation has no subsidiaries.

## GENERAL DEVELOPMENT OF THE BUSINESS

### Business of the Corporation

The principal business carried on and intended to be carried on by the Corporation is the exploration of mineral resources on the Corporation's principal property, being the Property, which is in the exploration stage.

The Corporation entered into the Property Option Agreement dated January 16, 2017 with the Optionor, whereunder the Corporation was granted an irrevocable and exclusive option to acquire a 100% interest in the Property, consisting of a total of approximately 1,626.08 hectares, located in the Township of Duplessis, approximately 215km north-east of Val-d'Or, Québec, the particulars of which are described in greater detail below. The Registered Owner holds the mineral claims which compromise the Property pursuant to a declaration of trust, the beneficiary of which is the Optionor. The Optionor, the Registered Owner and Reza Mohamed are at arm's length to the Corporation.

In order to exercise its option to acquire a 100% interest in the Property, pursuant to the terms of the Property Option Agreement, the Corporation is required to pay an aggregate \$45,000 and to issue an aggregate 1,550,000 of its Common Shares to the Optionor and incur an aggregate minimum \$1,000,000 in exploration expenditures on the Property, in accordance with the following schedule:

Date for Completion	Cash Payment	Number of Common Shares to be Issued	Minimum Exploration Expenditures to be Incurred
Within 5 business days following the execution of the Property Option Agreement	\$20,000 (paid)	N/A	N/A
Within 5 business days of the Effective Date	N/A	300,000 <sup>(1)</sup>	N/A
On or before fourteen (14) months of the Effective Date <sup>(2)</sup>	N/A	500,000 <sup>(1)</sup>	\$250,000

On or before twenty-eight (28) months of the Effective Date <sup>(2)</sup>	\$25,000	750,000 <sup>(1)</sup>	\$750,000
<b>TOTAL</b>	\$45,000	1,550,000	\$1,000,000
(1) Subject to such resale restrictions and legends as may be imposed by the applicable securities laws.			
(2) "Effective Date" means 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.			

The payments, share issuances and exploration expenditures on the Property may be accelerated at the Corporation's option.

In addition to the foregoing, the Corporation was required to pay to the Optionor \$25,000 on or before June 3, 2017 if the Effective Date did not occur on or before June 1, 2017. The Corporation made this payment prior to June 3, 2017.

The Corporation's 100% interest in the Property will be earned through the fulfillment of the obligations listed above.

The Property Option Agreement grants the Corporation an option only. The Corporation 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 Corporation 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 terminate if the Corporation fails to make any payments, issue any shares or complete any exploration expenditures by the dates set out in the Property Option Agreement.

Pursuant to the Property Option Agreement, the Corporation shall act as the operator with respect to all exploration work to be carried out on the Property during the term of the Property Option Agreement. Upon completion by the Corporation 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 1% net smelter returns royalty payable to the Optionor and which can be repurchased by the Corporation for \$1,000,000.

To date, the Corporation has raised \$300,500 through the sale of Common Shares.

### **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. Significant and increasing competition exists for mineral opportunities in the Province of Québec. There are a number of large established mineral exploration companies in the Val d'Or region with substantial capabilities and greater financial and technical resources than the Corporation.

### **Government Regulation**

Mining operations and exploration activities 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.

### **Environmental Regulation**

The Corporation's mineral exploration activities are subject to various federal and provincial laws and regulations governing protection of the environment. In general, these laws are amended often and are becoming more restrictive.

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

The Corporation may in the future seek new prospects, and currently has no other interests other than as described in this Prospectus.

### **Trends**

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

The Corporation'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 Corporation.

## **NARRATIVE DESCRIPTION OF THE BUSINESS**

### **Stated Business Objectives**

The principal business carried on and intended to be carried on by the Corporation is the acquisition, exploration and development of natural resource properties. The Corporation intends on expending existing working capital and net proceeds raised from this Offering to pay the balance of the estimated costs of this Offering, to carry out exploration on the Property, to pay for administrative costs for the next twelve months and for working capital. The Corporation may decide to acquire other properties in addition to the mineral property described below.

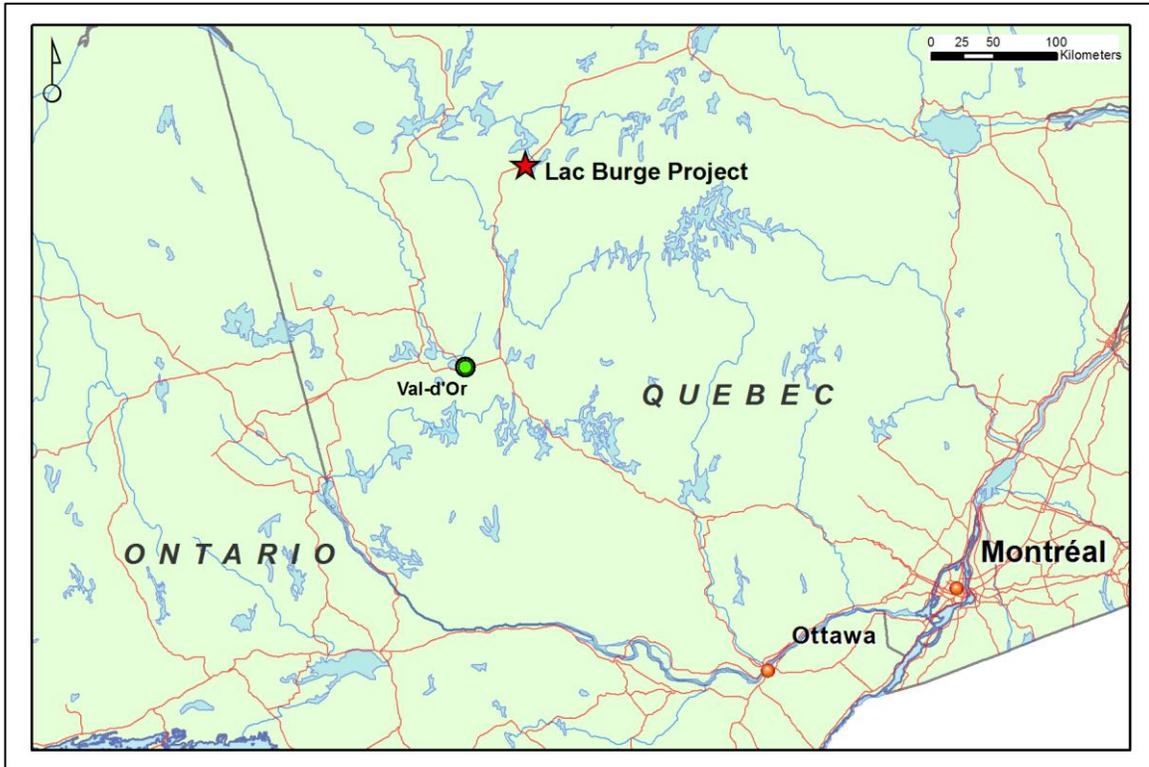
### ***Lac Burge Property, Duplessis Township, in the Province of Québec***

The following represents information summarized from the Technical Report on the Property by the Author, a Qualified Person (as defined in NI 43-101), prepared in accordance with the requirements of NI 43-101. **All figures and tables from the Technical Report are reproduced in and form part of this Prospectus; a complete copy of the Technical Report is available for review, in color, on the System for Electronic Document Analysis and Retrieval (SEDAR) located at the following website: [www.sedar.com](http://www.sedar.com). Alternatively, the Technical Report may be inspected during normal business hours at the Corporation's business offices at Suite 605 – 815 Hornby Street, Vancouver, British Columbia, V6Z 2E6.**

### **Property Description and Location**

The Lac Burge Property is located on NTS sheets 32F07 and 32F08 within Duplessis Township and is centered at latitude 49.36451°N and longitude -76.54239°W, and UTM 388,013mE and 5,469,122mN, UTM Zone 18 Nad 83.

The Property is located mid-way between the Val-d'Or and Chibougamau mining districts, 215km north-east of the city of Val d'Or and 70km north-east of the town of Lebel-sur-Quévillon. The Property is bisected by provincial highway #113 that runs from Transcanadian highway #117 to the town of Chibougamau, providing year-round access to the claims. Val-d'Or is a major full-service center for exploration in the region and offers daily flights to and from Montreal.



**FIGURE 1. LAC BURGE PROPERTY LOCATION.**

The Property is comprised of twenty-nine (29) claims split into four claim blocks totalling 1,626.08 hectares. The 29 of claims comprising the Property were acquired through map designation and cover a total of 1626.08 hectares. The dispositions are registered to Vorenius Metal Corp. and are held in trust for the beneficial owner, the Optionor pursuant to a declaration of trust. Both Vorenius Metal Corp. and the Optionor are owned by Reza Mohamed of Vancouver, British Columbia. The identification numbers and areas of the claims can be found in Table 1 below.

**TABLE 1 MINERAL CLAIMS OF THE LAC BURGE PROPERTY**

<b>Claim Number</b>	<b>Ownership</b>	<b>Size (ha.)</b>	<b>Acquired</b>	<b>Expires</b>
<b>CDC2462623</b>	Vorenius Metal Corp.	56.08	09/19/2016	09/18/2018
<b>CDC2462625</b>	Vorenius Metal Corp.	56.07	09/19/2016	09/18/2018
<b>CDC2462626</b>	Vorenius Metal Corp.	56.07	09/19/2016	09/18/2018
<b>CDC2462627</b>	Vorenius Metal Corp.	56.06	09/19/2016	09/18/2018
<b>CDC2462628</b>	Vorenius Metal Corp.	56.06	09/19/2016	09/18/2018
<b>CDC2462637</b>	Vorenius Metal Corp.	56.06	09/19/2016	09/18/2018
<b>CDC2462638</b>	Vorenius Metal Corp.	56.05	09/19/2016	09/18/2018
<b>CDC2462640</b>	Vorenius Metal Corp.	56.10	09/19/2016	09/18/2018
<b>CDC2462641</b>	Vorenius Metal Corp.	56.10	09/19/2016	09/18/2018
<b>CDC2462642</b>	Vorenius Metal Corp.	56.10	09/19/2016	09/18/2018

<b>CDC2462643</b>	Vorenus Metal Corp.	56.10	09/19/2016	09/18/2018
<b>CDC2462646</b>	Vorenus Metal Corp.	56.09	09/19/2016	09/18/2018
<b>CDC2462647</b>	Vorenus Metal Corp.	56.09	09/19/2016	09/18/2018
<b>CDC2462648</b>	Vorenus Metal Corp.	56.09	09/19/2016	09/18/2018
<b>CDC2462649</b>	Vorenus Metal Corp.	56.09	09/19/2016	09/18/2018
<b>CDC2462650</b>	Vorenus Metal Corp.	56.09	09/19/2016	09/18/2018
<b>CDC2462652</b>	Vorenus Metal Corp.	56.08	09/19/2016	09/18/2018
<b>CDC2462653</b>	Vorenus Metal Corp.	56.08	09/19/2016	09/18/2018
<b>CDC2462661</b>	Vorenus Metal Corp.	56.07	09/19/2016	09/18/2018
<b>CDC2462668</b>	Vorenus Metal Corp.	56.05	09/19/2016	09/18/2018
<b>CDC2462669</b>	Vorenus Metal Corp.	56.05	09/19/2016	09/18/2018
<b>CDC2462673</b>	Vorenus Metal Corp.	56.04	09/19/2016	09/18/2018
<b>CDC2462674</b>	Vorenus Metal Corp.	56.04	09/19/2016	09/18/2018
<b>CDC2462679</b>	Vorenus Metal Corp.	56.08	09/19/2016	09/18/2018
<b>CDC2462680</b>	Vorenus Metal Corp.	56.07	09/19/2016	09/18/2018
<b>CDC2462684</b>	Vorenus Metal Corp.	56.06	09/19/2016	09/18/2018
<b>CDC2462685</b>	Vorenus Metal Corp.	56.06	09/19/2016	09/18/2018
<b>CDC2462686</b>	Vorenus Metal Corp.	56.05	09/19/2016	09/18/2018
<b>CDC2462687</b>	Vorenus Metal Corp.	56.05	09/19/2016	09/18/2018
	Total:	1,626.08		

Pursuant to the Property Option Agreement, the Corporation has the option to acquire a 100% interest in the Lac Burge Property, subject to a 1% (one percent) NSR payable to the Optionor, which can be repurchased by the Corporation for \$1,000,000.

Under the terms of the Property Option Agreement the Corporation must:

(a) pay to Optionor:

- (i) \$20,000 in cash within five (5) business days following the date of execution of the Property Option Agreement (paid);
- (ii) an additional \$25,000 in cash on or before the date that is twenty-eight (28) months after the Effective Date;

(b) issue and deliver to Optionor:

- (i) 300,000 Common Shares within five (5) business of the Effective Date;
- (ii) an additional 500,000 Common Shares on or before the date that is fourteen (14) months after the Effective Date;
- (iii) an additional 750,000 Common Shares on or before the date that is twenty-eight (28) months after the Effective Date; and

(c) incur Expenditures on the Property as follows:

- (i) \$250,000 on or before the date that is fourteen (14) months after the Effective Date;
- (ii) \$750,000 (\$1,000,000 total) on or before the date that is twenty-eight (28) months after the Effective Date.

In addition to the foregoing, the Corporation was required to pay to the Optionor \$25,000 on or before June 3, 2017 if the Effective Date did not occur on or before June 1, 2017. The Corporation made this payment prior to June 3, 2017.

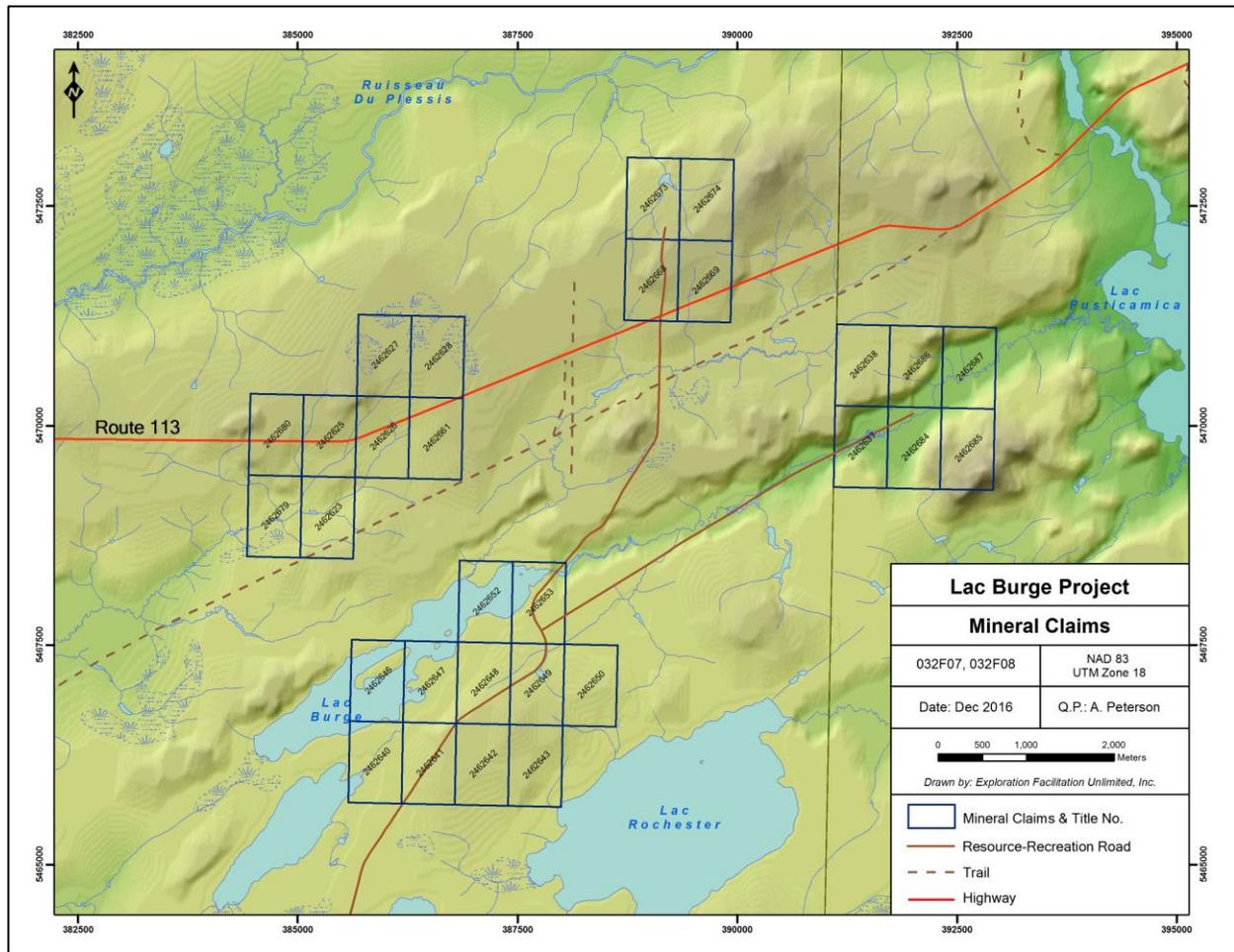


FIGURE 2. LAC BURGE PROPERTY, LOCATION OF MINERAL CLAIMS.

There are no land claim issues, ownership disputes pending on the property or environmental concerns/liabilities. The claims have not been surveyed by the Optionor while in their possession.

The Québec Government requires that the owner of the claims consult the Ministère des Forêts, de la Faune et des Parcs (MFFP) as soon as exploration work requires cutting down any size or type of tree or the construction of permanent structures on the claims. For example, line-cutting and diamond drilling would require the acquisition of a permit (Permis d'intervention) as well as First Nations consultations before any work can begin. It also requires hiring a forestry technician to estimate the volume of merchantable timber that will be cut during the work in order to assess the proper stumpage fees to be paid.

The claims must be renewed every two years on their expiration date, at which time renewal fees must be paid in order to maintain ownership. Each claim also requires a minimum number of dollars spent on exploration work over the

two-year period, with a report describing the works performed due sixty (60) days before the renewal date of said claims. If works are not performed, the owner may pay an amount varying between 100-200% of the amount required to be spent on the claims in order to be able to renew the claims. If an excess of money has been spent on claims, the amount can be credited forward (over a maximum of six (6) renewal cycles) and/or can be applied to any other claims still requiring expenditures, as long as those claims are within a 4.5km radius of the claim posting an excess in spending.

For the Property, the total renewal fees for the twenty-nine claims amount to \$1,858.61 while the work expenditures required total \$22,620. The total excess of work credits for the Property equal \$82,380.

The Québec Government requires that the owner of the claims consult the Ministère des Forêts, de la Faune et des Parcs (MFFP) as soon as exploration work requires cutting down any size or type of tree or the construction of permanent structures on the claims. For example, line-cutting and diamond drilling would require the acquisition of a permit (Permis d'intervention) as well as First Nations consultations before any work can begin. It also requires hiring a forestry technician to estimate the volume of merchantable timber that will be cut during the work in order to assess the proper stumpage fees to be paid.

There are no formally registered land owners on the claims and no current commercial logging in the area, therefore there are no known restrictions to land-use on the claims. However, as per Québec law, notice must be provided to the local community 30 days prior to performing any exploration work on.

Due to the fact that First Nations must be consulted before any type of major work is performed on the claims (construction, diamond drilling, line cutting, stripping or trenching), it is possible that breaks in communications between the government and First Nations could result in delays with issuing permits required to begin work. There are no other known risks or factors that could affect the ability to perform work on the Property.

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

The Property is located approximately 215km north-east of Val-d'Or and 70km north-east of the town of Lebel-sur-Quévillon. The Property is accessed via provincial highway #113, which connects the Transcanadian highway (#117 from Val-d'Or) to Chibougamau, Québec. The highway bisects parts of the property in an east-west direction, allowing easy year-round access by car or truck. Val-d'Or is an important economic center for the region, with a population of 32,000 with daily flights and bus service from Montreal.

Numerous former logging roads, both maintained and unmaintained, criss-cross the property, allowing easy access to the claims from the highway by truck, foot, ATV or snowmobile depending on the season. A rail bed cuts through the property from the south of Lac Burge to Miquelon 5km to the east, providing excellent access to the eastern claim block.

The Property is located within the municipality of James Bay in Duplessis Township on NTS sheets 32F07 and 32F08. The Property's central point is located at 49.36451° latitude and -76.54239° longitude.

The Property experiences moderate relief occasionally broken up by cliffs and steep hills. The Property is at an elevation of approximately 315m above sea level with the highest point on the claims at approximately 380m above sea level. Rock exposure on the claims is limited, with less than 5% outcrop and large wetlands covering the southern portion of the Property between Lac Burge and Lac Rochester. Vegetation consists predominantly of Boreal forests and swamps. Several of the claims that make up the southern block overly Lac Burge.

The region experiences a subarctic climate with average daily temperatures of -18°C in January, 17.2°C in July and an annual average of 1°C. The daily minimum was -23.6°C in January and the daily maximum was 23.1°C in July. Peak rainfall occurs in July with an average of 120.6mm and a total of 702.3mm for the year. Snowfall peaks in December with an average of 52.3cm and a total annual snowfall of 226.2cm. Annual precipitation is 927.8mm. Work at Lac

Burges can be performed year-round, however areas of the property covered in wetlands and swamps would be best explored in the fall when ground water levels are at their lowest, or in the winter months when the ground is frozen and access is easier.

## History

Over the years, the claims that make up the Property have been included in a variety of properties owned by numerous companies. The claims have never been, in their entirety, owned by the same entity at the same time. The bulk of the work completed historically appears to have been done between 1948 and 1991, at which point work in the area seems to have dropped off significantly.

Interest in the region began in 1935 with the discovery of a small gold deposit south of Lac Madeleine (Rose Lake) in the fall of 1934. The deposit consisted of gold in quartz veins and was mined by Lake Rose Mines Ltd. between 1938 and 1939 for a total of 5,374 tonnes at 18 gpt.

The earliest exploration work completed on the claims involved the regional scale mapping (1:63,360) of the Lake Pusticamica region, an area of approximately 450 square miles that covered the eastern claim block as well as some of the claims between Lac Burge and Lac Rochester. Mapping was completed in 1932 by A. H. Lang (Geological Survey of Canada) and in 1934 by G. S. MacKenzie (Québec Bureau of Mines). Mackenzie's work was only slightly more detailed than Lang's as both covered large areas of land.

By 1948, the claims were owned by a number of different companies, including: Leo C Syndicate, South Dufault Mines, O'Leary Malarctic and Continental Copper. In 1948, South Dufault Mines completed outcrop mapping on an area that included some of the western claims. In the same year, Continental Copper's exploration program included line cutting and geological mapping on their portion of the western claim block.

In 1959, Hunting Airborne Geophysics Ltd. conducted an airborne survey that covers the four claims of the north block. They flew 75 line miles using an amphibious PBY Canso flying boat that was equipped with an electromagnetometer, magnetometer, scintillation counter, radio altimeter and 35mm positioning camera. Survey lines were spaced at 1/8 of a mile with a mean terrain clearance height of 500 feet above ground level. Hunting Airborne's geophysicist identified a dozen magnetometer and electromagnetic anomalies. A follow-up program was executed by Queensland Exploration Ltd involving two ground surveys completed in March and April of 1960. The magnetometer surveys were executed at 200' line spacing and 100' stations while the IP survey was done at 50' intervals. The magnetic survey confirmed anomalies identified from the airborne data while the IP survey identified two small zones of potential sulfide mineralization. The geophysicist's conclusions stated that the results were less than encouraging and that follow-up was not likely. While the geophysical surveys cover parts of the northern claim block, it is unclear from the maps provided with the report whether these anomalies occur on the Lac Burge Property.

By 1979, the bulk of the claims belonged to SEREM Ltée., and were known as the Duplessis D, N, P and Q properties. Between 1979 and 1990 SEREM Ltée., through various agreements, completed a multitude of surveys, including HEM and magnetometer surveys, diamond drilling, mapping and prospecting. The works completed between April 1<sup>st</sup> 1981 and March 31<sup>st</sup> 1982 were completed in partnership with La Société de Développement de la Baie James (SDBJ) as part of agreement H-1, the results of which can be found in several individual or compilation reports. Over the years, numerous geophysical anomalies would be discovered and subsequently explored with mostly underwhelming results. The Duplessis D property, which encompasses the northern claim block of the Property, was explored in the summer of 1982 with a 3.9km Pulse-EM DEEPEM survey which confirmed five previously identified conductors and detected one new one. Two drill holes were used to follow-up on these conductors, 82-DUP-D-2 and 82-DUP-D-3, for a total of 257.3m of drilling. Anomalous values included 0.12% Cu/1.02m in D-2 and 0.21% Cu/1.03m in D-3. While the geophysical survey covers parts of the northern claim block, the drilling appears to be just east of the current property boundary.

In 1985, working on behalf of Mr. Jean Rochon, Edwin Gaucher et Associés Inc. completed a staking, prospecting and exploration program on parts of the northern claim block. Geologists explored several areas using beep mat, including

south of Lac Burge and North of highway 113. Any outcropping that reacted to the beep mat was cleared and dynamited in order to investigate and sample the anomaly. Of the three conductors, the one located north of highway 113 was the only one to return favorable results and was subsequently staked for Mr. Rochon. The beep mat survey uncovered an outcrop of massive basalt with disks of Chalcopyrite and Pyrrhotite up to 4cm in diameter that returned an assay value of 0.85% Cu. This location is known as the Rochon Showing.

In 1987, follow-up work consisting of trenching, mapping and sampling was conducted on three strong EM conductors and one VLF conductor situated on the Duplessis N, P and Q properties. Three of the anomalies were explained by rusty intervals of rock that produced weak Zinc and Gold anomalies. The fourth trench, T-4, uncovered the contact between massive basalt and well-graded sediments. The sediments were well mineralized with Pyrite, Chalcopyrite, Pyrrhotite and Sphalerite. Of the eight samples taken, one returned 0.64% Cu and 0.51% Zn with 76ppm Au. This location is known as the Duplessis N-P-Q Showing and is located at the south-east corner of the western claim block.

Parts of the north, west and south claims blocks were covered by works performed by SEREM in the summer of 1989. Work on the west and south blocks (Duplessis NPQ) included line cutting, 21.5km of VLF-EM and Mag, geological mapping and prospecting as well of 516m of diamond drilling in 3 holes to follow up on previously identified IP anomalies. The diamond drilling intersected sheared gabbros interbedded with cherty sediments that hosted anomalous gold values with recommendations for further investigations. Exploration works on the north claims revealed that anomalies were related to weak gossanous zones with little mineral potential due to the lack of both important structures and felsic volcanics that could contain VMS deposits (as seen elsewhere in the area).

The eastern claim block experienced similar levels of exploration in the 1980's, with numerous mapping projects as well as both airborne and ground geophysical surveys completed in the area. In 1986, Golden Rule Resources flew a DIGHEM III survey covering their Duplessis property, an area that includes the southern and eastern claim blocks. The survey identified dozens of conductors and EM anomalies. In 1988 and 1989, several mapping and magnetometer surveys were completed on the eastern claim block, at that time part of the Opawica (Minefinder Corporation Ltd.) and Miquelon projects (Minerais Lac Ltée.).

Following the exploration work completed in the 1980's, the claims do not appear in assessment works or reports. Instead, they are included as part of various government and broad-scale projects including airborne geophysics and geological compilations such as the 2008 Megatam II airborne EM survey flown for CGS, Virginia Gold Mines and Noranda and the geological mapping and sampling survey completed on a large area covering Lac Burge and Lac Rochester.

## **Geological Setting and Mineralization**

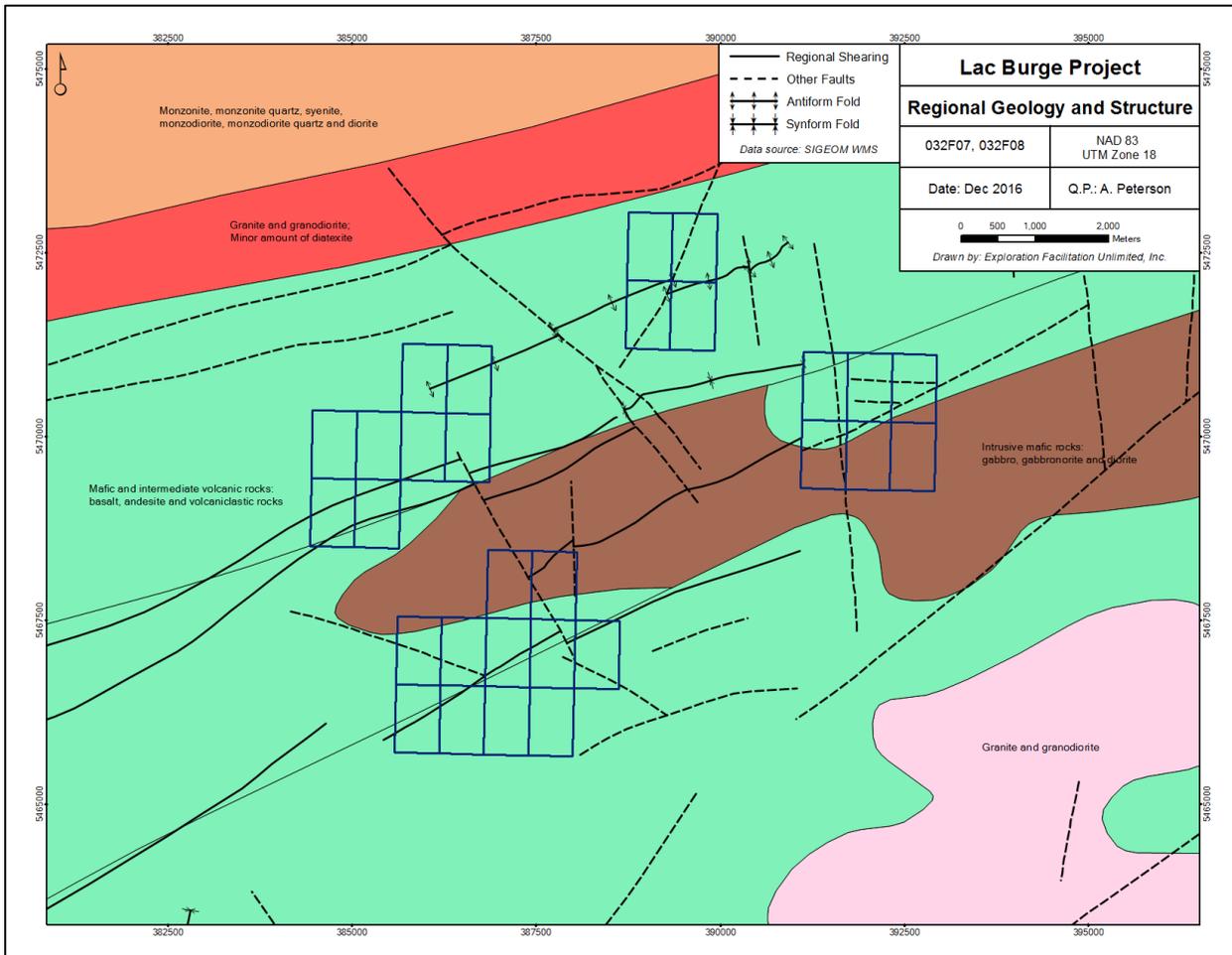
### *Regional Geology*

The Property is located within the internal zone of the Abitibi sub-province of the Superior Province of the Canadian Shield. The internal zone is also referred to as the monocyclic volcanic segment (MVS) of the Northern Volcanic Zone (NVZ). The MVS is predominantly composed of massive, pillowed and brecciated tholeiitic basalts with small to large felsic layers throughout. Iron formations can be found as local intercalations in some places. All but a few of the volcanic rocks were erupted as subaqueous flows, with smaller felsic edifices being covered by pillowed basalts. Sedimentary rocks are inter-fingered with and overly the volcanic rocks and are predominantly Bouma-cycle turbidites inter-mixed with conglomerates, shale, banded iron-formation and chert. Large layered mafic intrusives are a distinguishing feature of the NVZ and are the magmatic equivalents of MORB-type basalts. The rocks of the NVZ were intruded by felsic batholiths and plutons that were syn-volcanic (diorite, tonalite and leucotonalite), syn-tectonic (monzodiorite, tonalite and granodiorite) and post-tectonic (granodiorite suite and Syenite-carbonatite suite). All the rocks in the Lac Burge region are of Archean age, except for the Diabase dykes, which are of Proterozoic age. Deformation of the Abitibi Belt was rather heterogeneous, resulting in alternating zones of high and low strain. Areas of low strain show distinct fold patterns while areas of high strain are associated with regional faults and contact-strain aureoles. The deformation events in the NVZ have been interpreted as pulses related to a single deformation event

rather than representing different orogenic phases. Metamorphism in the region is mainly at greenschist facies, however, on a more local scale, metamorphism can attain amphibolite facies along contact aureoles with intrusions.

### *Local Geology*

The Property is located within the Abitibi Greenstone Belt, within a band of volcano-sedimentary rocks bounded by two large felsic intrusives: The Waswanipi pluton to the north and the Mountain pluton to the south. While the Abitibi greenstone belt usually displays an east-west trend, the rocks here have been affected by the numerous regional-scale felsic intrusives in addition to the numerous structural corridors, giving the rocks here a north-east orientation. The bulk of the claims overly rocks of the Obatogamau Formation which is composed of mafic to intermediate volcanic and volcanoclastic rocks. Several of the claims from the west and south claim blocks overly the volcanic rocks of the Vanier-Dalet-Poirier Group while parts of the east claim block overly the O'Sullivan Pluton. The O'Sullivan pluton is a polyphasic mafic intrusion elongated in a north-north-east direction that extends for some 20km. Diorite is the main phase of the intrusive, with compositional extremes ranging from magnetite hornblendite to quartz diorite. The pluton has a post-tectonic age since the regional schistosity has not affected it. The volcanic rocks on the property consist of basalts, mafic to intermediate lavas, quartz-feldspar porphyries, rhyolites and pyroclastic rocks such as intermediate lapilli tuffs, finely bedded mafic tuffs and intermediate to felsic lapilli tuffs and tuff breccias. Sedimentary rocks can be found in the southern portion of the property, north and north-west of Lac Rochester and Lac Burge. North of Lac Burge, the sedimentary unit is less than 200m thick but extends for quite a distance and shows up prominently on input surveys. It consists of arkosic wackes interbedded with laminated argillites, graphitic and pyritic argillites, cherts, lenses of massive sulfides and several tuffaceous cherts. North of Lac Rochester, the sediments are composed of polymictic conglomerates and conglomeratic sandstones with volcanic fragments. Several gabbroic sills cut through the property with compositions that grade from pyroxenite to melanogabbro and leucogabbro. Finally, diabase dykes of Proterozoic age, generally composed of mesocratic gabbro, cut across the eastern claim block. A band of sedimentary rocks, including iron formations, terminate on the property. These rocks have previously been interpreted to be the western extension of the Taibi Group which extends all the way to the Ontario border in the Casa-Berardi area.



**FIGURE 3. REGIONAL GEOLOGY, LAC BURGE PROPERTY.**

The Lac Burge area rocks were subjected to two separate deformation phases. The main phase, D2, generated the regional schistosity (S2) as well as the axial plane for P2 folds and was responsible for the flattening of certain features such as pillows, amygdules and clasts in sedimentary rocks. The later phase, D3, created tight folds that plunge moderately to the NNW or SSE, including the syncline south of highway 113 and the anticline north of the highway on the northern claim block. D3 also formed a crenulation cleavage and fractures that parallel the axial planes of folds.

Two main deformation zones cut across the property north and south of the O'Sullivan Pluton: The Lac Burge shear zone and the Duplessis shear zone. They are oriented ENE, extend for well over 10km and can be up to 1km wide. It has been suggested that the Lac Burge shear zone can be correlated to the Opawica Shear zone. These deformation zones would have facilitated fluid migration and are characterized by iron carbonate, epidote, and/or silica alteration as well as Pyrite mineralization. In addition to these two regional-scale deformation zone, numerous other faults (both sinistral and dextral) occur on the property in NNE, NS, NW and NNW directions, cross-cutting the regional fabric (S2) and representing excellent potential exploration targets.

#### *Property Geology*

The southern claim block, located between Lacs Burge and Rochester, was found to be low-lying in relief resulting in a terrain with very little rock outcropping. Rocks here were sedimentary in nature, with silicified argillites and wackes becoming interbedded with volcanoclastic rocks as you move eastward.

The western claim block, where not covered in swamps, overlies gabbroic rocks with localized roof pendants of metasedimentary units with foliations dipping steeply to the NNW.

The eastern claim block experiences moderate relief with swamps and plateaus, cliffs and steep hills. The block is bisected from west to east by the Lac Burge shear zone, with steep cliffs of moderate relief on either side and a swamp covering the deformation corridor. The rocks are predominantly felsic intrusive of the O'Sullivan pluton with roof pendants of metavolcaniclastics, metasediments and iron formation. Here, foliations dip steeply to the NE and SE.

The north claim block is relatively low-lying with a fair amount of outcropping. Here, the contact between a granodiorite intrusive and the mafic volcanics is sheared and mineralized with two thin bands of Pyrrhotite and Pyrite above and below the shear zone.

### *Mineralization*

The Property, and the region in general, is host to anomalous gold, silver and base metal values. This is put in evidence by the presence of numerous showings on or adjacent to the claims, including the Rochon showing (0.85% Cu), the Lac Burge Nord showing (6.90gpt Au/2.30m, 6.40gpt Au/4.60m and 5.80gpt Au/5.10m, claims belong to Nyrstar) and the Duplessis H showing on the shores of Lac Rochester (6gpt Ag, claims registered to Vorenius Metal Corp.). Most anomalous metal values have been found either adjacent to or within deformation structures or lithological contacts. Base metals occur predominantly as thin layers of massive sulfides but also as disseminations while coarse free gold has been observed in veins within shear zones. Anomalous metal values have been associated with quartz-carbonate-sulfide veins in shear zones (Au, Cu), volcanic detrital units (Zn, Cu, Ag, Pb, Au) and as disseminations within silicified tuffs or felsic rocks. Mineralization on the property has not been investigated to a sufficient extent to determine the length, width and continuity of mineralized showings. As described in sections 25 and 26, work is still required to investigate the nature and extent of all mineralized intercepts discovered to date on the Property.

### **Deposit Types**

The Property was investigated for both gold and base metal mineralization. The large deformation corridors of the Lac Burge and Duplessis shear zones were interpreted as favourable structures for anomalous lode gold mineralization while the presence of felsic volcanics showed potential for VMS style deposits. Gold, copper, zinc, nickel and silver showings occur on, or adjacent to, the Property. A large portion of the showings in the region appear to be located along lithological contacts between mafic or felsic intrusives and the host volcanics. Numerous gold showings also occur along structural corridors on or near intrusive contacts. At Lac Burge, the O'Sullivan pluton intruded felsic lavas, tuffs and sedimentary rocks and may have favored the circulation of mineralized fluids along the contacts between the different units as well as along the shear zones that bound the pluton. In addition, the faults that cut the pluton could also favor economic mineralization since it is along several of these NW faults that we find several gold showings (Lac Burge Nord and Agar on Nyrstar property). The limbs of the anticlinal and synclinal folds on the northern claim block also represent areas of high mineralization potential, as folds tend to act as fluid traps. These folds are very close to the O'Sullivan pluton, and could be strongly mineralized, especially if they are sheared.

### **Exploration**

#### *2016 Work Program*

From September 26<sup>th</sup> to October 11<sup>th</sup>, 2016, Exploration Facilitation Unlimited Inc. (EFU Inc.), on behalf of the Optionor, conducted a 14-day exploration program designed to test areas on the claims that were identified as favourable targets for exploration such as geophysical anomalies and structures. Proposed work included ground geophysics (VLF-EM/Mag and Beep Mat), geological mapping and sampling as well as small-diameter backpack drilling. Unfortunately, persistent equipment malfunctions with the VLF-EM/Mag unit resulted in the cancellation of this program. The field crew was based out of Lebel-sur-Quévillon for the duration of the exploration program.

While the work described in this section was not performed on behalf of the Corporation, the results of the 2016 exploration program were included in detail below due to their relevance to the “Recommendations” section set forth below.

### Geophysics

The Beep Mat program was planned to cover as much of the claims as possible on a 200m line spacing, with grid orientations changing depending on the orientation of the targeted structure or geophysical anomaly. Due to time constraints, priority was given to areas with the driest ground conditions. In total, approximately 25km of beep mat survey were completed. The survey identified several EM conductors, including two parallel and elongated conductive zones that in turn paralleled the Burge Shear Zone in the eastern claim block and one EM conductor in the northern claim block. A magnetic anomaly was also identified in the eastern claim block. All conductors and magnetic anomalies were immediately delineated using the beep mat with the extent of the anomalies marked in the field using flagging tape. All three conductors and the magnetic anomaly were subsequently tested using the backpack drills, with results detailed below.

The two parallel conductors on the eastern claim block were drilled to test their source and were discovered to be reflective clay layers. Beep Mat surveys are effective at detecting anomalous conductors to a depth of 3m. Three drill holes were drilled to test the conductors, and were abandoned at 4m depth when they encountered only clay layers. It was determined that these reflective clay layers were the source of the two anomalies. These holes were not included in the drill hole results discussed below as they did not produce any core and were not sent to the lab for analysis.

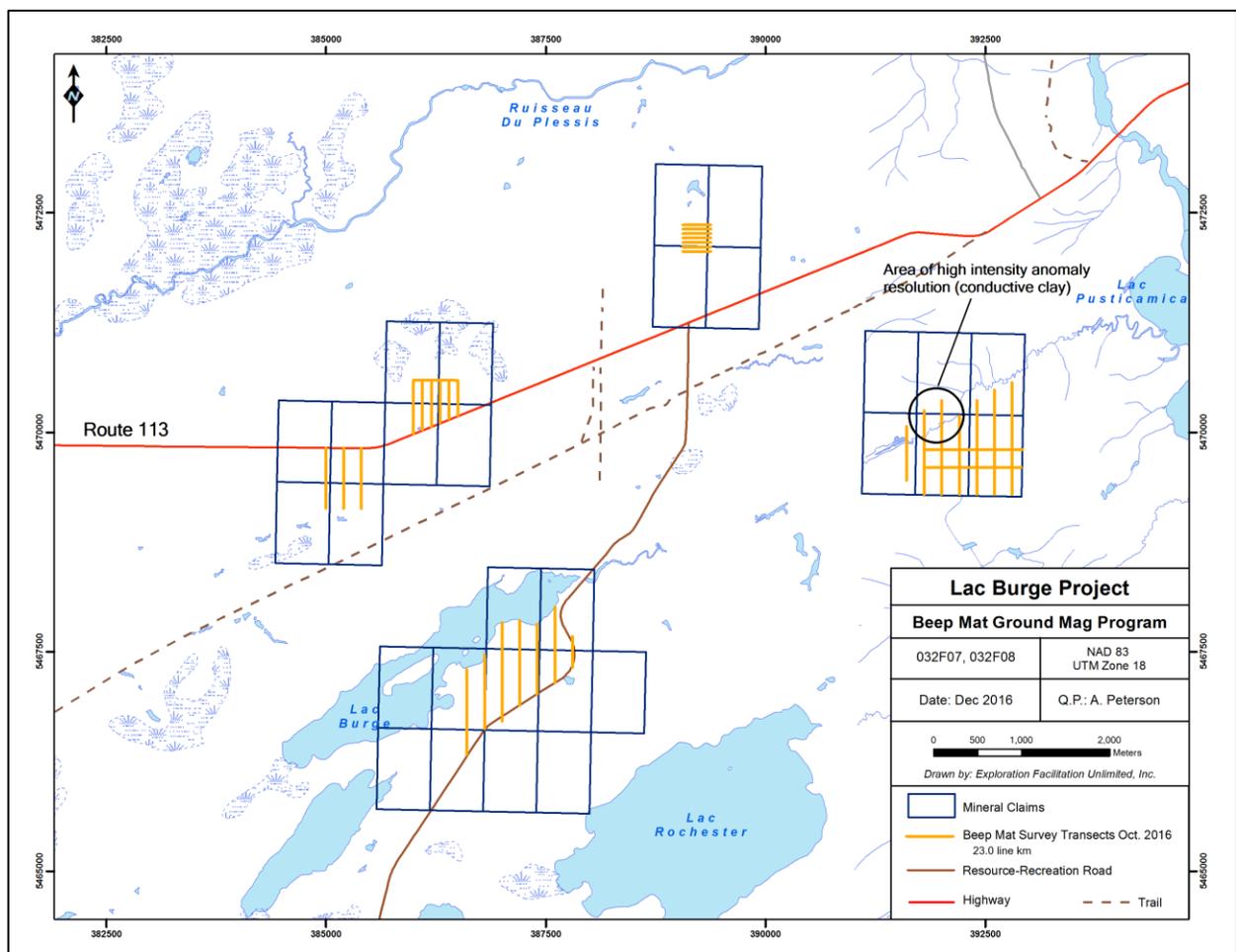
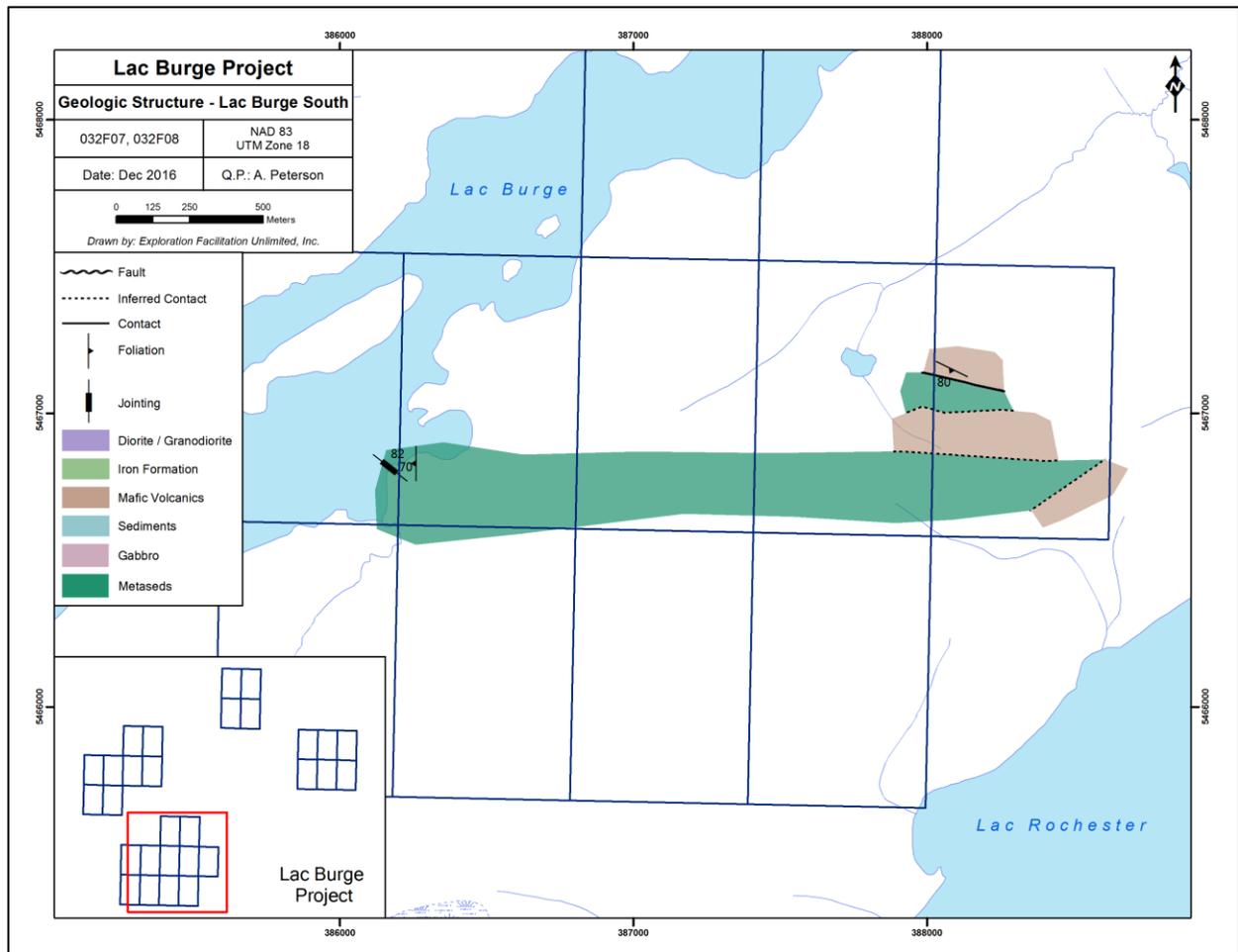


FIGURE 4. BEEP MAT SURVEY LINES, 2016 EXPLORATION PROGRAM.

### Field Mapping and Sampling

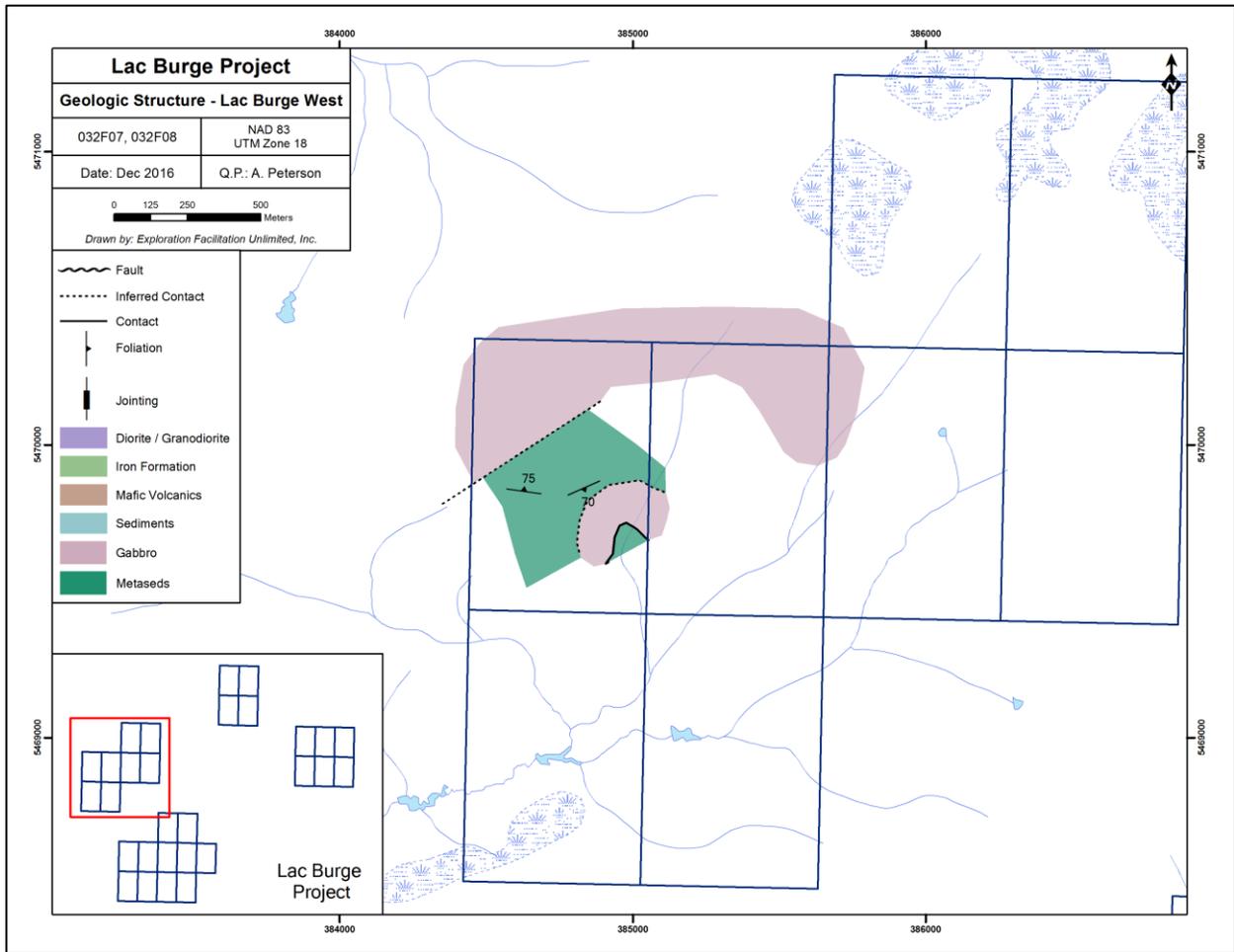
Geological field mapping and sampling was an important part of the 2016 program. Priority was given to areas of the claims where topography indicated a high likelihood of outcropping as well as areas of interest identified from Aeromag data while low-lying swampy areas were avoided. All twenty-nine claims were mapped to some degree and thirty-eight grab samples were collected.

Mapping in the southern claim block identified predominantly silicified metasediments interbedded with mafic volcanoclastic rocks that were unmineralized to weakly mineralized. The two grab samples analyzed returned no anomalous assay values.



**FIGURE 5. GEOLOGICAL MAPPING AND STRUCTURAL MEASUREMENTS - SOUTH CLAIM BLOCK.**

A significant portion of the western claim block overlies swampy terrain or areas with thick overburden where mapping was not possible. Outcropping here was predominantly gabbroic rocks with metasedimentary roof pendants and trace amounts of Pyrite mineralization. Samples taken here returned low precious metal assays, however copper values were anomalously high with all samples returning >100ppm Cu.



**FIGURE 6. GEOLOGICAL MAPPING AND STRUCTURAL MEASUREMENTS - WEST CLAIM BLOCK.**

The eastern claim block is a mix of swamps and plateaus with cliffs and steep hills. Outcropping here is dominated by intrusives mapped as diorite and granodiorite with roof pendants of metavolcaniclastics, metasediments and banded iron formation. Rocks here were silicified with varying amounts of sulfides. The iron formation rocks were the most mineralized with up to 15% Pyrite and trace Chalcopyrite. Although no nickel mineral was identified during mapping, assay values for nickel were highly anomalous and varied from 61 to 632ppm. Gold values varied from less than 5 to 35ppb Au while silver values varied from <0.2ppm Ag to 0.4ppm Ag. Copper values varied from 18 to 206ppm Cu.

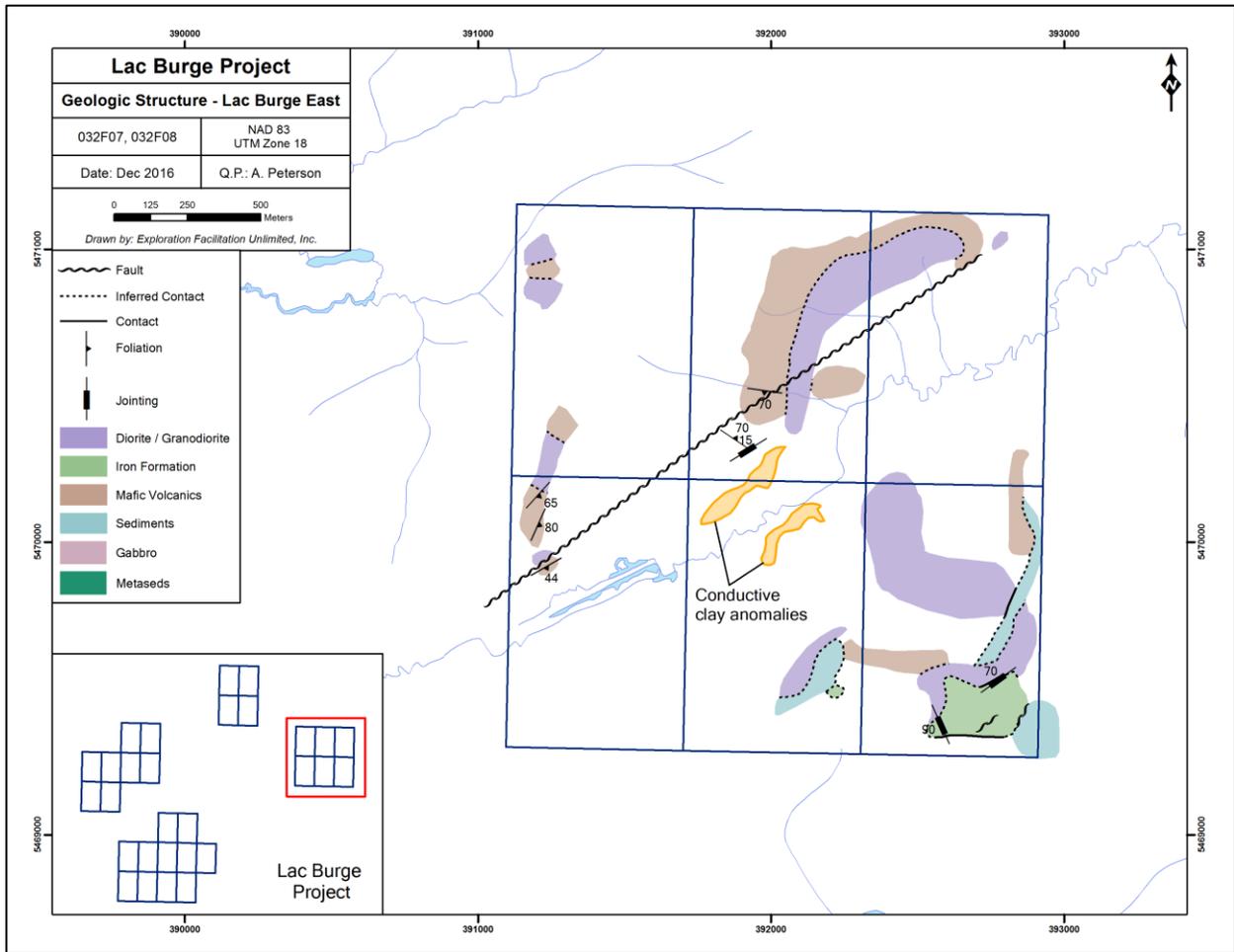
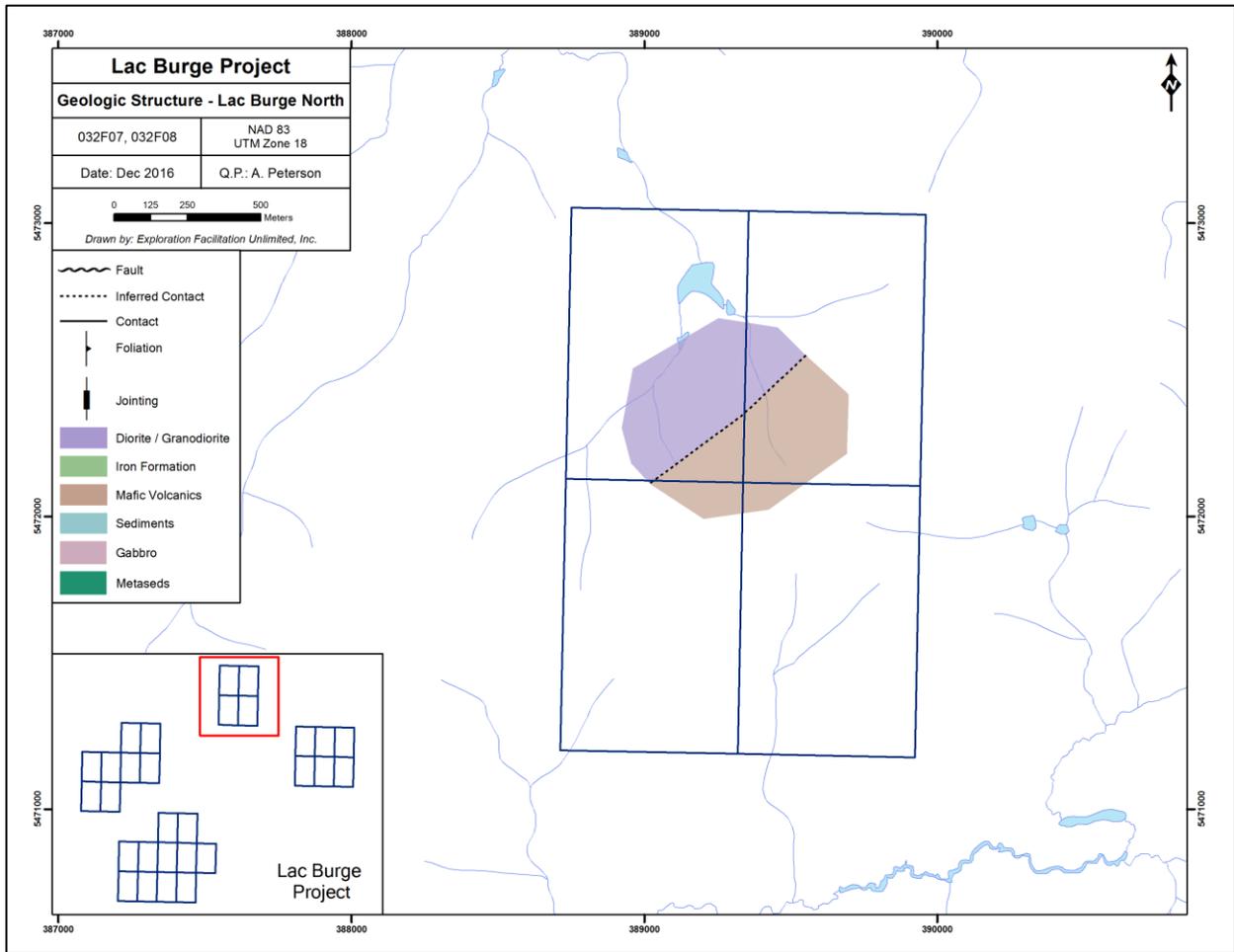


FIGURE 7. GEOLOGICAL MAPPING AND STRUCTURAL MEASUREMENTS – EAST CLAIM BLOCK.

The northern claim block was mapped adjacent to the beep mat anomalies where a large diorite/granodiorite intrusive is in contact with mafic volcanics. Backpack drilling uncovered several promising horizons, and the results of this are discussed below.



**FIGURE 8. GEOLOGICAL MAPPING AND STRUCTURAL MEASUREMENTS - NORTH CLAIM BLOCK.**

All grab samples were collected as representative samples of the source outcrop by the mapping geologists with sample number, location in UTM coordinates and geological descriptions (lithology, alteration, mineralization, mineralogy, structure) recorded on-site before being entered into a master spreadsheet at the end of the day.

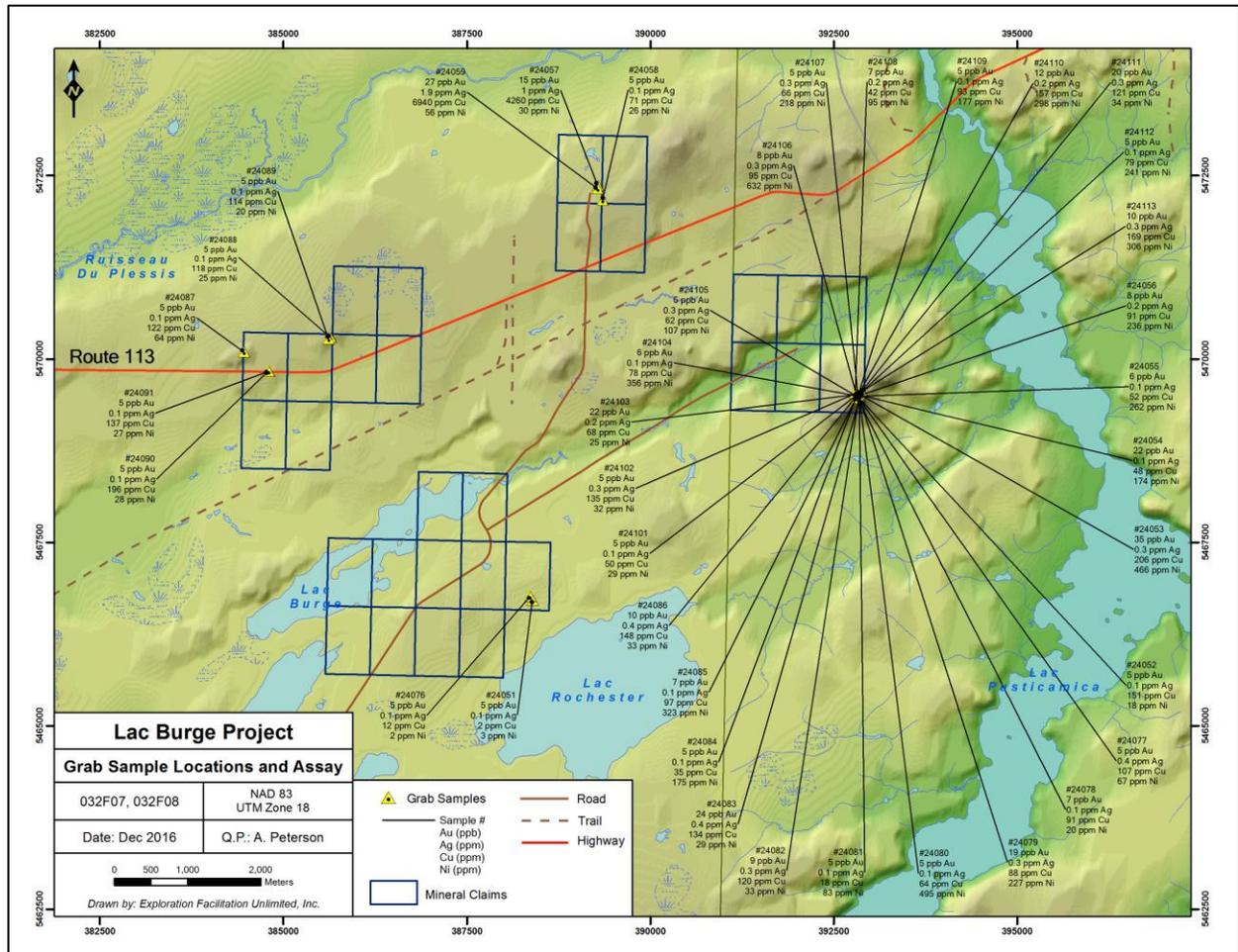


FIGURE 9. GRAB SAMPLE LOCATIONS WITH BEST ASSAY RESULTS FOR AU, AG, CU AND NI.

### Backpack Drilling

A total of twenty-one holes and 22.96m of drilling were completed using the Shaw backpack drills. The drills are effective to a depth of 8-10m and produce 18mm diameter drill core. All drill holes targeted conductive or magnetic anomalies identified during the beep mat survey or potentially mineralized rocks discovered during field mapping. Holes were drilled straight into bedrock. Twenty-nine samples were collected from the twenty-one drill holes and sent to Val-d'Or for analysis.

Nine of the twenty-one drill holes tested a gossanous area of inter-fingered iron formation and diorite/granodiorite discovered during mapping of the eastern claim block. All the holes drilled through the iron formation and intersected intrusives further down hole. All lithologies exhibited varying degrees of alteration, mineralization and veining. Gold values peaked at 24ppb, two holes returned assayed of 1g/t Ag, and Cu-Pb-Zn values were generally very low. Nickel values were anomalous with a maximum of 397ppm Ni.

The remaining 12 drill holes were used to test an area of the northern claim block where beep mat work and prospecting identified an historically trenched area of sulfide mineralization. Eleven of the holes encountered sulfide mineralization and silicification associated with a moderately dipping shear zone. Mineralization consisted of up to 10% Pyrite-Pyrrhotite-Chalcopyrite blebs, disseminations and thin laminations parallel to fabric. Due to the terrain, drilling was often difficult and most of the holes are relatively short in length. Gold assay values were mostly 5ppb with some minor outliers, with a peak Au value of 107ppb. Silver values were also low with the highest value being 1ppm Ag/tonne. Copper assays varied greatly but all mineralized zones returned anomalous values for copper, with a peak

value of 0.69% Cu. Eleven of nineteen core samples taken in the north assayed higher than 0.052% copper with seven higher than 0.1% and four higher than 0.25%.

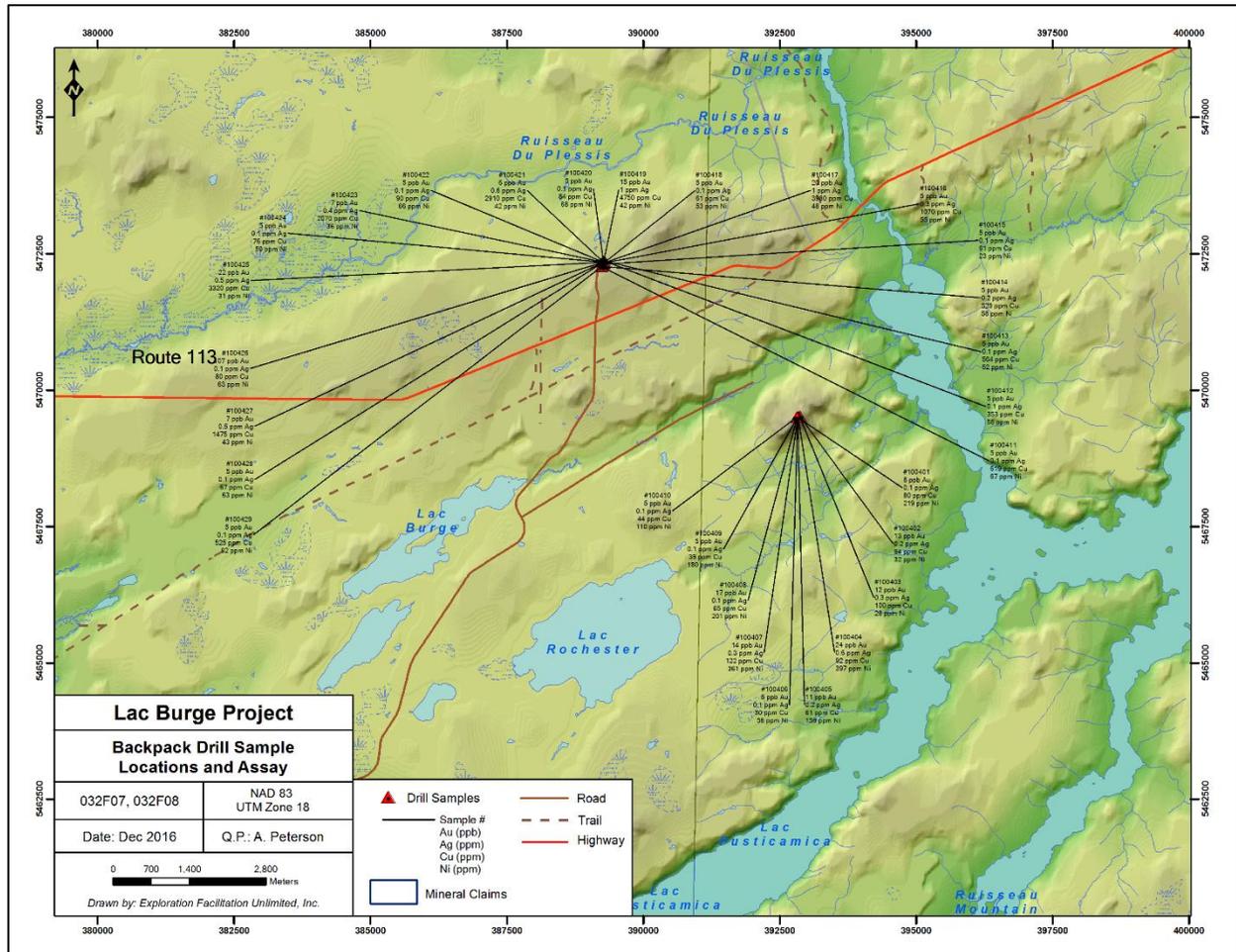


FIGURE 10. BACKPACK DRILL HOLE LOCATIONS WITH BEST ASSAYS FOR AU, AG, CU AND NI.

All drill core was logged, photographed and sampled in the field by one of the geologists with all pertinent geotechnical, geological and structural information recorded and entered into a master spreadsheet. Samples were delimited based on variations in lithology, structure, mineralization and alteration. Holes with very little to no variation in the above-mentioned parameters were assayed as a single sample.

## Drilling

A program of small-diameter, backpack drilling was completed during the 2016 exploration program and is discussed in the “Exploration” section above. No other known diamond drilling has been completed on the property, and any diamond drilling completed historically was discussed in the “History” section above.

## Sample Preparation, Analyses and Security

The Author does not know any of the sampling or security details regarding historical work programs on the Property. For the 2016 program, samples collected in the field were described in detail and photographed before being sealed into plastic sample bags. UTM co-ordinates and a brief description were also recorded for each individual sample. Samples were placed into plastic sample bags with a sample tag inserted into the bag and the corresponding number written in black permanent marker on the outside of the bag. Sample bags were then sealed using plastic zip ties before

being removed from the field. All samples collected during the exploration program were stored under lock and key in the project manager's hotel room until samples were ready for transport to the lab. Samples were reviewed a second time to ensure all samples were properly identified prior to transport. Samples were then transported by EFU employees directly from the hotel in Lebel-sur-Quévillon to the laboratory facilities in Val-d'Or where they were handed directly to lab employees for analysis. At no time were the samples in the possession of a third party. The Author has deemed the sample preparation and security procedures employed by EFU employees to be adequate.

ALS Val-d'Or's quality management system operates in accordance with ISO/IEC 17025:2005 (CAN-P-4E) and is also compliant with CAN-P-1579 Guidelines for Mineral Analysis Testing Laboratories. The management system and methods are accredited by the Standards Council of Canada.

The laboratory employs comprehensive quality control programs to monitor sample preparation and analysis. Quality control measures include the use of barren material to clean sample equipment in between batches. Analytical accuracy and precision are monitored by the analysis of reagent blanks, reference materials, and replicate samples. Bar coding and scanning technology provide complete chain of custody records for sample preparation and analytical process.

ALS is considered by the Author to have adequate sample preparation, security, and analytical procedures, and to operate at industry standards. Optionor and the Corporation have no relationship with ALS other than as clients.

### **Data Verification**

Due to the early stage of exploration on the Property, no formal Quality Assurance/Quality Control (QA/QC) protocol has been established. None of the assessment or historical work reports used as references in the preparation of this report provided details of the sampling or analytical methods used. Quality control methods and security procedures were not discussed either. Results of the 2016 exploration program were verified using the assay certificates. The Author examined blanks, standards and duplicates inserted by the laboratory which were found to be within the acceptable ranges of values indicating no contamination between samples during analysis. Fifty-seven samples were sent to the lab, where an additional twenty-three QA/QC samples were inserted into the sample stream; eleven for the Au analysis and twelve for the multi-element analysis. This equates to one QA/QC sample for every six samples submitted to the lab. This exceeds the industry average of one QA/QC sample for every 10 samples submitted.

The Author finds that the sampling procedures used in the 2016 exploration program were satisfactory and similar to standard practices in the industry. The QAQC procedures at ALS Laboratories were ample for the number of samples analyzed and generated data with a high degree of confidence. In the Author's opinion, the data provided in the Technical Report is adequately reliable for its purposes.

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

The Author is unaware of any mineral processing and/or metallurgical testing having been carried out on the Property.

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

No Mineral Resource and no Mineral Reserve, as currently defined by Canadian Institute of Mining, Metallurgy and Petroleum (C.I.M.) terminology, has been outlined on the Property.

### **Interpretation and Conclusions**

#### *Interpretations*

The Property is located within a favorable environment for gold and VMS-type base metal deposits. Two large felsic batholiths bound the Property to the north and south, numerous felsic and mafic plutons and sills dot the area and two

regional-scale deformation corridors cut through the claims. These are prime conditions for the formation of various types of precious and base metal deposits. It is clear from historical and current mapping and prospecting programs that the rocks on the Property have been subjected to considerable hydrothermal activity, as evidenced by the often strong, widespread silicification and alteration of the various lithologies. The presence of varying amounts of sulfides within these altered rocks is also quite promising, as the bulk of the showings and mines in the region (Nyrstar's Langlois, Metanor's Lac Bachelor) are hosted in mineralized and silicified volcanic rocks at or near lithological contacts or structural deformation corridors. A 2011 compilation map produced by Géologie Québec analyzed the potential for VMS deposits in the Abitibi. The Author of this study considered geophysical (Megatem survey) as well as geological data before ranking areas from low to high potential for mineralization. Two interpreted high potential zones fall within the Property: an elongated swath trending north-west from the shores of Lac Rochester towards Lac Burge, and a small area located at the Rochon showing on the North claim block. The two samples taken from the south claim block do not provide enough data to either support or refute the possible presence of VMS-type deposits in this area, however the sampling and drilling on the north claim block certainly supports anomalous sulfide mineralization with copper values up to 0.69% Cu. The elevated Nickel values in the iron formation found on the eastern claim block are also very promising and require further investigation.

The only real risk associated with exploration work at the current stage involves the consultations with First Nations that is required as part of the permit application process. As mentioned in Section 4.0, any exploration work that includes cutting down trees requires a specific permit (Permis d'Intervention) issued by the MFFP. The permit estimates the volume of merchantable timber that will be cut as well as the associated stumpage fees. Part of the permitting process includes consultations with First Nations, which can take anywhere from five to thirty days to complete, assuming that relations between the government and First Nations are positive and moving forward. Any break in communications between the two parties could result in delays, as any work related to the permit can not begin until the permit has been issued.

### *Conclusions*

The objective of the Technical Report is to assess the potential for the Property to host lode gold or VMS-style mineralization. The Property overlies lithological and structural environments that have been shown to host VMS and lode gold style deposits within the region and the Abitibi greenstone belt. Historical work on these claims has been quite limited and most of the available data is quite outdated. Exploration work completed in 2016 discovered new areas of anomalous mineralization and supported historical results, such as the Rochon showing on the North claim block. However, the available data is somewhat spotty with the bulk of the claims woefully underexplored and as such, additional work needs to be completed in order to fully assess the mineral potential on the Property.

### **Recommendations**

The Lac Burge claims are currently at various stages of exploration, with the most advanced works completed in the north and east claim blocks. The geological mapping, beep mat survey and backpack diamond drilling have identified two areas of interest: Anomalous copper values in the north claim block along the sheared volcanic-intrusive contact and anomalous copper and nickel values along the shear between the iron formation and intrusive in the east claim block. These two areas merit further investigation in order to assess their economic importance in addition to their structural and/or lithological controls.

### *Proposed Budget: Phase 1 Work*

The north and east claim block mineralization are associated with mapped structures with an apparent-strike length of several hundreds of meters. Follow-up here should involve the drilling of a series of fences, with eight holes spaced 100 meters apart along-strike. The holes should be set 25 meters back from the structure and be drilled to approximately 125 meters to verify continuity of mineralization at depth. The fences would total 1000 meters of drilling each in order to test 800m of strike-length.

The drilling program would necessitate the clearing of access trails and drill pads which require a permit and the payment of associated stumpage fees, estimated at \$1500. Due to the steep terrain of the target area in the east claim block, a bulldozer would be required to open up access trails and prepare drill pads. The program would be run by one project geologist, assisted by a core logging geologist and a core technician. The all-in drilling cost, including mobilization, demobilization, site set-up and tear down and moves is estimated at \$100 per meter. The total number of core samples was calculated based on sampling the entire length of the drill holes as constraints on mineralization in these specific areas are poorly understood and selective sampling could miss potential mineralization. Core sample assays are approximately \$20 per meter. At an average of 100 meters of drilling per day, the program would take 20 days to complete. The budget included calculates personnel costs based on a 25-day program to allow for delays in drilling or any other issues that would cause the program to run longer than expected.

### **Budget – Phase 1**

Project Preparation				\$7,500
Mobe/Demobe (including transportation and wages)				\$5,000
Forestry Technician Consultation/stumpage fees				\$1,500
Consumables and Supplies				\$1,500
<b>Field Crew:</b>	<b>Rate</b>	<b>Days</b>	<b>Totals</b>	
Project Geologist	700	25	17,500	
Field Geologist	600	25	15,000	
Core Technologist	400	25	10,000	\$42,500
<b>Field Costs:</b>				
Transportation <sup>1</sup>	250	25	6,250	
Lodging and Meals	600	25	15,000	\$21,250
<b>Assays and Analyses:</b>	<b>Rate</b>	<b>Units</b>		
Drill Core Assays	20	2000		\$40,000
<b>Contracts:</b>	<b>Rate</b>	<b>Units</b>		
Diamond drilling	100	2000	200,000	
Bulldozer (site prep)			10,000	
Technical Report			7,500	\$217,500
Contingency Fund (15%)				\$49,915
Grand Total:				\$387,263

<sup>1</sup> Transportation costs cover pick-up truck rentals, snowmobile rentals and fuel.

All numbers in the budget above are quoted in Canadian dollars (\$CAD). The work would take approximately 25 days to complete and the estimated cost for the program is \$387,263. Crews would be based out of Lebel-sur-Quévillon.

### *Proposed Budget: Phase 2 Work*

Phase 2 is contingent upon positive assay results from Phase 1 drilling. Phase 2 would involve an additional 3,000m of diamond drilling. These additional meters could be used for several purposes depending on the results of the previous phase. The holes could test along-strike continuity, down-dip continuity or as in-fill drilling to bring spacing down to 50m and test continuity between holes. All the costs used to estimate the Phase 1 budget were used for Phase 2. The only difference is the assumption that the number of samples required would decrease as Phase 1 would give a good

idea of what hosts the mineralization, allowing for selective sampling. The cost of consumables was increased due to the increase in meterage and days to complete the program.

### **Budget – Phase 2**

Project Preparation	\$7,500
Mobe/Demobe (including transportation and wages)	\$5,000
Forestry Technician Consultation/stumpage fees	\$1,500
Consumables and Supplies	\$2,500

<b>Field Crew:</b>	<b>Rate</b>	<b>Days</b>	<b>Totals</b>	
Project Geologist	700	35	24,500	
Field Geologist	600	35	21,000	
Core Technologist	400	35	14,000	\$59,500

<b>Field Costs:</b>				
Transportation <sup>1</sup>	250	35	8,750	
Lodging and Meals	600	35	21,000	\$29,750

<b>Assays and Analyses:</b>	<b>Rate</b>	<b>Units</b>	
Drill Core Assays	20	2000	\$40,000

<b>Contracts:</b>	<b>Rate</b>	<b>Units</b>		
Diamond drilling	100	3000	300,000	
Bulldozer (site prep)			10,000	
Technical Report			7,500	\$317,500

Contingency Fund (15%)	\$69,488
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Grand Total: \$532,738

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<sup>1</sup> Transportation costs cover pick-up truck rentals, snowmobile rentals and fuel.

## **USE OF PROCEEDS**

### **Proceeds**

THE OFFERING HEREUNDER IS SUBJECT TO A MINIMUM SUBSCRIPTION OF 4,000,000 SHARES (\$600,000). IN THE EVENT SUCH SUBSCRIPTIONS ARE NOT ATTAINED WITHIN 90 DAYS OF THE ISSUANCE OF THE FINAL RECEIPT FOR THIS PROSPECTUS OR, IF A RECEIPT IS 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 THE RECEIPT FOR THE FINAL PROSPECTUS, ALL FUNDS RAISED HEREUNDER WILL BE RETAINED BY THE AGENT AND REFUNDED TO INVESTORS WITHOUT INTEREST OR DEDUCTION.

### **Funds Available**

If all the Shares offered pursuant to this Offering are sold, the Corporation will receive aggregate net proceeds of \$466,875 from the sale of Shares pursuant to this Prospectus after deducting the Agent's Commission, the balance of the Corporate Finance Fee, being \$13,125, and the estimated expenses for this Offering of \$60,000. These funds will be combined with the Corporation's existing working capital balance of approximately

\$159,363 as at July 31, 2017, for total available funds of \$626,238 which will be used by the Corporation in order of priority, as follows:

<b><u>Principal Purpose</u></b>	<b><u>Funds to be Used</u></b>
Proposed Phase 1 exploration program at the and budget on the Property as outlined in the Technical <sup>(1)</sup> Report	\$387,263
General and administrative expenses for 12 months	\$75,000
Unallocated Working Capital	\$163,975
<b>Total</b>	<b>\$626,238</b>

(1) See table in proceeding section under heading "Recommendations" for a summary of the work to be undertaken, a breakdown of the estimated costs, and the nature of title to or the Corporations' interest in the Property.

Subject to, and upon completion of the Offering, the Corporation's working capital available to fund ongoing operations will be sufficient to meet its administrative costs and exploration expenditures for twelve months. Estimated general and administrative expenditures for the following twelve months are comprised of the following:

(i) CFO & Admin Services	\$30,000
(ii) Transfer Agent	\$5,000
(iii) Legal	\$15,000
(iv) Audit	\$10,000
(v) Travel Expenses	\$5,000
(vi) Exchange and Regulatory Fees	\$10,000
<b>Total:</b>	<b><u>\$75,000</u></b>

Since its founding, the Corporation has not generated cash flow from its operations and has incurred certain operating losses. Such losses and negative operating cash flow are expected to continue since funds will be expended to pay its administrative expenses and to conduct the recommended Phase 1 exploration program on the Property. Although the Corporation has allocated \$75,000 (as above) from the Offering to fund its ongoing operations for a period of twelve months, thereafter, the Corporation will be reliant on future equity financings for its funding requirements. Unallocated funds from the Offering and from the exercise of any of the Compensation Options will be added to working capital of the Corporation, and be expended at the discretion of management.

The Corporation's unallocated working capital will not suffice to fund the recommended Phase 2 exploration program on the Property and there is no assurance that the Corporation can successfully obtain additional financing to fund such Phase 2 program.

The Corporation intends to spend the funds available to it as stated in this Prospectus. There may be circumstances however, where, for sound business reasons, a reallocation of funds may be necessary. The use of funds available will vary depending on the Corporation's operating and capital needs from time to time and will be subject to the discretion of management of the Corporation.

### **Business Objectives and Milestones**

The Corporation is primarily engaged in the acquisition of mineral resources properties and the exploration of such properties. The Corporation's business objectives include completing the work program recommended

in the Technical Report. See the section of this Prospectus entitled “Recommendations” for the components of the work program for Phase 1 and Phase 2, and the expected costs related to each component.

The Corporation’s business objectives are as follows:

1. complete the Offering on or before August 31, 2017;
2. complete the recommended Phase 1 program on the Property, using the funds available from the Offering, estimated to take place in late-summer/fall of 2017; and
3. if the results of the Phase 1 program are successful, undertake the recommended Phase 2 program on the Property. The Phase 2 program will require the Corporation to raise additional capital.

In the event that the results of the Phase 1 program do not warrant further exploration activity, the Corporation will revise its business plan and objectives, which revisions may include the acquisition of additional mineral properties or joint ventures with other exploration or mining companies. Such activities will also likely require that the Corporation raise additional capital. There can be no assurance that the Corporation can raise such additional capital if and when required. See “Risk Factors.”

The Board may, in its discretion, approve asset or corporate acquisitions or investments (including acquisitions outside the mining industry) that do not conform to these guidelines based upon the Board’s consideration of the qualitative aspects of the subject properties including risk profile, technical upside, mineral resources and reserves and asset quality.

## **SELECTED FINANCIAL INFORMATION AND MANAGEMENT DISCUSSION AND ANALYSIS**

### **Annual Information**

The following table sets forth summary financial information of the Corporation from the audited financial statements for the financial period from incorporation on October 5, 2016 to March 31, 2017. This summary financial information should only be read in conjunction with the Corporation’s financial statements, including the notes thereto, included elsewhere in this Prospectus.

	<b>From Incorporation on October 5, 2016 to March 31, 2017 (audited)</b>
Total Revenues	Nil
Exploration Expenditures	\$5,250
General and Administrative Expenses	\$173,207
Stock-based compensation expense	\$147,000
Loss for the Period	(\$173,207)
Loss per share (basic and diluted)	\$0.03
Total Assets	\$284,806
Long term financial liabilities	Nil
Cash dividends per share	Nil

### **Dividends**

The Corporation has neither declared nor paid any dividends on its Common Shares. The Corporation intends to retain its earnings to finance growth and expand its operations and does not anticipate paying any dividends on its Common Shares in the foreseeable future. At present, the Corporation’s policy is to retain earnings, if

any, to finance its business operations. The payment of dividends in the future will depend upon, among other factors, the Corporation's earnings, capital requirements and operating financial conditions.

### **Management's Discussion and Analysis**

The Corporation's Management's Discussion and Analysis provides an analysis of the Corporation's financial results for the period from incorporation on October 5, 2016 to March 31, 2017 and should be read in conjunction with the financial statements of the Corporation for such period, and the notes thereto. The Corporation's Management's Discussion and Analysis is attached to this Prospectus as Appendix M-1.

Certain information included in the Corporation'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 Corporation consists of an unlimited number of Common Shares and an unlimited number as Class B preferred shares without par value. As of the date of this Prospectus, 8,950,000 Common Shares were issued and outstanding as fully paid and non-assessable shares.

### **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 Corporation and each Common Share shall confer the right to one vote in person or by proxy at all meetings of the shareholders of the Corporation. The holders of the Common Shares, subject to the prior rights, if any, of any other class of shares of the Corporation, are entitled to receive such dividends in any financial year as the board of directors of the Corporation may by resolution determine. In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, the holders of the Common Shares are entitled to receive, subject to the prior rights, if any, of the holders of any other class of shares of the Corporation, the remaining property and assets of the Corporation. The Common Shares are not subject to call or assessment rights, redemption rights, rights regarding purchase for cancellation or surrender, or any pre-emptive or conversion rights.

### **Compensation Options**

The Corporation has also agreed to grant to the Agent the Compensation Options entitling the Agent to purchase up to that amount of Common Shares as is equal to 10% of the number of Shares sold pursuant to this Offering. Each Compensation Option will entitle the Agent to purchase one Common Share at an exercise price of \$0.25 per Common Share. The Compensation Options may be exercised at any time and from time to time for a period of twenty-four (24) months following the Listing Date.

## **CONSOLIDATED CAPITALIZATION**

The following table summarizes the changes in the Corporation's capitalization since incorporation and after giving effect to the Offering. The table should be read in conjunction with the audited financial statements of the Corporation, attached hereto as Appendix A-1.

Description	Authorized Amount	Outstanding as at March 31, 2017 (audited)	Outstanding at the date of this Prospectus (Unaudited)	Outstanding after giving effect to this Offering (Unaudited) <sup>(1)</sup>
Common Shares	Unlimited	8,950,000	8,950,000	12,950,000
Long Term Debt	Nil	Nil	Nil	Nil

(1) As partial consideration for the sale of Shares pursuant to this Prospectus the Corporation has agreed to grant the Agent non-transferable Compensation Options entitling the Agent to purchase up to that amount of Common Shares as is equal to 10% of the number of Shares sold pursuant to this Offering. The Compensation Options may be exercised at a price of \$0.25 per Common Share for a period of twenty-four (24) months from the Listing Date. This Prospectus qualifies the distribution of the Compensation Options to the Agent. The Common Shares issuable on exercise of the Compensation Options are not reflected in these figures.

## OPTIONS TO PURCHASE SECURITIES

### Stock Option Plan

A Stock Option Plan was approved by the Corporation's directors on March 24, 2017. The purpose of the Stock Option Plan is to assist the Corporation in attracting, retaining and motivating directors, officers, employees and consultants (together "service providers") of the Corporation and of its affiliates and to closely align the personal interests of such service providers with the interests of the Corporation and its shareholders.

The Stock Option Plan provides that, subject to the requirements of the Exchange, the aggregate number of Common Shares reserved for issuance pursuant to options granted under the Stock Option Plan will not exceed 10% of the number of Common Shares of the Corporation issued and outstanding from time to time.

The Stock Option Plan will be administered by the board of directors of the Corporation, which will have full and final authority with respect to the granting of all options thereunder subject to express provisions of the Stock Option Plan.

Options may be granted under the Stock Option Plan to such directors, employee, consultants or Management Company Employees (as defined in Exchange policy 4.4) of the Corporation and its subsidiaries, if any, as the board of directors may from time to time designate. The exercise prices shall be determined by the board of directors, but shall, in no event, be less than the closing market price of the Corporation's shares on the Exchange, less the maximum discount permitted under the Exchange policies. The Stock Option Plan provides that the number of Common Shares which may be reserved for issuance on a yearly basis to any one individual upon exercise of all stock options held by such individual may not exceed 5% of the issued Common Shares calculated at the time of grant. No more than an aggregate of 2% of the issued Common Shares, calculated at the date the option is granted, may be granted to all employees and/or consultants conducting "Investor Relations Activities" (as that term is defined in Exchange policy 1.1) in any 12 month period. Subject to a third party offer to purchase all the Common Shares of the Corporation, an alteration of the Corporation's Common Shares, earlier termination in the event of dismissal for cause, termination other than for cause or in the event of death, all options granted under the Stock Option Plan will expire not later than the date that is ten years from the date that such options are granted subject to extension where the expiry date falls within a blackout period where the Corporation prohibits Optionees from exercising their options. Options granted under the Stock Option Plan are not transferable or assignable other than by testamentary instrument or pursuant to the laws of succession.

The Corporation has not granted any stock options since incorporation.

## Compensation Options

The Corporation will issue to the Agent, Compensation Options for the purchase of up to that number of Common Shares as is equal to 10% of the Shares of the Corporation sold pursuant to the Offering. Each Compensation Option is exercisable at a price of \$0.25 per Common Share for a period of twenty-four (24) months from the Listing Date.

## PRIOR SALES

The following table summarizes the sales of securities of the Corporation since incorporation.

Issue Date	Price Per Common Share	Number of Common Shares Issued	Proceeds to the Corporation
October 5, 2016	\$0.001	3,000,000 common share	\$3,000 (deemed value of \$150,000)
November 14, 2016	\$0.05	2,650,000 common shares	\$132,500
March 10, 2017	\$0.05	3,300,000 common shares	\$165,000
<b>TOTAL</b>		8,950,000	\$300,500

## ESCROWED SECURITIES

### Escrowed Securities

Under the applicable policies and notices of the Canadian Securities Administrators securities held by Principals (as defined below) 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 Corporation 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 Corporation, as listed in this Prospectus;
- (ii) promoters of the Corporation during the two years preceding this Offering;
- (iii) those who own and/or control more than 10% of the Corporation's voting securities immediately after completion of this Offering if they also have appointed or have the right to appoint a director or senior officer of the Corporation or of a material operating subsidiary of the Corporation;
- (iv) those who own and/or control more than 20% of the Corporation's voting securities immediately after completion of this Offering; and
- (v) associates and affiliates of any of the above.

The Principals of the Corporation are all of the directors and senior officers of the Corporation.

Pursuant to an agreement (the "**Escrow Agreement**") dated as of April 27, 2017, among the Corporation, the Escrow Agent and the Principals of the Corporation, 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 Corporation is an “emerging issuer” as defined in the applicable policies and notices of the Canadian Securities Administrators and if the Corporation 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 Corporation 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 Corporation or of a material operating subsidiary, with approval of the Corporation’s board of directors;
- (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>	Offering Percentage (After Giving Effect to the Offering) <sup>(2)(3)</sup>
Max Sali	1,500,000	11.6%
Todd Macdonald	1,500,000 <sup>(4)</sup>	11.6%
Keir Reynolds	1,500,000	11.6%
<b>Total:</b>	4,500,000	

(1) These shares have been deposited in escrow with the Escrow Agent.

(2) Does not include exercise of the Compensation Options.

(3) The aggregate number of issued and outstanding Common Shares after completion of the Offering would total 12,950,000 Common Shares.

(4) 500,000 of which are owned by Haley Developments Ltd., a company controlled by Todd Macdonald.

## Shares Subject to Resale Restrictions

### *Exchange Seed Share Resale Restrictions*

In addition to the escrow requirements imposed on the Principals of the Corporation, the Exchange can impose additional resale restrictions and escrow requirements on Principals and non-Principals of a company. In the

Corporation's case, the Exchange's seed share resale matrix will be applicable to the following Common Shares:

Common Shares	Resale Restrictions
1,650,000 Common Shares issued at \$0.05 on November 14, 2016	20% of total released on the Closing Date and 20% of the total released every month thereafter, resulting in total release 4 months after the Closing Date
2,800,000 Common Shares issued at \$0.05 on March 10, 2017	20% of total released on the Closing Date and 20% of the total released every 3 months thereafter, resulting in total release 12 months after the Closing Date

The holders of the Common Shares listed above, however, have entered into a voluntary pooling agreement, which impose terms on the release and resale of such Common Shares equal to or more strict than those imposed by the Exchange's seed share resale matrix. As a result, the Exchange's seed share resale matrix may not apply. See "Voluntary Pooling" below.

### **Voluntary Pooling**

In addition to the escrow requirements imposed on the Principals of the Corporation and the Exchange's resale restrictions, all of the issued and outstanding Common Shares as of the date of this Prospectus are subject to a voluntary pooling agreement whereby such shareholders agreed to the following restrictions:

Common Shares	Resale Restrictions
8,950,000 Common Shares	100% of the Common Shares shall not be sold, assigned or transferred until twelve months after the Listing Date

## **PRINCIPAL SHAREHOLDERS**

To the knowledge of the directors and officers of the Corporation, as of the date of this Prospectus no person beneficially owns or exercises control or direction over Common Shares carrying more than 10% of the votes attached to the Corporation's Common Shares except for the following:

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>
Max Sali	1,500,000	16.8%	1,500,000	11.6%	11.2%
Keir Reynolds	1,500,000	16.8%	1,500,000	11.6%	11.2%
Todd Macdonald	1,500,000 <sup>(3)</sup>	16.8%	1,500,000 <sup>(3)</sup>	11.6%	11.2%
Nature Cove Holdings Ltd. <sup>(4)</sup>	1,200,000	13.4%	1,200,000	9.27%	8.99%

(1) Assuming completion of the Offering and does not include exercise of the Compensation Options.

- (2) On a fully-diluted basis, assuming completion of the Offering and the exercise of all the Compensation Options.  
 (3) 500,000 of these Common Shares are owned by Haley Developments Ltd., which is owned and controlled by Todd Macdonald.  
 (4) A company owned and controlled by Robert Sali.

## DIRECTORS AND OFFICERS

The following table provides the names, provinces of residence, position, principal occupations and the number of voting securities of the Corporation that each of the directors and executive officers beneficially owns, directly or indirectly, or exercises control over, as of the date hereof:

Name and Province of Residence and Position with the Corporation	Director/ Officer Since	Principal Occupation for the Past Five Years	Common Shares Beneficially Owned Directly or Indirectly (at the date of this Prospectus)
<b>Max Sali</b> British Columbia, Canada  <i>Chief Executive Officer, Director</i>	Director since October 5, 2016 and Officer since March 9, 2017	President of Baccarat Investments Inc., a private company providing consulting and management services to public companies along with investing. Mr. Sali currently does Corporate Development for East West Petroleum Corp. (TSXV) and Advantage Lithium Corp. (TSXV). He is also a director of Seaway Energy Services Inc. (TSXV).	1,500,000 (16.8%) <sup>(2)</sup>
<b>Richard Grayston<sup>(1)</sup></b> British Columbia, Canada  <i>Director, Chief Financial Officer and Corporate Secretary</i>	Director since October 5, 2016 and Officer since March 9, 2017	Mr. Grayston has been a self-employed consultant for over ten years. He is currently director, CEO and President of SG Spirit Gold Inc. (TSXV)	Nil
<b>Todd Macdonald<sup>(1)</sup></b> British Columbia, Canada  <i>Director</i>	Director since October 5, 2016	Mr. Macdonald is the owner of Haley Motors Ltd., domestic franchise automobile dealership in British Columbia. Mr. Macdonald is also active in mergers and acquisitions involving land development and construction.	1,500,000 (16.8%) <sup>(2)</sup>
<b>Kris Raffle, P. Geo.<sup>(1)</sup></b> British Columbia, Canada  <i>Director &amp; Qualified Person</i>	Director since March 17, 2017	Mr. Raffle has been registered as a Professional Geoscientist with the Association of Engineers and Geoscientists of British Columbia (APEGBC) since 2007 and is currently a Principal Geologist and Partner with the Edmonton-based private geologic consulting firm of APEX Geoscience Ltd.	Nil

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

(2) Based on 8,950,000 Common Shares issued and outstanding.

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

After completion of the Offering, these directors and officers, as a group, will own or exercise control over 3,000,000 issued and outstanding Common Shares, which will represent 33.5% of the outstanding Common Shares upon completion of the Offering.

The Corporation has one committee, the audit committee, whose members are Todd Macdonald, Kris Raffle, and Richard Grayston.

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

**Max Sali**, *Chief Executive Officer, Director and Promoter*

Max Sali is chief executive officer and a director of the Corporation. Mr. Sali has been in the capital markets for 7 years managing private family assets. He is the president of Baccarat Investments Inc., a private company providing consulting and management services to public companies along with investing. Mr. Sali currently does Corporate Development for East West Petroleum Corp. (TSXV) and Advantage Lithium Corp. (TSXV). He is also a director of Seaway Energy Services (TSXV).

Mr. Sali will devote approximately 50% of his time to the affairs of the Corporation.

Mr. Sali is a consultant to the Corporation and has not entered into a non-competition or nondisclosure agreement with the Corporation and is 29 years of age.

**Richard Grayston**, *Chief Financial Officer, Director and Corporate Secretary*

Richard Grayston is a director and the chief financial officer of the Corporation. He received a B. Comm. from UBC after which he attended the University of Chicago where he obtained MBA and Ph.D. degrees in Finance and Economics, respectively. Later, he qualified as a Certified General Accountant.

Mr. Grayston has served as a director and officer of many public companies, most of which are, or were, in the mineral exploration space. He has frequently acted as Audit Committee Chairman with these companies due to his financial expertise and experience. For eight years he acted as Chairman of the Board of Directors and Chairman of the Audit Committee of Xtra-Gold Resources Corp., a TSX listed company whose gold properties are located in Ghana, west Africa.

Mr. Grayston will devote approximately 20% of his time to the affairs of the Corporation.

Mr. Grayston is a consultant to the Corporation and has not entered into a non-competition or nondisclosure agreement with the Corporation and is 73 years of age.

**Todd Macdonald**, *Director*

Todd Macdonald is a director of the Corporation and is the owner of Haley Motors Ltd., a domestic franchise automobile dealership in British Columbia. Mr. Macdonald is also active in private mergers and acquisitions involving land development and construction. Current projects include multifamily and large scale commercial development.

Mr. Macdonald will devote approximately 10% of his time to the affairs of the Corporation.

Mr. Macdonald is a consultant to the Corporation and has not entered into a non-competition or nondisclosure agreement with the Corporation and is 41 years of age.

**Kris Raffle, Director and Qualified Person**

Kris Raffle, B.Sc., P.Geo. is a director of the Corporation and serves as the Qualified Person for the Corporation. Mr. Raffle has been registered as a Professional Geoscientist with the Association of Engineers and Geoscientists of British Columbia (APEGBC) since 2007 and is currently a Principal Geologist and Partner with the Edmonton-based private geologic consulting firm of APEX Geoscience Ltd. Mr. Raffle has over 17 years exploration experience managing exploration and providing a range of geologic consulting services including: National Instrument (NI) 43-101 technical reports, property evaluation, project management, exploration program design, and budgeting throughout Canada, the United States, and Mexico.

Mr. Raffle will devote approximately 20% of his time to the affairs of the Corporation.

Mr. Raffle is a consultant to the Corporation and has not entered into a non-competition or nondisclosure agreement with the Corporation and is 40 years of age.

**Corporate Cease Trade Orders or Bankruptcies**

To the Corporation's knowledge, other than disclosed herein, no existing or proposed director, officer, promoter or other member of management of the Corporation is, or within the ten years prior to the date hereof has been, a director, officer, promoter or other member of management of any other corporation that:

(a) while that person was acting in the capacity of a director, officer, promoter or other member of management of that corporation or after that person ceased to be a director officer, promoter or other member of management of that corporation and which resulted from an event that occurred while that person was acting in the capacity as director or officer was the subject of a cease trade order or similar order or an order that denied the Corporation access to any statutory exemptions for a period of more than 30 consecutive days.

To the Corporation's knowledge, other than as disclosed herein, no existing or proposed director, officer, promoter or other member of management of the Corporation or a shareholder of the Corporation holding a sufficient number of securities to materially affect the control of the Corporation is, or within the ten years prior to the date hereof has been, a director, officer, promoter or other member of management of any other corporation that:

(a) while that person was acting in the capacity of a director, officer, promoter or member of management of that corporation, or within a year of that person ceasing to act in that capacity, became bankrupt or made a voluntary assignment in bankruptcy, 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 its assets.

Richard Grayston was a director, President/CEO and CFO of Ranger Canyon Energy Inc., a reporting issuer, when a Cease Trade Order was issued against Ranger Canyon Energy Inc. on May 21, 2009 for failure to file audited financial statements for the year ended December 31, 2008. Ranger Canyon Energy Corp. was dissolved by the Registrar of Corporations of the province of Alberta on May 2, 2012.

**Penalties or Sanctions**

To the Corporation's knowledge, no existing or proposed director, officer, promoter or other member of management of the Corporation or a shareholder holding a sufficient number of securities of the Corporation to materially affect control of the Corporation has been subject to any penalties or sanctions imposed by a court or securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority relating to trading in securities, promotion, formation or management of a publicly traded company, or involving fraud or theft or subject to any other penalties or sanctions imposed by a court or regulatory body that would be considered important to a reasonable investor in making an investment decision.

## Personal Bankruptcies

To the Corporation’s knowledge no existing or proposed director, officer, promoter or other member of management of the Corporation has, during the ten years prior to the date hereof, been declared bankrupt or made a voluntary assignment into bankruptcy, 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 of the Corporation are required by law to act honestly and in good faith with a view to the best interests of the Corporation and to disclose any interests, which they may have in any project or opportunity of the Corporation. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter.

To the best of the Corporation’s knowledge, and other than disclosed herein, there are no known existing or potential conflicts of interest among the Corporation, its promoters, directors and officers or other members of management of the Corporation or of any proposed promoter, director, officer or other member of management as a result of their outside business interests except that certain of the directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Corporation and their duties as a director or officer of such other companies.

## 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 Corporation, as a venture issuer, to disclose certain information relating to the Corporation’s audit committee (the “**Audit Committee**”) and its relationship with the Corporation’s independent auditors.

### *Audit Committee Charter*

The text of the Audit Committee’s charter is attached as Appendix A-1.

### *Composition of Audit Committee*

The members of the Corporation’s Audit Committee are:

Richard Grayston	Not Independent	Financially literate <sup>(2)</sup>
Todd Macdonald	Independent <sup>(1)</sup>	Financially literate <sup>(2)</sup>
Kris Raffle	Independent <sup>(1)</sup>	Financially literate <sup>(2)</sup>

<sup>(1)</sup> A member of an audit committee is independent if the member has no direct or indirect material relationship with the Corporation, which could, in the view of the Corporation’s board of directors, reasonably interfere with the exercise of a member’s independent judgment.

<sup>(2)</sup> 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 Corporation’s financial statements.

### *Relevant Education and Experience*

Each member of the Corporation’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 Corporation 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 Corporation's financial statements or experience actively supervising individuals engaged in such activities; and
- (d) an understanding of internal controls and procedures for financial reporting.

**Richard Grayston**: Mr. Grayston has frequently acted as Audit Committee Chairman of various companies due to his financial expertise and experience. For eight years he acted as Chairman of the Board of Directors and Chairman of the Audit Committee of Xtra-Gold Resources Corp., a TSX listed company whose gold properties are located in Ghana, west Africa.

**Todd Macdonald**: Mr. Macdonald is the owner of Haley Motors Ltd., a domestic franchise automobile dealership in British Columbia. Mr. Macdonald is also active in private mergers and acquisitions involving land development and construction and has been involved in a variety of matters requiring financial literacy.

**Kris Raffle**: Mr. Raffle has over 17 years of exploration experience working mostly with TSX Venture Exchange listed companies, including project management and budgeting where he has gained the knowledge and financial skills required for an exploration company including analyzing and consulting on financial statements in the exploration industry.

See "Directors and Officers" for further details.

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

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

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

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on the exemption in Section 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 Corporation's board of directors to review the performance of the Corporation'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 Corporation. 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 Corporation's external auditors during the financial period from incorporation date of October 5, 2016 to March 31, 2017 for audit and non-audit related services provided to the Corporation are as follows:

<b>From Incorporation October 5, 2016 to March 31, 2017</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>
2017	Nil	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 Corporation 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 Corporation's board of directors 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 Corporation. In addition, National Instrument 58-101 - *Disclosure of Corporate Governance Practices* ("NI 58-101") prescribes certain disclosure by the Corporation of its corporate governance practices. This disclosure is presented below.

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

The Corporation's board of directors facilitates its exercise of independent supervision over the Corporation's management through frequent meetings of the board of directors.

The Corporation's board of directors is comprised of four (4) directors, of whom each of Todd Macdonald and Kris Raffle are independent for the purposes of NI 58-101. Max Sali and Richard Grayston are members of the Corporation's management who are not independent as Mr. Sali serves as Chief Executive Officer and Mr. Grayston serves as Chief Financial Officer of the Corporation.

#### ***Directorships***

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

<b>NAME</b>	<b>REPORTING ISSUER</b>	<b>MARKET / TIER</b>	<b>POSITION</b>	<b>FROM</b>	<b>TO</b>
Max Sali	Seaway Energy Services Inc.	TSX.V	Director	October 2016	Present
Richard Grayston	SG Spirit Gold Inc.	TSX.V	CEO, President and Director	September 2016	Present

	Teldar Resources Corp.	Unlisted reporting issuer	CEO, President, Corporate Secretary and Director	May 2013	Present
	Logan Resources Ltd.	TSX.V	Director	July 2012	Present
	Golden Raven Resources Ltd.	Unlisted reporting issuer	Director	October 2016	Present

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

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

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

The Board has found that the fiduciary duties placed on individual directors by the Corporation'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 Corporation.

### ***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 Corporation, this policy will be reviewed.

### ***Compensation***

The Board is responsible for determining compensation for the directors of the Corporation 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 Corporation's board of directors, 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 executive compensation discussion below discloses compensation paid to the following individuals:

(a) each individual who, in respect of the Corporation, during any part of the most recently completed financial year, served as chief executive officer, including an individual performing functions similar to a chief executive officer;

(b) each individual who, in respect of the Corporation, during any part of the most recently completed financial year, served as chief financial officer, including an individual performing functions similar to a chief financial officer;

(c) in respect of the Corporation and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with Section 1.3(5) of Form 51-102F6V under National Instrument 51-102 – *Continuous Disclosure Obligations*, for that financial year; and

(d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was neither an executive officer of the Corporation, nor acting in a similar capacity, as at the end of the most recently completed financial year,

(each, a “**Named Executive Officer**”).

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

The Corporation’s executive compensation program is based on comparisons of similar type and size companies. Both individual and corporate performances are also taken into account.

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

Payments may be made from time to time to individuals or companies they control for the provision of consulting services. Such consulting services are paid for by the Corporation at competitive industry rates for work of a similar nature by reputable arm’s length services providers.

The goal of the Corporation’s executive compensation philosophy is to attract, motivate, retain and reward an energetic, goal driven, highly qualified and experienced management team and to encourage them to meet and exceed performance expectations within a calculated risk framework. The Board has not considered the implications of the risk associated with the Corporation’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.

Under the Corporation’s compensation policies and practices, Named Executive Officers and directors are not prevented from purchasing financial instruments, including prepaid variable forward contracts, equity swaps, collars or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the Named Executive Officer or director.

However, the Board does not believe that the Corporation's compensation policies and practices encourage executive officers to take unnecessary or excessive risk.

For executive officers who are offered compensation, such compensation will primarily be comprised of a base salary, fees and/or Options to purchase Common Shares. Manner and amount of compensation of the Named Executive Officers is reviewed, recommended and approved by the Board from time to time.

#### *Option-Based Awards*

Stock options are granted to provide an incentive to the directors, officers, employees and consultants of the Corporation to achieve the longer-term objectives of the Corporation; to give suitable recognition to the ability and industry of such persons who contribute materially to the success of the Corporation; and to attract and retain persons of experience and ability, by providing them with the opportunity to acquire an increased proprietary interest in the Corporation.

#### **Named Executive Officers' Compensation**

During the financial year ended March 31, 2017, the Corporation had two Named Executive Officers (as defined in National Instrument 51-102), namely Max Sali, the Chief Executive Officer and Richard Grayston, the Chief Financial Officer and Corporate Secretary.

The following table sets forth the compensation of the Named Executive Officers, for the period indicated:

NAME AND PRINCIPAL POSITION	YEAR ENDED	SALARY (\$)	SHARE-BASED AWARDS (\$)	OPTION-BASED AWARDS (\$)	NON-EQUITY INCENTIVE PLAN COMPENSATION (\$)		PENSION VALUE (\$)	ALL OTHER COMPENSATION (\$)	TOTAL COMPENSATION (\$)
					ANNUAL INCENTIVE PLANS	LONG-TERM INCENTIVE PLANS			
Max Sali Chief Executive Officer	2017	Nil	Nil	Nil	N/A	N/A	N/A	N/A	N/A
	N/A	Nil	Nil	Nil	N/A	N/A	N/A	N/A	N/A
Richard Grayston Chief Financial Officer and Corporate Secretary	2017	Nil	Nil	Nil	N/A	N/A	N/A	N/A	N/A
	N/A	Nil	Nil	Nil	N/A	N/A	N/A	N/A	N/A

#### *Outstanding Share-Based Awards and Option-Based Awards*

The following table sets out the details of all grant of options to the Named Executive Officers during the most recently completed financial year ended March 31, 2017.

OPTION-BASED AWARDS					SHARE-BASED AWARDS	
NAME	NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS (#)	OPTION EXERCISE PRICE (\$)	OPTION EXPIRY DATE	VALUE OF UNEXERCISED IN-THE MONEY OPTIONS (\$)	NUMBER OF SHARES OR UNITS OF SHARES THAT HAVE NOT VESTED (#)	MARKET OR PAYOUT VALUE OF SHARE-BASED AWARDS THAT HAVE NOT VESTED (#)

<b>Max Sali</b> Chief Executive Officer	Nil	N/A	N/A	Nil	Nil	Nil
<b>Richard Grayston</b> Chief Financial Officer and Corporate Secretary	Nil	N/A	N/A	Nil	Nil	Nil

### Termination of Employment, Change of Control Benefits and Employment Contracts

There are no employment contracts or arrangements in existence between the Corporation and any NEO, director or officer of the Corporation. There is no arrangement or agreement made between the Corporation and any of its Named Executive Officers pursuant to which a payment or other benefit is to be made or given by way of compensation in the event of that officer's resignation, retirement or other termination of employment, or in the event of a change of control of the Corporation or a change in the Named Executive Officer's responsibilities following such a change of control.

See the description of the Corporation's employee stock option plan found elsewhere in this Prospectus for a discussion of the treatment of options held by option holders upon various termination events or change in control circumstances.

### Directors' Compensation

The only arrangements the Corporation has pursuant to which directors are compensated by the Corporation for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as consultant or expert during the most recently completed financial year or subsequently, are by the issuance of incentive stock options pursuant to the Corporation's Stock Option Plan. The purpose of granting such options is to assist the Corporation in compensating, attracting, retaining, and motivating the directors of the Corporation and to closely align the personal interests of such persons to that of the shareholders.

### Director Compensation Table

The following table sets forth the value of all compensation provided to directors, not including those directors who are also Named Executive Officers, for the Corporation's most recently completed financial year:

Name	Fees Earned (\$)	Share-based Awards (\$)	Option-based Awards (\$)	Non-equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total (\$)
<b>Keir Reynolds<sup>(1)</sup></b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Todd Macdonald</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Kris Raffle</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil

(1) Mr. Reynolds resigned as a director of the Corporation on July 26, 2017.

### *Outstanding Share-Based Awards and Option-Based Awards*

The following table sets out the details of all grant of options to the directors during the most recently completed financial year.

<b>OPTION-BASED AWARDS</b>	<b>SHARE-BASED AWARDS</b>
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NAME	NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS (#)	OPTION EXERCISE PRICE (\$)	OPTION EXPIRY DATE	VALUE OF UNEXERCISED IN-THE MONEY OPTIONS (\$)	NUMBER OF SHARES OR UNITS OF SHARES THAT HAVE NOT VESTED (#)	MARKET OR PAYOUT VALUE OF SHARE-BASED AWARDS THAT HAVE NOT VESTED (#)
<b>Keir Reynolds<sup>(1)</sup></b>	Nil	N/A	N/A	Nil	Nil	Nil
<b>Todd Macdonald</b>	Nil	N/A	N/A	Nil	Nil	Nil
<b>Kris Raffle</b>	Nil	Nil	Nil	Nil	Nil	Nil

(1) Mr. Reynolds resigned as a director of the Corporation on July 26, 2017.

#### *Proposed Compensation to be paid to Executive Officers*

During the next 12 months, the Corporation proposes to pay the following compensation to its executive officers:

NAME AND PRINCIPAL POSITION	SALARY (\$)	ALL OTHER COMPENSATION (\$)	TOTAL COMPENSATION (\$)
<b>Max Sali</b> Chief Executive Officer	Nil	Nil	Nil
<b>Richard Grayston</b> Chief Financial Officer and Corporate Secretary	\$30,000	Nil	Nil

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

Other than routine indebtedness for travel and other expense advances, no existing or proposed director, executive officer or senior officer of the Corporation or any associate of any of them, was indebted to the Corporation as at March 31, 2017, or is currently indebted to the Corporation as at the date of this Prospectus.

### **PLAN OF DISTRIBUTION**

#### **Shares**

The Offering consists of 4,000,000 Shares to raise gross proceeds of \$600,000.

Pursuant to the Agency Agreement, the Corporation engaged the Agent as its exclusive agent for the purposes of the Offering, and the Corporation, through the Agent, hereby offers for sale to the public under this Prospectus, on a commercially reasonable efforts basis, the Shares to be issued and sold under the Offering at the Offering Price. The Offering Price and terms of the Offering were established through negotiation between the Corporation and the Agent, in accordance with the policies of the Exchange. The Agent has agreed to use its commercially reasonable efforts to secure subscriptions for the Shares offered pursuant to the Offering in the provinces of British Columbia and Alberta. This Prospectus qualifies the distribution of the Shares to the Subscribers in those jurisdictions. The Agent reserves the right, at no additional cost to the Corporation, to offer selling group participation in the normal course of the brokerage business to selling groups of other licensed dealers, brokers, and investment dealers who may or may not be offered part of the commission or Compensation Options derived from this Offering. The Agent is not obligated to purchase Shares in connection with this Offering. The obligations of the Agent under this Offering may be terminated at any time

in the Agent's discretion on the basis of its assessment of the state of the financial markets and may also be terminated upon the occurrence of certain other stated events.

The Corporation has agreed to pay the Agent a cash commission equal to 10% of the aggregate gross proceeds of Shares sold under the Offering and a cash corporate finance fee of \$25,000 (plus GST). In addition, the Agent is entitled to receive upon successful completion of the Offering, as part of its remuneration, Compensation Options entitling the holder thereof to purchase that number of Common Shares up to 10% of the number of Shares sold pursuant to this Offering. The Compensation Options will be exercisable at a price of \$0.25 per Common Share for a period of twenty-four (24) months from the Listing Date. The Corporation has also agreed to pay for all expenses of the Offering including the Agent's reasonable legal fees and disbursements and other expenses incurred pursuant to the Offering. The Compensation Options are qualified for distribution by this Prospectus.

Closing of this Offering is conditional upon the Minimum Offering of 4,000,000 Shares for gross proceeds \$600,000 being sold within 90 days of the issuance of the final receipt for this Prospectus or, if a receipt is 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 the receipt for the final Prospectus.

The Corporation has applied to list the Common Shares on the Exchange, which has been conditionally approved by the Exchange, subject to the Corporation fulfilling all the listing requirements of the Exchange.

The securities offered under this prospectus have not been and will not be registered under the U.S. Securities Act, or the securities laws of any state. Such securities may not be offered or sold or otherwise transferred or disposed of within the United States or to, or for the account or benefit of a U.S. person without registration unless an exemption from registration is available. Accordingly, such securities may only be offered and sold within the United States to "accredited investors" pursuant to Rule 506 of Regulation D under the U.S. Securities Act, and outside the United States in compliance with Regulation S under the U.S. Securities Act ("**Regulation S**"), and thereafter may only be reoffered, resold or otherwise transferred or disposed of in the United States or to or for the account or benefit of a U.S. person pursuant to the registration requirements of the U.S. Securities Act and applicable state securities laws or an exemption therefrom. The Agent has agreed not to offer or sell the securities offered under this prospectus without registration under the U.S. Securities Act and applicable state securities laws except as set forth above. In addition, until 40 days after the commencement of the Offering, an offer or sale of such securities in the United States by any dealer, whether or not participating in the Offering, may violate the registration requirements of the U.S. Securities Act if such an offer or sale is made otherwise than in accordance with an exemption under the U.S. Securities Act. The securities offered under this prospectus will be "restricted securities" within the meaning of Rule 144(a)(3) of the U.S. Securities Act.

The Corporation has granted the Agent a right of first refusal to act as the Corporation's fiscal agent in respect of future brokered equity financings of the Corporation prior to Closing and for a period of 12 months from the Closing Date.

**As at the date of this Prospectus, the Corporation 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, or a marketplace outside of Canada and the United States of America (other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc).**

Subscriptions will be received for the Shares offered hereby subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time. Upon rejection of a subscription, or in the event that the Offering does not complete within the time required, the subscription price and the subscription will be returned to the Subscriber forthwith without interest or deduction.

Closing of the Offering is subject to conditions which are set out in the Agency Agreement.

All subscription proceeds will be paid to the Agent in trust, and held by the Agent in trust, pending completion of the Offering and fulfillment of the other conditions set out in the Agency Agreement. The Agent will release those funds to the Corporation on Closing. If the minimum amount of funds required to be raised under the Offering is not completed within the permitted distribution period, the subscription proceeds received by the Agent in connection with the Offering will be returned to the subscribers without interest or deduction.

## **RISK FACTORS**

*An investment in the Shares is considered to be speculative due to the nature of the Corporation's business and the present stage of its development. The following risk factors, as well as risks not currently known to the Corporation could materially adversely affect the Corporation's future business, operations and financial condition and could cause them to differ materially from estimates described in forward-looking statements relating to the Corporation. A prospective investor should carefully consider the risk factors set out below.*

*A purchase of any of the securities of the Corporation 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 Corporation 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 Corporation's securities prior to purchasing any of the securities.*

*The Corporation is in the business of exploring mineral properties, which is a highly speculative endeavor.*

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.

### **Insufficient Capital**

The Corporation does not currently have any revenue producing operations and may, from time to time, report a working capital deficit. To maintain its activities, the Corporation will require additional funds which may be obtained either by the sale of equity capital or by entering into an option or joint venture agreement with a third party providing such funding. There is no assurance that the Corporation will be successful in obtaining such additional financing; failure to do so could result in the loss or substantial dilution of the Corporation's interest in the Property. The Corporation's unallocated working capital will not suffice to fund the recommended Phase 2 exploration program on the Property.

### **No Established Market**

The Corporation has applied to list the securities distributed under this Prospectus on the Exchange. Listing will be subject to the Corporation fulfilling all the listing requirements of the Exchange. There is currently no market through which the Corporation's securities may be sold and purchasers may not be able to resell the Shares purchased under this Prospectus. Even if a market develops, there is no assurance that the price of the Shares offered under this Prospectus, which was determined through negotiations between the Corporation and the Agent, will reflect the market price of the Shares once a market has developed. If an active public market for the Shares does not develop, the liquidity of a shareholder's investment may be limited and the share price may decline below the Offering Price.

### **Limited Operating History**

The Corporation is an early stage company and the Property is an exploration stage property. As such, the Corporation 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 Property requires significant additional expenditures before any cash flow may be generated. There is no assurance that the Corporation will be successful in achieving a return on shareholders' investment and the likelihood of success of the Corporation must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any business.

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

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

The Corporation currently has no source of operating cash flow and is expected to continue to do so for the foreseeable future. The Corporation'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 Corporation sustains losses over an extended period of time, it may be unable to continue its business. Further exploration and development of the Property will require the commitment of substantial financial resources. It may be several years before the Corporation will generate any revenues from operations, if at all. There can be no assurance that the Corporation will realize revenue or achieve profitability.

### **Resale of Shares**

The continued operation of the Corporation will be dependent upon its ability to generate operating revenues and to procure additional financing. There can be no assurance that any such revenues can be generated or that other financing can be obtained. If the Corporation is unable to generate such revenues or obtain such additional financing, any investment in the Corporation may be lost. In such event, the probability of resale of the shares purchased would be diminished.

### **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 Shares will be subject to market trends generally, notwithstanding any potential success of the Corporation in creating revenues, cash flows or earnings. The value of Shares distributed hereunder will be affected by such volatility.

### **Market for Securities**

There is presently no known market for the Shares. An active public market for the Shares might not develop or be sustained after the Offering.

### **Property Interests**

The Corporation does not own the mineral rights pertaining to the Property. Rather, it holds an option to acquire the mineral rights. There is no guarantee the Corporation will be able to raise sufficient funding in the future to explore and develop the Property so as to maintain its interests therein. If the Corporation loses or abandons its interest in the Property, there is no assurance that it will be able to acquire another mineral property of merit or that such an acquisition would be approved by the Exchange. There is also no guarantee that the Exchange will approve the acquisition of any additional properties by the Corporation, whether by way of option or otherwise, should the Corporation wish to acquire any additional properties. Unless the Corporation acquires

additional property interests, any adverse developments affecting the Property could have a material adverse effect upon the Corporation and would materially and adversely affect any profitability, financial performance and results of operations of the Corporation.

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

Mineral exploration and development involves a high degree of risk and few properties that are explored are ultimately developed into producing mines. There is no assurance that the Corporation's mineral exploration and development programs at the Property will result in the definition of bodies of commercial mineralization. The discovery of bodies of commercial mineralization is dependent upon a number of factors, not the least of which is the technical skill of the exploration personnel involved. Most of the above factors are beyond the Corporation's control.

### **Exploration, Development and Production Risks**

The exploration for and development of minerals involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. Few properties that are explored are ultimately developed into producing mines. There can be no guarantee that the estimates of quantities and qualities of minerals disclosed will be economically recoverable. With all mining operations there is uncertainty and, therefore, risk associated with operating parameters and costs resulting from the scaling up of extraction methods tested in pilot conditions. Mineral exploration is speculative in nature and there can be no assurance that any minerals discovered will result in an increase in the Corporation's resource base.

The Corporation's operations will be subject to all of the hazards and risks normally encountered in the exploration, development and production of minerals. These include unusual and unexpected geological formations, rock falls, seismic activity, flooding and other conditions involved in the extraction of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. In addition, operations are subject to hazards that may result in environmental pollution, and consequent liability that could have a material adverse impact on the business, operations and financial performance of the Corporation.

Substantial expenditures are required to establish ore reserves through drilling, to develop metallurgical processes to extract the metal from the ore and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis. The economics of developing gold and other mineral properties is affected by many factors including the cost of operations, variations in the grade of ore mined, fluctuations in metal markets, costs of processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. The remoteness and restrictions on access of properties in which the Corporation has an interest will have an adverse effect on profitability as a result of higher infrastructure costs. There are also physical risks to the

exploration personnel working in the terrain in which the Corporation's properties will be located, often in poor climate conditions.

The long-term commercial success of the Corporation depends on its ability to explore, develop and commercially produce minerals from its properties and to locate and acquire additional properties worthy of exploration and development for minerals. No assurance can be given that the Corporation will be able to locate satisfactory properties for acquisition or participation. Moreover, if such acquisitions or participations are identified, the Corporation may determine that current markets, terms of acquisition and participation or pricing conditions make such acquisitions or participation uneconomic.

### **Mineral Resources and Reserves**

Because the Corporation has not defined or delineated any proven or probable reserves on any of its properties, mineralization estimates for the Corporation's properties may require adjustments or downward revisions based upon further exploration or development work or actual production experience. In addition, the grade of ore ultimately mined, if any, may differ from that indicated by drilling results. There can be no assurance that minerals recovered in small-scale tests will be duplicated in large-scale tests under on-site conditions or in production scale.

Unless otherwise indicated, mineralization figures presented in this Prospectus are based upon estimates made by the Corporation, personnel and independent geologists. These estimates are imprecise and depend upon geological interpretation and statistical inferences drawn from drilling and sampling analysis which may prove to be unreliable. There can be no assurance that these estimates will be accurate; resource or other mineralization figures will be accurate; or such mineralization could be mined or processed profitably.

### **Obtaining and Renewing Licenses and Permits**

In the ordinary course of business, the Corporation will be required to obtain and renew governmental licenses or permits for exploration, development, construction and commencement of mining at the Property. Obtaining or renewing the necessary governmental licenses or permits is a complex and time consuming process involving public hearings and costly undertakings on the part of the Corporation. The duration and success of the Corporation's efforts to obtain and renew licenses or permits are contingent upon many variables not within the Corporation's control, including the interpretation of applicable requirements implemented by the licensing authority. The Corporation may not be able to obtain or renew licenses or permits that are necessary to its operations, including, without limitation, an exploitation license, or the cost to obtain or renew licenses or permits may exceed what the Corporation believes they can recover from the Property. Any unexpected delays or costs associated with the licensing or permitting process could delay the development or impede the operation of a mine, which could adversely impact the Corporation's operations and profitability.

### **No Assurances**

There is no assurance that economic mineral deposits will ever be discovered, or if discovered, subsequently put into production. Most exploration activities do not result in the discovery of commercially mineable deposits. The Corporation's future growth and profitability will depend, in part, on its ability to identify and expand its mineral reserves through additional exploration of the Property and on the costs and results of continued exploration and development programs. Mining exploration is highly speculative in nature, involves many risks and frequently is not productive. Most exploration projects do not result in the discovery of commercially mineable ore deposits and no assurance can be given that any anticipated level of recovery of mineral reserves will be realized or that any identified mineral deposit will ever qualify as a commercially mineable (or viable) ore body which can be legally and economically exploited. There can be no assurance that the Corporation's exploration efforts at the Property will be successful.

### **Title Risks**

Although the Corporation has exercised the usual due diligence with respect to determining title to properties in which it has a material interest, there is no guarantee that title to such properties will not be challenged or impugned. The Corporation's mineral property interests may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by undetected defects. Surveys have not been carried out on any of the Corporation's mineral properties, therefore, in accordance with the laws of the jurisdiction in which such properties are situated; their existence and area could be in doubt. Until competing interests in the mineral lands have been determined, the Corporation can give no assurance as to the validity of title of the Corporation to those lands or the size of such mineral lands. Further, the Corporation does not own the Property and only has a right to earn the ownership interest therein pursuant to the Property Option Agreement. In the event that the Corporation does not fulfill its obligations contemplated by the Property Option Agreement, it will lose its interest in the Property.

### **Loss of Interest in Properties**

The Property is subject to the Property Option Agreement which requires the Corporation to make cash and share payments and to incur exploration and development expenditures in order to maintain and/or earn its interest. The Corporation's ability to maintain and/or earn its interest in the Property may be dependent on its ability to raise additional funds by equity financing. Failure to obtain additional financing may result in the Corporation being unable to make periodic payments required for the maintenance or acquisition of the Property and could result in a delay or postponement of further exploration and the partial or total loss of the Corporation's interest in the Property and/or termination of the Property Option Agreement.

### **Uninsurable Risks**

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

### **Additional Funding Requirements**

The exploration and development of the Property will require substantial additional capital. When such additional capital is required, the Corporation will need to pursue various financing transactions or arrangements, including joint venturing of projects, debt financing, equity financing or other means. Additional financing may not be available when needed or, if available, the terms of such financing might not be favorable to the Corporation and might involve substantial dilution to existing shareholders. The Corporation may not be successful in locating suitable financing transactions in the time period required or at all. A failure to raise capital when needed would have a material adverse effect on the Corporation's business, financial condition and results of operations. Any future issuance of securities to raise required capital will likely be dilutive to existing shareholders. In addition, debt and other debt financing may involve a pledge of assets and may be senior to interests of equity holders. The Corporation may incur substantial costs in pursuing future capital requirements, including investment banking fees, legal fees, accounting fees, securities law compliance fees, printing and distribution expenses and other costs. The ability to obtain needed financing may be impaired by such factors as the capital markets (both generally and in the gold and copper industries in particular), the Corporation's status as a new enterprise with a limited history, the location of the Property, the price of commodities and/or the loss of key management personnel. Further, if the price of gold, copper and other metals on the commodities markets decreases, then potential revenues from the Property will likely decrease and such decreased revenues may increase the requirements for capital. Failure to obtain sufficient financing will result in a delay or indefinite postponement of development or production at the Property.

## **Dilution**

Shares, including rights, warrants, special warrants, subscription receipts and other securities to purchase, to convert into or to exchange into Shares, may be created, issued, sold and delivered on such terms and conditions and at such times as the Board may determine. In addition, the Corporation may issue additional Shares from time to time pursuant to Share purchase warrants and the options to purchase Shares issued from time to time by the Board. The issuance of these Shares could result in dilution to holders of Shares.

## **First Nations Land Claims**

The Property may now or in the future be the subject of First Nations land claims. The legal nature of Aboriginal land claims is a matter of considerable complexity. The impact of any such claim on the Corporation's material interest in the Property and/or potential ownership interest in the Property in the future, cannot be predicted with any degree of certainty and no assurance can be given that a broad recognition of Aboriginal rights in the area in which the Property is located, by way of a negotiated settlement or judicial pronouncement, would not have an adverse effect on the Corporation's activities. Even in the absence of such recognition, the Corporation may at some point be required to negotiate with and seek the approval of holders of Aboriginal interests in order to facilitate exploration and development work on the Property, there is no assurance that the Corporation will be able to establish a practical working relationship with the First Nations in the area which would allow it to ultimately develop the Property.

Many lands in Canada and elsewhere are or could become subject to aboriginal land claim to title, which could adversely affect the Corporation's title to its properties.

## **Environmental Risks**

All phases of the Corporation's operations with respect to the Property will be subject to environmental regulation. Environmental legislation involves strict standards and may entail increased scrutiny, fines and penalties for non-compliance, stringent environmental assessments of proposed projects and a high degree of responsibility for companies and their officers, directors and employees. Changes in environmental regulation, if any, may adversely impact the Corporation's operations and future potential profitability. In addition, environmental hazards may exist on the Property that are currently unknown. The Corporation may be liable for losses associated with such hazards, or may be forced to undertake extensive remedial cleanup action or to pay for governmental remedial cleanup actions, even in cases where such hazards have been caused by previous or existing owners or operators of the properties, or by the past or present owners of adjacent properties or by natural conditions. The costs of such cleanup actions may have a material adverse impact on the Corporation's operations and future potential profitability.

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 Corporation may be subject to reclamation requirements designed to minimize long-term effects of mining exploitation and exploration disturbance by requiring the operating Corporation 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 Corporation's financial resources.

## **Regulatory Requirements**

Even if the 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 Corporation 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 Property, environmental legislation and mine safety.

### **Volatility of Mineral Prices**

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

### **Offering Price**

The Offering Price of the Shares has been determined by the Board through negotiation with the Agent, yet may not be indicative of the value of the Shares after the Offering. The value of the Shares could be subject to significant fluctuations in response to variations in quarterly and yearly operating results, the success of the Corporation's business strategy, competition or other applicable regulations which may affect the business of the Corporation and other factors. These fluctuations may affect the value of the Shares.

### **Infrastructure**

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

### **Risks Associated with Acquisitions**

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

### **Executive Employee Recruitment and Retention**

The success of the Corporation will be dependent upon the performance of its management and key employees. The loss of any key executive or manager of the Corporation may have an adverse effect on the future of the Corporation'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 Corporation'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 Corporation is not successful in attracting, training and retaining qualified personnel, the efficiency of its operations could be impaired, which could have an adverse impact on its future cash flows, earnings, results of operations and financial condition.

### **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 Corporation's operations. Specifically, a global credit/liquidity crisis could impact the cost and availability of financing and our overall liquidity, the volatility of mineral prices would impact the Corporation'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 Corporation'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 Shares will be subject to market trends and conditions generally, notwithstanding any potential success of the Corporation 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 Shares might not develop or be sustained. If an active public market for the Shares does not develop or continue, the liquidity of a shareholder's investment may be limited and the price of the Shares may decline.

### **Claims and Legal Proceedings**

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

### **Force Majeure**

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

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

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

### **Competition**

All aspects of the Corporation's business will be subject to competition from other parties. Many of the Corporation's competitors for the acquisition, exploration, production and development of mineral properties, and for capital to finance such activities, will include companies that have greater financial and personnel resources available to them than the Corporation. Competition could adversely affect the Corporation's ability to acquire suitable properties or prospects in the future.

### **Conflicts of Interest**

Certain of the directors and officers of the Corporation will be engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies (including mineral resource companies) and, as a result of these and other activities, such directors and officers of the Corporation may become subject to conflicts of interest. The *Business Corporations Act* (British Columbia) provides that in the event that a director has a material interest in a contract or proposed contract or agreement that is material to the issuer, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement, subject to and in accordance with the *Business Corporations Act* (British Columbia). To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the *Business Corporations Act* (British Columbia). To the proposed management of the Corporation's knowledge, as at the date hereof there are no existing or potential material conflicts of interest between the Corporation and a proposed director or officer of the Corporation except as otherwise disclosed herein.

### **Dividends**

To date, the Corporation has not paid any dividends on their outstanding shares. Any decision to pay dividends on the shares of the Corporation will be made by the Board on the basis of the Corporation's earnings, financial requirements and other conditions.

### **Litigation**

The Corporation and/or its directors and officers may be subject to a variety of civil or other legal proceedings, with or without merit. From time to time in the ordinary course of its business, the Corporation may become involved in various legal proceedings, including commercial, employment and other litigation and claims, as well as governmental and other regulatory investigations and proceedings. Such matters can be time-consuming, divert management's attention and resources and cause the Corporation to incur significant expenses. Furthermore, because litigation is inherently unpredictable, the results of any such actions may have a material adverse effect on the Corporation's business, operating results or financial condition.

### **Reporting Issuer Status**

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

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

### **Tax Issues**

Income tax consequences in relation to the Shares will vary according to the circumstances by each purchaser. Prospective purchasers should seek independent advice from their own tax and legal advisors prior to subscribing for Shares.

### **Operating Hazards, Risks and Insurance**

The ownership, exploration, operation and development of a mine or mineral property involves many risks which even a combination of experience, knowledge and careful evaluation may not be able to overcome. These risks include environmental hazards, industrial accidents, explosions and third-party accidents, the encountering of unusual or unexpected geological formations, ground falls and cave-ins, mechanical failure, unforeseen metallurgical difficulties, power interruptions, flooding, earthquakes and periodic interruptions due to inclement or hazardous weather conditions. These occurrences could result in environmental damage and liabilities, work stoppages, delayed production and resultant losses, increased production costs, damage to, or destruction of, mineral properties or production facilities and resultant losses, personal injury or death and resultant losses, asset write downs, monetary losses, claims for compensation of loss of life and/or damages by third parties in connection with accidents (for loss of life and/or damages and related pain and suffering) that occur on Corporation property, and punitive awards in connection with those claims and other liabilities.

It is not always possible to fully insure against such risks, and the Corporation may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise they could reduce or eliminate any future profitability and result in an increase in costs and a decline in value of our securities. Liabilities that the Corporation incurs may exceed the policy limits of insurance coverage or may not be covered by insurance, in which event the Corporation could incur significant costs that could adversely impact its business, operations, potential profitability or value. Despite efforts to attract and retain qualified personnel, as well as the retention of qualified consultants, to manage the Corporation's interests, even when those efforts are successful, people are fallible and human error could result in significant uninsured losses. These could include loss or forfeiture of mineral interests or other assets for non-payment of fees or taxes, significant tax liabilities in connection with any tax planning effort the Corporation might undertake and legal claims for errors or mistakes by personnel.

## **PROMOTERS**

Max Sali is considered to be a promoter of the Corporation in that he took the initiative in organizing the Corporation. Mr. Sali currently holds, directly and indirectly, 1,500,000 Common Shares representing 16.8% of the Corporation's currently issued Common Shares. See "*Principal Shareholders*" for further details.

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

## **LEGAL PROCEEDINGS**

The Corporation 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**

Other than as disclosed elsewhere in this Prospectus, no director or executive officer of the Corporation 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 Corporation within the three years preceding the date of this Prospectus or in any proposed transaction which has materially affected or would materially affect the Corporation.

## **RELATIONSHIP BETWEEN THE CORPORATION AND AGENT**

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

## **AUDITORS**

The auditor of the Corporation is Charlton & Company, Chartered Professional Accountants at 1735-555 Burrard Street, Vancouver, B.C., V7X 1M9.

## **REGISTRAR AND TRANSFER AGENT**

The registrar and transfer agent of the Corporation is Computershare Investor Services Inc. at 510 Burrard Street, 2<sup>nd</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 Corporation 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 Corporation and the Optionor dated January 16, 2017, referred to under "General Development of the Business".
2. Voluntary pooling agreement dated March 10, 2017 among the Corporation and all of the holders of Common Shares as of March 10, 2017.
3. Escrow Agreement among the Corporation, the Escrow Agent and the Principals of the Corporation dated April 27, 2017 referred to under "Escrowed Shares".

4. Agency Agreement between the Corporation and PI Financial Corp. dated for reference August 8, 2017 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 Corporation’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).

### **EXPERTS**

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 holds or is to hold any beneficial or registered interest, direct or indirect, in any securities or property of the Corporation or any associate or affiliate of the Corporation.

Certain legal matters related to this Offering will be passed upon on behalf of the Corporation by AFG Law LLP and by Miller Thomson LLP on behalf of the Agent. Abby Peterson, the author of the Technical Report on the Property, is independent from the Corporation within the meaning of NI 43-101 Projects.

Charlton and Company, Chartered Professional Accountants is the auditor of the Corporation. Charlton and Company, Chartered Professional Accountants has informed the Corporation that it is independent of the Corporation within the meaning of the rules of professional conduct of the Chartered Professional Accountants of British Columbia (CPABC).

### **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 Corporation for the financial period from incorporation on October 5, 2016 to March 31, 2017.

**FIRST LEGACY MINING 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 **First Legacy Mining 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 “independent” and “financially literate” as such terms are defined in applicable securities legislation.

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.

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**FIRST LEGACY MINING CORP.  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2017 (AUDITED)**

**[see attached]**

**First Legacy Mining Corp.**

**Financial Statements**

**For the Year Ended March 31, 2017**

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VANCOUVER, BC V7X 1M9

charlton & company  
CHARTERED PROFESSIONAL ACCOUNTANTS

## INDEPENDENT AUDITORS' REPORT

To: the Shareholders of  
First Legacy Mining Corp.

We have audited the accompanying financial statements of First Legacy Mining Corp. which comprise the statement of financial position as at March 31, 2017 and the statement of loss and comprehensive loss, changes in equity and cash flows for the period from the date of incorporation, October 5, 2016 to March 31, 2017 and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of First Legacy Mining Corp. as at March 31, 2017 and its financial performance and cash flows for the period from the date of incorporation, October 5, 2016 to March 31, 2017 in accordance with International Financial Reporting Standards.

### Emphasis of Matters

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which indicates First Legacy Mining Corp. has incurred losses to date. This condition, along with other matters as set forth in Note 1, indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

*Charlton & Company*

**CHARTERED PROFESSIONAL ACCOUNTANTS**

Vancouver, Canada  
August 8, 2017

**FIRST LEGACY MINING CORP.**  
**STATEMENTS OF FINANCIAL POSITION**

Expressed in Canadian Dollars

	Note	March 31, 2017
<b>ASSETS</b>		\$
<b>Current assets</b>		
Cash		236,431
Prepaid expenses		23,125
		<b>259,556</b>
<b>Non-current assets</b>		
Exploration and evaluation assets	5	25,250
<b>TOTAL ASSETS</b>		<b>284,806</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities		10,513
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	6	447,500
Accumulated deficit		(173,207)
		<b>274,293</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>284,806</b>

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

**Note 1 – Nature of Operations**

**Approved on Behalf of the Board of Directors:**

/s/ Max Sali  
Director

/s/ Todd Macdonald  
Director

**FIRST LEGACY MINING CORP.**  
**STATEMENT OF CHANGES IN EQUITY**  
Expressed in Canadian Dollars

	<b>Share Capital</b>			
	Number of Shares	Amount \$	Accumulated Deficit \$	Total \$
<b>Date of Incorporation, October 5, 2016</b>	-	-	-	-
Private placement:				
Gross proceeds	8,950,000	447,500	-	447,500
Net loss for the year	-	-	(173,207)	(173,207)
<b>Balance, March 31, 2017</b>	<b>8,950,000</b>	<b>447,500</b>	<b>(173,207)</b>	<b>274,293</b>

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

**FIRST LEGACY MINING CORP.**  
**STATEMENT OF COMPREHENSIVE INCOME (LOSS)**

Expressed in Canadian Dollars

		Date of Incorporation, October 5, 2016
	Note	to March 31, 2017
		\$
<b>EXPENSES</b>		
Consulting		2,000
Office	7	1,019
Professional		20,563
Regulatory and filing		2,625
Share based compensation		<u>147,000</u>
<b>NET AND COMPREHENSIVE LOSS FOR THE YEAR</b>		<b>(173,207)</b>
<b>Weighted Average Number of Shares Outstanding</b>		<b>5,442,655</b>
<b>Basic Earnings (Loss) Per Share</b>		<b>(0.03)</b>
<b>Diluted Earnings (Loss) Per Share</b>		<b>(0.03)</b>

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

**FIRST LEGACY MINING CORP.**  
**STATEMENT OF CASH FLOW**  
Expressed in Canadian Dollars

	Date of Incorporation, October 5, 2016 to March 31, 2017
	\$
<b>CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES</b>	
<b>Net Loss for the year</b>	<b>(173,207)</b>
Items not affecting cash:	
Share based compensation	147,000
Changes in non-cash working capital items:	
Prepaid expenses	(23,125)
Accounts payable and accrued liabilities	10,513
	<u>(38,819)</u>
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>	
Exploration and evaluation assets	<u>(25,250)</u>
<b>CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES</b>	
Gross proceeds from private placements	<u>300,500</u>
<b>Net increase in cash</b>	<b>236,421</b>
<b>Cash, beginning of the year</b>	<b>-</b>
<b>Cash, end of the year</b>	<u><b>236,431</b></u>
<b>Supplemental information:</b>	
Interest paid	-
Income taxes paid	-

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

## **1. NATURE OF OPERATIONS**

First Legacy Mining Corp. (the “Company”) is a British Columbia private company engaged primarily in mineral exploration activity in Western Quebec, Canada.

The head office and the principal address of the Company are located at 605 – 815 Hornby Street, Vancouver, BC V6Z 2E6, Canada.

The Company entered into an option agreement On January 16, 2017 to acquire 100% rights over specific mineral claims (Note 5).

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 March 31, 2017, the Company had a working capital of \$249,043, 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 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 loans from directors and companies controlled by directors and/or private placement of common shares. These financial statements do not include any adjustments that might result from this uncertainty.

## **2. BASIS OF PRESENTATION**

### **Statement of compliance**

These financial statements have been prepared using accounting policies in compliance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

The financial statements were authorized for issue by the Board of Directors on August 8, 2017.

### **Basis of preparation**

The financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. The financial statements are presented in Canadian dollars unless otherwise noted.

### **Significant estimates and assumptions**

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

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the recoverability of the carrying value of exploration and evaluation assets, fair value measurements for financial instruments, and the recoverability and measurement of deferred tax assets.

### **Significant judgments**

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments applying to the Company's financial statements include: the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty; the classification/allocation of expenditures as exploration and evaluation expenditures or operating expenses; and the classification of financial instruments.

## **3. SIGNIFICANT ACCOUNTING POLICIES**

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

#### *i) Exploration and evaluation expenditures*

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 equipment 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.

#### *ii) Equipment*

Equipment is stated at cost less accumulated amortization and accumulated impairment losses. Estimates of residual values, useful lives and methods of amortization are reviewed each reporting year, and adjusted prospectively if appropriate.

### **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.

**FIRST LEGACY MINING CORP.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2017**  
Expressed in Canadian Dollars

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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.

**Restoration and environmental obligations**

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to the related asset along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value.

The Company's estimates of restoration costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related asset with a corresponding entry to the restoration provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates. The Company currently has no measurable obligations for restoration and environmental costs.

**Share-based payments**

The Company grants stock options to buy common shares of the Company through its stock option plan. The Company accounts for share-based payments using the fair value method. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to reserves. The fair value of options is determined using the Black-Scholes Option Pricing Model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

The Company grants stock options that are subject to various vesting terms. Under IFRS, the fair value of each instalment of the award is considered a separate grant based on the vesting period with the fair value of each instalment determined separately and recognized as compensation expense over the term of its respective vesting period. The Company does not have any options or warrants outstanding.

### **Financial Instruments**

The Company classifies financial instruments in the following categories: at fair value through profit or loss (“FVTPL”), loans and receivables, held-to-maturity investments, available-for-sale and financial liabilities. The classification depends on the purpose for which the financial instruments were acquired or issued. Management determines the classification of its financial instruments at initial recognition.

Financial assets are classified at fair value through profit or loss when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortized cost. They would be included in current assets, except for maturities greater than 12 months after the end of the reporting period. These would be classified as non-current assets. The Company has classified cash and amounts receivable as loans and receivables

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company’s intention to hold these investments to maturity. They are subsequently measured at amortized cost. Held-to-maturity investments would be included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. The Company has no held-to-maturity investments.

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not suitable to be classified as financial assets at fair value through profit or loss, loans and receivables or held-to maturity investments and are subsequently measured at fair value. These are included in current assets to the extent they are expected to be realized within 12 months after the end of the reporting period. Unrealized gains and losses are recognized in other comprehensive income, except for impairment losses and foreign exchange gains and losses on monetary financial assets.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant and prolonged decline in the value of the instrument is considered to determine whether impairment has arisen.

Accounts payable and accrued liabilities, loans and due to related parties are classified as other liabilities at amortized cost. The Company initially recognizes debt securities issued and subordinated liabilities on the date they originated. All other financial liabilities are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instruments.

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired. Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortized cost.

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

**FIRST LEGACY MINING CORP.**  
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The Company does not have any material derivative financial assets and liabilities.

The fair value of the Company's financial assets and liabilities approximates the carrying amount.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly;
- Level 3 – Inputs that are not based on observable market data.

**Income (Loss) per share**

Basic income (loss) per share is calculated by dividing the net earnings available to common shareholders divided by the weighted average number of common shares outstanding during the year. The diluted earnings per share are calculated based on the weighted average number of common shares outstanding during the year, 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 year (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 year.

**Future Accounting Policy Changes**

***New standard IFRS 9 "Financial Instruments"***

This new standard is a partial replacement of IAS 39 "Financial Instruments: Recognition and Measurement". IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets.

The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. The Company is currently assessing the impact this new standard will have on its financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

**4. FINANCIAL AND CAPITAL RISK MANAGEMENT**

	Ref.	March 31, 2017
		\$
Other financial assets	a	236,431
Other financial liabilities	b	10,513

a. Comprises cash.

b. Comprises accounts payable and accrued liabilities

**FIRST LEGACY MINING CORP.**  
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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 and other receivables. Risk associated with cash is managed through the use of major banks which are high credit quality financial institutions as determined by rating agencies. Other receivables comprise sales tax refunds from the Canadian federal government.

***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. Liquidity risk has been assessed as being high.

***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.

***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.

***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 relating to its related party balances (Note 7).

***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.

***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.

**FIRST LEGACY MINING CORP.**  
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There were no changes in the Company's approach to capital management during the year. The Company is not subject to any externally imposed capital requirements.

**5. EXPLORATION AND EVALUATION ASSETS**

Exploration and evaluation assets comprise a project located in the North Western area of Quebec.

	<b>Lac-Burge Project</b>
	\$
<b>Date of Incorporation, October 5 2016</b>	-
Acquisition costs	20,000
Geological	5,250
Impairment	-
<b>Balance at March 31, 2017</b>	<b>25,250</b>

**Lac-Burge Project**

On January 16, 2017, the Company entered into an option agreement to acquire twenty nine mineral claims located within the Abitibi Greenstone Belt (Northwestern Québec, Canada) in the Township of Duplessis, approximately 215km north-east of Val-d'Or, Quebec. To acquire 100% interest, the Company must meet a series of cash payments, share issuances to the optionor and must meet minimum exploration expenditures as follows:

<b>Date for Completion</b>	<b>Cash Payment</b>	<b>Number of Common Shares to be Issued</b>	<b>Minimum Exploration Expenditures to be Incurred</b>
Within 5 business days following the execution of the Property Option Agreement	\$20,000 (paid)	N/A	N/A
Within 5 business days of the Effective Date	N/A	300,000	N/A
On or before fourteen (14) months of the Effective Date*	\$25,000	500,000	\$250,000
On or before twenty-eight (28) months of the Effective Date*	N/A	750,000	\$750,000
<b>TOTAL</b>	<b>\$45,000</b>	<b>1,550,000</b>	<b>\$1,000,000</b>

\*"Effective Date" means the date of the Final Exchange Bulletin giving notice of the approval by the Exchange of the listing of the common shares of the Corporation on the facilities of the Exchange.

**FIRST LEGACY MINING CORP.**  
**NOTES TO FINANCIAL STATEMENTS**  
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Expressed in Canadian Dollars

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## 6. EQUITY

### Share Capital

Authorized share capital of the Company consists of an unlimited number of fully paid common shares without par value.

#### ***From October 5, 2016 (date of incorporation) to March 31, 2017***

The Company closed three private placements for gross proceeds of \$300,500 by issuing 8,950,000 common shares as follows: (1) 3,000,000 common shares on October 5, 2016 for gross proceeds of \$3,000. The fair value of the common shares were deemed to be \$150,000 with the difference being recorded as share based compensation (2) 2,650,000 common shares for gross proceeds of \$132,500 (3) 3,300,000 common shares for gross proceeds of \$165,000.

## 7. RELATED PARTY TRANSACTIONS

The value of transactions and outstanding balances relating to key officers and directors and entities over which they have control or significant influence were as follows:

The Company paid \$855 for expenses invoiced by the Chief Executive Officer of the Company. There are no balances owing to related parties at March 31, 2017.

Unless otherwise noted, all related party balances are unsecured, non-interest bearing with no fixed terms of repayment.

## 8. DEFERRED INCOME TAX

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

	<b>Date of Incorporation, October 5, 2016 to March 31, 2017</b>
	\$
Loss for the year	(173,207)
Statutory tax rate	26%
Expected income taxes (recovery) at the statutory tax rate	(45,034)
Effect of non-deductible and deductible expenses	38,220
Increase in valuation allowance	6,814
Income tax expense (recovery)	-

At March 31, 2017, the Company had estimated net operating losses carried forward of approximately \$26,000 (expiring in 2037) available to reduce future taxable income.

**FIRST LEGACY MINING CORP.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2017**  
Expressed in Canadian Dollars

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

	<b>Date of Incorporation, October 5, 2016 to March 31, 2017</b>
<hr/>	
Deferred Tax Assets (Liabilities)	
Loss carry-forwards	\$ 6,814
Unrecognized deferred tax assets	(6,814)
Net deferred tax assets	<hr/> \$ -

**M-1**

**FIRST LEGACY MINING CORP.  
MANAGEMENT'S DISCUSSION & ANALYSIS  
FOR THE YEAR ENDED MARCH 31, 2017**

**[see attached]**

## **FIRST LEGACY MINING CORP.**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS FROM OCTOBER 5, 2016 (DATE OF INCORPORATION) TO MARCH 31, 2017**

(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 First Legacy Mining Corp. (the "Company") and describes its financial results for the year ended from October 5, 2016 (date of incorporation) to March 31, 2017. 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 March 31, 2017 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; industry conditions, including fluctuations in commodity prices; 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 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; 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"

**FIRST LEGACY MINING CORP.**

**Management's Discussion and Analysis Of Financial Condition and Results of Operations**

**October 5, 2016 (date of incorporation) to March 31, 2017**

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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.

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 August 8, 2017.

**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 North Western Quebec. The Company is a British Columbia private 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.

**ANNUAL HIGHLIGHTS**

- Acquired the Lac-Burge project via option agreement.
- Spent \$5,250 in exploration expenditures on the Lac-Burge Project
- Closed \$300,500 in private placements

**MINERAL PROPERTIES**

Lac Burge Project

On January 16, 2017, the Company entered into an option agreement to acquire twenty nine mineral claims located within the Abitibi Greenstone Belt (Northwestern Québec, Canada) in the Township of Duplessis, approximately 215km north-east of Val-d'Or, Quebec. To acquire 100% interest, the Company must meet a series of cash payments, share issuances to the optionor and must meet minimum exploration expenditures as follows:

<b>Date for Completion</b>	<b>Cash Payment</b>	<b>Number of Common Shares to be Issued</b>	<b>Minimum Exploration Expenditures to be Incurred</b>
Within 5 business days following the execution of the Property Option Agreement	\$20,000 (paid)	N/A	N/A

**FIRST LEGACY MINING CORP.****Management's Discussion and Analysis Of Financial Condition and Results of Operations****October 5, 2016 (date of incorporation) to March 31, 2017**

Within 5 business days of the Effective Date	N/A	300,000	N/A
On or before fourteen (14) months of the Effective Date*	N/A	500,000	\$250,000
On or before twenty-eight (28) months of the Effective Date*	\$25,000	750,000	\$750,000
<b>TOTAL</b>	<b>\$45,000</b>	<b>1,550,000</b>	<b>\$1,000,000</b>

\*"Effective Date" means the date of the Final Exchange Bulletin giving notice of the approval by the Exchange of the listing of the common shares of the Corporation on the facilities of the Exchange.

**Exploration and Expenditure Detailed Breakdown**

	<b>Lac-Burge Project</b>
	\$
<b>Date of Incorporation, October 5 2016</b>	-
Acquisition costs	20,000
Geological	5,250
Impairment	-
<b>Balance at March 31, 2017</b>	<b>25,250</b>

**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 March 31, 2017, the Company had working capital of \$249,043, including cash of \$236,431.

The Company closed three private placements for gross proceeds of \$300,500 by issuing 8,950,000 common shares as follows: (1) 3,000,000 common shares on October 5, 2016 for gross proceeds of \$3,000. The fair value of the common shares were deemed to be \$150,000 with the difference being recorded as share based compensation (2) 2,650,000 common shares for gross proceeds of \$132,500 (3) 3,300,000 common shares for gross proceeds of \$165,000.

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.

**FIRST LEGACY MINING CORP.****Management's Discussion and Analysis Of Financial Condition and Results of Operations****October 5, 2016 (date of incorporation) to March 31, 2017**

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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 initial year ended March 31, 2017, the Company incurred a net loss of \$173,207. The Company has no comparable prior year results.

**OUTSTANDING SHARE DATA**

The following share capital data is current as of August 8, 2017:

	<b>Balance</b>
Shares issued and outstanding	8,950,000

**RESULTS OF OPERATION*****Three Months Ended March 31, 2017***

The Company incurred a net loss of \$26,188 for the current period. There are no meaningful comparisons to be made with prior periods.

***October 5, 2016 (date of incorporation) to March 31, 2017***

The Company incurred a net loss of \$147,019 during this period. There are not meaningful comparisons to be made with prior periods.

**SELECTED QUARTERLY INFORMATION FOR MOST RECENT COMPLETED QUARTERS**

	March 31, 2017	October 5, 2016 (date of incorporation) to December 31, 2016
	\$	\$
Net profit (loss)	(26,188)	(147,019)
Basic profit (loss) per share	(0.00)	(0.03)
Diluted profit (loss) per share	N/A	N/A

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**SELECTED ANNUAL INFORMATION FOR MOST RECENT COMPLETED YEARS**

	<b>October 5, 2016 (date of incorporation) to March 31, 2017</b>
	<b>\$</b>
<b>Income Statement</b>	
Net profit (loss)	<b>(173,207)</b>
Loss per share (basic and diluted)	<b>(0.03)</b>
<b>Balance Sheet</b>	
Total resource properties	<b>25,250</b>
Total assets	<b>284,806</b>
Total long-term liabilities	<b>-</b>

**FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

	Ref.	<b>March 31, 2017</b>
		<b>\$</b>
Other financial assets	a	<b>236,431</b>
Other financial liabilities	b	<b>10,513</b>

a. Comprises cash.

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 and other receivables. Risk associated with cash is managed through the use of major banks which are high credit quality financial institutions as determined by rating agencies. Other receivables comprise sales tax refunds from the Canadian federal government.

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***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. Liquidity risk has been assessed as being high.

***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.

***Currency Risk***

The Company is subject to normal market risks including fluctuations in foreign exchange rates and interest rate. 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.

***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 relating to its related party balances.

***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.

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

**RELATED PARTY TRANSACTIONS**

The value of transactions and outstanding balances relating to key officers and directors and entities over which they have control or significant influence for the period ended March 31, 2017 were as follows:

The Company paid \$855 for expenses invoices by the Chief Executive Officer (Max Sali) of the Company. There are no balances owing to related parties as at March 31, 2017.

Unless otherwise noted, all related party balances are unsecured, non-interest bearing with no fixed terms of repayment.

**Off-Balance Sheet Transactions**

The Company has not entered into any significant off-balance sheet arrangements or commitments.

**CRITICAL ACCOUNTING ESTIMATES**

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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.

*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*

The financial statements are presented in Canadian dollars, which is the Company's functional currency.

*iv) Basis of measurement*

The financial statements have been prepared on a historical cost basis and except for cash flow information, using the accrual basis of accounting.

**PROPOSED TRANSACTIONS**

The Company has no proposed transactions as of the date of this Prospectus.

**RISK AND UNCERTAINTIES**

**FIRST LEGACY MINING CORP.**

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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 of and the 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.
- 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.

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**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.

**ADDITIONAL INFORMATION**

Additional information relating to the Company, is available on the Canadian System for Electronic Document Analysis and Retrieval ("SEDAR") website at [www.sedar.com](http://www.sedar.com).

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**CERTIFICATE OF FIRST LEGACY MINING CORP.**

Dated: August 8, 2017

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.

*“Max Sali”*

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**Max Sali**  
Chief Executive Officer

*“Richard Grayston”*

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**Richard Grayston**  
Chief Financial Officer and  
Secretary

**ON BEHALF OF THE BOARD OF DIRECTORS**

*“Kris Raffle”*

\_\_\_\_\_  
**Kris Raffle**  
Director

*“Todd Macdonald”*

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**Todd Macdonald**  
Director

**CERTIFICATE OF PROMOTER**

Dated: August 8, 2017

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.

*“Max Sali”*

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**Max Sali**

**CERTIFICATE OF THE AGENT**

Dated: August 8, 2017

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.

**PI FINANCIAL CORP.**

*“Jim Locke”*

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**Jim Locke**

Vice President, Investment Banking