



GLOBAL ENERGY METALS CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2019 AND
2018**

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This Management's Discussion and Analysis contains "forward-looking statements" within the meaning of Canadian securities legislation. These forward-looking statements are made as of the date of this Management's Discussion and Analysis.

In certain cases, forward-looking statements can be identified by the use of words such as "believe", "intend", "may", "will", "should", "plans", "anticipates", "believes", "potential", "intends", "expects" and other similar expressions. Forward-looking statements reflect our current expectations and assumptions and are subject to a number of known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any anticipated future results, performance or achievements expressed or implied by the forward-looking statements. Forward-looking statements, the actual results of exploration activities, the estimation or realization of mineral reserves and resources, capital expenditures, costs and timing of the development of new mineral deposits, requirements for additional capital, future prices of precious and base metals, possible variations in ore grade or recovery rates, failure of plant, equipment or processes to operate as anticipated, accidents, labour disputes, road blocks and other risks of the mining industry, delays in obtaining governmental approvals, permits or financing or in the completion of development or construction activities, currency fluctuations, title disputes or claims limitations on insurance coverage and the timing and possible outcome of pending litigation and the timing or magnitude of such events are inherently risky and uncertain.

Key assumptions upon which the Company's forward-looking statements are based include the following:

- *the prices for based metals will not fall significantly;*
- *the Company will be able to secure new financing to continue its exploration, development and operational activities;*
- *there being no significant adverse changes in currency exchange rates;*
- *there being no significant changes in the ability of the Company to comply with environmental, safety and other regulatory requirements;*
- *the Company is able to obtain regulatory approvals (including licenses and permits) in a timely manner;*
- *the absence of any material adverse effects arising as a result of political instability, terrorism, sabotage, natural disasters, equipment failures or adverse changes in government legislation or the socio-economic conditions in the surrounding area to the Company's operations;*
- *the Company's ability to achieve its growth strategy;*
- *the Company's operating costs will not increase significantly; and*

These assumptions should be considered carefully by investors. Investors are cautioned not to place undue reliance on the forward-looking statements or the assumptions on which the Company's forward-looking statements are based.

Investors are advised to carefully review and consider the risk factors identified in this Management's Discussion and Analysis under the heading "Risk Factors" for a discussion of the factors that could cause the Company's actual results, performance and achievements to be materially different from

any anticipated future results, performance or achievements expressed or implied by the forward-looking statements. Investors are further cautioned that the foregoing list of assumptions is not exhaustive and it is recommended that prospective investors consult the more complete discussion of the Company's business, financial condition and prospects that is included in this Management's Discussion and Analysis. The forward-looking statements contained in this Management's Discussion and Analysis are made as of the date hereof and, accordingly, are subject to change after such date.

Although the Company believes that the assumptions on which the forward-looking statements are made are reasonable, based on the information available to the Company on the date such statements were made, no assurances can be given as to whether these assumptions will prove to be correct. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except as, and to the extent, required by applicable securities laws. The forward-looking statements contained in this Management's Discussion and Analysis are expressly qualified by this cautionary statement.

1.1 Date

The following management's discussion and analysis ("MD&A"), which is dated of November 28, 2019, provides a review of the activities, results of operations and financial condition of Global Energy Metals Corp ("Global Energy", "GEMC" or "Company") as at September 30, 2019 and for the three months ended September 30, 2019 as well as future prospects of the Company. This MD&A should be read in conjunction with the unaudited condensed interim consolidated financial statements as at and for the three months ended September 30, 2019 (the "interim financial statements") together with the MD&A and audited financial statements of the Company as at and for the fiscal year ended June 30, 2019 (the "Audited Financial Statements"). All dollar amounts in this MD&A are expressed in Canadian dollars unless otherwise specified (the Company's financial statements are prepared in Canadian dollars).

1.2 Overall Performance

1.2.1 General

The Company was incorporated under the provisions of the British Columbia Business Corporations Act on April 27, 2015.

The Company is a reporting issuer under the Securities Act (British Columbia) and thereunder is required to make filings on a continuous basis. All disclosure filings as required under applicable securities laws are available for review under the Company's SEDAR profile at www.sedar.com.

The Company's head office is located at Suite 1501-128 West Pender Street, Vancouver, British Columbia, V6B 1R8, and its registered and records office is located at suite 530-355 Burrard Street, Vancouver, BC. V6C 0B2.

1.2.2 Stated Business Objectives

The Company is engaged in project level investments in the resource sector, with a focus on late stage, near-development and in-production "world class" mining projects globally. The Company's strategy is to co-invest and pre-invest in metals and mining projects, alongside GEMC's select off-take and strategic partners, in long-term accretive projects. GEMC's investment focus is on robust projects, which have been significantly de-risked and are positioned in the lower half of their sector's

cost curve, thus increasing the potential for strong capital gains throughout the commodity life cycle.

The company targets high quality metals and mining companies with an emphasis on those metals associated with the rechargeable battery market and energy storage sector. GEMC's strategy is to aggregate cobalt and other battery metals projects positioned to supply accelerating market demand for battery materials, within a diversified portfolio designed to hedge individual commodity and stand-alone project risk.

The Company's continuing operations, as intended are dependent upon its ability to identify, evaluate and negotiate an acquisition of or participation in an interest in properties, assets or businesses.

1.2.3 Recent Developments

Subsequent to the end of the first quarter on September 30, 2019, there were the following changes in share capital:

3,685,180 share purchase warrants valued at \$0.15 expired on November 25, 2019.

2,603,194 share purchase warrants valued at \$0.15 expired on November 27, 2019.

The subsequent number of share purchase warrants outstanding at the date of filing of these condensed interim consolidated financial statements is 27,652,133.

On August 8, 2019 the Company announced an update on its ongoing activities and progress achieved toward the objective of identifying targets for an inaugural drill program at the Lovelock Mine in Nevada. Metallurgical Analysis and Re-2Ox Lab scale metallurgical tests provided bulk sample taken by representatives of partner Canada Cobalt Works from the waste rock in the historic dumps in front of the mine openings were sent to SGS Canada Inc. in Lakefield, Ontario and have undergone initial analysis resulting in head assay results of 0.2% cobalt, 0.19% nickel and 2.84% copper. A sample was submitted for mineralogy testing and results will be used to better understand which minerals are hosting the metals and help guide the flotation program. Results will be used to assist with the Re-2Ox process that allows for cobalt-nickel-copper-bearing mineralized material to be put through the Re-2OX Process in order to confirm efficient battery metal extraction and create a potential battery grade test product.

On July 17, 2019 the Company entered into a Memorandum of Understanding ("MOU") with Australian cobalt peer, Cobalt Blue Holdings Limited ("Cobalt Blue") to investigate cobalt-copper-gold recovery potential for the Millennium Project in Queensland Australia.

The Proposed Cobalt Blue - Global Energy Metals Program:

- (i) A review of historical testwork to produce concentrates from the Millennium Project*
- (ii) (ii) A review of cobalt-pyrite quantity, grade, mineralogy and other physical characteristics, as available for the Millennium Project.*
- (iii) (iii) Collaboration between GEMC and Cobalt Blue to produce cobaltpyrite concentrate samples, or bulk Co-Cu-Au sulphide mineral concentrates. (iiii) Laboratory scale "proof-of-concept" testwork, treating cobaltpyrite feedstock using the Cobalt Blue process. (v) Preparation of a short-form report summarising the findings by Cobalt Blue, for delivery to GEMC.*

On May 7, 2019 the Company announced a strategic technological initiative with Canada Cobalt Works ("CCW" or "Canada Cobalt"), featuring the propriety and environmentally friendly Re-2OX Process, to accelerate the advancement of GEMC's Lovelock Mine and Treasure Box properties in

Nevada as work programs commence this month. Lovelock and Treasure Box are located in Churchill County, a 90-minute drive from the Tesla-Panasonic Gigafactory 1.

The Re-2OX Deal GEMC and Canada Cobalt have entered into a non-binding Memorandum of Understanding (MOU) that allows for cobalt-nickelcopper-bearing mineralized material from Lovelock and Treasure Box to be put through the Re-2OX Process in order to confirm efficient battery metal extraction and create a potential battery grade test product.

Canada Cobalt will supervise the program protecting intellectual property as results flow to GEMC, and will be paid a \$200,000 upfront first-stage Re-2OX fee, exclusive of sampling and lab costs to be borne by GEMC to a maximum of \$100,000. The companies may broaden their relationship.

On May 1, 2019, the Company announced it retained Momentum Public Relations Inc. ("Momentum PR") to provide investor relations services.

Momentum PR, founded in 2008 by President and CEO, Maxence Gagné-Godbout is a Montreal-based, comprehensive provider of investor relations services, specializing in the resource industry. Momentum will assist GEMC by providing market awareness of the Company through their network of institutional investors, analysts, and retail relationships within the North American investment community.

Momentum's services are tailored to meet the needs of small and medium-cap size companies looking to increase exposure and shareholder value. In consideration for their services, Momentum PR will be paid a monthly fee of \$8,333 for a period of six months effective May 1, 2019 and has been granted 250,000 stock options exercisable at \$0.10 for a period of five years.

On April 25, 2019 the Company announced it made payment to the Bureau of Land Management ("BLM") for the required reclamation bond fee to conduct exploration work including drilling on mining claims at the Lovelock mine located in Churchill County, Nevada. Global Energy has an option on two battery metal projects, Lovelock and Treasure Box, located on the doorstep of the world's largest lithium-ion battery production plant, the Gigafactory that Tesla Motors Ltd. and partner Panasonic Corp. have built in Nevada.

On April 12, 2019, the Company closed a non-brokered private placement financing for gross proceeds in the amount of \$813,500 through the issuance of 16,270,000 Units at a price of \$0.05 per Unit (the "Offering Price"), an oversubscription of 1,270,000 units.

Each Unit each Unit consisted of one common share of the Company (a "Share") and one transferable common share purchase warrant (a "Warrant", with each Warrant entitling the holder thereof to acquire a Common Share at the exercise price of \$0.10 per share for a period of 36 months from the closing date ("Closing Date"), subject to acceleration clause whereby if on any 10 consecutive Trading Days occurring after four months and one day has elapsed from the Closing Date, the daily volume weighted average trading price of the common shares of the Company is at least \$0.20 per share, the Company may accelerate the expiry date of the Warrants to the 30th day after the date on which the Company gives notice to the Subscriber in accordance with the Warrant of such acceleration.

Insiders of the Company subscribed for an aggregate of 1,840,000 Units for gross proceeds of \$92,000 under the Private Placement.

The Company paid cash finder's fees of \$8,700 and issue 357,200 shares to third-party finders in connection with the private placement.

On March 22, 2019, the Company issued 384,627 common shares with the fair value of \$23,078 to Nevada Sunrise Corp as part of the option agreement to acquire up to 85% of the Lovelock and Treasure Box project.

On February 21, 2019, the Company commenced the process of pursuing a dual-listing of the Company's securities on a recognized investment exchange in London, UK. GEMC already has a large investor-base in the UK and has been in discussions for many months to action this process. The Company believes that the listing will support its existing UK-shareholders and enhance its market exposure through offering the UK-market direct-access to GEMC on a domestic exchange.

On January 31, 2019, the Company issued 1,728,133 common shares with a fair value of \$86,407 to Nevada Sunrise Corp as part of the option agreement to acquire up to 85% of the Lovelock and Treasure Box project.

On January 21, 2019, the Company signed a definitive agreement (the "Agreement") with Nevada Sunrise Gold Corp ("Nevada Sunrise" or the "Optionor") to acquire an 85% interest in the Lovelock Cobalt Mine (the "Lovelock Mine") and the Treasure Box Project ("Treasure Box"), located in Churchill County, approximately 150 kilometres east of the Tesla Gigafactory in Sparks, Nevada.

Further to the LOI announced on September 11, 2018 and under the renegotiated terms of the Agreement, Global Energy Metals will now have the option to acquire 85% ownership interest in the Projects as highlighted below.

Project Highlights

Nevada Cobalt: The right place at the right time in a superior mining jurisdiction which hosts several copper-gold projects nearby and benefits from having excellent infrastructure. Strategically Situated: Located in the Stillwater Range with good access, infrastructure in place and only 150 kilometres east of Sparks Nevada, home to - Tesla's Gigafactory 1.

Historic Producer: Limited, yet high-grade, production of cobalt, nickel and copper in the 1880s but the area has never been thoroughly explored in the modern era. High-Grade Cobalt: The general average of the 200 tons shipped in 1886 averaged 14 percent cobalt and 12 percent nickel (Source: "Mineral Resources of the United States for 1886"). Drill Ready: Eight diamond drill targets have been identified in addition to geological mapping, chip and channel sampling and geophysics. District Opportunity: Region shows strong enrichment in cobalt, nickel and copper making it very attractive for further exploration and expansion through other attractive growth opportunities.

Re-negotiated Terms of the Agreement

The Definitive Agreement now allows for GEMC to acquire an 85% interest in both Lovelock and Treasure Box subject to Nevada Sunrise first acquiring the interest pursuant to an underlying agreement with a third party vendor. The Agreement also allows for GEMC to reduce the exploration payments to USD \$1,000,000 by the third anniversary of the Effective Date (as defined in the Agreement) a change from the LOI that required \$2,500,000 in expenditures.

In order to exercise the option, the Company is required to complete the following:

- A. *Issue to Nevada Sunrise of such number of common shares in the capital of Global (the "Payment Shares") as is equal to USD \$200,000 at a deemed price per share equal to the greater of: (a) \$0.15; and (b) the Volume Weighted Average of the closing price of the Company's shares for the 20 trading days immediately prior to the execution of the Agreement.*
- B.
- C. *Assume all future cash to the underlying vendor payable as scheduled below subject to an existing 2.0% net smelter royalty (the "Existing Royalty"):*
 - March 22, 2019: USD \$20,000 in cash;*
 - December 22, 2019: USD \$25,000 in cash; and*
 - December 22, 2020: USD \$30,000 in cash.*
- D. *Reimburse Nevada Sunrise for the issue by Nevada Sunrise of Nevada Sunrise common shares to the underlying vendor, with common shares of the Company, payable as scheduled below:*

March 22, 2019: such number of shares as is equal in value to 200,000 shares of Nevada Sunrise on the day prior to their issuance;
December 22, 2019: such number of shares as is equal in value to 250,000 shares of Nevada Sunrise on the day prior to their issuance; and

December 22, 2020: such number of shares as is equal in value to 300,000 shares of Nevada Sunrise on the day prior to their issuance.

March 22, 2019: such number of shares as is equal in value to USD\$5,000 to reimburse Nevada Sunrise for the payment made by Nevada Sunrise to Primus of USD\$5,000.

E. In order to maintain in force the Option granted to it, and to exercise the Option, Global must also incur Expenditures totaling USD\$1,000,000 by the third anniversary of the Effective Date.

On November 26, 2018, the Company issued 2,603,193 units at a price of \$0.075 per Unit for gross proceeds of \$195,239, the second and final tranche of a previously announced non-brokered private placement of \$500,000.

On November 19, 2018 the Company closed the first tranche of \$276,389. A total of 3,685,180 units were issued to complete the first tranche.

In total 6,288,374 shares were issued in conjunction with this financing with the Company raising an aggregate of \$471,628. The Company paid \$5,863 and 45,893 broker warrants as finder's fees on this private placement.

Each Unit is comprised of one common share of the Company and one transferable common share purchase warrant. Each Warrant will be exercisable to purchase an additional Share of the Company for a period of 12 months from the closing date at a price of CAD\$0.15 subject to acceleration. All securities issued in connection with the Private Placement will be subject to a statutory hold period of 4 months plus a day from the Closing Date in accordance with applicable securities legislation.

Warrants are subject to an acceleration clause whereby if on any 10 consecutive Trading Days occurring after four months and one day has elapsed from the Closing Date, the daily volume weighted average trading price of the common shares of the Company is at least \$0.20 per share, the Company may accelerate the expiry date of the Warrants to the 30th day after the date on which the Company gives notice to the Subscriber in accordance with the Warrant of such acceleration

On July 3, 2018, 1,242,465 share purchase warrants expired unexercised.

1.2.4 Property Holdings

At September 30, 2019, and the date of this report the Company's interests in exploration and evaluation assets are located in Canada, the United States and in Australia.

Werner Lake Cobalt Project

On January 19, 2016, the Company acquired exploration and evaluation assets in the Werner Lake mineral belt in the Kenora Mining Division, Ontario, Canada from Global Cobalt Corp. ("GCO") with a fair value of \$2,953,185. From 2008 to 2010, GCO acquired certain claims in the Werner Lake mineral belt from three optionors: Benton Resources Corp. ("Benton"), Commerce Capital Inc. ("Commerce"), and Teck Resources Ltd. ("Teck"), together the Werner Lake Project ("Werner Lake"). Pursuant to an agreement between Puget Ventures Inc. ("Puget", later known as GCO) and Commerce, Puget acquired all of Commerce interest in the property. Commerce received a payment of \$1 million and the claims acquired from Commerce are subject to a 2% net smelter return ("NSR") on all ores, minerals or concentrates produced from the property. Puget retained the right to acquire 50% of the NSR for a price of \$2 million. The Company has assumed this right.

On November 17, 2017, the Company entered into an option agreement with Marquee Resources Ltd. ("Marquee") for the right to acquire up to a 70% interest in the Werner Lake Project.

On February 28, 2018, all conditions precedent were met in the Werner Lake transaction with Marquee. As consideration for Marquee's option to earn either a 30% or a 70% interest in Werner Lake, the Company received a cash payment totalling \$196,848 (AUD200,000) and common shares in Marquee valued at \$97,972 (AUD100,000). The shares were revalued at June 30, 2019 to

\$31,363 (2018: \$90,881) and the Company recorded a loss of \$59,518 (2018: \$7,090) during the year ended June 30, 2019.

In order to maintain and enforce the option granted, Marquee must incur expenditures of AUD1,000,000 to earn a 30% interest in Werner Lake within year one and a further AUD1,500,000 (for a total of AUD2,500,000) to earn a 70% interest in Werner Lake by year two.

The parties will enter into a customary joint venture agreement once Marquee exercises its option to acquire either a 30% or 70% interest in Werner Lake. In addition, upon obtaining a pre-feasibility study according to a commercially reasonable standard, Marquee will pay the Company AUD150,000.

During the year ended June 30, 2018, the Company provided access to road and mining lands to an arm's length party until December 31, 2022 for total consideration of \$150,000. The proceeds are recorded as other income in the statement of comprehensive loss for the year ended June 30, 2018.

On November 5, 2018, Marquee announced that stage one expenditure commitment of AUD1,000,000 had been reached and gave notice to the Company of its intention to earn the 70% Interest in the project by incurring the second stage of expenditure (AUD1,500,000) on the project.

After meeting the expenditure commitment of AUD1,000,000, Marquee now owns 30% of the property and the Company retains the remaining 70%.

The Werner Lake property is located in north western Ontario, near the Ontario-Manitoba border in the Kenora Mining District. The project area covers favourable horizons in the Werner Lake Geological Belt that hosts numerous cobalt-copper and base metal showings, deposits and past producing mines. The two largest cobalt deposits defined to date are the Werner Lake Minesite Deposit and the West Cobalt Deposit, both controlled by GEMC. The area has seen extensive exploration and development work since the original discovery of cobalt in 1921. Limited production of cobalt ore occurred between 1932 and 1944. During World War II, Werner Lake was mined to a vertical depth of 10 metres; 65.1 tonnes of cobalt was produced from 2,955 tonnes of ore (average grade 2.2% Co).

The most significant work was undertaken by Canmine Resource Corporation ("Canmine") between 1995 and 2002. During this time Canmine carried out extensive drilling and exploration work leading to the discovery of additional mineralized lenses beneath the old workings, now referred to as the Minesite Deposit (or "Old Mine Site"). The West Cobalt Deposit is located about 500 metres west of the Minesite Deposit and was also discovered during the exploration program. Subsequent metallurgical testing, underground rehabilitation and development work, and engineering studies culminated in a feasibility study that indicated a small scale (300 tpd) underground mining operation was possible.

The historical estimate was based on 217 diamond drill holes totalling 27,894 metres of coring and underground exploration that advanced 258 metres of ramp, drifts and raises to better explore and define the West Cobalt Deposit. A Pre-feasibility Study was commissioned and completed in 1999. Based on that work a historical estimate base containing 7,435,865 pounds of cobalt was established. Canmine continued with extensive engineering work until 2002 when the company filed for bankruptcy. Canmine initiated a Feasibility study, but work was terminated due to lack of funds.

The total identified historic estimate in the proven, probable, indicated and inferred categories was delineated as follows by Canmine:

Werner Lake Mineral Belt Resource Estimate

Category ¹	Mining Area	Tonnes	Co %	Co Lbs	Cu %	Co lbs	Au opt	Au oz
Proven	Lense 1 & 2	17,145	0.46	173,872	0.14	52,918	0.022	377
	Lens 3	34,476	0.72	547,247	0.30	228,020	0.005	172
	West Cobalt	82,210	0.37	670,595	0.27	489,353	0.006	493
	Stockpile	6,200	0.50	68,343	0.30	41,006	0.009	56
	Sub-total	140,031	0.47	1,460,058	0.26	811,297	0.008	1,099
Probable	West Cobalt	40,829	0.25	225,031	0.43	387,054	0.030	1,225
Indicated	West Cobalt	51,456	0.13	147,473	0.20	226,882	0.003	154
Inferred	West Cobalt	383,647	0.37	3,129,448	0.27	2,283,651	0.006	2,302
	West Cobalt	430,663	0.18	1,709,009	0.29	2,753,403	0.015	6,460
	Minesite	55,068	0.63	764,846	0.24	291,370	0.011	606
	Sub-total	869,378	0.29	5,603,303	0.28	5,328,425	0.011	9,368

¹ Terminology for mineral resource calculations conforms with nomenclature recommendations by the CIM Ad Hoc Committee on Mineral Resource Classification tabled March 1997 as presented in an internal Canmine technical report dated October 1998. The historical resource estimates at Werner Lake are not being treated as a mineral reserve or mineral resource. Key assumptions, parameters, and methods used to prepare the historical estimates are not known. A qualified person has not done sufficient work to classify the historical estimate as a mineral resource or mineral reserve. Additional drilling and testing is required to determine a current classification as a mineral resource or mineral reserve. The Company is not treating the historical information as a current mineral resource or mineral reserve and the reader is cautioned to not rely upon this data. Please refer to the "Werner Lake Mineral Belt Properties Technical Report" by Gerald Harper, Ph.D., P.Geo. (On), dated March 22, 2011 and revised June 23, 2011 and May 26, 2015.

Global Cobalt Corp ("GCO") (previously Puget Ventures) acquired the key patented claims in 2008 and staked or acquired a significant package of land within the Werner Lake Belt at the same time. Additional diamond drilling by GCO in 2009-2010 (7,565 metres in 33 drill holes) has added to the resource database and suggests the deposit remains open for exploration. The targeted completion of NI 43-101 compliant resource was not finalized, though the database is intact. GEMC completed this document and published the results of the study September 6, 2017. At a cut-off 0.25% Co, the model returned a total of 57,900 indicated tonnes grading 0.51% Co, containing 653,000 lbs of cobalt and 6,300 inferred tonnes grading 0.48% Co, containing 67,000 lbs of cobalt.

A number of key recommendations in the report, including additional diamond drilling designed to further define the known deposit at depth and bring some Inferred Resources to Indicated category. Dewatering of the underground workings and resampling of the workings and metallurgical testwork was also recommended by AGP Mining Consultants Inc. The deposit remains open to depth and along strike.

AGP NI 43-101 Mineral Resources for the Werner Lake, September 2017¹

Classification	Tonnage (‘000 t)	Co (%)	Cu (%)	Au (gpt)	Contained Co (‘000 lbs)	Contained Cu (‘000 lbs)
Indicated	57.9	0.51	0.25	0.22	653	319
Inferred	6.3	0.48	0.14	0.24	67	19

¹ Deposit at a 0.25%Co cut-off grade, cobalt price of \$US15.60/lb, metallurgical recovery of 85% was assumed.

Excellent opportunities exist for the definition of additional high-grade cobalt mineralised zones at these two deposits and at other locations throughout the Werner Lake Geological Belt.

Geology

The Werner Lake Geological Belt is part of the Archean English River sub province of the Superior

Province in Ontario and is defined by a deep-seated fault that is believed to have ruptured the Superior Geological Province or craton. The fault zone is up to 500 metres wide and dips near vertical. The entire area of the fault has been termed the Cu-Ni-PGE zone. At Werner Lake, the fault zone is marked at surface by a prominent 25 to 50-metre-wide U-shaped valley.

At Werner Lake, high-grade cobalt-copper mineralisation occurs in stacked lenses of sulphide mineralisation that occupy tensional structures intruded by gabbroic pegmatites to produce skarnoid assemblages. Mineralization is located within or adjacent to rock masses ranging in composition from ultramafic to mafic units and their metamorphosed equivalents, primarily as disseminated bodies but locally with sulphide concentrations reaching massive texture. The deposits tend to be elongated in the down plunge direction that varies between 30 degrees plunge and near vertical in attitude.

The Werner Lake project is underlain by a relatively complex sequence of east-west striking, steeply dipping, highly metamorphosed migmatites, ultramafics, altered mafic volcanic rocks, lesser metasedimentary sequences, plus diverse granitoid intrusive rocks. The ultramafic sequence represents deformed, dislocated lenses that originally formed a (semi)-continuous, thicker mafic-ultramafic igneous sill, possibly with a shallow emplaced volcanic component. Local metamorphism is to granulite phase with retrograde to amphibolite-greenschist locally.

Structure appears to have had the greatest control on mineralization, with the ultramafic magma intruded along the fault from deep in the crust.

The cobalt deposits are believed to have formed in the middle-depth area of the fault zone as distal skarn deposits derived from a gabbroic pegmatite. The gabbroic pegmatite, probably derived from the ultramafic intrusion, is believed to have moved tens of kilometres along the various faults until it encountered a calcium-bearing amphibolite that acted as a reductant with the deposition of the cobalt, copper and gold. Chalcopyrite, pyrrhotite, pyrite and cobaltite occur in gabbroic pegmatite and altered amphibolite skarn assemblage (garnet-biotite-magnetite). Others ascribe a syngenetic exhalative or diagenetic origin to the Werner Lake mineralization. Gold occurs erratically and is found predominantly in the high cobalt and/or copper alteration shells.

The West Cobalt Deposit has a drill-indicated strike length of 379 metres and dips near vertically. The horizontal thickness of the deposit ranges from 1.0 to 9.58 metres. The deposit is open down-dip to the east (Figure 4). Chalcopyrite, pyrrhotite, pyrite and cobaltite occur in gabbroic pegmatite and garnet-biotite-amphibole-magnetite gneiss in the West Cobalt Deposit.

Exploration drilling by Canmine in the late 1990's indicated "excellent additional reserve development potential" exist as the deposits are open at depth. More recent work by GCO (2009-2010) appears to support this conclusion, noting that significance should be paid to structural controls on mineralisation at the deposit.

It is apparent that mineralised widths, certainly for cobalt, are relatively narrow, in the order of <1-3 metres. Cobalt rich zones consist of various combinations of pyrite, pyrrhotite, chalcopyrite, cobaltian pyrite, cobaltite, pentlandite, and arsenopyrite. Sulphide habit is typically disseminated, stringer/veinlet, with concentrations up to 40% (rare) over 10 to 30-centimetre widths of remobilised and replacement material.

Canmine also recognized the potential for very high-grade (up to 20% Co) lenses of limited size within mineralised zones. These high-grade sections that were assayed at up to 20% cobalt were intersected by both surface drilling and underground drifting and could represent significant upside to the project's cobalt output. The potential economic impact of these lenses is important and a thorough understanding of the structure of the deposit is critical to future work.

Engineering Work (Canmine)

Detailed engineering studies were undertaken by SNC-Lavalin ("SNC") to prepare a development plan and determine the most cost-effective mining techniques to be employed at Werner Lake. Due to the variability of the mineralised zones, SNC recommended shrinkage mining at the West Cobalt Zone and Lens 1 and 2 at the Old Mine Site, opting for long-hole open-stope mining being employed at Lens 3. Details including fleet requirements, ventilation, ground support, a development plan and other mining details were laid out in a 2002 report authored by SNC. Detailed cost estimations included: shrinkage costs of \$12.32 per tonne, long-hole costs of \$9.47 per tonne, ramp development costs of \$1,121.72 per metre, raise development costs of \$945.07 per metre and haul drift, draw point and other access costs of \$1,067.31 per metre. A 300-tonne production rate per day over a 5-day week was assumed. From 1997 to 1998 extensive exploration was undertaken through the decline and also through a sub-drift that was driven 107 metres within the ore zone to obtain a 4,094 tonne bulk sample.

Metallurgical studies have shown that excellent cobalt recoveries can be yielded from a standard flotation mill process followed by a low-pressure oxidative hydrometallurgical leach (net recovery 88%), to produce a cobalt carbonate end product. At the time of this work Canmine received written offers or indicative term sheets from companies around the world for the purchase of the cobalt carbonate product, which reportedly averaged 27% cobalt and 6% copper content.

Lovelock and Treasure Box Project, Nevada, USA.

On January 21, 2019 ("the "Effective Date"), the Company entered into a Definite Agreement with Nevada Sunrise Gold Corporation ("Nevada Sunrise") to acquire an 85% interest in the Lovelock Cobalt Mine and the Treasure Box Project, located in Nevada. In order to exercise the option, the Company is required to complete the following terms:

A) Issue to Nevada Sunrise such number of common shares of the Company (the "Payment Shares") as is equal to USD \$200,000 at a price per share equal to the greater of:

(a) \$0.15; and

(b) the volume weighted average of the closing price of the Company's shares for the 20 trading days immediately prior to the execution of the Definitive Agreement, as herein defined. On January 22, 2019 the Company issued 1,728,133 common shares to Nevada Sunrise for a fair value of \$86,407 (Note 7).

B) Assume all future cash payments to the underlying vendor payable as scheduled below subject to an existing 2.0% net smelter royalty (the "Existing Royalty"):

- March 22, 2019: USD \$20,000 in cash (Paid);
- December 22, 2019: USD \$25,000 in cash; and
- December 22, 2020: USD \$30,000 in cash.

C) Reimburse Nevada Sunrise for the issue by Nevada Sunrise of Nevada Sunrise common shares to the underlying vendor, with common shares of the Company, payable as scheduled below:

- March 22, 2019: such number of shares as is equal in value to 200,000 shares of Nevada Sunrise on the day prior to their issuance (Note 7).
- December 22, 2019: such number of shares as is equal in value to 250,000 shares of Nevada Sunrise on the day prior to their issuance; and
- December 22, 2020: such number of shares as is equal in value to 300,000 shares of Nevada

Sunrise on the day prior to their issuance.

- *Reimburse Nevada Sunrise for the USD\$5,000 (Paid) payment made by Nevada Sunrise to Primus Resources Ltd. ("Primus") of USD\$5,000 by issuing to Nevada Sunrise, as fully paid and non-assessable, common shares of the Company.*

During the year ended June 30, 2019, the Company issued additional 384,627 common shares at fair value of \$23,078 and paid \$27,018 in cash to Nevada Sunrise in connection with this agreement.

D) In order to maintain in force the Option granted to it, and to exercise the Option, the Company must also incur expenditures totalling USD\$1,000,000 by the third anniversary of the Effective Date.

Project Highlights

- *Nevada Cobalt: The right place at the right time in a superior mining jurisdiction which hosts several promising copper-gold projects nearby and benefits from having excellent infrastructure.*

- *Strategically Situated: Located in the Stillwater Range with good access, infrastructure in place and only 150 kilometres east of Sparks Nevada, home to the world's largest battery factory - Tesla's Gigafactory 1.*
- *Historic Producer: Limited, yet high-grade, production of cobalt, nickel and copper in the 1880s but the area has never been thoroughly explored in the modern era.*
- *High-Grade Cobalt: The general average of the 200 tons shipped in 1886 averaged 14 percent cobalt and 12 percent nickel (Source: "Mineral Resources of the United States for 1886").*

- *Drill Ready: Eight diamond drill targets have been identified in addition to geological mapping, chip and channel sampling and geophysics.*

- *District Opportunity: Region shows strong enrichment in cobalt, nickel and copper making it very attractive for further exploration and expansion through other attractive growth opportunities.*

Millennium Project, Australia.

On September 25, 2017, the Company acquired an option from Hammer Metals Ltd. ("Hammer") for the Millennium Cobalt-Copper Project ("Millennium") located in the Mt. Isa mining region of Queensland, Australia. Additionally, the Company holds a right of first refusal to acquire any additional interest in the Millennium project, which Hammer may wish to sell. The option agreement outlines the principal terms and conditions to earn up to 75% interest in the Millennium project upon making project related expenditures to further advance the Millennium project. Total consideration for the option is \$2,700,000. Before the third-year anniversary of signing the option agreement, the Company must expend a minimum of \$2,500,000 in project exploration and development work on the Millennium project as follows:

- *\$500,000 within 6 months for 25% interest;*
- *\$1,000,000 within 18 months for 65% cumulative interest; and*
- *\$1,000,000 within 36 months for cumulative 75% interest.*

During the year ended June 30, 2018, the Company paid to Hammer a total of \$200,000 in cash in two equal payments of \$100,000 as part of the option agreement.

On March 14, 2018 the Company entered into a letter of intent (the "LOI") with Hammer setting the terms for the strategic acquisition of the Mount Dorothy Cobalt Project and the Cobalt Ridge Project, collectively the "Mt. Isa Projects".

Upon completing its due diligence and upon meeting the conditions set in the LOI, the Company

entered into a Definitive Agreement with Hammer for the exclusive right to acquire a 100% interest in the Mt. Isa Projects, which was completed on June 27, 2019.

On March 22, 2018 the Company complied with its obligations under its agreement with Hammer in order to earn a 25% interest in Millennium. Having incurred exploration expenditures of at least \$500,000 the Company gave notice that it intends to move forward with the next phase of its earn-in for a 65% interest in the project. In order to earn a 65% interest, the Company must incur additional exploration expenditures of at least \$1,000,000 within 18 months of the effective date.

Upon completing its due diligence and upon meeting the conditions set in the LOI, should the Company elect to enter into a Definitive Agreement with Hammer, the Company would have the exclusive right to acquire a 100% interest in the Mt. Isa Projects

On June 26, 2018, the Company entered into a binding agreement with Hammer to acquire the balance of the interest in the Millennium Cobalt Project as well as the Mt. Dorothy Cobalt Project and the Cobalt Ridge Project such that it will hold 100% of both the Millennium Property and the Mt. Isa Projects.

On June 27, 2019, the Company completed the acquisition of the 100% interest of Millennium and Mount Isa projects (collectively "Millennium Project") via the 100% acquisition of Element Minerals Australia Pty Ltd. ("Element") (holder of said properties), an Australian private company, a wholly owned subsidiary of Hammer which holds 100% ownership on Millennium and Mount Isa projects. Pursuant to the terms of the Millennium Acquisition Agreement, the Company issued to Hammer 19,255,641 common shares of the Company with a fair value of \$1,155,338 (Note 7).

The Company determined that Element did not have the inputs and process capable of producing outputs that are necessary to meet the definition of a business as defined by IFRS 3. The acquisition was accounted for as a share-based payment, whereby the Company acquired the net assets and liabilities of Element.

The breakdown of the acquisition is as follow:

	\$
Purchase Price Allocation	
Common shares	1,155,338
Purchase Price	1,155,338
Tangible net assets	
Cash	14
Exploration and evaluation asset	1,155,324
Total	1,155,338

History

Recent drilling in 2016 from Hammer's 23 RC drill hole program (Hammer ASX releases, 13/09/2016 and 14/10/2016) included peak cobalt results with 8 metres at 0.35% Co in MIRC023 and 4 metres at 0.51% Co in MIRC013.

Other intercepts included:

- 19 m at 0.38% Co, 1.27% Cu, 0.70 g/t Au, (4.12% CuEq) in Q-012;
- 24 m at 0.15% Co, 0.23% Cu and 0.09 g/t Au (1.17% CuEq) in MIRC013;
- including 4 m at 0.51% Co, 0.46% Cu and 0.16 g/t Au (3.64% CuEq),
- 12 m at 0.19% Co, 0.57% Cu and 0.19 g/t Au (1.85% CuEq) in MIRC014;

- including 4 m at 0.30% Co, 0.44% Cu and 0.14 g/t Au (2.33% CuEq),
- 40 m at 0.07% Co, 0.32% Cu and 0.13 g/t Au (0.82% CuEq) in MIRC017;
- including 5 m at 0.15% Co, 0.82% Cu and 0.21 g/t Au (1.90% CuEq); and
- 33 m at 0.16% Co, 0.66% Cu and 0.34 g/t Au (2.11% CuEq) in MIRC023; including 8 m at 0.35% Co, 0.08% Cu (2.19% CuEq).

All intercepts reported represent core lengths; true width will vary depending on the intersection angle with the targeted zone. Hole are generally planned to intersect mineralised zones as close to perpendicular as possible. Copper equivalent (CuEq) calculation is as follows: $CuEq\% = Cu\% + (Co\% \times 5.9) + (Au \text{ ppm} \times 0.9) + (Ag \text{ ppm} \times 0.01)$.

Hammer Resources published a JORC (2012) resource report on the project in November 2016 based on 40 reverse circulation drill holes (6,240m) completed between 2013 and 2016. At the time, Hammer used a copper equivalent (CuEq) to calculate the resource base, however, cobalt is the dominant economic metal in the deposit based on current metal prices.

Historical Estimate - Hammer Resources: Millennium November 2016 Mineral Resource*

Classification ¹	Tonnes	CuEq (%)	Cu (%)	Co (%)	Au (ppm)
Inferred	3,070,000	1.29	0.35	0.14	0.12

¹ Cut-off of 1.0% CuEq has been applied for reporting of Mineral Resources; metal prices used were, Cu US\$ 4,600/t, Co US\$ 27,000/t, Au US \$1,330/oz, Ag US\$20/oz (October 1, 2016); metallurgical recoveries were not assumed.

* There are no more recent estimates or data available. To upgrade this work from an historical estimate to a current mineral resource, the Company will review the data set and complete additional drilling and modelling work to verify the historic estimate as a current mineral resource or mineral reserve. A qualified person has not done sufficient work to classify the historical estimate as current mineral resources or reserves, and the issuer is not treating the historical estimate as current mineral resources or reserves.

The deposit remains has been defined along a 1.5-kilometre strike length and remains open to depth and along strike both to the south and north of current drilling limits. Similar geological units and evidence of copper and cobalt mineralisation have been mapped over a 1.5-kilometre zone to the north of the current drill area and the opportunity to discover additional mineralisation is excellent.

1.2.5 Selected Annual Financial Information

The following table presents selected financial information for the three most recent fiscal years; the results are presented in accordance with IFRS.

	Fiscal year ended June 30, 2019 -\$-	Fiscal year ended June 30, 2018 -\$-
Revenue	-	-
Loss and comprehensive loss	(1,020,610)	(875,401)
Basic and diluted loss per share	(0.02)	(0.02)
Total assets	6,415,514	4,489,309
Total long-term financial liabilities	-	-

1.2.6 Results of Operations

For the three months ended September 30, 2019 the Company reported a net loss of \$223,071 or (\$0.00) per share (2018 – \$196,850 or \$0.02 per share). During this period, significant changes in expenses occurred in the expense categories described below.

Operating expenses totaled \$229,968 for the three months ended September 30, 2019 (2018 - \$196,850) as a result of the Company's efforts to market its assets, seek additional financing and research new acquisitions.

The details for the general and administrative expenses for the three months ended September 30, 2019 and 2018 are as follows:

	Three months ended September 30,	
	2019	2018
	- \$ -	- \$ -
Expenses		
General administrative and office	26,412	67,955
Interest expense	1,839	-
Consulting fees	22,500	22,500
Management fees	27,000	27,000
Marketing and advertising	29,679	35,446
Investor Relations	33,333	-
Corporate development	47,234	30,000
Professional fees	16,160	3,000
Filing fees	4,166	5,417
Travel	21,654	5,532
Loss from operations	229,978	196,850

G&A expenses recorded in the statement of operations reflect the normal corporate business cycle. The Company strives to provide efficient and cost-effective administrative support to management's ongoing efforts to monitor expenditures and costs, and to increase shareholder value.

1.2.7 Summary of Quarterly Results

The following table sets out certain financial information of the Company for each of the last 8 quarters, beginning with the second quarter of fiscal 2018. This financial information has been prepared in accordance with IFRS issued by the International Accounting Standard Board ("IASB").

	Q4, 2019	Q4, 2019	Q3, 2019	Q2, 2019
	\$	\$	\$	\$
Net revenues	-	-	-	-
Loss and comprehensive loss (gain)	223,071	425,367	192,050	206,344
Loss per share	0.01	(0.01)	(0.01)	0.00

	Q1, 2019	Q4, 2018	Q3, 2018	Q2, 2018
	\$	\$	\$	\$
Net revenues	-	-	-	-
Loss and comprehensive loss (gain)	196,850	81,668	241,010	269,568
Loss per share	0.00	0.01	(0.01)	(0.01)

Quarterly results are highly variable for exploration companies depending on whether the company has abandoned any properties, write off the deferred expenses or granted any stock options.

1.2.8 Liquidity

The Company is a mining exploration and development company with no producing resource properties, and consequently does not generate operating income or cash flow. To date, the Company has relied upon the sale of equity securities to provide working capital for capital acquisitions, exploration and development activities, and to fund the administration of the Company. Since the Company does not expect to generate any revenues in the near future, it will continue to rely upon equity and debt financing to raise capital. There can be no assurance that financing will be available to the Company when required, or on terms satisfactory to the Company.

At September 30, 2019, the Company had \$86,900 in cash (June 30, 2019 – \$324,207).

1.2.9 Capital Resources

The Company's working capital at September 30, 2019 was \$120,992 (June 30, 2019 – \$482,612).

1.2.10 Fourth Quarter

N/A

1.2.12 Critical Accounting Estimates

The Company's significant accounting policies are contained in Note 3 to the Audited Financial Statements for the year ended June 30, 2019. The preparation of the Audited Financial Statements in conformity with International Financial Reporting Standards ("IFRS") requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Estimates and underlying assumptions are reviewed on an ongoing basis. Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the Audited Financial Statements included the following:

Provisions and contingencies

The amount recognized as provision, including legal, contractual and other exposures or obligations, is the best estimate of the consideration required to settle the related liability, including any related interest charges, taking into account the risks and uncertainties surrounding the obligation. In addition, contingencies will only be resolved when one or more future events occur or fail to occur. Therefore, assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events. The Company assesses its liabilities and contingencies based upon the best information available, relevant tax laws and other appropriate requirements.

1.2.13 Changes in Accounting Policies including Initial Adoption of IFRS

The Company adopted IFRS 16 as at July 1, 2019.

Future Accounting Pronouncements

A number of other new standards and issued amendments to standards and interpretations are not yet effective for the year ending June 30, 2020 and have not been applied when preparing the Company's financial statements. Management does not currently expect the implementation of these new standards and amendments will have a significant effect on the financial statements of the Company.

Financial Instruments and Other Instruments

Financial liabilities included in the statement of financial position are as follows:

	September 30, 2019	June 30, 2019
	-\$-	-\$-
Accounts payable	53,824	75,793
Accrued liabilities	10,500	25,500
	64,324	101,293

Financial Instruments

Financial instruments are agreements between two parties that result in promises to pay or receive cash or financial instruments. The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL. Receivables, accounts payable, and convertible debenture are classified at amortized cost. Cash is classified as FVTPL and marketable securities at FVTOCI.

Fair value hierarchy

The Company provides information about its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value:

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

At June 30, 2019, the fair values of cash and marketable securities have been determined using level 1 inputs. The carrying value of receivables, accounts payable, and convertible debentures approximates their fair value due to their short term maturity.

Financial Risk and Capital Management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

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, receivables and deposits. Risk associated with cash is managed through the use of major banks which are high credit quality financial institutions as determined by rating agencies. Credit risk is assessed as low.

Foreign Exchange Risk

Foreign currency risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate as they are denominated in currencies that differ from the respective functional currency. The Company's functional currency is the Canadian dollar, limited current assets are in Australian dollars and the Company is therefore exposed to foreign currency risk on those assets.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements. The Company assessed its liquidity risk as high.

The following is an analysis of the contractual maturities of the Company's non-derivative financial liabilities at September 30, 2019:

	Due on demand -\$-	Within one year -\$-	Between one and five years -\$-	More than five years -\$-
Accounts payable and accrued liabilities	64,324	-	-	-
Convertible debenture	7,843	-	-	-
	72,167	-	-	-

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's convertible debentures bear fixed interest rate and therefore does not expose to interest rate risk.

There were no changes in the Company's approach to risk management during the reporting period.

Capital Management

The Company defines its capital as shareholders' equity. It manages its capital structure and makes adjustments to it based on the funds available to the Company in order to support future business opportunities. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company is dependent upon external financing or the sale of assets to fund activities. In order to carry future projects and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The approach to capital management has not changed since the prior year, and the Company is not subject to externally imposed capital requirements.

1.2.14 Other MD&A Requirements

Disclosure of Outstanding Share Data

At September 30, 2019 and as of the date of this report, there are 96,762,016 common shares outstanding (June 30, 2019 – 96,762,016) and 4,806,482 stock options outstanding (June 30, 2019 – 4,806,482) At September 30, 2019 there are 33,986,401 share purchase warrants outstanding and at the date of this report there are 27,652,133 share purchase warrants outstanding (June 30, 2019 – 33,986,401).

3,685,180 share purchase warrants valued at \$0.15 expired on November 25, 2019.

2,603,194 share purchase warrants valued at \$0.15 expired on November 27, 2019.

On June 27, 2019, the Company issued 19,255,641 units at a price of 0.065 per common shares to Hammer Metals Ltd for exploration and development work.

On June 7, 2019, the Company issued 2,000,000 units at a price of \$0.075 per common shares to a third party for exploration and development work.

On May 10, 2019, the Company issued 3,380,000 common shares in lieu of payment for services to insiders and third-party consultants.

On May 1, 2019, the Company granted 250,000 stock options to an Investor Relations consultant.

On April 16, 2019, the Company issued 16,270,000 units at a price of \$0.05 per Unit for gross proceeds of \$813,500, of a previously announced non-brokered private placement of \$750,000.

The Company paid \$8,700 and 357,200 finders' shares as finder's fees on this private placement.

Each Unit is comprised of one common share of the Company and one transferable common share purchase warrant. Each Warrant will be exercisable to purchase an additional Share of the Company for a period of 36 months from the closing date at a price of CAD\$0.10 subject to acceleration. All securities issued in connection with the Private Placement will be subject to a statutory hold period of 4 months plus a day from the Closing Date in accordance with applicable securities legislation.

Warrants are subject to an acceleration clause whereby if on any 10 consecutive Trading Days occurring after four months and one day has elapsed from the Closing Date, the daily volume weighted average trading price of the common shares of the Company is at least \$0.20 per share, the Company may accelerate the expiry date of the Warrants to the 30th day after the date on which the Company gives notice to the Subscriber in accordance with the Warrant of such acceleration.

On March 22, 2019, the Company issued 384,627 common shares at a fair value of \$17,860 to Nevada Sunrise Corp as part of the option agreement to acquire up to 85% of the Lovelock and Treasure Box project.

On January 31, 2019, the Company issued 1,728,133 common shares at a fair value of \$86,407 per share to Nevada Sunrise Corp as part of the option agreement to acquire up to 85% of the Lovelock and Treasure Box project.

On November 26, 2018, the Company issued 2,603,193 units at a price of \$0.075 per Unit for gross proceeds of \$195,239, the second and final tranche of a previously announced non-brokered private placement of \$500,000.

On November 19, 2018 the Company closed the first tranche of \$276,389. A total of 3,685,180 units were issued to complete the first tranche.

In total 6,288,374 shares were issued in conjunction with this financing with the Company raising an aggregate of \$471,628. The Company paid \$5,863 and 45,893 broker warrants as finder's fees on this private placement.

Each Unit is comprised of one common share of the Company and one transferable common share purchase warrant. Each Warrant will be exercisable to purchase an additional Share of the Company for a period of 12 months from the closing date at a price of CAD\$0.15 subject to acceleration. All securities issued in connection with the Private Placement will be subject to a statutory hold period of 4 months plus a day from the Closing Date in accordance with applicable securities legislation.

Warrants are subject to an acceleration clause whereby if on any 10 consecutive Trading Days occurring after four months and one day has elapsed from the Closing Date, the daily volume weighted average trading price of the common shares of the Company is at least \$0.20 per share, the Company may accelerate the expiry date of the Warrants to the 30th day after the date on which the Company gives notice to the Subscriber in accordance with the Warrant of such acceleration.

Risks and uncertainties

The Company is in the business of acquiring, exploring and, if warranted, developing mineral properties, which is a highly speculative endeavour, and the Company's future performance may be affected by events, risks or uncertainties that are outside of the Company's control.

The Company's management consider the risks set out below to be the most significant to potential investors of the Company, but not all risks associated with an investment in securities of the Company. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the directors are currently unaware or which they consider not be material in relation to the Company's business, actually occur, the Company's assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects, are likely to be materially and adversely affected.

In such circumstances, the price of the Company's securities could decline and investors may lose all or part of their investment.

Limited Operating History

The Company is still in an early stage of development. The Company is engaged in the business of acquiring, exploring and, if warranted, developing mineral properties in the hope of locating economic deposits of minerals. The Company's mineral interests are in the early stages of exploration and are without a known deposit of commercial ore. The Company has no history of earnings. There is no guarantee that economic quantities of mineral reserves will be discovered on the Company's property.

Management

The success of the Company is currently dependant on the performance of its directors and officers. The loss of the services of any of these persons could have a materially adverse effect on the Company's business and prospects. There is no assurance that the Company can maintain the services of its directors, officers or other qualified personnel required to operate its business. At this date there are no indications that any change in management cannot be maintained at the current structure.

Conflicts of Interest

Various of the Company's directors, officers and other members of management may in the future, serve as directors, officers, promoters and members of management of other companies involved in the acquisition, exploration and development of mineral resource properties and, therefore, it is possible that a conflict may arise between their duties as a director, officer, promoter or member of the Company's management team and their duties as a director, officer, promoter or member of management of such other companies. The Company's directors and officers are aware of the laws governing accountability of directors and officers for corporate opportunity and the requirement of

directors to disclose conflicts of interest. The Corporation will rely upon these laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors or officers.

Additional Funding Requirements

From time to time, the Company will require additional financing in order to carry out its acquisition, exploration and development activities. Failure to obtain such financing on a timely basis could cause the Company to forfeit its interest in certain properties, miss certain acquisition opportunities and reduce or terminate its operations. If the Company's cash flow from operations is not sufficient to satisfy its capital or resource expenditure requirements, there can be no assurance that additional debt or equity financing will be available to meet these requirements or be available on favourable terms.

Price Volatility and Lack of Active Market

In recent years, the securities markets in Canada and elsewhere have experienced a high level of price and volume volatility, and the market prices of securities of many public companies have experienced significant fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. Any quoted market for the Company's securities may be subject to such market trends and that the value of such securities may be affected accordingly.