

FILING STATEMENT

IN RESPECT OF THE QUALIFYING TRANSACTION

BY

XAU RESOURCES INC.

THE OPTION TO ACQUIRE INTEREST IN THE NOSENO PROPERTY

Neither the TSX Venture Exchange Inc. nor any securities regulatory authority has in any way passed upon the merits of the Qualifying Transaction described in this Filing Statement.

Dated as of June 14, 2022

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GLOSSARY

Unless the context otherwise provides, the following terms used in this Filing Statement and the Schedules hereto shall have the meanings ascribed to them as set forth below:

"**Affiliate**" means a company that is affiliated with another company as described below. A company is an "Affiliate" of another company if:

- (a) one of them is the subsidiary of the other, or
- (b) each of them is controlled by the same person.

A company is "controlled" by a person if:

- (a) voting shares of the company are held, other than by way of security only, by or for the benefit of that person, and
- (b) the voting shares, if voted, entitle the person to elect a majority of the directors of the company.

A person beneficially owns securities that are beneficially owned by:

- (a) a company controlled by that person, or
- (b) an Affiliate of that person or an Affiliate of any company controlled by that person;

"**Agent**" means Hampton Securities Limited;

"**Associate**" when used to indicate a relationship with a person or company, means:

- (a) an issuer of which the person beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to outstanding securities of the issuer,
- (b) any partner of the person,
- (c) any trust or estate in which the person has a substantial beneficial interest or in respect of which a person serves as trustee or in a similar capacity; and
- (d) in the case of a person who is an individual
 - (i) that person's spouse or child, or
 - (ii) any relative of the person or of his spouse who has the same residence as that person;

but

- (e) where the Exchange determines that two persons shall, or shall not, be deemed to be associates with respect to a Member firm, Member corporation or holding company of a Member corporation, then such determination shall be determinative of their relationships

in the application of Rule D.1.00 of the TSX Venture Exchange Rule Book and Policies with respect to that Member firm, Member corporation or holding company;

"**Authors**" means Kevin P. Thomson, P.Geol. and Dennis J. LaPoint, Ph.D., who are qualified persons within the meaning of NI 43-101;

"**CBCA**" means the *Canada Business Corporations Act*, as amended, including all regulations promulgated thereunder;

"**Closing**" means the closing of the Qualifying Transaction, which will take place on the Closing Date;

"**Closing Date**" means the date of closing of the Qualifying Transaction, being such date as may be agreed upon between the Corporation and NW Exploration, following receipt of all necessary regulatory and shareholder approvals;

"**Common Shares**" means the common shares in the capital of the Corporation;

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

"**Completion of the Qualifying Transaction**" means the date the Final Exchange Bulletin is issued by the Exchange;

"**Control Person**" means any person that holds or is one of a combination of persons that holds a sufficient number of any of the securities of an issuer so as to affect materially the control of that issuer, or that holds more than 20% of the outstanding voting securities of an issuer except where there is evidence showing that the holder of those securities does not materially affect the control of the issuer;

"**Corporation**" means XAU Resources Inc., a CPC incorporated under the CBCA, and where the context so requires, the Resulting Issuer upon Completion of the Qualifying Transaction;

"**CPC**" means a corporation or trust:

- (a) that has filed and obtained a receipt for a preliminary CPC prospectus from one or more of the securities regulatory authorities in compliance with the CPC Policy; and
- (b) in regard to which the Final QT Exchange Bulletin has not yet been issued;

"**CPC Escrow Agreement**" means the amended and restated escrow agreement dated July 27, 2021 among the Corporation, TSX Trust Company and certain shareholders of the Corporation, pursuant to which an aggregate of 4,100,000 Common Shares are subject to escrow in accordance with the CPC Policy;

"**CPC Escrowed Shares**" means the Common Shares held in escrow pursuant to the terms of the CPC Escrow Agreement;

"**CPC Policy**" means Exchange Policy 2.4 entitled "Capital Pool Companies";

"**CPC Stock Options**" means the incentive stock options to acquire up to 822,222 Common Shares at an exercise price of \$0.10 per Common Share until July 18, 2024, which were granted to the directors and officers of the Corporation;

"**Exchange**" means the TSX Venture Exchange Inc.;

"Filing Statement" means this filing statement of the Corporation including the schedules attached hereto;

"Final Exchange Bulletin" means the Exchange bulletin which is issued following Closing of the Qualifying Transaction and the submission of all required documentation and that evidences the final Exchange acceptance of the Qualifying Transaction;

"Financing" means the non-brokered financing on a private placement basis of 4,000,000 subscription receipts at a price of \$0.25 per subscription receipt, for gross proceeds of \$1,000,000, to be completed on or prior to Completion of the Qualifying Transaction;

"IFRS" means International Financial Reporting Standards as set out in the CPA Canada Handbook;

"Initial Listing Requirements" has the meaning ascribed to such term in Exchange Policy 2.1 entitled "Initial Listing Requirements";

"Insider" if used in relation to an issuer, means:

- (a) a director or senior officer of the issuer,
- (b) a director or senior officer of a company that is an Insider or subsidiary of the issuer,
- (c) a person that beneficially owns or controls, directly or indirectly, voting shares carrying more than 10% of the voting rights attached to all outstanding voting shares of the issuer, or
- (d) the issuer itself if it holds any of its own securities;

"IPO Agency Agreement" means the agency agreement dated as of February 27, 2019 between the Corporation and the Agent relating to the Corporation's initial public offering;

"Member" has the meaning given in Exchange Rule A.1.00;

"Named Executive Officer" or **"NEO"** means each of the following individuals:

- (a) a chief executive officer (CEO);
- (b) a chief financial officer (CFO);
- (c) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, for that financial year; and
- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the company, nor acting in a similar capacity, at the end of that financial year;

"NI 43-101" means National Instrument 43-101 adopted by the Canadian Securities Administrators and entitled *"Standards of Disclosure for Mineral Projects"*;

"Non-Arm's Length Qualifying Transaction" means a proposed Qualifying Transaction where the same party or parties or their respective Associates or Affiliates are Control Persons in both the CPC and in relation to the Significant Assets which are to be the subject of the proposed Qualifying Transaction;

"Noseno Property" means the property consisting of 37 licenses covering approximately 37,623 acres (15,225.5 ha., or 152.26 km²) located approximately 210 km west of Georgetown, Guyana, as more particularly described under "*Part II – Information Concerning the Noseno Property*";

"NW Exploration" means North West Exploration Inc., a Guyana-incorporated company, the owner of the Noseno Property and a party to the Property Option Agreement;

"person" means a company or an individual;

"Principals" has the meaning attributable thereto in Policy 5.4 – *Escrow, Vendor Consideration and Resale Restrictions* of the TSX Venture Exchange Corporate Finance Manual;

"Option" means the option to acquire a 100% undivided interest in the Noseno Property, pursuant to the terms and conditions of the Property Option Agreement, which will constitute the Corporation's Qualifying Transaction;

"Option Plan" means the stock option plan of the Corporation approved by the shareholders of the Corporation on June 29, 2021;

"Property Option Agreement" means an option agreement dated October 21, 2021, among the Corporation and NW Exploration, as amended, pursuant to which the Corporation has the exclusive option to acquire a 100% undivided interest in the Noseno Property in consideration for, amongst other things, making certain cash payments and incurring certain exploration expenditures;

"Qualifying Transaction" means generally a transaction where a CPC acquires Significant Assets other than cash, by way of purchase, amalgamation, merger or arrangement with another company or by other means and, in the case of the Corporation, means the Option;

"Resulting Issuer" means the Corporation upon Completion of the Qualifying Transaction;

"Resulting Issuer Options" means the CPC Stock Options and such additional incentive stock options of the Resulting Issuer as may be granted under the Option Plan to the directors, officers, employees and consultants of the Resulting Issuer;

"Resulting Issuer Shares" means the common shares in the capital of the Resulting Issuer;

"Significant Assets" means one or more assets or businesses which, when purchased, optioned or otherwise acquired by a CPC, together with any other concurrent transactions, would result in a CPC meeting the Initial Listing Requirements;

"Shareholders" means the holders of the Common Shares or the Resulting Issuer Shares as applicable;

"Technical Report" means the technical report on the Noseno Property prepared pursuant to the provisions of NI 43-101 by the Authors dated June 7, 2021 and titled "NI-43-101 Technical Report on the NOSENO Property, Guyana";

"Value Securities" has the meaning attributable thereto in Policy 5.4 –*Escrow, Vendor Consideration and Resale Restrictions* of the TSX Venture Exchange Corporate Finance Manual;

"Value Security Escrow Agreement" means the escrow requirements imposed by the Exchange Form 5D and Schedule B(1) Tier 2 Value Security Escrow Agreement on the Resulting Issuer Shares held by certain shareholders in connection with the closing of the Qualifying Transaction, as more particularly described in this Filing Statement; and

"Value Security Escrowed Shares" means the Resulting Issuer Shares to be held in escrow pursuant to the terms of the Value Security Escrow Agreement.

Words importing the singular number only include the plural and vice versa, and words importing any gender include all genders.

All dollars amounts herein are in Canadian dollars, unless otherwise stated.

FORWARD LOOKING STATEMENTS

This Filing Statement contains "forward-looking statements" which reflect the current expectations of management of the Corporation and the Resulting Issuer, as applicable, regarding the Corporation's and the Resulting Issuer's future growth, results of operations, performance and business prospects and opportunities. Wherever possible, words such as "may", "would", "could", "will", "anticipate", "believe", "plan", "expect", "intend", "estimate" and similar expressions have been used to identify these forward-looking statements. These forward looking statements include statements respecting the completion of the Financing and the Qualifying Transaction, the obtaining of final Exchange approval for the Qualifying Transaction and the listing of the Resulting Issuer's shares on the Exchange, the Resulting Issuer's proposed exploration activities, and the possible acquisition of the Noseno Property pursuant to the Property Option Agreement. These forward looking statements reflect management's current beliefs with respect to future events and are based on information currently available to management. Forward-looking statements involve a number assumptions, which include but are not limited to the completion of the ability of the Corporation to raise sufficient funds to complete the Financing and to satisfy the conditions in the Property Option Agreement and established by the Exchange to complete the Qualifying Transaction on the terms contemplated herein, the validity of the Resulting Issuer's interests and title to its resource properties as set out herein and its unfettered ability explore and exploit such resource properties, the price of gold and other minerals, currency exchange rates and foreign exchange controls, the availability of capital, as well as the non-occurrence of other circumstances that would have an adverse effect on the Resulting Issuer's business, operations, performance and prospects, many of which are described, but are expressly not limited to those set out, in the "Risk Factors" section of this Filing Statement. Many factors could cause the Corporation's and the Resulting Issuer's actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including, without limitation, the Corporation's limited history of operations and early stage of development, the acquisition of the Noseno Property not being completed, potential dilution of issued securities, various exploration and mining risks given that there is no known body of commercial ore on the Noseno Property and no certainty that exploration will result in discoveries of commercial quantities of minerals, market fluctuations, proximity and capacity of natural resource markets and processing equipment, government regulations, title disputes, commodity prices, uninsurable risks, operational hazards, the ability to obtain necessary licenses and permits, competition, environmental regulations, maintenance and provision of public infrastructure, dependence on key personnel, and potential conflicts of interest. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results, performance or achievements may vary materially from those expressed or implied by the forward-looking statements contained in this Filing

Statement. These factors should be considered carefully and prospective investors should not place undue reliance on the forward-looking statements. Although the forward-looking statements contained in this Filing Statement are based upon what management currently believes to be reasonable assumptions, the Corporation and the Resulting Issuer cannot assure prospective investors that actual results, performance or achievements will be consistent with these forward-looking statements.

SUMMARY OF FILING STATEMENT

The following is a summary of information relating to the, the Option and XAU Resources Inc. (assuming completion of the Qualifying Transaction) Corporation and the Qualifying Transaction and should be read together with the more detailed information and financial data and statements contained elsewhere in this Filing Statement. Capitalized terms used in this summary will have the meaning provided in the Glossary or elsewhere in this Filing Statement.

This Filing Statement is being prepared and filed in accordance with the CPC Policy in connection with the Corporation's Qualifying Transaction.

The Corporation:

The Corporation was incorporated on June 18, 2018 pursuant to the provisions of the CBCA under the name "XAU Resources Inc." The head office and registered office of the Corporation is located at P.O. Box 35, TD Bank Tower 66 Wellington Street West, Suite 4100, Toronto, Ontario, M5K 1B7. The authorized capital of the Corporation consists of an unlimited number of Common Shares and an unlimited number of preferred shares. As of the date of the Filing Statement, 8,611,500 Common Shares were issued and outstanding. See *"Part I - Information Concerning the Corporation - Name and Incorporation"*.

On July 18, 2019, the Corporation completed its initial public offering of 4,441,500 Common Shares at a price of \$0.10 for total proceeds of \$441,150. The Common Shares commenced trading on the Exchange on July 26, 2019, under the symbol "GIG.P" The Corporation is a CPC under the policies of the Exchange. As a CPC, the principal business of the Corporation is the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. See *"Part I - Information Concerning the Corporation – General Development of the Business – History"*.

The Option:

The Corporation has entered into the Property Option Agreement, pursuant to which the Corporation was granted the exclusive option to acquire a 100% undivided interest in the Noseno Property, which consists of 37 licenses covering approximately 37,623 acres (15,225.5 ha., or 152.26 km²) located approximately 210 km west of Georgetown, Guyana, as more particularly described under *"Part II – Information Concerning the Noseno Property"* (previously defined as the "**Option**"). The Option is intended to serve as the Corporation's Qualifying Transaction.

The Resulting Issuer will be engaged in the business of exploring for minerals on the Noseno Property. See *"Part II - Information Concerning the Noseno Property"* and *"Part III - Information Concerning the Resulting Issuer Upon Completion of the Qualifying Transaction"*.

Summary of the Terms of the Qualifying Transaction:

Pursuant to the Property Option Agreement, the Corporation may acquire a one hundred percent (100%) undivided interest in the Noseno Property by, among other things, making the following annual cash payments and incurring the following annual minimum work expenditures, all over a four-year period:

Payment Date	Annual Cash Payments	Work Expenditures
On or before October 21, 2023	NIL	CAD \$632,400 ⁽²⁾
On or before October 21, 2024	CAD \$379,440 ⁽¹⁾	CAD \$1,264,800 ⁽⁴⁾
On or before October 21, 2025	CAD\$758,880 ⁽³⁾	CAD\$1,897,200 ⁽⁵⁾
On or before October 21, 2026	CAD\$2,023,680 ⁽⁶⁾	CAD\$2,529,600 ⁽⁷⁾

Notes:

- (1) Converted from USD\$300,000 based on the Bank of Canada daily average rate of exchange on May 31, 2022 which was US\$1.00 = C\$1.2648.
- (2) Converted from USD\$500,000 based on the Bank of Canada daily average rate of exchange on May 31, 2022 which was US\$1.00 = C\$1.2648.
- (3) Converted from USD \$600,000 based on the Bank of Canada daily average rate of exchange on May 31, 2022 which was US\$1.00 = C\$1.2648.
- (4) Converted from USD\$1,000,000 based on the Bank of Canada daily average rate of exchange on May 31, 2022 which was US\$1.00 = C\$1.2648.
- (5) Converted from USD\$1,500,000 based on the Bank of Canada daily average rate of exchange on May 31, 2022 which was US\$1.00 = C\$1.2648.
- (6) Converted from USD\$1,600,000 based on the Bank of Canada daily average rate of exchange on May 31, 2022 which was US\$1.00 = C\$1.2648.
- (7) Converted from USD\$2,000,000 based on the Bank of Canada daily average rate of exchange on May 31, 2022 which was US\$1.00 = C\$1.2648.

The Corporation may accelerate and carry forward any of the cash payments or work expenditures. Upon full exercise of the option, the Corporation shall grant to NW Exploration a three percent (3%) net smelter returns royalty with respect to commercial production from the Noseno Property.

As of the date hereof, the Corporation has 8,611,500 Common Shares issued and outstanding. On Completion of the Qualifying Transaction, the following securities of the Corporation will be issued and outstanding:

- 12,611,500 Resulting Issuer Shares;
- 1,222,222 Resulting Issuer Options; and
- 20,188 Resulting Issuer Finder Warrants.

An aggregate of 5,377,689 Resulting Issuer Shares will be escrowed. Please see "Part III – Information Concerning the Resulting Issuer Upon

Completion of the Qualifying Transaction – Escrowed Securities" for release provisions.

Conditions to Completion of Qualifying Transaction:

The Closing of the Qualifying Transaction is conditional upon, among other things, obtaining Exchange approval for the Qualifying Transaction. See "*Part III - Information Concerning the Resulting Issuer Upon Completion of the Qualifying Transaction - Summary of the Qualifying Transaction*".

Directors, Officers and Insiders of the Corporation upon Completion of the Qualifying Transaction:

Upon Completion of the Qualifying Transaction, the directors, officers and Insiders of the Corporation, and the number and percentage of Common Shares which such directors, officers and Insiders and their Associates and Affiliates will own or control will be as follows:

Directors and Officers and Insiders	Number of Common Shares Prior to Completion of the Qualifying Transaction	Number of Resulting Issuer Shares on Completion of the Qualifying Transaction⁽¹⁾	Percentage of Common Shares on Completion of the Qualifying Transaction⁽²⁾
Gairat Gary Bay	370,000	370,000	2.93%
Peter Hambro	1,332,000	2,509,689 ⁽³⁾	19.90% ⁽³⁾
Nataliya Hearn	100,000	100,000	0.79%
Dan Hrushewsky	100,000	100,000	0.79%
Danièle Spethmann	Nil	Nil	0.00%
Andrey Maruta	200,000	200,000	1.59%
Alexey Maslovskiy	666,000	666,000	5.28%
Pavel Maslovskiy	1,332,000	1,332,000	10.56%
TOTAL	4,100,000	5,277,689	41.85%

Notes:

- (1) Of these, an aggregate 5,277,689 Resulting Issuer Shares will be held in escrow pursuant to the CPC Escrow Agreement and Value Security Escrow Agreement. Please see "*Part III – Information Concerning the Resulting Issuer Upon Completion of the Qualifying Transaction – Escrowed Securities*".
- (2) Based on 12,611,500 Resulting Issuer Shares outstanding.
- (3) Includes subscription receipts convertible into 1,177,689 Resulting Issuer Shares purchased by Catopriam Ltd. under the Financing. Peter Hambro has a beneficial ownership interest in Catopriam Ltd.

See "Part III - Information Concerning the Resulting Issuer Upon Completion of the Qualifying Transaction - Directors, Officers and Promoters of the Resulting Issuer".

Arm's Length Party Transaction:

The Qualifying Transaction, if completed, is an Arm's Length Qualifying Transaction.

Shareholder Approval:

Shareholder approval is not required to complete the Qualifying Transaction. The Qualifying Transaction, if completed, is an Arm's Length Qualifying Transaction, and thus Shareholder approval is not required as a matter of corporate law.

Available Funds:

Based upon the Corporation's working capital as at May 31, 2022, upon Completion of the Qualifying Transaction and the Financing, the Corporation will have working capital of approximately \$984,333. The available funds will be used for the recommended work program on the Noseno Property and the Corporation's general and administrative expenses. See *"Part III - Information Concerning the Resulting Issuer Upon Completion of the Qualifying Transaction - Available Funds"*.

Principal Purpose of Funds:

The following table sets forth the proposed use of the available funds by the Corporation for the twelve-month period following Completion of the Qualifying Transaction:

Use of Available Funds	Funds
Estimated remaining costs of the Qualifying Transaction	\$30,000 ⁽¹⁾
Phase 1 work program on the Noseno Property including exploration expenditures of CAD \$619,225.45 required to keep Noseno Property in good standing under the Property Option Agreements	\$641,254 ⁽²⁾
Finder's fee in connection with the Financing	\$5,047
General and administrative expenses for twelve months	\$200,000 ⁽³⁾
Unallocated working capital	\$108,032
Total	\$984,333

Notes:

- (1) \$25,544 has been paid to date in filing fees.
- (2) This represents the exploration expenditures of Phase 1 pursuant to the Technical Report. Converted from USD\$507,000 based on the Bank of Canada daily average rate of exchange on May 31, 2022 which was US\$1.00 = C\$1.2648. This amount

exceeds the minimum required work commitments pursuant to the Property Option Agreement.

- (3) Estimated costs relating to the following items: accounting and audit, consulting, various regulatory filing fees, shareholder communication, legal expenses, management fees, office expenses, rent, transfer agent expenses and travel.

Selected Pro Forma Consolidated Financial Statements:

	Pro Forma Balance Sheet as at January 31, 2022 (\$)
Current Assets	\$1,129,965
Total Assets	\$1,129,965
Current Liabilities	\$17,590
Total liabilities	\$17,590
Shareholder's Equity	\$1,112,375

Trading Price:

The Common Shares are listed on the Exchange under the trading symbol "GIG.P". Trading commenced on July 26, 2019. Trading in the Common Shares was halted at the request of the Corporation pending the announcement of the Qualifying Transaction. On August 17, 2021, immediately prior to the halt, the closing price of the Common Shares on the Exchange was \$0.055.

Conflicts of Interest:

Certain of the directors and officers of the Corporation and proposed directors and officers of the Resulting Issuer are also directors, officers or shareholders of other companies. Such associations may give rise to conflicts of interest from time to time. See "*Part IV - Description of the Risk Factors Associated with the Qualifying Transaction*".

Sponsorship for the Qualifying Transaction:

Pursuant to the Exchange's Policy 2.2 – Sponsorship and Sponsorship Requirements, sponsorship is generally required in conjunction with a Qualifying Transaction. The Corporation has made application to the Exchange for an exemption from the sponsorship requirement pursuant to section 3.4 of Policy 2.2. There can be no assurances that the Corporation will be granted an exemption from sponsorship. See "*Part III - Information Concerning the Resulting Issuer Upon Completion of the Qualifying Transaction - Sponsor*".

Interests of Experts:

Audit reports described or included in this Filing Statement were prepared by RSM Canada LLP. RSM Canada LLP does not beneficially own, directly or indirectly, any securities, nor do they have any interest in the property of the Corporation or the Resulting Issuer. The Technical Report referred to and summarized herein was prepared by the Authors.

Except as disclosed herein, no professional person who has provided an opinion or report referenced in this Filing Statement currently holds more

than 1% of the Common Shares and, upon Completion of the Qualifying Transaction, will hold more than 1% of the issued and outstanding Resulting Issuer Shares.

Moreover, none of the foregoing persons or any of their respective directors, officers or employees is, or expects to be, elected, appointed or employed as a director, officer or employee of the Resulting Issuer or its Associates or Affiliates.

Risk Factors:

There are inherent risks in the business of the Corporation and the Resulting Issuer upon the Completion of the Qualifying Transaction. The Qualifying Transaction must be considered speculative due to the early exploration stage of the Noseno Property, and the Corporation's relatively formative stage of development and very limited history of operations. Shareholders must rely on the ability, expertise, judgment, discretion, integrity and good faith of the management of the Corporation. There is no guarantee that the Resulting Issuer will be able to secure future financing to meet its future needs on reasonable terms, or at all, and there is no guarantee that the Qualifying Transaction will be completed. The Resulting Issuer may have to sell additional securities, the effect of which will result in a dilution of the equity interests of any existing shareholders. There is no known body of commercial ore on the Noseno Property and there is no certainty that exploration will result in discoveries of commercial quantities of minerals. The marketability of natural resources which may be acquired or discovered by the Resulting Issuer will be affected by numerous factors beyond its control, including but not limited to market fluctuations, the proximity and capacity of natural resource markets and processing equipment, and government regulations including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. Title to the Noseno Property may be disputed in certain circumstances. Factors beyond the control of the Resulting Issuer and which cannot be accurately predicted may affect the marketability and price of any minerals discovered, including but not limited to international, economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumptive patterns, speculative activities and increased production due to new extraction developments and improved extraction and production methods. Liabilities could arise from uninsurable risks (such as most environmental risks) that could reduce or eliminate any future profitability and result in an increase of costs and a decline in values of securities of the Resulting Issuer. The business of the Resulting Issuer will be subject to certain operating risks and hazards which are outside its control, such as unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, explosions, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labour. Operations of the Resulting Issuer will require licenses and permits from various governmental authorities and there can be no guarantee that the Resulting Issuer will be able to obtain and maintain such licenses and permits at all times. Competition in the mineral exploration business is intense and could adversely affect the ability of the Resulting Issuer to suitably develop its properties. Mining operations are subject to federal, provincial and local

laws relating to the protection of the environment, including laws regulating removal of natural resources from the ground and the discharge of materials into the environment. Compliance with such laws may cause substantial delays or require capital outlays in excess of those anticipated. Mining, processing, development and exploration activities depend on adequate public infrastructure which affect capital and operating costs. The Resulting Issuer's future success and growth depends in part upon the experience of a number of key management personnel and the departure of such personnel could have an adverse effect on the Resulting Issuer. Conflicts of interest may arise among the proposed directors of the Resulting Issuer and their associations to other companies. See *"Part IV - Description of the Risk Factors Associated with the Qualifying Transaction"*.

**Conditional
Approval:**

The Corporation has applied to the Exchange for conditional approval of the Option as the Corporation's Qualifying Transaction.

PART I - INFORMATION CONCERNING THE CORPORATION

Name and Incorporation

The Corporation was incorporated on June 18, 2018 by the Certificate of Incorporation issued pursuant to the provisions of the CBCA under the name "XAU Resources Inc." The head office and registered office of the Corporation is located at P.O. Box 35, TD Bank Tower 66 Wellington Street West, Suite 4100, Toronto, Ontario M5K 1B7.

The authorized capital of the Corporation consists of an unlimited number of Common Shares and an unlimited number of preferred shares. As of the date of this Filing Statement, 8,611,500 Common Shares were issued and outstanding.

The Corporation does not have any subsidiaries.

General Development of the Business

History

The Corporation is a CPC pursuant to the CPC Policy. On July 18, 2019, the Corporation completed its initial public offering of 4,441,500 Common Shares at a price of \$0.10 for total proceeds of \$441,150 by way of an amended and restated final prospectus dated May 22, 2019, which was filed in the Provinces of Alberta, British Columbia and Ontario. The Common Shares commenced trading on the Exchange on July 26, 2019.

Trading in the Common Shares was halted at the request of the Corporation pending the announcement of the Qualifying Transaction. Trading is expected to resume on the Exchange following Completion of the Qualifying Transaction. The closing price of the Common Shares on the Exchange on August 17, 2021, immediately prior to the halt, was \$0.055.

The Corporation has conducted no business operations except for the identification and evaluation of potential Qualifying Transactions, including the evaluation of the Option as a Qualifying Transaction.

At the Corporation's annual general meeting held on June 29, 2021, the shareholders of the Corporation approved the following changes arising from the Exchange amended Policy 2.4 – Capital Pool Companies that came into effect on January 1, 2021 (the "**New CPC Policy**"): (i) to amend the Corporation's Stock Option Plan to become a "10% rolling" plan prior to the Corporation completing a Qualifying Transaction; (ii) to remove the consequences of failing to complete a Qualifying Transaction within 24 months of the date the Corporation's Common Shares became listed on the Exchange; and (iii) to enter into a new escrow agreement in the form adopted by the for CPCs on January 1, 2021 to supersede the Corporation's existing escrow agreement. In addition, under the New CPC Policy, the Corporation is permitted to implement certain changes from the Former Policy without obtaining shareholder approval including, but not limited to: (i) increasing the maximum aggregate gross proceeds to the treasury that the Corporation can raise from the issuance of shares under an IPO, as seed shares and by private placement to the new maximum of \$10,000,000, rather than \$5,000,000 which was the limit under the Former Policy; (ii) removing the restriction which provided that no more than the lesser of 30% of the gross proceeds from the sale of securities issued by the Corporation and \$210,000 may be used for purposes other than identifying and evaluating assets or businesses and obtaining shareholder approval for a proposed Qualifying Transaction, and implementing the restrictions on the permitted use of proceeds and prohibited payments under the New CPC Policy, under which reasonable general and administrative expenses not exceeding \$3,000 per month are permitted; (iii) removing the restriction on

the Corporation issuing new agent's options in connection with a private placement; and (iv) removing the restriction preventing one person from serving as the chief executive officer, chief financial officer and corporate secretary of the Corporation at the same time. The Corporation intends to avail itself of the foregoing if, as and when applicable.

Option

The Option will constitute the Corporation's Qualifying Transaction under the CPC Policy. The property that may be acquired consists of 37 licenses covering approximately 37, 623 acres located approximately 210 km west of Georgetown Guyana, as more particularly described under "*Part II – Information Concerning the Noseno Property.*" Pursuant to the Property Option Agreement, the Corporation may acquire a one hundred percent (100%) undivided interest in the Noseno Property by, among other things, making the following annual cash payments and incurring the following annual minimum work expenditures, all over a four-year period:

Payment Date	Annual Cash Payments	Work Expenditures
On or before October 21, 2023	NIL	CAD \$632,400 ⁽²⁾
On or before October 21, 2024	CAD \$379,440 ⁽¹⁾	CAD \$1,264,800 ⁽⁴⁾
On or before October 21, 2025	CAD\$758,880 ⁽³⁾	CAD\$1,897,200 ⁽⁵⁾
On or before October 21, 2026	CAD\$2,023,680 ⁽⁶⁾	CAD\$2,529,600 ⁽⁷⁾

Notes:

- (1) Converted from USD\$300,000 based on the Bank of Canada daily average rate of exchange on May 31, 2022 which was US\$1.00 = C\$1.2648.
- (2) Converted from USD\$500,000 based on the Bank of Canada daily average rate of exchange on May 31, 2022 which was US\$1.00 = C\$1.2648.
- (3) Converted from USD \$600,000 based on the Bank of Canada daily average rate of exchange on May 31, 2022 which was US\$1.00 = C\$1.2648.
- (4) Converted from USD\$1,000,000 based on the Bank of Canada daily average rate of exchange on May 31, 2022 which was US\$1.00 = C\$1.2648.
- (5) Converted from USD\$1,500,000 based on the Bank of Canada daily average rate of exchange on May 31, 2022 which was US\$1.00 = C\$1.2648.
- (6) Converted from USD\$1,600,000 based on the Bank of Canada daily average rate of exchange on May 31, 2022 which was US\$1.00 = C\$1.2648.
- (7) Converted from USD\$2,000,000 based on the Bank of Canada daily average rate of exchange on May 31, 2022 which was US\$1.00 = C\$1.2648.

The Corporation may accelerate and carry forward any of the cash payments or work expenditures. Upon full exercise of the option, the Corporation shall grant to NW Exploration a three percent (3%) net smelter returns royalty with respect to commercial production from the Noseno Property.

Completion of the Qualifying Transaction is subject to various conditions precedent, including, but not limited to:

- (a) the Financing and the Qualifying Transaction having been conditionally accepted by the Exchange;
- and
- (b) completion of the Financing.

The Qualifying Transaction, if completed, is an Arm's Length Qualifying Transaction. No Shareholder approval is required to complete the Qualifying Transaction.

Financing

As announced by the Corporation on October 22, 2021, March 7, 2022 and March 8, 2022, the Corporation completed a non-brokered private placement on March 7, 2022.

The non-brokered private placement (previously defined as the "**Financing**") consisted of the offering, on a non-brokered private placement basis, of 4,000,000 subscription receipts at a price of \$0.25 per subscription receipt, for gross proceeds of \$1,000,000.

Due to Insider participation, the Financing was a "related party transaction" pursuant to Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions ("**MI 61-101**"). The Financing was exempt from the requirement to obtain minority shareholder approval pursuant to paragraph 5.7(1) b. of MI 61-101, as it was a distribution of securities for cash consideration with a fair market value of not more than \$2,500,000. Peter Hambro and Alexey Maslovskiy declared their interest and recused themselves from approving the resolutions of the Board of Directors in respect of the Financing, and the resolutions were unanimously approved by the remaining disinterested directors.

In connection with the Financing, \$5,047 in cash and 20,188 finder warrants will be paid to certain finders upon Completion of the Qualifying Transaction. Each finder warrant entitles the holder thereof to purchase one Resulting Issuer Share at a price of \$0.25 per Resulting Issuer Share for a period of 24 months from the date of issuance. No finder's fees will be paid or finder's warrants issued in respect of subscriptions by Insiders.

The subscription receipts issued pursuant to the Financing, and the common shares of the Corporation issuable upon conversion of the subscription receipts, are subject to a hold period of four months and one day expiring on July 8, 2022. Finder warrants, and common shares of the Corporation issuable upon exercise of finder warrants, will be subject to a hold period of four months and one day from the Completion of the Qualifying Transaction.

Selected Financial Information

The following tables set out certain selected financial information of the Corporation. The selected financial information has been derived from the Corporation's unaudited interim financial statements and accompanying management discussion and analysis for the period ended January 31, 2022, and the audited financial statements for the fiscal years ended October 31, 2021 and October 31, 2020, which are specifically incorporated by reference into, and form an integral part of, this Filing Statement, with the exclusion of the "*Notice of No Auditor Review of Interim Condensed Financial Statements*" included in the unaudited interim financial statements for the period ended January 31, 2022. The following information

should be read in conjunction with the Corporation's audited financial statements which may be obtained under the Corporation's profile on the SEDAR website (www.sedar.com). The financial results are not necessarily indicative of the results that may be expected for any other period. The Corporation's financial statements are presented in Canadian dollars and are prepared in accordance with Canadian generally accepted accounting principles and IFRS where applicable.

Item	Three months ended January 31, 2022 (unaudited) (\$)	Year Ended October 31, 2021 (audited) (\$)	Year Ended October 31, 2020 (audited) (\$)
Total Expenses	\$43,526	\$192,881	\$60,133
Amounts deferred in connection with the Qualifying Transaction	\$-	\$-	\$-

Management's Discussion and Analysis

The Corporation's financial position and results of operations are as discussed in the Corporation's Management's Discussion & Analysis ("MD&A") prepared and filed in accordance with the provisions of National Instrument 51-102 Continuous Disclosure Obligations. The published MD&A can be accessed on SEDAR.

Description of the Securities

The Corporation is authorized to issue an unlimited number of Common Shares and an unlimited number of preferred shares. As at the date of this Filing Statement, 8,611,500 Common Shares are issued and outstanding as fully paid and non-assessable, and no preferred shares have been issued.

Common Shares

The holders of common shares shall be entitled to receive notice of, and to vote at every meeting of the shareholders of the Corporation and shall have one (1) vote thereat for each such common share held. Subject to the rights, privileges, restrictions and conditions attached to any preferred shares of the Corporation, the holders of common shares shall be entitled to receive such dividend as the directors may from time to time, by resolution, declare. Subject to the rights, privileges, restrictions and conditions attached to any preferred shares of the Corporation, in the event of liquidation, dissolution or winding up of the Corporation or upon any distribution of the assets of the Corporation among shareholders being made (other than by way of dividend out of monies properly applicable to the payment of dividends) the holders of common shares shall be entitled to share pro rata. All Common Shares outstanding after Completion of the Qualifying Transaction will be fully paid and non-assessable.

Immediately upon the Completion of the Qualifying Transaction, there will be 12,611,500 Resulting Issuer Shares issued and outstanding.

Preferred Shares

The directors of the Corporation may, from time to time, issue the preferred shares in one or more series, each series to consist of such number of shares as may before issuance thereof, be determined by the

directors. The directors of the Corporation may, by resolution (subject as hereinafter provided) fix before issuance, the designation, rights, privileges, restrictions and conditions to attach to the preferred shares of each series, including, without limiting the generality of the foregoing, the rate, form, entitlement and payment of preferential dividends, the redemption price, terms, procedures and conditions of redemption, if any, voting rights and conversion rights (if any) and any sinking fund, purchase fund or other provisions attaching to the preferred shares of such series; and provided however, that no shares of any series shall be issued until the directors have filed an amendment to the Articles with the Director under the CBCA, or such designated person in any other jurisdiction in which the Corporation may be continued. If any cumulative dividends or amounts payable on return of capital in respect of a series of shares are not paid in full, the shares of all series shall participate ratably in respect of accumulated dividends and return of capital. The preferred shares shall be entitled to preference over the common shares of the Corporation and any other shares of the Corporation ranking junior to the preferred shares with respect to the payment of dividends, if any, and in the distribution of assets in the event of liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding up its affairs, and may also be given such other preferences over the common shares of the Corporation and any other shares of the Corporation ranking junior to the preferred shares as may be fixed by the resolution of the directors of the Corporation as to the respective series authorized to be issued. The preferred shares of each series shall rank on a parity with the preferred shares of every other series with respect to priority in the payment of dividends and in the distribution of assets in the event of liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary exclusive of any conversion rights that may affect the aforesaid. No dividends shall at any time be declared or paid on or set apart for payment on any shares of the Corporation ranking junior to the preferred shares unless all dividends, if any, up to and including the dividend payable for the last completed period for which such dividend shall be payable on each series of preferred shares then issued and outstanding shall have been declared and paid or set apart for payment at the date of such declaration or payment or setting apart for payment on such shares of the Corporation ranking junior to the preferred shares nor shall the Corporation call for redemption or redeem or purchase for cancellation or reduce or otherwise pay off any of the preferred shares (less than the total amount then outstanding) or any shares of the Corporation ranking junior to the preferred shares unless all dividends up to and including the dividend payable, if any, for the last completed period for which such dividends shall be payable on each series of the preferred shares then issued and outstanding shall have been declared and paid or set apart for payment at the date of such call for redemption, purchase, reduction or other payment. Preferred shares of any series may be purchased for cancellation or made subject to redemption by the Corporation out of capital pursuant to the provisions of the CBCA, if the directors so provide in the resolution of the Board of Directors of the Corporation relating to the issuance of such preferred shares, and upon such other terms and conditions as may be specified in the designations, rights, privileges, restrictions and conditions attaching to the preferred shares of such series as set forth in the said resolution of the Board of Directors and the amendment to the Articles of the Corporation relating to the issuance of such series. The holders of the preferred shares shall not, as such, be entitled as of right to subscribe for or purchase or receive any part of any issue of shares or bonds, debentures or other securities of the Corporation now or hereafter authorized. No class of shares may be created or rights and privileges increased to rank in parity or priority with the rights and privileges of the preferred shares including, without limiting the generality of the foregoing, the rights of the preferred shares to receive dividends or to return of capital, without the approval of the holders of the preferred shares as required under the CBCA.

Immediately upon the Completion of the Qualifying Transaction, there will be no preferred issued and outstanding.

Stock Option Plan

The Option Plan is administered by the board of directors of the Corporation, and the directors, officers, employees, consultants and management company employees of the Corporation are eligible to participate in the Option Plan. The number of Common Shares that may be reserved for issuance from time to time upon the exercise of options granted under the Option Plan will not at any point in time exceed 10% of the issued and outstanding Common Shares. No more than an aggregate of 5% of the issued and outstanding Common Shares may be granted to any one individual in any 12-month period without disinterested shareholder approval. No more than an aggregate of 2% of the issued and outstanding Common Shares may be granted to any one consultant in any 12-month period. No more than 2% of the issued and outstanding Common Shares may be granted, in the aggregate, to employees or consultants conducting investor relations activities in any 12-month period. Options issued pursuant to the Option Plan will have an exercise price determined by the board of directors of the Corporation provided that the exercise price shall not be less than the "Discounted Market Price" as defined in the policies of the Exchange. The vesting of the options is at the discretion of the board of directors of the Corporation, except in the case of an optionee performing investor relations activities, in which case the Option Plan requires that options vest over a minimum of twelve months with no more than one quarter of such options vesting in any three-month period. Disinterested shareholder approval is required for any amendment to an option granted to an Insider which results in a decrease of the exercise price of the option. The consideration for all option exercises must be paid in cash. The Option Plan was approved by the Corporation's shareholders at the Corporation's annual general meeting held on June 29, 2021.

Options granted under the Option Plan are non-transferable and non-assignable and expire no later than 5 years from the date of grant. In the event of death of an optionee, options held by such optionee will expire on the earlier of the original expiry date of the option or one year from the date of death.

The Option Plan may be terminated at any time by the board of directors of the Corporation provided that such termination will not alter the terms or conditions of any Option or impair the rights of any Option Holder pursuant to an Option granted prior to the date of termination. Such Options granted prior to termination will continue to be governed by the provisions of the Option Plan.

As of the date of this Filing Statement, there are 822,222 CPC Stock Options currently issued and outstanding. Following the Closing, 1,222,222 Resulting Issuer Options will be issued and outstanding and all Resulting Issuer Option will be held by directors, former directors, officers and consultants of the Corporation.

Prior Sales

Since the date of incorporation of the Corporation, 8,611,500 Common Shares have been issued as described in the following table:

Date	Number of Common Shares	Issue Price Per Share	Aggregate Issue Price	Nature of Consideration Received
June 18, 2018	4,000,000	\$0.05	\$200,000	Cash
July 18, 2019	4,411,500	\$0.10	\$441,150	Cash
April 7, 2020	200,000	\$0.05	\$10,000	Cash

Total:	8,611,500		\$651,150	Cash
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Trading Price and Volume

The Common Shares are listed on the Exchange under the trading symbol "GIG.P". The Common Shares commenced trading on the Exchange on July 26, 2019. Trading in the Common Shares was halted at the request of the Corporation pending the announcement of the Qualifying Transaction. On August 17, 2021, immediately prior to the halt, the closing price of the Common Shares on the Exchange was \$0.055.

The following table sets the daily high and low prices and the volume of trading of the Common Shares for the periods indicated:

Date	High (\$)	Low (\$)	Volume
February, 2021	0.100	0.070	91,500
March, 2021	0.080	0.080	1,000
April, 2021	0.00	0.00	0
May, 2021	0.00	0.00	0
June, 2021	0.100	0.050	3,600
July, 2021	0.060	0.055	20,000
August, 2021 ⁽¹⁾	0.055	0.055	1,000
September, 2021 ⁽¹⁾	N/A	N/A	0
October, 2021 ⁽¹⁾	N/A	N/A	0
November, 2021 ⁽¹⁾	N/A	N/A	0
December, 2021 ⁽¹⁾	N/A	N/A	0
January, 2022 ⁽¹⁾	N/A	N/A	0

Note:

- (1) Trading of Common Shares on the Exchange was halted on August 17, 2021, pending the announcement of the Qualifying Transaction. Trading in the Common Shares is expected to resume following Completion of the Qualifying Transaction.

Arm's Length Transaction

The Qualifying Transaction is not a Non-Arm's Length Qualifying Transaction.

Legal Proceedings

The Corporation is neither a party to, nor is any of its property the subject matter of, any legal proceedings, nor are any such proceedings known to the Corporation to be contemplated by any party.

Auditor

RSM Canada LLP, Chartered Professional Accountants of 11 King Street West, Suite 700, Toronto, Ontario, M5H 4C7.

Transfer Agent and Registrar

The transfer agent and registrar of the Corporation is TSX Trust Company, at its offices at 100 Adelaide Street West, Suite 301, Toronto, Ontario, M5H 4H1.

Material Contracts

The Corporation has not entered into any material contracts since incorporation, other than the following:

- (a) IPO Agency Agreement dated February 27, 2019;
- (b) Service Agreement between the Corporation and TSX Trust Company dated November 27, 2018;
- (c) CPC Escrow Agreement dated July 27, 2021;
- (d) Property Option Agreement dated October 21, 2021, as amended on December 20, 2021 and February 4, 2022; and
- (e) Subscription Receipt Agreement between the Corporation and TSX Trust Company dated March 7, 2022, as amended on March 30, 2022, April 29, 2022 and May 30, 2022.

Copies of these agreements are available under the Corporation's profile on the SEDAR website (www.sedar.com).

PART II - INFORMATION CONCERNING THE NOSENO PROPERTY**Property Option Agreement**

On October 21, 2021, the Corporation entered into the Property Option Agreement with NW Exploration, which was subsequently amended to defer certain payments by the Corporation, on December 20, 2021. Pursuant to the Property Option Agreement, the Corporation may acquire a one hundred percent (100%) undivided interest in the Noseno Property by, among other things, making the following annual cash payments and incurring the following annual minimum work expenditures, all over a four-year period:

Payment Date	Annual Cash Payments	Work Expenditures
On or before October 21, 2023	NIL	CAD \$632,400 ⁽²⁾
On or before October 21, 2024	CAD \$379,440 ⁽¹⁾	CAD \$1,264,800 ⁽⁴⁾
On or before October 21, 2025	CAD\$758,880 ⁽³⁾	CAD\$1,897,200 ⁽⁵⁾

Payment Date	Annual Cash Payments	Work Expenditures
On or before October 21, 2026	CAD\$2,023,680 ⁽⁶⁾	CAD\$2,529,600 ⁽⁷⁾

Notes:

- (1) Converted from USD\$300,000 based on the Bank of Canada daily average rate of exchange on May 31, 2022 which was US\$1.00 = C\$1.2648.
- (2) Converted from USD\$500,000 based on the Bank of Canada daily average rate of exchange on May 31, 2022 which was US\$1.00 = C\$1.2648.
- (3) Converted from USD \$600,000 based on the Bank of Canada daily average rate of exchange on May 31, 2022 which was US\$1.00 = C\$1.2648.
- (4) Converted from USD\$1,000,000 based on the Bank of Canada daily average rate of exchange on May 31, 2022 which was US\$1.00 = C\$1.2648.
- (5) Converted from USD\$1,500,000 based on the Bank of Canada daily average rate of exchange on May 31, 2022 which was US\$1.00 = C\$1.2648.
- (6) Converted from USD\$1,600,000 based on the Bank of Canada daily average rate of exchange on May 31, 2022 which was US\$1.00 = C\$1.2648.
- (7) Converted from USD\$2,000,000 based on the Bank of Canada daily average rate of exchange on May 31, 2022 which was US\$1.00 = C\$1.2648.

The Corporation may accelerate and carry forward any of the cash payments or work expenditures. Upon full exercise of the option, the Corporation shall grant to NW Exploration a three percent (3%) net smelter returns royalty with respect to commercial production from the Noseno Property. Further, upon full exercise of the option and in the event the Corporation produces a bank feasibility study recommending the Noseno Property be placed into commercial production, the Corporation will pay to NW Exploration USD \$2,500,000 in cash.

Noseno Property

The following disclosure has been taken from the Technical Report on the Noseno Property. The full text of the Technical Report on the Noseno Property is available under the Corporation's profile on the SEDAR website (www.sedar.com).

Kevin P. Thomson, P.Geol. and Dennis J. LaPoint, Ph.D., who are qualified persons within the meaning of NI 43-101 were engaged by the Corporation to provide the Technical Report in a form compliant with NI 43-101. The following information regarding the Noseno Property is derived from the Technical Report, and should be read in the context of and is qualified in its entirety by the full text of the Technical Report.

Introduction

The Noseno Property comprises 37 licenses covering 37,623 acres (15,225.5 ha, or 152.26 km²) held by NW Exploration. The Corporation has entered into a Property Option Agreement with NW Exploration with respect to an option to acquire a 100% undivided interest in the Noseno Property.

The Noseno Property is located in north-western Guyana in one of Guyana's prospective greenstone belts, 210 kilometers west-northwest of Georgetown, the capital of Guyana. There are no known records of

modern, formal exploration conducted on the Noseno Property. Limited exploration was conducted on two small groups of small-scale mining claims, the Higgins claims and the Williams claims, which lie at the northern edge of the Noseno Property. The Higgins claims are current and are held by Mr. Winslow Higgins of Georgetown, while the Williams claims, 3 kilometres to the east of Higgins' claims, are now expired. While the Corporation's Noseno claims partially overly the pre-existing Higgins small-scale mining claims, the Corporation's property does not include the Higgins claims area and the Corporation does not presently have the right to explore and develop the small area of the Higgins property. The Williams claims have expired, and the Noseno Property now incorporates that small area. The Higgins and Williams prospects were lightly explored by two former TSX-V listed junior explorers, Mammoth Minerals Inc. and Riva Gold Corp. during 2005 through 2010, providing limited geological insight into a small area on the edge of the Noseno Property. Otherwise, the geology of the geological potential of the Noseno Property is largely unknown. The exploration work programs proposed herein are exclusive of the Higgins ground.

The lack of historical exploration and detailed geological understanding of the Noseno Property makes it difficult to accurately assess the Property's mineral potential. The limited publicly available information presented herein, including the Guyana Geology and Mines Commission data and reports on geology, geochemistry and geophysics plus the technical reports covering the adjacent properties does illustrate a favourable geological setting at Noseno for the potential presence of gold mineralization. The Property, as interpreted from the Government geology maps and reports, is underlain principally by Paleoproterozoic greenstone rocks and intruded by a number of Trans-Amazonian granitoids. It is situated in the same greenstone terrain as the two largest gold deposits in Guyana, the Aurora Mine and the Toroparu Project, and the similarities in geology and structural setting highlight Property geology amenable to the formation of similar styled structurally controlled, orogenic style gold mineralization, but does not guarantee it. However, the interpreted geology is compelling enough to warrant initial exploration programs to assess its geological potential. A staged exploration program has been designed with the first phase, comprising principally geochemical exploration and costing an estimated \$507,000, considered to be the minimum to adequately assess the Property. Contingent upon favourable results from the initial exploration, a second phase of limited target testing is also proposed at an estimated cost of \$350,000.

Property Description and Ownership

Property Description and Land Tenure

The Noseno claims consist of 17 medium-scale Mining Permits (MP) 16,887 acres (68.34 km²) in area registered in the name of NW Exploration, plus 20 medium-scale Prospecting Permits (PPMS) 20,736 acres (83.92 km²) in area registered in the name of Mrs. Anuradha Doodnauth of Georgetown Guyana, for a total area of 37,623 acres (152.26 km²). The Mining Permits, valid for a 5-year period, were due for their first renewal by March 14, 2021. The renewal was applied for and paid and the Corporation are waiting on the GGMC to complete the process. The Corporation has indicated to the Authors that once a renewal payment has been made and a receipt of payment issued by the GGMC, the renewal is effectively accomplished but the issuance of the confirmatory correspondence may delay up to two to three months. The claims that are in the name of Mrs. Doodnauth, which currently do not have an expiry date, have been applied for transfer to NW Exploration with conversion to Mining Permits, and as with NW Exploration's Mining Permits, the payment has been made to the GGMC and the new permits paperwork are still pending. A Title Opinion was obtained from Hughes, Fields and Stoby, Attorneys at Law in Georgetown, Guyana, concluding that the 37 Noseno claims "have been validly issued in accordance with the Mining Act, 1989, and the Regulations promulgated thereto. They are validly existing and in good standing under the laws of Guyana and in particular, the Mining Act, as of the date hereof", being May 10, 2021.

A list of the Noseno claims is presented in Section 4.3 of the Technical Report, Mineral Title.

Underlying Agreements

The Corporation has entered into a Property Option Agreement with NW Exploration with respect to an option to acquire a 100% undivided interest in the Noseno Property from NW Exploration. The option agreement is staged over a 4-year period with a total of \$2,000,000 in cash paid to NW Exploration, plus a \$5,000,000 commitment of work expenditures on the Property. Once the Corporation has fully exercised the option, NW Exploration would be granted a 3% net smelter royalty on production from the Property.

Property Location, Accessibility, Climate and Physiography

The Noseno Property is located in northwestern Guyana on the continent of South America, situated 210 kilometers west-northwest of Georgetown, the capital of Guyana. The centre of the Noseno group of claims lies at approximately 60°09' West and 7°03' North, or 815,000 East and 780,000 North in the WGS84 Zone 20N UTM projection.

The Property is remote and can be accessed from a laterite gravel road extending 55 km from Matthews Ridge, 42 km to the north, and Port Kaituma, a further 40 kilometers to the northeast by road. Trans Guyana Airways has flights to Matthews Ridge and Port Kaituma twice a week, and barges transport goods to Port Kaituma from Georgetown at least weekly. Most of the Noseno Property is covered by dense tropical rainforest and much of the property is currently only accessible on foot. There is no established camp or other infrastructure currently on the Noseno Property and there are no known settlements on the Property. The closest community is Matthews Ridge, 42 kilometers due north of the Noseno Property, a small town of less than 1,000 inhabitants, many of whom are employed at the nearby recently reactivated Matthews Ridge manganese mine.

Guyana is subequatorial with a tropical climate that undergoes two distinct rainy seasons. In the Noseno area the rains peak in August, with a lesser rainy period peaking in November with up to 2,000 mm or more of rainfall per year. Temperatures range from around 20°C at night up to the mid 30°s during the days, with the hottest periods of the year during March-April and September-October. Humidity is consistent year-round and is high ranging between 70 and 85%.

The relief in the Noseno Property is relatively hilly and ranges from an elevation of 105 masl at the northeastern edge of the Property up to 425 masl in the north-central part of the Property. Well-developed, moderately incised dendritic drainage networks on the northern side of the Property drain north to the Barama River, while the southern side drains south to the Cuyuni River.

History

There is limited known history of gold exploration or mining on the Noseno Property. Geological Survey Reports dating to the 1930's (Bishopp, 1937) describes a prospect in the north-central part of the Property, the Noseno Creek prospect, which reportedly consisted of an 80-foot shaft plus 555 feet of drifting from an adit, with "rather high" gold values obtained from quartz veining. Little other description is offered, and the precise location of the shaft is unknown, however it might be approximated from the old maps and searched for if any evidence remains. Small-scale underground mining also commenced at the Williams prospect on the northeastern edge of the Noseno Property in the late 1930's but was relatively short-lived ending in an underground collapse that killed two men. Macdonald (1965) refers to several "gold fields" or "gold workings" in the central parts of the Noseno Property but does not describe them. These were possibly prospecting pits and/or areas of small-scale alluvial workings.

Exploration work was more recently conducted on the Noseno and Williams prospects on the northern edge of the Noseno Property during 2005 through 2010 by former junior Canadian explorers Mammoth Minerals and Riva Gold. This work is described in Section 23 of the Technical Report, Adjacent Properties.

Although undocumented, there are indications of more recent artisanal workings over several areas of the Noseno Property (XAU Resources, pers. comm., Jan. 2021).

Geology and Mineralisation

The Noseno Property is in the northwestern part of the Paleoproterozoic Guiana shield at the northern end of South America. The Property is underlain chiefly by greenstones of the Barama Formation consisting of metagabbro and metabasalt dikes, sills and flows plus intermediate volcanics, metamorphosed to greenschist and locally to amphibolite grade. The Property is surrounded by Trans-Amazonian granitoid batholiths, and the central parts are intruded by several small to very small plutons of Trans-Amazonian granitoid, diorite and felsic porphyries. All lithologies have been affected by intense tropical weathering to depths up to 50 meters, capped by extensive laterite.

Known gold occurrences on the Property are few with mentions in historic literature of surface gold workings and several small-scale underground developments, with the most advanced being the Noseno and Williams prospects on the northern edge of the Property. These consist principally of narrow vein hosted gold in shears and brittle structures within amphibolite rocks, with minor associated replacement style gold and sulfides in sheared amphibolite. Production from these small occurrences is not documented.

Deposit Type

With no documented formal exploration work on the Noseno Property, there are essentially no known gold occurrences on the Property. The interpreted geology of the property suggests a geological environment appropriate for the formation of structurally hosted, orogenic style gold mineralization, which should be the principal target type in exploration conducted over the property. Most, if not all, of the significant gold occurrences in Guyana are of this deposit type.

Exploration

There has been no exploration work conducted on the Noseno Property by the Corporation nor the vendor NW Exploration.

Drilling

There has been no drilling conducted on the Noseno Property by the Corporation nor the vendor NW Exploration.

Sample Preparation, Analysis and Security

Neither NW Exploration nor the Corporation have conducted work on the Noseno Property. There is nothing to disclose with respect to sample preparation, analysis or security.

Data Verifications

With no work having been conducted on the Property by the Corporation or the vendor NW Exploration, there is no data to verify. The principal author has not visited the Noseno Property due to travel restrictions resulting from the Covid-19 pandemic. However, a site inspection was conducted by Qualified Person Dr.

Dennis J. LaPoint on May 16, 2021, with his findings contained in Section 12.1 of the Technical Report. Dr. LaPoint is solely responsible for Section 12.1 of the Technical Report.

Mineral Processing and Metallurgical Studies

There have been no mineral processing or metallurgical studies conducted for the Noseno project.

Mineral Resource, Reserve Estimates

The Noseno Property is an early stage greenfields exploration project and does not currently host a mineral resource or reserve.

Mining and Recovery Methods, Infrastructure and Market Studies

Not applicable as the Noseno Property is at an early exploration stage.

Environmental, Social and Community

There have been no environmental or community impact studies conducted for the Noseno Property as the Property is at an early exploration stage.

Capital and Operating Costs, Economic Analysis

Not applicable as the Noseno Property is at an early exploration stage.

Adjacent Properties

The principal known prospect close to the Noseno Property is historically named the Noseno prospect and lies on small-scale mining claims at the northern edge of the Noseno Property still held by Mr. Winslow Higgins of Georgetown. Three generations of the Higgins family, starting in the 1950's or 1960's, conducted small-scale mining of material extracted from numerous alluvial workings, shafts, adits and open cuts excavated in the saprolite, with up to 40 occurrences worked to varying degrees (Veldhuyzen, 2010). There are no known written records of the Higgins work or production. Between 2005 and 2008 Mammoth Minerals optioned the Higgins and Williams claims and conducted mapping and sampling, excavated two trenches and sunk two short exploration shafts in the area of the old workings. In 2010, Riva Gold Corp merged with Mammoth Minerals, acquiring all their assets in Guyana, and conducted a small diamond drilling program to test the Noseno and Williams prospects in late 2010, with 6 drill holes totalling 1,797 meters. Results were weak, with the exception of one narrow intercept of 1.63 meters of 98.89 g/t Au from quartz veining at the Noseno prospect. Since the end of 2010 there has been no known work reported from the Noseno or Williams prospects.

The other relatively recently active property in the immediate area of the Noseno Property is Reunion Gold's Arawini properties adjacent to and to the east of Noseno. These were part of an alliance between Reunion Gold and Barrick Gold; however, Barrick Gold has since dropped these properties from their alliance with Reunion. The results from Reunion and Barrick's work at Arawini, if any, are unknown.

The Authors have been unable to verify the information pertaining to adjacent properties and the information regarding these other projects is not necessarily indicative of the mineralization on the Noseno Property.

Other Relevant Data

Other relevant data available to aid the understanding of geology and mineral potential of the Noseno Property is limited to data, maps and reports publicly available from the Guyana Geology and Mines Commission. This includes the geology presented in the Guyana Geology and Mines Commission Geological Map of Guyana (2010) which provides a valuable initial framework for the geological setting of the Property. Although interpreted from limited historic geological mapping in the Noseno area, and at a small scale of 1:1,000,000, the geological map presents a good starting point for a geological understanding and the targeting of areas of higher geological prospectivity to focus work on.

In addition to the Guyana Government's current and historic regional and local geological maps, there is a publicly available aeromagnetic geophysical survey map covering much of the northern three-quarters of Guyana, and surficial geochemical surveys have been conducted over much of the more prospective greenstone terrane in the northern half of the country, with detailed reports, maps and multi-element geochemical data available for many areas. Both the aeromagnetic and geochemical survey coverage are highly useful datasets to aid initial efforts on geologically prospective ground that may not have experienced significant historic exploration.

Conclusion and Recommendations

The Noseno Property is an early stage greenfields exploration project than can be considered a potential project of geological merit. The Property has not been explored by the Corporation nor the vendor, NW Exploration, and has experienced no historic formal exploration except for limited work on small-scale mining claims at the northern edge of the Property, which effectively did little to validate or downgrade the discovery potential of the much larger Noseno Property.

The Noseno Property covers predominantly Paleoproterozoic greenstone belt geology with subordinate Trans-Amazonian granitoid batholiths fringing the Property and as smaller intrusions in the core of the Property. Similar geology is observed at the large orogenic-type, structurally controlled Aurora and Toroparu gold deposits within 60 kilometers of the Noseno Property and within the same greenstone terrane. It is unclear if the structural setting at Noseno is suitable for the formation and emplacement of significant mineralizing systems due to a lack of geological and structural understanding of the Property given the absence of historic exploration work, a lack of geological surveys and the coarse geophysical data over the Property area. However, the preponderance of greenstone geology, abundant intrusive contacts along which orogenic deformation might have focussed and several indications of gold mineralization on and near the Property underscore the potential for orogenic-style, structurally controlled gold mineralization, possibly significant in size, to have developed on the Property. Accordingly, the Noseno Property warrants exploration to assess the mineral potential of the Property, with continuing and escalating efforts contingent upon results.

A recommended staged exploration program has been designed to evaluate the mineral potential of the Noseno Property, with Phase I to include property-wide stream sediment geochemistry, geological mapping and prospecting with gold and multielement analysis; acquisition, reprocessing and imaging of aeromagnetics data held by the Guyana Geology and Mines Commission (if available); and soil geochemical surveys to identify areas of favourable geology and geochemical anomalism. If warranted by the initial work, a Phase II program of target testing by trenching and diamond drilling is proposed. Should the Phase I programs fail to generate significant results and targets, work on the Property might be curtailed or even ceased prior to investing in the more expensive target testing programs. If, however, the initial target tests generate compelling enough results, then continuing work on the Property would be justified. Refer to the estimated budget for this proposed work in Table 1.1.

Table 1.1: Estimated Budget for Exploration on the Noseno Property

	Objective	Activity / Items	Unit	All-inclusive Unit Cost (CAD\$) ⁽¹⁾⁽⁴⁾	Est. Cost (CAD\$) ⁽⁴⁾	Total Cost by Phase (CAD\$) ⁽⁴⁾
PHASE I	Access & Accommodations	Improve access to & into the property plus construction of a basic field camp to start	Rough estimate for 14km of trail from Noseno prospect to southern end of property, plus a very basic field camp for initial work programs		75,888	641,254
		Vehicles	Purchase of two Quad bikes	15,810 ea.	31,620	
	Initial property evaluation and target generation	Geochemistry I: Stream sediment sampling; BLEG Au, pan concentrates, ICP-MS multi-element analyses	346 samples, analyses + labour/sample	95/samp	32,885	
		Prospecting and rock sampling	300 rock samples (incl labour costs)	82/samp	24,296	
		Acquiring historic mag data from GGMC, reprocessing & re-imaging ⁽²⁾	Estimated total cost		37,944	
	Target generation	Geochemistry II: First pass soil sampling	4,200 soil samples	95, 51/samp ⁽³⁾	306,082	
		Geochemistry II: In-fill soil sampling	2,600 soil samples	51/samp	131,539	
PHASE II	Initial target tests	Trenching to test most compelling gold in soil anomalies	2,500m (10 x 250m trenches), all inclusive cost + assays for Au	63/m	158,100	442,680
		First-pass DD drill test of exceptional trenching results	1,000m (8 x 125m DDH), all inclusive cost + assays for Au	285/m	284,580	
	TOTAL					1,083,934

Notes:

- (1) Unit costs assume labour & meal costs etc. to be approx. \$25/sample (soils or stream sediments)
- (2) Assuming the GGMC mag data is of reasonable quality and available.
- (3) Only every 2nd soil sample line analyzed for ICP-MS multi-elements.
- (4) All figures converted from USD based on the Bank of Canada daily average rate of exchange on May 31, 2022 which was US\$1.00 = C\$1.2648.

**PART III - INFORMATION CONCERNING THE RESULTING ISSUER
UPON COMPLETION OF THE QUALIFYING TRANSACTION**

Summary of the Qualifying Transaction

The Corporation and NW Exploration entered into the Property Option Agreement, pursuant to which the Corporation was granted the option to acquire a 100% undivided interest in the Noseno Property. Pursuant to the Property Option Agreement, the Corporation may acquire a one hundred percent (100%) undivided interest in the Noseno Property by, among other things, making the following annual cash payments and incurring the following annual minimum work expenditures, all over a four-year period:

Payment Date	Annual Cash Payments	Work Expenditures
On or before October 21, 2023	NIL	CAD \$632,400 ⁽²⁾
On or before October 21, 2024	CAD \$379,440 ⁽¹⁾	CAD \$1,264,800 ⁽⁴⁾
On or before October 21, 2025	CAD\$758,880 ⁽³⁾	CAD\$1,897,200 ⁽⁵⁾
On or before October 21, 2026	CAD\$2,023,680 ⁽⁶⁾	CAD\$2,529,600 ⁽⁷⁾

Notes:

- (1) Converted from USD\$300,000 based on the Bank of Canada daily average rate of exchange on May 31, 2022 which was US\$1.00 = C\$1.2648.
- (2) Converted from USD\$500,000 based on the Bank of Canada daily average rate of exchange on May 31, 2022 which was US\$1.00 = C\$1.2648.
- (3) Converted from USD \$600,000 based on the Bank of Canada daily average rate of exchange on May 31, 2022 which was US\$1.00 = C\$1.2648.
- (4) Converted from USD\$1,000,000 based on the Bank of Canada daily average rate of exchange on May 31, 2022 which was US\$1.00 = C\$1.2648.
- (5) Converted from USD\$1,500,000 based on the Bank of Canada daily average rate of exchange on May 31, 2022 which was US\$1.00 = C\$1.2648.
- (6) Converted from USD\$1,600,000 based on the Bank of Canada daily average rate of exchange on May 31, 2022 which was US\$1.00 = C\$1.2648.
- (7) Converted from USD\$2,000,000 based on the Bank of Canada daily average rate of exchange on May 31, 2022 which was US\$1.00 = C\$1.2648.

The Corporation may accelerate and carry forward any of the cash payments or work expenditures. Upon full exercise of the option, the Corporation shall grant to NW Exploration a three percent (3%) net smelter returns royalty with respect to commercial production from the Noseno Property.

Completion of the Qualifying Transaction is subject to various conditions precedent, including, but not limited to:

- (a) the Financing and the Option having been conditionally accepted by the Exchange;
- and
- (b) completion of the Financing.

The Qualifying Transaction, if completed, will be an Arm's Length Qualifying Transaction.

Exploration of the Noseno Property

Following the Completion of the Qualifying Transaction, the Resulting Issuer intends to conduct the recommended exploration program on the Noseno Property. See "*Part II – Information Concerning the Noseno Property*".

Name and Incorporation of the Resulting Issuer and Intercorporate Relationships

Upon Completion of the Qualifying Transaction, the Resulting Issuer will retain the name "XAU Resources Inc." and continue to be governed under the CBCA. The Resulting Issuer's head office and registered office will be located at P.O. Box 35, TD Bank Tower 66 Wellington Street West, Suite 4100, Toronto, Ontario, M5K 1B7.

Description of the Business

Stated Business Objectives and Milestones

Upon Completion of the Qualifying Transaction, the business of the Resulting Issuer will be to conduct exploration activities on the Noseno Property. See "*Part II - Information Concerning the Noseno Property*".

To accomplish the Resulting Issuer's business objectives, the Resulting Issuer will need to achieve the milestones listed in the table below.

Milestone	Timing	Estimated Costs
The Resulting Issuer is obligated to make cash payments and maintain certain work expenditures under the Property Option Agreement.	Within four years from the Closing	\$9,486,000 ⁽¹⁾
Carry out Phase I of the exploration program on the Noseno Property as set out in the Technical Report (please see "Part II - Information Concerning the Noseno Property" for details of the proposed exploration program).	Within the next 12 months	\$641,254 ⁽²⁾
If warranted, commence Phase II of the exploration program on the Noseno Property as set out in the Technical Report (please see "Part II - Information Concerning the Noseno Property" for details of the proposed exploration program).	Within the next 24 months	\$442,680 ⁽³⁾

Notes:

- (1) Converted from USD\$7,500,000 based on the Bank of Canada daily average rate of exchange on May 31, 2022 which was US\$1.00 = C\$1.2648.
- (2) Converted from USD\$507,000 based on the Bank of Canada daily average rate of exchange on May 31, 2022 which was US\$1.00 = C\$1.2648. Phase I expenditures comprise part of the work expenditures required under the Property Option Agreement as set out in the first milestone in the above table.
- (3) Converted from USD\$350,000 based on the Bank of Canada daily average rate of exchange on May 31, 2022 which was US\$1.00 = C\$1.2648. The Phase II expenditures comprise part of the work expenditures required under the Property Option Agreement as set out in the second milestone in the above table.

In regard to the above listed Milestones, see "*Forward-Looking Information*".

Exploration and Development by Resulting Issuers with Mineral Projects

Please see "*Part II - Information Concerning the Noseno Property*" for details of the proposed exploration program.

Description of the Securities*Authorized Capital*

The authorized capital of the Resulting Issuer will not change as a result of the Qualifying Transaction. For a full description of the authorized capital of the Resulting Issuer, see "*Part I - Information Concerning the Corporation - Description of the Securities*".

Other Securities

Upon Completion of the Qualifying Transaction, the Resulting Issuer will also retain the Option Plan, pursuant to which, an aggregate of 1,222,222 Resulting Issuer Options will be outstanding and a further 38,928 stock options may be issued pursuant to future option grants under the Option Plan (please see "*Part I – Information Concerning the Corporation – Stock Option Plan*" and "*Glossary – CPC Options*").

Pro Forma Consolidated Capitalization

The following table sets forth the consolidated capitalization of the Resulting Issuer after giving effect to the Qualifying Transaction:

Designation of Security	Amount Authorized	Amount Outstanding after giving effect to the Qualifying Transaction
Common Shares	Unlimited	12,611,500
Preferred Shares	Unlimited	Nil

Fully Diluted Share Capital

The following table states the fully diluted share capital of the Resulting Issuer after giving effect to the Qualifying Transaction:

	Resulting Issuer Shares Outstanding	Percentage of Resulting Issuer Shares Outstanding
Existing Common Shares – free trading	4,511,500	32.56%
Existing CPC Escrowed Shares	4,100,000	29.59%
Common Shares Issuable Pursuant to Conversion of Subscription Receipts Issued Pursuant to Financing	4,000,000	28.87%
TOTAL BASIC	12,611,500	91.03%
Existing CPC Stock Options at \$0.10	822,222	5.93%
Additional options to be granted at \$0.25 to officers, directors and consultants of the Corporation ⁽¹⁾	400,000	2.89%
Finder Warrants	20,188	0.15%
FULLY DILUTED	13,853,910	100%

Note:

- (1) An aggregate of 400,000 options are to be granted to directors, officers and consultants of the Corporation immediately upon conclusion of the Qualifying Transaction, as follows: 60,000 options are to be granted to each of Gairat Gary Bay (chief executive officer and a director), Peter Hambro (chair of the board of directors and a director), Nataliya Hearn (director), Dan Hrushewsky (director) and Danièle Spethmann (director). 50,000 options are to be granted to each of Andrey Maruta (chief financial officer) and Kevin Thomson (geological consultant).

Available Funds

The following table sets forth the estimated working capital and amounts and sources of other funds of the Resulting Issuer on Completion of the Qualifying Transaction, based upon the Corporation's working capital as at May 31, 2022 of (\$15,667), and assuming Completion of the Qualifying Transaction and the Financing). See also the Pro Forma Financial Statements attached hereto as Schedule "A" and the audited financial statements of the Corporation which are incorporated by reference herein.

Source of Funds	Available Funds
Working capital of the Corporation as at May 31, 2022	(\$15,667) ⁽¹⁾
Gross Proceeds available from the Financing	\$1,000,000
Total Funds Available	\$984,333

Note:

- (1) Based on the working capital balance of (\$15,667) for the Corporation as at May 31, 2022.

Available Funds and Principal Purposes

The following table sets forth the proposed use of the available funds by the Resulting Issuer upon Completion of the Qualifying Transaction:

Use of Available Funds	Funds
Estimated remaining costs of the Qualifying Transaction	\$30,000 ⁽¹⁾
For the recommended Phase 1 work program on the Noseno Property including exploration expenditures of CAD \$619,225.45 required to keep Noseno Property in good standing under the Property Option Agreement	\$641,254 ⁽²⁾
Finder's fees in connection with the Financing	\$5,047
General and administrative expenses for twelve months	\$200,000 ⁽³⁾
Unallocated working capital	\$108,032
Total	\$984,333

Notes:

- (1) \$25,544 has been paid to date in filing fees.
- (2) This represents the exploration expenditures of Phase 1 pursuant to the Technical Report. Converted from USD\$507,000 based on the Bank of Canada daily average rate of exchange on May 31, 2022 which was US\$1.00 = C\$1.2648.
- (3) Estimated costs relating to the following items: accounting and audit, consulting, various regulatory filing fees, shareholder communication, legal expenses, management fees, office expenses, rent, transfer agent expenses and travel.

The Resulting Issuer will spend approximately \$745,000 of the funds available to it upon Completion of the Qualifying Transaction on cash payments and work expenditures to fund the Phase I program on the Noseno Property (see "*Part II - Information Concerning the Noseno Property*"). There may be circumstances where, for sound business reasons, a reallocation of funds, including a change in the work program on the Noseno Property, may be necessary in order for the Resulting Issuer to achieve its stated business objectives.

Upon Completion of the Qualifying Transaction, the Resulting Issuer is expected to have sufficient cash available to pay its operating and administration costs for at least twelve months.

Dividends

Subject to the prior right of preferred shareholders to receive dividends (should the Resulting Issuer ever issue any preferred shares), the Resulting Issuer has no restrictions on paying dividends on its Common Shares. The Resulting Issuer has no intention of paying any dividends in the near future.

Principal Security Holders

To the knowledge of the Resulting Issuer, the only persons as at the date hereof who, beneficially own, directly or indirectly, or exercise control or direction over, more than 10% of Resulting Issuer Shares upon Completion of the Qualifying Transaction, are as follows:

Name	Type of Ownership	Number and Class of securities owned, controlled or directed	Percentage of Class
Peter Hambro ⁽¹⁾	Direct and Indirect	2,509,689 Common Shares	19.90% ⁽³⁾⁽⁴⁾
Pavel Maslovskiy ⁽²⁾	Direct	1,332,000 Common Shares	10.56% ⁽³⁾
Jay Hambro	Direct	1,438,311 Common Shares	11.40% ⁽³⁾⁽⁵⁾

Notes:

- (1) Peter Hambro is a director of the Corporation and will be a director of the Resulting Issuer.
- (2) Pavel Maslovskiy is a former director of the Corporation.
- (3) Assumes no change in ownership of Common Shares. Does not include Resulting Issuer Options – see "*Part III – Information Concerning the Resulting Issuer upon Completion of the Qualifying Transaction - Options to Purchase Securities*". Stated percentage based on 12,611,500 Resulting Issuer Shares outstanding on Completion of the Qualifying Transaction. Please also see "*Part III – Information Concerning the Resulting Issuer upon Completion of The Qualifying Transaction - Options to Purchase Securities*".
- (4) Includes subscription receipts convertible into 1,177,689 Resulting Issuer Shares purchased by Catopriam Ltd. under the Financing. Peter Hambro has a beneficial ownership interest in Catopriam Ltd.
- (5) Includes subscription receipts convertible into 1,438,311 Resulting Issuer Shares purchased by Jay Hambro under the Financing.

Directors, Officers and Promoters of the Resulting Issuer

Upon Completion of the Qualifying Transaction, the Resulting Issuer's board of directors will be Gairat Gary Bay, Peter Hambro, Dr. Nataliya Hearn, Dan Hrushewsky and Danièle Spethmann, and the management of the Resulting Issuer will be Gairat Gary Bay as Chief Executive Officer and President, and Andrey Maruta as Chief Financial Officer and Corporate Secretary.

The following table lists the name, occupation, province of residence, office, and anticipated shareholdings of each director and officer of the Resulting Issuer on Completion of the Qualifying Transaction:

Name and Jurisdiction of Residence	Position or Office with Resulting Issuer ⁽³⁾	Principal Occupation During Past 5 Years	Date of Appointment	Number and Percentage of Resulting Issuer Shares Beneficially Owned or Controlled or Directed, Directly or Indirectly ⁽¹⁾
Gairat Gary Bay Ontario, Canada	President, Chief Executive Officer and Director	Chief Executive Officer of WBD Gold Inc., a privately-owned, Guyana-based mineral and mining exploration company	June 18, 2018	370,000 ⁽²⁾ (2.93%)
Peter Hambro London, United Kingdom	Director	Chairman and majority shareholder of Peter Hambro Ltd, a London based investment house, specializing in mining and	June 18, 2018	2,509,689 ⁽²⁾⁽⁵⁾ (19.90%)

		<p>private equity participation since 1990.</p> <p>Peter Hambro is also as director and Chairman of IRC Limited, a Hong Kong based and HXK listed mining company with iron ore deposits, mines and a magnetic separation plant producing >5% iron ore concentrate in far eastern Russia.</p> <p>For 25 years Mr. Hambro was Chairman of London LSE premium listed Petropavlovsk plc, which produces c. 500,000 ounces of gold from mines in the Russian far east.</p>		
Dr. Nataliya Hearn ⁽⁴⁾ Ontario, Canada	Director	President of Link-Tech Inc., a company that supplies the necessary material for remote rehabilitation of underground pipes.	June 18, 2018	100,000 ⁽²⁾ (0.79%)
Dan Hrushewsky ⁽⁴⁾ Ontario, Canada	Director	Consultant	June 18, 2018	100,000 ⁽²⁾ (0.79%)
Danièle Spethmann	Director	President, Chief Executive Officer and Director of Warrior Gold Inc.	June 14, 2022	Nil (0.00%)
Andrey Maruta UK	Chief Financial Officer and Corporate Secretary	<p>CFO of Petropavlovsk London LSE premium listed Petropavlovsk plc, which produces c. 500,000 ounces of gold from mines in the Russian far east.</p> <p>CFO of Kore Potash Plc, ASX/AIM/JSE potash project developer in the Republic of Congo, Africa</p> <p>CFO of Otso Gold Corp, TSX-V gold mining company with gold assets in Finland.</p>	April 7, 2020	200,000 ⁽²⁾ (1.59%)

Notes:

- (1) Assumes no change in ownership of Common Shares. Does not include Resulting Issuer Options – see "Part III – Information Concerning the Resulting Issuer upon Completion of the Qualifying Transaction - Options to Purchase Securities". Stated percentage based on 12,611,500 Resulting Issuer Shares outstanding on Completion of the Qualifying Transaction. Please also see "Part III – Information Concerning the Resulting Issuer upon Completion of The Qualifying Transaction - Options to Purchase Securities".
- (2) These Common Shares are subject to escrow – See "Part III – Information Concerning the Resulting Issuer upon Completion of the Qualifying Transaction - Escrowed Securities".

- (3) Each director of the Resulting Issuer's term will expire at the next annual general meeting of the Resulting Issuer or upon his or her successor being appointed.
- (4) Upon Completion of the Qualifying Transaction, denotes a member of the proposed audit committee.
- (5) Includes subscription receipts convertible into 1,177,689 Resulting Issuer Shares purchased by Catopriam Ltd. under the Financing. Peter Hambro has a beneficial ownership interest in Catopriam Ltd.

Upon Completion of the Qualifying Transaction, the directors and officers of the Resulting Issuer will, as a group, beneficially own, directly or indirectly, or exercise control or direction over, 3,279,689 Resulting Issuer Shares or 26.01% of the issued and outstanding Resulting Issuer Shares, assuming no change in ownership of the Common Shares.

Management

The following are brief biographies, including their principal occupations during the past five years, of the persons who will be serving as directors and officers of the Resulting Issuer on Completion of the Qualifying Transaction.

Gairat Gary Bay – Director, Chief Executive Officer and President (Age: 44)

Mr. Bay has acquired considerable international experience and enjoyed entrepreneurial success with precious metals and hydrocarbon resource projects, in connection with which he has been a financier, commodity trader and corporate executive. In addition to having served as a director and the Corporation's Chief Executive Officer since its inception, he is currently and has been since July 2015, the co-Chief Executive Officer of WBD Gold Inc., a privately-owned, Guyana based mineral exploration company focused on the exploration and development of gold deposits in Guyana. He is also currently and has been since May 2012, the founder and managing director of Sors Capital Inc., a private investment firm focused on investments in and the provision of advisory services to the natural resources sector. Mr. Bay is also now, and has been since February 2005, the founder and managing partner of Bay Capital Corporation, which has raised in excess of US\$10 million for junior resource companies through project financings and joint ventures. From June 2013 to September 2014, Mr. Bay was the founder and president of Maroil Corporation, a company engaged in the development of new upstream Volga Region oil and gas properties.

It is anticipated that Mr. Bay will devote such time and expertise as is reasonably required by the Resulting Issuer.

Peter Hambro – Director (Age: 76)

Mr. Hambro has more than 25 years of experience in the operational and financial management of mining and processing operations in precious and non-precious metals. Mr. Hambro is the Co-Founder of Petropavlovsk plc, a London-based gold mining company with operations in Russia, serving as its Chairman from 1994 until June 2017. Mr. Hambro was appointed President of Petropavlovsk plc with effect from 29th June 2018 and also as Senior adviser to the Board. Mr. Hambro also serves as a director of IRC Ltd. a company that mines and produces iron ore concentrate in Russia. He is a founding director of the Corporation.

It is anticipated that Mr. Hambro will devote such time and expertise as is reasonably required by the Resulting Issuer.

Dr. Nataliya Hearn – Director (Age: 54)

Dr. Hearn has obtained significant managerial experience and entrepreneurship in both public and private companies operating in precious and non-precious metals industries since 1999. Currently, Dr. Hearn is President of Link-Tech Inc., a company that supplies the necessary material for remote rehabilitation of underground pipes, since April 2015; and Director of Bio Life Sciences Inc. (Symbol: BLFE OTCPK), since December 2020. Previously, Dr. Hearn was CEO of American Rare Earths and Materials (Symbol: AREM -- NASDAQ –OTCB) 2010-2012; CEO, Founder, and Director of Element 21 Sports (Symbol: EGLF -- NASDAQ –OTCB) 2002-2010; and Director of Mag Industries (Symbol: MAA.V -- TXS.V) 1999-2016. She is a founding director of the Corporation.

It is anticipated that Dr. Hearn will devote such time and expertise as is reasonably required by the Resulting Issuer.

Dan Hrushewsky – Director (Age: 60)

Mr. Hrushewsky provides both managerial and practical experience in mining project equity and debt finance, mining project evaluation and acquisition, and mine development studies with finance and mining companies. Mr. Hrushewsky is currently a consultant with 55 North Mining Inc. and Blackjack Silver Corp. Mr. Hrushewsky was the Executive Vice President of Bunker Hill Mining Corp., a mining company with facilities in Kellogg and Wardner, Idaho, between August 2017 and August 2018. Mr. Hrushewsky was a Senior Gold Equity Mining Analyst at Jennings Capital Inc./Northland Capital Partners from June 2011 to December 2013. From December 2013 to July 2017, Mr. Hrushewsky was a self-employed consultant working with the following mining-related businesses: Bunker Hill Mining Corp., Oxygen Capital Corporation, Aureus Mining Inc., Petropavlovsk plc, Teranga Gold Corporation, and Whittle Consulting. He is a founding director of the Corporation.

It is anticipated that Mr. Hrushewsky will devote such time and expertise as is reasonably required by the Resulting Issuer.

Danièle Spethmann – Director (Age: 62)

Ms. Spethmann has over 30+ years' experience in northern Ontario, Canada and internationally in Latin American and Botswana including senior geologist and principal on two projects with significant discoveries (Choco 10 - Carolina Zone and Fruta del Norte) in Venezuela and in Ecuador. Companies she has worked with include IAMGOLD, African Copper, Aurelian Resources and Bolivar Goldfields. Ms. Spethmann studied geology at the University of Ottawa and recently completed the Mining Management Certificate at Ryerson University. She is a member of the Association of Professional Geoscientists Ontario, committee member of the Toronto Geological Discussion Group and WIM Toronto.

It is anticipated that Ms. Spethmann will devote such time and expertise as is reasonably required by the Resulting Issuer.

Andrey Maruta – Chief Financial Officer and Corporate Secretary (Age: 45)

Mr. Maruta has over 18 years of experience in the mining and metals industry, including his current position as Group Chief Financial Officer for Otso Gold Corp, a company listed on TSX-V, and past experience as Chief Financial Officer of Kore Potash Plc a company listed on the AIM, JSE and ASX exchanges and CFO of Petropavlovsk plc, an LSE listed company.

It is anticipated that Mr. Maruta will devote such time and expertise as is reasonably required by the Resulting Issuer.

Promoters

There have been no Promoters of the Corporation during the two years immediately preceding the date of this Filing Statement.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Except as disclosed herein, to the knowledge of the Corporation, no proposed director, officer or promoter of the Resulting Issuer, or a security holder anticipated to hold sufficient securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, within 10 years before the date of this Filing Statement, has been, a director, officer or promoter of any person or company that, while that person was acting in that capacity, was the subject of a cease trade or similar order, or an order that denied the other issuer access to any exemptions under applicable securities law, for a period of more than 30 consecutive days, or became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

To the knowledge of the Corporation, no proposed director, officer or promoter of the Resulting Issuer, or a security holder anticipated to hold sufficient securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or been subject to any other penalties or sanctions imposed by a court or regulatory body including a self-regulatory body that would be likely to be considered important to a reasonable security holder making a decision about a Qualifying Transaction.

To the knowledge of the Corporation, no director, officer or promoter of the Resulting Issuer, or shareholder holding a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, or a personal holding company of any such person has, within the past ten years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such person.

On April 8, 2021, a Cease Trade Order (the "CTO") was issued by the Ontario Securities Commission as a result of the Corporation's failure to file its interim financial statements, management's discussion and analysis, and certificate of the foregoing filings for the period ended January 31, 2021 as required by Ontario securities legislation. On April 13, 2021, the Exchange suspended trading of the Corporation's securities as a result of the CTO. The Corporation subsequently made the requisite filings, the CTO was revoked, and the Exchange reinstated trading on June 4, 2021.

Interests of Management and Others in Material Transactions

No informed persons of the Corporation (as defined in National Instrument 51-102), nor any director of the Corporation, nor any associate or affiliate of the foregoing persons has any material interest, direct or indirect, in any transaction since the commencement of the Corporation's most recently completed financial year or in any transaction which has or will materially affect the Corporation and none of such persons has any material interest in any transaction proposed to be undertaken by the Corporation that will materially affect the Corporation.

Conflicts of Interest

There are potential conflicts of interest to which the directors, proposed directors, officers and promoters of the Resulting Issuer will be subject with respect to the operations of the Resulting Issuer. Certain of the directors, proposed directors and/or officers serve as directors and/or officers of other companies or have significant shareholdings in other companies. Situations may arise where the directors, officers and promoters of the Resulting Issuer will be engaged in direct competition with the Resulting Issuer. Any conflicts of interest will be subject to and governed by the law applicable to directors and officers conflicts of interest, including the procedures prescribed by the CBCA. The CBCA requires that directors and officers of the Resulting Issuer, who are also directors or officers of a party which enters into a material contract with the Resulting Issuer or otherwise have a material interest in a material contract entered into by the Resulting Issuer, must disclose their interest and, in certain instances, refrain from voting on any resolution of the Resulting Issuer's directors to approve the contract.

Other Reporting Issuer Experience

The following directors, officers or promoters of the Resulting Issuer or proposed directors or officers of the Resulting Issuer are, or within the past five years have been, directors, officers or promoters of the following reporting issuers (other than the Resulting Issuer):

Name of Director, Officer or Promoter	Name and Jurisdiction of Reporting Issuer	Name of Trading Market	Position	Term
Dan Hrushewsky	Bunker Hill Mining Corp., a Nevada corporation	Canadian Securities Exchange	Executive Vice President	August 2017 to August 2018
Andrey Maruta	Petropavlovsk Plc (UK), Kore Potash plc (UK), Otso Gold Corp (Canada)	TSX-V, LSE, AIM Stock Exchange, Johannesburg Stock Exchange, Australian Securities Exchange	Group Chief Financial Officer	June 2003 to Present Presently only with Otso Gold Corp
Danièle Spethmann	Warrior Gold Inc.	TSX-V	President, Chief Executive Officer and Director	February 2018 to Present

In addition to the above, the board of directors as a whole has significant public company mining experience that pre-dates the five-year period in the table above or with companies listed on foreign exchanges. Prior to his work with Bunker Hill, Mr. Hrushewsky covered public mining companies in his role as an equity analyst with Jennings Capital Inc./Northland Capital Partners, and has been a consultant to Aureus Mining Inc. (TSX, London Stock Exchange), Petropavlovsk plc (London Stock Exchange), Teranga Gold Corporation (TSX). Mr. Peter Hambro co-founded Petropavlovsk plc (London Stock Exchange), and served on the board of directors of that company from its inception until mid-2017. Mr. Andrey Maruta, CFO of Petropavlovsk London LSE premium listed Petropavlovsk plc – gold mining company with assets in the Russian Far East until March 2018, CFO of Kore Potash Plc, ASX/AIM/JSE potash project developer in the Republic of Congo, Africa until June 2021 and CFO of Otso Gold Corp, TSX-V gold mining company with gold assets in Finland current.

Investor Relations Arrangements

No written or oral agreement or understanding has been reached with any person to provide promotional or investor relations services for the Resulting Issuer.

Audit Committee and Corporate Governance

Audit Committee Charter

The Charter of the Corporation's Audit Committee is attached to this Filing Statement as Schedule "B."

Composition of the Audit Committee

The following are the members of the audit committee of the Corporation:

Peter Hambro	-	Independent*; Financially Literate*
Dr. Nataliya Hearn	-	Independent*; Financially Literate*
Dan Hrushewsky	-	Independent*; Financially Literate*

*As defined by Multilateral Instrument 52-110 – Audit Committees ("MI 52-110").

Education and Experience

Peter Hambro – Mr. Hambro has more than 25 years of experience in the operational and financial management of mining and processing operations in precious and non-precious metals. Mr. Hambro is the Co-Founder of Petropavlovsk plc, a London-based gold mining company with operations in Russia, serving as its Chairman from 1994 until June 2017. Mr. Hambro was appointed President of Petropavlovsk plc with effect from 29th June 2018 and also as Senior adviser to the Board. Mr. Hambro also serves as a director of IRC Ltd. a company that mines and produces iron ore concentrate in Russia. He is a founding director of the Corporation.

Dr. Nataliya Hearn – Dr. Hearn has obtained significant managerial experience and entrepreneurship in both public and private companies operating in precious and non-precious metals industries since 1999. Currently, Dr. Hearn is President of Link-Tech Inc., a company that supplies the necessary material for remote rehabilitation of underground pipes, since April 2015; and Director of Bio Life Sciences Inc. (Symbol: BLFE OTCPK), since December 2020. Previously, Dr. Hearn was CEO of American Rare Earths and Materials (Symbol: AREM -- NASDAQ –OTCB) 2010-2012; CEO, Founder, and Director of Element 21 Sports (Symbol: EGLF -- NASDAQ –OTCB) 2002-2010; and Director of Mag Industries (Symbol: MAA.V -- TXS.V) 1999-2016.

Dan Hrushewsky – Mr. Hrushewsky provides both managerial and practical experience in mining project equity and debt finance, mining project evaluation and acquisition, and mine development studies with finance and mining companies. Mr. Hrushewsky is currently a consultant with 55 North Mining Inc. and Blackjack Silver Corp. Mr. Hrushewsky was the Executive Vice President of Bunker Hill Mining Corp., a mining company with facilities in Kellogg and Wardner, Idaho, between August 2017 and August 2018. Mr. Hrushewsky was a Senior Gold Equity Mining Analyst at Jennings Capital Inc./Northland Capital Partners from June 2011 to December 2013. From December 2013 to July 2017, Mr. Hrushewsky was a self-employed consultant working with the following mining-related businesses: Bunker Hill Mining Corp., Oxygen Capital Corporation, Aureus Mining Inc., Petropavlovsk plc, Teranga Gold Corporation, and Whittle Consulting.

Audit Committee Oversight

At no time since the commencement of the Corporation's most recently completed financial year was a recommendation of the Committee to nominate or compensate an external auditor not adopted by the 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 an exemption in Section 2.4 of MI-52-110 (De Minimis Non-Audit Services), or an exemption from MI-52-110, in whole or in part, granted under Part 8 of Multilateral Instrument 52-110.

Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services. The Audit Committee will review the engagement of non-audit services as required.

External Auditor Service Fees (by Category)

The aggregate fees billed by the Corporation's external auditors in each of the last two fiscal years for audit fees are as follows:

Financial Year Ending	Audit Fees⁽¹⁾	Audit Related Fees⁽²⁾	Tax Fees⁽³⁾	All Other Fees
2021	\$14,000	Nil	\$3,000	\$Nil
2020	\$10,500	Nil	\$1,750	Nil

Notes:

- (1) Represents fees paid for professional services rendered by the auditors for the audit of the Corporation's annual financial statements and services provided in connection with statutory and regulatory findings.
- (2) Represents fees incurred in connection with the International Financial Reporting Standard compliance.
- (3) Represents fees incurred for professional services rendered by the Corporation's external auditor for tax compliance, tax advice, and tax planning.

Compensation of Named Executive Officers

The objectives of the Resulting Issuer's proposed compensation strategy will be to provide adequate levels of base compensation for its NEO's as well as discretionary bonuses to act as incentive mechanisms for achieving corporate goals and objectives. Each NEO will receive a base salary in recognition of the position's day-to-day duties and responsibilities, which constitutes the largest share of the NEO's compensation package. The board of directors will review each NEO's base salary on an annual basis, and may also consider an NEO's qualifications, experience, length of service and past contributions in determining an NEO's base salary.

The board of directors may also set, throughout the year, discretionary bonuses to serve as incentive mechanisms for the meeting of particular corporate goals and objectives, or for the Resulting Issuer's

financial performance. NEO's will also be eligible to participate in the Option Plan and receive grants of stock options thereunder.

The Option Plan will be used to attract, retain and incentivize qualified and experienced personnel. It will be an important part of the Resulting Issuer's long-term incentive strategy for its NEO's, as well as for its other directors, officers, other management, employees and consultants (collectively, "eligible persons"), permitting them to participate in any appreciation of the market value of the Resulting Issuer Shares over a stated period of time. The Option Plan is designed to foster a proprietary interest in stock ownership, and to reinforce a commitment to the Resulting Issuer's long-term growth, performance and success as well as increasing shareholder value.

The board of directors will review the grant of stock options to NEO's from time to time, based on various factors such as the NEO's level of responsibility and role and importance in the Resulting Issuer achieving its corporate goals, objectives and prospects. Previous grants of Options are taken into account when considering new grants of stock options to NEO's.

The Resulting Issuer has no equity compensation plans other than the Option Plan.

The following table sets forth particulars of the proposed compensation to be paid to the Named Executive Officers of the Resulting Issuer upon Completion of the Qualifying Transaction.

Summary Compensation Table

Name and principal position	Annual Salary (\$)	Share-based awards (\$)	Option-based awards	Non-equity incentive plan compensation		Pension value	All other compensation (\$)	Total compensation ⁽¹⁾
				Annual incentive plans	Long-term incentive plans			
Gairat Gary Bay President, Chief Executive Officer and Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Peter Hambro Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Dr. Nataliya Hearn Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Dan Hrushewsky Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Danièle Spethmann Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Name and principal position	Annual Salary (\$)	Share-based awards (\$)	Option-based awards	Non-equity incentive plan compensation		Pension value	All other compensation (\$)	Total compensation ⁽¹⁾
				Annual incentive plans	Long-term incentive plans			
Andrey Maruta Chief Financial Officer and Corporate Secretary	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Note:

- (1) Does not include value of any option based awards or other compensation that may be approved by the Board or any committee thereof.

Incentive Plan Awards

At the present time, option allocations for incoming directors and officers, which includes the NEO's, have not yet been determined.

Termination and Change of Control Benefits

At the present time, the NEO's do not have any written contract or arrangement with the Resulting Issuer that provides for payments to an NEO upon, following or in connection with, any termination (whether voluntary, involuntary or constructive), resignation, retirement, change of control in the Resulting Issuer or a change in the NEO's responsibilities.

Compensation of Directors

It is anticipated that all directors will be primarily compensated for their services as directors by the granting of stock options in such amounts and upon such terms as may be recommended and approved by the Resulting Issuer's directors (or any committee thereof formed for that purpose) from time to time.

Indebtedness of Directors, Executive Officers and Other Management

No proposed director, executive officer, promoter, member of management, of the Resulting Issuer nor any of their associates or affiliates is or has been indebted to the Resulting Issuer or to the Corporation.

Stock Option Plan

The Resulting Issuer will maintain the Option Plan as its stock option plan. The purpose of the Option Plan is to offer to directors, officers, employees and consultants of the Resulting Issuer and its affiliates the opportunity to acquire a proprietary interest in the Resulting Issuer, thereby providing an incentive to such parties to promote the best interests of the Resulting Issuer and to provide the means to the resulting Issuer to attract qualified persons. See "*Part I - Information concerning the Corporation - Stock Option Plan*".

Options to Purchase Securities

As at the date of this Filing Statement, the Corporation had 822,222 CPC Stock Options issued and outstanding granted in connection with the Corporation's initial public offering exercisable at \$0.10 each until July 18, 2024. Assuming that 12,611,500 Resulting Issuer Shares are outstanding upon Completion of the Qualifying Transaction, the Resulting Issuer will issue an additional 400,000 Resulting Issuer Options to the directors, officers and consultants of the Corporation. The Resulting Issuer may grant up to an additional 38,928 Resulting Issuer Options pursuant to the Option Plan.

The following table describes all of the options that will be issued and outstanding upon Completion of the Qualifying Transaction.

Category of Optionee	Number of Resulting Issue Shares	Exercise Price	Market Value on Date of Grant	Expiry Date
Officers of the Resulting Issuer ⁽¹⁾	78,437	\$0.10 ⁽²⁾	Nil	July 18, 2024
	125,000	\$0.25	Nil	5 years from the Closing Date
Directors of the Resulting Issuer (excluding Officers) ⁽³⁾	320,224	\$0.10 ⁽²⁾	Nil	July 18, 2024
	225,000	\$0.25	Nil	5 years from the Closing Date
Consultants of the Resulting Issuer	50,000	\$0.25	Nil	5 years from the Closing Date
Former Director of the Corporation ⁽⁴⁾	423,561	\$0.10 ⁽²⁾	Nil	July 18, 2024
Total	1,222,222			

Notes:

- (1) Namely, Gairat Gary Bay (President, Chief Executive Officer and Director) and Andrey Maruta (Chief Financial Officer and Corporate Secretary) of the Resulting Issuer.
- (2) The options were granted prior to the establishment of a trading market in the Company's securities. Accordingly, the initial public offering price of the Company's securities, being \$0.10, is deemed to be the exercise or base price for the securities as of the date of the grant.
- (3) Namely, Peter Hambro (Director), Dr. Nataliya Hearn (Director), Dan Hrushewsky (Director) and Danièle Spethmann (Director) of the Resulting Issuer.
- (4) Namely, Pavel Maslovskiy and Alexey Maslovskiy.

Escrowed Securities

CPC Escrowed Shares

As at the date of this Filing Statement, there are 4,100,000 CPC Escrowed Shares held in escrow representing 47.61% of the total issued and outstanding Common Shares prior to the Completion of the Qualifying Transaction and the Financing. All of these CPC Escrowed Shares are escrowed pursuant to the

CPC Escrow Agreement. The CPC Escrowed Shares will be releasable on the date of the Final Exchange Bulletin in respect of a Qualifying Transaction as to 25% thereof following issuance by the Exchange of the Final Exchange Bulletin in respect of a Qualifying Transaction and as to 25% thereof on each of the 6, 12 and 18 month anniversaries of the Final Exchange Bulletin.

Value Security Escrowed Shares

In accordance with Exchange Policy 5.4 - Escrow, Vendor Consideration and Resale Restrictions, all Resulting Issuer Shares that are Value Securities held by Principals are subject to the Value Security Escrow Agreement. Accordingly, it is anticipated that an aggregate of 1,277,689 Resulting Issuer Shares will be subject to the release schedule applicable under the Value Security Escrow Agreement.

If the Resulting Issuer meets the Tier 2 listing requirements of the TSXV, it is expected that the Value Securities will be subject to the release schedule set out in "Schedule B(2) – Tier 2 Value Security Escrow Agreement" of Exchange Form 5D, which provides for the release of 10% of the Value Securities on the date of the Final Exchange Bulletin, and an additional 15% of the Value Securities on the dates that are six, twelve, eighteen, twenty-four, thirty and thirty-six months thereafter.

The Value Securities may not be transferred without the approval of the Exchange for release or transfer other than in specified circumstances set out in the applicable escrow agreement.

As at immediately prior to the Qualifying Transaction, there are two anticipated principal holders of Value Security Escrowed Shares who will hold an aggregate of 1,277,689 Resulting Issuer Shares at the Completion of the Qualifying Transaction that will be subject to the escrow terms of the Value Security Escrow Agreement with the first release on the Completion of the Qualifying Transaction.

Escrowed Shares

Following the Completion of the Qualifying Transaction, there will be 12,611,500 Resulting Issuer Shares issued and outstanding. An aggregate of 5,377,689 Resulting Issuer Shares will be held in escrow subject to and released from escrow pursuant to the CPC Escrow Agreement and the Value Security Escrow Agreement.

The CPC Escrowed Shares and the Value Security Escrowed Shares are also referred to herein as the "**Exchange Escrowed Securities**".

The following table lists the names of beneficial owners of Exchange Escrowed Securities as at the date hereof and after giving effect to the Qualifying Transaction.

Name	Number of Escrowed Shares as of Date of Filing Statement ⁽¹⁾	Percentage Prior to Qualifying Transaction ⁽²⁾	Number of Escrowed Shares upon completion of Qualifying Transaction	Percentage of Escrowed Shares on Completion of Qualifying Transaction ⁽³⁾
Gairat Gary Bay	370,000	4.30%	370,000	2.93%
Peter Hambro	1,332,000	15.47%	2,509,689 ⁽⁴⁾	19.90% ⁽⁴⁾

Alexey Maslovskiy	666,000	7.73%	666,000	5.28%
Dr. Nataliya Hearn	100,000	1.16%	100,000	0.79%
Dan Hrushewsky	100,000	1.16%	100,000	0.79%
Andrey Maruta	200,000	2.32%	200,000	1.59%
Pavel Maslovskiy	1,332,000	15.47%	1,332,000	10.56%
Men Sun Lim	Nil	Nil	100,000 ⁽⁵⁾	0.79% ⁽⁵⁾
Total	4,100,000	47.61%	5,377,689	42.64%

Notes:

- (1) All 4,100,000 Resulting Issuer Shares are held in escrow pursuant to the CPC Escrow Agreement.
- (2) Based on 8,611,500 Common Shares issued and outstanding prior to Completion of the Qualifying Transaction and the Financing.
- (3) Based on 12,611,500 Resulting Issuer Shares issued and outstanding on Completion of the Qualifying Transaction.
- (4) Includes subscription receipts convertible into 1,177,689 Resulting Issuer Shares purchased by Catopriam Ltd. under the Financing which will be subject to the Value Security Escrow Agreement. Peter Hambro has a beneficial ownership interest in Catopriam Ltd.
- (5) Includes subscription receipts convertible into 100,000 Resulting Issuer Shares purchased by Men Sun Lim under the Financing which will be subject to the Value Security Escrow Agreement. Men Sun Lim is the spouse of Andrey Maruta.

The Exchange Escrowed Securities will represent approximately 42.64% of the issued and outstanding Resulting Issuer Shares on completion of the Qualifying Transaction on an undiluted basis. 5,377,689 Exchange Escrowed Shares will be released from escrow in accordance with the terms of the CPC Escrow Agreement and the Value Security Escrow Agreement.

Other Resale Restrictions

Designation of Class	Aggregate Number of Securities Subject to Resale Restrictions	Percentage of Class After Giving Effect to the Qualifying Transaction and Financing, on a Non-Diluted Basis	Expiry Date of the Resale Restrictions
Common Shares	4,000,000	31.72%	Date that is 4 months and 1 day from the date of issue of the subscription receipts

Finder Warrants	20,188	100%	Date that is 4 months and 1 day from the date of issue of the finder warrants
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Auditor, Transfer Agents and Registrar

After giving effect to the Qualifying Transaction, the auditors for the Resulting Issuer will continue to be RSM Canada LLP, Chartered Professional Accountants of 11 King Street West, Suite 700, Toronto, Ontario, M5H 4C7.

TSX Trust Company, at its offices at 100 Adelaide Street West, Suite 301, Toronto, Ontario, M5H 4H1, will continue to be the transfer agent and registrar for the Resulting Issuer upon Completion of the Qualifying Transaction.

Sponsor

No sponsor has been retained in connection with the Qualifying Transaction of the Corporation as the Corporation has applied for a waiver of the sponsorship requirement. The Corporation has made application to the Exchange for an exemption from the sponsorship requirement pursuant to section 3.4 of Policy 2.2. There can be no assurances that the Corporation will be granted an exemption from sponsorship.

Experts

Opinions

The following professional persons have prepared reports or have provided opinions that are either included in or referred to in this Filing Statement:

- RSM Canada LLP, Chartered Professional Accountants, have provided an auditor's report on the financial statements of the Corporation for the year ended October 31, 2021, for the year ended October 31, 2020, and for the year ended October 31, 2019, which are incorporated by reference herein;
- The Authors have prepared the Technical Report, which is summarized and referred to herein in "*Part II – Information Concerning the Noseno Property*" and is available under the Corporation's profile on the SEDAR website (www.sedar.com).

Interests of Experts

Except as disclosed herein, no professional person who has provided an opinion or report referenced in this Filing Statement currently holds more than 1% of the Common Shares and, upon Completion of the Qualifying Transaction, will not hold more than 1% of the Resulting Issuer Shares, and no such professional person is expected to be elected, appointed or employed as a director, officer or employee of the Resulting Issuer or of its Associates or Affiliates.

Other Material Facts

There are no other material facts relating to the Corporation, the Resulting Issuer, or the Qualifying Transaction that have not been disclosed elsewhere in this Filing Statement.

Board Approval

The contents and sending of this Filing Statement have been approved by the board of directors of the Corporation. Where information contained in this Filing Statement rests particularly within the knowledge of a person other than the Corporation, the Corporation has relied upon information furnished by such person.

PART IV - DESCRIPTION OF THE RISK FACTORS ASSOCIATED WITH THE QUALIFYING TRANSACTION

Any investment with the Corporation should be considered speculative. In evaluating the Qualifying Transaction, investors should consider the following risk factors:

The Corporation

The Corporation has a very limited history of operations, is in the early stage of development and, pursuant to the CPC Policy, has conducted no active business and has received no revenues other than interest revenues. As such, the Corporation is subject to many risks common to such enterprises, including under-capitalization, cash shortages, and limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that the Corporation will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations. The Corporation has no intention of paying any dividends in the near future.

The Corporation has limited financial resources, has not earned any revenue other than interest on cash balances since commencing operations and has no source of operating cash flow. There can be no assurance that the Corporation will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further development of the Noseno Property.

If the Qualifying Transaction is Not Completed

If the current market price of the Common Shares reflects an assumption that the Qualifying Transaction will be completed, the price may decline if the Qualifying Transaction is not completed. Moreover, the Corporation's costs related to the Qualifying Transaction, including legal, accounting fees, must be paid even if the Qualifying Transaction is not completed. For more information about these costs, please see "*Part III – Information Concerning the Resulting Issuer Upon Completion of the Qualifying Transaction – Principal Purposes of Available Funds*".

In addition, if the Qualifying Transaction is not completed, the Corporation may be subject to a number of additional material risks, including the following:

- The Corporation may forego other opportunities which would have otherwise been available had the Property Option Agreement not been executed, including, without limitation, opportunities foregone as a result of affirmative and negative covenants made by each company in the Property Option Agreement, such as covenants affecting the conduct of each company's business outside the ordinary course of business; and
- The Corporation may be unable to obtain additional sources of financing or conclude another sale, merger or amalgamation on as favourable terms, in a timely manner, or at all.

Conditions Precedent

The obligations of the Corporation to complete the Qualifying Transaction are subject to the satisfaction or mutual waiver, where permissible, of certain conditions set forth in the Property Option Agreement. Some of these conditions cannot be waived, including obtaining the requisite approval of the relevant securities regulators and the Exchange. If these conditions are not satisfied, the Qualifying Transaction will not be completed.

Further, there is no assurance that the Qualifying Transaction will receive regulatory approval or will be completed. There can be no assurance that all of the approvals will be obtained.

Dilution

The business objectives of the Resulting Issuer will include the exploration of the Noseno Property. The Resulting Issuer may have to sell additional securities including, but not limited to, common shares or some form of convertible security, the effect of which will result in a dilution of the equity interests of any existing shareholders.

Exploration and Mining Risks

Resource exploration and development is a speculative business and involves a high degree of risk. There is no known body of commercial ore on the Noseno Property. There is no certainty that the expenditures to be made by the Resulting Issuer in the exploration of the Noseno Property will result in discoveries of commercial quantities of minerals. The marketability of natural resources which may be acquired or discovered by the Resulting Issuer will be affected by numerous factors beyond the control of the Resulting Issuer. These factors include market fluctuations, the proximity and capacity of natural resource markets and processing equipment, and government regulations including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Resulting Issuer not receiving an adequate return on invested capital.

No Assurance of Title to Assets

Establishing title to mineral properties is a very detailed and time-consuming process. Title to and the area of mineral properties may be disputed. There is no guarantee of title to the Noseno Property. The Noseno Property may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects.

Commodity Prices

Factors beyond the control of the Resulting Issuer may affect the marketability and price of any minerals discovered, if any. Resource prices have fluctuated widely in recent years and are affected by numerous factors beyond the control of the Resulting Issuer, including international, economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumptive patterns, speculative activities and increased production due to new extraction developments and improved extraction and production methods. The effect of these factors cannot be accurately predicted.

Uninsurable Risks

In the course of exploration, development and production of mineral properties, several risks and, in particular, unexpected or unusual geological or operating conditions, may occur. It is not always possible

to fully insure against such risks, and the Resulting Issuer may decide not to take out insurance against such risks as a result of high premiums or for 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 the securities of the Resulting Issuer.

The Resulting Issuer is not insured against most environmental risks. Insurance against environmental risks (including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from exploration and production) has not been generally available to companies within the industry. The Resulting Issuer will periodically evaluate the cost and coverage of the insurance against certain environmental risks that is available to determine if it would be appropriate to obtain such insurance. Without such insurance, and if the Resulting Issuer becomes subject to environmental liabilities, the payment of such liabilities would reduce or eliminate its available funds or could exceed the funds the Resulting Issuer has to pay such liabilities and result in bankruptcy. Should the Resulting Issuer be unable to fund fully the remedial cost of an environmental problem it might be required to enter into interim compliance measures pending completion of the required remedy.

Operating Hazards and Risks

Mineral exploration and mining involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. These hazards include unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, explosions, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labour.

Operations in which the Resulting Issuer will have a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of minerals, any of which could result in damage to or destruction of mines and other producing facilities, damage to life and property, environmental damage and possible legal liability for any or all damage. Although the Resulting Issuer intends to maintain liability insurance in an amount which it considers adequate, the nature of these risks is such that liabilities could exceed policy limits, in which event the Resulting Issuer could incur significant costs that could have a materially adverse effect upon its financial condition.

Permits and Licences

Operations of the Resulting Issuer will require licences and permits from various governmental authorities. The Resulting Issuer anticipates that it will be able to obtain in the future all necessary licences and permits to carry on the activities which it intends to conduct, and that it intends to comply in all material respects with the terms of such licences and permits. However, there can be no guarantee that the Resulting Issuer will be able to obtain and maintain, at all times, all necessary licences and permits required to undertake its proposed exploration and development or to place its properties into commercial production and to operate mining facilities thereon. In the event of commercial production the cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations or preclude the economic development of the Noseno Property.

Competition

Competition in the mineral exploration business is intense and could adversely affect the ability of the Resulting Issuer to suitably develop its properties. The Resulting Issuer will be competing with many other exploration companies possessing greater financial resources and technical facilities. Accordingly, there is a high degree of competition for desirable mineral leases, suitable prospects for drilling operations and necessary mining equipment, as well as for access to funds. Competition for services and equipment could cause future development and operating costs to increase materially, resulting in delays if services or

equipment cannot be obtained in a timely manner due to inadequate availability, and could increase the potential for scheduling difficulties and cost increases due to the need to coordinate the availability of services or equipment. Any such difficulties could materially increase future development, operations, exploration, or construction costs, and result in project delays. Further, there can be no assurance that the necessary funds can be raised or that any projected work will be completed.

Environmental Regulations

Mining operations are subject to federal, provincial and local laws relating to the protection of the environment, including laws regulating removal of natural resources from the ground and the discharge of materials into the environment. Mining operations are also subject to federal, provincial and local laws and regulations which require the Resulting Issuer to maintain health and safety standards by regulating the design and use of mining methods and equipment. Various permits from government bodies are required for mining operations to be conducted; no assurance can be given that such permits will be received. No assurance can be given that environmental standards imposed by federal, provincial or local authorities will not be changed or that any such changes would not have material adverse effects on the activities of the Resulting Issuer. Moreover, compliance with such laws may cause substantial delays or require capital outlays in excess of those anticipated, thus causing an adverse effect on the Resulting Issuer. Additionally, the Resulting Issuer may be subject to liability for pollution or other environmental damages, which it may not insure against.

Infrastructure

Mining, processing, development and exploration activities depend on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important requirements, which affect capital and operating costs. Unusual or infrequent weather, phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect future operations of the Resulting Issuer.

Dependence on Key Personnel

The Resulting Issuer's future success and growth depends in part upon the experience of a number of key management personnel. If, for any reason, any one or more of such key personnel do not continue to be active in the Resulting Issuer's management, the operations and business prospects of the Resulting Issuer could be adversely affected.

Conflicts of Interest

Certain of the proposed directors of the Resulting Issuer are also directors, officers or shareholders of other companies. Such associations may give rise to conflicts of interest from time to time. The directors of the Resulting Issuer will be required by law to act honestly and in good faith with a view to the best interests of the Resulting Issuer and to disclose any interest which they may have in any project or opportunity of the Resulting Issuer. If a conflict 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. In determining whether or not the Resulting Issuer will participate in any project or opportunity, the director will primarily consider the degree of risk to which the Resulting Issuer may be exposed and its financial position at that time.

Safety Risks

The Noseno Property is located in Guyana, South America. Personal safety and property risk are considered high in the region. Criminal activity in the region, or the perception that such activities are likely, may

disrupt the Resulting Issuer's operations, hamper the ability to hire and keep qualified personnel, and impair access to sources of capital. Conducting business in the region may include risks associated with personnel safety and asset security, including but not limited to kidnappings of employees and contractors; exposure of employees and contractors to local crime; exposure of employees and contractors to drug trade activity; and damage or theft of personal assets or the assets of the Resulting Issuer. These risks may result in serious consequences including but not limited to personal injuries or death, property damage or theft, limiting or disrupting or causing the Resulting Issuer to shut down operations, restricting the movement of funds, and impairing contractual rights. Such events may expose the Resulting Issuer to costs, potential liability, and could have a material adverse effect on the Resulting Issuer's cash flows, earnings, results of operations, and financial condition. While the Resulting Issuer will take steps to limit such risks and to safeguard personnel and property, there is no assurance or guarantee that the Resulting Issuer's efforts will be effective.

Compliance with Anti-Corruption Laws

The Resulting Issuer will be subject to various anti-corruption laws and regulations including but not limited to the *Corruption of Foreign Public Officials Act*. In general, these laws prohibit a company and its employees and intermediaries from bribing or making other prohibited payments to foreign officials or other persons to obtain or retain business or gain some other business advantage. Operations of the Resulting Issuer are located in Guyana and, according to Transparency International, the country of Guyana is perceived to have fairly high levels of corruption relative to selected sample countries around the world. The Resulting Issuer cannot predict the nature, scope, or effect of future regulatory requirements to which its operations might be subject, or the way existing laws could expose the Resulting Issuer and its senior management to civil and/or criminal penalties, other sanctions and remedial measures, legal expenses, and reputational damage, all of which could materially and adversely affect the Resulting Issuer's business, financial condition, and results of operations. Similarly, any investigation into any potential violations of anti-corruption legislation by Canadian or foreign authorities could also have an adverse impact on the Resulting Issuer's business, financial condition, and results of operations, as well as on the market price of the shares of the company. There can be no guarantee or assurance that the efforts of the Resulting Issuer will be completely effective in ensuring compliance, and the compliance of its employees, consultants, contractors, and other agents, with all applicable anti-corruption laws.

COVID-19 Pandemic

The Resulting Issuer will face risks related to health epidemics and other outbreaks of communicable diseases, which could disrupt its operations, and may materially and adversely affect the Resulting Issuer's business, financial condition, and results of operations. There can be no assurance that the Resulting Issuer's personnel will not be impacted by pandemic diseases, and as a result, see its workforce productivity reduced. Further, the Resulting Issuer may incur increased medical costs or insurance premiums because of such health risks.

In December 2019, a novel strain of the coronavirus (COVID-19) emerged in China. The virus since spread to several other countries, including Canada and Guyana. The extent to which COVID-19 will impact the Resulting Issuer's business, including its operations and the market for its securities, will depend on future developments, which are highly uncertain and cannot be predicted at this time. Such future developments include the duration, severity, and scope of the outbreak, as well the actions taken to contain or treat the outbreak. In particular, the continued spread of COVID-19 globally could materially and adversely impact the Resulting Issuer's business including without limitation, employee health, workforce productivity, increased insurance premiums, limitations on travel, supply chain interruption, the availability of industry experts and personnel, as well as other factors that depend on future developments beyond the Resulting Issuer's control.

Efforts to slow the spread of COVID-19 could severely impact the Resulting Issuer's operations. To date, several governments have declared states of emergency and have implemented restrictive measures such as border restrictions, travel bans, quarantine, and self-isolation. If the Resulting Issuer's operations are disrupted or suspended because of such measures, it may have a material and adverse impact on the Resulting Issuer's profitability, financial condition, results of operations, and stock price. Further, COVID-19 risks may not be adequately responded to locally, nationally, or internationally, due to a lack of preparedness to detect and respond to outbreaks. This could lead to potentially significant economic and social risks, including the inability of the Resulting Issuer's operations to continue as intended due to a shortage of skilled employees, shortages or disruptions in the supply chain, an inability of employees to access sufficient healthcare, and significant government and regulatory actions.

Further, the Chinese market is a significant source of global demand for commodities, including gold. A sustained slowdown in China's growth and demand, or a significant slowdown of other markets, could have an adverse impact on the price of, or demand for, gold. COVID-19 and efforts to contain it may have a significant effect on Chinese commodity prices and demand, and potentially broader impacts on the Resulting Issuer's supply chain or the global economy, which could have a material adverse effect on the Resulting Issuer's cash flows, earnings, results of operations, and financial position. The actual and threatened spread of COVID-19 globally could adversely affect global economies and financial markets resulting in a prolonged economic downturn and a decline in the value of the Resulting Issuer's stock price. The extent to which COVID-19 (or any other disease, epidemic or pandemic) impacts business activity or financial results, and the duration of any such negative impact, will depend on future developments, which are highly uncertain and cannot be predicted.

Global Financial Conditions

In recent years and months financial conditions have been characterized by volatility. Access to financing has been negatively impacted by factors resulting from the COVID-19 pandemic, financial crises, markets generally, competition for limited capital from other industries, and the fluctuating price of gold. These conditions may impact the Resulting Issuer's ability to obtain equity or debt financing on acceptable or favourable terms in the future. A period of renewed uncertainty in the world capital markets could make any project debt component of any financing more expensive than anticipated, or unavailable. It is not uncommon for financial institutions to require some form of cost overrun facility, a price guarantee program, and/or a completion guarantee in association with the provision of project debt finance. Further, global economic conditions may cause decreases in asset values that are deemed to be non-temporary, which may result in impairment losses. If such volatility and market turmoil continue, the Resulting Issuer's business and financial condition could be adversely impacted.

The possibility of a global recession arising from the COVID-19 pandemic, including the attempts to control it, may impact the demand for and price of metals. Recently, there has been mounting government debt in many western nations and significant volatility in the price of oil and other commodities. These events illustrate the effect that events beyond the control of the Resulting Issuer may have on commodity prices, demand for metals, availability of credit, investor confidence and general financial market liquidity, which all will affect the Resulting Issuer's business. All such factors, as well as other related factors, may cause decreases in asset values that are deemed to be non-temporary, resulting in impairment losses. If such increased levels of volatility and market turmoil reoccur, the Resulting Issuer's operations and the trading price of the Resulting Issuer's shares could be adversely impacted.

Legal Proceedings

The Resulting Issuer could be subject to claims or legal proceedings covering a wide range of matters including claims related to ex-employees, claims that purport to be class actions, and claims to the Resulting

Issuer's licenses and permits. Such matters give rise to legal uncertainties, may have unfavourable results, and may divert management's attention and resources.

Failure to Have Strong Local Community Relations

Mining companies are facing increasing public scrutiny and monitoring of their activities to demonstrate that operations will benefit local governments and surrounding communities. Companies are required to expend time and money on local consultation and meetings as part of developing their 'social license to operate.' Potential consequences of such increased scrutiny and consultative requirements include lawsuits, demands for increased social investment obligations, increased taxes to support governments or fund local development, and in extreme cases, significant local opposition to mineral exploration, project development, and mining operations. These risks could result in increased costs and delays which could adversely impact the Resulting Issuer's ability to carry out operations.

Political Risks

The Noseno Property is in Guyana, South America. As such, the Resulting Issuer's operations will be exposed to various levels of political, economic, and other risks or uncertainties. These include, but are not limited to currency exchange rates; high rates of inflation; labour unrest; renegotiation or nullification of existing concessions, licenses permits and contracts; changes in taxation policies; restrictions on foreign exchange; and changing political conditions; currency controls and government regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Future political actions cannot be predicted and may adversely affect the Resulting Issuer. Changes, if any, in mining or investment policies or shifts in political attitude in the country of Guyana, may adversely impact the Resulting Issuer's business, results of operations and financial condition. Future operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety. The possibility that future governments may adopt substantially different policies, which may extend to the expropriation of assets, cannot be ruled out.

Failure to comply strictly with applicable laws, regulations, and local practices relating to mineral right applications and tenure, could result in loss, reduction or expropriation of entitlements. The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the Resulting Issuer's consolidated business, results of operations, and financial condition.

Labour and Employment

The relationship that the Resulting Issuer has with its employees may be impacted by changes in the scheme of labour relations which may be introduced by governmental authorities, unionization activity, or work stoppages. Such adverse changes in legislation, the status of unionization activity and work stoppages may have a material and adverse impact on the Resulting Issuer's business, results of operations, and financial condition.

Subsidiaries

The Resulting Issuer will conduct its operations through subsidiaries and will hold certain assets through its subsidiaries. Any limitation on the transfer of cash or other assets between the Resulting Issuer and its subsidiaries could restrict the Resulting Issuer's ability to fund its operations efficiently. Such limitations,

or the perception that such limitations may exist now or in the future, could have an adverse impact on the Resulting Issuer's valuation and stock price.

Market Price of Shares

Securities of small-cap companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in North America and globally as well as market perceptions of the attractiveness of industries. The Resulting Issuer's share price is also likely to be significantly affected by short-term changes in gold prices or in its financial condition or results of operations as reflected in its quarterly earnings reports. Other factors unrelated to the Resulting Issuer's performance may have an effect on the price of the shares including the following: the extent of analytical coverage available to investors concerning the Resulting Issuer's business may be limited if investment banks with research capabilities do not follow the Resulting Issuer; lessening in trading volume and general market interest in the Resulting Issuer's securities may affect an investor's ability to trade significant numbers of the Resulting Issuer's shares; the size of the Resulting Issuer's public float may limit the ability of some institutions to invest in the Resulting Issuer's securities; and a substantial decline in the price of the Resulting Issuer's shares that persists for a significant period of time could cause the Resulting Issuer's securities to be delisted from the exchange on which they trade, further reducing market liquidity. As a result of these factors, the market price of the shares of the Resulting Issuer at any given point in time may not accurately reflect the Resulting Issuer's long-term value.

Future Sales of Shares by Existing Shareholders

Sales of a large number of the Resulting Issuer's shares in the public markets, or the potential for such sales, could decrease the trading price of the Resulting Issuer's shares, and could impair the Resulting Issuer's ability to raise capital through the future sale of shares.

Accounting Policies

In preparation of financial reports, management may need to rely upon assumptions, make estimates, or use their judgment in determining the financial condition of the Resulting Issuer. To have a reasonable level of assurance that financial transactions are properly authorized, assets will be safeguarded against unauthorized or improper use, transactions will be properly recorded and reported, and the Resulting Issuer will use and analyze internal control systems for financial reporting. Although financial reporting and financial statements will be prepared with such safeguards to ensure reliability, the Resulting Issuer cannot provide absolute assurances.

Reputational Risk

As a result of the increased usage and reach of social media and other web-based tools used to generate, publish, and discuss user-generated content and to connect with other users, companies today are at a greater risk of losing control over how they are perceived in the marketplace. Damage to the Resulting Issuer's reputation can be the result of the actual or perceived occurrence of a number of events, and could include negative publicity, whether true or not. While great emphasis will be placed on protecting the Resulting Issuer's image and reputation, the Resulting Issuer will ultimately not have direct control over how it is perceived by others. Reputational losses could lead to increased challenges in developing and maintaining community relations, decreased investor confidence and could be an impediment to the Resulting Issuer's overall ability to advance projects, thereby having a material and adverse impact on financial performance, cash flows, and growth prospects.

Repatriation of Funds

The ability of the Resulting Issuer to repatriate funds from Guyana or any other foreign country may be hindered by the legal restriction of the countries in which it operates. The Resulting Issuer may not be able to repatriate funds or may incur tax penalties or other costs when doing so, due to legal restrictions or tax requirements at local subsidiary levels or at the parent company level, which could be material. Although the Resulting Issuer does not anticipate difficulties in repatriating capital, there is no assurance that the government of Guyana, or any other foreign country in which it may operate in the future, will not impose additional restrictions on the repatriation of earnings to foreign entities. Any inability to repatriate funds could have a material adverse effect on the liquidity of the Resulting Issuer.

Disclosure Relating to OSC Requirements for Companies Operating in Emerging Markets

The risks of the corporate structure of the Resulting Issuer and its subsidiaries are risks that are typical and inherent for a company with material assets and property interests held indirectly through foreign subsidiaries and located in foreign jurisdictions.

The Noseno Property is in Guyana. Because of the location, the Resulting Issuer will be exposed to various safety and security risks that are not present in other jurisdictions. In addition, the Resulting Issuer will be exposed to various levels of political, economic, and other risks and uncertainties associated with operating in a foreign jurisdiction such as difference in laws, business cultures and practices, banking systems and internal control over financial reporting.

The Resulting Issuer will implement a system of corporate governance, internal controls over financial reporting and disclosure controls and procedures that will apply at all levels of the Resulting Issuer and its subsidiaries. These systems will be overseen by the Resulting Issuer's Audit Committee and implemented by the Resulting Issuer's senior management. As a result of such controls, the Resulting Issuer is of the view that any risks associated with its corporate structure and its foreign operations are minimal and effectively managed.

The relevant features of the control systems are set out below:

Operations in Guyana. Personal safety and property risk are considered high in Guyana. As such, the Resulting Issuer will implement various measures to mitigate these risks. Transport of people within the country for non-domestic employees, contractors, consultants, and other such parties will be arranged by the Resulting Issuer. Physical security measures will be used including video-monitoring and armed-security personnel.

Control over and Communication with Foreign Subsidiaries. Management of the Resulting Issuer will direct, and must consent to, all decisions being made at the subsidiary level. As a result, the operations and business objectives of the Resulting Issuer and its subsidiaries will be effectively aligned.

Records. The minute books and corporate records of the Resulting Issuer's subsidiaries will be kept at the offices of local corporate secretarial services or legal counsel in the respective jurisdictions in which such subsidiaries exist. All disbursements of corporate funds and operating capital to subsidiaries of the Resulting Issuer will be reviewed and approved by the board of directors of the Resulting Issuer or its designees and will be based upon pre-approved budgeted expenditures.

Internal Control Over Financial Reporting and Funds. The Resulting Issuer will maintain a bank account with a long-established Canadian Chartered bank's subsidiary in Guyana. The account will be funding on an as needed basis, and only when expenditures are required to be made in-country. Any requests for

funding at the subsidiary level must be specific and supported by documentation to justify the request. When the request is approved by the Resulting Issuer's management team in Canada, the funds will be advanced to the Resulting Issuer's Guyana bank account. The majority of the Resulting Issuer's funds will be kept with a major Canadian chartered bank until such time as funds are required to be expended in Guyana.

Local Experts and Professionals. The Resulting Issuer will hire and engage local experts and professionals to advise the Resulting Issuer with respect to current and new regulations in Guyana in respect of mining, banking, financial, and tax matters. The Resulting Issuer will utilize large, established, and well recognized financial institutions in both Canada and Guyana. The Resulting Issuer will use local counsel and local consultants to assist it with government relations as required.

Enforcement of Judgments. All the Resulting Issuer's material assets (i.e., permits, land, building, equipment, etc.), other than its cash, will be in Guyana. Any investor with jurisdiction to do so is entitled to file suit against the Resulting Issuer to exercise its statutory rights and remedies under Canadian securities laws. The location of the assets does not affect this right, although the presence of the Resulting Issuer's resources in Canada would, if any suit were ever successful, provide an investor with the possibility of enforcing against a material pool of assets in Canada. That said, to the extent that the Resulting Issuer's cash resources are advanced to the Resulting Issuer's foreign subsidiaries, investors may have difficulty collecting from and enforcing against the Resulting Issuer and its foreign subsidiaries for judgments obtained in Canada.

SCHEDULE "A"

Unaudited Pro Forma Consolidated Balance Sheet of XAU Resources Inc. as at January 31, 2022.

XAU Resources Inc.

Statement of Financial Position As at January 31, 2022

(Expressed in Canadian Dollars) (Unaudited)

	Note	January 31, 2022	Pro forma Adjustments	Pro forma Financial Position
		\$		\$
ASSETS				
Cash	5(a,c)	135,012	994,953	1,129,965
TOTAL ASSETS		<u>135,012</u>	<u>994,953</u>	<u>1,129,965</u>
LIABILITIES				
Accounts Payable and Accrued Liabilities		17,590	-	17,590
TOTAL LIABILITIES		<u>17,590</u>	<u>-</u>	<u>17,590</u>
SHAREHOLDERS' EQUITY				
Share Capital	5(b,c)	531,767	992,301	1,524,068
Contributed Surplus	5(b,c)	86,467	76,983	163,450
Deficit	5(c)	(500,812)	(74,331)	(575,143)
TOTAL SHAREHOLDERS' EQUITY		<u>117,422</u>	<u>994,953</u>	<u>1,112,375</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>135,012</u>	<u>994,953</u>	<u>1,129,965</u>

Basis of Preparation (Note 3)

The accompanying notes are an integral part of this pro forma financial statement

XAU Resources Inc.

Statement of Financial Position As at January 31, 2022

(Expressed in Canadian Dollars) (Unaudited)

NOTE 1 – NATURE OF OPERATIONS

XAU Resources Inc. (the "Company") was incorporated under the Canada Business Corporations Act on June 18, 2018. The Company completed an Initial Public Offering ("IPO") and is classified as a Capital Pool Company ("CPC") as defined in the TSX Venture Exchange ("TSX-V") Policy 2.4. The principal business of the Company is the identification and evaluation of assets or a business (Qualifying Transaction) and, once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval, if required, and acceptance by regulatory authorities.

The Company's head office, principal address and registered and records office is located at Suite 4100, 66 Wellington Street West, Toronto, Ontario, Canada, M5K 1B7.

NOTE 2 – PROPOSED QUALIFYING TRANSACTION

On October 21, 2021, the Company announced that it has been granted an option to acquire an undivided 100% interest in the "Noseno Project" located approximately two-hundred kilometers west of Georgetown, Guyana.

The Company intends the transactions to constitute a qualifying transaction ("QT") under TSX Venture Exchange Policy 2.4 "Capital Pool Companies".

Under the terms of the option agreement, XAU will be required to make the following cash payments and incur the following exploration expenditures to earn a 100% interest in the Noseno Project:

- Cash payments – a total of \$2,500,000 USD will be paid in accordance with the following schedule:
 1. Pay \$300,000 USD by the later of (the "Trigger Date") (a) two years from the Effective Date and (b) the day after the date on which (i) conditional acceptance by the Exchange of the Qualifying Transaction is received by the Optionee and (ii) not less than \$1,000,000 of Subscription Proceeds is unconditionally released to the Optionee.
 2. Pay \$600,000 USD by the third anniversary of the Trigger Date, and
 3. Pay \$1,600,000 USD by the fourth anniversary of the Trigger Date.
- Exploration expenditures – a total of \$5,000,000 USD will be incurred in accordance with the following schedule:
 1. Incur \$500,000 USD on the first anniversary of the Trigger Date,
 2. Incur \$1,000,000 USD by the second anniversary of the Trigger Date,
 3. Incur \$1,500,000 USD by the third anniversary of the Trigger Date, and
 4. Incur \$2,000,000 USD by the fourth anniversary of the Trigger Date

In conjunction with closing the transaction, the Company will offer, by way of a non-brokered private placement financing, up to 4,000,000 subscription receipts (each a "Receipt") at a price of twenty-five cents per Receipt, for gross proceeds of up to \$1,000,000. Each Receipt will be converted to 1 common share. In connection with the financing, the Company will offer \$5,047 in cash and 20,188 finder warrants, which will be issued upon closing. The Company will also be offering 400,000 in stock options to their existing directors and consultants.

In addition, to the above, if the option is fully exercised the following considerations will be paid:

- Royalty fee – an agreement will be signed where a 3% royalty on the net smelter returns (net revenue earned less transportation and refining costs) will be paid out.
- Cash payment – if a bank feasibility study recommending the project be placed into commercial production is produced, there will be a \$2,500,000 USD payment in cash.

XAU Resources Inc.

Statement of Financial Position As at January 31, 2022

(Expressed in Canadian Dollars) (Unaudited)

NOTE 3 – BASIS OF PRESENTATION

The unaudited pro forma financial statements are prepared to give effect to and reflect the transactions as described in Note 2 (the "QT") and the pro-forma assumptions and adjustments described in Note 5 below and include unaudited pro forma statement of financial position as at January 31, 2022 prepared from the January 31, 2022 XAU Resources Inc. Interim Condensed Financial Statements as included in Filing Statement concerning the Qualifying Transaction of XAU Resources Inc., reflecting the Transactions as if they occurred on January 31, 2022.

NOTE 4 - SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in the preparation of these unaudited pro forma financial statements are those as set out in the audited financial statements of the Company as at and for the year ended October 31, 2021.

NOTE 5 - PRO FORMA ASSUMPTIONS AND ADJUSTMENTS

The unaudited pro forma interim financial statements incorporate the following pro forma adjustments and/or assumptions:

- a) In conjunction with closing the transaction, the Company will offer, by way of a non-brokered private placement financing, up to 4,000,000 subscription receipts (each a "Receipt") at a price of \$0.25 per Receipt, for gross proceeds of up to \$1,000,000. Each Receipt will be converted to 1 common share.
- b) In connection with the financing, the Company will be paying \$5,047 in cash and offering 20,188 in finders warrants. The warrants were valued using the Black Scholes model with the following inputs:
 - Risk-free rate of 1.05%,
 - Expiration date of 2 years,
 - Volatility of 100%, and
 - Stock price of \$0.25 per share.
- c) The Company will also be offering 400,000 in stock options to their officers, directors, and consultants. The options were valued using the Black Scholes model with the following inputs:
 - Risk-free rate of 1.05%,
 - Expiration date of 5 years,
 - Volatility of 100%, and
 - Stock price of \$0.25 per share.

A reconciliation of the total cash adjustment is as follows:

Proceeds of private placement	1,000,000
Less: cash for finder's fee	<u>(5,047)</u>
Total cash received	<u>994,953</u>

XAU Resources Inc.

Statement of Financial Position As at January 31, 2022

(Expressed in Canadian Dollars) (Unaudited)

NOTE 6 – SHARE CAPITAL AND CONTRIBUTED SURPLUS

The changes in share capital that will occur pursuant to the assumptions and adjustments are as follows:

	Number of Common Shares	Share capital \$	Contributed surplus \$
Issued and outstanding as at January 31, 2022	8,611,500	531,767	-
Private placement of subscription receipts	4,000,000	1,000,000	-
Share issuance costs - cash	-	(5,047)	-
Pro forma Issued and outstanding	12,611,500	1,526,720	-
Outstanding options as at January 31, 2022	822,222	-	86,467
Issuance of finders warrants	20,188	(2,652)	2,652
Issuance of stock options	400,000	-	74,331
Fully-diluted issued and outstanding	13,853,910	1,524,068	163,450

NOTE 7 – APPLICABLE TAX RATE

The applicable tax rate for the Company is 26.5%.

SCHEDULE "B"

Copy of the Charter of the Corporation's Audit Committee from the Management Information Circular.

XAU RESOURCES INC.

AUDIT COMMITTEE CHARTER

CONSTITUTION AND PURPOSE

The audit committee (the "**Committee**") has been established by resolution of the board of directors (the "**Board**") of XAU Resources Inc. (the "**Company**") for the purpose of assisting the Board in fulfilling its oversight responsibilities in relation to the accounting and financial reporting processes of the Company, audits of the financial statements of the Company, review of the Company's systems of internal controls and in relation to risk management matters including:

- (a) the review of the annual and interim financial statements of the Company;
- (b) the integrity and quality of the Company's financial reporting and systems of internal control, and financial risk management;
- (c) the Company's compliance with legal and regulatory requirements;
- (d) the qualifications, independence, engagement, compensation and performance of the Company's external auditors (the "**Company's Auditors**"); and
- (e) the exercise of the responsibilities and duties set out in this charter (the "**Charter**").

COMPOSITION

The members of the Committee shall be appointed by the Board from amongst the directors of the Company (the "**Directors**") and shall be comprised of not less than three members. A majority of the members of the Committee shall be "independent", as that term is defined in National Instrument 52-110 – *Audit Committees* ("**NI 52-110**").

All members of the Committee shall be "financially literate", as such term is defined in NI 52-110 or shall acquire within a reasonable time following appointment to the Committee, the ability to read and understand a set of financial statements that present the breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

Each member of the Committee shall serve at the pleasure of the Board until the member resigns, is removed or ceases to be a member of the Board. The Board shall fill vacancies in the Committee by appointment from among the members of the Board. If a vacancy exists on the Committee, the remaining members shall exercise all its powers so long as a quorum remains in office. The Board shall appoint a chair for the Committee from its members (the "**Chair**"). If the Chair of the Committee is not present at any meeting of the Committee, one of the other members of the Committee who is present at the meeting shall be chosen by the Committee to preside at the meeting.

No Director who serves as board member of any other company shall be eligible to serve as a member of the Committee unless the Board has determined that such simultaneous service would not impair the ability of such member to effectively serve on the Committee. Determinations as to whether a particular Director satisfies the requirements for membership on the Committee shall be made by the corporate governance committee of the Board. No member of the Committee shall receive from the Company or any of its affiliates any compensation other than the fees to which he or she is entitled as a Director of the Company or a member of a committee of the Board. Such fees may be paid in cash and/or shares, options or other in-kind consideration ordinarily available to Directors.

MEETING PROTOCOLS

The Committee shall meet at least once every quarter and shall meet at such other times during each year as the Chair of the Committee deems appropriate. The Chair of the Committee, any member of the Committee, the Company's

Auditors, the Chairman of the Board, the Chief Executive Officer ("CEO") or the Chief Financial Officer ("CFO") may call a meeting of the Committee by notifying the Company's corporate secretary, who will notify the members of the Committee. A majority of members of the Committee shall constitute a quorum.

At least five days' notice of any meeting of the Committee shall be given in writing to each member of the Committee by any means of transmitted or recorded communication that produces a written copy, including by email. Notice may be waived or shortened with the consent of all the members of the Committee. Attendance by a member at a meeting notwithstanding any failure to give notice in accordance with this Charter shall be deemed to constitute waiver of notice of such meeting by such member. Notice of each meeting of the Committee shall also be given to the Chairman of the Board, the CEO, and CFO of the Company, and the Company's Auditors.

The Chairman of the Board, the CEO and CFO of the Company, if invited by the Chair of the Committee, attend and speak at meetings of the Committee. Other Board members shall also, if invited by the Chair of the Committee, have the right of attendance. A representative of the Company's Auditors shall have the right to attend and speak at any meeting of the Committee, and may attend if invited by the Chair of the Committee, in either case at the expense of the Company.

The Committee may also invite any other officers or employees of the Company, legal counsel, the Company's financial advisors and any other persons to attend meetings and give presentations with respect to their area of responsibility, as considered necessary by the Committee.

At least quarterly, representatives of the Company's Auditors shall meet the Committee without any of the executive Directors or other members of management in attendance, except by invitation of the Committee.

The Committee shall at each meeting appoint one of its members or any other attendee to be the secretary of the Committee.

Every question at a Committee meeting shall, if necessary, be decided by a majority of the votes cast.

Subject to any statutory or regulatory requirements or the articles and by-laws of the Company, the Committee shall fix its own procedures at meetings, maintain minutes or other records of its proceedings in sufficient detail to convey the substance of all discussions held and report to the Board at the next meeting of the Board. The minutes of the Committee's meetings shall be tabled at the next meeting of the Board.

The Committee shall prepare a report to shareholders or others, concerning the Committee's activities in the discharge of its responsibilities, when and as required by the by-laws of the Company or applicable laws or regulations.

The Chair of the Committee shall be available at the annual general meeting of the Company to respond to any shareholder questions on the activities and responsibilities of the Committee.

AUTHORITY

The Committee is authorized by the Board to:

- (a) investigate any matter within its Charter;
- (b) have direct communication with the Company's Auditors;
- (c) seek any information it requires from any employee of the Company; and
- (d) retain, at its discretion, outside legal, accounting or other advisors, at the expense of the Company, to obtain advice and assistance in respect of any matters relating to its duties, responsibilities and powers as provided for or imposed by this Charter or otherwise by law or the by-laws of the Company.

ROLES & RESPONSIBILITIES

The Committee shall have the roles and responsibilities set out below, as well as any other functions that are specifically delegated to the Committee by the Board and that the Board is authorized to delegate by applicable laws and regulations. In addition to these roles and responsibilities, the Committee shall perform the duties required of an audit committee by any exchange upon which securities of the Company are traded, or any governmental or regulatory body exercising authority over the Company.

A. Review of Accounting and Financial Reporting Matters

- (c) Review the Company's interim and annual financial statements and management's discussion & analysis of operations (the "MD&A"); annual information forms and earnings press releases prior to their public disclosure and Board approval, where required, and ensure 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.
- (d) Following such review with management and the Company's Auditors, recommend to the Board whether to approve the annual or interim financial statements and MD&A and any other filings with the securities commissions.
- (e) Monitor in discussion with the Company's Auditors the integrity of the financial statements of the Company before submission to the Board, focusing particularly on:
 - (i) significant accounting policies and practices and any changes in such accounting policies and practices;
 - (ii) major judgment areas including significant estimates and key assumptions;
 - (iii) significant adjustments resulting from the audit;
 - (iv) the going concern assumption;
 - (v) compliance with accounting standards including the effects on the financial statements of alternative methods within generally accepted accounting principles;
 - (vi) the Company's Auditors' judgment about the quality, not just the acceptability, of the accounting principles applied in the Company's financial reporting;
 - (vii) compliance with stock exchange and legal requirements;
 - (viii) the extent to which the financial statements are affected by any unusual transactions;
 - (ix) significant off-balance sheet and contingent asset and liabilities and the related disclosures;
 - (x) significant interim review audit findings during the year, including the status of previous audit recommendations; and
 - (xi) all related party transactions with the required disclosures in the financial statements.
- (f) On at least an annual basis, review with the Company's legal counsel and management, all legal and regulatory matters and litigation, claims or contingencies, including tax assessments, that could have a material effect upon the financial position of the Company, and the manner in which these matters may be, or have been, disclosed in the financial statements.

B. Relationship with the Company's Auditors

- (g) Consider and make recommendations to the Board, for it to put to the shareholders for their approval in a general or special meeting, in relation to the appointment, re-appointment and removal of the Company's Auditors and to approve the compensation and terms of engagement of the Company's Auditors for the annual audit, interim reviews and any other audit related services.
- (h) Require the Company's Auditors to report directly to the Committee.
- (i) Discuss with the Company's Auditors, before an audit commences, the nature and scope of the audit, and other relevant matters.
- (j) Review and monitor the independence, objectivity and performance of the Company's Auditors and the effectiveness of the audit process taking into consideration relevant professional and regulatory requirements.
- (k) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former auditors of the Company.
- (l) Discuss problems and reservations arising from an audit, and any matters the Company's Auditors may wish to discuss (in the absence of management where necessary).
- (m) Review the Company's Auditors' management letter and management's response.
- (n) Develop and implement a pre-approval policy on the engagement of the Company's Auditors to supply non-audit services to the Company and its subsidiaries, taking into account relevant ethical guidance regarding the provision of non-audit services by the Company's Auditors and the preservation of their independence.
- (o) Consider the major findings of the Company's Auditors and management's response, including the resolution of disagreements between management and the Company's Auditors regarding financial reporting.

C. Review of Disclosure Controls & Procedures ("DC&P") and Internal Controls Over Financial Reporting ("ICFR")

- (p) Monitor and review the Company's disclosure policy on an annual basis.
- (q) In conjunction with each fiscal year end, review management's assessment of the design and effectiveness of Company's DC&P including any control deficiencies identified and the related remediation plans for any significant or material deficiencies.
- (r) In conjunction with each fiscal year end, review management's assessment of the design and effectiveness of the Company's ICFR including any control deficiencies identified and the related remediation plans for any significant or material deficiencies.
- (s) Review and discuss any fraud or alleged fraud involving management or other employees who have a role in the Company's ICFR and the related corrective and disciplinary action to be taken.
- (t) Discuss with management any significant changes in the ICFR that are disclosed, or considered for disclosure, in the MD&A, on a quarterly basis.
- (u) Review and discuss with the CEO and the CFO the procedures undertaken in connection with CEO and CFO certifications for the annual and interim filings with the securities commissions.

- (v) Review the adequacy of internal controls and procedures related to any corporate transactions in which directors or officers of the Company have a personal interest, including the expense accounts of senior officers of the Company and officers' use of corporate assets.

D. Review of the Company's Financing and Insurance

- (w) Review the adequacy of the Company's insurance policies.
- (x) Review all major financings of the Company and its subsidiaries and annually review the Company's financing plans and strategies.

E. Financial Risk Management

- (y) Review with the CEO and CFO and the Company's Auditors their assessment of the significant financial risks and exposures of the Company and discuss with management the steps which the Company has taken to monitor and control such exposures.
- (z) Review current and expected future compliance with covenants under any financing agreements.
- (aa) Review any other significant financial exposures including such things as tax audits, government audits or any other activities that expose the Company to the risk of a material financial loss.
- (bb) Report the results of such reviews to the Board for the purpose of assisting the Board in identifying the principal business risks associated with the businesses of the Company.

F. Establishment of Procedures for the Receipt and Treatment of Complaints regarding Accounting, Internal Accounting Controls, or Auditing Matters

- (cc) Establish procedures for:
 - (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters;
 - (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters; and
 - (iii) the investigation of such matters with appropriate follow-up action.

G. Corporate Governance

- (dd) The Committee may, if requested:
 - (i) review the appropriateness and effectiveness of the Company's policies and business practices which impact on the financial integrity of the Company, including those relating to insurance, accounting, management reporting and risk management; and
 - (ii) review with management and the external auditor their assessment of the significant financial risks and exposures of the Company and discuss with management the steps which the Company has taken to monitor and control such exposures.

H. Complaints and Employee Submissions

- (ee) The Committee shall establish procedures for:

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

COMMITTEE EFFECTIVENESS PROCEDURES

The Committee shall review its Charter on an annual basis, or more often as required, to ensure that they remain adequate and relevant, and incorporate any material changes in statutory and regulatory requirements and the Company's business environment.

The procedures outlined in this Charter are meant to serve as guidelines, and the Committee may adopt such different or additional procedures as it deems necessary from time to time.

In setting the agenda for a meeting, the Chair of the Committee shall encourage the Committee members, management, the Company's Auditors and other members of the Board to provide input in order to address emerging issues.

Prior to the beginning of a fiscal year, the Committee shall submit an annual planner for the meetings to be held during the upcoming fiscal year, for review and approval by the Board to ensure compliance with the requirements of the Committee's Charter.

Any written material provided to the Committee shall be appropriately balanced (i.e. relevant and concise) and shall be distributed at least five business days in advance of the respective meeting to allow Committee members sufficient time to review and understand the information.

The Committee shall conduct an annual self-assessment of its performance and this charter, and shall make recommendations to the Board with respect thereto.

Members of the Committee shall be provided with appropriate and timely training to enhance their understanding of auditing, accounting, regulatory and industry issues applicable to the Company.

New Committee members shall be provided with an orientation program to educate them on the Company, their responsibilities and the Company's financial reporting and accounting practices.

ADOPTION AND EFFECTIVENESS

This Charter was first adopted on the 21st day of November, 2018

CERTIFICATE OF XAU RESOURCES INC.

DATED: June 14, 2022

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities of XAU Resources Inc., assuming Completion of the Qualifying Transaction.

ON BEHALF OF XAU RESOURCES INC.

"Gairat Gary Bay"

Gairat Gary Bay
Chief Executive Officer and
President

"Andrey Maruta"

Andrey Maruta
Chief Financial Officer and
Corporate Secretary

ON BEHALF OF THE BOARD OF DIRECTORS

"Peter Hambro"

Peter Hambro

"Dan Hrushewsky"

Dan Hrushewsky

ACKNOWLEDGEMENT OF PERSONAL INFORMATION

"Personal Information" means any information about an identifiable individual, and includes information contained in any Items in the attached filing statement that are analogous to Items 4.2, 11, 12.1, 15, 17.2, 18.2, 23, 24, 26, 31.3, 32, 33, 34, 35, 36, 37, 38, 40 and 41 of the Exchange Form 3B2, as applicable.

The undersigned hereby acknowledges and agrees that it has obtained the express written consent of each individual to:

- (a) the disclosure of Personal Information by the undersigned to the Exchange (as defined in Appendix 6B) pursuant to the Form 3B2; and
- (b) the collection, use and disclosure of Personal Information by the Exchange for the purposes described in Appendix 6B or as otherwise identified by the Exchange, from time to time.

**ON BEHALF OF THE BOARD OF DIRECTORS
OF XAU RESOURCES INC.**

"Gairat Gary Bay"

Gairat Gary Bay
Director

CERTIFICATE OF THE PROMOTER

DATED: June 14, 2022

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this filing statement as required by the securities legislation of Ontario and the respective regulations thereunder.

"Gairat Gary Bay"

Gairat Gary Bay
Promoter