

Form 62-103F1

Required Disclosure under the Early Warning Requirements

This report updates information disclosed in a previous report filed by Teck Resources Limited (“Teck”) on June 30, 2020.

Item 1 – Security and Reporting Issuer

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

This report relates to common shares of Deep-South Resources Inc. (the “Issuer”). The address of the head office of the Issuer is #888 - 700 West Georgia St., Vancouver, BC, V7Y 1G5.

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

The transaction that triggered the requirement to file this report was the entry into an Amending Agreement dated August 14, 2020 (the “Amending Agreement”) that amends the Settlement and Amending Agreement (the “Settlement Agreement”) dated June 30, 2020 between the Issuer, Teck, and Teck Namibia Ltd. (“TNL”), a wholly owned subsidiary of Teck. The Settlement Agreement amended the share purchase agreement dated February 14, 2017, as amended (the “SPA”) pursuant to which Deep-South purchased all of TNL’s interest in Haib Minerals (PTY) Ltd., in order to, among other things, settle past due amounts owing by the Issuer through the issuance of 4,352,941 common shares of the Issuer (the “Settlement Shares”).

The Settlement Agreement also amended the terms of the convertible debenture of the Issuer held by Teck. The Amending Agreement further amends the terms of the convertible debenture, adjusting the maturity date to August 30, 2021 and increasing the conversion price to \$0.115 per common share of the Issuer, as required by the TSX Venture Exchange.

Item 2 – Identity of the Acquiror

2.1 State the name and address of the acquiror.

Teck Resources Limited, located at 3300-550 Burrard Street, Vancouver, British Columbia V6C 0B3.

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

The Amending Agreement was entered into on August 14, 2020. The Settlement Shares are to be transferred by TNL to Teck immediately following issuance.

2.3 State the names of any joint actors.

Not Applicable.

Item 3 – Interest in Securities of the Reporting Issuer

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

Under the Settlement Agreement, subject to certain conditions, Teck will acquire 4,352,941 common shares of Issuer. Assuming the satisfaction of those conditions, Teck’s securityholding percentage in the Issuer will increase from 22.9% to 26.9% on an undiluted basis.

Teck also holds a convertible debenture of principal amount \$389,117, convertible into common shares of the Issuer at a price to \$0.115 per common share of the Issuer and maturing August 30, 2021.

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

Teck will acquire ownership and control of the Settlement Shares.

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

Not applicable.

3.4 State the designation and number or principal amount of securities and the acquiror’s securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.

The Settlement Shares issued on closing, together with the 18,226,667 common shares currently held by Teck immediately before the transaction (totalling 22,579,608 common shares), will result in Teck holding approximately 26.9% of Deep-South’s outstanding common shares on an undiluted basis, or 29.7% on a partially-diluted basis assuming the conversion of the principal amount of the convertible debt held by Teck. Exercise of the principal amount of the convertible debt as of the date hereof would result in Teck acquiring 3,383,626 additional common shares of the Issuer (totalling, together with Teck’s existing shareholding and the Settlement Shares, 25,963,234 common shares of the Issuer).

The Amending Agreement adjusted the maturity date under the convertible debenture of the Issuer held by Teck to August 30, 2021 and increased the conversion price to \$0.115 per common share, as required by the TSX Venture Exchange.

3.5 State the designation and number or principal amount of securities and the acquiror’s securityholding percentage in the class of securities referred to in Item 3.4 over which

- (a) the acquiror, either alone or together with any joint actors, has ownership and control,
- (b) the acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the acquiror or any joint actor, and
- (c) the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.

See the response to Item 3.1 and Item 3.4 for information about Teck's ownership and control. Teck holds the securities directly, has ownership and solely controls the securities.

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

Not applicable.

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

Not applicable.

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

Not applicable.

Item 4 – Consideration Paid

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

The 4,352,941 common shares of Issuer to be issued under the Settlement Agreement are in full satisfaction of \$370,000 of past due amounts owing by the Issuer, equating to \$0.085/per common share.

- 4.2 In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities,**

including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.

See the response to Item 4.1.

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

See the response to Item 4.1.

Item 5 – Purpose of the Transaction

The purpose of the transaction was to settle amounts past due by the Issuer. Teck may determine to increase or decrease its holdings in the Issuer depending on market conditions and any other relevant factors.

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

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

If at any time during the 2 month period following the Closing Date, the Issuer issues Equity Securities, other than pursuant to any employee or director equity compensation program or warrants outstanding as at the date hereof, to any person at a subscription price of less than \$0.085 per Equity Security (the “Match Price”), subject to the Issuer obtaining all necessary approvals from the Exchange, the Issuer shall issue to TNL or its nominee, as a part of the consideration payable for the settlement of the Outstanding Amount and for no additional consideration, such number of additional Settlement Shares which when aggregated with the 4,352,941 Settlement Shares issued to TNL at Closing have an average implied subscription price (based on the dollar value of the Outstanding Amount) equal to the Match Price.

Item 7 – Change in Material Fact

Not Applicable.

Item 8 – Exemption

Not Applicable.

Item 9 – Certification

I, as the acquiror, certify, or I, as the agent filing this report on behalf of an acquiror, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

August 17, 2020
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Date

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Signature

Amanda Robinson, Corporate Secretary
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Name/Title