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

*These securities have not been and will not be registered under the United States Securities Act of 1933, as amended, (the "U.S. Securities Act") and, may not be reoffered, resold or transferred to, or for the account or benefit, of a U.S. Person (as that term is defined in Regulation S of the U.S. Securities Act) except pursuant to an effective registration statement under the U.S. Securities Act, and any applicable state securities laws, or pursuant to an available exemption from the registration requirements from the U.S. Securities Act and any applicable state securities laws. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of these securities offered hereby in the United States to, or for the account or benefit, of a U.S. Person. See "Plan of Distribution".*

## PRELIMINARY PROSPECTUS

**Initial Public Offering**

**September 12, 2017**

### **DARIEN RESOURCE DEVELOPMENT CORP.**

Suite 410, 1040 West Georgia Street  
Vancouver, B.C. V6E 4H1  
(604) 617-5421

**5,000,000 Common Shares at a price of \$0.10 per Common Share**

**Public Offering of \$500,000**

Darien Resource Development Corp. (the "Company") is offering (the "Offering") to purchasers resident in British Columbia (the "Offering Jurisdiction"), and elsewhere permitted by applicable law, through its agent, Mackie Research Capital Corporation (the "Agent") on a commercially reasonable efforts basis, 5,000,000 Common Shares (the "Common Shares") of the Company at a price of \$0.10 per Common Share for total gross proceeds of \$500,000. The offering price was determined by negotiation between the Agent and the Company. See "Plan of Distribution".

	<b>Price to Public<sup>(1)</sup></b>	<b>Agent's Commission<sup>(1)</sup></b>	<b>Net Proceeds to the Company<sup>(2)</sup></b>
Per Common Share	\$0.10	\$0.008	\$0.092
Total	\$500,000	\$40,000	\$460,000

Notes:

- (1) The Agent shall receive a cash commission equal to 8% of the aggregate gross proceeds of the Offering (the "Agent's Commission") and a non-transferable option to purchase up to that number of Common Shares (the "Agent's Option") in the capital of the Company equal to 8% of the aggregate number of Common Shares sold under this Offering at a price of \$0.10 per Common Share for a period of twenty-four months following the Closing. The Agent's Option will be qualified under this prospectus. In addition, the Company has agreed to reimburse the Agent for all reasonable expenses incurred in connection with this Offering, and pay the Agent a work fee of \$15,000, plus applicable taxes (the "Work Fee") on Closing of the Offering. See "Plan of Distribution".
- (2) Before deducting the balance of the costs of this issue estimated at \$91,500, which includes legal and audit fees and other expenses of the Company, the Agent's expenses, legal fees, Work Fee, the listing fee payable to the TSX Venture Exchange (the "Exchange") and the filing fees payable to the Commissions. See "Use of Proceeds".

The Agent (including any registered sub-agents who assist the Agent in the distribution of the Common Shares), as exclusive agent for the purposes of this Offering, conditionally offers on a commercially reasonable efforts basis the Common Shares, and if, as and when issued and delivered by the Company and accepted by the Agent in accordance with the terms and conditions contained in the agency agreement (the "Agency Agreement") dated ♦, 2017 between the Company and the Agent and subject to the approval of certain legal matters on behalf of the Company by O'Neill Law Corporation and on behalf of the Agent by Miller Thomson LLP. See "Plan of Distribution".

Subscriptions for the Common Shares will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that the Closing of the offering will occur on a date agreed upon by the Company and the Agent, but not later than the date that is 90 days after a receipt is issued for the final prospectus or if a receipt has been issued for an amendment to the final prospectus, within 90 days of issuance of such receipt and in any event not later than 180 days from the date of receipt of the final prospectus. It is expected that share certificates evidencing the Common Shares will be available for delivery on the Closing unless the Agent elects for delivery in electronic book entry form through CDS Clearing and Depository Services Inc. ("CDS") or its nominee. If delivered in book entry form, purchasers of Common Shares will

receive only a customer confirmation from the registered dealer that is a CDS participant and from or through which the Common Shares were purchased.

The completion of the Offering is subject to a minimum subscription of Common Shares for aggregate gross proceeds of \$500,000. The Offering will not be completed and no subscription funds will be advanced to the Company unless and until the minimum subscription of \$500,000 has been raised. In the event that the minimum subscription is not attained by the end of the period of the Offering, all subscription funds that subscribers may have advanced to the Agent in respect of the Offering will be refunded to the subscribers without interest or deduction.

**There is no market through which these securities may be sold and purchasers may not be able to resell securities purchased under this prospectus. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities and the extent of issuer regulation. See "Risk Factors".**

The Company has applied to list its Common Shares on the TSX Venture Exchange. Listing is subject to the Company fulfilling all of the requirements of the Exchange.

As of the date of this prospectus, the Company does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., a U.S. marketplace, or a marketplace outside Canada and the United States of America other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc.

**An investment in the Common Shares should be considered highly speculative due to the nature of the Company's business, its present stage of development and other risk factors. Investments in natural resource issuers involve a significant degree of risk. The degree of risk increases substantially where the issuers' properties are in exploration as opposed to the development stage. The Company's property is in the exploration stage and is without a known body of commercial ore. Investors should not invest any funds in this Offering unless they can afford to lose their entire investment. See "Risk Factors".**

**Investors should consider an investment in the securities of the Company to be highly speculative and should review the risk factors outlined on page 44 of this prospectus.**

The Company is not a related or connected issuer to the Agent (as such terms are defined in National Instrument 33-105 – *Underwriting Conflicts*). See "Relationship between the Company and Agent".

The Agent's position is as follows:

<b>Agent's Position</b>	<b>Maximum Size or Number of Securities Available</b>	<b>Exercise Period or Acquisition Date</b>	<b>Exercise Price or Average Acquisition Price</b>
Agent's Option <sup>(1)</sup>	400,000 Common Shares	Twenty Four (24) months from the Closing	\$0.10

Note:

(1) The Agent's Option is qualified under this prospectus. See "Plan of Distribution".

**No person is authorized by the Company or the Agent to provide any information or to make any representations other than those contained in this prospectus in connection with the issue and sale of the securities offered pursuant to this prospectus.**

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Telephone: (778) 373-4100  
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## GLOSSARY OF DEFINED TERMS

The following definitions and terms apply throughout this document unless the context otherwise requires. Expressions used in this prospectus and other terms and expressions may be defined throughout this prospectus.

<b>“Agency Agreement”</b>	the agreement dated ♦, 2017 between the Company and the Agent, providing that the Agent, on behalf of the Company, conditionally offer the Common Shares, on a commercially reasonable efforts basis.
<b>“Agent”</b>	Mackie Research Capital Corporation.
<b>“Agent’s Commission”</b>	the cash fee of 8% of the total gross proceeds of the Offering payable to the Agent on Closing of the Offering.
<b>“Agent’s Option”</b>	the non-transferable option to be granted to the Agent or its sub-agents, if any, to purchase up to a number of Common Shares equal to 8% of the aggregate number of Common Shares sold under the Offering at a price of \$0.10 per Common Share, exercisable at any time up to the close of business 24 months from the Closing.
<b>“Articles”</b>	the articles of the Company.
<b>“BCA”</b>	the <i>Business Corporations Act</i> (British Columbia).
<b>“CDS”</b>	CDS Clearing and Depository Services Inc.
<b>“Closing”</b>	means the closing date of the Offering.
<b>“Common Shares”</b>	the common shares in the capital of the Company without par value.
<b>“Company”</b>	Darien Resource Development Corp.
<b>“Directors” or “Board”</b>	the board of directors of the Company.
<b>“Escrow Agreement”</b>	the escrow agreement dated September 7, 2017 among the Company, Computershare Investor Services Inc. and the holders of the escrowed securities.
<b>“Exchange”</b>	the TSX Venture Exchange.
<b>“Exxeter Option Agreement”</b>	the agreement dated March 27, 2017, between the Company and the Optionor pursuant to which the Company has the right to acquire up to a one hundred percent (100%) interest in the Exxeter Property.
<b>“Exxeter Property”</b>	the thirteen contiguous mineral claims located in the Val-d’Or Mining Camp, Québec.
<b>“IFRS”</b>	International Financial Reporting Standards.
<b>“Listing Date”</b>	the date on which the Common Shares are listed for trading on the Exchange.
<b>“Mining Act”</b>	the <i>Mining Act</i> RSQ M-13.1-A
<b>“NI 43-101”</b>	National Instrument 43-101 – <i>Standards of Disclosure for Mineral Projects</i> .
<b>“NP 46-201”</b>	National Policy 46-201 – <i>Escrow for Initial Public Offerings</i> .
<b>“Offering”</b>	the offering of 5,000,000 Common Shares at a price of \$0.10 per Common Share pursuant to this prospectus.
<b>“Offering Jurisdiction”</b>	British Columbia.
<b>“Optionor”</b>	means Kode Mineral Exploration Ltd.
<b>“SEDAR”</b>	System for Electronic Document Analysis and Retrieval.
<b>“Technical Report”</b>	the report titled “Technical Report on the Exxeter Property” dated May 31, 2017, which was prepared by Abby Peterson, B.Sc., P.Geo, under the guidelines of National Instrument 43-101.
<b>“Work Fee”</b>	means the \$15,000 plus applicable taxes fee payable to the Agent.

## GLOSSARY OF GEOLOGICAL DEFINED TERMS

The following definitions and terms apply throughout this document unless the context otherwise requires:

<b>“Ag”</b>	Silver.
<b>“Andesite”</b>	A type of igneous rock that is found in most volcanic regions of the world. Its main mineral components are plagioclase, pyroxene and hornblende.
<b>“Au”</b>	Gold.
<b>“Bedrock”</b>	Solid rock underlying loose deposits such as soil or alluvium.
<b>“Boreal Forests and Swamps”</b>	A subarctic area of northern Eurasia and North America located just south of the tundra and covered largely by swampy, moist coniferous forests consisting mostly of pines, spruces and larches.
<b>“Cm”</b>	Cubic metres.
<b>“Conductors”</b>	A material through which electric current can pass. In general metals, such as copper, steel, gold, aluminium and brass are conductors.
<b>“Cross-cutting Structures”</b>	Faults or fractures cutting through an older rock.
<b>“Cu”</b>	Copper.
<b>“Diorite”</b>	A grey to dark grey intermediate intrusive igneous rock composed principally of plagioclase feldspar.
<b>“Drill Hole”</b>	A hole or passage made by a drill.
<b>“Dyke”</b>	A long and relatively thin body of igneous rock that, while in the molten state, intruded a fissure in older rocks.
<b>“EM Survey”</b>	A electromagnetic geophysical survey method which measures the electromagnetic properties of rocks.
<b>“Escarpment”</b>	A long, more or less continuous cliff or relatively steep slope facing in one general direction, breaking the continuity of the land by separating two level or gently sloping surfaces, and produced by erosion or by faulting.
<b>“Fault”</b>	A planar fracture or discontinuity in a volume of rock, across which there has been significant displacement.
<b>“Fe”</b>	Iron.
<b>“Feldspar”</b>	An abundant rock-forming mineral typically occurring as colorless or pale-coloured crystals and consisting of aluminosilicates of potassium, sodium and calcium.
<b>“Felsic”</b>	Silicate minerals, magma, and rocks which are enriched in the lighter elements such as silicon, oxygen, aluminum, sodium, and potassium.
<b>“Geological Mapping”</b>	Involves plotting the location and attitude of the various rock units, faults, and folds on a base map. Geological maps are used to investigate geologic hazards, mineral resources, groundwater aquifers etc.
<b>“Glacial Sand”</b>	Is comprised of the fine material deposited by the movement of glaciers as glacial drift.
<b>“Gold-hosting Iron”</b>	A vein is a distinct sheet like body of crystallized minerals within a rock. The vein of gold is surrounded by the Iron as the wall rock.
<b>“INPUT Survey”</b>	A time-domain electromagnetic survey
<b>“Inter-fingered”</b>	Sedimentary rocks that change laterally from one type to another in a zone where the two types form interpenetrating wedges.
<b>“Intrusion”</b>	A mass of sedimentary rock occurring in a coal seam.
<b>“Intrusives”</b>	Are a type of igneous rock, rocks that form from cooled magma.
<b>“Intrusive Rock”</b>	Igneous rocks which form by the crystallization of magma at a depth within the Earth.

<b>“IP Geophysical Survey”</b>	Induced Polarization Survey. A technique of measuring an induced potential field in the ground in order to map the geological subsurface. From measurements of the induced potential field the chargeability and resistivity of the subsurface can be calculated.
<b>“Lithology”</b>	The study of the general physical characteristics of rocks, including colour, composition and texture.
<b>“Magnetite”</b>	A brown to black mineral that is strongly magnetic. Magnetite occurs in many different types of rock and is an important source of iron.
<b>“Magnetic Variation”</b>	Is the difference in the earth’s magnetic field in time and location and is also known as magnetic declination.
<b>“Magnetometer Survey”</b>	Is a survey technique that measures magnetism, either magnetization of magnetic material or the direction, strength or the relative change of a magnetic field at a particular location.
<b>“Megatem II Survey”</b>	A modern aerial time-domain EM and magnetic survey
<b>“NAA Station”</b>	Is a frequency used by the VLF surveying techniques.
<b>“NSS Station”</b>	Is a frequency used by the VLF surveying techniques.
<b>“Nickel” (Ni)</b>	A silvery white, hard, malleable, ductile, somewhat ferromagnetic element. Symbol: Ni.
<b>“Ore”</b>	The naturally occurring material from which a mineral or minerals of economic value can be extracted profitably or to satisfy social or political objectives.
<b>“Outcrop”</b>	A visible exposure of bedrock or ancient superficial deposits on the surface of the Earth.
<b>“Overburden”</b>	Also called waste or spoil is the material that lies above an area that lends itself to economical exploitation, such as the rock, soil and ecosystem that lies above a coal seam or ore body.
<b>“Pb”</b>	Lead.
<b>“ppb”</b>	Parts per billion.
<b>“Pyrite”</b>	Also known as fool’s gold, is an iron sulfide with the chemical formula FeS <sub>2</sub> . It forms at high and low temperatures and occurs, usually in small quantities in igneous, metamorphic, and sedimentary rocks worldwide.
<b>“Quartz”</b>	One of the most abundant minerals in the earth’s crust, whose composition is silicon dioxide.
<b>“Reconnaissance Map”</b>	A map incorporating the information from a rapid geologic survey made to gain a broad, general knowledge of the geologic features of a region.
<b>“Sediments”</b>	Solid fragmented material, such as silt, sand, gravel, chemical precipitates, and fossil fragments, that is transported and deposited by water, ice, or wind or that accumulates through chemical precipitation or secretion by organisms, and that forms layers on the Earth’s surface.
<b>“Soil Sampling”</b>	Taking samples of an unconsolidated material.
<b>“Stratigraphy”</b>	The science of rock strata.
<b>“Striking Fault”</b>	Is a geological fault whose trend coincides approximately with the strike, the line representing the intersection of that feature with a horizontal plane, of associated strata.
<b>“Survey”</b>	The orderly and exacting process of examining and delineating the physical or chemical characteristics of the Earth's surface, subsurface, or internal constitution by topographic, geologic, geophysical, or geochemical measurements.
<b>“Time Domain Electromagnetic System (TDEM)”</b>	Involves the measurement of decaying secondary electromagnetic fields induced in the ground by a series of short current pulses generated from an airborne transmitter.
<b>“Total Magnetic Intensity TMI)”</b>	The vector resultant of the intensity of the horizontal and vertical components of the Earth's magnetic field at a specified point.
<b>“Trenching”</b>	A type of excavation or depression in the ground. Trenches are generally defined by being deeper than they are wide (as opposed to a wider gully or ditch), and by being narrow compared to their length (as opposed to a simple hole).
<b>“Tuff”</b>	A general term for all consolidated pyroclastic rocks.
<b>“VLF”</b>	Very Low Frequency.
<b>“Volcanic”</b>	A rock formed from magma erupted from a volcano.

**“Zinc” (Zn)**

A bluish-white, lustrous metal. Employed to form numerous alloys with other metals including brass, nickel silver, commercial bronze, spring brass, soft solder, and aluminum solder. Used extensively by the automotive, electrical, and hardware industries.

**CURRENCY**

All dollar amounts in this prospectus are in Canadian dollars unless otherwise indicated.

## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This prospectus contains “forward-looking information” which may include, but is not limited to, statements with respect to the future financial or operating performance of the Company and its projects, the acquisition of interests in mineral properties, the timing of completion and success of exploration activities and programs on the Exxeter Property, the timing of completion of payments to be made and exploration expenditures to be incurred under the Exxeter Option Agreement, the timing of issuing common shares pursuant to the Exxeter Option Agreement, the Company’s proposed exploration program on the Exxeter Property, the future price of gold, copper or other metal prices, exploration expenditures, costs and timing of future exploration, requirements for additional capital, government regulation of mining operations, environmental risks, reclamation expenses, title disputes or claims, limitations of insurance coverage and regulatory matters.

Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “believes” or variations (including negative variations) of such words and phrases, or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved.

Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, general business, economic, competitive, political and social uncertainties; lack of production; limited operating history of the Company; the actual results of current exploration activities; ability to obtain prospecting licenses or permits; aboriginal land claims; proper title to the claims that comprise the Exxeter Property; ability to retain qualified personnel; volatility of commodity prices; environmental risks of mining operations; accidents, labour disputes and other risks of the mining industry, including but not limited to environmental hazards, cave-ins, pit-wall failures, flooding, rock bursts and other acts of God or unfavourable operating conditions and losses as well as those factors discussed in the section titled "Risk Factors" in this prospectus.

Forward-looking statements are based on a number of material factors and assumptions, including the determination of mineral reserves or resources, if any, the results of exploration and drilling activities, the availability and final receipt of required approvals, licenses and permits, that sufficient working capital is available to complete proposed exploration and drilling activities, that contracted parties provide goods and/or services on the agreed time frames, the equipment necessary for exploration is available as scheduled and does not incur unforeseen break downs, that no labour shortages or delays are incurred and that no unusual geological or technical problems occur. While the Company considers these assumptions may be reasonable based on information currently available to it, they may prove to be incorrect. Actual results may vary from such forward-looking information for a variety of reasons, including but not limited to risks and uncertainties disclosed in this prospectus. See “Risk Factors”.

These forward-looking statements are made as of the date of this prospectus. Following Closing of the Offering and listing on the Exchange, the Company intends to discuss in its quarterly and annual reports referred to as the Company’s Management’s Discussion and & Analysis documents, any events and circumstances that occurred during the period to which such document relates that are reasonably likely to cause actual events or circumstances to differ materially from those disclosed in this prospectus. New factors emerge from time to time, and it is not possible for management to predict all of such factors and to assess in advance the impact of each such factor on the Company’s business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement.

Investors are cautioned against placing undue reliance on forward-looking statements.

### **Eligibility for Investment**

In the opinion of Koffman Kalef LLP, tax counsel to the Company, based on the provisions of the *Income Tax Act* (Canada) (the “Tax Act”), and the regulations thereunder in force as of the date hereof, the Common Shares issued pursuant to the Offering, if issued on the date hereof, will be qualified investments under the Tax Act for a trust governed by a registered retirement savings plan (“RRSP”), a registered retirement income fund (“RRIF”), a registered education savings plan (“RESP”), a deferred profit sharing plan, a registered disability savings plan (“RDSP”) and a tax-free savings account (“TFSA”) as those terms are defined in the Tax Act, provided that the Common Shares are listed on a “designated stock exchange” as defined in the Tax Act (which includes the TSX Venture Exchange) or the Company is otherwise a “public corporation” as defined in the Tax Act.

Notwithstanding that such Common Shares may be a qualified investment for an RRSP, RRIF, TFSA, RDSP, or RESP (each a “Registered Plan”), the annuitant thereunder or holder thereof, as the case may be, will be subject to a penalty tax in respect of the Common Shares held in such Registered Plan if the Common Shares are a “prohibited investment” for such Registered Plan for purposes of the Tax Act. The Common Shares generally will not be a “prohibited investment” if the annuitant under or holder of the Registered Plan, as the case may be, (i) deals at arm’s length with the Company for purposes of the Tax Act, and (ii) does not have a “significant interest” (as defined in the Tax Act) in the Company.

In addition, the Common Shares will not be a “prohibited investment” if the Common Shares are “excluded property” as defined in the Tax Act for a Registered Plan. Purchasers of Common Shares should consult their own advisors to ensure the Common Shares would not be a prohibited investment in their particular circumstances.

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

## PROSPECTUS SUMMARY

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

### The Company

Darien Resource Development Corp. (the “Company”) was incorporated in British Columbia on March 13, 2017. To date, the Company has been engaged in the acquisition and exploration of its mineral property located in Québec, Canada. The Company currently has an option to acquire a one hundred percent (100%) interest in the Exxeter Property situated in Québec.

The Exxeter Property is comprised of thirteen mineral tenures covering approximately 748.38 hectares and is located within the Abitibi Greenstone Belt (Northwestern Québec, Canada) in the township of Vauguelin, approximately 45km east of Val-d’Or. Exploration to date has identified three exploration targets on the Exxeter Property, which exhibit anomalous values of gold, silver, copper and/or zinc. In particular, the Company will focus its exploration program on determining whether sedimentary hosted or structurally hosted gold deposits are located on the Exxeter Property. See “Business of the Company” and “Exxeter Property”.

### The Offering

**Offering:** The Company is offering 5,000,000 Common Shares at a price of \$0.10 per Common Share for total gross proceeds of \$500,000. The prospectus qualifies the distribution of the Common Shares and the Agent’s Option.

**Agent’s Commission:** Under the terms of the Agency Agreement, the Company will pay the Agent the Agent’s Commission of 8% of the total gross proceeds of the Offering. In addition to the Agent’s Commission, the Company will issue to the Agent the Agent’s Option to purchase Common Shares equal to 8% of the aggregate number of Common Shares sold under the Offering at a price of \$0.10 per Common Share for a period of twenty-four months following the Closing. The Company has also agreed to pay, on the Closing, to the Agent a Work Fee of \$15,000 plus applicable taxes and pay for all reasonable expenses of the Agent in connection with the Offering. See “Plan of Distribution”.

**Use of Proceeds:** The estimated net proceeds of the Offering, after deducting the balance of the expenses of the Offering of \$91,500 and the Agent’s Commission of \$40,000, will be \$368,500 and will be used to implement the recommended work program on the Exxeter Property. As at August 31, 2017, the Company had a working capital surplus of \$354,802. Accordingly, the Company anticipates on having available funds of approximately \$723,302 following Closing of the Offering. See “Use of Proceeds”.

### Risk Factors

An investment in the Company is highly speculative and involves a high degree of risk. Accordingly, prospective investors should carefully consider and evaluate all risks and uncertainties involved in an investment in the Company, including risks related to: (i) the lack of market through which the Common Shares may be sold, (ii) negative cash flows from operating activities, (iii) the lack of production on the Company’s Exxeter Property, (iv) the Company’s limited operating history and lack of positive cash flow, (v) no known economic mineral deposit on the Exxeter Property and the proposed exploration program is exploratory in nature, (vi) the mineral claims comprising the Exxeter Property may be withdrawn or subject to limitation by regulatory authorities, (vii) aboriginal land claims affecting the Exxeter Property, (viii) assurance of title to Exxeter Property, (ix) competing with other mining companies, (x) the Company’s ability to retain qualified personnel, (xi) the volatility of commodity prices, (xii) the exploration program may have a negative environmental impact, (xiii) uninsurable hazards, (xiv) health and safety risks, (xv) additional requirements for capital, and (xvi) smaller companies can be highly volatile. See “Risk Factors”.

### Selected Financial Information

The following table summarizes selected audited financial information for the period from inception on March 13, 2017 to June 30, 2017 and should be read in conjunction with the “Management’s Discussion and Analysis”, as included elsewhere in this prospectus.

Period from inception  
(March 13, 2017) to

	June 30, 2017 (audited)
Revenue	\$ -
Expenses	(25,099)
Net income (Loss)	(25,099)
Income (Loss) per share (basic and diluted)	(0.00)
Working Capital Surplus	364,802
Assets	
Current assets	389,802
Exploration and evaluation assets	117,100
Total Assets	<u>506,902</u>
Liabilities	
Current liabilities	25,000
Shareholders' Equity	<u>481,902</u>
Total Liabilities and Shareholders' Equity	<u>\$ 506,902</u>

## CORPORATE STRUCTURE

The Company was incorporated under the *Business Corporations Act* (British Columbia) on March 13, 2017 with the name Darien Resource Development Corp.

The Company's head office is located at Suite 410, 1040 West Georgia Street, Vancouver, B.C. V6E 4H1 and its registered office is located at Suite 704, 595 Howe Street, Vancouver B.C. V6C 2T5.

The Company does not have any subsidiaries.

## BUSINESS OF THE COMPANY

### Description of Business

The Company is engaged in the acquisition and exploration of mineral properties. The Company currently has an option to acquire a one hundred percent (100%) interest in the "Exxeter Property". The Exxeter Property is comprised of thirteen mineral tenures located in Québec. The Company's exploration program will be primarily focused on gold, silver, copper and zinc exploration.

### Three Year History

Since incorporation on March 13, 2017, the Company's activities have focused on the acquisition of the Exxeter Property and completing the initial phase of its exploration program on the Exxeter Property.

### Acquisition of the Exxeter Property

On March 27, 2017, the Company entered into an option agreement (the "Exxeter Option Agreement") with Kode Mineral Exploration Ltd. (the "Optionor") whereby the Optionor granted the Company an option to acquire a 100% interest in the Exxeter Property. In order for the Company to exercise its option, it will be required to:

- (a) pay the Optionor an aggregate of \$335,000 as follows:
  - (i) \$10,000 on March 27, 2017 (the "Effective Date") (which amount has been paid);
  - (ii) a further \$25,000 on the first anniversary of the Effective Date;
  - (iii) a further \$50,000 on the second anniversary of the Effective Date; and
  - (iv) a further \$250,000 on the third anniversary of the Effective Date.
- (b) issue an aggregate of 300,000 Common Shares to the Optionor on the Listing Date.
- (c) incur exploration expenditures of \$600,000 on the Exxeter Property as follows:
  - (i) \$100,000 on or before the first anniversary of the Effective Date;
  - (ii) a further \$200,000 on or before the second anniversary of the Effective Date; and
  - (iii) a further \$300,000 on or before the third anniversary of the Effective Date.

The Company will also be responsible to make all government payments in order to maintain the mineral claims in good standing. The Optionor will also be entitled to a 1% net smelter return royalty (the "Royalty") on the Exxeter Property on commencement of commercial production which is when an average of not less than 60% of the mine's planned production of ore over a period of 60 days is achieved. The Company may purchase, at any time, Royalty by paying the Optionor a total of \$1,000,000.

The Company shall have the right to manage and operate its work programs in connection with exercising the Option and all such work programs shall be in the sole discretion of the Company.

## **Government Mining Regulations**

The Company will be required to comply with all regulations, rules and directives of governmental authorities and agencies applicable to the exploration of minerals in the Province of Québec. The main agency that governs the exploration of minerals in the Province of Québec, Canada, is the Ministère de l'Énergie et des Ressources naturelles ("MRN"). The MRN manages the development of Québec's mineral resources, and implements policies and programs respecting their development while protecting the environment. In addition, the MRN regulates and inspects the exploration and mineral production industries in Québec to protect workers, the public and the environment.

The material legislation applicable to the Company is the Mining Act, as amended, administered by the MRN, as well as the Environmental Quality Act, Canadian Environmental Assessment Act, Canadian Environmental Protection Act, Fisheries Act and Sustainable Forest Development Act. The Mining Act and its regulations deal with the management of mineral resources and the granting of exploration rights for mineral substances during the exploration phase. It also deals with the granting of rights pertaining to the use of these substances during the mining phase. Finally, the act establishes the rights and obligations of the holders of mining rights to ensure maximum development of Québec's mineral resources. Additionally, other regulations with respect to mines in Québec contain standards for employment, occupational health and safety, accident investigation, work place conditions, protective equipment, training programs, and site supervision.

All mineral exploration activities carried out on a mineral claim or mining lease in Québec must be in compliance with the Mining Act. The Mining Act applies to all mines during prospecting, exploration, development, construction, production, closure, reclamation and abandonment.

Additional approvals and authorizations may be required from other government agencies, depending upon the nature and scope of the proposed exploration program. If the exploration activities require the falling of timber, then either a free use permit or a license to cut must be issued by the Ministère des Forêts, de la Faune et des Parcs. Items such as waste approvals may be required from the Ministère du Développement durable, de l'Environnement et de la Lutte contre le changement climatique. Waste approvals refer to the disposal of rock materials removed from the earth which must be reclaimed. An environmental impact statement may be required.

## **Employees**

As of the date of the prospectus, the Company had no employees. The Company's executive officers are independent contractors of the Company.

## **Trends and Competitive Conditions**

There is significant competition for the acquisition of promising mineral properties, as well as for hiring qualified personnel. The Company's competitors may have more substantial financial and technical resources for the acquisition of mineral concessions, claims or mineral interests, as well as for the recruitment and retention of qualified personnel.

The present and future activities of the Company may be influenced to some degree by factors such as the availability of capital, governmental regulations, including environmental regulation, territorial claims and security on mining sites. The influence of such factors cannot be predicted.

To the knowledge of the Company, other than what is described in this prospectus, there is no current trend or event that could reasonably influence, in a significant manner, the activities, financial situation or operating results of the Company for the current fiscal year. See "Risk Factors".

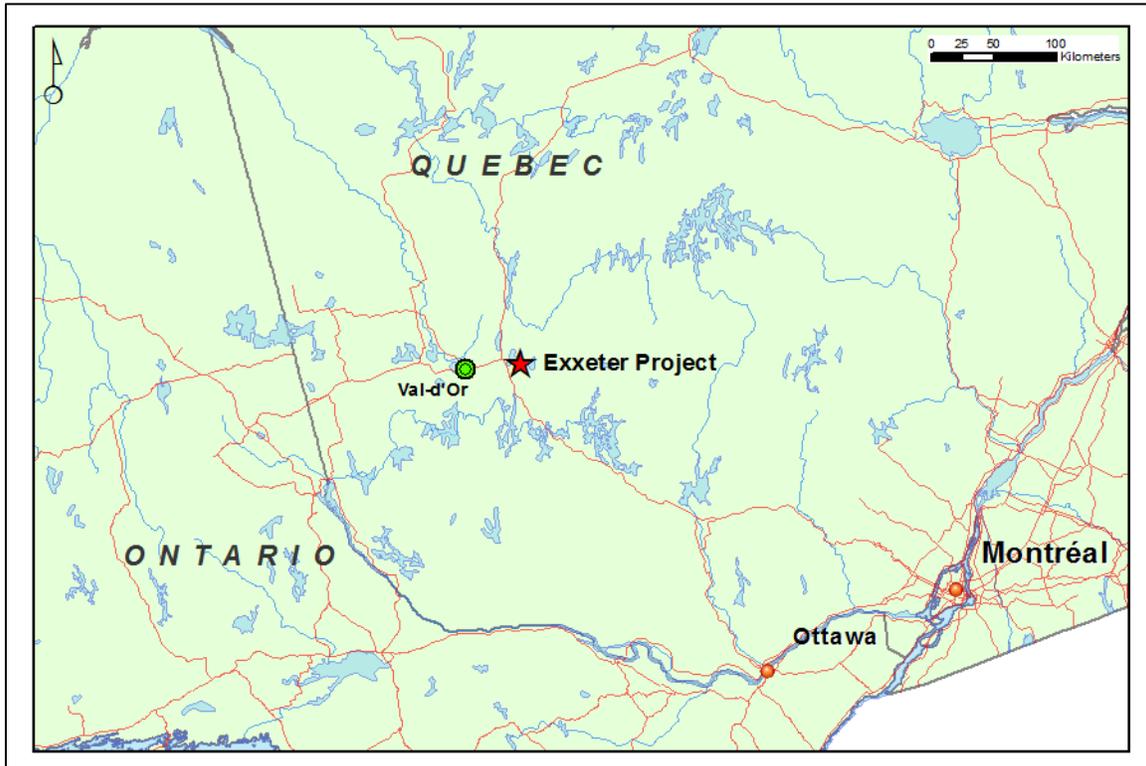
## **EXXETER PROPERTY**

The following represents information summarized from the Technical Report on the Exxeter Property dated May 31, 2017, prepared by Abby Peterson, B.Sc., P.Geo. (the "Qualified Person"), a "qualified person", as defined under National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101"), prepared in accordance with the requirements of NI 43-101. Note that not all of the figures and tables from the Exxeter Technical Report are reproduced in and form part of this prospectus. The remaining figures are contained in the Exxeter Technical Report which is expected to be made available under the Company's profile on the SEDAR website at [www.sedar.com](http://www.sedar.com).

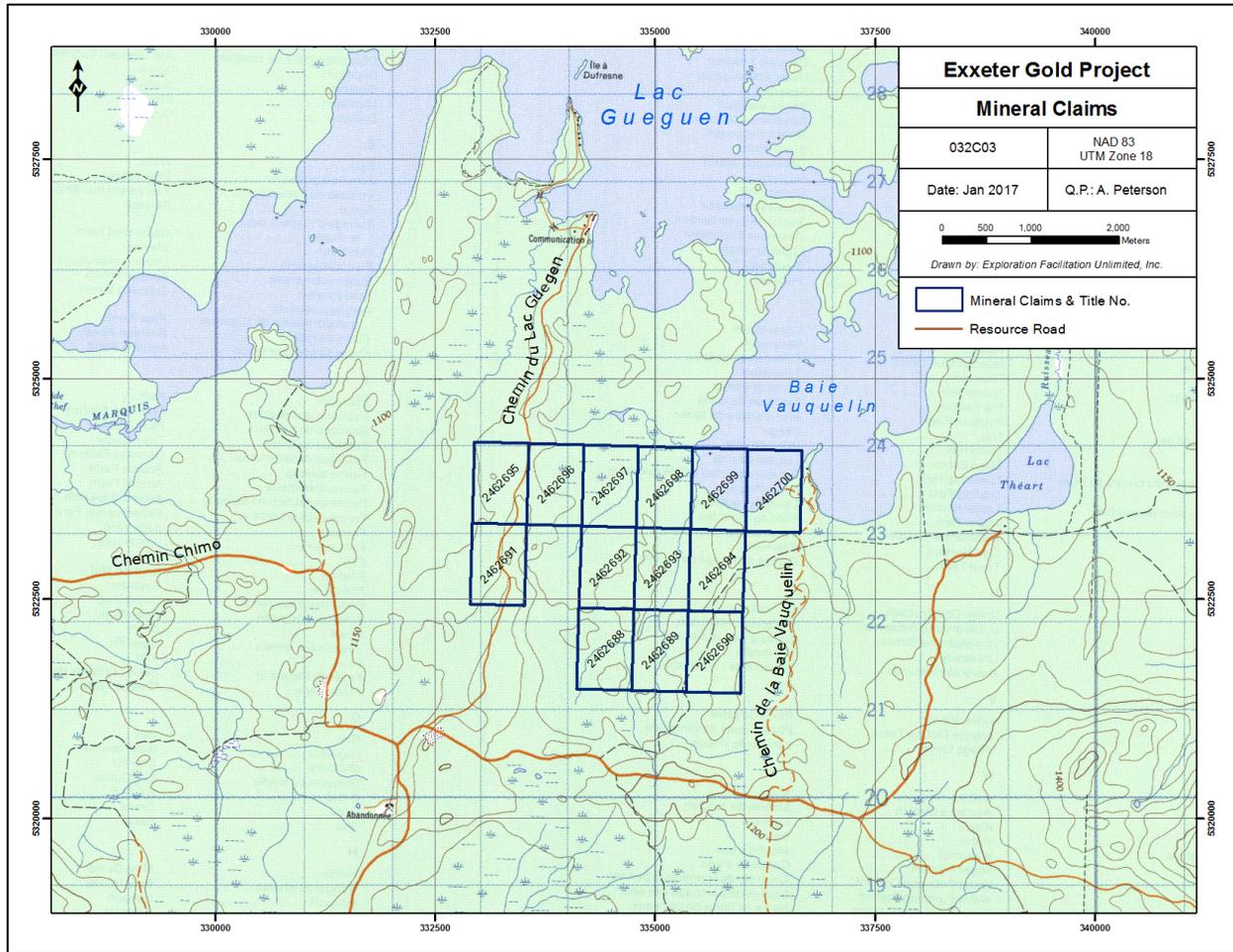
## Property Description and Location

The Exxeter Property consists of thirteen mineral tenures with a total area of 748.38 hectares. The property is located within the Abitibi Greenstone Belt (Northwestern Québec, Canada) in the Township of Vauquelin, approximately 45km east of Val-d'Or and 15km east of the town of Louvicourt. It lies within NTS sheet 32C03. The property's center point is located at 334,850mE and 5,323,205mN (UTM Zone 18 Nad 83) (48.040765°N latitude and -77.215747°W longitude).

**Figure 1. Exxeter Property Map**



**Figure 2. Exxeter Property, Location of Mineral Claims Map**



The Exxeter Property claims are registered to Vorenius Metal Corp., and are held in trust for the beneficial owner, the Optionor (100%). Both Vorenius Metal Corp. and the Optionor are owned by Reza Mohamed of Vancouver, British Columbia. On March 27, 2017, the Company entered into the Exxeter Option Agreement with the Optionor (the “Optionor”) whereby the Optionor granted an option to the Company to acquire a 100% interest in the Exxeter Property. Under the Exxeter Option Agreement, the Company will be required to pay total cash payments of \$335,000, issue a total of 300,000 Common Shares and incur total exploration expenditures of \$600,000 over a period of three years.

The Optionor will also be entitled to the Royalty on the Exxeter Property. The Company may purchase 1% of the Royalty at any time by paying the Optionor a total of \$1,000,000. Other than the Royalty, the Exxeter Property is not subject to any royalties, overrides, back-in rights, payments or other agreements and encumbrances.

The claims must be renewed every two years on their expiration date, at which time the renewal fees of \$775.71 for all thirteen claims must be paid in order to maintain ownership. Claims bear a burden of a minimum number of dollars expenditure on exploration work over the two year tenure period, with a report describing the works performed due sixty (60) days before the renewal date of said claims. If works are not performed, the owner may pay an amount varying between 100-200% of the amount required to be spent on the claims in order to renew the tenures. If an excess of money has been spent on claims, the amount can be credited forward (over a maximum of six (6) renewal cycles) and/or can be applied to any other claims still requiring expenditures, as long as the claims are within a 4.5km radius of the claim posting an excess in spending. For the Exxeter Property, the work expenditures required totals \$10,140 and the total excess of work credits for the Exxeter Property equals \$96,950. In the spring of 2017, the Company completed a 20 kilometer line cutting program, 7.5 line kilometer IP survey and interpretation of the Exxeter Property at an additional cost of \$107,100. As of the date of this prospectus, the assessment work for the 2017 IP survey is being filed.

Tenure	Ownership	Expiry Date	Area (ha)
CDC2462688	Vorenus Metal Corp.	09/18/2018	57.58
CDC2462689	Vorenus Metal Corp.	09/18/2018	57.58
CDC2462690	Vorenus Metal Corp.	09/18/2018	57.58
CDC2462691	Vorenus Metal Corp.	09/18/2018	57.57
CDC2462692	Vorenus Metal Corp.	09/18/2018	57.57
CDC2462693	Vorenus Metal Corp.	09/18/2018	57.57
CDC2462694	Vorenus Metal Corp.	09/18/2018	57.57
CDC2462695	Vorenus Metal Corp.	09/18/2018	57.56
CDC2462696	Vorenus Metal Corp.	09/18/2018	57.56
CDC2462697	Vorenus Metal Corp.	09/18/2018	57.56
CDC2462698	Vorenus Metal Corp.	09/18/2018	57.56
CDC2462699	Vorenus Metal Corp.	09/18/2018	57.56
CDC2462700	Vorenus Metal Corp.	09/18/2018	57.56

**Note:**

- (1) All claims are held in trust for the benefit of the Optionor pursuant to a trust agreement between Vorenus Metal Corp. and Kode Mineral Exploration Ltd.

The claims have not been surveyed, but claim boundaries are referenced to exact positions of UTM coordinates or Latitude/Longitude points which may be located in the field. The claims have adequate area for exploration and development.

To the knowledge of management, there are no environmental liabilities relating to the Exxeter Property.

The Québec Government requires that the owner of the claims consult the Ministère des Forêts, de la Faune et des Parcs (MFFP) as soon as exploration work requires cutting down any size or type of tree or the construction of permanent structures on the claims. For example, line-cutting and diamond drilling would require the acquisition of a permit (Permis d'intervention) and this permit estimates the volume of merchantable timber that will be cut as well as the associated stumpage fees. Part of the permitting process includes consultation with First Nations before any work can begin. These consultations can take anywhere from five to thirty days to complete, assuming that relations between the government and First Nations are positive and moving forward. Any break in communications between the two parties could result in delays, as any work related to the permit can not begin until the permit has been issued. It also requires hiring a forestry technician to estimate the volume of merchantable timber that will be cut during the work in order to assess the proper stumpage fees to be paid.

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

### Accessibility, Local Resources and Infrastructure

The Exxeter Property is located at the eastern limit of the Val-d'Or mining camp, 45km east of the city of Val-d'Or and 15km east of the town of Louvicourt. The property is 1km north of Chemin Chimo a road which runs east from the Transcanadian highway #117 towards Lac Matchi-Manitou, passing within 1km of the southern tenure boundary, providing year-round access to the claims. The Chemin du Lac Guéguen is a road which runs N-S through the western-most tenures, providing additional access to the Exxeter Property. Val-d'Or is a major full-service center for exploration in the region with a population of 32,000 and offers daily flights and bus services to and from Montreal.

Numerous former logging roads, both maintained and unmaintained, criss-cross the property, allowing easy access to the claims from Chemin Chimo, Chemin de la Baie de Vauquelin and Chemin du Lac Guéguen by truck, foot, ATV or snowmobile depending on the season.

### Climate and Physiography

The Exxeter Property has a relatively flat relief with very little change in topography. The Exxeter Property is at an elevation of approximately 316m above sea level with the highest point on the claims at approximately 347m above sea level. Bedrock is overlain by layers of sand and gravel with thin soil cover and sparse vegetation. Rock exposure on the claims is limited, with less than 5%

outcrop, and wetlands cover the northern portion of the property west of la Baie de Vauquelin. Vegetation consists predominantly of Boreal forests and swamps. Streams and lakes flow north into the Louvicourt River, then on to the Bell River which flows into James Bay.

Climate data is from Environment Canada's Climate Normals metadata, collected at the Val-d'Or meteorological station between 1971 and 2000.

The region experiences a continental climate with average daily temperatures of -17.2°C in January, 17.2°C in July and an annual average of 1.2°C. The daily minimum was -23.5°C in January and the daily maximum was 23.4°C in July. Peak rainfall occurs in July with an average of 95.4mm and a total of 635.2mm for the year. Snowfall peaks in December with an average of 61.0cm and a total annual snowfall of 300.4cm. Annual precipitation is 914.0mm. Work at the Exxeter Property can be performed year-round, however areas of the property covered in wetlands, swamps or water would be best explored in the fall when ground water levels are at their lowest, or in the winter months when the ground is frozen and access is easier.

## **History**

### Regional History

Over the years, the claims that make up the Exxeter Property have been included in a variety of properties owned by numerous companies. The claims have never been, in their entirety, owned by the same entity at the same time until now. The bulk of the work completed historically appears to have been done between 1940 and 1990.

The earliest reconnaissance work in the area was completed under the direction of Robert Bell during his survey of the Bell River, completed between 1887 and 1896. The results of this reconnaissance work was published in the Annual Report of the Geological Survey of Canada (vol. III, pt. 1A, 1887-88, p. 22-27; vol. III, pt. A, 1895, p. 75-81; and vol. IX, pt A, 1896, p. 66-67).

Claims in the Exxeter area were first staked in 1924 by the Nipissing Mines company. They carried out early prospecting work before optioning the grounds to various entities in the 1930's. GM14043 mentions the first discovery in the area occurring in 1924 on land later held by the Russian Kid Mining group. It is not clear whether this discovery was by Nipissing Mines or not, however it is clear that this discovery was not made on the present-day Exxeter claims.

Interest in the area truly began in 1936 with the discovery of gold-bearing quartz-veins hosted in intermediate tuff by the McDonough Mining Syndicate (re-formed as Maniwaki Mines Ltd. in 1937). The entire showing was stripped, sampled and drilled. While no record appears to exist of the diamond drilling sample assays (although a comment in GM14158 says there were no significant assays), bulk samples graded 43.19 g/t Au, 81.59 g/t Au and 31.34 g/t Au, 9.26 g/t Au, 6.86 g/t Au and 7.93 g/t Au. The McDonough Showing is located approximately 7km west of the Exxeter Property, on one of the structures that bisects the Exxeter Property.

*Readers are cautioned that the above information relates to work conducted outside the current boundaries of the Exxeter Property.*

### Exxeter Property History

The claims of the Exxeter Property appear to have been held by Porcupine Prime Mines Ltd. from the 1940's through the 1960's. Most of the work completed in the earlier part of their tenure were assessments of mineral potential based on proximity to the showings on the Russian Kid Mining Company's property immediately adjacent to the west, as well as the promising results from diamond drilling by Chimo Mines Ltd. on their property immediately to the south in 1945 and 1946 and again in the early 1960s.

The entirety of Vauquelin Township was mapped in 1947 by GWH Normal at a scale of 1000' = 1" (cf. Paper 47-12 of the GSC).

Interest in the area surrounding the Exxeter Property was renewed in the mid-1960's after diamond drilling at the Chimo Mine in 1963 and 1964 outlined 173,000 tons of ore grading 0.47 ounces of gold per ton to a depth of 400 ft. (GM16250, information from Northern Miner, January 21, 1965). At the time, Chimo Gold Mines Limited was sinking a shaft to 600ft.

In 1963, Newlund Mines completed a magnetometer survey on their property, which included the five southwestern claims. The survey found two anomalous zones striking east-west with apparent displacement due to probable faulting. It was posited the two zones indicated the presence of two basic dykes. The low magnetic relief of the survey was attributed to low magnetic permeability of the underlying rocks. The survey did not indicate the presence of iron formation as they had hoped, due to the presence of the gold-hosting iron formation of the Chimo Mine a few thousand feet to the south of the property.

In February and March of 1964, Porcupine Prime Mines Ltd. completed magnetic and electromagnetic surveys on their property, which included all but the four eastern-most claims. The goal of the surveys was to further their understanding of the underlying geology and structure as well as to identify any conductors that were present. The surveys outlined an east-west strike to volcanic formations in addition to locating two conductive zones located just west of the Exxeter Property. A second area they called the South Zone showed indicators of weak conductors flanking magnetic highs. No rock outcroppings could be found at surface above the conductor. It is unclear from maps whether the South Zone falls on the Exxeter Property or not. Drilling was recommended to follow up on the conductors. A report published in 1965 indicates that due to the depth of overburden, the company decided it was not possible to employ less costly exploration procedures.

Coastal Mining Ltd. acquired the bulk of the claims that make up the Exxeter Property in early 1964. At the same time, Northwest Canalask Nickel Mines Ltd. owned the westernmost claims of the Exxeter Property. In 1964, Coastal Mining Ltd. performed an analysis of the mineral potential for the property, with recommendations including magnetometer surveys and prospecting. The potential was rated high due to the property's proximity to the Chimo mine and the presence of similar rocks on adjacent properties (such as the Black River Property ½ mile away). In 1965, Northwest Canalask Nickel Mines drilled four diamond drill holes, one of which falls on the present-day Exxeter Property's SW-most claim. The hole was 400 feet long, drilled at -50° dip and intersected intrusives and sediments. Assays returned very low values from nil to trace gold.

No reports written by mining or exploration companies were found that cover the claims between 1965 and 1982. The Exxeter Property was covered by a 1972 geological mapping campaign published by the Ministère de l'Énergie et des Ressources du Québec and executed by M. Germain. The Exxeter Property was also covered by various surveys commissioned by the MER, including a 1983 INPUT survey and a 1986 geological mapping program.

By 1983, the western claims were owned by Shiningtree Gold Resources Inc., the central claims were owned by Canadian Longhorn Petroleum Corporation (Cream Silver Property) and the eastern claims belonged to Mr. Henri Belanger and Jean-Claude Cossette.

Shiningtree Gold Resources Inc. completed magnetic and electromagnetic surveys on their property in 1983. Survey lines were cut at 400' intervals with stations every 100' for 26.75 miles total. Several conductors were identified from the EM survey, 400 to 800 feet long, with an east-west trend. In the south-east sector of the property, the survey identified two NW-SE conductors at least 800' long, interpreted to be potential cross-cutting structures.

In 1983, several VLF-EM and magnetic surveys were completed on the claims owned by Henri Belanger and Jean-Claude Cossette. In total, 7.68km of VLF-EM and 7.93km of magnetometer surveys were completed on the property. The VLF-EM survey was completed on 25m stations while the magnetometer survey was done on 12.5m stations. The VLF-EM survey identified eight anomalies, two of which were ranked of high importance due to their coinciding with magnetic anomalies. The magnetometer survey showed very little magnetic variation which pointed to the presence of intermediate to felsic rocks underlying the Exxeter Property.

In 1983, the Canadian Longhorn Petroleum Corporation completed a magnetometer survey on their Cream Silver property between December 1st and 9th. The goal of the survey was to better outline the bedrock geology of the claims. Survey lines were spaced 400' apart with reading taken every 100', a distance decreased to 50' in anomalous areas. The most prominent anomaly of the survey was near the central part of the eastern half of the claim block where the survey outlined what appeared to be a magnetite iron formation some 3000' in length, trending E-W. An interpreted N-NE striking fault appeared to divide the property into two and truncates the iron formation.

In 1984, the northern half of the claim block was owned by Claude St-Yves. The report published the same year describes nearby showings or deposits and recommends VLF-EM and Magnetometer surveys as well as prospecting as first pass tools, followed by IP and diamond drilling if results warrant further investigation.

In 1985, the north-eastern most claims were included in a property on which a magnetometer survey was completed. The results of the survey identified a single weak anomaly located outside the current Exxeter Property that was attributed to a more basic phase within the volcanic rocks and given low priority.

By 1986, the Exxeter claims were owned by various individuals including Paul Frenette, who completed a magnetometer and electromagnetic survey on the central Exxeter claims. The EM survey identified 29 anomalies, most of which were weak and interpreted as either faults with or without graphite or as escarpments in terrain. The EM survey identified numerous anomalies associated with changes in lithology. 4 anomalies were interpreted to be sulfide-rich zones near-surface. One anomaly was interpreted as a radical change in lithologies.

By 1987, all but the central Exxeter claims (belonging to P. Frenette) were owned by Resources Minières Pro-Or. Work completed in January 1987 consisted of 63.63km of EM surveys using the NAA station, 62km of EM surveys completed using the NSS station in February. In addition to this, the company completed 63.59km of Mag in January 1987. In 1988, the company completed multiple

surveys including IP on the westernmost claims bisected by Chemin du Lac Guéguen, soil sampling, geological mapping and sampling. Rock samples returned several anomalous Au, Cu and Ag values, most notably from samples taken from felsic tuffs found in close proximity to diorite intrusives. Soil samples were collected over known Mag and EM anomalies on the claims. Numerous soil samples returned anomalous Cu, Pb, Zn, Ag and As values. The IP survey included 4.2km completed on 100m line spacing and 25m stations. The data was affected by high levels of noise caused by the thick layer of glacial sand overlying bedrock. However, the data were deemed reliable and identified three weak anomalies, one of which falls on the present-day Exxeter Property along Chemin du Lac Guéguen. The soil sample results coupled with IP anomalies identified areas of high priority with recommended diamond drilling as follow-up. In 1989, Pro-Or completed 10 diamond drill holes for 1404.80m of drilling including one drill hole, VC-89-8, which falls on the western edge of the claims. The hole was drilled to the north at -45° dip with a final depth of 147.80m. The hole intersected inter-fingered quartz-feldspar porphyry and sheared andesite with up to 3% Pyrite that graded a maximum of 55 ppb Au over 0.50m. The hole was targeting a structure that had generated the strongest IP anomaly on the Exxeter Property.

From the late 1980s to the 2000s, the Exxeter Property experienced limited exploration with most of the work being either compilation work performed by the Ministry or broad-scale geophysical surveys that encompassed the claims. The eastern half of Vauquelin Township was mapped as part of a large-scale mapping effort completed by the Ministère de l'Énergie et des Ressources du Québec in 1986 (Rocheleau et al., 1987). In 1997, the Property was included in a regional compilation work analysing stratigraphy and showings in Vauquelin Township (Rocheleau, et al., 1997). It was covered by airborne geophysical surveys including Megatem II surveys flown between 2001 and 2003 (DP2008-41) by Fugro on behalf of several mining companies.

In 2011, the northern and western claims of the Exxeter Property were included in a heliborne Magnetic and TDEM survey of the South Bay Property, completed on behalf of Threegold Resources by Prospectair Geosurveys. The results of the survey showed no TDEM anomalies on the property and that the underlying rocks showed a low mag signature characteristic of felsic rocks.

## **Geological Setting and Mineralization**

### Regional Geology

The Exxeter Property lies at the southeastern end of the Val-d'Or Mining Camp, just north of the major Cadillac Tectonic Zone (CTZ) and approximately 15km northwest of the Grenville Front. The property is also at the southern end of the Abitibi Greenstone Belt of the Superior Province, Abitibi sub-province. The rocks of the region are all Archean in age with the exception of cross-cutting Proterozoic dykes. The rocks are sub-divided into two volcano-sedimentary packages separated by a shear zone which represents the eastern extension of the Cadillac Tectonic Zone. The first assemblage corresponds to the eastern extension of the Motte-Vassan depression which is made up of the rock of the Dubuisson and Caste Formations of the Malartic Group, overlain by the Jacola, Val-d'Or and Héva Formations. The second assemblage corresponds to the Villebon depression and includes rocks from the Villebon, Pontiac and Trivio Groups. The rocks are oriented WNW-ESE, dip steeply to the north and have a younging direction towards the south. Numerous mafic to felsic stocks, plutons, dykes and sills intrude the rocks of the region, representing a series of syn- to post-volcanic and deformation events.

### Local Geology

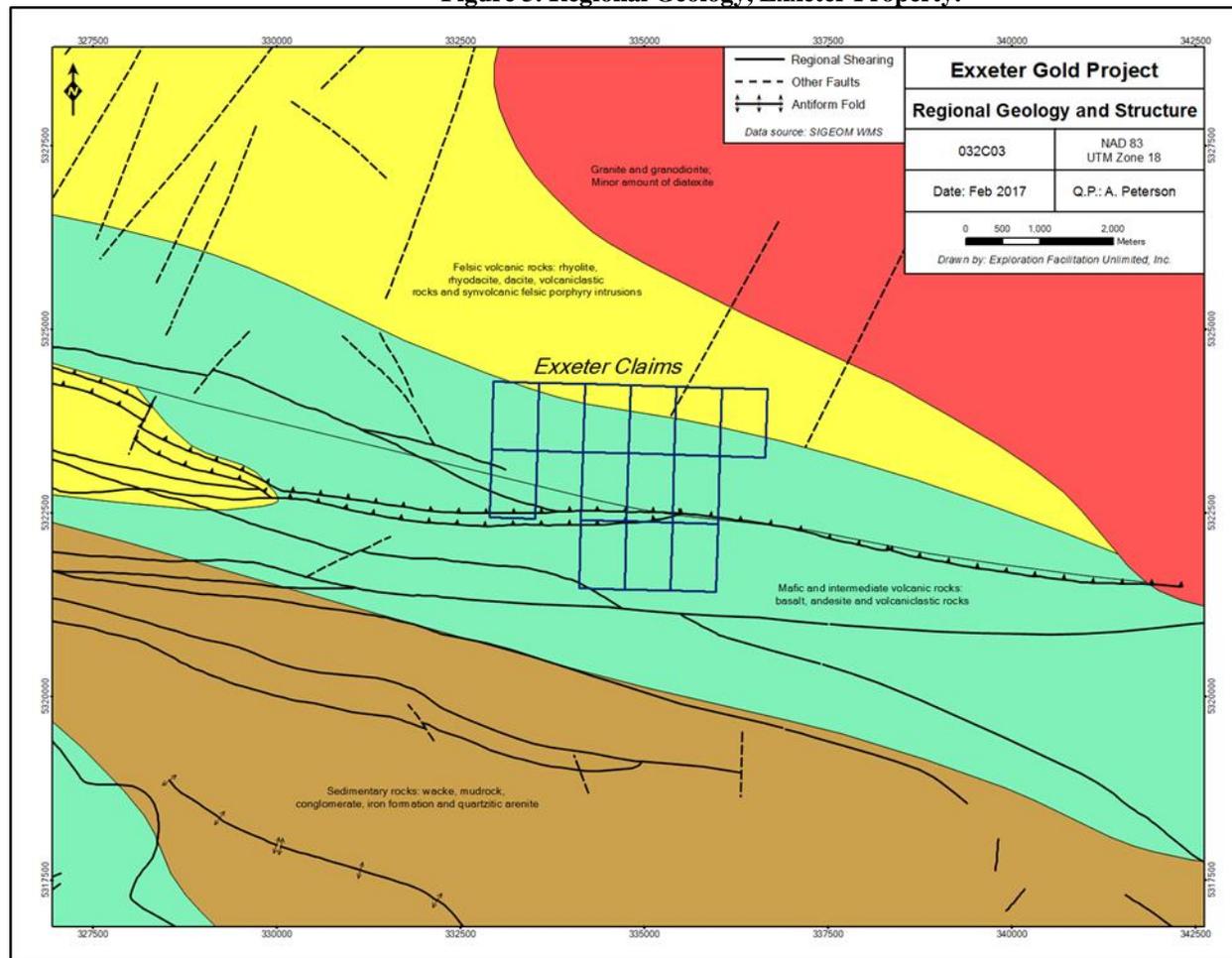
The Exxeter Property overlies the eastern-most extent of the Val-d'Or Formation which has an east-west orientation and variable width of 5 to 8km, extending from the city of Val-d'Or to the Grenville front. The Val-d'Or Formation is host to the bulk of the gold deposits of the Val-d'Or mining camp. The Val-d'Or Formation is characterized by felsic to intermediate pyroclastic rocks. The pyroclastic units are inter-fingered with Andesitic to Basaltic flows that can be massive, pillowed or brecciated. The area was also intruded by pre-deformation mafic and felsic plutons, dykes and sills. The most notable felsic intrusive in the area is the Bevcon pluton, a granodiorite to quartz-diorite pluton some 12km<sup>2</sup> in size. Other felsic intrusions include feldspar porphyry and quartz-feldspar porphyry dykes as well as granodiorite to tonalite dykes that can be 20 to 30 m thick. Mafic intrusions include m-thick diorite and gabbro lenses, often intercalated with the lavas. These lenses can be weakly mineralized with disseminated Pyrite and Pyrrhotite. The Vicour Sill is a 7km long pre-deformation intrusion with an E-W direction that cuts the Val-d'Or Formation near its contact with the Héva Formation, west of the Exxeter Property.

The post-tectonic Pershing-Manitou granitic batholith intrudes the Val-d'Or Formation approximately 2km north of the Exxeter property. The batholith is the most important intrusion in the region and is almost 100km<sup>2</sup> in size. Outcropping of the batholith tend to form large buttes, especially around Lac Guéguen. Elsewhere, outcrops are rare. Metamorphism in the region is predominantly greenschist facies. However, as one approaches the Grenville Front, metamorphism gradually increases to amphibolite facies. Contact metamorphism has also been observed around the Pershing-Manitou batholith with a contact aureole at amphibolite facies as well.

The region has been subjected to three deformation events. The first event created localized isoclinal folds that have been noted along the Cadillac Tectonic Zone around the Chimo Mine area. This even also created S<sub>1</sub>, a schistosity that is difficult to identify

due overprinting by the much strong regional deformation  $D_2$ .  $S_1$  has mostly been identified in sedimentary rocks and some pyroclastic units. The main event,  $D_2$ , is responsible for the E-W tectonic fabric, the main folds  $P_2$  and the dominant schistosity  $S_2$ . This deformation event is associated with tight isoclinal folds oriented E-W that generally plunge to the NE. Shear zones that parallel the axial planes of the folds are also associated with  $D_2$ .  $S_2$  is parallel to the axial planes of the  $P_2$  folds, the E-W shear zones and the flattening of geological features such as pillows, fragments, crystals and vesicles. A regional post-deformation phase created a network of NE dextral kinks and NNW sinistral kinks. NE-SW open folds that plunge to the NE are also associated with this third phase.  $S_3$  is characterized by crenulation cleavage that gradually turns into shearing as one approaches the Grenville Front. Large E-W shear zones are interpreted as regional faults.

**Figure 3. Regional Geology, Exxeter Property.**



**Property Geology**

The Exxeter Property overlies rocks of the Val-d’Or Formation of the Val-d’Or lithotectonic domain. The Val-d’Or Domain corresponds to the eastern extension of the southern limb of the La Motte – Vassan anticline. The Val-d’Or Formation is characterized by the appearance of explosive volcanism which accompanies the more effusive lavas, with compositions ranging from basalts to rhyodacites and even rhyolites. It is composed of three bands of pyroclastic rocks intercalated with volcanic flows. The most common facies in the pyroclastic units are block or lapilli tuffs and crystal tuffs with plagioclase. Beds range in thickness from dm- to m-size. The lavas alternate between massive to sometimes vesicular flows at the base covered by pillowed or brecciated flows, with brecciated flows being the dominant facies. The rocks of the Val-d’Or Formation are representative of a calc-alkaline phase of volcanism within the Val-d’Or Domain. Several feldspar and quartz-feldspar porphyry dykes and sills cut through the western claims.

The Exxeter Property is cut by several E-W shear zones; two regional-scale structures that extend for over 7km in strike-length and have demonstrated a reverse sense of movement, and one local-scale shear that extends for approximately 5km.

At the surface, the Exxeter Property is mostly covered by sand and gravel with less than 5% outcropping. A large esker runs north-south along the Chemin du Lac Guéguen in the western portion of the property. The esker is approximately 25m thick and varies from 200 to 800m in width.

### Mineralization

The region surrounding the Exxeter Property is host to anomalous gold values with lesser silver and base metal values. This is put in evidence by the presence of numerous gold, silver, copper and Zinc showings on properties proximal to the claims, including the Forsan gold showing, the Chimo gold Mine (historically produced 379,012 ounces of gold) and the Nordeau gold deposit. Gold deposits in the area are distributed throughout the different Formations; Chimo and Nordeau are in the Groupe de Trivio while the Forsan showing is in the Val-d'Or Formation. However, all deposits and showings have one thing in common: Structure. The various mineralized zones are present as quartz veins and lenses that are associated with shears, faults, tension gashes or tectonic breccias that occur along lithological contacts with marked differences in competence. These E-W deformation zones and their related metasomatism are directly associated with most of the mineralization in the region. In most cases, the gold occurs as free gold within the quartz veins and lenses, with a small proportion (<20%) occurring as fracture fill in sulphide minerals such as Pyrite and Arsenopyrite. The main showings and deposits in the region indicate a complex history of metasomatism with alteration zones that include: Carbonate, silica, sericite, tourmaline and sulphides. The two most important sulphides are Pyrite (with late Chalcopyrite) and Arsenopyrite (MB87-52).

Silver and base metal showings in the region are far less common than gold, however several occur within 10km of the Exxeter Property. Two of these showings are associated with structures that cross the Exxeter Property. These deposits occur in various volcanic units such as breccias and agglomerates, often within quartz veins containing sulphides. Sulphides include Pyrite, Pyrrhotite, Sphalerite and Chalcopyrite as either disseminations or semi-massive to massive bands that are cm- to dm-sized. 2km west of the Exxeter property, on the same large-scale E-W shear zone that cuts through the claims, the VO-96-6 showing is comprised of three zones of massive sulphides up to 3cm thick. The showing was discovered through diamond drilling and returned assays of up to 4.42% Cu and 38.9 g/t Ag over 0.35m, 2.84% Zn over 0.32m, 9.7g/t Ag over 1.46m, 8.0% Zn and 13.2 g/t Ag over 1.05m and 8.1% Zn and 6.9% Ag over 0.78m (results taken from SIGEOM website). The Russian Kid showing is less than 1km west of the property and is also associated with a structure that crosses the Exxeter claims. Here the mineralization is found in two parallel shear zones 914m apart with mineralization has been traced for over 1km of strike length. Exploration on this showing began in 1945 with trenching and diamond drilling. Results include: 22.20 g/t Ag over 0.20m, 4.10 g/t Ag over 0.60m, 9.6 g/t Ag (grab), 2.84 g/t Ag and 2.1 g/t Au over 0.80m. Drilling in 2011 returned values of 5.8 g/t Ag over 0.5m and 4.07% Zn over 0.50m.

The Exxeter Property has two of the main ingredients for anomalous metal values; Intermediate to felsic volcanic rocks and structure. The rocks on the property all belong the Val-d'Or Formation, rocks that host the bulk of the gold showings and deposits of the Val-d'Or mining camp. The three shear zones that cross the central part of the claim block all have associated metal deposits, making them prime targets for exploration efforts.

### **Deposit Types**

The Exxeter Property was investigated for both gold and base metal mineralization. The large deformation corridors that cut through the central part of the claims were interpreted as favourable structures for anomalous lode gold mineralization while the presence of felsic volcanics showed potential for VMS style deposits. Gold, copper, zinc and silver showings occur adjacent to the Exxeter Property. Exploration work on the Exxeter Property by Pro-Or in 1989 revealed that two types of veining were observed at surface and in core. The first type of veining was sub-parallel to stratification while the second appeared oriented N-S. The best gold and silver values were associated with the N-S veins. At Exxeter, the Pershing-Manitou batholith intruded felsic to intermediate tuffs and lavas and may have favored the circulation of mineralized fluids along the contacts between the different units as well as along secondary shear zones that bound various lithological units.

The Exxeter Property's historical exploration efforts consisted predominantly of broad-scale geological mapping and sampling programs in addition to ground and airborne geophysical surveys. Only two short diamond drill holes were completed on the Exxeter Property prior to 2016. Due to the limited amount of sub-surface work and limited outcrop exposure, mineralization type, location, width and continuity on the property is still unknown although potential is quite good.

### **Exploration**

From October 19<sup>th</sup> to November 9<sup>th</sup>, 2016, Exploration Facilitation Unlimited Inc. (EFU Inc.), on behalf of Kode Mineral Exploration Ltd., conducted a three-week exploration program designed to explore the entirety of the property in order to identify favourable targets for exploration such as geophysical anomalies and structures. Proposed work included ground geophysics (VLF-EM/Mag and Beep Mat), geological mapping, rock and soil sampling as well as small-diameter backpack drilling. The field crew was based out of the Pourvoirie Villebon, located 10km west of the property, for the duration of the exploration program.

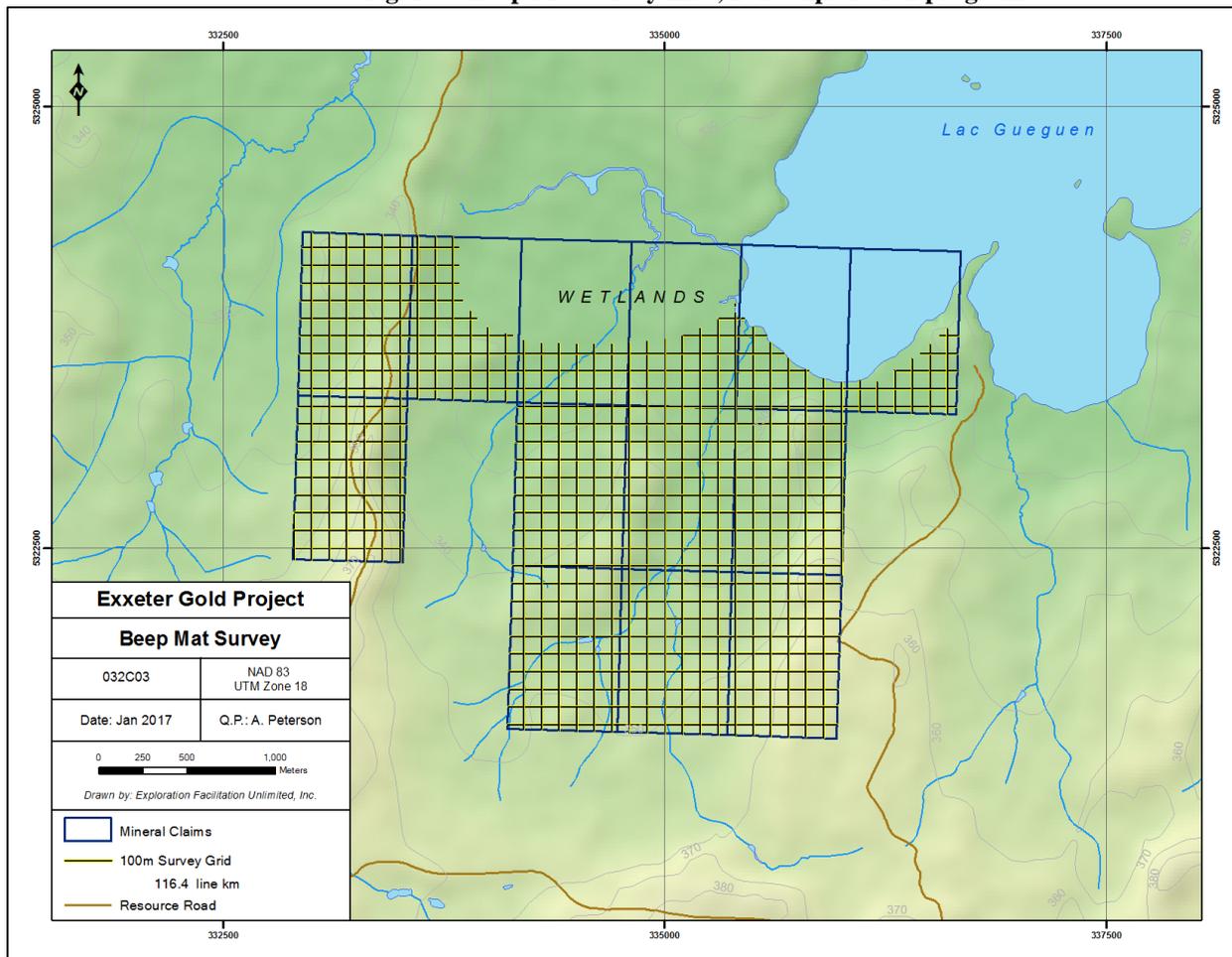
While the work described in this section was not performed on behalf of the Company, the results of the 2016 exploration program were included in detail below due to their relevance to the recommendations made below.

Geophysical Survey

The Beep Mat program was planned to cover the entire Exxeter Property, with 100m line spacing. The grid lines were oriented both E-W and N-S to properly investigate the E-W shear zones that cut through the central claims. Nearly the entire property was able to be surveyed, with the exception being the portion of the claims that overlie the Baie de Vauquelin itself and the associated area of wetlands west of the Baie. In total, 116.4 line-km of beep mat survey were completed. No major beep mat conductors were identified during the survey, however, 10 point anomalies were identified, recorded and investigated. Several anomalies were attributed to anthropogenic sources while some were from boulders. One of these point anomalies gave a purely magnetic response with the beep mat and was subsequently drilled using the Shaw backpack drill. The rock was magnetic with minor amounts of disseminated magnetite and possible Pyrrhotite.

All conductors and magnetic anomalies were investigated immediately, with the surrounding area surveyed to check for extent and continuity. All point anomalies are identified in the field with the anomaly location marked with flagging tape containing the HFR, LFR and % values for each point. The location of the survey lines can be found in the map below. The point anomalies identified from the beep mat survey were determined to be insignificant for the scope of the project and later discarded and were not included in the map.

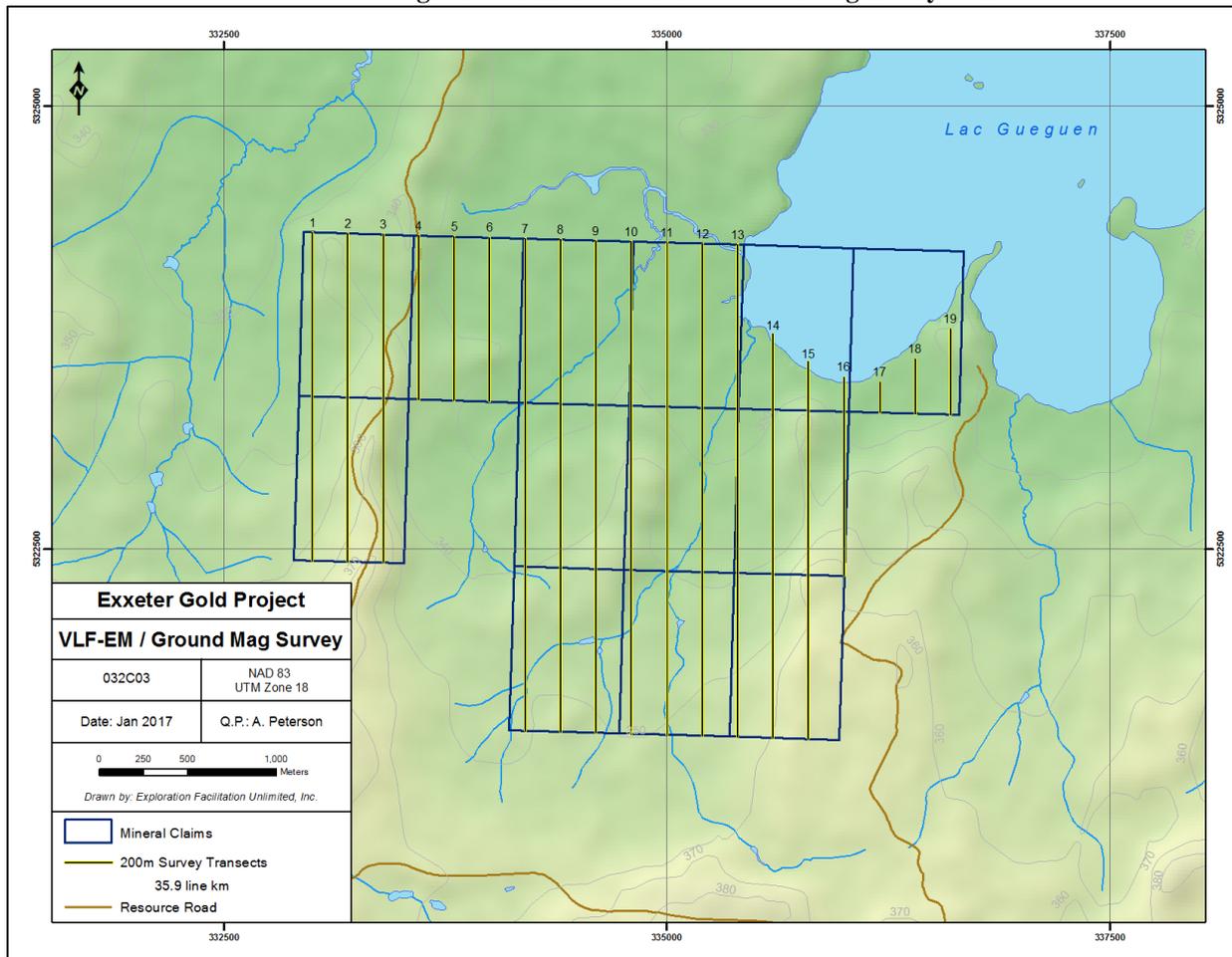
**Figure 4. Beep Mat survey lines, 2016 exploration program.**



The exploration program also included a VLF-EM/Mag survey which was completed concurrently with the beep mat survey. The VLF-EM/Mag survey was completed on a N-S oriented grid with 19 lines spaced 200m apart with stations every 12.5m. Unlike with the beep mat survey, the wetlands west of the Baie de Vauquelin were covered and the only part of the Exxeter Property that was not surveyed was sections of claims that overly water. The survey, completed between October 23<sup>rd</sup> and November 9<sup>th</sup> 2016, totaled 35.9 line-km of VLF-EM/Mag surveyed using a GSM-10 Overhauser magnetometer built by GEM of Toronto, Canada. The survey

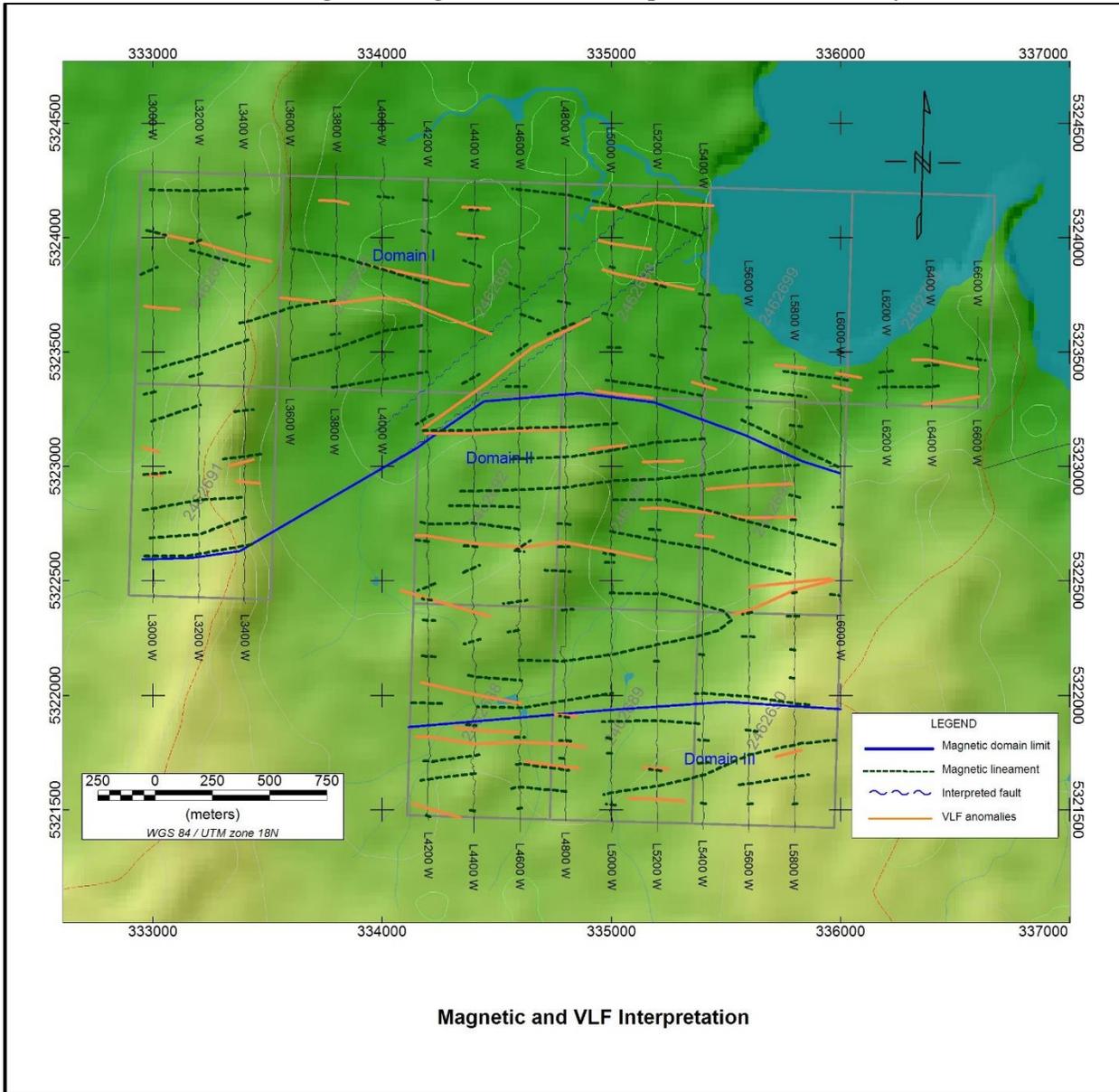
at Exxeter took measurements using the VLF station NAA located in Cutler, Maine. Figure 5 below shows the location of the VLF-EM/Mag survey lines.

**Figure 5. Location of 2016 VLF-EM/Mag survey lines.**



The VLF-EM data was sent to MBGeosolutions in Québec City for analysis. The resulting report concluded that the low range of the magnetic data coupled with the presence of point magnetic anomalies and the wide spacing of the survey lines did not permit reliable interpretation of the results. Despite this, the resulting maps do contain some interpretations based on the VLF and magnetometer data. An interpreted set of parallel NE-SW trending shear zones appear at the western end of la Baie de Vauquelin. The data was overlain on a topographic map of the area. The esker that runs parallel to Chemin du Lac Guéguen can be clearly seen running N-S through the western-most claims.

**Figure 6. Magnetic and VLF interpretations of 2016 survey data.**

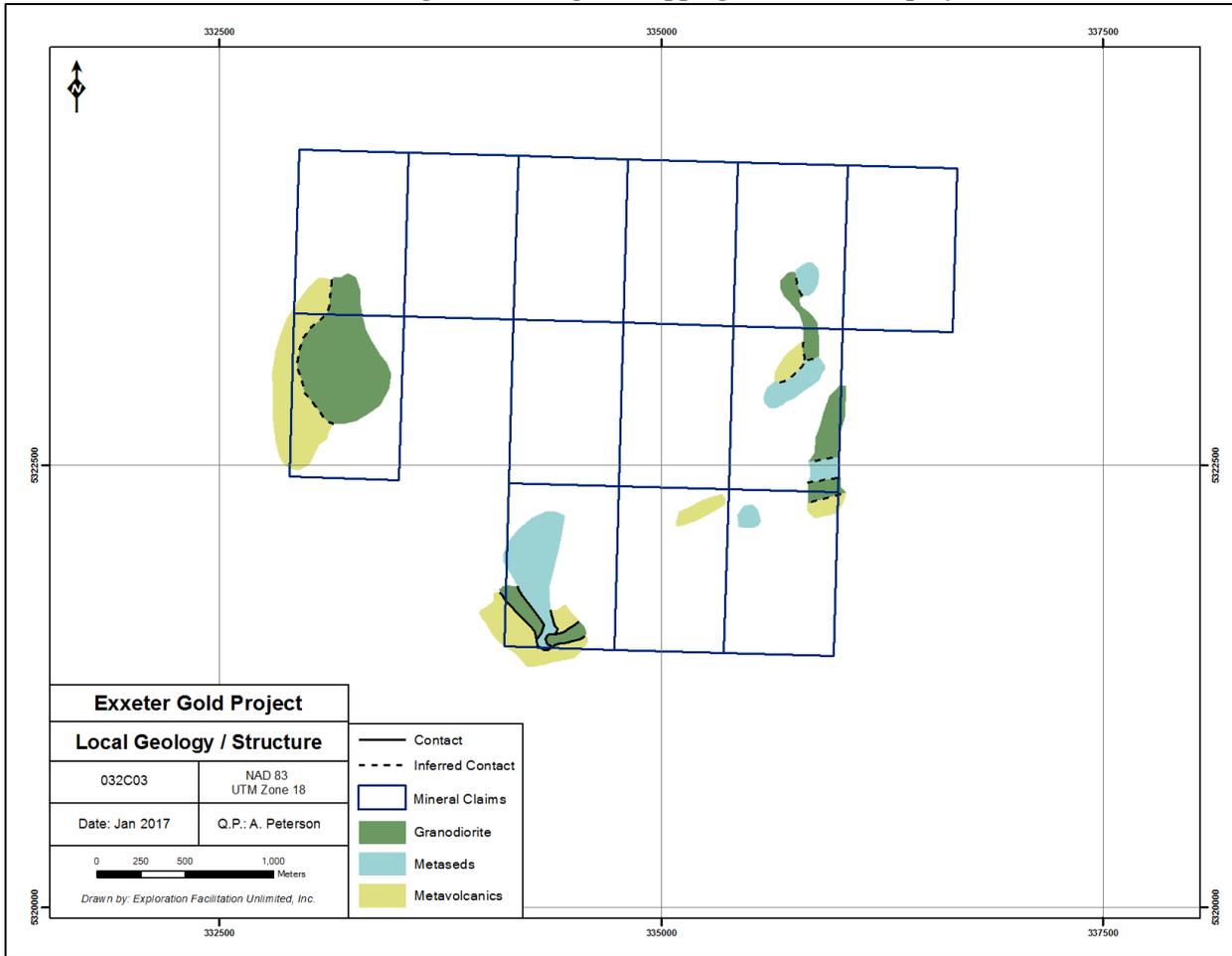


### Field Mapping and Sampling

Geological field mapping, prospecting and sampling was an important part of the 2016 program. The entire Exxeter Property was covered and a total of twenty-nine (29) grab samples were taken from outcrops and boulders. The results of these samples can be found below in figure 8 where the results of the grabs were plotted along with the results of the drilling. The highest assay values from the grab samples included 59ppb Au, 0.7 g/t Ag and 255ppm Cu.

Mapping indicates that the local stratigraphy is composed of chlorite schist and amphibolite, with the amphibolite being the result of contact metamorphism related to the Pershing-Manitou batholith. The stratigraphy appears to possibly repeat itself and could either represent the alternating explosive and effusive modes of volcanism characteristic of the Val-d’Or Formation or could represent folding. The schist and amphibolite are intruded by a large amount of granodiorite, which has preferentially intruded along the contacts between the two stratigraphies. Figure 7 below shows the results of the 2016 field mapping program.

**Figure 7. Geological mapping on the Exxeter project.**

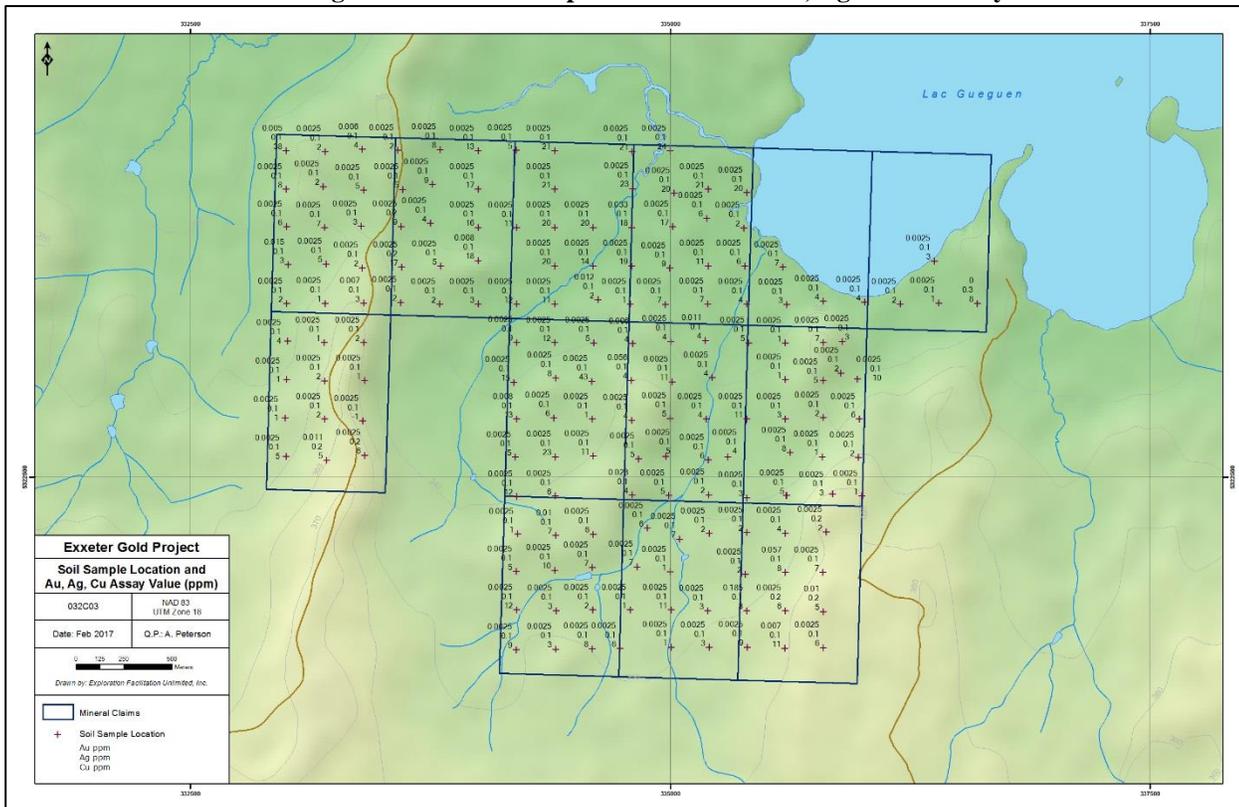


All grab samples were collected as representative samples of the source outcrop (or suspected outcrop) by the field geologists with sample number, location in UTM coordinates and geological descriptions (lithology, alteration, mineralization, mineralogy, structure) recorded on-site before being entered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

### Soil Sampling

The entire Exxeter Property was covered by a soil sampling program with 200m line spacing and sampling stations every 200m. A total of 164 samples were collected at an average depth of 1.03m. The bulk of the samples were collected from a silty sand horizon, except for samples taken in swampy areas that were taken from more clay-rich horizons. The best values for Au, Ag, and Cu are plotted on the map of sample locations in figure 8 below. The soils returned anomalous gold-in-soil values of up to 185ppb Au. The soils also had maximum values of 45ppm Cu, 39ppm Ni and 78ppm Zn.

Figure 8. 2016 soil sample locations with Au, Ag and Cu assay values.



## Backpack Drilling

A total of nine holes and 8.52m of drilling were completed using the Shaw backpack drills. All holes were drilled straight into bedrock. The drills are effective to a depth of 8-10m and produce 18mm diameter drill core. All drill holes targeted conductive or magnetic anomalies identified during the beep mat survey or potentially mineralized rocks discovered during field mapping. Thirteen samples were collected from the drill holes and sent to ALS Laboratories in Val-d'Or for analysis.

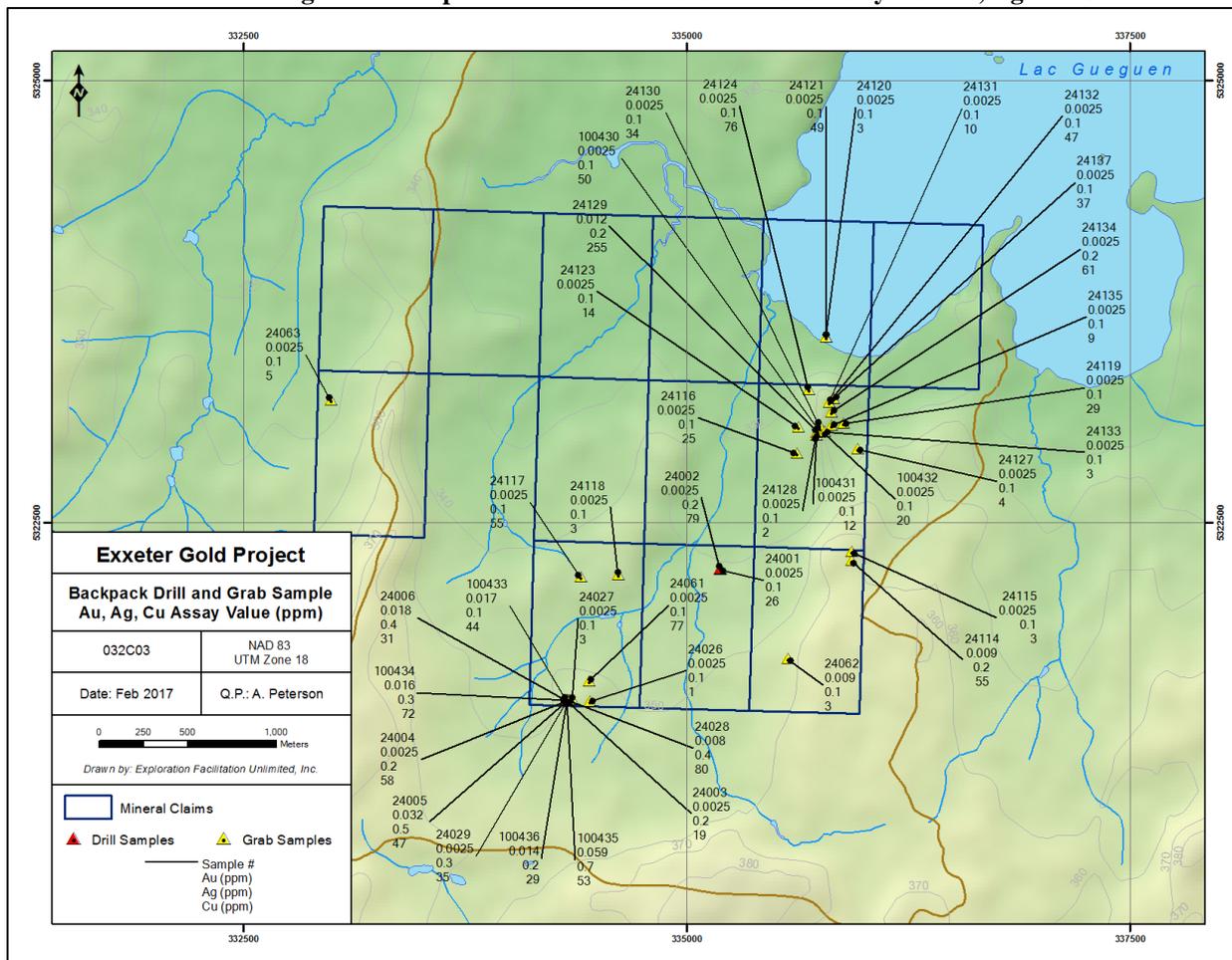
The first three drill holes were drilled in close proximity to each other, and drilling locations were based on observations of structure or mineralization made by the field geologists. The first hole was drilled into outcrop/subcrop located within a large trench-like feature that appeared man-made. The second hole appeared to be located at a lithological contact while the third hole intersected schistose intermediate volcanics with Pyrite mineralization. Assays from these drill holes did not return any values of note.

Drill holes 4, 5, 8 and 9 were drilled around the extents of what appears to be a historic trench. No mention of this trench was found in work reports the Qualified Person read during research. It is possible that this trench is in fact a large outcrop that was stripped and sampled during one of the multiple historic mapping programs. Sample tags are still visible within this area. The rocks here consisted of silicified mafic volcanics with chlorite alteration and sulphide mineralization consisting of up to 50% Pyrite and up to 1% Pyrrhotite. Samples from holes 004 and 005 returned Zn values of 109, 126 and 140ppm with associated Ni values of 91, 118 and 82ppm respectively.

Drill holes 6 and 7 were drilled into rocks that generated a purely magnetic response during the beep mat survey. The rocks contained minor magnetite and possible Pyrrhotite. Assays from the drill holes returned Ni values of 50 to 104ppm and 99 to 112ppm of Zn.

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

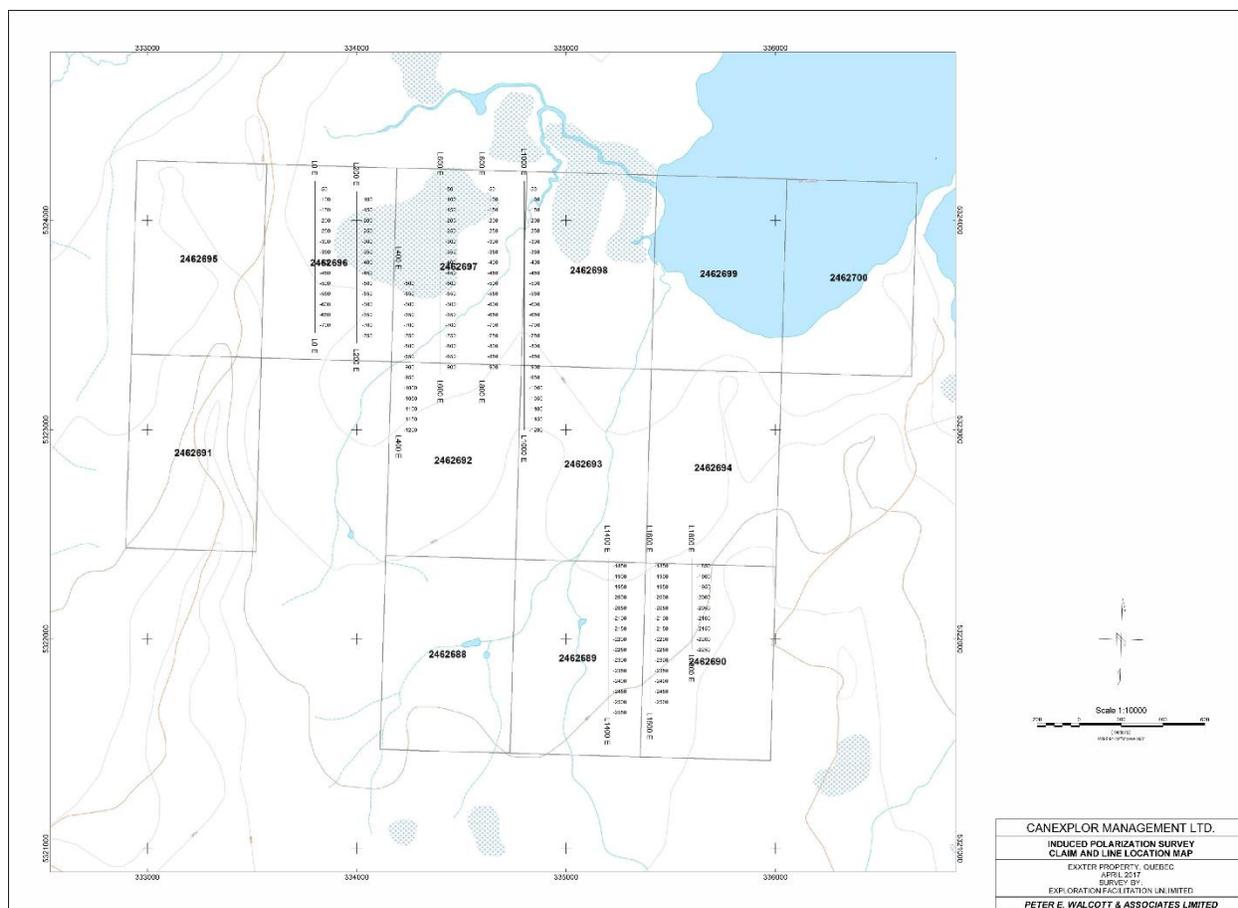
**Figure 9. Backpack drill hole locations with best assays for Au, Ag and Cu.**



**Results of 2017 Geophysical Survey**

From March 30 to April 12, 2017, Exploration Facilitation Unlimited Inc. (EFU Inc.), on behalf of the Company, completed a 20 kilometer line cutting program and an induced polarization survey on portions of the Exxeter Property. The survey was designed to test for potential sulfide mineralization associated with a series of magnetic features identified during the 2016 VLF-EM/Mag survey. The survey took approximately two weeks to complete and consisted of nine (9) north-south oriented lines spaced 200m apart. Measurements were obtained using the pole-dipole method with a 25m dipole. The survey was split into three grids and totaled 7.5 line-km of IP. The data collected was processed by Peter E. Walcott & Associates Limited.

**Figure 10 Location of IP survey lines with claims**



The IP survey identified five (5) separate anomalies. Anomaly A (located mid-way on line 0) is characterized by a chargeability anomaly that coincides with a highly resistive unit. The anomaly exhibits traits attributed to shallower features. Anomaly B is a deeper, yet subtle feature situated beneath a conductive zone, located at the northern end of Line 800. The feature appears to be located within a small embayment in the magnetics. Both Anomaly A and Anomaly B are found within a north-east trending magnetic corridor observed in the residual magnetics. This magnetic corridor corresponds to a set of parallel shear zones interpreted from the VLF-EM/Mag data (see Figure 6). Anomaly C, located at the south end of line 800, is associated with a resistivity high that was only partly covered by the IP grid and remains open to the south. Anomaly D, located on the southern portions of lines 1400 and 1600, is a weak to moderate intensity feature that could be a combined response of multiple features, and flanks the southern contact of a w-s-w trending zone of elevated magnetic susceptibility. Anomaly E is a broad, moderate intensity chargeability feature that is also associated with a zone of elevated magnetic susceptibility. This anomaly can be found on lines 1600 and 1800.

The survey also highlighted a break in resistivity, observed on all the survey lines of Grid 1, which could potentially be attributed to a change in lithology. This change in resistivity was observed as a flat lying zone of increased conductivity some 30 meters in thickness.

## Drilling

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

## Sampling Preparation, Analysis and Data Verification

### Sampling Preparation and Analysis

For the 2016 program, samples collected in the field were described in detail and photographed before being sealed into plastic sample bags. UTM co-ordinates and a brief description were also recorded for each individual sample. Samples were placed into

plastic sample bags with a sample tag inserted into the bag and the corresponding number written in black permanent marker on the outside of the bag. Sample bags were then sealed using plastic zip ties before being removed from the field. All samples collected during the exploration program were stored under lock and key until samples were ready for transport to the lab. Samples were reviewed a second time to ensure all samples were properly identified prior to transport. Samples were then transported by EFU employees directly from the Pourvoirie Villebon located 5km south of Louvicourt to the laboratory facilities in Val-d'Or where they were handed directly to lab employees for analysis. At no time were the samples in the possession of a third party. The author of the technical report deemed the sample preparation and security procedures employed by EFU employees to be adequate.

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

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

ALS is considered by the author of the technical report to have adequate sample preparation, security, and analytical procedures, and to operate at industry standards. The Optionor and the Company have no relationship with ALS other than as clients.

#### Data Verification

Due to the early stage of exploration on the Exxeter Property, no formal Quality Assurance/Quality Control (QA/QC) protocol has been established. None of the assessment or historical work reports used as references in the preparation of this report provided details of the sampling or analytical methods used. Quality control methods and security procedures were not discussed either. Results of the 2016 exploration program were verified using the assay certificates.

The author finds that the sampling procedures used in the 2016 exploration program were satisfactory and similar to standard practices in the industry. The QAQC procedures at ALS Laboratories were ample for the number of samples analyzed and generated data with a high degree of confidence.

#### **Interpretation and Conclusions**

The Exxeter Property is located within a favorable environment for gold and VMS-style base metal deposits. The presence of the large Pershing-Manitou batholith just north of the Exxeter Property in addition to the two large deformation zones that cut through the claims create prime conditions for the formation of various types of precious and base metal deposits. It is clear from historical and current mapping and prospecting programs that the rocks on the Exxeter Property have been subjected to considerable hydrothermal activity, as evidenced by the often strong, widespread silicification and alteration of the various lithologies. A 2006 compilation map produced by the MER (EP2006-01) analyzed the potential for gold deposits in the Abitibi. The author of this study considered geophysical as well as geological data before ranking areas from low to high potential for mineralization. One such high potential area falls within the Exxeter Property on claim 2462692 centered around the location of the drill hole completed in 1965 by Northwest Canalask Nickel Mines Ltd. The results of the soil sampling program also identified areas with anomalous in-soil values for Au, Cu, Ni and Zn. In some areas, these values line up well with interpreted EM conductors and structures. The IP survey resulted in the identification of five (5) anomalies, which coincide with anomalies in the airborne mag data, soil sample anomalies as well as anomalies from the ground-based geophysics. These results warrant further investigation.

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

The Exxeter Property overlies lithological and structural environments that have been shown to host VMS and lode gold style deposits within the region and the Abitibi greenstone belt. Historical work on these claims has been quite limited and most of the available data is quite outdated. Exploration work completed in 2016 discovered new areas of anomalous metal enrichment in addition to multiple geophysical targets, which were followed up to some extent by DRD with the 2017 IP program. However, the available data is somewhat spotty and in some cases data points are too far apart to properly interpret results and as such, additional work needs to be completed in order to fully assess the mineral potential on the Exxeter Property.

## Exploration and Development

The claims of the Exxeter Property have been relatively underexplored, however current data show numerous gaps as well as several favourable target areas that merit additional work in order to move the property forward. A single-phase grassroots exploration program is suggested to properly identify important targets and to augment the current data sets. Work would consist of an IP survey coupled with a soil sampling program and additional ground mag. It would be best to complete these programs in late fall or winter to properly assess grounds covered by wetlands and swamps.

The IP survey would have the focus on extending existing lines with open anomalies, such as lines L800 and L1000. Line spacing would also be tightened in order to allow a better interpretation of the data. Line spacing would be 100m with line length matching those used for the April 2017 survey (except lines L800 and L1000). Additional lines should be completed in order to check lateral continuity of anomalies A, D and E. Existing lines L400, L600, L800 and L1000 should be extended south to the southern claim boundary in order to investigate both the major deformation corridor that bisects the property from east to west and to cover the large e-w magnetic anomaly seen on the airborne magnetic survey data. Additional lines should also be added here to keep the 100m line spacing recommended. Existing IP lines (1400, 1600 and 1800) in the southern claims should be extended south to the claim boundary. Several lines (3) were cut in preparation for the 2017 program, but were not used due to impassable ground conditions. This would include lines L1200 and L1400 in the north, cut between line L1000 and Lac Guégen as well as an additional line (L1000) cut in the southern claims, west of line L1400. These pre-existing lines would be used for the proposed IP work program and would likely only require maintenance to make them usable. The extension of existing IP lines and the addition of new lines would total approximately 27 line-km for cutting and surveying.

In addition to the IP survey, soil sampling should be conducted in order to tighten line and sample spacing where anomalous metal values were encountered. Line spacing and sample spacing should be reduced to 50m from 200m. These areas coincide with the IP survey area on claims 2462697, 2462698, 2462689 and 2462690. This soil sampling program would result in approximately 500 samples and should allow proper contouring of anomalous metal-in-soil values. Reliable contouring of soil assay data could help identify key exploration targets moving forward.

The VLF-EM/Mag survey completed in 2016 had lines too widely spaced to allow reliable interpretations. Since several of the IP anomalies align with magnetic features from the airborne data, it is recommended that a ground magnetics survey be completed on 100m line spacing, supplementing the existing ground mag data. The survey would cover ten (10) claims including all claims covered by IP. This would equate to approximately 27 line-km of ground mag.

The original IP survey lines were selected in order to investigate elevated metal-in-soil values as well as interpreted structures and anomalies from the ground geophysics completed in 2016. A total of 20 line kilometers (12.5 kilometres more than were surveyed) were cut in the 2017 program. For the next phase of exploration, it is proposed that these lines should be further extended where necessary and spacing should be tightened in order to better interpret the data. The cost of this phase 1 program is anticipated to be:

	<u>Amount (\$)</u>
Project Preparation	5,000
Mobe/Demobe (including transportation + wages)	3,000
Consumables and Supplies	1,500
Forestry Technician Consultation + fees	500
<b>Field Crew:</b>	
Project Geologist	19,600
Field Geologist (x2)	16,800
<b>Field Costs:</b>	
Transportation <sup>(1)</sup>	6,300
Food Lodging	16,800
<b>Assays and Analyses:</b>	
Soil sample Assays	15,000
<b>Contracts:</b>	
IP /Resistivity Surveys	59,400
Mobe/Demobe	7,000
Ground Mag Survey <sup>(2)(3)</sup>	13,500
Geophysical Interpretation	3,000

Line cutting	21,600
Soil Sampling	20,000
Technical Report	6,000
Contingency Fund (15%)	<u>32,250</u>
<b>Total (rounded)</b>	<b><u>\$ 247,250</u></b>

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

<sup>2</sup>The Ground Magnetometer Survey cost includes mobilization and demobilization.

<sup>3</sup>The Ground Magnetometer Survey cost includes the rental of the Magnetometer.

## USE OF PROCEEDS

### Funds Available

The net proceeds to be received by the Company from the Offering, after deducting the balance of the estimated expenses of the Offering of approximately \$91,500 and the Agent's Commission of \$40,000, will be \$368,500. As at August 31, 2017, the Company has a working capital of \$354,802. As a result, the Company estimates that the total funds available will be \$723,302.

### Principal Purposes

The funds available will be used for the purposes listed below:

	<u>Amount (\$)</u>
Work program on the Exxeter Property	247,250
Estimated general and administrative expenses for the 12 months following the Offering	100,000
Property Option Payment	25,000
Unallocated Working Capital to fund ongoing operations	<u>351,052</u>
<b>Total</b>	<b><u>723,302</u></b>

The Company expects to incur approximately \$100,000 in general and administrative costs on an annual basis to cover the expenses of operating as a public company over the next twelve (12) months. A breakdown of the estimated general and administrative costs for that period is as follows:

	<u>Annual (\$)</u>
Audit and Accounting Expenses	40,000
Legal Expenses	30,000
Regulatory Filing Fees	10,000
Transfer Agent	10,000
Miscellaneous	<u>10,000</u>
<b>Total</b>	<b><u>100,000</u></b>

The Company intends to spend its available funds as stated in this prospectus. There may be circumstances, however, where, for sound business reasons, a reallocation of funds may be necessary. The Company has no plans to provide fees or salaries to any of its named directors and officers over the next twelve months.

### Negative Operating Cash Flow

Since inception, the Company has had negative operating cash flow and incurred losses. The Company's negative operating cash flow and losses are expected to continue for the foreseeable future. The Company cannot predict when it will reach positive operating cash flow, if ever. Due to the expected continuation of negative operating cash flow, the Company will be reliant on future financings in order to meet its cash needs.

## Business Objectives and Milestones

The business objectives the Company expects to achieve using the available funds are to: (i) complete the Offering; (ii) obtain a listing of the Common Shares on the Exchange; and (iii) complete the exploration phase 1 program recommended in the Exxeter Technical Report.

The Company's business objectives of completing the Offering and listing on the Exchange will occur on the Closing of the Offering and the Listing Date. The cost of covering administrative costs for the first 12 months following listing is estimated at \$100,000. The Company's business objective of completing the recommended work program on the Exxeter Property is currently expected to occur over the course of approximately 12 months following the Closing date of the Offering. The cost of completing the recommended work program is estimated at \$247,250. Unallocated funds will be added to the working capital of the issuer.

## DIVIDENDS

The Company has never declared, nor paid, any dividends since its incorporation and does not foresee paying any dividends in the near future since all available funds will be used to conduct exploration activities. Any future payment of dividends will depend on the financing requirements and financial condition of the Company and other factors which the Board, in its sole discretion, may consider appropriate.

Under the BCA, the Company is prohibited from declaring or paying dividends if there are reasonable grounds for believing that the Company is insolvent or the payment of dividends would render the Company insolvent.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The following table sets forth selected financial information with respect to the Company's audited financial statements for the period from inception to June 30, 2017. The selected financial information has been derived, except where indicated, from the audited financial statements for the period of inception to June 30, 2017. The following should be read in conjunction with the said financial statement and related notes that are included elsewhere in this prospectus, and the "Management Discussion Analysis" dated September 12, 2017.

### Selected Financial Information

	<b>Period from inception to June 30, 2017 (Audited) (\$)</b>
Revenue	-
Expenses	(25,099)
<b>Net loss</b>	<b>25,099</b>
Basic and Diluted loss per share	<b>(0.00)</b>

### Statement of Financial Position

	<b>As at June 30, 2017 (Audited) (\$)</b>
Assets	
Current assets	389,802
Exploration and Evaluation Assets	117,100
Total Assets	<b>506,902</b>
Liabilities	
Current liabilities	25,000
Shareholders' Equity	481,902
Total Liabilities and Shareholders' Equity	<b>506,902</b>

## Overview

This management discussion and analysis (“MD&A”) of results, operations and financial condition of the Company, describes the operating and financial results of the Company for the period from inception to June 30, 2017. This MD&A supplements, but does not form part of, the audited financial statements of the Company, and should be read in conjunction with the Company’s audited financial statements and related notes for the period from inception to June 30, 2017. The Company prepares and files its financial statements in accordance with IFRS. The currency referred to in this MD&A is in Canadian Dollars.

## **Period from Inception to June 30, 2017**

### Overall Performance

The Company is a junior exploration company engaged in the exploration and development of the Exxeter Property. The Company’s future performance depends on, among other things, its ability to discover and develop ore reserves at commercially recoverable quantities, the prevailing market price of commodities it produces, the Company’s ability to secure required financing, and in the event ore reserves are found in economically recoverable quantities, the Company’s ability to secure operating and environmental permits to commence and maintain mining operations.

During the period from the date of inception on March 13, 2017 to June 30, 2017, the Company’s activities included the acquisition of the Exxeter Property and completing a geophysical survey on the Exxeter Property. See “Business of the Company – Three Year History” and “Exxeter Property”.

As at June 30, 2017, the Company had cash on hand of \$389,802 a working capital surplus of \$364,802. Accordingly, the Company has sufficient cash on hand to pay the anticipated costs of this initial public offering.

### Results of Operation

The Company reported a net loss of \$25,099 during the period from inception to June 30, 2017. The main factors that contributed to the loss were share based payments and professional fees.

Professional fees consist of legal fees in connection with our acquisition of the Exxeter Property and this Offering, and accounting and audit fees in connection with the preparation of our audited financial statements.

During period from the date of inception to June 30, 2017, the Company completed the following equity financings: (i) the sale of one Common Share at a price of \$1.00 per share for proceeds of \$1.00, (ii) the sale of 2,000,000 Common Shares at price of \$0.001 per share for proceeds of \$2,000; (iii) the sale of 2,000,000 “flow-through” units at a price of \$0.05 per unit for proceeds of \$100,000, and (iv) the sale of 8,100,000 units at a price of \$0.05 per unit for gross proceeds of \$405,000. The Company used the proceeds from these equity financings: (i) to pay the option payment of \$10,000 under the option to acquire the Exxeter Property; (ii) to implement its initial exploration activities on the Exxeter Property at a cost of \$112,000; and (iii) for general and administrative expenses.

For information on the Company’s current and contemplated exploration activities and the related risks and uncertainties please see “Exxeter Property – Exploration and Development”.

### Liquidity and Capital Resources

The Company reported working capital surplus of \$364,802 and cash on hand of \$389,802 at June 30, 2017.

The Company anticipates having \$723,302 in available funds upon completion of the Offering. The Company estimates that the capital required to carry out its recommended exploration program on the Exxeter Property is \$247,250. In addition, the Company also anticipates that it will be required to incur approximately \$100,000 in general and administrative expenses. As a result, the Company anticipates that it will have \$351,052 in working capital upon giving effect to the work program, after meeting the general and administrative expenditures and satisfying the first anniversary option payment under the Exxeter Option Agreement. The Company does not anticipate incurring any other material capital expenditures.

The Company’s future capital requirements will depend upon many factors including, without limitation, the results of its exploration programs and commodity prices for precious metals under the Exxeter Option Agreement. The Company has limited capital resources and has to rely upon the sale of equity securities for cash required for exploration and development purposes, for acquisitions and to fund the administration of the Company. Since the Company does not expect to generate any revenues from operations in the near future, it must continue to rely upon the sales of its equity and debt securities to raise capital, which would result in further dilution to the shareholders. There is no assurance that financing, whether debt or equity, will be available to the

Company in the amount required by the Company at any particular time or for any period and that such financing can be obtained on terms satisfactory to the Company.

#### Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

#### Related Party Transactions

During the period from inception to June 30, 2017, the Company accrued legal fees of \$5,000 to O'Neill Law Corporation. Mr. Hethy, a director of the Company, is a partner of O'Neill Law Corporation.

#### Changes in Accounting Policies

The following standards have not yet been adopted and are being evaluated to determine their impact on the Company's financial statements:

##### *IFRS 9 Financial Instruments ("IFRS 9")*

IFRS 9 was issued by the IASB in October 2010 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is required to be applied for annual periods beginning on or after January 1, 2013. IFRS 9 has a tentative effective date of January 1, 2018 with early adoption permitted.

##### *IFRS 7 Financial Instruments: Disclosures ("IFRS 7")*

IFRS 7 amended to require additional disclosure on transition from IAS 39 to IFRS 9. The Company does not expect any effect on its financial statements from the adoption of this standard.

##### *IFRS 16 Leases ("IFRS 16")*

IFRS 16 established principles for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that leases and lessors provide relevant information that faithfully represents those transactions. This standard is effective for annual periods beginning on or after January 1, 2019. The Company is in the process of assessing the impact of this pronouncement.

The extent of the impact of adoption of these standards and interpretations on the financial statements of the Company has not been determined.

Based on its review of the above, management is of the opinion that the Company's current accounting policies and disclosures in its financial statements comply in all material respects with the requirements so far as they are applicable to its present operations.

#### Financial Instruments

The Company's financial instruments consist of cash and accounts payables and cheques issued in excess of funds on hand. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values unless otherwise stated.

#### Summary of Quarterly Results

Since inception, the Company has not prepared quarterly interim financial statements. As a result, the Company is unable to provide a summary of the quarterly results for the period from inception on March 13, 2017 to June 30, 2017.

#### **Additional Disclosure for Venture Issuers without Significant Revenue**

The following table sets out a breakdown of all material components of certain costs to the Company for the period from inception to June 30, 2017.

#### Mineral Properties – Exploration and Evaluation

The following tables set out the total deferred exploration costs recorded by the Company for the Exxeter Property as at June 30, 2017.

	<b>As at June 30, 2017</b>
<b>Balance, beginning of period</b>	\$ - \$
Acquisition payments	10,000
Exploration costs incurred Geophysical Survey	107,100
<b>Balance, end of period</b>	<b>\$ 117,100 \$</b>

#### General and Administrative Expenses

The following tables set out the general and administrative expenses of the Company for the period from inception on March 13, 2017 to June 30, 2017.

<b>Item</b>	<b>Period from Inception to June 30, 2017</b>
Professional fees	25,000
Bank charges	99
<b>Total</b>	<b>\$ 25,099</b>

#### **Additional Disclosure for Junior Issuers**

As set out in the section titled “Use of Proceeds”, the Company anticipates having general working capital of \$351,052 following completion of the recommended work program after meeting the budgeted administrative costs for the next 12 months of \$100,000 as well as property option payments totaling \$25,000.

Other than as disclosed in this prospectus, the Company does not anticipate incurring any other material capital expenditures.

Assuming that the Company has expended its exploration expenses in accordance with the recommendations on the Exxeter Property, the Company presumably will have achieved one of its material stated business objectives which is to determine whether the Exxeter Property contains mineralized deposits and whether the results warrant the Company carrying out further work on the Exxeter Property.

If the results on the Exxeter Property do not warrant the Company incurring further exploration expenditures, then the Company anticipates that it would have sufficient funds to meet its budgeted administrative costs for the next calendar year. However, if a further work program is recommended on the Exxeter Property, the Company will be required to raise additional funding to carry out additional exploration programs on its Exxeter Property. In addition, should the opportunity to acquire other mineral exploration properties be presented to the Company, whether located in North America or elsewhere, then the Company would have to determine the appropriate method of acquiring those properties. In the event that Common Shares could not be used to acquire the said properties, then the Company would have to look to raise further capital. See "Risk Factors".

#### **Disclosure of Outstanding Security Data**

The Company has one class of shares outstanding, being Common Shares. As of the date of this prospectus, 12,100,001 Common Shares are issued and outstanding. The Company also has 10,100,000 outstanding share purchase warrants exercisable at a price of \$0.05 per share for a period expiring April 28, 2020. See “Description of the Securities Distributed”.

## DESCRIPTION OF THE SECURITIES DISTRIBUTED

### Authorized Capital

The authorized capital of the Company consists of an unlimited amount of authorized Common Shares, of which 12,100,001 Common Shares are issued and outstanding as at the date of this prospectus, and an unlimited number of preferred shares, of which none are issued and outstanding.

### Common Shares

The holders of the Common Shares are entitled to receive notice of and to attend and vote at all meetings of the shareholders of the Company and each Common Share shall confer the right to one vote in person or by proxy at all meetings of the shareholders of the Company. The holders of the Common Shares, subject to the prior rights, if any, of any other class of shares of the Company, are entitled to receive such dividends in any financial year as the board of directors of the Company may by resolution determine. In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, the holders of the Common Shares are entitled to receive, subject to the prior rights, if any, of the holders of any other class of shares of the Company, the remaining property and assets of the Company. The Common Shares do not carry any pre-emptive, subscription, redemption or conversion rights, nor do they contain any sinking or purchase fund provisions.

### Agent's Option

The Company has agreed to grant to the Agent the Agent's Option exercisable to acquire that number of Common Shares that is equal to 8% of the number of Common Shares sold pursuant to this Offering at the price of \$0.10 per Common Share for a period twenty-four (24) months from the Closing. The Agent's Option will be qualified under this prospectus. See "Plan of Distribution".

## CONSOLIDATED CAPITALIZATION

The following table summarizes changes in the Company's capitalization as at June 30, 2017, as of the date of this prospectus, and following completion of the Offering:

	June 30, 2017	As at the date hereof	After giving effect to the Offering
Common Shares	12,100,001	12,100,001	17,400,001 <sup>(1)</sup>
Agent's Option	Nil	Nil	400,000
Options	Nil	Nil	Nil
Warrants	Nil	10,100,000	10,100,000 <sup>(2)</sup>
Long Term Liabilities	Nil	Nil	Nil

#### Notes:

- (1) Includes the issuance of 300,000 Common Shares on the Listing Date pursuant to the terms of the Exxeter Property Option Agreement.
- (2) Each warrant entitles the holder to purchase one additional Common Share at a price of \$0.05 per Common Share until April 28, 2020.

## OPTIONS TO PURCHASE SECURITIES

The directors of the Company adopted a stock option plan on July 20, 2017 (the "Stock Option Plan"). The purpose of the Stock Option Plan is to advance the interests of the Company by encouraging the directors, officers, employees, management company employees and consultants of the Company, and of its subsidiaries and affiliates, if any, to acquire Common Shares in the share capital of the Company, thereby increasing their proprietary interest in the Company, encouraging them to remain associated with the Company and furnishing them with additional incentive in their efforts on behalf of the Company in the conduct of its affairs. The Stock Option Plan provides that, subject to the requirements of the Exchange, the aggregate number of securities reserved for issuance will be 10% of the number of the Company's Common Shares issued and outstanding from time to time. The Stock Option Plan will be administered by the Company's board of directors, which will have full and final authority with respect to the granting of all options thereunder.

Options may be granted under the Stock Option Plan to such service providers of the Company and its affiliates, if any, as the board of directors may from time to time designate. The exercise price of option grants will be determined by the board of directors, but after the common shares are listed on the Exchange will not be less than the closing market price of the Common Shares on the Exchange less allowable discounts at the time of grant. The Stock Option Plan provides that the number of Common Shares that

may be reserved for issuance to any one individual upon exercise of all stock options held by such individual may not exceed 5% of the issued Common Shares, if the individual is a director or officer unless disinterested shareholder approval is obtained or the Common Shares are listed on the Exchange, or 2% of the issued Common Shares, if the individual is a consultant or engaged in providing investor relations services, on a yearly basis. All options granted under the Stock Option Plan will expire not later than the date that is ten years from the date that such options are granted. Options terminate earlier as follows: (i) immediately in the event of dismissal with cause; (ii) 90 days from date of termination other than for cause; or (iii) one year from the date of death or disability. Options granted under the Stock Option Plan are not transferable or assignable other than by will or other testamentary instrument or pursuant to the laws of succession.

### Options Granted

As of the date hereof, the Company has not granted any stock options.

### PRIOR SALES

Since inception on March 13, 2017, the Company has completed the following distributions of its securities:

- (a) On March 13, 2017, the Company issued one Common Share at a price of \$1.00 per share.
- (b) On March 13, 2017, the Company issued 2,000,000 Common Shares at a price of \$0.001 per share for total proceeds of \$2,000.
- (c) On April 28, 2017, the Company issued 8,100,000 units (the “Units”) at a price of \$0.05 per share (the “Unit Offering”) for total gross proceeds of \$405,000. Each Unit consisted of one common share and one non-transferable share purchase warrant (a “Warrant”) with each Warrant entitling the holder to purchase an additional common share of the Company at any time for a period of three years from the date of issuance at a price of \$0.05 per common share.
- (d) Also on April 28, 2017, the Company issued 2,000,000 “flow-through” units (the “FT Units”) at a price of \$0.05 per FT Unit for total gross proceeds of \$100,000. Each FT Unit will consist of one common share and one Warrant with each Warrant entitling the holder to purchase an additional common share of the Company at any time for a period of three years from the date of issue at a price of \$0.05 per Common Share.

### ESCROWED SECURITIES

In accordance with National Policy 46-201 - *Escrow for Initial Public Offerings* (previously defined as “NP 46-201”), all securities of an issuer owned or controlled by its principals are required to be placed in escrow at the time of the issuer’s initial public offering, unless the shares held by the principal or issuable to the principal upon conversion of convertible securities held by the principal collectively represent less than 1% of the voting rights attaching to the total issued and outstanding securities of the issuer after giving effect to the initial public offering. Upon completion of the Offering, the Company anticipates being an “emerging issuer” as defined in NP 46-201.

The following securities of the Company (the “Escrowed Securities”) are held by, and are subject to the terms of an escrow agreement dated September 7, 2017, among the Company, Computershare Investor Services Inc., as escrow agent, and the holders of the Escrowed Securities, being Greg Crowe, Charles Hethey and Gunther Roehlig (the “Escrow Agreement”):

Designation of Class	Number of Securities	Percentage of Issued Shares Prior to Completion of the Offering	Percentage of Issued Shares on Completion of the Offering
Common Shares	2,000,001	16.5%	11.7% <sup>(1)</sup>

Note:

- (1) Not including 300,000 shares to be issued pursuant to the Exxeter Property Option Agreement.

As the Company anticipates being an “emerging issuer” as defined in NP 46-201, the following automatic timed releases will apply to the Common Shares held by its principals who are subject to escrow:

On the Listing Date	1/10 of the escrow securities
6 months after the Listing Date	1/6 of the remaining escrow securities

12 months after the Listing Date	1/5 of the remaining escrow securities
18 months after the Listing Date	1/4 of the remaining escrow securities
24 months after the Listing Date	1/3 of the remaining escrow securities
30 months after the Listing Date	1/2 of the remaining escrow securities
36 months after the Listing Date	the remaining escrow securities

Assuming there are no changes to the escrow securities initially deposited and no additional escrow securities are deposited, this will result in a 10% release on the listing date (as defined by NP 46-201), with the remaining escrow securities being released in 15% tranches every 6 months thereafter.

Under NP 46-201, a “principal” is: (a) a person who has acted as a promoter of the Company within two years of the date of this prospectus; (b) a director or senior officer of the Company at the time of this prospectus; (c) a person that holds securities carrying more than 20% of the voting rights attached to the Company’s outstanding securities immediately before and immediately after the Company’s initial public offering; and (d) a person that: (i) holds securities carrying more than 10% of the voting rights attached to the Company’s outstanding securities immediately before and immediately after the Company’s initial public offering; and (ii) has elected or appointed, or has the right to elect or appoint, one or more directors or senior officers of the Company. A principal’s spouse and their relatives that live at the same address as the principal will be deemed principals and any securities of the Company held by such a person will be subject to the escrow requirements.

The automatic time release provisions under NP 46-201 pertaining to “established issuers” provide that 25% of each principal’s escrowed securities are released on the Listing Date, with an additional 25% being released in equal tranches at six month intervals over 18 months. If, within 18 months of the Listing Date, the Company meets the “established issuer” criteria, as set out in NP 46-201, the Escrowed Securities will be eligible for accelerated release according to the criteria for established issuers. In such a scenario that number of Escrowed Securities that would have been eligible for release from escrow if the Company had been an “established issuer” on the Listing Date will be immediately released from escrow. The remaining Escrowed Securities would be released in accordance with the time release provisions for established issuers, with all escrow securities being released 18 months from the Listing Date.

Under the terms of the Escrow Agreement, Escrowed Securities cannot be transferred by the holder unless permitted under the Escrow Agreement. Notwithstanding this restriction on transfer, a holder of Escrowed Securities may (a) pledge, mortgage or charge the Escrowed Securities to a financial institution as collateral for a loan provided that no Escrow Securities will be delivered by the escrow agent to the financial institution; (b) exercise any voting rights attached to the Escrow Securities; (c) receive dividends or other distributions on the Escrow Securities; and (d) exercise any rights to exchange or convert the Escrow Securities in accordance with the Escrow Agreement.

The Escrowed Securities may be transferred within escrow to: (a) subject to approval of the Company’s Board of Directors, an individual who is an existing or newly appointed director or senior officer of the Company or of a material operating subsidiary of the Company; (b) subject to the approval of the Company’s Board of Directors, a person that before the proposed transfer holds more than 20% of the voting rights attached to the Company’s outstanding securities; (c) subject to the approval of the Company’s Board of Directors, a person that after the proposed transfer will hold more than 10% of the voting rights attached to the Company’s outstanding securities and that has the right to elect or appoint one or more directors or senior officers of the Company or any of its material operating subsidiaries; (d) upon the bankruptcy of a holder of escrowed securities, the securities held in escrow may be transferred within escrow to the trustee in bankruptcy or other person legally entitled to such securities; (e) upon the death of a holder of escrowed securities, all securities of the deceased holder will be released from escrow to the deceased holder’s legal representative; (f) a financial institution that the holder pledged, mortgaged or charges to a financial institution as collateral for a loan on realization of such loan; and (g) a registered retirement savings plan (“RRSP”), registered retirement income fund (“RRIF”) or similar registered plan or fund with a trustee, where the annuitant of the RRSP or RRIF, or the beneficiaries of another plan or fund are limited to the holders spouse, children or parents, or if the holder is the trustee of such registered plan or fund, to the annuitant of the RRSP or RRIF, or a beneficiary of the other registered plan or fund or his or her spouse, children or parents.

In addition, tenders of Escrowed Securities pursuant to a business combination, which includes a take-over bid, issuer bid, statutory arrangement, amalgamation, merger or other reorganization similar to an amalgamation or merger, are permitted. Escrowed Securities subject to a business combination will continue to be escrowed if the successor entity is not an “exempt issuer”, the holder is a principal of the successor entity; and the holder holds more than 1% of the voting rights of the successor entities’ outstanding securities.

Under the terms of the Escrow Agreement, 10% of each escrowed shareholder's shares (a total of 200,000 Common Shares) will be released from escrow on the Listing Date. The remaining 1,800,000 Common Shares will be held in escrow immediately following the Listing Date and released pursuant to the terms of the Escrow Agreement.

### Seed Share Resale Restrictions

The share purchase warrants issued to non-principals of the Company at an exercise price of \$0.05 per share in April 2017 (the "Seed Warrants") are subject to hold periods imposed by the Exchange. A total of 10,100,000 Seed Warrants are subject to resale restrictions and are eligible for release in the numbers and on the dates set out below:

<b>Date</b>	<b>Number of Seed Shares Eligible for Release</b>
Closing of the Offering	2,020,000
Closing date plus 1 month	2,020,000
Closing date plus 2 months	2,020,000
Closing date plus 3 months	2,020,000
Closing date plus 4 months	2,020,000
<b>Total</b>	<b>10,100,000</b>

### PRINCIPAL SHAREHOLDERS

As at the date of this prospectus, 12,100,001 Common Shares are issued and outstanding. The following table lists the persons who own or will own, directly or indirectly, 10% or more of the issued and outstanding Common Shares:

<b>Name</b>	<b>Number and Class of Shares Owned</b>	<b>Number and Class of Shares Owned After Offering</b>	<b>Type of Ownership</b>	<b>Percentage of Common Shares Owned Prior to Giving Effect to the Offering</b>	<b>Percentage of Common Shares Owned After Giving Effect to the Offering<sup>(1)(2)</sup></b>
Keith Neumeyer	2,000,000 Common Shares	2,000,000 Common Shares	Direct	16.5%	11.7%

Notes:

- (1) Assuming that no Common Shares are purchased by these persons under the Offering.
- (2) Assuming no Common Shares are purchased by these persons under the Offering, and assuming exercise of the Agent's Option and all share purchase warrants on a fully diluted basis, Mr. Neumeyer will hold 14.5% of the issued and outstanding Common Shares.

### DIRECTORS AND EXECUTIVE OFFICERS

The following table sets forth, for each of the Directors and executive officers of the Company, the name, municipality of residence, age, principal occupation, position held with the Company and the date on which the person became a Director.

<b>Name, Municipality of Residence and Age</b>	<b>Principal Occupations during past five years</b>	<b>Position with the Company</b>	<b>Director or Officer Since</b>	<b>Securities Held</b>	<b>Percentage of Securities Held</b>
Greg Crowe, 63, Bowen Island, B.C. <sup>(1)</sup>	President and Chief Executive Officer of Silver One Resources Inc., Director of Zinc One Resources Inc.	Chief Executive Officer and Director	March 2017	500,000 Common Shares	4.1%
Charles Hethey, 36, Port Moody, B.C. <sup>(1)</sup>	Partner at O'Neill Law Corporation	Director	March 2017	1,200,001 Common Shares	9.9%
Gunther Roehlig, 50, Saltspring Island, B.C. <sup>(1)</sup>	Chief Executive Officer, President and Director of Broome Capital Inc.; Director of Zinc One Resources Inc., Director of Hello Pal International Inc.	Director	March 2017	300,000 Common Shares	2.5%

Konstantin Lichtenwald, 33, Vancouver, B.C.	Vice President of Bridgemark Financial Corp.;	Chief Financial Officer and Secretary	July 2017	Nil	Nil
<b>Total Securities</b>				<b>2,000,001</b>	<b>16.5%</b>
				<b>Common Shares</b>	

Notes:

(1) Member of the Audit Committee.

**Term of Office**

The directors of the Company are elected at each annual general meeting and hold office until the next annual general meeting or until their successors are duly elected or appointed in accordance with the Company's Articles or until such director's earlier death, resignation or removal.

**Biographical Information**

The following is a brief description of the background of the Directors and executive officers of the Company.

**Greg Crowe - Age 63, Chief Executive Officer and Director**

Mr. Crowe has over 30 years of experience in the exploration and mining sector. This includes extensive exposure to precious and base metal projects throughout North and South America, Asia and Africa. Mr. Crowe has worked with major mining companies and has served as a Director and Executive of several junior and development stage resource companies.

From 2002 until late 2015, Mr. Crowe was President and CEO of Entrée Gold Inc. In August 2016, Mr. Crowe was appointed as CEO and director of Silver One Resources Inc., which is a junior exploration company focused on the exploration, development and acquisition of high grade silver properties in Mexico and Nevada. Mr. Crowe also serves as a director of Zinc One Resources Inc., which is a junior exploration company focused on the exploration and development of high grade zinc projects.

Mr. Crowe's has the skills to not only build companies, but to successfully navigate political and partnership issues and to strategically maneuver through cyclical variations in commodity markets.

Mr. Crowe will serve as a member of the audit committee. Mr. Crowe will devote approximately 20% of his time to the Company or such greater amount of time as is necessary. Mr. Crowe has not entered into a non-competition or non-disclosure agreement with the Company. Mr. Crowe is an independent contractor of the Company.

**Charles Hethey - Age 36, Director**

Mr. Hethey is a securities lawyer in British Columbia and New York with nearly 10 years' experience. Mr. Hethey represents a number of U.S. and Canadian listed entities on the TSX Venture Exchange, Canadian Securities Exchange and U.S. OTC markets. In particular, Mr. Hethey's clients are active in a broad range of industries including mineral resources, oil and gas, industrial, green energy and technology. Mr. Hethey has significant experience in U.S. and Canadian corporate finance, mergers and acquisitions and securities compliance matters.

Mr. Hethey will serve as a member of the audit committee. Mr. Hethey will devote approximately 20% of his time to the Company or such greater amount of time as is necessary. Mr. Hethey has not entered into a non-competition or non-disclosure agreement with the Company. Mr. Hethey is an independent contractor of the Company and does not receive any fees from the Company as a result of being an independent contractor.

**Gunther Roehlig – Age 50, Director**

Mr. Roehlig has more than 15 years of experience in the financial and investment industry. In particular, Mr. Roehlig has experience in restructuring, managing and financing junior public companies. Most recently, Mr. Roehlig served as the president of Terra Ventures Inc., which held a 10% stake in the high-grade Roughrider uranium discovery owned by Hathor Exploration. In May 2011, Terra Ventures was acquired by Hathor Exploration – Hathor was then subsequently acquired by one of the world's largest mining companies Rio Tinto in late 2011. Mr. Roehlig is currently a director of Zinc One Resources Inc., Hello Pal International Inc. and Broome Capital Inc.

Mr. Roehlig will be responsible for the accounting activities of the Company. Mr. Roehlig will devote approximately 20% of his time to the Company or such greater amount of time as is necessary. Mr. Roehlig has not entered into a non-competition or non-disclosure agreement with the Company. Mr. Roehlig is an independent contractor of the Company.

**Konstantin Lichtenwald** – *Age 33, Chief Financial Officer and Secretary*

Mr. Konstantin Lichtenwald serves as the Vice President for Bridgemark Financial Corp. At BridgeMark Financial, he specializes in providing corporate finance, valuation, taxation, financial reporting, consulting and other accounting services to both small businesses as well as public commodity resource companies and also assists in many aspects of clients' administration, financing and other activities. He has had extensive experience as a Controller and Chief Financial Officer of numerous publicly traded and private corporations in several industries. He has been the Chief Financial Officer of Intact Gold Corp. since May 2016 and director since July 2016. He has been the Chief Financial Officer at Vantex Resources Ltd. since February 2016 and Fire River Gold Corp. since February 2016. He has been a Director of Scorpion Resources Inc. since July 2016, 88 Capital Corp. since February 2016 and Fire River Gold Corp. since February 2016. He previously served as Chief Financial Officer and/or a director of Arian Resources Corp., SVT Capital Corp. and Global Hunter Corp. Mr. Lichtenwald holds the professional designation of Chartered Professional Accountant (CPA, CGA). He earned his Bachelor of Business Administration degree from Pforzheim University, Germany.

Mr. Lichtenwald will devote approximately 15% of his time to the Company or such greater amount of time as is necessary. Mr. Lichtenwald has not entered into a non-competition or non-disclosure agreement with the Company. Mr. Lichtenwald is an independent contractor of the Company and does not receive any fees from the Company as a result of being an independent contractor.

**Cease Trade Orders**

To the knowledge of management of the Company, no director or executive officer of the Company, is or has been, within the ten years preceding the date of this prospectus, a director, chief executive officer, chief financial officer of any company that:

- (a) was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

For the purposes of this prospectus, an “order” means a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to an exemption under securities legislation, and such order was in effect for a period of more than 30 consecutive days.

**Bankruptcies**

To the knowledge of management of the Company no director or executive officer of the Company, or shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, is or has been, with the ten years preceding the date of this prospectus:

- (a) a director or an executive officer of any company that, while the person was acting in that capacity, or within a year of that person ceasing to act in the capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets or made a proposal under any legislation relating to bankruptcy or insolvency; or
- (b) become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been 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 the individual.

## **Penalties or Sanctions**

To the knowledge of management of the Company, no director or officer of the Company, or any shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company has:

- (a) been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

## **Personal Bankruptcies**

To the knowledge of management of the Company, no Director or officer of the Company, or any Shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company or a personal holding company of any such persons has, within the ten years before the date of this prospectus, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been 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 the Director or officer.

## **Conflicts of Interest**

Except as disclosed herein, to the knowledge of management of the Company, there are no existing material conflicts of interest between the Company and any Director or officer of the Company. Directors and officers of the Company may serve as directors and/or officers of other companies or have significant shareholdings in other resource companies and, to the extent that such other companies may participate in ventures in which the Company may participate, certain Directors of the Company may have a conflict of interest in negotiating and conducting terms in respect of any transaction involving such companies. In the event that such conflict of interest arises at a meeting of the Board, a Director who has such a conflict is required to disclose such conflict and abstain from voting for or against the approval of such transaction.

The information as to ownership of securities of the Company, corporate cease trade orders or bankruptcies, penalties or sanctions, personal bankruptcies or insolvencies and existing or potential conflicts of interest has been provided by each insider of the Company individually in respect of himself or herself.

## **EXECUTIVE COMPENSATION**

### **Compensation Discussion and Analysis**

The Company's executive compensation program during the most recently completed financial year ended June 30, 2017 was administered by the Company's board of directors. The board of directors was solely responsible for determining the compensation to be paid to the Company's executive officers and evaluating their performance. The board of directors has not adopted any specific policies or objective for determining the amount or extent of compensation for directors or officers.

#### Significant Elements

As of the date of this prospectus, the Company has not paid any compensation to its "Named Executive Officers", being the Chief Executive Officer, the Chief Financial Officer and the three other most highly compensated executive officers whose total compensation exceeds \$150,000. Although the Company does not intend on paying any compensation to its Named Executive Officers at this time, the significant elements of compensation for the Named Executive Officers may be a cash salary and stock options. The Company does not presently have a long-term incentive plan for its Named Executive Officers. There is no policy or target regarding allocation between cash and non-cash elements of the Company's compensation program. The board of directors reviews annually the total compensation package of each of the Company's executives on an individual basis.

#### *Cash Salary*

The Company's compensation payable to the Named Executive Officers is based upon, among other things, the responsibility, skills and experience required to carry out the functions of each position held by each Named Executive Officer and varies with the amount of time spent by each Named Executive Officer in carrying out his or her functions on behalf of the Company.

If the Company elects to pay compensation to its Named Executive Officers, the Chief Executive Officer's compensation will be determined by time spent on: (i) the Company's current mineral property; (ii) reviewing potential mineral properties that the Company may acquire and negotiating, on behalf of the Company, and (iii) new business ventures. The Chief Financial Officer's compensation will be primarily determined by time spent in reviewing the Company's financial statements.

#### *Stock Options*

The Company's stock option plan is intended to emphasize management's commitment to the growth of the Company. The grant of stock options, as a key component of the executive compensation package, enables the Company to attract and retain qualified executives. Stock option grants are based on the total of stock options available under the Stock Option Plan. In granting stock options, the board of directors reviews the total of stock options available under the Stock Option Plan and recommends grants to newly retained executive officers at the time of their appointment, and considers recommending further grants to executive officers from time to time thereafter. The amount and terms of outstanding options held by an executive are taken into account when determining whether and how new option grants should be made to the executive. The exercise periods are to be set at the date of grant. The stock option grants may contain vesting provisions in accordance to the Company's Stock Option Plan.

As of the date hereof, the Company has not granted any stock options. See "Options to Purchase Securities" above.

#### Employment and Consulting Agreements

The Company has not entered into formal employment or consulting agreements with its Chief Executive Officer and Chief Financial Officer.

#### **Summary Compensation Table**

No compensation was paid to, or earned by, the Company's Named Executive Officers since incorporation of the Company on March 13, 2017.

#### **Incentive Plan Awards**

There were no outstanding share based and option based awards to the Named Executive Officers since incorporation of the Company on March 13, 2017.

#### **Director Compensation**

No compensation paid to, or earned by, the Company's directors since incorporation of the Company on March 13, 2017.

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

There are no management or consulting agreements with any directors or officers of the Company, and no arrangements for the termination or change of control benefits.

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

There is not currently, nor has there been since inception on March 13, 2017, any indebtedness of any Director, executive officer, senior officer, proposed nominee for election as Director or associate of any of them, to or guaranteed or supported by the Company either pursuant to an employee stock purchase program of the Company or otherwise, and no individual is or has been indebted to any other entity where the indebtedness is the subject of a guarantee, support agreement, letter of credit, or similar arrangement or understanding by the Company.

### **AUDIT COMMITTEES AND CORPORATE GOVERNANCE**

#### **Audit Committee**

#### Audit Committee Charter

The Audit Committee's role is to act in an objective, independent capacity as a liaison between the auditors, management and the board of directors and to ensure the auditors have a facility to consider and discuss governance and audit issues with parties not directly responsible for operations.

On March 13, 2017, the Board of Directors adopted a charter delineating the Audit Committee's responsibilities. The Audit Committee Charter is attached to this prospectus as Schedule "A".

#### Composition of Audit Committee

The following persons are members of our audit committee:

Greg Crowe	Not Independent	Financially Literate
Charles Hethey	Independent	Financially Literate
Gunther Roehlig	Independent	Financially Literate

#### Relevant Education and Experience

All members of the Audit Committee have the ability to read, analyze and understand the complexities surrounding the issuance of financial statements that present a 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, and have an understanding of internal controls. The members of the Audit Committee intend to maintain their currency by periodically taking continuing education courses.

The education and experience of each Audit Committee member that is relevant to the performance of his/her responsibilities as an Audit Committee member is as follows:

**Greg Crowe:** Mr. Crowe is Chief Executive Officer of Silver One Resources Inc., a mineral exploration company listed on the TSX Venture Exchange. Accordingly, Mr. Crowe has the ability to understand financial statements relating to junior mineral resource companies.

**Charles Hethey:** Mr. Hethey has represented numerous mineral exploration companies and advised them on their securities compliance obligations over the last 10 years. Accordingly, Mr. Hethey has the ability to understand financial statements relating to junior mineral resource companies.

**Gunther Roehlig:** Mr. Roehlig has served as a director and officer of a number of junior mineral exploration companies listed on the TSX Venture Exchange. Accordingly, Mr. Roehlig has the ability to understand financial statements relating to junior mineral resource companies.

#### Audit Committee Oversight

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

#### Reliance on Certain Exemptions

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

#### Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services. However, the Company's Audit Committee Charter states that Audit Committee must pre-approve all non-audit services, including the fees and terms thereof, to be performed for the Company by the Auditor.

#### External Auditor Fees

The aggregate fees billed to the Company for the services provided by the external auditor for the period ended June 30, 2017 are as follows:

	Period ended June 30, 2017
Audit Fees	\$10,000
Audit-Related Fees	-
Tax Fees	-
All Other Fees	-
Total	\$10,000

Exemption

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

**Corporate Governance**

Corporate governance relates to the activities of the board of directors, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the board of directors and who are charged with the day-to-day management of the Company. The board of directors is committed to sound corporate governance practices, which are both in the interest of its shareholders and contribute to effective and efficient decision making.

The Company’s corporate governance practices are summarized below:

Board of Directors

The Board of Directors is currently comprised of three members. The rules of the Exchange requires that a minimum of two directors be “independent” directors. An “independent” director is a director who has no direct or indirect material relationship with the Company. A material relationship is a relationship which could, in the view of the board of directors, reasonably interfere with the exercise of a director’s independent judgment. Gunther Roehlig and Charles Hethey are independent directors of the Company, as aside from Common Shares held by them, they have no ongoing interest or relationship with the Company other than serving as a director. Greg Crowe is not an independent director because of his position as Chief Executive Officer of the Company.

Directorships

The following directors of the Company are directors of other reporting issuers:

<b>Name of Director</b>	<b>Name of Reporting Issuer</b>	<b>Exchange</b>
Greg Crowe	Silver One Resources Inc.	TSX Venture Exchange
	Zinc One Resources Inc.	TSX Venture Exchange
Gunther Roehlig	Zinc One Resources Inc.	TSX Venture Exchange
	Broome Capital Inc.	TSX Venture Exchange
	Darien Business Development Corp.	TSX Venture Exchange
	Hello Pal International Inc.	Canadian Securities Exchange

Orientation and Continuing Education

The Board of Directors provides an overview of the Company’s business activities, systems and business plan to all new directors. New director candidates have free access to any of the Company’s records, employees or senior management in order to conduct their own due diligence and will be briefed on the strategic plans, short, medium and long term corporate objectives, business risks and mitigation strategies, corporate governance guidelines and existing policies of the Company. The directors are encouraged to update their skills and knowledge by taking courses and attending professional seminars.

### Ethical Business Conduct

The Board of Directors believes good corporate governance is an integral component to the success of the Company and to meet responsibilities to shareholders. Generally, the Board of Directors has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board of Directors in which the director has an interest have been sufficient to ensure that the Board of Directors operates independently of management and in the best interests of the Company.

The Board of Directors is also responsible for applying governance principles and practices, and tracking development in corporate governance, and adapting "best practices" to suit the needs of the Company. Certain of the directors of the Company may also be directors and officers of other companies, and conflicts of interest may arise between their duties. Such conflicts must be disclosed in accordance with, and are subject to such other procedures and remedies as applicable under the BCA.

### Nomination of Directors

The Board of Directors has not formed a nominating committee or similar committee to assist the Board of Directors with the nomination of directors for the Company. The Board of Directors considers itself too small to warrant creation of such a committee; and each of the directors has contacts he can draw upon to identify new members of the Board of Directors as needed from time to time.

The Board of Directors will continually assess its size, structure and composition, taking into consideration its current strengths, skills and experience, proposed retirements and the requirements and strategic direction of the Company. As required, Directors will recommend suitable candidates for consideration as members of the Board of Directors.

### Compensation

The Board of Directors reviews the compensation of its directors and Chief Executive Officer annually. Compensation of Directors and the Chief Executive Officer will be determined by the directors and the Chief Executive Officer taking into account the Company's business ventures and the Company's financial position.

### Other Board Committees

The Company has established an Audit Committee. There are no other committees of the Board of Directors.

### Assessments

The Board of Directors has not implemented a process for assessing its effectiveness. As a result of the Company's small size and the Company's stage of development, the Board of Directors considers a formal assessment process to be inappropriate at this time. The Board of Directors plans to continue evaluating its own effectiveness on an ad hoc basis.

The Board of Directors does not formally assess the performance or contribution of individual Board members or committee members.

## **PLAN OF DISTRIBUTION**

### **Offering**

Under an agency agreement (the "Agency Agreement") dated ♦, 2017 between the Company and the Agent, the Company has appointed the Agent on a commercially reasonable efforts basis to offer for sale 5,000,000 Common Shares of the Company at a price of \$0.10 per Common Share for total gross proceeds of \$500,000. The issue price of \$0.10 per Common Share was determined by negotiation between the Company and the Agent.

The completion of the Offering is subject to a minimum subscription of Common Shares for total gross proceeds of \$500,000. The Offering will not be completed and no subscription funds will be advanced to the Company unless and until the minimum subscription of \$500,000 has been raised. In the event that the minimum subscription is not attained by the end of the period of the Offering, all subscription funds that subscribers may have advanced to the Agent in respect of the Offering will be refunded to the subscribers without interest or deduction.

The Company has agreed not to, directly or indirectly, issue, sell or grant or agree to announce any intention to issue, sell or grant, any additional equity or quasi-equity securities for a period of 90 days after the Closing of the Offering without the prior written consent of the Agent, such consent not to be unreasonably withheld, except in conjunction with: (i) the grant or exercise of stock options and other similar issuances pursuant to the share incentive plan of the Company and other share compensation arrangements; (ii) obligations in respect of existing mineral property agreements; and (iii) the issuance of securities in connection with property or share acquisitions in the normal course of business.

Subscriptions for Common Shares will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that the Closing of the offering will occur on a date agreed upon by the Company and the Agent, but not later than the date that is 90 days after a receipt is issued for the final prospectus or if a receipt has been issued for an amendment to the final prospectus, within 90 days of issuance of such receipt and in any event not later than 180 days from the date of receipt of the final prospectus. It is expected that share certificates evidencing the Common Shares will be available for delivery on the Closing unless the Agent elects for delivery in electronic book entry form through CDS Clearing and Depository Services Inc. (“CDS”) or its nominee. If delivered in book entry form, purchasers of Common Shares will receive only a customer confirmation from the registered dealer that is a CDS participant and from or through which the Common Shares were purchased.

There is currently no market through which any of the securities of the Company, including the Common Shares, may be sold and purchasers and holders thereof may not be able to resell or dispose of any of the securities purchased, distributed or qualified under this prospectus.

The Company has agreed to indemnify the Agent and its respective directors, officers, employees, shareholders and agents against all liabilities arising directly or indirectly from the Agency Agreement. Notwithstanding the above, the indemnity does not include claims arising from negligence, dishonesty, or wilful misconduct of the Agent.

The obligations of the Agent under the Agency Agreement may be terminated at the Agent’s discretion on the basis of its assessment of the state of financial markets and may also be terminated upon the occurrence of certain stated events. The Agent is not obligated to purchase any of the Common Shares under the Offering.

#### **Agent’s Commission**

The Company has agreed to pay to the Agent the Agent’s Commission equal to 8% of the aggregate gross proceeds of the Offering in consideration for its services in connection with the Offering. Such fee, together with all other expenses of the Offering, will be paid by the Company out of the proceeds of the Offering. The Company has also agreed to pay to the Agent a Work Fee of \$15,000 plus applicable taxes upon Closing of the Offering.

As additional compensation, on the Closing, the Company has agreed to grant to the Agent the Agent’s Option exercisable to acquire that number of Common Shares that is equal to 8% of the number of Common Shares sold pursuant to this Offering at the price of \$0.10 per Common Share for a period twenty-four (24) months from the Closing. The Agent’s Option will be qualified under this prospectus.

#### **Listing of Common Shares on the Exchange**

The Company has applied to list its Common Shares on the Exchange. Listing of the Common Shares is subject to the Company fulfilling all of the listing requirements of the Exchange.

As of the date of this prospectus, the Company does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., a U.S. marketplace, or a marketplace outside Canada and the United States of America other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc.

### **RISK FACTORS**

An investment in the Company is highly speculative and involves a high degree of risk. Accordingly, prospective investors should carefully consider the specific risk factors set out below, in addition to the other information contained in this document, before making any decision to invest in the Company. The Directors consider the following risks and other factors to be the most significant for potential investors in the Company, but the risks listed do not necessarily comprise all those associated with an investment in the

Company and are not set out in any particular order of priority. Additional risks and uncertainties not currently known to the Directors may also have an adverse effect on the Company's business.

If any of the following risks actually occur, the Company's business, financial condition, capital resources, results or future operations could be materially adversely affected. In such a case, the price of the Common Shares could decline and investors may lose all or part of their investment.

### **Dilution**

The financial risk of the Company's future activities will be borne to a significant degree by purchasers of the Common Shares. If the Company issues Common Shares from its treasury for financing purposes, control of the Company may change and purchasers may suffer additional dilution.

### **No Market for Securities**

There is currently no market through which any of the Common Shares, may be sold and there is no assurance that such securities of the Company will be listed for trading on a stock exchange, or if listed, will provide a liquid market for such securities. Until the Common Shares are listed on a stock exchange, holders of the Common Shares may not be able to sell their Common Shares. Even if a listing is obtained, there can be no assurance that an active public market for the Common Shares will develop or be sustained after completion of the Offering. The Offering Price determined by negotiation between the Company and the Agent was based upon several factors, and may bear no relationship to the price that will prevail in the public market. The holding of Common Shares involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. Common Shares should not be purchased by persons who cannot afford the possibility of the loss of their entire investment.

### **Negative Cash Flow From Operating Activities**

The Company has no history of earnings and had negative cash flow from operating activities since inception. The Exxeter Property is in the exploration stage and there are no known mineral resources or reserves and the proposed exploration program on the Exxeter Property is exploratory in nature. Significant capital investment will be required to achieve commercial production from the Company's existing projects. There is no assurance that the Exxeter Property will generate earnings, operate profitably or provide a return on investment in the future. Accordingly, the Company will be required to obtain additional financing in order to meet its future cash commitments.

### **Current Market Volatility**

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

### **Use of Funds**

The Company has prepared a detailed budget setting out the way in which it proposes to expend the funds raised under the offering. However, the quantum and timing of expenditure will necessarily be dependent upon the continued positive results from the Company's exploration activities on the Exxeter Property. As the Company conducts its exploration program, it is possible that results and circumstances may dictate a departure from the pre-existing budget. Further, the Company may, from time to time as opportunities arise, utilise part of its financial resources (including the funds raised as part of the Offering) to participate in additional opportunities that arise and fit within the Company's broader objectives, as a means of advancing shareholder value.

### **No Production History**

The Exxeter Property is not a producing property and its ultimate success will depend on its operating ability to generate cash flow from producing properties in the future. The Company has not generated any revenue to date and there is no assurance that it will do so in the future.

The Company's business operations are at an early stage of development and its success will be largely dependent upon the outcome of the exploration programs that the Company proposes to undertake.

## **Limited Operating History**

The Company has no properties producing positive cash flow and its ultimate success will depend on its ability to generate cash flow from producing properties in the future. The Company has not earned profits to date and there is no assurance that it will do so in the future. Significant capital investment will be required to achieve commercial production from the Company's existing projects. There is no assurance that the Company will be able to raise the required funds to continue these activities.

## **Exploration, Mining and Operational Risks**

The business of exploring for and mining minerals involves a high degree of risk. Few properties that are explored are ultimately developed into mines. At present, the Exxeter Property does not have any known mineral resources or reserves and the proposed exploration and drilling programs are an exploratory search for such mineral resources or reserves.

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

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

The Company's operations are subject to all the hazards and risks normally associated with the exploration, development and mining of minerals, any of which could result in risk to life, to property, or to the environment. The Company's operations may be subject to disruptions caused by unusual or unexpected formations, formation pressures, fires, power failures and labour disputes, flooding, explosions, cave-ins, landslides, the inability to obtain suitable or adequate equipment, machinery, labour or adverse weather conditions. The availability of insurance for such hazards and risks is extremely limited or uneconomical at this time.

In the event the Company is fortunate enough to discover a mineral deposit, the economics of commercial production depend on many factors, including the cost of operations, the size and quality of the mineral deposit, proximity to infrastructure, financing costs and Government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting minerals and environmental protection. The effects of these factors cannot be accurately predicted, but any combination of these factors could adversely affect the economics of commencement or continuation of commercial mineral production.

## **Mining Claims**

The Company's prospecting activities are dependent upon the grant of appropriate mineral tenures and regulatory comments which may be withdrawn or made subject to limitations. Mineral claims are renewable subject to certain expenditure requirements. Although the Company believes that it will obtain the necessary prospecting licenses and permits, including but not limited to drill permits, there can be no assurance that they will be granted or as to the terms of any such grant. Furthermore, the Company is required to expend required amounts on the mineral claims of the Exxeter Property in order to maintain them in good standing. If the Company is unable to expend these amounts, the Company may lose its title thereto on the expiry date(s) of the relevant mineral claims on the Exxeter Property. There is no assurance that, in the event of losing its title to a mineral claim, the Company will be able to register the mineral claim in its name without a third party registering its interest first.

## **Land Claims**

There are four formally registered land owners on the claims, all situated at the very north-eastern limit of the claims at the end of the Chemin de la Baie de Vauquelin. These lots represent a tiny fraction of the property and were avoided during the 2016 sampling and mapping programs. There is no current commercial logging in the area, therefore there are no known restrictions to land-use on the claims, if the four registered lots are avoided. However, as per Québec law, notice must be provided to the local community 30 days prior to performing any exploration work on the claims. As a courtesy, notice was also sent to the land owners prior to the 2016 exploration program, even though it is only required if access to their land is necessary.

Aboriginal rights may be claimed on Crown properties or other types of tenure with respect to which mining rights have been conferred. The Company is not aware of any other aboriginal land claims having been asserted or any legal actions relating to native issues having been instituted with respect to any of the land which is covered by the Exxeter Property.

The legal basis of a land claim is a matter of considerable legal complexity and the impact of a land claim settlement and self-government agreements cannot be predicted with certainty. In addition, no assurance can be given that a broad recognition of aboriginal rights by way of a negotiated settlement or judicial pronouncement would not have an adverse effect on the Company's activities. Such impact could be marked and, in certain circumstances, could delay or even prevent the Company's exploration or mining activities.

### **Assurance of Title**

The Company has taken all reasonable steps to attempt to ensure that proper title to the Exxeter has been obtained and that all grants of such rights thereunder, if any, have been registered with the appropriate public offices. Despite the due diligence conducted by the Company, there is no guarantee that title to such Exxeter Property will not be challenged or impugned. The Company's mineral property interests may be subject to prior unregistered agreements or transfers or aboriginal land claims and title may be affected by undetected defects.

### **Possible Loss of Interests in Exxeter Property**

The Exxeter Option Agreement pursuant to which the Company acquired its interest in the Exxeter Property requires the Company to make a series of payments in cash and Common Shares over certain time periods and expend certain minimum amounts on the exploration of the Exxeter Property. If the Company fails to make such payments or expenditures within the prescribed time periods, the Company may lose its interest in the Exxeter Property.

### **Possible Failure to Obtain Mining Licenses**

Even if the Company does complete the required exploration activities on the Exxeter Property, it may not be able to obtain the necessary licences or permits to conduct mining operations, and thus would realize no benefit from such exploration activities.

### **Competition**

The Company competes with numerous other companies and individuals possessing greater financial resources and technical facilities than itself in the search for, and acquisition of, mineral claims, leases and other mineral interests, as well as the recruitment and retention of suitably qualified individuals.

### **Conflicts of Interest**

All of our directors and officers act as directors and/or officers of other mineral exploration companies. As such, our directors and officers may be faced with conflicts of interests when evaluating alternative mineral exploration opportunities. In addition, our directors and officers may prioritize the business affairs of another Company over the affairs of the Company.

### **Personnel**

The Company has a small management team and the loss of any key individual could affect the Company's business. Additionally, the Company will be required to secure other personnel to facilitate its exploration program on the Exxeter Property. Any inability to secure and/or retain appropriate personnel may have a materially adverse impact on the business and operations of the Company.

### **Dependence on Outside Parties**

Substantial expenditures are required to establish commercial production on the Exxeter Property. The Company will rely on outside consultants, engineers and others for their development, construction and operating expertise. If such parties' work is deficient or negligent or is not completed in a timely manner, it could have a material adverse effect on the Company.

### **Volatility of Commodity Prices**

The market prices of commodities, including copper and gold, are volatile and are affected by numerous factors which are beyond the Company's control. These factors include international supply and demand, consumer product demand, international economic trends, currency exchange rate fluctuations, interest rates, inflation, global or regional political events, as well as a range of other market forces. Sustained downward movements in commodity prices, including copper or gold, could render less economic, or uneconomic, some or all of the exploration activities to be undertaken by the Company.

## **Environmental Risks and Other Regulatory Requirements**

Inherent with mining operations is an environmental risk. The current or future operations of the Company, including exploration and development activities and commencement of production on the Exxeter Property, require permits from various governmental authorities. Such operations are governed by local, provincial and federal laws and regulations that govern prospecting, mining, development, production, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety, and other matters. Companies engaged in the development and operation of mines and related facilities generally experience increased costs and delays in production as a result of needing to comply with applicable laws, regulations and permits. There can be no assurance that all permits that the Company requires for future, exploration, development, construction and operation of mining facilities and the conduct of mining operations will be obtainable on reasonable terms or that such laws and regulations would not have an adverse effect on the operations of the Company.

The legal framework governing this area is constantly developing, therefore the Company is unable to fully ascertain any future liability that may arise from the implementation of any new laws or regulations, although such laws and regulations are typically strict and may impose severe penalties (financial or otherwise). The proposed activities of the Company, as with any exploration, may have an environmental impact which may result in unbudgeted delays, damage, loss and other costs and obligations including, without limitation, rehabilitation and/or compensation. There is also a risk that the Company's operations and financial position may be adversely affected by the actions of environmental groups or any other group or person opposed in general to the Company's activities and, in particular, the proposed exploration and mining by the Company within the Province of Québec.

Failure to comply with applicable laws and regulations may result in civil or criminal fines or penalties or enforcement actions, including orders issued by regulatory or judicial authorities enjoining or curtailing operations or requiring corrective measures, installation of additional equipment or remedial actions, any of which could result in significant expenditures. The Company may also be required to compensate private parties suffering loss or damage by reason of a breach of such laws, regulations or permitting requirements. It is also possible that future laws and regulations, or more stringent enforcement of current laws and regulations by governmental authorities, could cause additional expense, capital expenditures, restrictions on or suspensions of the Company's proposed activities and delays in the exploration of properties.

### **Uninsured Risks**

The Company, as a participant in exploration and mining programs, may become subject to liability for hazards such as unusual geological or unexpected operating conditions that cannot be insured against or against which it may elect not to be so insured because of high premium costs or other reasons. The Company is currently uninsured against all such risks as such insurance is either unavailable or uneconomic at this time. The Company also currently has no keyman insurance or property insurance as such insurance is uneconomical at this time. The Company will obtain such insurance once it is available and, in the opinion of the Directors, economical to do so. The Company may incur a liability to third parties (in excess of any insurance cover) arising from pollution or other damage or injury.

The Company is not insured against most environmental risks. Insurance against environmental risks has not been generally available to companies within the mining and exploration industry. Without such insurance, and if the Company does become subject to environmental liabilities, the costs of such liabilities would reduce or eliminate the Company's available funds or could result in bankruptcy. Should the Company be unable to fully fund the remedial costs of an environmental problem, it may be required to enter into interim compliance measures pending completion of the required remedy.

### **There may be amendments to laws**

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

### **Health and Safety Risks**

A violation of health and safety laws, or the failure to comply with the instructions of relevant health and safety authorities, could lead to, among other things, a temporary cessation of activities on the Exxeter Property or any part thereof, a loss of the right to prospect for minerals, or the imposition of costly compliance procedures. This could have a material adverse effect on the Company's operations and/or financial condition.

### **Additional Requirements for Capital**

Substantial additional financing will be required if the Company is to be successful in pursuing its ultimate strategy. No assurances can be given that the Company will be able to raise the additional capital that it may require for its anticipated future operations. Commodity prices, environmental rehabilitation or restitution, revenues, taxes, transportation costs, capital expenditures, operating expenses, geological results and the political environment are all factors which will have an impact on the amount of additional capital that may be required. Any additional equity financing may be dilutive to investors and debt financing, if available, may involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company, if at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion, forfeit its interest in the Exxeter Property, incur financial penalties, or reduce or terminate its operations.

### **Smaller Companies**

The share price of publicly traded smaller companies can be highly volatile. The value of the Common Shares may go down as well as up and, in particular, the share price may be subject to sudden and large falls in value given the restricted marketability of the Common Shares.

### **Liquidity of the Common Shares**

Listing on the Exchange should not be taken as implying that there will be a liquid market for the Common Shares. Thus an investment in the Common Shares may be difficult to realise. Investors should be aware that the value of the Common Shares may be volatile. Investors may, on disposing of Common Shares, realise less than their original investment, or may lose their entire investment. The Common Shares, therefore, may not be suitable as a short-term investment.

The market price of the Common Shares may not reflect the underlying value of the Company's net assets. The price at which the Common Shares will be traded, and the price at which investors may realise their Common Shares, will be influenced by a large number of factors, some specific to the Company and its proposed operations, and some which may affect the sectors in which the Company operates. Such factors could include the performance of the Company's operations, large purchases or sales of the Common Shares, liquidity or the absence of liquidity in the Common Shares, legislative or regulatory changes relating to the business of the Company, and general market and economic conditions.

### **Tax Eligibility**

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

### **General**

The risks noted above do not necessarily comprise all those potentially faced by the Company and are not intended to be presented in any assumed order of priority.

Although the Directors will seek to minimise the impact of the risk factors, an investment in the Company should only be made by investors able to sustain a total loss of their investment. Investors are strongly recommended to consult a person who specialises in investments of this nature before making any decision to invest.

## **PROMOTERS**

Greg Crowe, the Company's Chief Executive Officer and Director, took the initiative in the primary organization of the Company and accordingly is a promoter of the Company. Mr. Crowe owns 500,000 Common Shares of the Company, which is 4.1% of the Common Shares outstanding prior to giving effect to the Offering. See "Principal Shareholders", "Directors and Executive Officers" and "Executive Compensation".

Charles Hethey, a Director of the Company, took the initiative in the primary organization of the Company and accordingly is a promoter of the Company. Mr. Hethey owns 1,200,001 Common Shares of the Company, which is 9.9% of the Common Shares outstanding prior to giving effect to the Offering. Mr. Hethey is also a partner of O'Neill Law Corporation which has accrued legal fees of \$5,000 as of June 30, 2017 and will receive additional legal fees pursuant to the costs of this Offering. See "Principal Shareholders", "Directors and Executive Officers" and "Executive Compensation".

### **LEGAL PROCEEDINGS AND REGULATORY ACTIONS**

There are no legal proceedings that the Company is or was a party to, or that any of the Company's property is or was the subject of, since March 13, 2017, that were or are material to the Company, and there are no such material legal proceedings that the Company knows to be contemplated.

There were no: (i) penalties or sanctions imposed against the Company by a court relating to provincial and territorial securities legislation or by a securities regulatory authority since inception on March 13, 2017; (ii) other penalties or sanctions imposed by a court or regulatory body against the Company that the Company believes must be disclosed for this prospectus to contain full, true and plain disclosure of all material facts relating to the Common Shares being distributed; or (iii) settlement agreements the Company entered into before a court relating to provincial and territorial securities legislation or with a securities regulatory authority since inception on March 13, 2017.

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

None of the Directors or executive officers of the Company, and no associate or affiliate of the foregoing persons, has, or has had, any material interest, direct or indirect, in any transaction or in any proposed transaction that has materially affected or will materially affect the Company or any of its subsidiaries.

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

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

### **AUDITORS, TRANSFER AGENT AND REGISTRAR**

The auditors of the Company are Davidson & Company LLP, located at 1200 – 609 Granville Street, P.O. Box 10372, Vancouver, B.C. V7Y 1G6.

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

### **MATERIAL CONTRACTS**

Except for contracts entered into in the ordinary course of business, the only contracts which have been entered into by the Company as of the date hereof or which will be entered into prior to the Closing of this Offering and which are regarded presently as material are:

1. Exxeter Option Agreement dated March 27, 2017 between the Company and Kode Mineral Exploration Ltd. See "Business of the Company".
2. Stock Option Plan dated July 20, 2017. See "Description of the Securities Distribution".
3. Escrow Agreement dated September 7, 2017 among the Company, Computershare Investor Services Inc., and Greg Crowe, Charles Hethey and Gunther Roehlig. See "Escrowed Securities".
4. Agency Agreement dated ♦, 2017 between the Company and Mackie Research Capital Corporation See "Plan of Distribution".

## **EXPERTS**

The following persons or companies whose profession or business gives authority to the report, valuation, statement or opinion made by the person or company are named in this prospectus as having prepared or certified a report, valuation, statement or opinion in this prospectus:

- (a) Abby Peterson, B.Sc., P.Geo. of Exploration Facilitation Unlimited Inc. of London, Ontario., is an independent consulting geologist and is a “qualified person” as defined in NI 43-101, and is the author responsible for the preparation of the Independent Technical Report on the Exxeter Property.
- (b) The audited financial statements included in this prospectus have been subject to audit by Davidson & Company LLP, Chartered Accountants, and their audit report is included herein.

In addition, certain legal matters relating to the Offering will be passed upon on behalf of the Company by O’Neill Law Corporation.

None of the foregoing persons or companies have held, received or is to receive any registered or beneficial interests, direct or indirect, in any securities or other property of the Company or of its associates or affiliates when such person or company prepared the report, valuation, statement or opinion aforementioned or thereafter.

## **RIGHTS OF WITHDRAWAL AND RESCISSION**

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages, if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission are exercised by the purchaser within the time limit prescribed by securities legislation of the purchaser’s province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province for the particulars of these rights or consult with a legal adviser.

## **FINANCIAL STATEMENTS**

Audited financial statements of the Company for the period from inception to June 30, 2017 are included in this prospectus.

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**DARIEN RESOURCE DEVELOPMENT CORP.**

**FINANCIAL STATEMENTS**

**FOR THE PERIOD FROM  
MARCH 13, 2017 (INCEPTION) TO  
JUNE 30, 2017**

**(EXPRESSED IN CANADIAN DOLLARS)**

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## **INDEPENDENT AUDITORS' REPORT**

To the Directors of  
Darien Resource Development Corp.

We have audited the accompanying financial statements of Darien Resource Development Corp., which comprise the statement of financial position as at June 30, 2017, and the statements of loss and comprehensive loss, changes in shareholders' equity cash flows for the period from inception on March 13, 2017 to June 30, 2017, and a summary of significant accounting policies and other explanatory information.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

***Opinion***

In our opinion, these financial statements present fairly, in all material respects, the financial position of Darien Resource Development Corp. as at June 30, 2017 and its financial performance and its cash flows for the period from inception on March 13, 2017 to June 30, 2017 in accordance with International Financial Reporting Standards.

Vancouver, Canada

Chartered Professional Accountants

DATE

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**DARIEN RESOURCE DEVELOPMENT CORP.****STATEMENT OF FINANCIAL POSITION****AS AT JUNE 30, 2017****(Expressed in Canadian dollars)**

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	<b>June 30, 2017</b>
	<b>\$</b>
<b>ASSETS</b>	
<b>CURRENT</b>	
Cash	389,802
	389,802
<b>EXPLORATION AND EVALUATION ASSET (Note 6)</b>	<b>117,100</b>
	<b>506,902</b>
<b>LIABILITIES</b>	
<b>CURRENT</b>	
Accounts payable and accrued liabilities	25,000
	25,000
<b>SHAREHOLDERS' EQUITY</b>	
Share capital (Note 8)	507,001
Deficit	(25,099)
	481,902
	506,902

NATURE OF BUSINESS AND CONTINUING OPERATIONS (Note 1)  
SUBSEQUENT EVENT (Note 13)

Approved on behalf of the Board:

*"Signed"*  
\_\_\_\_\_  
Charles Hethey, Director

*"Signed"*  
\_\_\_\_\_  
Greg Crowe, Director

The accompanying notes are an integral part of these financial statements.

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**DARIEN RESOURCE DEVELOPMENT CORP.****STATEMENT OF COMPREHENSIVE LOSS****FOR THE PERIOD FROM MARCH 13, 2017 (INCEPTION) TO JUNE 30, 2017****(Expressed in Canadian dollars)**

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	<b>2017</b>
EXPENSES	
Bank charges	\$ 99
Professional fees	25,000
NET AND COMPREHENSIVE LOSS FOR THE PERIOD	(25,099)
LOSS PER SHARE, basic and diluted	\$ (0.00)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	7,837,616

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The accompanying notes are an integral part of these financial statements.

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**DARIEN RESOURCE DEVELOPMENT CORP.****STATEMENT OF CASH FLOWS****FOR THE PERIOD FROM MARCH 13, 2017 (INCEPTION) TO JUNE 30, 2017****(Expressed in Canadian dollars)**

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	<b>2017</b>
	<b>\$</b>
<b>OPERATING ACTIVITIES</b>	
Net loss for the period	(25,099)
Changes in non-cash working capital items:	
Accounts payable and accrued liabilities	25,000
	<u>(10,099)</u>
<b>INVESTING ACTIVITY</b>	
Exploration and evaluation assets	(117,100)
	<u>(117,100)</u>
<b>FINANCING ACTIVITY</b>	
Shares issued for private placement	507,001
	<u>507,001</u>
<b>CHANGE IN CASH</b>	<b>389,802</b>
<b>CASH, BEGINNING OF PERIOD</b>	<b>-</b>
<b>CASH, END OF PERIOD</b>	<b><u>379,802</u></b>

The accompanying notes are an integral part of these financial statements.

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**DARIEN RESOURCE DEVELOPMENT CORP.****STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY****FOR THE PERIOD FROM MARCH 13, 2017 (INCEPTION) TO JUNE 30, 2017****(Expressed in Canadian dollars)**

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	<b>Number of shares</b>	<b>Amount \$</b>	<b>Deficit \$</b>	<b>Total \$</b>
Balance, March 13, 2017 (inception)	-	-	-	-
Shares issued on inception (Note 8)	2,000,001	2,001	-	2,001
Shares issued for private placement (Note 8)	10,100,000	505,000	-	505,000
Total comprehensive loss for the period	-	-	(25,099)	(25,099)
<b>Balance, June 30, 2017</b>	<b>12,100,001</b>	<b>507,001</b>	<b>(25,099)</b>	<b>481,902</b>

The accompanying notes are an integral part of these financial statements.

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**DARIEN RESOURCE DEVELOPMENT CORP.****NOTES TO FINANCIAL STATEMENTS****FOR THE PERIOD FROM MARCH 13, 2017 (INCEPTION) TO JUNE 30, 2017****(Expressed in Canadian dollars)**

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**1. NATURE OF BUSINESS AND CONTINUING OPERATIONS**

Darien Resource Development Corp. (the "Company") was incorporated on March 13, 2017 under the laws of British Columbia. The head office is located at Suite 410, 1040 West Georgia Street, Vancouver, B.C. V6E 4H1 and its registered office is located at Suite 704, 595 Howe Street, Vancouver B.C. V6C 2T5.

Since incorporation on March 13, 2017, the Company's activities have focused on the acquisition of the Exxeter Property and commencing the initial phase of its exploration program on the Exxeter Property. The Company has a working capital surplus of \$364,802 and an accumulated deficit of \$25,099 as at June 30, 2017. Management estimates that the Company has sufficient working capital for the next 12 months.

These financial statements were authorized for issue in accordance with a resolution from the Board of Directors on August \*, 2017.

**2. STATEMENT OF COMPLIANCE**

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

**3. BASIS OF PRESENTATION**

The financial statements have been prepared on a historical cost, except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. The financial statements are presented in Canadian dollars, which is also the Company's functional currency. In addition, the financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgement of complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****a) Exploration and evaluation assets****i. Pre-license expenditures**

Pre-license expenditures are costs incurred before the legal rights to explore a specific area have been obtained. These costs are expensed in the period in which they are incurred as exploration and evaluation expense.

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**DARIEN RESOURCE DEVELOPMENT CORP.****NOTES TO FINANCIAL STATEMENTS****FOR THE PERIOD FROM MARCH 13, 2017 (INCEPTION) TO JUNE 30, 2017****(Expressed in Canadian dollars)**

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**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (*continued*)a) Exploration and evaluation assets (*continued*)

## ii. Exploration and evaluation expenditures

Once the legal right to explore has been acquired, costs directly associated with the exploration project are capitalized as either tangible or intangible exploration and evaluation ("E&E") assets according to the nature of the asset acquired. Such E&E costs may include undeveloped land acquisition, geological, geophysical and seismic, exploratory drilling and completion, testing, decommissioning and directly attributable internal costs. E&E costs are not depleted and are carried forward until technical feasibility and commercial viability of extracting a mineral resource is considered to be determined. All such carried costs are subject to technical, commercial and management review at least once a year to confirm the continued intent to develop or otherwise extract value from the exploratory activity. When this is no longer the case, impairment costs are charged to exploration and evaluation expense. Upon determination of mineral reserves, E&E assets attributed to those reserves are first tested for impairment and then reclassified to development and production assets within property, plant and equipment, net of any impairment. Expired land costs are also expensed to exploration and evaluation expense as they occur.

The Company has not established any NI 43-101 compliant proven or probable reserves on any of its mineral properties which have been determined to be economically viable.

## iii. Impairment

Exploration and evaluation assets are assessed for impairment when indicators and circumstances suggest that the carrying amount may exceed its recoverable amount. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period.

Industry-specific indicators for an impairment review arise typically when one of the following circumstances applies:

- Substantive expenditure or further exploration and evaluation activities is neither budgeted nor planned;
- Title to the asset is compromised, has expired or is expected to expire;
- Adverse changes in the taxation, regulatory or political environment;
- Adverse changes in variables in commodity prices and markets making the project unviable; and
- Variations in the exchange rate for the currency of operation.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

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**DARIEN RESOURCE DEVELOPMENT CORP.****NOTES TO FINANCIAL STATEMENTS****FOR THE PERIOD FROM MARCH 13, 2017 (INCEPTION) TO JUNE 30, 2017****(Expressed in Canadian dollars)**

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**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (*continued*)

## b) Restoration, rehabilitation, and environmental obligations

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration or development of a mineral property interest. Such costs arise from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of factors such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the mine operates.

Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the unit-of-production or the straight line method. The corresponding liability is progressively increased as the effect of discounting unwinds creating an expense recognized in profit or loss. The Company has no restoration, rehabilitation and environmental obligations as at June 30, 2017.

## c) Income taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized in other comprehensive income or loss or directly in equity, in which case it is recognized in other comprehensive income or loss or equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period applicable to the period of expected realization or settlement.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and the group intends to settle its current tax assets and liabilities on a net basis.

## d) Share capital

Common shares are classified as shareholders' equity. Transaction costs directly attributable to the issue of common shares and share purchase options are recognized as a deduction from equity, net of any tax effects.

The proceeds from the issue of units is allocated between common shares and common share purchase warrants based on the residual value method. Under this method, the proceeds are allocated to share capital based on the fair value of the common shares and any residual value is allocated to common share purchase warrants.

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**DARIEN RESOURCE DEVELOPMENT CORP.****NOTES TO FINANCIAL STATEMENTS****FOR THE PERIOD FROM MARCH 13, 2017 (INCEPTION) TO JUNE 30, 2017****(Expressed in Canadian dollars)**

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**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)****e) Share based payments**

Options and warrants granted are accounted for using the fair value method. Under this method, the fair value of stock options and warrants granted are measured at estimated fair value at the grant date and recognized over the vesting period. Consideration received on the exercise of stock options is recorded as share capital and the related contributed surplus on options granted is transferred to share capital.

The Company uses the Black-Scholes option pricing model to determine the fair value of these incentives taking into consideration terms and conditions upon which the options were granted. At each financial reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

**f) Loss per share**

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

**g) Financial instruments****Financial assets**

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

***Fair value through profit or loss***

This category comprises derivatives, or assets acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in profit or loss.

***Loans and receivables***

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

***Held-to-maturity investments***

These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in profit or loss.

***Available-for-sale***

Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized directly in accumulated other comprehensive (income) loss. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in profit or loss.

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**DARIEN RESOURCE DEVELOPMENT CORP.**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE PERIOD FROM MARCH 13, 2017 (INCEPTION) TO JUNE 30, 2017**

**(Expressed in Canadian dollars)**

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

g) Financial instruments (*continued*)

Financial assets (*continued*)

*Available-for-sale (continued)*

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired. The Company's accounting policy for each category is as follows:

*Fair value through profit or loss*

This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in profit or loss.

*Other financial liabilities*

This category comprises liabilities initially recognized at fair value less directly attributable transaction costs. Subsequently, they are measured at amortized cost using the effective interest method.

The Company has classified its cash as fair value through profit and loss. The Company's accounts payable and accrued liabilities are classified as other financial liabilities. Refer to Note 12 for additional details.

h) Flow-through shares

The Company will from time to time issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors.

Proceeds from flow-through shares issuances are allocated between the offering of shares and the sale of tax benefits based on the difference between the amount the investor pays for the shares and the fair value of the Company's common shares. A liability is recognized for any premium and is reduced on a pro-rata basis as expenditures are incurred.

i) Critical accounting estimates and judgements

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual experience may differ from these estimates and assumptions.

The effect of a change in accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

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**DARIEN RESOURCE DEVELOPMENT CORP.**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE PERIOD FROM MARCH 13, 2017 (INCEPTION) TO JUNE 30, 2017**

**(Expressed in Canadian dollars)**

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

i) Critical accounting estimates and judgements (*continued*)

Information about critical accounting estimates and judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements are discussed below:

Judgements

*Going concern*

The Company's management has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. The factors considered by management are disclosed in Note 1.

Estimates

*Deferred tax assets and liabilities*

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and future income tax provisions or recoveries could be affected.

*Carrying value and recoverability of exploration and evaluation assets*

Management assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of any such assets may exceed their recoverable amount. When facts and circumstances suggest that the carrying amount exceeds the recoverable amount, the Company shall measure, present and disclose any resulting impairment.

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**DARIEN RESOURCE DEVELOPMENT CORP.**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE PERIOD FROM MARCH 13, 2017 (INCEPTION) TO JUNE 30, 2017**

**(Expressed in Canadian dollars)**

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5. CHANGES IN ACCOUNTING POLICIES

**The following have not yet been adopted and are being evaluated to determine their impact on the Company's financial statements:**

*IFRS 9 Financial Instruments* - IFRS 9 was issued by the IASB in October 2010 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is required to be applied for annual periods beginning on or after January 1, 2013. IFRS 9 has a tentative effective date of January 1, 2018 with early adoption permitted.

*IFRS 7 Financial Instruments: Disclosures* - amended to require additional disclosure on transition from IAS 39 to IFRS 9. The Company does not expect any effect on its financial statements from the adoption of this standard.

*IFRS 16 Leases* - IFRS 16 establishes principles for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions. This standard is effective for annual periods beginning on or after January 1, 2019. The Company is in the process of assessing the impact of this pronouncement.

The extent of the impact of adoption of these standards and interpretations on the financial statements of the Company has not been determined.

Based on its review of the above, management is of the opinion that the Company's current accounting policies and disclosures in its financial statements comply in all material respects with the requirements so far as they are applicable to its present operations.

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**DARIEN RESOURCE DEVELOPMENT CORP.****NOTES TO FINANCIAL STATEMENTS****FOR THE PERIOD FROM MARCH 13, 2017 (INCEPTION) TO JUNE 30, 2017****(Expressed in Canadian dollars)**

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**6. EXPLORATION AND EVALUATION ASSETS****Exxeter Property**

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	<b>June 30, 2017</b>
	<b>\$</b>
Acquisition costs, beginning	-
Additions	10,000
Total acquisition costs	10,000
Exploration costs, beginning	-
Geophysics	107,100
Total exploration costs	107,100
<b>TOTAL</b>	<b>117,100</b>

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On March 27, 2017 (the "Effective Date"), the Company entered into an option agreement (the "Exxeter Option Agreement") to acquire a 100% interest in the Exxeter Property. In order for the Company to exercise its option, it will be required to:

- (a) pay the Optionor an aggregate of \$335,000 as follows:
- (i) \$10,000 on the Effective Date (paid);
  - (ii) a further \$25,000 on or before the first anniversary of the Effective Date;
  - (iii) a further \$50,000 on or before the second anniversary of the Effective Date; and
  - (iv) a further \$250,000 on or before the third anniversary of the Effective Date.
- (b) issue an aggregate of 300,000 Common Shares on the date the Company's Shares list on the TSX Venture Exchange (the "Listing Date").
- (c) incur exploration expenditures of \$600,000 on the Exxeter Property as follows:
- (i) \$100,000 on or before the first anniversary of the Effective Date (incurred);
  - (ii) a further \$200,000 on or before the second anniversary of the Effective Date; and
  - (iii) a further \$300,000 on or before the third anniversary of the Effective Date.

The Company will also be responsible to make all government payments in order to maintain the mineral claims in good standing. The optionor will also retain a 1% net smelter return royalty (the "Royalty") on the Exxeter Property. The Company may purchase, at any time, 1% of the Royalty by paying the optionor a total of \$1,000,000.

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**DARIEN RESOURCE DEVELOPMENT CORP.****NOTES TO FINANCIAL STATEMENTS****FOR THE PERIOD FROM MARCH 13, 2017 (INCEPTION) TO JUNE 30, 2017****(Expressed in Canadian dollars)**

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**7. RELATED PARTY**

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

During the period from inception on March 13, 2017 to June 30, 2017, \$5,000 was accrued for legal services provided by a related party. As of June 30, 2017, \$5,000 are due to related parties and have been included in accounts payable and accrued liabilities.

The Company has identified its directors and certain senior officers as its key management personnel and the compensation costs for key management personnel and companies related to them were recorded at their exchange amounts as agreed upon by transacting parties.

During the period from inception on March 13, 2017 to June 30, 2017, there was no compensation of key management personnel.

**8. SHARE CAPITAL****a) Authorized**

Unlimited common shares without par value.  
Unlimited preferred shares without par value.

**b) Issued and outstanding**

As at June 30, 2017, the issued share capital comprised of 12,100,001 common shares.

On March 13, 2017, the Company issued one Common Share at a price of \$1.00 per share.

On March 13, 2017, the Company issued 2,000,000 Common Shares at a price of \$0.001 per share for total proceeds of \$2,000.

On April 28, 2017, the Company issued 8,100,000 units at a price of \$0.05 per share for total gross proceeds of \$405,000. Each Unit consisted of one common share and one non-transferable share purchase warrant with each Warrant entitling the holder to purchase an additional common share of the Company at any time for a period of three years from the date of issuance at a price of \$0.05 per common share.

Also on April 28, 2017, the Company issued 2,000,000 "flow-through" units (the "FT Units") at a price of \$0.05 per FT Unit for total gross proceeds of \$100,000. Each FT Unit consists of one common share and one common Share Warrant with each Warrant entitling the holder to purchase an additional common share of the Company at any time for a period of three years from the date of issue at a price of \$0.05 per Common Share.

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**DARIEN RESOURCE DEVELOPMENT CORP.****NOTES TO FINANCIAL STATEMENTS****FOR THE PERIOD FROM MARCH 13, 2017 (INCEPTION) TO JUNE 30, 2017****(Expressed in Canadian dollars)**

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8. SHARE CAPITAL (*continued*)

## c) Stock options

The directors of the Company adopted a stock option plan on July 20, 2017. The purpose of the Stock Option Plan is to advance the interests of the Company by encouraging the directors, officers, employees, management company employees and consultants of the Company, and of its subsidiaries and affiliates, if any, to acquire Common Shares in the share capital of the Company, thereby increasing their proprietary interest in the Company, encouraging them to remain associated with the Company and furnishing them with additional incentive in their efforts on behalf of the Company in the conduct of its affairs. The Stock Option Plan provides that, subject to the requirements of the Exchange, the aggregate number of securities reserved for issuance will be 10% of the number of the Company's Common Shares issued and outstanding from time to time. The Stock Option Plan will be administered by the Company's board of directors, which will have full and final authority with respect to the granting of all options thereunder.

Options may be granted under the Stock Option Plan to such service providers of the Company and its affiliates, if any, as the board of directors may from time to time designate. The exercise price of option grants will be determined by the board of directors, but after listing on the Exchange will not be less than the closing market price of the Common Shares on the Exchange less allowable discounts at the time of grant. The Stock Option Plan provides that the number of Common Shares that may be reserved for issuance to any one individual upon exercise of all stock options held by such individual may not exceed 5% of the issued Common Shares, if the individual is a director or officer unless disinterested shareholder approval is obtained or the Common Shares are listed on the Exchange, or 2% of the issued Common Shares, if the individual is a consultant or engaged in providing investor relations services, on a yearly basis. All options granted under the Stock Option Plan will expire not later than the date that is ten years from the date that such options are granted. Options terminate earlier as follows: (i) immediately in the event of dismissal with cause; (ii) 90 days from date of termination other than for cause; or (iii) one year from the date of death or disability. Options granted under the Stock Option Plan are not transferable or assignable other than by will or other testamentary instrument or pursuant to the laws of succession.

No stock options were issued or expired during the period from inception on March 12, 107 to June 30, 2017 and the Company had no stock options outstanding as at June 30, 2017.

## c) Warrants

As at June 30, 2017, 10,100,000 warrants were issued at the price of \$0.05 per common share. Share purchase warrant transactions are summarized as follows:

	Warrants Outstanding	Weighted- Average Exercise Price	Weighted-Average Remaining Contractual Life (years)
Balance, March 13, 2017	-	\$ -	
Warrants issued	10,100,000	0.05	2.83
Balance, June 30, 2017	10,100,000	\$ 0.05	2.83

Details of share purchase warrants outstanding as of June 30, 2017 are as follows:

Number of Warrants	Exercise Price	Weighted-Average Remaining Contractual Life (years)	Expiry Date
8,100,000	\$ 0.05	2.83	April 28, 2020
2,000,000	0.05	2.83	April 28, 2020
10,100,000	\$ 0.05		

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**DARIEN RESOURCE DEVELOPMENT CORP.****NOTES TO FINANCIAL STATEMENTS****FOR THE PERIOD FROM MARCH 13, 2017 (INCEPTION) TO JUNE 30, 2017****(Expressed in Canadian dollars)**

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## 8. SHARE CAPITAL (continued)

## e) Shares in escrow

In accordance with National Policy 46-201 - Escrow for Initial Public Offerings (previously defined as "NP 46-201"), all shares of an issuer owned or controlled by its principals are required to be placed in escrow at the time of the issuer's initial public offering, unless the shares held by the principal or issuable to the principal upon conversion of convertible securities held by the principal collectively represent less than 1% of the voting rights attaching to the total issued and outstanding securities of the issuer after giving effect to the initial public offering. Upon completion of the Offering, the Company anticipates being an "emerging issuer" as defined in NP 46-201.

The following securities of the Company are held by, and are subject to the terms of an escrow agreement dated September 7, 2017.

<b>Designation of Class</b>	<b>Number of Securities</b>	<b>Percentage of Issued Shares Prior to Completion of the Offering</b>	<b>Percentage of Issued Shares on Completion of the Offering</b>
Common Shares	2,000,001	16.5%	11.7%

As the Company anticipates being an "emerging issuer" as defined in NP 46-201, the following automatic timed releases will apply to the Common Shares held by its principals who are subject to escrow:

On the Listing Date	1/10 of the escrow securities
6 months after the Listing Date	1/6 of the remaining escrow securities
12 months after the Listing Date	1/5 of the remaining escrow securities
18 months after the Listing Date	1/4 of the remaining escrow securities
24 months after the Listing Date	1/3 of the remaining escrow securities
30 months after the Listing Date	1/2 of the remaining escrow securities
36 months after the Listing Date	the remaining escrow securities

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**DARIEN RESOURCE DEVELOPMENT CORP.****NOTES TO FINANCIAL STATEMENTS****FOR THE PERIOD FROM MARCH 13, 2017 (INCEPTION) TO JUNE 30, 2017****(Expressed in Canadian dollars)**

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**9. BASIC AND DILUTED LOSS PER SHARE**

The calculation of basic and diluted loss per share for the period ended June 30, 2017 was based on the loss attributable to common shareholders of \$25,099 and the weighted average number of common shares outstanding of 7,837,616.

**10. INCOME TAXES**

The following table reconciles the amount of income tax recoverable on application of the combined statutory Canadian federal and provincial income tax rates:

	<b>2017</b>
	<b>\$</b>
Loss before income taxes	(25,099)
Statutory tax rate	26%
Expected income tax recovery at statutory rates	(7,000)
Change in unrecognized deductible temporary differences	7,000
Income tax expense	-

Significant components of the Company's deferred income tax assets (liabilities) not recognized are shown below:

	<b>2017</b>
	<b>\$</b>
Non-capital losses carried forward	7,000
Deferred income tax assets not recognized	7,000
Net deferred income tax assets	-

As at June 30, 2017, the Company had approximately \$25,000 of non-capital loss carry forwards available to reduce taxable income for future years. The non-capital losses start to expire in 2037.

As at June 30, 2017, the Company has an obligation to spend \$100,000 flow-through proceeds by April 27, 2019.

In assessing the realizability of deferred income tax assets, management considers whether it is probable that some portion of all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. The amount of deferred income tax asset considered realizable could change materially in the near term based on future taxable income during the carry forward period.

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**DARIEN RESOURCE DEVELOPMENT CORP.****NOTES TO FINANCIAL STATEMENTS****FOR THE PERIOD FROM MARCH 13, 2017 (INCEPTION) TO JUNE 30, 2017****(Expressed in Canadian dollars)**

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**11. MANAGEMENT OF CAPITAL**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the sourcing and exploration of mineral properties. The Company does not have any externally imposed capital requirements to which it is subject.

As at June 30, 2017, the Company considers capital to be all components of shareholders' equity. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets.

**12. FINANCIAL INSTRUMENTS**

The Company is exposed to varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes. The type of risk exposure and the way in which such exposure is managed is provided as follows:

**Credit Risk**

Credit risk is the risk of potential loss to the Group if a counter-party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash. The Company limits the exposure to credit risk by only investing its cash with high-credit quality financial institutions. Management believes that the credit risk related to its cash is negligible.

**Interest Rate Risk**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. With respect to financial assets, the Company's practice is to invest cash in cash equivalents in order to maintain liquidity. Fluctuations in interest rates affect the fair value of cash equivalents.

The Company is not exposed to significant interest rate risk.

**Liquidity Risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure and financial leverage as described in Note 11.

The Company monitors its ability to meet its short-term exploration and administrative expenditures by raising additional funds through share issuance when required. All of the Company's financial liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms. The Company does not have investments in any asset backed deposits. Management estimates that the Company has sufficient working capital for the next 12 months.

**Commodity Price Risk**

The Company's ability to raise capital to fund exploration activities is subject to risks associated with fluctuations in the market price of mineral resources. The Company closely monitors commodity prices to determine the appropriate course of actions to be taken.

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**DARIEN RESOURCE DEVELOPMENT CORP.****NOTES TO FINANCIAL STATEMENTS****FOR THE PERIOD FROM MARCH 13, 2017 (INCEPTION) TO JUNE 30, 2017****(Expressed in Canadian dollars)**

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**12. FINANCIAL INSTRUMENTS (continued)**

## Fair Value Measurements

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

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

The fair value of cash is determined based on Level 1 inputs, which consist of quoted prices in active markets for identical assets. As at June 30, 2017, the Company believes that the carrying values of accounts payable and loans payable approximate their fair value because of their nature and relatively short maturity dates or durations.

**13. SUBSEQUENT EVENT**

On August xx, the Company filed a prospectus (the "Prospectus") with the British Columbia Commission in respect of an Initial Public Offering (the "Offering"). The Company has agreed to offer 5,000,000 common shares of the Company at a price of \$0.10 per share for gross proceeds of \$500,000. In connection with the financing the Company entered in an Agency Agreement with Mackie Research Capital Corporation (the "Agent"). The Company will pay the Agent a cash commission of 8% of the gross proceeds of the Offering and will pay a work fee costs of \$15,000 + GST along with reasonable out-of-pocket costs. In addition, the Company has also agreed to grant a non-transferable option to the Agent entitling the Agent to purchase 8% of the number of common shares sold under the Offering at a price of \$0.10 for a period of 24 months from the date of closing the Offering.

## SCHEDULE "A" - AUDIT COMMITTEE CHARTER

### I. MANDATE

The Audit Committee (the "Committee") of the Board of Directors (the "Board") of Darien Resource Development Corp. (the "Company") shall assist the Board in fulfilling its financial oversight responsibilities. The Committee's primary duties and responsibilities under this mandate are to serve as an independent and objective party to monitor:

1. The quality and integrity of the Company's financial statements and other financial information;
2. The compliance of such statements and information with legal and regulatory requirements;
3. The qualifications and independence of the Company's independent external auditor (the "Auditor"); and
4. The performance of the Company's internal accounting procedures and Auditor.

### II. STRUCTURE AND OPERATIONS

#### A. Composition

The Committee shall be comprised of three or more members.

#### B. Qualifications

Each member of the Committee must be a member of the Board.

Each member of the Committee must be able to read and understand fundamental financial statements, including the Company's balance sheet, income statement and cash flow statement.

#### C. Appointment and Removal

In accordance with the Articles of the Company, the members of the Committee shall be appointed by the Board and shall serve until such member's successor is duly elected and qualified or until such member's earlier resignation or removal. Any member of the Committee may be removed, with or without cause, by a majority vote of the Board.

#### D. Chair

Unless the Board shall select a Chair, the members of the Committee shall designate a Chair by the majority vote of all of the members of the Committee. The Chair shall call, set the agendas for and chair all meetings of the Committee.

#### E. Meetings

The Committee shall meet as frequently as circumstances dictate. The Auditor shall be given reasonable notice of, and be entitled to attend and speak at, each meeting of the Committee concerning the Company's annual financial statements and, if the Committee feels it is necessary or appropriate, at every other meeting. On request by the Auditor, the Chair shall call a meeting of the Committee to consider any matter that the Auditor believes should be brought to the attention of the Committee, the Board or the shareholders of the Company.

At each meeting, a quorum shall consist of a majority of members that are not officers or employees of the Company or of an affiliate of the Company.

As part of its goal to foster open communication, the Committee may periodically meet separately with each of management and the Auditor to discuss any matters that the Committee or any of these groups believes would be appropriate to discuss privately. In addition, the Committee should meet with the Auditor and management annually to review the Company's financial statements in a manner consistent with Section III of this Charter.

The Committee may invite to its meetings any director, any manager of the Company, and any other person whom it deems appropriate to consult in order to carry out its responsibilities. The Committee may also exclude from its meetings any person it deems appropriate to exclude in order to carry out its responsibilities.

### **III. DUTIES**

#### **A. Introduction**

The following functions shall be the common recurring duties of the Committee in carrying out its purposes outlined in Section I of this Charter. These duties should serve as a guide with the understanding that the Committee may fulfill additional duties and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory or other conditions. The Committee shall also carry out any other responsibilities and duties delegated to it by the Board from time to time related to the purposes of the Committee outlined in Section I of this Charter.

The Committee, in discharging its oversight role, is empowered to study or investigate any matter of interest or concern which the Committee in its sole discretion deems appropriate for study or investigation by the Committee.

The Committee shall be given full access to the Company's internal accounting staff, managers, other staff and Auditor as necessary to carry out these duties. While acting within the scope of its stated purpose, the Committee shall have all the authority of, but shall remain subject to, the Board.

#### **B. Powers and Responsibilities**

The Committee will have the following responsibilities and, in order to perform and discharge these responsibilities, will be vested with the powers and authorities set forth below, namely, the Committee shall:

##### *Independence of Auditor*

- 1) Review and discuss with the Auditor any disclosed relationships or services that may impact the objectivity and independence of the Auditor and, if necessary, obtain a formal written statement from the Auditor setting forth all relationships between the Auditor and the Company.
- 2) Take, or recommend that the Board take, appropriate action to oversee the independence of the Auditor.
- 3) Require the Auditor to report directly to the Committee.
- 4) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the Auditor and former independent external auditor of the Company.

##### *Performance & Completion by Auditor of its Work*

1. Be directly responsible for the oversight of the work by the Auditor (including resolution of disagreements between management and the Auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company, including resolution of disagreements between management and the Auditor regarding financial reporting.
2. Review annually the performance of the Auditor and recommend the appointment by the Board of a new, or re-election by the Company's shareholders of the existing, Auditor for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company.
3. Recommend to the Board the compensation of the Auditor.
4. Pre-approve all non-audit services, including the fees and terms thereof, to be performed for the Company by the Auditor.

### *Internal Financial Controls & Operations of the Company*

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

### *Preparation of Financial Statements*

1. Discuss with management and the Auditor significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including any significant changes in the Company's selection or application of accounting principles, any major issues as to the adequacy of the Company's internal controls and any special steps adopted in light of material control deficiencies.
2. Discuss with management and the Auditor any correspondence with regulators or governmental agencies and any employee complaints or published reports which raise material issues regarding the Company's financial statements or accounting policies.
3. Discuss with management and the Auditor the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Company's financial statements.
4. Discuss with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies.
5. Discuss with the Auditor the matters required to be discussed relating to the conduct of any audit, in particular:
  - 5) The adoption of, or changes to, the Company's significant auditing and accounting principles and practices as suggested by the Auditor, internal auditor or management.
  - 6) The management inquiry letter provided by the Auditor and the Company's response to that letter.
  - 7) Any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to requested information, and any significant disagreements with management.

### *Public Disclosure by the Company*

1. Review the Company's annual and interim financial statements, management discussion and analysis (MD&A) and earnings press releases before the Board approves and the Company publicly discloses this information.
2. Review the Company's financial reporting procedures and internal controls to be satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from its financial statements, other than disclosure described in the previous paragraph, and periodically assessing the adequacy of those procedures.
3. Review disclosures made to the Committee by the Company's Chief Executive Officer and Chief Financial Officer during their certification process of the Company's financial statements about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Company's internal controls.

### *Manner of Carrying Out its Mandate*

1. Consult, to the extent it deems necessary or appropriate, with the Auditor, but without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.

2. Request any officer or employee of the Company or the Company's outside counsel or Auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.
3. Meet, to the extent it deems necessary or appropriate, with management, any internal auditor and the Auditor in separate executive sessions.
4. Have the authority, to the extent it deems necessary or appropriate, to retain special independent legal, accounting or other consultants to advise the Committee advisors.
5. Make regular reports to the Board.
6. Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
7. Annually review the Committee's own performance.
8. Provide an open avenue of communication among the Auditor, the Company's financial and senior management and the Board.
9. Not delegate these responsibilities.

**C. Limitation of Audit Committee's Role**

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the Auditor.

## CERTIFICATE OF THE COMPANY

Dated: September 12, 2017

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of British Columbia.

*"Greg Crowe"*

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Greg Crowe  
Chief Executive Officer

*"Konstantin Lichtenwald"*

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Konstantin Lichtenwald  
Chief Financial Officer and Secretary

## ON BEHALF OF THE BOARD OF DIRECTORS

*"Gunther Roehlig"*

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Gunther Roehlig  
Director

*"Charles Hethey"*

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Charles Hethey  
Director

## CERTIFICATE OF PROMOTER

Dated: September 12, 2017

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of British Columbia.

*"Greg Crowe"*

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Greg Crowe

*"Charles Hethey"*

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Charles Hethey

**CERTIFICATE OF THE AGENT**

Dated: September 12, 2017

To the best of our knowledge, information and belief, this prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of British Columbia.

**MACKIE RESEARCH CAPITAL CORPORATION**

*"Jovan Stupar"*

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JOVAN STUPAR  
Managing Director