

A copy of this preliminary prospectus has been filed with the securities regulatory authorities in each of British Columbia and Alberta, but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the prospectus is obtained from the securities regulatory authorities.

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

PRELIMINARY PROSPECTUS

INITIAL PUBLIC OFFERING

April 11, 2019

SHAFER RESOURCES CORP. (the “Company” or “Shafer”)

**OFFERING:
2,000,000 Common Shares
at a price of \$0.10 per
Common Share**

Shafer Resources Corp. is hereby offering, on a commercially reasonable efforts basis, to purchasers resident in the Provinces of British Columbia and Alberta through its agent, Mackie Research Capital Corporation (the “**Agent**”), 2,000,000 common shares of the Company (the “**Shares**”) at a price of \$0.10 per Share, for gross proceeds of \$200,000 (the “**Offering**”). The offering price of the Shares and the terms of the Offering have been determined by negotiation between the Company and the Agent.

The Offering hereunder will close on the earlier of (a) the date of termination as determined at any time by the Company or the Agent, or (b) 90 days following the issuance of a receipt for a final prospectus, unless an amendment is filed and receipted in which case the Offering may be extended for further 90 days from receipt of the amendment to the final prospectus but in any event not more than 180 days from the date of receipt for the final prospectus.

	Price to Public	Agent’s Commission ⁽¹⁾	Proceeds Available to the Company ⁽²⁾
Per Share	\$0.10	\$0.01	\$0.09
Offering	\$200,000	\$20,000	\$180,000

Notes:

1. The Company has agreed to pay the Agent a cash commission equal to 10% of the gross proceeds from the sale of Shares under the Offering (the “**Agent’s Commission**”), and to grant the Agent non-transferable agent’s warrants (the “**Agent’s Warrants**”) entitling the Agent to purchase that number of Common Shares (as defined herein) of the Company (the “**Agent’s Warrant Shares**”) equal to 10% of the Shares sold under the

Offering, at a price of \$0.10 per Agent's Warrant Share for a period of 24 months from the Closing Date (as defined herein). This Prospectus qualifies the distribution of the Agent's Warrants. The Company has also agreed to pay the Agent's expenses (the "**Agent's Expenses**") in connection with the Offering, including legal fees and disbursements and the Agent's reasonable out-of-pocket expenses for which the Company has paid a \$10,000 retainer. See "Plan of Distribution".

2. Before deducting the costs of this issue estimated at \$83,000, which includes legal and audit and audit related fees and other expenses of the Company estimated at \$35,000 (exclusive of GST), the Agent's corporate finance fee of \$15,000 (exclusive of GST), the Agent's expenses and legal fees (exclusive of GST and disbursements) estimated at \$15,000, the listing fee of \$13,500 payable to the Exchange (exclusive of GST) and estimated filing fees of \$4,500. See "Use of Proceeds".

There is no market through which the securities offered hereunder 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".

Investments in natural resource issuers involve a significant degree of risk. The degree of risk increases substantially where the Company's properties are in the exploration as opposed to the development stage. All of the properties of the Company are in the exploration or pre-exploration stage and are without a known body of commercial ore. An investment in these securities should only be made by persons who can afford the total loss of their investment. See "Risk Factors".

The Company has applied to list the Shares on the Canadian Securities Exchange (the "**Exchange**"). Listing will be subject to the Company fulfilling all of the listing requirements of the Exchange.

As at 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).

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

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

The following table sets out securities issuable:

Agent's Position	Maximum size or number of securities available	Exercise period or acquisition date	Exercise price or average acquisition price
Agent's Warrants ⁽¹⁾	200,000 Agent's Warrant Shares	24 months from the Closing Date	\$0.10
Total Securities Issuable	200,000 Agent's Warrant Shares		

Note:

1. The Agent's Warrants are qualified for distribution pursuant to this Prospectus. See "Description of Securities Distributed" and "Plan of Distribution" for more information about the Agent's Warrants.

This Offering is subject to the completion of a minimum subscription of 2,000,000 Shares (\$200,000). In the event such subscriptions are not attained within 90 days of the issuance of the final receipt for this Prospectus or, if a receipt is issued for an amendment to this Prospectus, within 90 days of the issuance of such receipt and, in any event, not later than 180 days from the date of the receipt for the Prospectus, all subscription monies will be returned to Subscribers without interest or deduction, unless the Subscribers have otherwise instructed the Agent.

Unless otherwise noted, all currency in this Prospectus are stated in Canadian dollars.

Certain legal matters relating to the securities offered hereby will be passed upon by Cassels Brock & Blackwell LLP, on behalf of the Company and by Vantage Law Corporation, on behalf of the Agent. No person is authorized to provide any information or to make any representation in connection with this Offering other than as contained in this prospectus.

AGENT:

**MACKIE RESEARCH CAPITAL CORPORATION
1075 West Georgia St – Suite 1920
Vancouver, British Columbia V6E 3C9**

**Telephone: (778) 373-4100
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TABLE OF CONTENTS

GLOSSARY	VII
GLOSSARY OF TECHNICAL TERMS	X
PROSPECTUS SUMMARY	XIV
CAUTION REGARDING FORWARD-LOOKING STATEMENTS	XVI
CORPORATE STRUCTURE	1
NAME AND INCORPORATION.....	1
INTERCORPORATE RELATIONSHIPS	1
GENERAL DEVELOPMENT OF THE BUSINESS	1
COMPETITIVE CONDITIONS	1
HISTORY.....	1
THE OPTION AGREEMENT.....	2
THE DASH LAKE PROJECT	3
PROPERTY DESCRIPTION AND LOCATION	3
ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY.....	6
HISTORY.....	9
GEOLOGICAL SETTING AND MINERALIZATION.....	10
DEPOSIT TYPES	14
EXPLORATION.....	15
DRILLING	15
SAMPLE PREPARATION, ANALYSIS AND SECURITY	15
DATA VERIFICATION	16
MINERAL PROCESSING AND METALLURGICAL TESTING.....	16
MINERAL RESOURCE.....	16
ENVIRONMENTAL STUDIES, PERMITTING AND SOCIAL OR COMMUNITY IMPACT	16
DRILLING	16
INTERPRETATION AND CONCLUSIONS	16
RECOMMENDATIONS	17
USE OF PROCEEDS.....	19
FUNDS AVAILABLE.....	19
PRINCIPAL PURPOSES.....	19
UNALLOCATED FUNDS.....	20
STATED BUSINESS OBJECTIVES AND MILESTONES.....	20
DIVIDENDS OR DISTRIBUTIONS	21
SELECTED FINANCIAL INFORMATION AND MANAGEMENT DISCUSSION AND ANALYSIS	21
SUMMARY OF FINANCIAL INFORMATION	21
MANAGEMENT DISCUSSION AND ANALYSIS:.....	22
DESCRIPTION OF SECURITIES DISTRIBUTED.....	25
COMMON SHARES.....	25
PREFERRED SHARES	26
AGENT’S WARRANTS.....	26
CAPITALIZATION	26
OPTIONS TO PURCHASE SECURITIES	27
STOCK OPTION PLAN	27
OUTSTANDING OPTIONS.....	28
WARRANTS.....	28
AGENT’S WARRANTS.....	28
PRIOR SALES.....	28

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER.....	29
ESCROWED SECURITIES.....	29
PRINCIPAL SECURITYHOLDERS.....	30
DIRECTORS AND EXECUTIVE OFFICERS	31
AUDIT COMMITTEE	36
CORPORATE CEASE TRADE ORDERS	36
PENALTIES OR SANCTIONS	36
PERSONAL BANKRUPTCIES.....	37
CONFLICTS OF INTEREST	37
EXECUTIVE COMPENSATION	37
DIRECTOR AND EXECUTIVE OFFICER COMPENSATION.....	37
EXTERNAL MANAGEMENT COMPANIES	38
INCENTIVE PLAN AWARDS	38
EMPLOYMENT, CONSULTING, AND MANAGEMENT AGREEMENTS	38
TERMINATION AND CHANGE OF CONTROL BENEFITS	38
INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS.....	39
AUDIT COMMITTEE.....	39
CORPORATE GOVERNANCE	39
PLAN OF DISTRIBUTION.....	39
LISTING OF COMMON SHARES	40
RISK FACTORS	40
GENERAL.....	40
INSUFFICIENT CAPITAL	40
NO ESTABLISHED MARKET	41
LIMITED BUSINESS HISTORY	41
HIGH RISK, SPECULATIVE NATURE OF INVESTMENT	41
RESALE OF SHARES	41
LIQUIDITY CONCERNS AND FUTURE FINANCING REQUIREMENTS.....	41
PROPERTY INTERESTS	42
FINANCING RISKS.....	42
NEGATIVE OPERATING CASH FLOW	43
EXPLORATION AND DEVELOPMENT.....	43
ACQUISITION OF ADDITIONAL MINERAL PROPERTIES	43
COMMERCIAL ORE DEPOSITS	43
UNINSURABLE RISKS.....	44
PERMITS AND GOVERNMENT REGULATIONS.....	44
ENVIRONMENTAL AND SAFETY REGULATIONS AND RISKS	44
MINERAL TITLES	44
FIRST NATIONS LAND CLAIMS.....	45
FLUCTUATING MINERAL PRICES AND CURRENCY RISK	45
COMPETITION	45
MANAGEMENT.....	46
TAX ISSUES	46
DILUTION.....	46
PRICE VOLATILITY OF PUBLICLY TRADED SECURITIES	46
CONFLICTS OF INTEREST	46
STRESS IN THE GLOBAL ECONOMY	47
CURRENT GLOBAL FINANCIAL CONDITION	47
PROMOTERS.....	47
LEGAL PROCEEDINGS AND REGULATORY MATTERS.....	47

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS	48
RELATIONSHIP BETWEEN THE COMPANY AND AGENT	48
AUDITORS, TRANSFER AGENT AND REGISTRAR	48
MATERIAL CONTRACTS	48
EXPERTS.....	49
RELATIONSHIP BETWEEN THE COMPANY’S PROFESSIONAL PERSONS AND EXPERTS	49
ELIGIBILITY FOR INVESTMENT	49
OTHER MATERIAL FACTS	50
PURCHASERS’ STATUTORY RIGHT OF WITHDRAWAL AND RESCISSION	50
LIST OF EXEMPTIONS.....	51
FINANCIAL STATEMENTS	51
SCHEDULE “A”	A-1
SCHEDULE “B”	B-1
CERTIFICATE OF THE COMPANY	C-1
CERTIFICATE OF PROMOTER	C-2
CERTIFICATE OF THE AGENT	C-3

GLOSSARY

“Agency Agreement”	means the agency agreement dated [*] between the Agent and the Company relating to the Offering;
“Agent”	means Mackie Research Capital Corporation;
“Agent’s Commission”	means the cash commission equal to 10% of the gross proceeds from the sale of Shares under the Offering payable to the Agent by the Company;
“Agent’s Expenses”	means the Agent’s expenses in connection with the Offering which, pursuant to the Agency Agreement, the Company has agreed to repay to the Agent, including legal fees and disbursements as well as the Agent’s reasonable out-of-pocket expenses;
“Agent’s Warrants”	means the 200,000 common share purchase warrants to be granted to the Agent as partial consideration for its services in connection with the Offering as described under the heading “Plan of Distribution”;
“Agent’s Warrant Shares”	means the Common Shares to be issued to the Agent upon exercise of the Agent’s Warrants;
“Authors”	means D. Cullen, P.Geo., J. Garry Clark, P.Geo. and S. Siemieniuk, P.Geo. of Clark Exploration Consulting, the authors of the Report;
“Closing”	means the closing of the Offering;
“Closing Date”	means such date or dates that the Company and the Agent mutually determine to close the Offering;
“Common Share”	means a common share in the capital of the Company;
“Company” or “Shafer”	means Shafer Resources Corp.;
“Escrow Agreement”	means the escrow agreement to be entered into between the Company, Odyssey Trust Company and various Principals of the Company prior to Closing;
“Exchange”	means the Canadian Securities Exchange;
“Listing Date”	means the date on which the Common Shares of the Company are first listed for trading on the Exchange;
“NSR”	means a net smelter returns royalty;
“Offering”	means the Offering of Shares of the Company as described in this Prospectus;
“Offering Price”	means \$0.10 per Share;

“Option Agreement”	means the property option agreement dated October 10, 2018 between the Vendors and the Company whereby the Company has the option to earn a 100% undivided interest in the Property;
“Principal”	a principal of an issuer is: <ol style="list-style-type: none"> 1. a person or company who acted as a promoter of the Company within two years before the Prospectus; 2. a director or senior officer of the Company or any of its material operating subsidiaries at the time of the Prospectus; 3. a 20% holder – a person or company 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; 4. a 10% holder – a person or company that: <ol style="list-style-type: none"> (a) 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 (b) has elected or appointed, or has the right to elect or appoint, one or more directors or senior officers of the Company or any of its material operating subsidiaries;
“Project NSR”	means the 1.5% NSR on all mineral products produced from the Property pursuant to the Option Agreement;
“Property” or “Dash Lake Project”	means the mineral property which the Company has an option to acquire a 100% undivided interest in, subject only to a 1.5% NSR on all mineral products produced from the Property, pursuant to the Option Agreement, consisting of 44 contiguous unpatented mineral claims covering an area of 815 hectares located approximately 90 kilometres north of the town of Fort Frances and 30 kilometers east of the town of Nestor Falls in northwestern Ontario, Canada;
“Prospectus”	means this prospectus and any appendices, schedules or attachments hereto;
“Report”	means the technical report entitled “Technical Report on the Dash Lake Property Kenora Mining Division Northwestern Ontario” with an effective date of January 21, 2019, and prepared for the Company by the Authors, each an independent consulting geologist providing services in accordance with National Instrument 43-101;
“Securities Commissions”	means the British Columbia Securities Commission and the Alberta Securities Commission;

“Selling Provinces”	means British Columbia and Alberta and any other provinces in which this prospectus has been filed and in which the Shares will be offered for sale;
“Shares”	means the 2,000,000 Shares offered for sale under this Prospectus;
“Stock Option Plan”	means the Company’s stock option plan adopted on February 22, 2019 by the Company’s board of directors and providing for the granting of incentive options to the Company’s directors, officers, employees and consultants;
“Subscriber”	means a person that subscribes for Shares under the Offering; and
“Vendors”	means Perry English, an individual residing in Brandon, Manitoba and 1544230 Ontario Inc., a company incorporated under the laws of Ontario.

GLOSSARY OF TECHNICAL TERMS

Ag	Chemical symbol for silver.
Andesite	A dark, fine-grained, brown or grayish volcanic rock that is intermediate in composition between rhyolite and basalt.
Anomalous	A description of anything statistically out of the ordinary.
Arsenopyrite	Is an iron arsenic sulfide (FeAsS). It is a hard (Mohs 5.5-6) metallic, opaque, steel grey to silver white mineral with a relatively high specific gravity of 6.1. ... Arsenopyrite also can be associated with significant amounts of gold.
Au	Chemical symbol for gold.
Batholith	A very large igneous intrusion extending deep in the earth's crust.
Brittle-ductile	The brittle-ductile transition zone is the strongest part of the Earth's crust.
Calc-alkaline	See Tholeiitic
Chalcopyrite	A sulphide of copper common to most copper mineral deposits.
Chlorite	A member of a group of minerals resembling micas (the tabular crystals of Chlorite cleave into small, thin flakes or scales that are flexible, but not elastic like those of micas); they may also be considered as clay minerals when very fine grained. Chlorites are widely distributed, especially in low-grade Metamorphic rocks, or as alteration products of ferromagnesian minerals.
Clastic	Denoting rocks composed of broken pieces of older rocks.
Diabase	Diabase or dolerite or microgabbro is a mafic, holocrystalline, subvolcanic rock equivalent to volcanic basalt or plutonic gabbro. Diabase dikes and sills are typically shallow intrusive bodies and often exhibit fine grained to aphanitic chilled margins which may contain tachylite (dark mafic glass).
Exhalative	Sedimentary exhalative deposits (SedEx deposits) are ore deposits which are interpreted to have been formed by release of ore-bearing hydrothermal fluids into a water reservoir (usually the ocean), resulting in the precipitation of stratiform ore.
Extrusive	Relating to or denoting rock that has been extruded at the earth's surface as lava or other volcanic deposits.
Feldspar	A common silicate mineral that occurs in all rock types and decomposes to form much of the clay in soil, including kaolinite.
Felsic	Refers to igneous rocks that are relatively rich in elements that form feldspar and quartz. It is contrasted with mafic rocks, which are relatively richer in magnesium and iron.

g/t	Means grams per tonne.
GA	Ga stands for gigaannum – a unit of time equal to 10 ⁹ years, or one billion years. "Ga" is commonly used in scientific disciplines such as cosmology and geology to signify extremely long time periods in the past. For example, the formation of the Earth occurred approximately 4.54 Ga (4.54 billion years) ago.
Gabbro or Metagabbro	Gabbro is a phaneritic (coarse-grained), mafic intrusive igneous rock formed from the slow cooling of magnesium-rich and iron-rich magma into a holocrystalline mass deep beneath the Earth's surface.
Geochemical	Pertaining to various chemical aspects (e.g. concentration, associations of elements) of natural media such as rock, soil and water.
Gneiss or Gneissic	A highly foliated, coarse-grained metamorphic rock consisting of light-colored layers, usually of quartz and feldspar, alternating with dark-colored layers of other minerals, usually hornblende and biotite.
Greenschist	Is a general field petrologic term for metamorphic or altered mafic volcanic rock. A greenstone is sometimes a greenschist but can also be rock types without any schistosity, especially metabasalt (spilite or picrite).
HLEM	Horizontal Loop Electromagnetic system
Igneous Rock	A rock formed by the crystallization of magma or lava.
km	Kilometre.
Lamprophyres or Lamprophyre dykes	Are uncommon, small volume ultrapotassic igneous rocks primarily occurring as dykes, lopoliths, laccoliths, stocks and small intrusions.
Leucoxene	Is a fine granular alteration product of titanium minerals. It varies in color from yellow to brown.
Lithologic	Pertaining to rock.
Mafic	Is an adjective describing a silicate mineral or igneous rock that is rich in magnesium and iron, and is thus a portmanteau of magnesium and ferric. Most mafic minerals are dark in color, and common rock-forming mafic minerals include olivine, pyroxene, amphibole, and biotite.
Magnetite	Is a rock mineral and one of the main iron ores, with the chemical formula Fe ₃ O ₄ . It is one of the oxides of iron, and is ferrimagnetic; it is attracted to a magnet and can be magnetized to become a permanent magnet itself. It is the most magnetic of all the naturally-occurring minerals on Earth.
Metamorphic	Pertaining to the process of metamorphism or to its results.

Metasedimentary Rock	Metasedimentary rock is a type of metamorphic rock. Such a rock was first formed through the deposition and solidification of sediment. Then, the rock was buried underneath subsequent rock and was subjected to high pressures and temperatures, causing the rock to recrystallize.
Metavolcanic	Is a rock first produced by a volcano, either as lava or tephra. Then, the rock was buried underneath subsequent rock and was subjected to high pressures and temperatures, causing the rock to recrystallize.
Mineralization	The presence of minerals of possible economic value – and also the process by which concentration of economic minerals occurs.
Petrography	Is a branch of petrology that focuses on detailed descriptions of rocks.
Porphyry	An Igneous Rock of any composition that contains conspicuous phenocrysts in a fine-grained groundmass.
Ppb	Parts per billion.
Proterozoic	Of or relating to the later of the two divisions of Precambrian time, from approximately 2.5 billion to 570 million years ago, marked by the buildup of oxygen and the appearance of the first multicellular eukaryotic life forms.
Pyrite	An iron sulphide.
Pyrrhotite	A monoclinic and hexagonal mineral (FeS); invariably deficient in iron; variably ferrimagnetic; metallic; bronze yellow with iridescent tarnish; in mafic Igneous Rocks, contact Metamorphic deposits, high-temperature veins, and granite pegmatites.
Quartz-Carbonate vein	Quartz-Carbonate vein gold deposits (also known as mesothermal lode deposits) form along, and are localized to, major regional fault and fracture systems, but are actually located in secondary or tertiary structures.
Quartz	Is a mineral composed of silicon and oxygen atoms in a continuous framework of SiO ₄ silicon–oxygen tetrahedra, with each oxygen being shared between two tetrahedra, giving an overall chemical formula of SiO ₂ . Quartz is the second most abundant mineral in Earth's continental crust, behind feldspar.
Quartz-sericite-pyrite alteration	Phyllic alteration is characterised by the assemblage of quartz + sericite + pyrite, and occurs at high temperatures and moderately acidic (low pH) conditions. ... Tourmaline may appear as radiating aggregate or prismatic crystals between the quartz-sericite assemblage.
Rhyodacite	Is an extrusive volcanic rock intermediate in composition between dacite and rhyolite. It is the extrusive equivalent of granodiorite. Phenocrysts of sodium-rich plagioclase, sanidine, quartz, and biotite or hornblende are

	typically set in an aphanitic to glassy light to intermediate-colored matrix.
Scheelite	Is a calcium tungstate mineral with the chemical formula CaWO_4 . It is an important ore of tungsten (wolfram). Well-formed crystals are sought by collectors and are occasionally fashioned into gemstones when suitably free of flaws.
Schist or Schistosity	A strongly foliated crystalline rock, formed by dynamic metamorphism, that can be readily split into thin flakes or slabs due to the well developed parallelism of more than 50% of the minerals present, particularly those of lamellar or elongate prismatic habit, e.g., mica and hornblende.
Sericitic alteration	Is a process of mineral alteration caused by hydrothermal fluids invading permeable country rock. Plagioclase feldspar within the rock is converted to the mineral sericite (sericite is not a mineral; it is a term that is used to describe any fine-grained white phyllosilicate when a distinction cannot be determined), which is a fine-grained white mica. Sericitic alteration occurs within the phyllic alteration zone.
Stratigraphy or Stratigraphically	Stratigraphy is a branch of geology concerned with the study of rock layers (strata) and layering (stratification). It is primarily used in the study of sedimentary and layered volcanic rocks.
Syenodiorite	A group of plutonic rocks intermediate in composition between syenite and diorite, containing both alkali feldspar (usually orthoclase) and plagioclase feldspar, commonly more of the former; also, any rock in that group.
Synvolcanic	Means formed at the time of volcanic activity.
Tholeiitic	Rocks in the tholeiitic magma series are classified as subalkaline (they contain less sodium than some other basalts) and are distinguished from rocks in the calc-alkaline magma series by the redox state of the magma they crystallized from (tholeiitic magmas are reduced; calc-alkaline magmas are oxidized).
Tonalite or Tonalitic	Is an igneous, plutonic (intrusive) rock, of felsic composition, with phaneritic texture. Feldspar is present as plagioclase (typically oligoclase or andesine) with 10% or less alkali feldspar.
Tourmaline	Is a crystalline boron silicate mineral compounded with elements such as aluminium, iron, magnesium, sodium, lithium, or potassium. Tourmaline is classified as a semi-precious stone and the gemstone comes in a wide variety of colors.
Trondhjemite	Is a leucocratic (light-colored) intrusive igneous rock. It is a variety of tonalite in which the plagioclase is mostly in the form of oligoclase.
UTM	The <i>Universal Transverse Mercator (UTM)</i> conformal projection uses a 2-dimensional Cartesian coordinate system to give locations on the surface of the Earth.

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 The Company is engaged in the business, pursuant to the Option Agreement, of exploration of mineral properties in Canada. The Company holds an option to acquire a 100% undivided interest from the Vendors, subject only to a 1.5% NSR on all mineral products produced from the Property, in the Dash Lake Project described herein. The Company's objective is to explore and develop the Dash Lake Project. See "Narrative Description of the Business".

The Property The Dash Lake Project consists of 44 contiguous unpatented mineral claims covering an area of 815 hectares located approximately 90 kilometres north of the town of Fort Frances and 30 kilometers east of the town of Nestor Falls in northwestern Ontario, Canada.

The Offering The Company is offering 2,000,000 Shares for sale in the Selling Provinces, at the Offering Price of \$0.10 per Share. See "Plan of Distribution".

Use of Proceeds The Company will receive aggregate net proceeds of \$97,000 from the sale of Shares pursuant to this Prospectus after deducting the Agent's Commission and the estimated expenses for this Offering of \$83,000. These funds will be combined with the Company's existing working capital balance of approximately \$130,040 as at December 31, 2018, for total available funds of \$227,040 which will be used by the Company as follows:

Principal Purpose	Funds to be Used ⁽¹⁾
To complete a portion of the recommended exploration program on the Dash Lake Project for 12 months ⁽²⁾	\$127,200
To provide funding sufficient to meet administrative costs for 12 months ⁽³⁾	\$55,900
To supplement working capital	\$43,940
Total:	\$227,040

Notes:

1. See table in proceeding section under heading "Recommendations" for a summary of the work to be undertaken, a breakdown of the estimated costs, and the nature of title to or the Company's interest in the Property.
2. See "Use of Proceeds". The Company intends to spend the funds available to it as stated in this Prospectus. There may be circumstances, however, where for sound business reasons a reallocation of funds may be necessary.
3. See "Use of Proceeds".

The Company had negative cash flow from operations during the period from incorporation on September 28, 2018 to December 31, 2018.

Risk Factors

An investment in the Shares should be considered highly speculative and investors may incur a loss on their investment. The Company has no history of earnings and to date has not defined any commercial quantities of mineral reserves on the Property. The Company has negative operating cash flow. After completion of the Offering, the Company may require additional financing in order to fund its ongoing exploration program on the Property and there is no assurance that such financing will be obtained. While the Company has followed standard industry accepted due diligence procedures to ensure that the Vendors have valid title to the Property, there is no guarantee that the Company's 100% interest, once earned, will be certain or that it cannot be challenged by claims from aboriginal or indigenous titles, or unknown third parties claiming an interest in the Property. The Company and its assets may also become subject to uninsurable risks. The Company's activities may require permits or licenses which may not be granted to the Company. The Company competes with other companies with greater financial resources and technical facilities. The Company may be affected by political, economic, environmental and regulatory risks beyond its control. The Company is currently largely dependent on the performance of its directors and officers and there is no assurance the Company can retain their services. There is currently no market through which the Company's securities may be sold and purchasers may not be able to resell Shares purchased under this Prospectus. In recent years both metal prices and publicly traded securities prices have fluctuated widely. The Property is in the exploration stage only and is without a known body of ore. Some of the directors and officers of the Company are engaged and will continue to be engaged in the search of additional business opportunities on behalf of other corporations and situations may arise where these directors and officers are in direct competition with the Company. The Offering Price of Shares under this Offering significantly exceeds the net tangible book value per Common Share and, accordingly, investors will suffer an immediate and substantial dilution of their investment. See the section entitled "Risk Factors" for details of these and other risks relating to the Company's business.

Summary of Financial Information

The following selected financial information is subject to the detailed information contained in the audited financial statements of the Company and notes thereto appearing elsewhere in the Prospectus and should be read in conjunction with the audited financial statements and related notes.

	For the period from incorporation on September 28, 2018 to December 31, 2018 <u>Audited</u>
Revenues	Nil
Loss for the Period	\$16,365
Total Assets	\$267,360
Total Liabilities	\$72,125

Shareholder's Equity	\$195,235
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See "Selected Financial Information and Management's Discussion and Analysis".

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

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

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

- The Company's intention to complete a listing of the Shares on the Exchange;
- Proposed expenditures for exploration work, and general and administrative expenses (see: "Narrative Description of the Business – Recommendations" and "Use of Proceeds" for further details);
- Expectations generally regarding completion of this Offering and the ability to raise further capital for corporate purposes; and
- Treatment under applicable governmental regimes for permitting and approvals (see: "Risk Factors").

Such forward-looking statements are based on a number of material factors and assumptions, including, but not limited in any manner, those disclosed in any other of the Company's public filings, and include the ultimate determination of mineral reserves, if any, the availability and final receipt of required approvals, licenses and permits, sufficient working capital to develop and operate any proposed mine, access to adequate services and supplies, economic conditions, commodity prices, foreign currency exchange rates, interest rates, access to capital and debt markets and associated costs of funds, availability of a qualified work force, and the ultimate ability to mine, process and sell mineral products on economically favourable terms. While the Company considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect. Actual results may vary from such forward-looking information for a variety of reasons, including but not limited to risks and uncertainties disclosed in this Prospectus. See "Risk Factors". The Company has no specific policies or procedures for updating forward-looking information. Forward-looking statements are based upon management's beliefs, estimates and opinions on the date the statements are made and, other than as required by law, the Company does not intend, and undertakes no

obligation to update any forward-looking information to reflect, among other things, new information or future events.

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

CORPORATE STRUCTURE

NAME AND INCORPORATION

The Company was incorporated under the *Business Corporations Act* (British Columbia) on September 28, 2018 under the name Shafer Resources Corp. The Company's registered and records office is located at Suite 2200 – 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8. The Company's head office is located at 1600-609 Granville Street, PO Box 10068 Pacific Centre Vancouver, BC V7Y 1C3. The Company is engaged in the exploration of mineral properties in Canada. See "Narrative Description of the Business".

INTERCORPORATE RELATIONSHIPS

The Company has no subsidiaries.

GENERAL DEVELOPMENT OF THE BUSINESS

The principal business carried on and intended to be carried on by the Company is the exploration of mineral resources on the Company's principal Property, for which the Company has an option to acquire an undivided 100% right, title and interest pursuant to the Option Agreement, being the Dash Lake Project, which is in the exploration stage.

COMPETITIVE CONDITIONS

The mineral exploration and development industry is competitive. The Company competes with numerous other companies and individuals in the search for and the acquisition of attractive mineral properties within the Dash Lake Project area as well as elsewhere. The success of the Company will depend not only on its ability to operate and develop its properties but also on its ability to select and acquire suitable properties or prospects for development or mineral exploration.

HISTORY

On October 10, 2018, the Company entered into the Option Agreement whereby the Company was granted an option to acquire from the Vendors an undivided 100% right, title and interest in and to 44 contiguous unpatented mineral claims covering a total area of 815 hectares comprising the Dash Lake Project, subject only to a 1.5% NSR on all mineral products produced from the Property (previously defined as the "**Project NSR**").

To fund its exploration activities and to provide working capital, the Company has relied on the sale of Common Shares from treasury. Since incorporation, the Company has raised \$215,000 privately through the sale of its Common Shares (see "Prior Sales"). The Company intends to raise additional funding under the Offering to carry out additional exploration of the Dash Lake Project as set out in the section entitled "Use of Proceeds".

THE OPTION AGREEMENT

Pursuant to the Option Agreement, the Vendors granted the Company an option to acquire a 100% interest in the Dash Lake Project. The Dash Lake Property is located approximately 90 kilometres north of the town of Fort Frances and 30 kilometers east of the town of Nestor Falls in northwestern Ontario, Canada. In order to earn its interest in the Property, the Company is required to complete the following cash payments, share issuances and exploration expenditures:

Date for Completion	Cash Payment	Number of Common Shares to be Issued	Minimum Exploration Expenditures to be Incurred
Upon execution of the Option Agreement	\$6,000 (Paid)	100,000 (Issued)	Nil
Within 10 days of completion of the minimum in Exploration Expenditures	Nil	100,000 (Issued)	75,000 (Completed)
Within 10 days of delivery of a National Instrument 43-101 report on the Property that meets the requirements to list on the Exchange	Nil	200,000 (Issued)	Nil
After listing on the Exchange, upon the earlier of completion of an initial Phase 1 work program of not less than \$100,000, or the date which is twelve months from listing on the Exchange, the Company must, within 90 days, decide whether or not to issue a final 100,000 Common Shares for 100% right, title and interest in the Property	Nil	100,000	Nil
Total	\$6,000	500,000	\$75,000

The nature of the right granted to the Company pursuant to the Option Agreement grants the Company an option only. The Company is, therefore, not obligated to meet any of the above option obligations in the event that it chooses to terminate the Option Agreement and abandon the Dash Lake Project for any reason. The Company may terminate the Option Agreement at any time on written notice to the Vendors, at which time the Company will have foregone any payment(s) made to the Vendors up to such time.

Pursuant to the Option Agreement, the Company or its designate shall act as the operator with respect to all exploration work to be carried out on the Property during the term of the Option Agreement. Upon completion by the Company of all of its obligations

under the Option Agreement, it will have earned a 100% undivided interest in the Dash Lake Project, subject only to the Project NSR.

The Option Agreement also provides that the Project NSR of 1.5% is payable to the Vendors, or Abitibi Royalties Inc. and 10782343 Canada Ltd., a company wholly owned by Tripleflag Mining Finance Ltd., as applicable pursuant to the Option Agreement, on all mineral products produced from the Property. The Company and its principals are at arm's length to the Vendors and the above-mentioned companies,

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

THE DASH LAKE PROJECT

The following represents information summarized from the Report prepared pursuant to the provisions of National Instrument 43-101 *Standard of Disclosure for Mineral Properties* by the Authors, D. Cullen, P.Geo., J. Garry Clark, P.Geo. and S. Siemieniuk, P.Geo., each an independent consulting geologist. A complete copy of the Report is available for review, in color, on the System for Electronic Document Analysis and retrieval (SEDAR) located at the following website: www.sedar.com. Alternatively, the Report may be inspected during normal business hours at the Company's business offices at 1600-609 Granville Street, Vancouver, BC V7Y 1C3.

PROPERTY DESCRIPTION AND LOCATION

The Property is located in the Brooks Lake and Dash Lake Areas of the Kenora Mining Division in northwestern Ontario, approximately 90 kilometres north of the town of Fort Frances, Ontario and 30 kilometres east of the town of Nestor Falls, Ontario. The UTM co-ordinates for the approximate centre of the claim block are 458900 Easting, 5440000 Northing (NAD 83, UTM Zone 15). The Property has annual work requirements of \$15,600.00.

On April 10, 2018, Ontario converted their manual system of ground and paper staking, and maintaining unpatented mining claims to an online system. All active, unpatented claims were converted from their legally defined location by claim posts on the ground or by township survey to a cell-based provincial grid. Mining claims are now legally defined by their cell position on the grid and coordinate location in the MLAS (Mining Land Administration System) map viewer.

The Property consists of 44 contiguous unpatented mining claims. The Property consists of 10 boundary cell mining claims and 34 single cell mining claims encompassing a total area of approximately 815 hectares (8.15 square kilometres). The claims are listed in Table 1, and are shown in Figure 2.

The claims are held 100% by Perry English, and under the terms of an option agreement with Perry English (and his wholly-owned numbered company, 1544230 Ontario Inc.), Shafer can earn a 100% interest in the Property by making a payment of \$6,000 cash, issuing 500,000 Common Shares of the Company, and incurring a minimum of \$75,000 in exploration expenditures, as follows:

1. upon signing of the Agreement, pay \$6,000 (which has been paid) and issue 100,000 shares (which has been issued);

2. within ten days of completion of the minimum of \$75,000 in Exploration Expenditures (which has been incurred and completed), issue 100,000 shares (which has been issued);
3. within 10 days of delivery of a National Instrument 43-101 report on the Property that meets the requirements to list on the Exchange, issue 200,000 shares (which has been issued); and
4. after listing on the Exchange, upon the earlier of completion of an initial Phase 1 work program of not less than \$100,000, or the date which is twelve months from listing on the Exchange, Shafer will have 90 days to decide whether or not to issue a final 100,000 shares for 100% right, title and interest in the Property.

Perry English retains a 1.5% NSR on 15 of the claims, and Abitibi Royalties Inc. and 10782343 Canada Ltd., a company wholly owned by Tripleflag Mining Finance Ltd., each hold a 0.75% NSR on the remaining 29 claims.

The Ontario Mining Act requires Exploration Permit or Plans for exploration on Crown Lands. The permit and plans are obtained from the Ministry of Energy, Northern Development and Mines (“**MENDM**”). The processing periods are 50 days for a permit and 30 days for a plan while the documents are reviewed and presented to the Aboriginal communities whose traditional lands will be impacted by the work. The Authors recommend that the Company discuss the recommended exploration with the MENDM to determine the plan and/or permit required as well as the Aboriginal communities to consult.

The government of Ontario requires expenditures of \$400 per year per cell for staked claims, prior to expiry, to keep the claims in good standing for the following year. Boundary claims (i.e. claims where the new cell was covered by more than one owner) require expenditures of \$200 per year. The report must be submitted by the expiry date.

No mineral resources, reserves or mine existing prior to the mineralization described in this Prospectus are known by the authors to occur on the Property.

It should be noted that while some of these claims have an anniversary date of November 25th, 2018, the necessary work has been filed with the MENDM to keep these claims in good standing, and the claims are still active with the work report pending.

Table 1. Dash Lake Property Claims

Claim Number	Claim Type	Township/Area	Anniversary Date	Work Required
111285	Boundary Cell Mining Claim	Brooks Lake Area	11/25/2018	\$ 200
111286	Boundary Cell Mining Claim	Brooks Lake Area	11/25/2018	\$ 200
271351	Boundary Cell Mining Claim	Dash Lake Area	11/25/2018	\$ 200
331285	Boundary Cell Mining Claim	Brooks Lake Area	11/25/2018	\$ 200
112561	Boundary Cell Mining Claim	Dash Lake Area	5/26/2019	\$ 200
158018	Boundary Cell Mining Claim	Dash Lake Area	5/26/2019	\$ 200

Claim Number	Claim Type	Township/Area	Anniversary Date	Work Required
158019	Boundary Cell Mining Claim	Dash Lake Area	5/26/2019	\$ 200
238585	Boundary Cell Mining Claim	Brooks Lake Area	5/26/2019	\$ 200
271350	Boundary Cell Mining Claim	Brooks Lake Area	5/26/2019	\$ 200
331286	Boundary Cell Mining Claim	Dash Lake Area	5/26/2019	\$ 200
103194	Single Cell Mining Claim	Dash Lake Area	11/25/2018	\$ 400
111287	Single Cell Mining Claim	Dash Lake Area	11/25/2018	\$ 400
172302	Single Cell Mining Claim	Dash Lake Area	11/25/2018	\$ 400
174553	Single Cell Mining Claim	Dash Lake Area	11/25/2018	\$ 400
174554	Single Cell Mining Claim	Dash Lake Area	11/25/2018	\$ 400
173860	Single Cell Mining Claim	Dash Lake Area	11/25/2018	\$ 400
190575	Single Cell Mining Claim	Dash Lake Area	11/25/2018	\$ 400
190576	Single Cell Mining Claim	Dash Lake Area	11/25/2018	\$ 400
220359	Single Cell Mining Claim	Dash Lake Area	11/25/2018	\$ 400
252576	Single Cell Mining Claim	Dash Lake Area	11/25/2018	\$ 400
267559	Single Cell Mining Claim	Dash Lake Area	11/25/2018	\$ 400
276215	Single Cell Mining Claim	Dash Lake Area	11/25/2018	\$ 400
324293	Single Cell Mining Claim	Dash Lake Area	11/25/2018	\$ 400
336144	Single Cell Mining Claim	Dash Lake Area	11/25/2018	\$ 400
103306	Single Cell Mining Claim	Dash Lake Area	5/26/2019	\$ 400
112562	Single Cell Mining Claim	Dash Lake Area	5/26/2019	\$ 400
112563	Single Cell Mining Claim	Dash Lake Area	5/26/2019	\$ 400
118389	Single Cell Mining Claim	Dash Lake Area	5/26/2019	\$ 400
137777	Single Cell Mining Claim	Dash Lake Area	5/26/2019	\$ 400
155008	Single Cell Mining Claim	Dash Lake Area	5/26/2019	\$ 400
158020	Single Cell Mining Claim	Dash Lake Area	5/26/2019	\$ 400
171036	Single Cell Mining Claim	Dash Lake Area	5/26/2019	\$ 400
171966	Single Cell Mining Claim	Dash Lake Area	5/26/2019	\$ 400
202658	Single Cell Mining Claim	Dash Lake Area	5/26/2019	\$ 400
210687	Single Cell Mining Claim	Dash Lake Area	5/26/2019	\$ 400

Claim Number	Claim Type	Township/Area	Anniversary Date	Work Required
264630	Single Cell Mining Claim	Dash Lake Area	5/26/2019	\$ 400
264631	Single Cell Mining Claim	Dash Lake Area	5/26/2019	\$ 400
267556	Single Cell Mining Claim	Dash Lake Area	5/26/2019	\$ 400
267557	Single Cell Mining Claim	Dash Lake Area	5/26/2019	\$ 400
267558	Single Cell Mining Claim	Dash Lake Area	5/26/2019	\$ 400
295034	Single Cell Mining Claim	Dash Lake Area	5/26/2019	\$ 400
313264	Single Cell Mining Claim	Dash Lake Area	5/26/2019	\$ 400
335454	Single Cell Mining Claim	Dash Lake Area	5/26/2019	\$ 400
331536	Single Cell Mining Claim	Dash Lake Area	5/26/2019	\$ 400
Total				\$15600

ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

Access to the Property is east from Nestor Falls on the Airport Rd. to the Pipestone - Tri Lake Rd., and east on the Pipestone - Tri Lake Rd. for about 17 km to the Derby Rd., and east for about 13 km to the Phinney Rd., which crosses onto the Property in the northwest corner. The Pipestone – Tri Lake Road requires a permit from the Ministry of Natural Resources from January 1st to September 30th.

The Property consists of topography characterized by small hills surrounded by narrow incised valleys that appear to align with both structural features of the underlying bedrock and glacial direction. Small wetland areas occupy topographic depressions. Tree cover consists of white and jack pine, birch, spruce and balsam on elevated topography, and cedar, spruce, birch and tamarack in swampy lowlands. Overburden is comprised of boulder laden glacial till and outwash deposits, with muskeg and organic deposits in low-lying areas. Poorly exposed outcrop is estimated to make up no more than 10% of the total area.

The area exhibits a northern boreal climate, with short, warm summers and cold winters with moderate snowfall. Freezing temperatures can be expected from late October through mid-May. Ground access to the property might be hampered in spring by wet and slippery conditions along roads and trails.

The closest community is Nestor Falls, Ontario, with a population of approximately 550. Nestor Falls is located approximately 28 km west of the Property on Highway 71. Nestor Falls is a forestry and tourism oriented community and could be a source of some exploration and mining equipment, supplies and personnel.

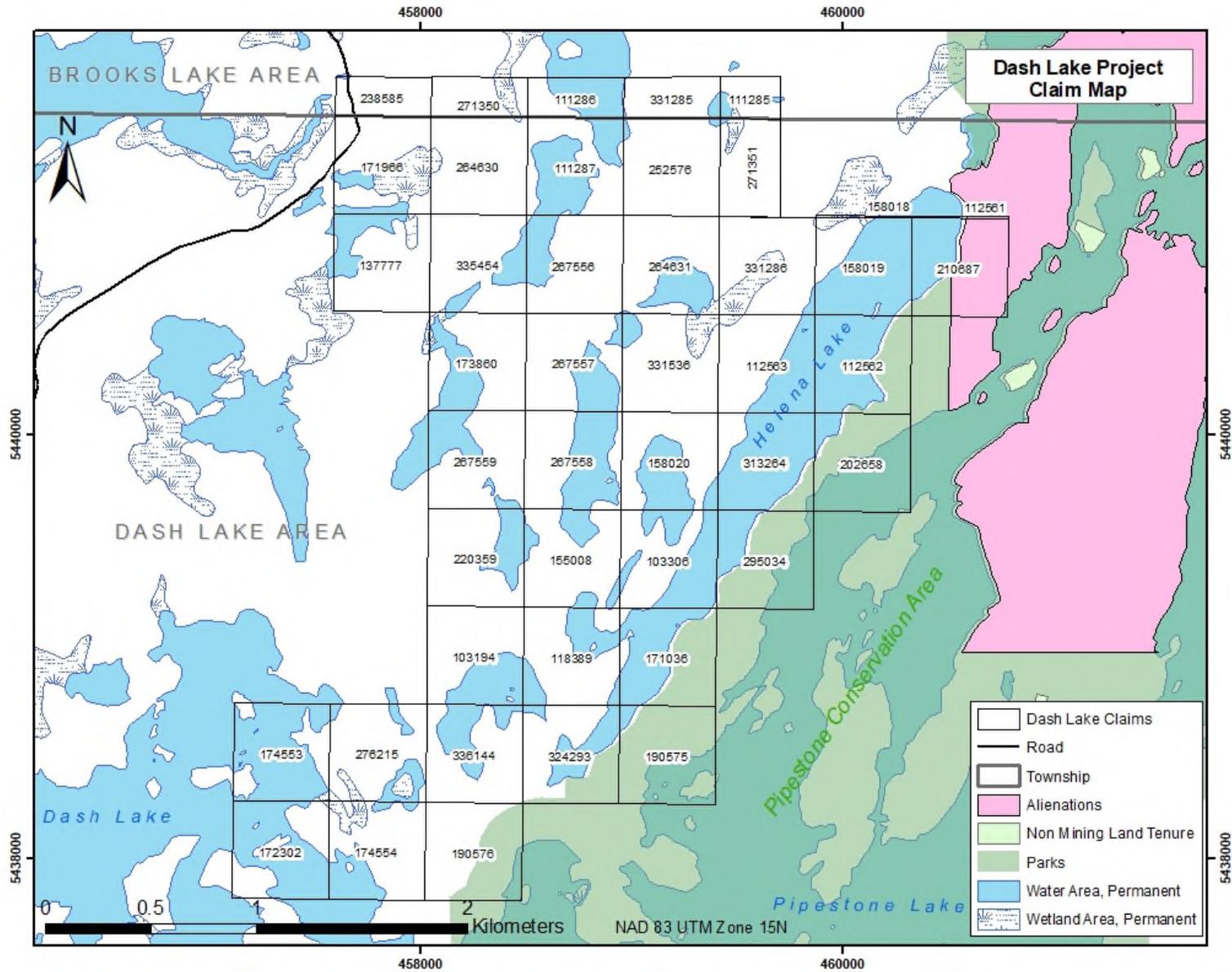
The area is serviced by Highway 71 extending south to Fort Frances on Highway 11 (a distance of approximately 90 km), and north to Highway 17 just east of Kenora (a distance of 120 km). Rail transportation is available via the Canadian National and Canadian Pacific Railways – both lines pass approximately equidistant to the Property

along Highways 11 and 17. Several small lakes, ponds and streams on the claim group could supply limited quantities of water. Electrical power is available along Highway 71.

Figure 1. Property Location



Figure 2. Dash Lake Property Claims



HISTORY

- 1959: Lun-Echo Gold Mines Ltd. drilled two drill holes in the area of the Lun-Echo Showing (Figure 4) in order to check below two trenches that returned erratic gold values up to 30.79 oz. Au/ton in quartz stringers within a zone of weak to moderate schistosity (Thorpe 1987). The holes were drilled at -45 degrees for 415 ft., and -65 degrees for 204 ft, with the best assay being 0.04 oz. Au/ton over 15 ft.
- 1984: Southwind Resources Explorations Ltd. conducted ground magnetic and VLF-EM surveys on their property which covered the north-central and eastern portion of the current Property. Nine VLF-EM conductors were identified, with three of them recommended as initial drill targets. These claims were subsequently restaked under a joint venture between McChip Resources Inc. and Jascan Resources Inc. (see below).
- 1986: A joint venture between McChip Resources Inc. and Jascan Resources Inc. drilled four holes on their property which covered much of the northern part of the Property. Two of the holes were drilled west of the main gold showings to test an area of felsic volcanic with sulphides and an associated VLF conductor, and the other two holes were drilled in the area of the McChip Showing to test for the possible extension of that showing. The best assay returned from the program was 0.079 oz. Au/ton over 1.0 ft. from a 4 inch quartz-carbonate vein with 5% pyrite; no further work was recommended on the known mineralized zones (Thorpe 1987).
- 1988 – 1990: Freewest Resources Inc. acquired a property on the west side of Helena Lake (covering roughly the eastern half of the Property) after obtaining assays of 3.0 oz./ton Au over 4.1 ft. from trench 4 and 1.25 oz./ton Au over 1.0 ft. from trench 1 (which was at line 0+00 of Freewest's grid) in the area of Hook Bay (Van Ingen 1990). Freewest conducted a magnetometer and VLF-EM survey during the winter in early 1989, followed by an IP survey the following summer. In early 1990 Freewest conducted a diamond drilling program consisting of 1463 metres in 13 holes, with ten of the holes testing the Hook Bay Prospect, two holes stepping out to the south of the Hook Bay Prospect to test the host fault zone, and one hole to the west of this area to test VLF-EM and IP anomalies in felsic volcanics.
- Van Ingen (1990) reported that several gold zones were intersected in the drilling, and that lateral continuity of the relatively high gold values was not established between drill sections which were at 50 m intervals. Stratigraphically highest and seen only in hole H90-5 is the arsenopyrite-quartz "Vein Zone" with an assay of 15.9 g Au/T over 0.65 m. The surface showings coincide with the upper zone in core in which the best assay was 3.0 g Au/T over 1.3 m, also in hole H90-5. The lower zone corresponds with a linear swamp on surface, with relatively high grades obtained from hole H90-6 on section 1+00S (31.1 g Au/T over 1.35 m) and H90-10 on section 2+00S (18.0 g Au/T over 1.0 m). The lower zone is open to at least section 3+00S and at depth, but on section 1+00S only geochemically anomalous values of Au were obtained in H90-13, which was drilled under H90-06 (Van Ingen 1990).
- The Hook Bay Prospect and drill intersections appear to be on the same structure as the McChip and Lun-Echo showings to the north (Van Ingen 1990).
- 1993 – 1996: Phelps-Dodge Corporation of Canada Ltd. held a property that covered the central to northwest portion of the Property as well as ground further west, and was considered prospective for base metal massive sulphide mineralization. Phelps-Dodge conducted a

259 km airborne DIGHEM^V electromagnetic, magnetic and VLF survey, followed by 32.6 km of a ground magnetic survey and 28.6 km of Max Min II electromagnetic survey.

Phelps-Dodge subsequently drilled three diamond drill holes, with two of them occurring on Shafer's Property just south of the north boundary. The holes were drilled to test an HLEM anomaly and intersected 60 metres of massive to semi-massive pyrite with associated graphite, hosted by variably altered intermediate to felsic volcanic rock. Although it was reported that no anomalous gold values were obtained, the wide sulphide interval intersected suggests that a volcanogenic hydrothermal system was active in the vicinity, and further work was recommended (Johnson 1996).

1995 – 2005: Throughout this period Michael Chute conducted a number of exploration programs consisting of reconnaissance prospecting, systematic prospecting and geological mapping on claims on the east side of Dash Lake and also covering the ground immediately east and north of the lake. Chute's work tended to focus on whole rock, trace element and rare earth element analysis, as well as assay and thin section petrographic analysis.

Chute reported that "Gold mineralization associated with quartz-sericite-pyrite alteration within the East Dash Lake rhyodacites and adjacent rocks is widespread over large continuous areas of the two larger peninsulas along the southern claim boundary of claim 161626, the eastern shore of the lake and the island at the mouth of the bay which leads to Pipestone Lake. Anomalous gold values are associated with the pyritic alteration zones. Gold values from 156 samples of the Dash Lake felsic suite range from <1 to 1990 ppb and average 46 ppb." (Chute 2005).

2011: Soldi Ventures Inc. conducted a prospecting and sampling program on a large property that covered the west and southwest corner of the Property. Most of the work that was done on the Property was done around the eastern end of Dash Lake in the southwest corner, including the islands within the lake and the surrounding shorelines. Bowdidge (2011) reported that the highlight of the program was the recognition of the high background gold content of the Dash Lake Stock, which he states has many characteristics that make it favourable for gold mineralization. Bowdidge reports that the area is underlain by a distinctive quartz-phyric phase of the trondhjemite intrusive with sericite alteration and widespread disseminated pyrite, and that "most of the gold contents of samples in this area are anomalous, with values up to 0.844 g/t Au".

GEOLOGICAL SETTING AND MINERALIZATION

Regional Geology

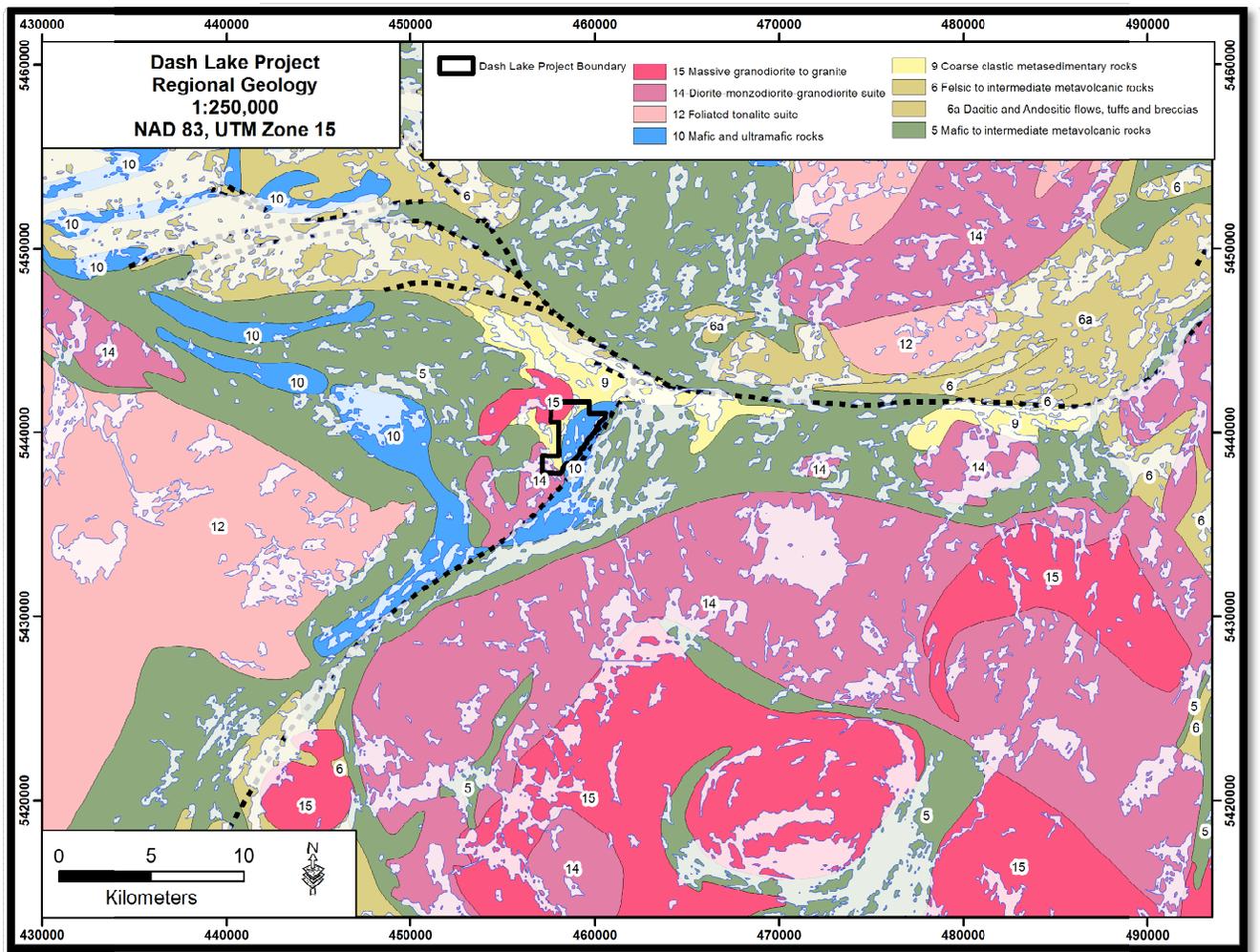
The Property is located at the western end of the Late Archaean Savant Lake-Crow Lake Belt in the Western Wabigoon Subprovince of the Superior Province in northwestern Ontario. The Wabigoon Subprovince is a 900 km long, east-west trending, composite volcanic and plutonic terrane comprising distinct eastern and western domains separated by rocks of Mesoarchean age. Rocks of the Western Wabigoon Subprovince separate gneissic terranes of the Quetico Subprovince to the south and greenstones of the English River Subprovince to the north.

The Western Wabigoon Subprovince is dominated by mafic volcanic rocks that mostly range in composition from tholeiitic to calc-alkaline, with large tonalitic plutonic intrusions. The volcanic rocks were largely deposited between about 2.74 and 2.72 Ga and are interpreted to represent oceanic crust (tholeiites) and volcanic arcs (calc-alkaline rocks) and are overlain by volcano-

sedimentary sequences deposited at about 2.71 to 2.70 Ga. These rocks are locally overlain unconformably by coarse clastic sedimentary rocks but these do not have a widespread distribution, most likely due to erosion.

Edwards (1980) states that the rocks in the area of the Property comprise a sequence of mafic and lesser felsic metavolcanic rocks, and complexly interbedded clastic and chemical metasedimentary rocks which are folded into a broad northeast-trending anticline. The Phinney-Dash Lake complex, a synvolcanic quartz-feldspar porphyry intrusion and related extrusive and exhalative rocks, occupies the axial zone of the northeastern portion of this anticline and fed the felsic volcanism that immediately overlies it to the east and south. Metamorphic grade in the area is middle greenschist facies.

Figure 3. Regional Geology



Property Geology

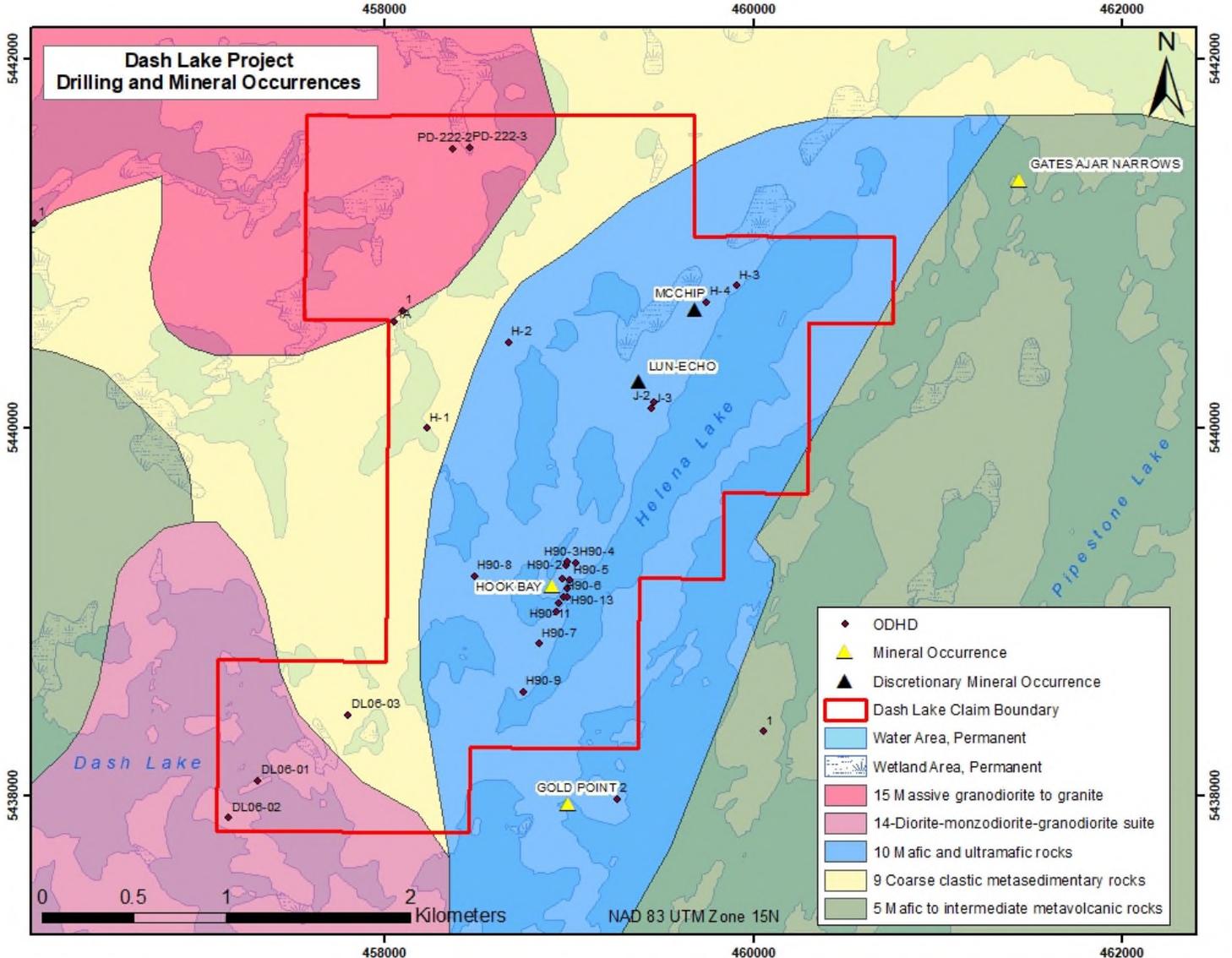
The following discussion of the Property geology is based on Van Ingen (1990).

The main geological feature of the Property is the faulted contact zone between felsic volcanic to the west and younger mafic volcanic to the east. The nature of this contact is obscure because the fault zone is poorly exposed and because it is occupied by thick, sill-like mafic intrusive that resemble mafic volcanic in part. The mafic intrusives usually contain quartz, magnetite and leucoxene. Elsewhere in the Pipestone Lake area and possibly on the Property as well, there are ultramafic intrusive and lamprophyre dykes. Several felsic dykes have been mapped on the Property and are presumed to be offshoots of the felsic stocks at Dash Lake and Phinney Lake.

The whole assemblage was folded and intruded syntectonically during the Archean, first by the trondhjemite batholiths to the west, and then by the syenodiorite batholiths to the south. A diabase dyke of Proterozoic age extends across the area.

While most of the faulting in the area was probably related to the emplacement of the felsic stocks and batholiths in two main stages, there were presumably earlier faults such as those that controlled the emplacement of the felsic volcanic and mafic intrusives. Reactivation of some faults occurred after the diabase dykes were intruded.

Figure 4. Property Geology



Mineralization

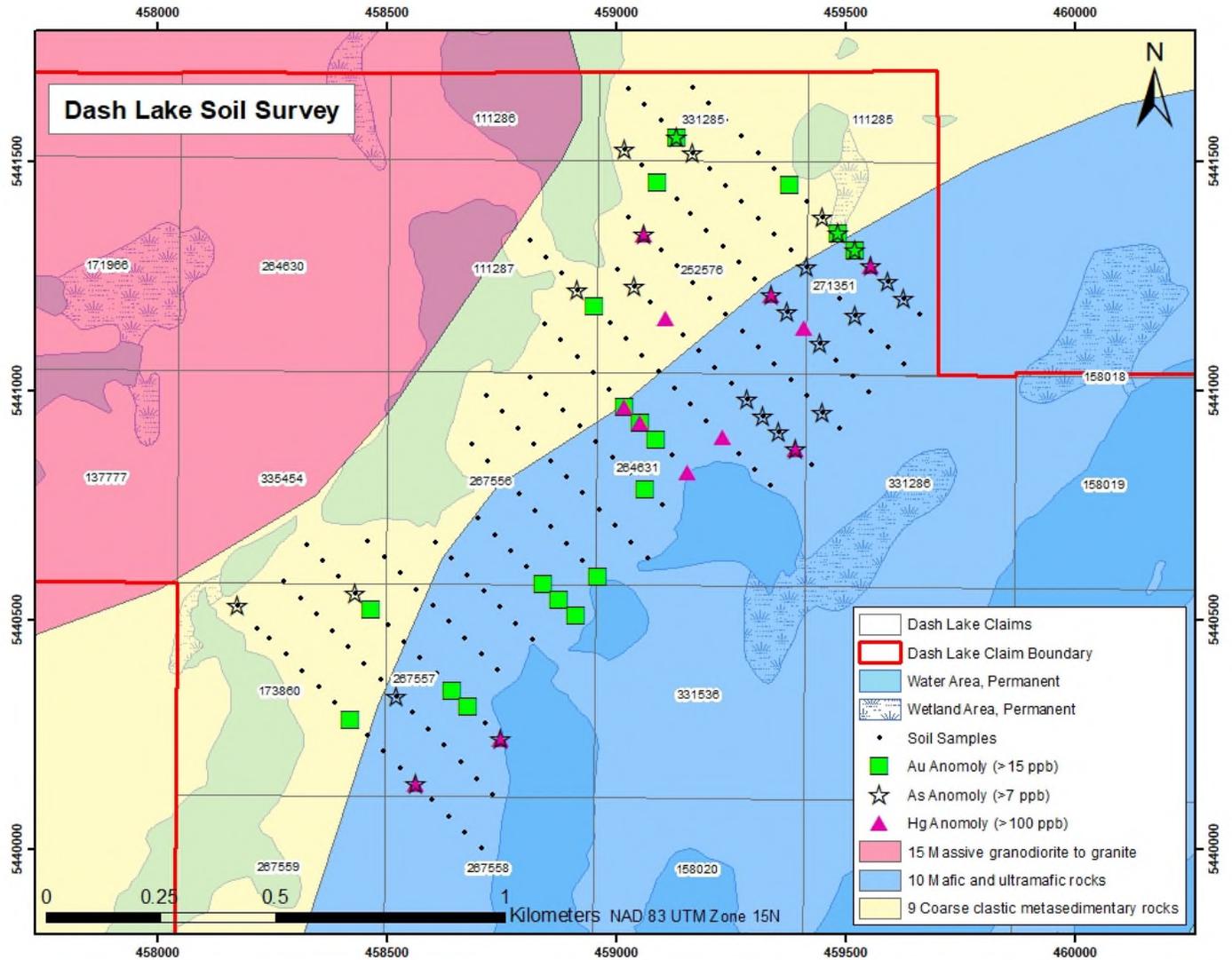
Gold deposits in the region occur in carbonate +/- sericite-altered shear zones and are spatially related to felsic dykes. The Helena Lake fault zone which passes through the Property is presumed to be a splay off the Pipestone – Cameron Lake Fault Zone with which many gold prospects are associated.

In the Helena Lake area, gold mineralization is usually associated with disseminated pyrite, and rarely with arsenopyrite (e.g. McChip). Quartz stringers are reported on the Lun-Echo Prospect (Van Ingen 1990).

Observations on the attitudes of the two main foliations of the Hook Bay showings by M. Atkins (1988) suggested that the gold mineralization might be localized in shoots within sheared andesite trending 360° azimuth and dipping up to 65° east in a broad shear zone trending 020° azimuth with vertical dips. As the intersection of these foliations plunges steeply northwards, the

initial drilling by Freewest was targeted to intersect the surface showings at depth, dipping steeply eastwards and plunging steeply northwards. However, the results indicate that the mineralized zones have only moderate dips to the east, apparently conformable with a footwall metagabbro “sill” which trends 020° azimuth (Van Ingen 1990).

Figure 5. Dash Lake Soil Survey



DEPOSIT TYPES

The deposit type being targeted by the Company on the Property is the “greenstone-hosted quartz-carbonate vein deposit” as defined by Robert et. al. (1997).

Deposits of this group, typified by the Mother Lode and Grass Valley and including many important Precambrian examples, consist of quartz-carbonate veins in moderately to steeply dipping brittle-ductile shear zones and locally in related shallow-dipping extensional fractures. They are commonly distributed along major fault zones in deformed greenstone terranes of all ages. Veins have strike- and dip-lengths of 100 to 1000 m either singly or, more typically, in complex vein networks. They are hosted by a wide variety of lithologies but there are district specific lithologic associations.

The veins are dominated by quartz and carbonate, with lesser amounts of chlorite, scheelite, tourmaline and native gold; pyrite, chalcopyrite and pyrrhotite comprise less than 10 vol.% of the veins. The ores are gold-rich (Au:Ag = 5:1 to 10:1) and have elevated concentrations of As, W, B, and Mo, with very low base metal concentrations. Despite their significant vertical extent (commonly > 1 km), the deposits lack any clear vertical mineral zoning. Wallrock alteration haloes are zoned and consist of carbonatization, sericitization and pyritization. Halo dimensions vary with the composition of the host lithologies and may envelope entire deposits in mafic and ultramafic rocks.

EXPLORATION

In the fall of 2018, the Company performed an initial exploration program on the Property consisting of a soil geochemical survey and prospecting.

The prospecting/mapping program was carried out by S. Siemieniuk (one of the Authors of the Report) from October 22nd to the 28th, and attempted to locate the known mineral occurrences along the west side of Helena Lake; unfortunately the trenches could not be located and sampled during this work, and therefore no samples were retrieved. It should be noted that there was no record found regarding when these trenches were excavated, and it was reported that they were already present at the Lun-Echo Showing when Lun-Echo drilled in 1959 (Lun-Echo 1960 and Thorpe 1987). This work also constitutes the Property visit by a Qualified Person for the purposes of the Report.

The soil geochemistry survey was conducted from October 17th to November 2nd, and consisted of taking B-horizon soil samples over a grid that was laid out to cover the interpreted contact between the mafic and ultramafic rocks to the east and the metasediments to the west. The samples were analysed by AGAT Labs in Thunder Bay, using analytical procedure (201-074) Aqua Regia Digest - Metals Package, ICP/ICP-MS finish. A total of 197 samples were retrieved, with gold assay results ranging from <5 ppb to 146 ppb. The results are plotted in Figure 5, with anomalous values highlighted for gold (>15 ppb), arsenic (>7 ppb) and mercury (>100 ppb).

DRILLING

The Company has not yet performed any drilling of its own. For a summary of previous drilling on the Property, see "The Project - History".

SAMPLE PREPARATION, ANALYSIS AND SECURITY

For the soil geochemistry survey, sample locations were determined by GPS waypoints entered into the samplers GPS before each day in the field. Samples were laid out to be taken at roughly 25 metre intervals where possible, on lines of 100 metre spacing. The target horizon was a medium to light brown layer of soil referred to as the upper B horizon. The target soil was not always obtainable due to thick swamps where A0 and A1 soil dominated and areas where the leached grey E horizon was several feet thick. When the B horizon was not available to sample, no sample was taken.

Samples were taken using either a spade or hand auger which was wiped clean between sites. The sampled material was then placed in kraft paper bags and labeled with a marker with the appropriate sample number. The site location was recorded using a GPS which generally displayed a better than 3m accuracy. At each sample location important data notes were also recorded including soil type and percentages, vegetation, location slope, drainage and any comments the sampler felt could be important.

The samples were delivered in one batch to AGAT Labs in Thunder Bay for analysis, using analytical procedure (201-074) Aqua Regia Digest - Metals Package, ICP/ICP-MS finish.

DATA VERIFICATION

The data presented in this Prospectus has come primarily from the assessment files available at the MENDM. The Authors can verify that the information has been presented accurately as reported in those files and reports.

There were no limitations placed on the Authors in conducting the verification of the data or the Property visit. Some of the data relied upon predates National Instrument 43-101 and was therefore not completed by qualified persons. The Authors are of the opinion that these data sets were adequate for the completion of the Report.

MINERAL PROCESSING AND METALLURGICAL TESTING

The Company has not yet done any mineral processing studies or metallurgical testing on the Property.

MINERAL RESOURCE

There is no mineral resource defined on the Property.

ENVIRONMENTAL STUDIES, PERMITTING AND SOCIAL OR COMMUNITY IMPACT

The Ontario Mining Act requires Exploration Permit or Plans for exploration on Crown Lands. The permit and plans are obtained from the MNDM. The processing periods are 50 days for a permit and 30 days for a plan while the documents are reviewed by MNDM and presented to the Aboriginal communities whose traditional lands will be impacted by the work. The authors recommend the Company discuss the recommended exploration with the MNDM to determine the plan and/or permit required as well as the Aboriginal communities to consult.

DRILLING

The Authors are unaware of any further data or relevant information that could be considered of any practical use in this Prospectus. The Authors are not aware of any material fact or material change with respect to the subject matter of this Prospectus that is not reflected in the Prospectus, the omission to disclose which makes the Prospectus misleading.

INTERPRETATION AND CONCLUSIONS

The previous work done on the Property has indicated the presence of anomalous, and locally high grade gold mineralization.

Gold deposits in the region occur in carbonate +/- sericite-altered shear zones and are spatially related to felsic dykes. The Helena Lake fault zone which passes through the Property is presumed to be a splay off the Pipestone – Cameron Lake Fault Zone with which many gold prospects are associated.

In the Helena Lake area, gold mineralization is usually associated with disseminated pyrite, and rarely with arsenopyrite (e.g. McChip). Quartz stringers are reported on the Lun-Echo Prospect (Van Ingen 1990).

Van Ingen (1990) reported that several gold zones were intersected in the drilling at the Hook Bay showings, and that lateral continuity of the relatively high gold values was not established between drill sections which were at 50 m intervals. Stratigraphically highest and seen only in hole H90-5 is the arsenopyrite-quartz "Vein Zone" with an assay of 15.9 g Au/T over 0.65 m. The surface showings coincide with the upper zone in core in which the best assay was 3.0 g Au/T over 1.3 m, also in hole H90-5. The lower zone corresponds with a linear swamp on surface, with relatively high grades obtained from hole H90-6 on section 1+00S (31.1 g Au/T over 1.35 m) and H90-10 on section 2+00S (18.0 g Au/T over 1.0 m).

Observations on the attitudes of the two main foliations of the Hook Bay showings by M. Atkins (1988) suggested that the gold mineralization might be localized in shoots within sheared andesite trending 360° azimuth and dipping up to 65° east in a broad shear zone trending 020° azimuth with vertical dips. As the intersection of these foliations plunges steeply northwards, the initial drilling by Freewest was targeted to intersect the surface showings at depth, dipping steeply eastwards and plunging steeply northwards. However, the results indicate that the mineralized zones have only moderate dips to the east, apparently conformable with a footwall metagabbro "sill" which trends 020° azimuth (Van Ingen 1990).

The soil geochemical survey done by the Company in 2018 also indicates the presence of anomalous gold and arsenic in the soils in the area over the interpreted contact between the mafic and ultramafic rocks to the east and the metasediments (possibly felsic metavolcanics?) to the west.

RECOMMENDATIONS

It is recommended that the Company conduct a program of mapping, prospecting and sampling as well as further soil geochemistry sampling to expand and in-fill the previous soil geochemistry program from the fall of 2018.

The mapping, prospecting and sampling should attempt to focus on the area where anomalous gold and arsenic values were returned from the 2018 program, as well as trying to relocate the trenches at the old showings on the Property (i.e. the Hook Bay, Lun-Echo and McChip Occurrences) on the west shore of Helena Lake. Once these showings have been relocated, mechanical stripping using an excavator, followed by washing and sampling, should be done on the showings in order to try to expand the exposure, and confirm and expand the gold mineralization. Accessibility to this area with an excavator would have to be determined first.

If time and budget allows, further sampling of the felsic intrusive in the southwest corner of the Property, at the east end of Dash Lake, should also be done.

Proposed Budget

Mapping, Prospecting and Sampling

Geologist for 21 days @ \$700/day	14,700
Technician/assistant for 21 days @ \$450/day	9,450
21 days room and board for 2 @ 300/day.....	6,300

Transportation

truck, gas	
21 days @ \$125/day	2,625

Soil Geochemical Sampling

2 technicians for 14 days @ \$300/day	8,400
14 days room and board for 2 @ 300/day.....	4,200

Transportation

truck, gas	
14 days @ \$125/day	1,750

Mechanical Stripping

120 hours @ \$125/hour	15,000
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Washing, Mapping and Sampling

Geologist for 21 days @ \$700/day	14,700
Assistant for 21 days @ \$450/day	9,450

Pump and Hose Rental

21 days @ \$200/day	4,200
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Room and Board

2 people 21 days @ \$300/day	6,300
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Transportation

truck, gas	
21 days @ \$125/day	2,625

Assays 500 @ \$35/sample	17,500
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Reports and Maps.....	5,000
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Contingencies	<u>5,000</u>
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Total Proposed Budget **\$127,200**

USE OF PROCEEDS

FUNDS AVAILABLE

The Company will receive aggregate net proceeds of \$97,000 from the Offering after deducting the Agent's Commission, the Agent's Fee and the estimated expenses of the Offering of \$83,000. These funds will be combined with the Company's existing working capital balance of approximately \$130,040 as at December 31, 2018 for a total of \$227,040 in available funds upon completion of the Offering.

This Offering is subject to the completion of a minimum subscription of 2,000,000 Shares (\$200,000). In the event such subscriptions are not attained within 90 days of the issuance of the final receipt for this Prospectus or, if a receipt is issued for an amendment to this Prospectus, within 90 days of the issuance of such receipt and, in any event, not later than 180 days from the date of the receipt for the Prospectus, all subscription monies will be returned to Subscribers without interest or deduction, unless the Subscribers have otherwise instructed the Agent.

The Company had negative cash flow from operations during the period from incorporation on September 28, 2018 to December 31, 2018.

PRINCIPAL PURPOSES

The principal purposes for which the funds available to the Company upon completion of the Offering will be used are as follows:

Principal Purpose	Funds to be Used ⁽¹⁾
To complete a portion of the recommended exploration program on the Dash Lake Project for 12 months ⁽¹⁾⁽²⁾	\$127,200
To provide funding sufficient to meet administrative costs for 12 months ⁽³⁾	\$55,900
To supplement working capital	\$43,940
Total⁽⁴⁾	\$227,040

Notes:

- (1) See table in proceeding section under heading "Recommendations" for a summary of the work to be undertaken, a breakdown of the estimated costs and the nature of title to or the Company's interest in the Property.
- (2) The Company intends to spend the funds available to it as stated in this Prospectus. There may be circumstances, however, where, for sound business reasons, a reallocation of funds may be necessary.
- (3) See proceeding table for a breakdown of administrative costs.
- (4) Includes \$130,040 of working capital available at March 31, 2018.

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

Administrative Costs for 12 Months	Budget
Accounting and administrative fees	\$18,000
Rent and utilities	\$12,000
Transfer Agent	\$3,600
Legal, exchange, corporate filings – fees and costs	\$12,800
Audit	\$7,500
Other general and administrative costs ⁽¹⁾	\$2,000
TOTAL:	\$55,900

Note:

- (1) The Company has not allocated these funds to a specific purpose at this time and, assuming completion of the Offering, they will form part of the general working capital of the Company. To the extent necessary, the Company will utilize these funds to fund any negative cash flow in future periods.

The Company intends to spend the funds available to it as stated in this Prospectus. There may be circumstances however, where, for sound business reasons, a reallocation of funds may be necessary.

UNALLOCATED FUNDS

Unallocated funds from the Offering and from the exercise of any Agent's Warrants will be added to the working capital of the Company and will be expended at the discretion of management.

STATED BUSINESS OBJECTIVES AND MILESTONES

The Company's business objectives using the available funds are to:

- (i) obtain a listing of the Common Shares on the Exchange (cost \$20,000); and,
- (ii) complete the proposed exploration program on the Dash Lake Project recommended in the Report. (cost 127,200).

The listing of the Company on the Exchange is anticipated to occur shortly after completion of the Offering, subject to the Company fulfilling all of the requirements of the Exchange. The recommended exploration program is expected to commence during the spring/summer of 2019, and is estimated to be completed within 12 months of commencement at a cost of \$127,200. Assuming completion of the Offering, the Company may not have sufficient funds to complete the full proposed exploration program on the Property, as recommended by the Report. The Company may need to raise additional financing in order to complete the proposed program and there is no assurance that the Company will be successful in raising such financing. See "Use of Proceeds - Principal Purposes".

In the event the results of the recommended exploration program do not warrant further exploration activity, the Company will revise its business plan and objectives, which revisions

may include focusing on discovering new zones of mineralization at the Property and/or acquiring additional mineral properties or joint ventures with other exploration or mining companies. Such activities will also likely require the Company to raise additional capital. There can be no assurance that the Company can raise such additional capital if and when required. See "Risk Factors."

DIVIDENDS OR DISTRIBUTIONS

The Company has not paid dividends since its incorporation. While there are no restrictions precluding the Company from paying dividends, it has no source of cash flow and anticipates using all available cash resources toward its stated business objectives. As such, the Company does not anticipate the payment of dividends in the foreseeable future. At present, the Company's policy is to retain earnings, if any, to finance its business operations. The payment of dividends in the future will depend upon, among other factors, the Company's earnings, capital requirements and operating financial conditions.

SELECTED FINANCIAL INFORMATION AND MANAGEMENT DISCUSSION AND ANALYSIS

SUMMARY OF FINANCIAL INFORMATION

The following table sets forth summary financial information for the Company for the period from incorporation to December 31, 2018. This information has been summarized from the Company's audited financial statements and should only be read in conjunction with the Company's financial statements, including the notes thereto, included elsewhere in this Prospectus.

	For the period from incorporation on September 28, 2018 to December 31, 2018 (audited)
Total Revenues	Nil
Exploration Expenditures ⁽¹⁾	\$65,195
Bank Charges Expense	(\$252)
Professional Fees	(\$16,113)
Loss for the Period	(\$16,365)
Loss per share (basic and diluted)	(\$0.00)
Total Assets	\$267,360
Long term financial liabilities	Nil
Cash dividends per share	Nil

Note:

- (1) Exploration expenditures include \$6,000 paid pursuant to the Option Agreement, \$2,000 for the deemed value of the Common Shares issued pursuant to the Option Agreement and \$57,195 for exploration costs, all of which were capitalized as Exploration and Evaluation Assets.

MANAGEMENT DISCUSSION AND ANALYSIS:

The following Management Discussion and Analysis (“**MD&A**”) of the operating results and financial position of the Company should be read in conjunction with the audited financial statements and related notes for the period from incorporation on September 28, 2018 to December 31, 2018. The financial statements are included in this Prospectus and should be referred to when reading this disclosure. The financial statements have been prepared in accordance with International Financial Reporting Standards (“**IFRS**”). Except as otherwise disclosed, all dollar figures included therein and in the following MD&A are quoted in Canadian dollars. The effective date of this management discussion is April 11, 2019.

For the period from incorporation on September 28, 2018 to December 31, 2018.Overall Performance and Results of Operations

The Company was incorporated in the province of British Columbia on September 28, 2018. The following table summarizes selected information from the Company’s audited financial statements for the period from incorporation to December 31, 2018.

Selected Annual Information

	For the period from incorporation to December 31, 2018 (audited)
Net revenues	Nil
Loss for the period	(\$16,365)
Deficit	(\$16,365)
Total assets	\$267,360
Total long term liabilities	Nil
Dividends	Nil
Loss per share	(\$0.00)

Outstanding Common Shares

As of the date hereof, the Company’s share capital is comprised of 13,400,000 Common Shares.

Overall Performance

On October 4, 2018, a total of 3,000,000 Common Shares at \$0.005 per Common Share for gross proceeds of \$15,000 were subscribed for by the directors and officers of the Company, allowing the Company to effectively commence operations. On October 10, 2018, the Company entered into the Option Agreement whereby the Company was granted an option to acquire a 100% right, title and interest in the Dash Lake Project. The option is exercisable by paying a total of \$6,000, issuing a total of 500,000 Common Shares to the Vendors. In addition, the Company is to incur a total of \$75,000 in expenditures on the Dash Lake Project. The Company issued 1,000,000 Common Shares for \$0.02 per Common Share on October 17, 2018 and

9,000,000 flow-through Common Shares on October 19, 2018 at \$0.02 per flow-through Common Share. The share issuances were used primarily to fund initial exploration activities as well as general corporate and administrative costs. During the year, the Company initiated certain exploration activities on the Dash Lake Project, spending \$57,195 which was capitalized by the Company.

Results of Operations

The Company incurred a loss of \$16,365 during the period from incorporation to December 31, 2018 due bank charges and professional fees.

Summary of Quarterly Results

The Company is not a reporting issuer and was not required to prepare interim financial statements therefore quarterly results are not available. The Company will report interim results following listing on the Exchange.

Liquidity and Capital Resources

As described above, the Company raised \$215,000 during the period from incorporation to December 31, 2018, by way of private placements. The working capital of the Company at December 31, 2018 amounted to \$130,040.

The Company spent \$57,195 during the period from incorporation to December 31, 2018 on exploration activities which were capitalized.

Accounts payable as at December 31, 2018 was \$72,125 and was attributable to unpaid fees associated with operating the Company and facilitating exploration activities.

The Company is expected to experience negative cash flow indefinitely, unless it is able to generate sufficient revenues from the commercial production of its properties to produce positive cash flow. Funds raised in this Offering are expected to fund the Company's operations for twelve months and Phase I of the Company's exploration plan. See "Use of Proceeds" for a description of the Company's estimated operating costs over the next 12 months and estimated capital expenditures.

The Company has historically met all cash requirements for operations by equity financing. However, future funding needs of the Company are dependent upon the Company's ability to obtain additional equity and/or debt financing. The Company continues to closely monitor its ongoing requirements and to explore all methods of raising additional funds. There can be no certainty that such additional funds may be raised when required.

Contractual Obligations

The Company is subject to certain contractual obligations associated with the Option Agreement. Please refer to terms of the Option Agreement on page 6 of this Prospectus.
Significant Accounting Policies and Estimates

The preparation of financial statements requires management to establish accounting policies, estimates and assumptions that affect the timing and reported amounts of assets, liabilities revenues and expenses. These estimates are based on historical experience and on various other assumptions that management believes to be reasonable under the circumstances and require judgment on matters which are inherently uncertain. Details of the Company's significant

accounting policies can be found in Note 3 of the audited financial statements for the period from incorporation to December 31, 2018 included in this Prospectus.

New Accounting Standards

The Company is aware of certain new accounting standards which are reasonably expected to have an impact on disclosures, financial position or performance when applied at a future date. Details of these changes can be found in Note 4 of the audited financial statements for the period from incorporation to December 31, 2018 included in this Prospectus.

Related Party Transactions

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 operation decisions. Related parties may be individual or corporate entities. The Company has identified its directors and officers as its key management personnel.

A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. There were no such related party transactions during the period from incorporation on September 28, 2018 to December 31, 2018.

As at December 31, 2018, there was \$nil amount due to or from related parties.

Off Balance Sheet Arrangements

The Company has no off balance sheet arrangements.

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. The Company is exposed to interest rate risk to the extent that the cash maintained at the financial institutions is subject to a floating rate of interest. The interest rate risk on cash is not considered significant.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third 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 institutions. Management believes that the credit risk related to its cash is negligible.

Liquidity risk

In the management of liquidity risk of the Company, the Company maintains a balance between continuity of funding and the flexibility through the use of borrowings. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations.

Foreign Exchange Risk

Currency risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate due to changes in foreign exchange rates. As at December 31, 2018, the Company's cash, account payable and accrued liabilities are denominated in Canadian dollars. As such, the Company is not subject to any foreign exchange risk.

Price Risk

The Company has no exposure to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market.

Additional Disclosure for Venture Issuers Without Significant Revenue

As the Company has had no revenue from operations since incorporation, the following is a breakdown of the material costs incurred since the Company's incorporation on September 28, 2018 to March 31, 2019:

- (a) Exploration Expenditures: an aggregate of \$82,420 toward undertaking exploration work on the Property and the costs of the Report; all of which was capitalized and is reflected as such on the Company's financial statements;
- (b) Prepaids: Reflects \$10,000 paid to the Agent towards corporate finance fees and their legal fees.
- (c) Professional fees: \$16,113 reflect fees for legal services.

Results of Operations

During the period from September 28, 2018 to December 31, 2018 the Company:

- (i) incurred \$65,195 in mineral exploration costs on the Property; and
- (ii) had a net loss of \$16,365, due primarily to professional fees totalling \$16,113.

As of the date of this Prospectus, the Company is not a reporting issuer in any jurisdiction and has not prepared any interim or quarterly financial statements since its inception.

DESCRIPTION OF SECURITIES DISTRIBUTED

COMMON SHARES

The authorized share capital of the Company consists of an unlimited number of Common Shares without par value and an unlimited number of preferred shares without par value ("**Preferred Shares**"). As of the date of this Prospectus, 13,400,000 Common Shares are issued and outstanding as fully paid and non-assessable. The holders of the Common Shares are entitled to receive notice of and to attend and vote at all general meetings of the shareholders of the Company and each Common Share confers the right to one vote in person or by proxy at general 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, conversion or redemption rights, nor do they contain any sinking or purchase fund provisions.

PREFERRED SHARES

As of the date of this Prospectus, there are no Preferred Shares outstanding. The Company may issue Preferred Shares in one or more series, and the board may create, define and attach rights and restrictions to the shares of each series, subject to the Business Corporations Act (British Columbia) and to the rights and restrictions attached to Preferred Shares as a class. Subject to any rights as may be attached to any series of Preferred Shares, the registered holders of the Preferred Shares shall not, as such, be entitled to receive notice of, nor to attend or vote at any general meetings of shareholders of the Company and shall not have any voting rights except to receive notice of, attend and vote at class meetings of the holders of the Preferred Shares or as required or provided by the Business Corporations Act (British Columbia). In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, each holder of a Preferred Share shall be entitled to be paid in preference to and priority over any distribution or payment on any share of any other class of shares.

AGENT'S WARRANTS

The Company has also agreed to grant to the Agent the Agent's Warrants entitling the Agent or selling group members as the case may be, to purchase that number of Common Shares as is equal to 10% (200,000) of the number of Shares sold pursuant to the Offering. The distribution of the Agent's Warrants is qualified under this Prospectus. See "Plan of Distribution".

CAPITALIZATION

The following table summarizes the changes in the Company's capitalization since December 31, 2018 and after giving effect to the Offering. The table should be read in conjunction with the financial statements appearing elsewhere in this Prospectus:

Designation of Security	Authorized Amount	Amount Outstanding as of December 31, 2018	Amount Outstanding at Date of the Prospectus	Amount Outstanding After the Offering
Common Shares	Unlimited	13,100,000	13,400,000	15,400,000 ⁽¹⁾
Preferred Shares	Unlimited	Nil	Nil	Nil
Options	N/A	Nil	Nil	1,540,000 ⁽²⁾
Warrants	N/A	10,000,000	10,000,000	10,000,000
Agent's Warrants	N/A	Nil	Nil	200,000 ⁽³⁾
Long Term Debt	N/A	Nil	Nil	Nil

Notes:

- (1) Does not include 100,000 Common Shares to be issued pursuant to the Option Agreement or any Agent's Warrant Shares issuable on exercise of the Agent's Warrants.
- (2) Immediately prior to the listing of the Common Shares on the Exchange, the Company will grant an aggregate of 1,540,000 options under the Option Plan. The options will be exercisable at \$0.10 per Share for a period of five year.
- (3) Exercisable at \$0.10 per Common Share until 24 months from the Closing Date.

OPTIONS TO PURCHASE SECURITIES

STOCK OPTION PLAN

The Stock Option Plan was approved and adopted by the Company's board of directors and approved by the shareholders on February 22, 2019. The purpose of the Stock Option Plan is to advance the interests of the Company and its shareholders and subsidiaries by attracting, retaining and motivating the performance of selected directors, officers, employees or consultants of the Company of high caliber and potential and to encourage and enable such persons to acquire and retain a proprietary interest in the Company by ownership of its stock. The Stock Option Plan provides that, subject to the requirements of the Exchange, the aggregate number of securities reserved for issuance, set aside and made available for issuance under the Stock Option Plan may not exceed 10% of the issued and outstanding shares of the Company at the time of granting of options in any 12-month period. Furthermore, the aggregate number of shares that may be issued pursuant to the exercise of the stock options awarded under the Stock Option Plan and all other security based compensation arrangements of the Company shall not exceed 10% of the issued and outstanding Shares at any given time.

The aggregate number of options granted under the Stock Option Plan in any 12 month period to any one individual, together with all other security based compensation arrangements of the Company, must not exceed 5% of the then issued and outstanding Common Shares of the Company on a non-diluted basis.

The Company may not grant options under the Stock Option Plan if the exercise thereof would result in the issuance of more than 2% of the issued Common Shares, in aggregate, in any 12 month period to any one consultant of the Company.

The Company may not grant options under the Stock Option Plan if the exercise thereof would result in the issuance of more than 2% of the issued Common Shares, in aggregate, to persons employed to provide investor relations activities and any options issued to such individuals will vest over at least 12 months with no more than one-quarter of the options vesting in any three month period.

The Stock Option Plan will be administered by the board of directors of the Company which has full and final authority with respect to the granting of all options thereunder. Options may be granted under the Stock Option Plan to such directors, officers, employees or consultants of the Company or its subsidiaries, if any, as the board of directors may, from time to time, designate. Options may also be granted to employees of management companies providing management services to the Company. The exercise price of any options granted under the Stock Option Plan shall be determined by the board of directors, subject to the approval of the Exchange if necessary but in no event may this exercise price be lower than the exercise price permitted by the Exchange.

The term of any options granted under the Stock Option Plan shall be determined by the board of directors at the time of grant, subject to earlier termination in the event of dismissal for cause,

termination other than for cause, or in the event of death. The term of any options granted under the Stock Option Plan may not exceed ten years.

If desired by the board of directors, options granted under the Stock Option Plan may be subject to vesting. Options granted under the Stock Option Plan are not to be transferable or assignable other than as a consequence of the death of the holder. Subject to certain exceptions, in the event that a director, officer, consultant, or employee of the Company ceases to hold office or ceases to be a management company employee, options granted to such individual under the Stock Option Plan will expire 90 days after such individual ceases to hold office or such longer period as determined by the board of directors of the Company. In the event of death of an option holder, options granted under the Stock Option Plan expire one year from the date of the death of the option holder.

OUTSTANDING OPTIONS

The Company, as of the date hereof, has no stock options outstanding. Immediately prior to the listing of the Common Shares on the Exchange, the Company will grant an aggregate of 1,540,000 options under the Option Plan. The options will be exercisable at \$0.10 per Share for a period of five year.

WARRANTS

The Company currently has 10,000,000 share purchase warrants outstanding. The following table summarizes the share purchase warrants of the Company that will be outstanding as of the Listing Date:

Date Issued	Exercise Price per Warrant	Number of Warrants	Expiration Date	Reason for Issuance
October 17, 2018	\$0.10	1,000,000	October 17, 2020	Private Placement
October 19, 2018	\$0.10	9,000,000	October 19, 2020	Private Placement

AGENT'S WARRANTS

The Company has agreed to issue Agent's Warrants for the purchase of up to that number of Common Shares as is equal to 10% (200,000) of the Shares of the Company sold pursuant to the Offering, exercisable at a price of \$0.10 per Common Share for a period of 24 months from the Closing Date.

PRIOR SALES

The following table summarizes the sales of securities of the Company since incorporation:

Date	Type of Security	Price per Security	Number of Securities	Reason for Issuance
September 28, 2019 ⁽¹⁾	Common Shares	\$0.01	1	Incorporator's share

Date	Type of Security	Price per Security	Number of Securities	Reason for Issuance
October 4, 2018	Common Shares	\$0.005	3,000,000	Private Placement
October 10, 2018	Common Shares	\$0.02	100,000	Dash Lake Option Agreement
October 17, 2018	Common Shares	\$0.02	1,000,000	Private Placement
October 19, 2018	Flow-Through Shares	\$0.02	9,000,000	Private Placement
February 19, 2019	Common Shares	\$0.02	100,000	Dash Lake Option Agreement
February 19, 2019	Common Shares	\$0.02	200,000	Dash Lake Option Agreement
			13,400,000	

Notes:

- (1) Incorporator's share cancelled October 4, 2018

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

ESCROWED SECURITIES

Under the applicable policies and notices of the Canadian Securities Administrators, securities held by Principals are required to be held in escrow in accordance with the national escrow regime applicable to initial public distributions. Equity securities owned or controlled by Principals, including Common Shares, are subject to the escrow requirements.

Principals include all persons or companies that, on completion of the Offering, fall into one of the following categories:

- (a) Directors and senior officers of the Company, as listed in this Prospectus;
- (b) Promoters of the Company during the two years preceding this Offering;
- (c) Those who own and/or control more than 10% of the Company's voting securities immediately before and after completion of this Offering if they also have appointed or have the right to appoint a director or senior officer of the Company or of a material operating subsidiary of the Company
- (d) Those who own and/or control more than 20% of the Company's voting securities immediately before and after completion of this Offering; and
- (e) Associates and affiliates of any of the above.

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

Pursuant to the Escrow Agreement to be entered into between the Company, Odyssey Trust Company (the "**Escrow Agent**") and various Principals of the Company, the Principals agree to deposit in escrow the Shares held by them (the "**Escrowed Securities**") with the Escrow Agent.

The Escrow Agreement will provide that the Escrowed Securities will be released from escrow in equal blocks of 15% of a Principal's Escrowed Securities at six month intervals over the 36 months following the Listing Date, with 10% of each Principal's holdings being released on the Listing Date.

The Company is an "emerging issuer" as defined in the applicable policies and notices of the Canadian Securities Administrators. If the Company achieves "established issuer" status during the term of the Escrow Agreement, it will "graduate," resulting in a catch-up release and an accelerated release of any securities remaining in escrow under the 18-month schedule applicable to established issuers, as if the Company had originally been classified as an established issuer.

Pursuant to the terms of the Escrow Agreement, the Escrowed Securities may not be transferred or otherwise dealt with during the term of the Escrow Agreement unless the transfers or dealings within the escrow are:

1. transfers to continuing or, upon their appointment, incoming directors and senior officers of the Company or of a material operating subsidiary, with approval of the Company's Board;
2. transfers to an RRSP or similar trustee plan provided that the only beneficiaries are the transferor or the transferor's spouse or children;
3. transfers upon bankruptcy to the trustee in bankruptcy; and
4. pledges to a financial institution as collateral for a bona fide loan, provided that upon a realization the securities remain subject to escrow. Tenders of Escrowed Securities to a take-over bid are permitted provided that, if the tenderer is a Principal of the successor corporation upon completion of the take-over bid, securities received in exchange for tendered Escrowed Securities are substituted in escrow on the basis of the successor corporation's escrow classification.

The complete text of the Escrow Agreement will be available for inspection at the offices of the Company, 1600 – 609 Granville Street, Vancouver British Columbia V7Y 1C3.

The following table sets forth details of the issued and outstanding Common Shares of the Company that will be subject to the Escrow Agreement:

Designation of Class	Number of Shares Held in Escrow	Percentage of Class before giving effect to the Offering ⁽²⁾	Percentage of Class after giving effect to the Offering ⁽³⁾
Common Shares	3,000,000 ⁽¹⁾	22.39%	19.48%

Notes:

- (1) These Common Shares are owned by Scott Ackerman (1,400,000), Doug McFaul (1,400,000) and Brent Ackerman (200,000).
- (2) Based on 13,400,000 Common Shares issued and outstanding as at the date of this Prospectus.
- (3) Assumes 15,400,000 Common Shares outstanding on completion of the Offering.

PRINCIPAL SECURITYHOLDERS

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

Name	Number of Common Shares Beneficially Owned Directly or Indirectly ⁽¹⁾⁽²⁾	Percentage of Common Shares Held before giving effect to the Offering ⁽³⁾	Percentage of Common Shares Held After Giving Effect to the Offering ⁽⁴⁾
Doug McFaul	1,400,000	10.46%	9.09%
Scott Ackerman	1,400,000	10.46%	9.09%
Robert Chisholm	1,535,000	11.46%	9.97%
Natgar Capital Corp. ⁽⁵⁾	1,535,000	11.46%	9.97%
The Emprise Special Opportunities Fund (2017) Limited Partnership ⁽⁶⁾	1,535,000	11.46%	9.97%
8185735 Canada Corp. ⁽⁷⁾	1,535,000	11.46%	9.97%
685733 B.C. Ltd. ⁽⁸⁾	1,535,000	11.46%	9.97%

Notes:

- (1) Held directly.
- (2) On a fully diluted basis, assuming exercise of all issued warrants, the Agent's Warrants (assuming 2,000,000 Shares are sold), and the incentive stock options that will be granted (1,540,000) there would be 27,240,000 Common Shares outstanding of which Doug McFaul and Scott Ackerman would each own 1,975,000 Common Shares (7.25%), Robert Chisholm, Natgar Capital Corp., The Emprise Special Opportunities Fund (2017) Limited Partnership, 8185735 Canada Corp., and 685733 B.C. Ltd. would each own 3,070,000 Common Shares (11.27%).
- (3) Based on 13,400,000 Common Shares issued and outstanding as at the date of this Prospectus.
- (4) Assumed 15,400,000 Common Shares outstanding on completion of the Offering.
- (5) Controlled by Jeff Durno.
- (6) Managed by a general partner, Emprise Special Opportunities Management (2013) Ltd.
- (7) Controlled by Judith Bird.
- (8) Controlled by Zeenat Virani.

DIRECTORS AND EXECUTIVE OFFICERS

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

Name and Municipality of Residence and Position with the Company	Director/ Officer Since	Principal Occupation for the Past Five Years	Common Shares Beneficially Owned Directly or Indirectly (at the date of this Prospectus)
Scott Ackerman ⁽¹⁾ Surrey, British Columbia Canada <i>President, Chief Executive Officer, Corporate Secretary and Director</i>	September 28, 2018	President and CEO of Emprise Capital Corp., a company providing management and restructuring services to public companies.	1,400,000
Brent Ackerman ⁽¹⁾ Vancouver, British Columbia Canada <i>Director</i>	October 4, 2018	Owner and licensed acupuncturist and Chinese herbalist at Black Sheep Acupuncture & Herbs	200,000
Doug McFaul Coquitlam, British Columbia Canada <i>Chief Financial Officer and Director</i>	Director since Oct 4, 2018 CFO since March 1, 2019	Provides business development expertise to Emprise Capital Corp. and holds a variety of senior management positions with various public companies.	1,400,000
Rick Cox ⁽¹⁾ Langley, British Columbia Canada <i>Director</i>	March 1, 2019	Senior officer of a private water sciences manufacturing company, Ocion Water Sciences Inc.	Nil

Notes:

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

The term of office of the directors expires annually at the time of the Company's annual general meeting. The term of office of the officers expires at the discretion of the Company's directors.

As at the date of this Prospectus, the directors and officers of the Company, as a group, owned beneficially, directly or indirectly or exercised control or discretion over an aggregate of 3,000,000 Common Shares of the Company, which is equal to 22.39% of the Common Shares currently issued and outstanding.

Scott Ackerman (Age: 52) – President, Chief Executive Officer, Corporate Secretary and Director

Mr. Ackerman is the President and CEO of Emprise Capital Corp. ("Emprise") a company providing management, restructuring, accounting and financial services to public companies. Mr. Ackerman has been active in the public markets for more than 25 years, having held senior

executive roles in various capacities from Investor Relations to Executive Management. In addition to his role with Emprise, Mr. Ackerman serves as director and/or officer of a number of publicly traded and private “start-up” venture companies, and has experience in all aspects of corporate restructures, both in the US and Canadian jurisdictions, including Chapter 11 processes in the US and Notice of Intent filings under the Bankruptcy Act in Canada. Mr. Ackerman graduated from the British Columbia Institute of Technology with a diploma in Marketing in 1987.

Brent Ackerman (Age: 48) –Director

In addition to being a licensed acupuncturist and Chinese herbalist and the owner of Blacksheep Acupuncture & Herbs, Mr. Brent Ackerman is also an Organizational Development Advisor and formerly served as Japan Country Manager for Aperian Global, and as a Senior Consultant at People Focus Consulting, Japan. Mr. Brent Ackerman also serves as a director of a number of publicly traded companies. Mr. Brent Ackerman holds a Masters of Science in Oriental Medicine and Acupuncture (Berkeley, CA), a Bachelor of Arts from the University of British Columbia and an MBA from Thunderbird School of Management (Phoenix, AZ).

Doug McFaul (Age: 53) – Chief Financial Officer and Director

Mr. McFaul brings over 20 years of experience in the financial services and capital markets industries. Mr. McFaul has experience with the operations of public companies, as well as an understanding of the regulatory requirements, completion of necessary financial statements, raising capital, and shareholder relations. Mr. McFaul has held numerous board and management positions. Mr. McFaul holds a Bachelor of Business Administration specialized in Finance from the University of Alaska Fairbanks and has completed the Canadian Securities Course.

Rick Cox (Age: 60) - Director

Mr. Cox is currently the president of a privately held water sciences company, Ocion Water Sciences Inc. He has also served as a senior officer of a private geothermal manufacturing company which was sold to a publicly held multinational corporation. Mr. Cox is also a director of several public companies, and has been a senior officer and owner of several privately held manufacturing entities over the past 25 years.

Other Reporting Issuer Experience

The following table sets out the directors, officers or promoters of the Company that are, or have been within the last five years, directors or officers of other issuers that are or were reporting issuers in any Canadian jurisdiction:

Name of Director or Officer	Name of Reporting Issuer	Exchange	Position	Term
Scott Ackerman	Austpro Energy Corporation	TSXV	Director, CEO, President, Corporate Secretary	September 2018 to present
	ECC Ventures 1 Corp.	TSXV	Director, President, CEO, CFO, Corporate Secretary	January 2018 to present

	ECC Ventures 2 Corp.	TSXV	Director, President, CEO, CFO, Corporate Secretary	January 2018 to present
	Barolo Ventures Corp.	TSXV	Director, President, CEO, CFO, Corporate Secretary	August 2018 to present
	Silver Phoenix Resources Inc.	CSE	Director, President, CEO, Corporate Secretary	November 2018 to present
	Sebastiani Ventures Corp.	TSXV	Director, CEO & President	March 2017 to present
	Volcanic Gold Mines Inc.	TSXV	Director	January 2014 to present
	ECC Diversified Inc..	Not listed	Director	February 2015 to present
	Bravern Ventures Ltd.	TSXV	Director, CEO & President	June 2013 to present
	Quadron Cannatech Corporation	CSE	Director	November 2015 to December 2018
	Sun Metals Corp.	TSXV	Director, CEO & President	October 2008 to May 2018
	Victory Metals Inc.	TSXV	Director, CEO & President	April 2012 to January 2019
	NeutriSci International Inc.	TSXV	CEO	March 2013 to December 2017
	Japan Gold Corp.	TSXV	Director	December 2007 to September 2016
	Discovery Metals Corp.	TSXV	Director, CEO & President	August 2016 to August 2017
	DionyMed Brands Inc.	CSE	Director, CEO	December 2016 to November 2018
	MedMen Enterprises Inc.	CSE	Director, CEO	October 2011 to May 2018
Brent Ackerman	Austpro Energy Corporation	TSXV	Director	September 2018 to present
	Silver Phoenix Resources Inc.	CSE	Director	November 2011 to present
	Barolo Ventures Corp.	TSXV	Director	August 2018 to present
	ECC Ventures 1 Corp.	TSXV	Director	January 2018 to present
	ECC Ventures 2 Corp.	TSXV	Director	January 2018 to present
	Sebastiani Ventures Corp.	TSXV	Director	March 2017 to present
	ECC Diversified Inc.	Not listed	Director	October 2018 to present
	Victory Metals Inc.	TSXV	Director	June 2015 to

				January 2019
	DionyMed Brands Inc.	TSXV	Director	December 2016 to November 2018
	Sun Metals Corp.	TSXV	Director	September 2017 to May 2018
	Discovery Metals Corp.	TSXV	Director	June 2017 to August, 2017
Rick Cox	Silver Phoenix Resources Inc.	CSE	Director	November 2018 to present
	Desert Lion Energy Inc.	TSXV	Director	February 2013 to February 2018
	NeutriSci International Inc.	TSXV	Director	March 2013 to December 2014
	Victory Metals Inc.	TSXV	Director	June 2012 to June 2015
	MedMen Enterprises Inc.	CSE	Director	October 2011 to May 2018
Doug McFaul	Silver Phoenix Resources Inc.	CSE	Director, CFO	November 2018 to present
	ECC Ventures 1 Corp.	TSXV	Director	January 2018 to present
	ECC Ventures 2 Corp.	TSXV	Director	January 2018 to present
	Pistol Bay Mining Inc.	TSXV	Director/CFO	October 2010 to present
	ECC Diversified Inc.	Not listed	Director	February 2015 to present
	Sebastiani Ventures Corp.	TSXV	Director, CFO	March 2017 to present
	Barolo Ventures Corp.	TSXV	Director	August 2018 to present
	Austpro Energy Corporation	TSXV	Director	September 2018 to present
	Victory Metals Inc.	TSXV	Director	June 2015 to January 2019
	Cipher Resources Inc.	TSXV	Director	October 2012 to May 2018
	DionyMed Brands Inc.	CSE	Director	December 2017 to November 2018
	Discovery Metals Corp.	TSXV	Director/CFO	October 2016 to August 2017
	Quadron Cannatech Corporation	CSE	Director	July 2014 to January 2019
	Identillect Technologies Corp.	TSXV	Director	October 2014 to May 2016

Amador Gold Corp.	TSXV	CFO	April 2013 to September 2014
Zone Resources Inc.	TSXV	CFO	August 2009 to February 2015
Victory Mountain Ventures Inc.	TSXV	Director	October 2010 to March 2015
Klondike Silver Corp	TSXV	CFO	April 2013 to September 2014

AUDIT COMMITTEE

The board of directors of the Company has constituted an audit committee. The audit committee is comprised of Messrs. Scott Ackerman, Brent Ackerman and Rick Cox.

CORPORATE CEASE TRADE ORDERS

Other than as outlined below, no director, officer or Insider of the Company, or any shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company is or has within the 10 years before the date of the prospectus been a director, officer, Insider or Promoter of any other Issuer that, while such person was acting in that capacity, was the subject of a cease trade or similar order or an order that denied the Issuer access to any exemptions under applicable securities legislation for a period of more than 30 consecutive days or became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

On June 14, 2004, prior to Mr. Ackerman becoming a director of Advanced Vision Systems Corp. (“**AVS**”) (now Arena Minerals Inc.), the British Columbia Securities Commission (“**BCSC**”) and the Alberta Securities Commission (“**ASC**”) issued cease trade orders against AVS for failing to file financial statements for the year ended December 31, 2003, and interim unaudited financial statements for the period ended March 31, 2004. Mr. Ackerman joined as President and a director of AVS on June 10, 2010. On August 18, 2010 AVS filed the required documents and on August 23, 2010 the BCSC and ASC issued revocation orders.

Doug McFaul was a director of egX Group Inc. (“**egX**”). In May 2009, while Mr. McFaul was a director of egX, egX was subject to a cease trade order of the BCSC and a cease trade order of the ASC (in August 2009) for failure to file the required continuous disclosure documents for the financial year ended December 31, 2008. The cease trade orders remain in effect.

Rick Cox was the former Chief Operating Officer of Ocion Water Sciences Group Ltd. (“**Ocion**”). A secured creditor appointed a receiver to Ocion on October 17, 2014. Rick Cox resigned as an officer of Ocion on October 17, 2014. On November 6, 2014 the board of directors of Ocion determined that the interests of all stakeholders would best be protected by an assignment into bankruptcy.

PENALTIES OR SANCTIONS

No director, officer or Insider of the Company, or any shareholder holding sufficient securities of the Company to affect materially the control of the Company has been subject to any penalties

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

PERSONAL BANKRUPTCIES

No director, officer or Insider of the Company, or any shareholder holding sufficient securities of the Company to affect materially the control of the Company, or a personal holding company of any such persons, has, within the 10 years preceding the date of this prospectus, as applicable, 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 their assets.

CONFLICTS OF INTEREST

There are potential conflicts of interest to which all of the directors, officers and Insiders of the Company may be subject in connection with the operations of the Company. Most of the directors and officers of the Company are engaged and will continue to be engaged in the search for additional business opportunities on behalf of other entities, and situations may arise where these directors and officers will be in direct competition with the Company. Conflicts, if any, will be dealt with in accordance with the relevant provisions of the *Business Corporations Act* (British Columbia). Some of the directors and officers of the Company are or may become directors or officers of other entities engaged in other business ventures. In order to avoid the possible conflict of interest which may arise between the directors' and officers' duties to the Company and their duties to the other entities with which they are involved, the directors and officers of the Company have been advised the following by the Company:

- (a) participation in other business ventures offered to the directors or officers should be allocated between the various entities and on the basis of prudent business judgment and the relative financial abilities and needs of such entities to participate;
- (b) no commissions or other extraordinary consideration will be paid to such directors and officers; and
- (c) business opportunities formulated by or through other entities in which the directors and officers are involved should not be offered to the Company except on the same or better terms than the basis on which they are offered to third party participants.

EXECUTIVE COMPENSATION

DIRECTOR AND EXECUTIVE OFFICER COMPENSATION

Upon becoming a reporting issuer, the Company will have two (2) named executive officers, Scott Ackerman, the Chief Executive Officer, and Doug McFaul, the Chief Financial Officer of the Company (together, the "**NEOs**"). In the event the Company is in a position to pay a base salary to any officer, such a base salary would be determined by the board of directors and may be based on performance contributions for the year and sustained performance contributions over a number of years. Officers of the Company will be eligible to receive discretionary bonuses as determined by the board of directors based on each officer's responsibilities, his achievement of corporate objectives and the Company's financial performance. There is no formal timing for when such an analysis would be performed or when NEOs would be eligible to

receive a salary or discretionary bonus. Any salary or bonus would be determined at the absolute discretion of the board and there are presently no performance criteria, goals or peer groups which have been set or identified in relation to NEO compensation.

The Company expects that the compensation of the NEOs in the year ending December 31, 2019 will be \$Nil.

Director compensation is determined by the directors, acting as a whole. The only arrangements the Company has pursuant to which directors are compensated by the Company for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as a consultant or expert during the most recently completed financial year or subsequently, are by the issuance of incentive stock options pursuant to the Company's Stock Option Plan.

The purpose of granting such options is to assist the Company in compensating, attracting, retaining and motivating the directors of the Company and to closely align the personal interests of such persons to that of the shareholders.

The Company did not compensate directors in the period from incorporation to December 31, 2018.

EXTERNAL MANAGEMENT COMPANIES

All NEOs acting for the Company act on their own behalf and do not presently provide their services through an external management company.

INCENTIVE PLAN AWARDS

Common Share Purchase Plan

The Company has in effect the Stock Option Plan in order to provide effective incentives to directors, officers, senior management personnel and employees of the Company and to enable the Company to attract and retain experienced and qualified individuals in those positions by permitting such individuals to directly participate in an increase in per share value created for the Company's Shareholders. The Stock Option Plan was adopted by resolution of the directors of the Company, and approved by the shareholders of the Company on February 22, 2019. The Company has no equity incentive plans other than the Stock Option Plan. Details on the Stock Option Plan and the stock options granted to the directors and officers of the Company as of the date of this Prospectus, including material terms, can be found in section "Options to Purchase Securities".

EMPLOYMENT, CONSULTING, AND MANAGEMENT AGREEMENTS

The Company has no employment, consulting or management agreements in place.

TERMINATION AND CHANGE OF CONTROL BENEFITS

The Company does not have any contracts, agreements, plans or arrangements in place with any NEO that provides for payment following or in connection with any termination (whether voluntary, involuntary or constructive, resignation, retirement, a change of control of the Company or a change in an NEO's responsibilities).

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No existing or proposed director, executive officer or senior officer of the Company or any associate of any of them, is indebted to the Company as at the date of this Prospectus.

AUDIT COMMITTEE

The charter of the Company's audit committee and the other information required to be disclosed by Form 52-110F2 is attached to this Prospectus as Schedule "A".

CORPORATE GOVERNANCE

The information required to be disclosed by National Instrument 58-101 *Disclosure of Corporate Governance Practices* is attached to this Prospectus as Schedule "B".

PLAN OF DISTRIBUTION

The Offering will be made in accordance with the Agency Agreement and the rules and policies of the Exchange. This Offering consists of 2,000,000 Shares and is subject to the completion of a minimum subscription of 2,000,000 Shares to raise minimum gross proceeds of \$200,000. If the Offering is not completed within 90 days of the issuance of a receipt for the final prospectus, and unless an amendment is filed and receipted, not later than 180 days from the date of receipt for the final Prospectus, the Offering will cease and all subscription monies will be returned to Subscribers without interest or deduction, unless the Subscribers have otherwise instructed the Agent. Pursuant to the Agency Agreement, the Company has engaged the Agent to act as its exclusive agent to conduct the Offering in the Selling Provinces, on a commercially reasonable efforts basis. The Agent may enter into selling group arrangements with other investment dealers at no additional cost to the Company. The Agent will receive, on the Closing Date:

1. The Agent's Commission of 10% of the gross proceeds of the Offering, payable in cash;
2. The Agent's Warrants in an amount equal to 10% of the Shares sold under the Offering, where each Agent's Warrant provides the right to acquire one Agent's Warrant Share, exercisable at a price of \$0.10 per Agent's Warrant Share for a period of 24 months from the Closing Date; and
3. The Agent's Expenses, of which a retainer of \$10,000 has been paid toward such expenses.

The Agent has agreed to assist with the Offering on a commercially reasonable efforts basis, but is not obligated to purchase any of the Shares for its own account.

Subscriptions will be received for the Shares subject to rejection or acceptance by the Company in whole or in part and the right is reserved to close the subscription books at any time. Upon rejection of a subscription or in the event that the Offering does not complete within the term of the Agency Agreement or the time required by the rules of the Securities Commissions, the subscription price and the subscription will be returned to the Subscriber forthwith without interest or deduction. Certificates representing the Shares acquired hereunder will be delivered on the Closing Date unless the Agent elects for delivery in book entry form through CDS Clearing and Depository Services Inc. ("**CDS**") or its nominee and will be deposited with CDS. If delivered in book entry form, purchasers of Shares will receive only a customer confirmation from the registered dealer that is a CDS participant and from or through which the Shares were purchased.

The Agency Agreement provides that, upon the occurrence of certain stated events such as the breach of any term of the Agency Agreement by the Company or at the discretion of the Agent on the basis of its assessment of the state of the financial markets or the market for the Shares that the Shares cannot be marketed profitably, the Agent may terminate the Offering.

There are no payments in cash, securities or other consideration being made, or to be made, to a promoter, finder or any other person or company in connection with the Offering other than the payments to be made to the Agent in accordance with the terms of the Agency Agreement as set out above.

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

The directors, officers and other insiders of the Company may purchase Shares under the Offering. The price of the Shares offered under this Prospectus was determined by negotiation between the Company and the Agent and bears no relationship to earnings, book value or other valuation criteria.

LISTING OF COMMON SHARES

The Company has applied to list the securities being distributed under this Prospectus on the Exchange. Listing will be subject to the Company fulfilling all the listing requirements of the Canadian Securities Exchange. Confirmation of Listing of the securities on the Exchange is a condition of Closing.

As at 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, Aequis 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). See “Risk Factors”.

RISK FACTORS

GENERAL

The Company is in the business of exploring mineral properties, which is a highly speculative endeavor. A purchase of any of the securities offered hereunder involves a high degree of risk and should be undertaken only by purchasers whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. An investment in the securities offered hereunder should not constitute a major portion of an individual's investment portfolio and should only be made by persons who can afford a total loss of their investment. Prospective purchasers should evaluate carefully the following risk factors associated with an investment in the Company's securities prior to purchasing any of the securities offered hereunder.

INSUFFICIENT CAPITAL

The Company does not currently have any revenue producing operations and may, from time to time, report a working capital deficit. To maintain its activities, the Company will require additional funds which may be obtained either by the sale of equity capital or by entering into an option or joint venture agreement with a third party providing such funding. There is no assurance that the Company will be successful in obtaining such additional financing; failure to

do so could result in the loss or substantial dilution of the Company's interest in the Dash Lake Project.

There can be no assurance that financing will be available to the Company or, if it is, that it will be available on terms acceptable to the Company and will be sufficient to fund cash needs until the Company achieves positive cash flow. If the Company is unable to obtain the financing necessary to support its operations, it may be unable to continue as a going concern. The Company currently has no commitments for any credit facilities such as revolving credit agreements or lines of credit that could provide additional working capital. The Company has no long term debt, capital lease obligations, operating leases or any other long term obligations.

NO ESTABLISHED MARKET

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

LIMITED BUSINESS HISTORY

The Company has only recently commenced operations and has no history of operating earnings. The likelihood of success of the Company must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any business. The Company has limited financial resources and there is no assurance that additional funding will be available to it for further operations or to fulfill its obligations under applicable agreements. There is no assurance that the Company can generate revenues, operate profitably or provide a return on investment or that it will successfully implement its plans.

HIGH RISK, SPECULATIVE NATURE OF INVESTMENT

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

RESALE OF SHARES

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

LIQUIDITY CONCERNS AND FUTURE FINANCING REQUIREMENTS

After completion of the Offering, the Company may require additional financing in order to fund its ongoing exploration program on the Property. The ability of the Company to arrange such financing in the future will depend, in part, upon prevailing capital market conditions as well as

the business success of the Company. There can be no assurance that the Company will be successful in its efforts to arrange additional financing on terms satisfactory to the Company. If additional financing is raised by the issuance of Shares from treasury, control of the Company may change and shareholders may suffer additional dilution. The further exploration and development of the Property and any other mineral properties in which the Company may hold an interest will also require additional equity or debt financing. Failure to obtain additional financing could result in delay or indefinite postponement of further exploration and development or forfeiture of some rights in the Company's mineral properties. Events in the equity market may impact the Company's ability to raise additional capital in the future.

If available, future equity financing may result in substantial dilution to purchasers under the Offering. At present, it is impossible to determine what amounts of additional funds, if any, may be required.

PROPERTY INTERESTS

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

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

The Company has no history of operating earnings and the likelihood of success must be considered in light of problems, expenses, etc. which may be encountered in establishing a business.

FINANCING RISKS

The Company has no history of earnings and, due to the nature of its business, there can be no assurance that the Company will be profitable. The Company has paid no dividends on its Common Shares since incorporation and does not anticipate doing so in the foreseeable future. The only present source of funds available to the Company is through the sale of its equity shares. Even if the results of exploration are encouraging, the Company may not have sufficient funds to conduct the further exploration that may be necessary to determine whether or not a commercially minable deposit exists on the Dash Lake Project. While the Company may generate additional working capital through further equity offerings or through the sale or possible syndication of its Dash Lake Project, there is no assurance that any such funds will be available. If available, future equity financing may result in substantial dilution to purchasers

under the Offering. At present it is impossible to determine what amounts of additional funds, if any, may be required.

NEGATIVE OPERATING CASH FLOW

The Company has negative operating cash flow. The failure of the Company to achieve profitability and positive operating cash flows could have a material adverse effect on the Company's financial condition and results of operations. To the extent that the Company has negative cash flow in future periods, the Company may need to deploy a portion of its cash reserves to fund such negative cash flow. The Company expects to continue to sustain operating losses in the future until it generates revenue from the commercial production of its properties. There is no guarantee that the Company will ever be profitable.

EXPLORATION AND DEVELOPMENT

Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by the Company may be affected by numerous factors which are beyond the control of the Company and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection, the combination of which factors may result in the Company not receiving an adequate return of investment capital.

There is no assurance that the Company's mineral exploration and development activities will result in any discoveries of commercial bodies of ore. The long-term profitability of the Company's operations will, in part, be directly related to the costs and success of its exploration programs, which may be affected by a number of factors. Substantial expenditures are required to establish reserves through drilling and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis.

ACQUISITION OF ADDITIONAL MINERAL PROPERTIES

If the Company loses or abandons its interest in the Dash Lake Project, there is no assurance that it will be able to acquire another mineral property of merit or that such an acquisition would be approved by the Exchange. There is also no guarantee that the Exchange will approve the acquisition of any additional properties by the Company, whether by way of option or otherwise, should the Company wish to acquire any additional properties.

COMMERCIAL ORE DEPOSITS

The Dash Lake Project is in the exploration stage only and is without a known body of commercial ore. Development of the Dash Lake Project will follow only if favourable exploration results are obtained. The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines.

UNINSURABLE RISKS

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

PERMITS AND GOVERNMENT REGULATIONS

The future operations of the Company may require permits from various federal, provincial and local governmental authorities and will be governed by laws and regulations governing prospecting, development, mining, production, export, taxes, labour standards, occupational health, waste disposal, land use, environmental protections, mine safety and other matters. There can be no guarantee that the Company will be able to obtain all necessary permits and approvals that may be required to undertake exploration activity or commence construction or operation of mine facilities on the Company's Dash Lake Project. The Company currently does not have any permits in place.

ENVIRONMENTAL AND SAFETY REGULATIONS AND RISKS

Environmental laws and regulations may affect the operations of the Company. These laws and regulations set various standards regulating certain aspects of health and environmental quality. They provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are or were conducted. The permission to operate can be withdrawn temporarily where there is evidence of serious breaches of health and safety standards, or even permanently in the case of extreme breaches. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of acquired properties or noncompliance with environmental laws or regulations. In all major developments, the Company generally relies on recognized designers and development contractors from which the Company will, in the first instance, seek indemnities. The Company intends to minimize risks by taking steps to ensure compliance with environmental, health and safety laws and regulations and operating to applicable environmental standards. There is a risk that environmental laws and regulations may become more onerous, making the Company's operations more expensive.

The Property is located in an area known for its strong environmental activism and the Company may encounter strong opposition for any of its exploration and development plans which could result in significant delays to the Company's plans, or result in increased costs to the Company.

MINERAL TITLES

The Company has not yet obtained a title opinion in respect of the Dash Lake Project. The claims on the Property have not been legally surveyed. The Property may be subject to prior unregistered agreements, transfers or claims and title may be affected by undetected defects. The Company is satisfied, however, that evidence of title to the Property is adequate and acceptable by prevailing industry standards with respect to the current stage of exploration on the Property.

FIRST NATIONS LAND CLAIMS

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

First Nations' rights may be claimed on Crown properties or other types of tenure with respect to which mining rights have been conferred. The Supreme Court of Canada's 2014 decision in *Tsilhqot'in Nation v. British Columbia* marked the first time in Canadian history that a court has declared First Nations' title and rights to lands outside of reserve land. The Property may now or in the future be the subject of Aboriginal or indigenous land claims. The legal nature of aboriginal land claims is a matter of considerable complexity. The impact of any such claim on the Company's ownership interest in the Property cannot be predicted with any degree of certainty and no assurance can be given that a broad recognition of Aboriginal rights in the area in which the Property is located, by way of a negotiated settlement or judicial pronouncement, would not have an adverse effect on the Company's activities. Even in the absence of such recognition, the Company may at some point be required to negotiate with and seek the approval of holders of Aboriginal interests in order to facilitate exploration and development work on the Property, there is no assurance that the Company will be able to establish a practical working relationship with any First Nations in the area which would allow it to ultimately develop the Property.

FLUCTUATING MINERAL PRICES AND CURRENCY RISK

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

COMPETITION

The mining industry is intensely competitive in all its phases. The Company competes for the acquisition of mineral properties, claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees with many companies possessing greater financial resources and technical facilities than the Company. The competition in the mineral exploration and development business could have an adverse effect on the Company's ability to acquire suitable properties or prospects for mineral exploration in the future.

MANAGEMENT

The success of the Company is currently largely dependent on the performance of its directors and officers. The loss of the services of any of these persons could have a materially adverse effect on the Company's business and prospects. There is no assurance the Company can maintain the services of its directors, officers or other qualified personnel required to operate its business.

TAX ISSUES

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

DILUTION

The Offering Price of the Shares issuable under this Offering significantly exceeds the net tangible book value per Common Share and, accordingly, investors will suffer immediate and substantial dilution of their investment in the amount of 73% or \$0.073 per Common Share before considering costs associated with the Offering.

PRICE VOLATILITY OF PUBLICLY TRADED SECURITIES

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for the Common Shares will be subject to market trends generally, notwithstanding any potential success of the Company in creating revenues, cash flows or earnings. The value of the Shares distributed hereunder will be affected by such volatility. There is no public market for the Company's Common Shares. An active public market for the Common Shares might not develop or be sustained after the Offering. The initial public Offering Price of the Shares has been determined by negotiations between the Company and representatives of the Agent and this price will not necessarily reflect the prevailing market price of the Shares following the Offering. If an active public market for the Common Shares does not develop, the liquidity of a shareholder's investment may be limited and the share price may decline below the Offering Price.

CONFLICTS OF INTEREST

Some of the directors and officers of the Company are engaged and will continue to be engaged in the search for additional business opportunities on behalf of other corporations and situations may arise where these directors and officers will be in direct competition with the Company. Conflicts, if any, will be dealt with in accordance with the relevant provisions of the *Business Corporations Act* (British Columbia). Some of the directors and officers of the Company are or may become directors or officers of other companies engaged in other business ventures. In order to avoid the possible conflict of interest which may arise between the directors' duties to the Company and their duties to the other companies on whose boards they serve, the directors and officers of the Company have agreed to the following:

1. participation in other business ventures offered to the directors will be allocated between the various companies and on the basis of prudent business judgment and the relative financial abilities and needs of the companies to participate;
2. no commissions or other extraordinary consideration will be paid to such directors and officers; and
3. business opportunities formulated by or through other companies in which the directors and officers are involved will not be offered to the Company except on the same or better terms than the basis on which they are offered to third party participants.

STRESS IN THE GLOBAL ECONOMY

Reduction in credit, combined with reduced economic activity and the fluctuations in the United States dollar, may adversely affect businesses and industries that purchase commodities, affecting commodity prices in more significant and unpredictable ways than the normal risks associated with commodity prices. The availability of services such as drilling contractors and geological service companies and/or the terms on which these services are provided may be adversely affected by the economic impact on the service providers. The adverse effects on the capital markets generally make the raising of capital by equity or debt financing much more difficult and the Company is dependent upon the capital markets to raise financing. Any of these events, or any other events caused by turmoil in world financial markets, may have a material adverse effect on the Company's business, operating results and financial condition.

CURRENT GLOBAL FINANCIAL CONDITION

Current global financial conditions have been subject to increased volatility. Access to financing has been negatively impacted by both sub-prime mortgages in the United States and elsewhere and the liquidity crisis affecting the asset-backed commercial paper market. As such, the Company is subject to counterparty risk and liquidity risk. The Company is exposed to various counterparty risks including, but not limited to: (i) through financial institutions that hold the Company's cash; (ii) through companies that have payables to the Company; and (iii) through the Company's insurance providers. The Company is also exposed to liquidity risks in meeting its operating expenditure requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact the ability of the Company to obtain loans and other credit facilities in the future and, if obtained, on terms favourable to the Company. If these increased levels of volatility and market turmoil continue, the Company's operations could be adversely impacted and the trading price of the Common Shares could be adversely affected.

PROMOTERS

Scott Ackerman is considered to be the promoter of the Company. He has ownership and control of 1,400,000 Common Shares (10.45%) of the issued and outstanding Common Shares of the Company as of the date of this Prospectus. See "Directors and Executive Officers" and "Executive Compensation".

LEGAL PROCEEDINGS AND REGULATORY MATTERS

The Company is not a party to any legal proceedings or regulatory actions and is not aware of any such proceedings known to be contemplated.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No person who is:

- (a) A director or executive officer of the Company;
- (b) A person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10 percent of any class or series of the Company's outstanding voting securities; or
- (c) An associate or affiliate of any of the persons or companies referred to in paragraphs (a) or (b),

has any material interest, direct or indirect, in any material transaction since incorporation or in any proposed transaction that has materially affected or will materially affect the Company.

RELATIONSHIP BETWEEN THE COMPANY AND AGENT

The Company is not a "related issuer" or connected issuer to the Agent as such terms are utilized in National Instrument 33-105 – *Underwriting Conflicts* of the Canadian Securities Administrators.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Company are Davidson & Company LLP, Chartered Professional Accountants of 1200 – 609 Granville Street, Vancouver, British Columbia, Canada, V7Y 1G6. Davidson & Company LLP, Chartered Professional Accountants, have advised the Company that they are independent of the Company within the meaning of the Rules of Professional Conduct of the Institute of Chartered Professional Accountants of British Columbia.

The Company has appointed Odyssey Trust Company, located at United Kingdom Building, Suite 323 - 409 Granville Street, Vancouver BC V6C 1T2 as the registrar and transfer agent of the Common Shares of the Company.

MATERIAL CONTRACTS

Except for contracts made in the ordinary course of business, the following are the only material contracts entered into by the Company since its incorporation, which are currently in effect and considered to be currently material:

1. Option Agreement between the Company and the Vendors referred to under "General Development of the Business".
2. Agency Agreement between the Company and Mackie Research Capital Corporation dated [●] referred to under "Plan of Distribution".
3. Escrow Agreement referred to under "Escrowed Securities".
4. Registrar and Transfer Agent Agreement between the Company and Odyssey Trust Company which the Company intends to enter into following the publication of this Prospectus.

A copy of any material contract and the Report may be inspected during distribution of the Shares being offered under this Prospectus and for a period of 30 days thereafter during normal business hours at the Company's offices at 1600-609 Granville Street, Vancouver British Columbia V7Y 1C3.

EXPERTS

Davidson & Company LLP, Chartered Professional Accountants, have audited the Company's Financial Statements.

D. Cullen, P.Geo., J. Garry Clark, P.Geo. and S. Siemieniuk, P.Geo., are the Authors of the Report on the Property.

No person or company whose profession or business gives authority to a report, valuation, statement or opinion and whom is named as having prepared or certified a report or valuation described or included in this Prospectus holds or is to hold any beneficial or registered interest, direct or indirect, in any securities or property of the Company or any associate of the Company.

RELATIONSHIP BETWEEN THE COMPANY'S PROFESSIONAL PERSONS AND EXPERTS

There is no beneficial interest, direct or indirect, in any securities in excess of one percent of the Company's issued capital or property of the Company or of an associate or affiliate of the Company, held by a professional person as referred to in section 106(1) of the Rules under the *Securities Act* (British Columbia), a responsible solicitor or any partner of a responsible solicitor's firm or by any person or company whose profession or business gives authority to a statement made by the person or company and who is named as having prepared or certified a part of this Prospectus or prepared or certified a report or valuation described or included in this Prospectus.

ELIGIBILITY FOR INVESTMENT

In the opinion of Cassels Brock and Blackwell LLP, counsel to the Company, based on the current provisions of the Income Tax Act (Canada) and the regulations thereunder (collectively, the "**Tax Act**") in force on the date hereof and any proposal to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) ("**Tax Proposals**") prior to the date hereof, if the Shares were issued on the date hereof and listed and posted for trading on a "designated stock exchange" as defined in the Tax Act (which includes the Exchange) or if the Company was a "public corporation" on the date hereof, as that term is defined in the Tax Act, then the Shares would at that time be a "qualified investment" for a trust governed by a "registered retirement savings plan" ("**RRSP**"), "registered retirement income fund" ("**RRIF**"), "tax-free savings account" ("**TFSA**"), "registered education savings plan" ("**RESP**"), "deferred profit sharing plan" and "registered disability savings plan" ("**RDSP**"), as those terms are defined in the Tax Act (collectively, the "Plans").

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

Notwithstanding that a Share may be a qualified investment for a TFSA, RRSP, RRIF, RESP or RDSP (a “**Registered Plan**”), the holder, subscriber or annuitant of the Registered Plan, as the case may be, will be subject to a penalty tax as set out in the Tax Act in respect of the Shares if such Shares are a “prohibited investment” for the Registered Plan for purposes of the Tax Act. The Shares will generally be a “prohibited investment” for a Registered Plan if the holder or annuitant, as the case may be, does not deal at arm’s length with the Company for the purposes of the Tax Act or has a “significant interest” (as defined in the Tax Act) in the Company. In addition, the Shares generally will not be a prohibited investment if the Shares are “excluded property” within the meaning of the Tax Act for the Registered Plan.

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

OTHER MATERIAL FACTS

There are no further facts or particulars in respect of the securities being distributed pursuant to this Prospectus that are not already disclosed herein that are necessary to be disclosed for this Prospectus to contain full, true and plain disclosure of all material facts relating to such securities.

PURCHASERS’ STATUTORY RIGHT OF WITHDRAWAL AND RESCISSION

Securities legislation in the Provinces of British Columbia and Alberta 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. The securities legislation further provides a purchaser with remedies for rescission or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the 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.

LIST OF EXEMPTIONS

The Company has not applied for or received any exemption from National Instrument 41-101 – *General Prospectus Requirements*, regarding this Prospectus or the distribution of its securities under this Prospectus.

FINANCIAL STATEMENTS

Attached to and forming part of this Prospectus are the audited financial statements of the Company for the period from incorporation on September 28, 2018 to December 31, 2018, together with the Auditor's Report thereon. The Company's year-end is December 31.

FINANCIAL STATEMENTS

SHAFER RESOURCES CORP.

Financial Statements
(Expressed in Canadian Dollars)

As at December 31, 2018 and for the period from incorporation on
September 28, 2018 to December 31, 2018

INDEPENDENT AUDITOR'S REPORT

To the Directors of
Shafer Resources Corp.

Opinion

We have audited the accompanying financial statements of Shafer Resources Corp. (the "Company"), which comprise the statement of financial position as at December 31, 2018, and the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the period from incorporation on September 28, 2018 to December 31, 2018, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the financial statements, which indicates that the Company incurred a net loss of \$16,365 during the period ended December 31, 2018 and, as of that date, the Company will need to raise future funds to develop its operations. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Erez Bahar.

Vancouver, Canada

Chartered Professional Accountants

April __, 2019

SHAFER RESOURCES CORP.
Statement of Financial Position
(Expressed in Canadian dollars)

	As at December 31, 2018	
Assets		
Current Assets		
Cash	\$	183,737
Prepaid expenses		10,000
GST receivable		8,428
		<u>202,165</u>
Exploration and evaluation assets (Note 5)		65,195
Total Assets	\$	267,360
Liabilities and Shareholders' Equity		
Current Liabilities		
Accounts payable and accrued liabilities	\$	72,125
Shareholders' Equity		
Share capital (Note 6)		211,600
Deficit		<u>(16,365)</u>
		<u>195,235</u>
Total Liabilities and Shareholders' Equity	\$	267,360

Nature and continuance of operations (Note 1)

Approved on Behalf of the Board on April XX, 2019:

"Doug McFaul"
Director

"Scott Ackerman"
Director

The accompanying notes are an integral part of these Financial Statements

SHAFER RESOURCES CORP.Statement of Loss and Comprehensive Loss
(Expressed in Canadian dollars)

	For the period from incorporation on September 28, 2018 to December 31, 2018
Expenses	
Bank charges	\$ 252
Professional fees	16,113
Loss and comprehensive loss for the period	\$ 16,365
<hr/>	
Weighted average number of shares outstanding – basic and diluted (Note 6(b))	10,874,468
Basic and diluted loss per share	\$ (0.00)

The accompanying notes are an integral part of these Financial Statements

SHAFER RESOURCES CORP.

Statement of Changes in Shareholders' Equity

(Expressed in Canadian dollars)

	Share Capital		Deficit	Total Shareholders' Equity
	Number	Amount		
Balance, (incorporation) – September 28, 2018	-	\$ -	\$ -	\$ -
Shares issued for private placement	4,000,000	35,000	-	35,000
Shares issued for flow-through private placement	9,000,000	174,600	-	174,600
Shares issued for mineral property acquisition	100,000	2,000	-	2,000
Loss and comprehensive loss	-	-	(16,365)	(16,365)
Balance, December 31, 2018	13,100,000	\$ 211,600	\$ (16,365)	\$ 195,235

The accompanying notes are an integral part of these Financial Statements

SHAFER RESOURCES CORP.
Statement of Cash Flows
(Expressed in Canadian dollars)

	For the period from incorporation on September 28, 2018 to December 31, 2018	
Cash provided by / (used for):		
Operating Activities:		
Loss for the period	\$	(16,365)
Changes in non-cash working capital items:		
Account payable and accrued liabilities		24,530
Prepaid expenses		(10,000)
GST receivable		(8,428)
		(10,263)
Financing Activities:		
Proceeds from share issuance		215,000
		215,000
Investing Activities:		
Exploration and evaluation assets		(21,000)
		(21,000)
Increase in cash for the period		183,737
Cash, beginning of the period		-
Cash, end of the period	\$	183,737
Supplemental information:		
Interest paid	\$	-
Income taxes	\$	-
Exploration and evaluation assets		
Expenditures included in Accounts payable and accrued liabilities	\$	42,195
Share issued for property payment	\$	2,000

The accompanying notes are an integral part of these Financial Statements

SHAFER RESOURCES CORP.

Notes to the Financial Statements

As at December 31, 2018 and for the period from incorporation on September 28, 2018 to December 31, 2018

(Expressed in Canadian dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN UNCERTAINTY

Shafer Resources Corp. (“Shafer” or the “Company”) was incorporated September 28, 2018 in the Province of British Columbia. The Company’s head office is located at 1600 – 609 Granville Street, Vancouver, BC, V7Y 1C3 and its registered address is 2200 – 885 West Georgia Street, Vancouver, BC V6C 3E8.

The Company is engaged in the exploration and development of mineral resources, currently focusing on projects in Ontario. At this time the Company does not own any operating mines and has no operating income from mineral production. Funding for operations is raised primarily through share offerings. It is not known whether the Company’s mineral property contains reserves that are economically recoverable. The recoverability of amounts recorded by the Company for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability to raise funding for continued exploration and development, the completion of property option expenditures and acquisition requirements, or from proceeds from disposition.

These financial statements (“Financial Statements”) have been prepared with the assumption that the Company will realize its assets and discharge its liabilities in the normal course of business. The Company’s ability to meet its obligations and maintain its current operations through the ensuing twelve-month period and thereafter is contingent upon successful completion of additional financing arrangements and ultimately upon the discovery of proven reserves and generating profitable operations.

Management expects to be successful in arranging sufficient funding to meet operating commitments for the ensuing year. However, the Company’s future capital requirements will depend on many factors, including the costs of exploring and developing its resource properties, operating costs, the current capital market environment and global market conditions. As at December 31, 2018, the Company has working capital of \$130,040 and equity of \$195,235. Consequently, there is a material uncertainty that may cast significant doubt on the Company’s ability to continue as a going concern. For significant expenditures and resource property development, the Company will depend almost exclusively on outside capital. Such outside capital will include the issuance of additional equity shares. There can be no assurance that capital will be available, as necessary, to meet the Company’s operating commitments and further exploration and development plans. The issuance of additional equity securities by the Company may result in significant dilution to the equity interests of current shareholders. The Company’s future capital requirements will depend on many factors, including the costs of exploring and developing its resource properties, operating costs, the current capital market environment and global market conditions. The continued operations of the Company are dependent on its ability to develop a sufficient financing plan, receive continued financial support from related parties, complete sufficient public equity financing, and ultimately generate profitable operations in the future. The Company has no assurance that it will be successful in its efforts. If the Company is unable to obtain financing in the amounts and on terms deemed acceptable, the future success of the business could be adversely affected.

SHAFER RESOURCES CORP.

Notes to the Financial Statements

As at December 31, 2018 and for the period from incorporation on September 28, 2018 to December 31, 2018

(Expressed in Canadian dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN UNCERTAINTY (continued)

These Financial Statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

2. BASIS OF PREPARATION**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").

Basis of preparation

The financial statements have been prepared on a historical cost basis, 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.

Use of estimates and judgements

The preparation of these financial statements requires management to make certain estimates, judgements and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses incurred during the period. Actual results could differ from these estimates. The preparation of these financial statements requires management to make judgements regarding the going concern of the Company, as discussed in Note 1.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

SHAFER RESOURCES CORP.

Notes to the Financial Statements

As at December 31, 2018 and for the period from incorporation on September 28, 2018 to December 31, 2018

(Expressed in Canadian dollars)

2. BASIS OF PREPARATION (continued)

Deferred tax assets and liabilities

The measurement of deferred income tax provision is subject to uncertainty associated with the timing of future events and changes in legislation, tax rates and interpretations by tax authorities. The estimation of 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 operations of the Company. 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 deferred tax provisions or recoveries could be affected.

3. SIGNIFICANT ACCOUNTING POLICIES

a. 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 assets and liabilities on a net basis.

Deferred tax assets and liabilities are offset when there is a legal 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.

SHAFER RESOURCES CORP.

Notes to the Financial Statements

As at December 31, 2018 and for the period from incorporation on September 28, 2018 to December 31, 2018

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

b. Impairment

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. 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 and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

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 year. A reversal of an impairment loss is recognized immediately in profit or loss.

c. Share capital

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

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.

SHAFER RESOURCES CORP.

Notes to the Financial Statements

As at December 31, 2018 and for the period from incorporation on September 28, 2018 to December 31, 2018

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

d. Financial instruments

Recognition

The Company recognizes financial assets and financial liabilities on the date the Company becomes a party to the contractual provisions of the instruments.

Classification

The Company classified its financial assets and financial liabilities in the following measurement categories: i) those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss, and ii) those to be measured at amortized costs. The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at fair value through profit or loss (irrevocable election at the time of recognition). For assets and liabilities measured at fair value, gains and losses are either recorded in profit or loss or other comprehensive income.

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

The Company has implemented the following classifications:

- Cash is classified as assets at fair value and any period change in fair value is recorded in profit or loss.
- Accounts payable and accrued liabilities are classified as other financial liabilities and measured at amortized cost using the effective interest rate method. Interest expense is recorded in profit or loss.

Measurement

All financial instruments are required to be measured at fair value on initial recognition, plus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs of financial assets and financial liabilities with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

SHAFER RESOURCES CORP.

Notes to the Financial Statements

As at December 31, 2018 and for the period from incorporation on September 28, 2018 to December 31, 2018

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

d. Financial instruments (continued)

Measurement (continued)

Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of the subsequent accounting periods. All other financial assets including equity investments are measured at their fair values at the end of subsequent accounting periods, with any changes taken through profit and loss or other comprehensive income (irrevocable election at the time of recognition).

Impairment

The Company assesses all information available, including on a forward looking basis the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as the reporting date with the risk of default as at the date of initial recognition based on all information available, and reasonable and supportive forward looking information.

See note 9 for additional information on the classification of the Company's financial instruments.

e. Exploration and evaluation assets

Costs incurred before the Company has obtained the legal rights to explore an area are expensed in the period in which they are incurred.

Costs incurred to acquire the legal right to explore a property are capitalized. Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures are recognized and capitalized on a property-by-property basis. These direct expenditures include such costs as surveying costs, drilling costs, labor and contractor costs, materials used and licensing and permit fees.

Government tax credits received are recorded as a reduction to the cumulative costs incurred and capitalized on the related property. Once the technical feasibility and commercial viability of extracting the mineral resource have been determined the property is considered to be under development and is classified as development properties. The carrying value of exploration and evaluation assets is transferred to development properties after being tested for impairment.

Once commercial production has commenced, all capitalized costs related to the property are transferred to producing properties and the costs of acquisition, exploration and development will be amortized over the life of the property based on estimated economic reserves. Proceeds received from the sale of any interest in a property will be credited against the carrying value of

SHAFER RESOURCES CORP.

Notes to the Financial Statements

As at December 31, 2018 and for the period from incorporation on September 28, 2018 to December 31, 2018

(Expressed in Canadian dollars)

the property, with any excess included in other income for the period. If a property is abandoned, the acquisition, deferred exploration and development costs will be written off to other expenses.

SHAFER RESOURCES CORP.

Notes to the Financial Statements

As at December 31, 2018 and for the period from incorporation on September 28, 2018 to December 31, 2018

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Currently, all mineral properties of the Company are at the exploration stage.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or inadvertent non-compliance with regulatory requirements.

e. Exploration and evaluation assets (continued)

Exploration costs renounced due to flow-through share subscription agreements remain capitalized; however, for corporate income tax purposes the Company has no right to claim these costs as tax deductible expenses.

Recorded costs of mineral properties and deferred exploration costs are not intended to reflect present or future values of resource properties. The recorded costs are subject to measurement uncertainty and it is reasonably possible, based on existing knowledge that changes in future conditions could require a material change in the recognized amount.

Payments on mineral property option agreements are made at the discretion of the Company and, accordingly, are recorded as incurred.

f. Flow-through shares

The Company may 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. On issuance, the Company allocates the proceeds from flow-through shares into 1) share capital based on the fair value of the Company's shares at the date of issuance, and 2) a flow-through share premium, calculated based on the share issuance price and market price at the time of closing, if any, which is recognized as a liability. In accordance with IAS 12, Income Taxes, a deferred tax liability is recognized, with certain specific exceptions, for the taxable temporary difference that arises from the difference between the carrying amount of eligible expenditures capitalized as an asset in the statement of financial position and its tax base. Upon expenditures being incurred, the flow-through share premium is drawn down proportionately and recorded to either other income or deferred tax recovery. In instances where the Company has sufficient deductible temporary differences available to offset the deferred income tax liability created from renouncing qualifying expenditures, the realization of the deductible temporary differences will be shown as a recovery in profit or loss in the period of renunciation.

Proceeds received from the issuance of flow-through shares must be used only for Canadian resource property exploration expenditures within a two-year period.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-Back Rule, in accordance with Canada Revenue Agency flow-through regulations. When applicable, this tax is accrued as a financial expense.

SHAFER RESOURCES CORP.

Notes to the Financial Statements

As at December 31, 2018 and for the period from incorporation on September 28, 2018 to December 31, 2018

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

f. Flow-through shares (continued)

Provisions

The Company may be subject to various government laws and regulations relating to environmental disturbances caused by exploration and evaluation activities. The Company would record the present value of the estimated costs of legal and constructive obligations required to restore the exploration sites in the year in which the obligation is incurred. The typical nature of the rehabilitation activities includes restoration, reclamation and re-vegetation of the affected exploration sites. Management has assessed that there are no legal or constructive obligations presently and for all periods presented.

When a liability is recognized, the present value of the estimated rehabilitation cost is capitalized by increasing the carrying amount of the related exploration properties. Over time, the discounted liability is increased for the changes in present value based on current market discount rates and liability specific risks.

Additional environmental disturbances or changes in rehabilitation costs will be recognized as additions to the corresponding assets and rehabilitation liability in the year in which they occur.

g. Resource tax credits

The Company recognizes resource tax credit amounts as a receivable and a reduction to exploration and evaluation expenditures when the Company's application for such credits is approved by the relevant jurisdiction or when the amount to be received can be reasonably estimated and collection is reasonably assured.

4. NEW ACCOUNTING PRONOCEMENTS

New standard not yet adopted

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for accounting periods beginning on or after January 1, 2019.

IFRS 16 – Leases: New standard to establish principles for recognition, measurement, presentation and disclosure of leases with an impact on lessee accounting, effective for annual periods beginning on or after January 1, 2019. The Company does not expect the adoption of IFRS16 to have any impact on the Company

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

SHAFER RESOURCES CORP.

Notes to the Financial Statements

As at December 31, 2018 and for the period from incorporation on September 28, 2018 to December 31, 2018

(Expressed in Canadian dollars)

5. EXPLORATION AND EVALUATION ASSETS

Dash Lake Property, Ontario

On October 10, 2018, the Company entered into an option agreement (the "Option Agreement") with 1544230 Ontario Inc. and Perry English (the "Vendors") to acquire a 100% interest in the Dash Lake property (the "Property") located in the Kenora Mining Division, Northwestern Ontario, subject to a 1.5% net smelter royalty ("NSR"). The Dash Lake property consists of 44 contiguous unpatented mining claims, including 10 boundary cell mining claims and 34 single cell mining claims encompassing a total area of approximately 815 hectares (8.15 square kilometres).

To earn the 100% interest, the Company is required to make total cash payments of \$6,000, incur aggregate exploration expenditures of \$75,000, and issue a total of 500,000 common shares of the Company as follows:

- Pay \$6,000 (paid) and issue 100,000 common shares (issued) upon entering into of the Option Agreement;
- Within 10 days of completion of the minimum of \$75,000 in exploration expenditures, issue 100,000 common shares;
- Within 10 days of delivery of a National Instrument 43-101 report on the Property that meets the requirements of either the Canadian Securities Exchange or the TSX Venture Exchange (either, the "Exchange"), issue 200,000 shares; and
- After listing on the Exchange, upon the earlier of completion of an initial phase 1 work program of not less than \$100,000, or the date which is 12 months from listing on the Exchange, the Company will have 90 days to issue a final 100,000 common shares for 100% right, title and interest in the Property.

The common shares issued were determined to have a fair value of \$0.02 at the time of issuance based on the Company's estimated share price.

As of December 31, 2018, the exploration and evaluation assets consist of the following:

	Dash Lake Property
Balance, September 28, 2018 (date of incorporation)	\$ -
Acquisition Costs:	
Cash	6,000
Shares	2,000
Total Acquisition Costs	8,000
Exploration Costs:	
Consulting expenses	9,350
Ground work	43,520
Travel and transportation	4,325
Total Exploration Costs	57,195
Balance, December 31, 2018	\$ 65,195

SHAFER RESOURCES CORP.

Notes to the Financial Statements

As at December 31, 2018 and for the period from incorporation on September 28, 2018 to December 31, 2018

(Expressed in Canadian dollars)

6. SHARE CAPITAL

a) Authorized

Unlimited number of common shares without par value.

b) Issued and outstanding

On October 4, 2018, the Company issued 3,000,000 common shares of the Company at a price of \$0.005 per share for total proceeds of \$15,000.

On October 10, 2018, the Company issued 100,000 common shares in connection with the Dash Lake Property Option Agreement (Note 5).

On October 17, 2018, the Company also completed a non-brokered private placement of 1,000,000 non-flow-through units, at a price of \$0.02 per unit, for total proceeds of \$20,000. Each unit consists of one common share of the Company and one common share purchase warrant entitling the holder to acquire one further common share of the Issuer at a price of \$0.10 until October 17, 2020.

On October 19, 2018, the Company completed a non-brokered private placement of 9,000,000 flow-through units at a price of \$0.02 per unit, for total proceeds of \$180,000. Each unit consists of one flow-through common share of the Company and one common share purchase warrant. Each warrant entitles the holder to acquire one common share of the Issuer at a price of \$0.10 until October 19 2020.

7. CAPITAL MANAGEMENT

Capital is comprised of the Company's shareholders' equity and any debt that it may issue. The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its ongoing liabilities, to continue as a going concern, to maintain credit worthiness and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels.

8. RELATED PARTY TRANSACTIONS

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 operation decisions. Related parties may be individual or corporate entities. The Company has identified its directors and officers as its key management personnel.

A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. There were no such related party transactions during the period from incorporation on September 28, 2018 to December 31, 2018.

As at December 31, 2018, there was \$nil amount due to or from related parties.

SHAFER RESOURCES CORP.

Notes to the Financial Statements

As at December 31, 2018 and for the period from incorporation on September 28, 2018 to December 31, 2018

(Expressed in Canadian dollars)

9. FINANCIAL AND CAPITAL RISK MANAGEMENT

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 described below.

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Cash is classified as amortized cost. Accounts payable and accrued liabilities are classified as amortized cost.

Fair value of financial instruments

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes. 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 an unexpected loss if a customer or third 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 institutions. Management believes that the credit risk related to its cash is negligible.

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 7.

All of the Company's financial liabilities are classified as current and are anticipated to mature within the next fiscal period. The Company intends to settle these with funds from its positive working capital position.

Foreign exchange risk

Currency risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate due to changes in foreign exchange rates. As at December 31, 2018, the Company's cash, account payable and accrued liabilities are denominated in Canadian dollars. As such, the Company is not subject to any foreign exchange risk.

SHAFER RESOURCES CORP.

Notes to the Financial Statements

As at December 31, 2018 and for the period from incorporation on September 28, 2018 to December 31, 2018

(Expressed in Canadian dollars)

9. FINANCIAL AND CAPITAL RISK MANAGEMENT (continued)

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. The Company is exposed to interest rate risk to the extent that the cash maintained at the financial institutions is subject to a floating rate of interest. The interest rate risk on cash is not considered significant.

Price risk

The Company has no exposure to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market.

10. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	2018
Loss before taxes	\$ (16,365)
Expected income tax (recovery)	(4,000)
Investment tax credit	(2,000)
Share issue costs	(1,000)
Change in unrecognized deductible temporary differences	7,000
Total income tax expense (recovery)	\$ -
Current income	\$ -
Deferred tax recovery	\$ -

The significant components of the Company's unrecognized temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

	2018	Expiry Date Range
Temporary differences		
Investment tax credit	\$ 3,000	2018 to 2037
Share issue costs	\$ 4,000	2038 to 2041
Non-capital losses available for future periods	\$ 17,000	2026 to 2037

Tax attributes are subject to review, and potential adjustment, by tax authorities.

As discussed in Note 6, during the year ended December 31, 2018, the Company issued 9,000,000 common shares on a flow-through basis for gross proceeds of \$180,000. The underlying flow-through agreements require the Company to renounce certain deductions for Canadian exploration expenditures incurred on the Company's mining properties. To date, the Company spent \$64,630 of the flow through proceeds towards qualifying expenditures.

SHAFER RESOURCES CORP.

Notes to the Financial Statements

As at December 31, 2018 and for the period from incorporation on September 28, 2018 to December 31, 2018

(Expressed in Canadian dollars)

11. SUBSEQUENT EVENTS

Subsequent to the period ended December 31, 2018, the Company:

- a) On February 19, 2019, upon completion of the required exploration expenditures, and receipt of a National Instrument 43-101 report on the Property, the Company issued 300,000 common shares of the Company at a deemed price of \$0.02 per share, in connection with the Dash Lake Property Option Agreement (Note 5).
- b) On February 22, 2019, the Company adopted a formal Stock Option Plan. No options have been granted to date.

SCHEDULE "A"

to the Prospectus of Shafer Resources Corp. dated April 11, 2019

ITEM 1: THE AUDIT COMMITTEE'S CHARTER

PURPOSE

The overall purpose of the Audit Committee (the "**Committee**") of Shafer Resources Corp. (the "**Company**") is to ensure that the Company's management has designed and implemented an effective system of internal financial controls to review and report on the integrity of the financial statements and related financial disclosure of the Company and to review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of financial information. It is the intention of the Board that through the involvement of the Committee, the external audit will be conducted independently of the Company's Management to ensure that the independent auditors serve the interests of Shareholders rather than the interests of Management of the Company. The Committee will act as a liaison to provide better communication between the Board and the external auditors. The Committee will monitor the independence and performance of the Company's independent auditors.

COMPOSITION, PROCEDURES AND ORGANIZATION

1. The Committee shall consist of at least three members of the Board of Directors (the "**Board**").
2. At least two (2) members of the Committee shall be independent and the Committee shall endeavour to appoint a majority of independent directors to the Committee who, in the opinion of the Board, would be free from a relationship which would interfere with the exercise of the Committee members' independent judgment. At least one (1) member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices applicable to the Company. For the purposes of this Charter, an individual is financially literate if he or she has the ability to read and understand a set 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.
3. The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Committee for the ensuing year. The Board may, at any time, remove or replace any member of the Committee and may fill any vacancy in the Committee.
4. Unless the Board shall have appointed a chair of the Committee, the members of the Committee shall elect a chair and a secretary from among their number.
5. The quorum for meetings shall be a majority of the members of the Committee, present in person, by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other.

6. The Committee shall have access to such officers and employees of the Company, to the Company's external auditors and to such information respecting the Company, as it considers to be necessary or advisable in order to perform its duties and responsibilities.
7. Meetings of the Committee shall be conducted as follows:
 - (a) the Committee shall meet at least four times annually at such times and at such locations as may be requested by the chair of the Committee. The external auditors or any member of the Committee may request a meeting of the Committee;
 - (b) the external auditors shall receive notice of and have the right to attend all meetings of the Committee; and
 - (c) management representatives may be invited to attend all meetings except private sessions with the external auditors.
8. The internal auditors and the external auditors shall have a direct line of communication to the Committee through its chair and may bypass management if deemed necessary. The Committee, through its chair, may contact directly any employee in the Company as it deems necessary and any employee may bring before the Committee any matter involving questionable, illegal or improper financial practices or transactions.

ROLES AND RESPONSIBILITIES

9. The overall duties and responsibilities of the Committee shall be as follows:
 - (a) to assist the Board in the discharge of its responsibilities relating to the Company's accounting principles, reporting practices and internal controls and its approval of the Company's annual and quarterly financial statements and related financial disclosure;
 - (b) to establish and maintain a direct line of communication with the Company's internal and external auditors and assess their performance;
 - (c) to ensure that the management of the Company has designed, implemented and is maintaining an effective system of internal financial controls; and
 - (d) to report regularly to the Board on the fulfillment of its duties and responsibilities.
10. The duties and responsibilities of the Committee as they relate to the external auditors shall be as follows:
 - (a) to recommend to the Board a firm of external auditors to be engaged by the Company, and to verify the independence of such external auditors;
 - (b) to review and approve the fee, scope and timing of the audit and other related services rendered by the external auditors;
 - (c) to review the audit plan of the external auditors prior to the commencement of the audit;
 - (d) to review and/ or discuss with the external auditors, upon completion of their audit:

- (i) the non-audit services provided by the external auditors;
 - (ii) the quality and not just the acceptability of the Company's accounting principles; and
 - (iii) the implementation of structures and procedures to ensure that the Committee meets the external auditors on a regular basis in the absence of management.
- 11. The duties and responsibilities of the Committee as they relate to the internal control procedures of the Company are to:
 - (a) review the appropriateness and effectiveness of the Company's policies and business practices which impact on the financial integrity of the Company, including those relating to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management;
 - (b) review compliance under the Company's business conduct and ethics policies and to periodically review these policies and recommend to the Board changes which the Committee may deem appropriate;
 - (c) review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Company; and
 - (d) periodically review the Company's financial and auditing procedures and the extent to which recommendations made by the internal audit staff or by the external auditors have been implemented.
- 12. The Committee is also charged with the responsibility to:
 - (a) review the Company's quarterly statements of earnings, including the impact of unusual items and changes in accounting principles and estimates and report to the Board with respect thereto;
 - (b) review and approve the financial sections of:
 - (i) the annual report to Shareholders;
 - (ii) the annual information form, if required;
 - (iii) annual and interim MD&A;
 - (iv) prospectuses;
 - (v) news releases discussing financial results of the Company; and
 - (vi) other public reports of a financial nature requiring approval by the Board,
 - (vii) and report to the Board with respect thereto;
 - (c) review regulatory filings and decisions as they relate to the Company's financial statements;

- (d) review the appropriateness of the policies and procedures used in the preparation of the Company's financial statements and other required disclosure documents and consider recommendations for any material change to such policies;
 - (e) review and report on the integrity of the Company's financial statements;
 - (f) review the minutes of any audit committee meeting of subsidiary companies;
 - (g) review with management, the external auditors and, if necessary, with legal counsel, any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of the Company and the manner in which such matters have been disclosed in the financial statements;
 - (h) review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of financial information; and
 - (i) develop a calendar of activities to be undertaken by the Committee for each ensuing year and to submit the calendar in the appropriate format to the Board of Directors following each annual general meeting of shareholders.
13. The Committee shall have the authority:
- (a) to engage independent counsel and other advisors as it determines necessary to carry out its duties,
 - (b) to set and pay the compensation for any advisors employed by the Committee; and
 - (c) to communicate directly with the internal and external auditors.

ITEM 2: COMPOSITION OF THE AUDIT COMMITTEE

The current members of the Committee are Scott Ackerman, Brent Ackerman and Rick Cox. All of the members are financially literate. Brent Ackerman and Rick Cox are independent. “Independent” and “financially literate” have the meaning used in National Instrument 52-110 (the “**Instrument**”) of the Canadian Securities Administrators.

ITEM 3: RELEVANT EDUCATION AND EXPERIENCE

The relevant education and/or experience of each member of the Committee is as follows:

Scott Ackerman

Mr. Ackerman is the President and CEO of Emprise Capital Corp. (“Emprise”) a company providing management, restructuring, accounting and financial services to public companies. Mr. Ackerman has been active in the public markets for more than 25 years, having held senior executive roles in various capacities from Investor Relations to Executive Management. In addition to his role with Emprise, Mr. Ackerman serves as director and/or officer of a number of publicly traded and private “start-up” venture companies, and has experience in all aspects of corporate restructures, both in the US and Canadian jurisdictions, including Chapter 11 processes in the US and Notice of Intent filings under the Bankruptcy Act in Canada. Mr. Ackerman graduated from the British Columbia Institute of Technology with a diploma in Marketing in 1987.

Brent Ackerman

Mr. Brent Ackerman is an Acupuncturist and an Organizational Development Advisor and formerly served as Japan Country Manager for Aperian Global, and as a Senior Consultant at People Focus Consulting, Japan. Mr. Brent Ackerman also serves as a director of a number of publicly traded companies. Mr. Brent Ackerman holds a Masters of Science in Oriental Medicine and Acupuncture (Berkeley, CA), a Bachelor of Arts from the University of British Columbia and an MBA from Thunderbird School of Management (Phoenix, AZ).

Rick Cox

Mr. Cox is currently the President of a privately held water sciences company, Ocion Water Sciences Inc. He has also served as a senior officer of a geothermal manufacturing company which was sold to a publicly held multinational corporation. Mr. Cox is also a director of several public companies, and has been a senior officer and owner of several privately held manufacturing entities over the past 20 years.

ITEM 4: AUDIT COMMITTEE OVERSIGHT

At no time since the commencement of the Company’s most recently completed financial year was a recommendation of the Committee to nominate or compensate an external auditor (currently, Davidson & Company LLP, Chartered Professional Accountants) not adopted by the Board.

ITEM 5: RELIANCE ON CERTAIN EXEMPTIONS

Since the effective date of NI 52-110, the Company has not relied on the exemptions contained in sections 2.4, 6.1.1(4), (5) and (6), or Part 8 of the Instrument. Section 2.4 provides an exemption from the requirement that the audit committee must pre-approve all non-audit services to be provided by the auditor where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the fiscal year

in which the non-audit services were provided. Section 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

ITEM 6: PRE-APPROVAL POLICIES AND PROCEDURES

Formal policies and procedures for the engagement of non-audit services have yet to be formulated and adopted. Subject to the requirements of the Instrument, the engagement of non-audit services is considered by the Board and, where applicable by the Audit Committee, on a case by case basis.

ITEM 7: EXTERNAL AUDITOR SERVICE FEES (BY CATEGORY)

The aggregate fees charged to the Company by the external auditor the last fiscal year is as follows:

For the period ended	December 31, 2018 (1)
Audit Costs including Audit Fees and Tax Fees (T2 Corporate Tax Returns for the year ended)	\$7,500
All other fees (non-tax):	Nil
Total Fees:	\$7,500

Note:

(1) Includes audit for the period from incorporation to December 31, 2018.

ITEM 8: EXEMPTION

In respect of the most recently completed financial year, the Company is not relying on the exemption set out in section 6.1 of the Instrument with respect to compliance with the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of the Instrument.

SCHEDULE “B”

to the Prospectus of Shafer Resources Corp. (the “Company”) dated April 11, 2019

Pursuant to National Instrument 58-101 *Disclosure of Corporate Governance Practices*, the Company is required to and hereby discloses its corporate governance practices as follows.

ITEM 1: BOARD OF DIRECTORS

The board of directors (the “**Board**”) of the Company facilitates its exercise of independent supervision over the Company’s management through frequent meetings of the Board. The Board reviews its procedures on an ongoing basis to ensure it is functioning independently of management. As circumstances require, the Board meets without management present and convenes meetings, as deemed necessary, of the independent directors, at which meetings non-independent directors and members of management are not in attendance. When conflicts arise, interested parties are precluded from voting on matters in which they may have an interest.

Scott Ackerman is Chief Executive Officer of the Company and is therefore not independent.

Doug McFaul is the Chief Financial Officer of the Company and is therefore not independent.

Brent Ackerman, a director of the Company, is “independent” in that he is independent and free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director’s ability to act with the best interests of the Company, other than the interests and relationships arising from shareholdings.

Rick Cox, a director of the Company, is “independent” in that he is independent and free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director’s ability to act with the best interests of the Company, other than the interests and relationships arising from shareholdings.

ITEM 2: DIRECTORSHIPS

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

Name of Director	Name of Reporting Issuer
Scott Ackerman	ECC Ventures 1 Corp.
	ECC Ventures 2 Corp.
	Sebastiani Ventures Corp.
	Volcanic Gold Mines Inc.
	Silver Phoenix Resources Inc.

Name of Director	Name of Reporting Issuer
	ECC Diversified Inc. Bravern Ventures Ltd. Austpro Energy Corporation Barolo Ventures Corp.
Brent Ackerman	ECC Ventures 1 Corp. ECC Ventures 2 Corp. Sebastiani Ventures Corp. Austpro Energy Corporation Silver Phoenix Resources Inc. Barolo Ventures Corp.
Doug McFaul	ECC Ventures 1 Corp. ECC Ventures 2 Corp. Pistol Bay Mining Inc. ECC Diversified Inc. Sebastiani Ventures Corp. Barolo Ventures Corp. Austpro Energy Corporation Silver Phoenix Resources Inc.
Rick Cox	Silver Phoenix Resources Inc.

ITEM 3: ORIENTATION AND CONTINUING EDUCATION

The Board briefs all new directors with the policies of the Board and other relevant corporate and business information.

ITEM 4: ETHICAL BUSINESS CONDUCT

The Board 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 in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

Under the corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances and disclose to the board the nature and extent of any interest of the director in any material contract or material transaction, whether made or proposed, if the director is a party to the contract or transaction, is a director or officer (or an individual acting in a similar capacity) of a party to the contract or transaction or has a material interest in a party to the contract or transaction. The director must then abstain from voting on the contract or transaction unless the contract or transaction (i) relates primarily to their remuneration as a director, officer, employee or agent of the Company or an affiliate of the Company, (ii) is for indemnity or insurance for the benefit of the director in connection with the Company, or (iii) is with an affiliate of the Company. If the director abstains from voting after disclosure of their interest, the directors approve the contract or transaction and the contract or transaction was reasonable and fair to the Company at the time it was entered into, the contract or transaction is not invalid and the director is not accountable to the Company for any profit realized from the contract or transaction. Otherwise, the director must have acted honestly and in good faith, the contract or transaction must have been reasonable and fair to the Company and the contract or transaction must be approved by the shareholders by a special resolution after receiving full disclosure of its terms in order for the director to avoid such liability or the contract or transaction being invalid.

ITEM 5: NOMINATION OF DIRECTORS

The Board is responsible for identifying individuals qualified to become new Board members and recommending to the Board new director nominees for the next annual meeting the shareholders.

New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the time required, shown support for the Company's mission and strategic objectives and a willingness to serve.

ITEM 6: COMPENSATION

The Board conducts reviews with regard to directors' compensation once a year. To make its recommendation on directors' compensation, the Board takes into account the types of compensation and the amounts paid to directors of comparable publicly traded Canadian companies.

ITEM 7: OTHER BOARD COMMITTEES

The Board has no other committees other than the audit committee.

ITEM 8: ASSESSMENTS

On an ongoing basis, the Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and committees. On an ongoing annual basis, the Board assesses the performance of the Board as a whole, each of the individual directors and each committee of the Board in order to satisfy itself that each is functioning effectively.

CERTIFICATE OF THE COMPANY

Dated: April 11, 2019

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

“Scott Ackerman”

Scott Ackerman, President, Chief Executive
Officer & Corporate Secretary

“Brent Ackerman”

Brent Ackerman, Director

ON BEHALF OF THE BOARD OF DIRECTORS

“Doug McFaul”

Doug McFaul, Director, Chief Financial
Officer

“Rick Cox”

Rick Cox, Director

CERTIFICATE OF PROMOTER

Dated: April 11, 2019

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

PROMOTER

“Scott Ackerman”

Scott Ackerman

CERTIFICATE OF THE AGENT

Dated: April 11, 2019

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

Mackie Research Capital Corporation

“Jovan Stupar”

Jovan Stupar
Managing Director, Mackie Research Capital
Corporation