



**FAIRCHILD GOLD CORP.**

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**ANNUAL INFORMATION FORM**

**For the year ended August 31, 2021**

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Dated as of December 29, 2021

## TABLE OF CONTENTS

NOTE REGARDING FORWARD-LOOKING STATEMENTS.....	5
INFORMATION INCORPORATED BY REFERENCE .....	6
GLOSSARY OF TERMS.....	7
CORPORATE STRUCTURE .....	9
GENERAL DEVELOPMENT OF THE BUSINESS .....	9
History .....	9
Significant Acquisitions.....	9
NARRATIVE DESCRIPTION OF THE BUSINESS .....	10
Overview .....	10
Fairchild Lake Property, Patricia Mining Division, North-Western Ontario, Canada .....	10
Description and Location of the Fairchild Lake Property .....	10
Accessibility, Climate, Local Resources, Infrastructure and Physiography .....	13
History .....	14
Geological Setting and Mineralization .....	18
Regional Geology .....	18
Local and Property Geology.....	19
Mineralization.....	20
Deposit Types .....	21
Exploration .....	21
Drilling.....	33
Sample Preparation, Analyses and Security .....	33
Data Verification .....	34
Mineral Processing and Metallurgical Testing .....	35
Mineral Resource Estimates .....	35
Adjacent Properties.....	35
Other Relevant Data and Information.....	35
Interpretations and Conclusions .....	35
Recommendations.....	36
RISK FACTORS .....	37
Insufficient Capital .....	37
Financing Risks .....	37
Limited Operating History and Negative Operating Cash Flow .....	38

Loss of Entire Investment.....	38
Resale of Shares .....	38
Price Volatility of Publicly Traded Securities .....	38
Dilution from Equity Financing could Negatively Impact Holders of Common Shares.....	38
COVID-19 Outbreak .....	39
Property Interests .....	39
Assurance of Rights and Title.....	39
First Nations Land Claims .....	40
Exploration and Development .....	40
Uninsurable Risks.....	41
Permits and Government Regulations .....	41
Environmental Laws and Regulations .....	41
No Commercial Ore.....	42
Competition .....	42
Management and Directors.....	42
Fluctuating Mineral Prices.....	42
Litigation .....	42
Conflicts of Interest .....	43
Dividends.....	43
Tax issues .....	43
<b>DIVIDENDS AND DISTRIBUTIONS.....</b>	<b>43</b>
<b>DESCRIPTION OF CAPITAL STRUCTURE.....</b>	<b>44</b>
Common Shares.....	44
Stock Options .....	44
Compensation Options.....	44
<b>MARKET FOR SECURITIES.....</b>	<b>44</b>
Trading Price and Volume of Common Shares .....	44
Prior Sales.....	45
<b>ESCROWED SECURITIES AND SECURITIES SUBJECT TO RESALE RESTRICTIONS .....</b>	<b>45</b>
Escrowed Securities.....	45
<b>DIRECTORS AND OFFICERS.....</b>	<b>45</b>
<b>CORPORATE CEASE TRADE ORDERS OR BANKRUPTCIES .....</b>	<b>46</b>
Penalties or Sanctions .....	47
Personal Bankruptcies .....	48
Conflicts of Interest .....	48

PROMOTERS ..... 48

AUDIT COMMITTEE AND CORPORATE GOVERNANCE ..... 49

    Audit Committee ..... 49

        Audit Committee Charter ..... 49

        Composition of Audit Committee ..... 49

LEGAL PROCEEDINGS AND REGULATORY ACTIONS..... 49

INTERESTS OF MANAGEMENT & OTHERS IN MATERIAL TRANSACTIONS ..... 50

REGISTRAR AND TRANSFER AGENT ..... 50

MATERIAL CONTRACTS..... 51

EXPERTS ..... 51

ADDITIONAL INFORMATION ..... 52

## **NOTE REGARDING FORWARD-LOOKING STATEMENTS**

Except for statements of historical fact relating to Fairchild Gold Corp. (“**Fairchild**” or the “**Issuer**”), certain statements contained in this document constitute forward-looking information, future oriented financial information, or financial outlooks (collectively “**forward-looking information**”) within the meaning of applicable securities legislation. Forward-looking information may be contained in this document and other public filings of Fairchild. Forward-looking information may include, but is not limited to, statements with respect to the future price of metals, historical estimates of mineralization, capital expenditures, success of exploration activities, permitting time lines, requirements for additional capital, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims, limitations on insurance coverage, the completion of regulatory approvals, and the effects of the COVID-19 (as defined herein) outbreak as a global pandemic. In certain cases, forward-looking information can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking information may include, but is not limited to, statements with respect to the future price of metals, historical estimates of mineralization, capital expenditures, success of exploration activities, permitting time lines, requirements for additional capital, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims, limitations on insurance coverage, the completion of regulatory approvals, and the effects of the COVID-19 (as defined herein) outbreak as a global pandemic. In certain cases, forward-looking information can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved".

Such forward-looking information is based on a number of material factors and assumptions, including, but not limited in any manner, to those disclosed in any other of the Issuer's public filings and include that costs for exploration activities will not deviate significantly from recent trends, 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, that financial markets will not in the long term be adversely impacted by the COVID-19 crisis, economic conditions, commodity prices, foreign currency exchange rates, interest rates, access to capital and debt markets and associated costs of funds, the ability of the Issuer to retain key personnel, availability of a qualified work force and the ultimate ability to mine, process and sell mineral products on economically favourable terms. While the Issuer 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 forwardlooking information for a variety of reasons, including but not limited to, risks and uncertainties disclosed in this Prospectus. See "Risk Factors" below. The Issuer has no specific policies or procedures for updating forward-looking information. Forward-looking information is based upon management's beliefs, estimates and opinions on the date the statements are made and, other than as required by law, the Issuer does not intend, and undertakes no obligation, to update any forward-looking information to reflect, among other things, new information or future events.

You should not place undue reliance on forward-looking information and statements. Forward-looking information and statements are only predictions based on our current expectations and our projections about future events. Actual results may vary from such forward-looking information for a variety of reasons including, but not limited to, risks and uncertainties disclosed on SEDAR at [www.sedar.com](http://www.sedar.com) and on the TSX Venture Exchange at [www.tsx.com](http://www.tsx.com), and other unforeseen events or circumstances. Other than as required by law, Fairchild does not intend, and undertakes no obligation to update any forward-looking information to reflect, among other things, new information or future events.

## **INFORMATION INCORPORATED BY REFERENCE**

The audited consolidated financial statements of the Issuer for the year ended August 31, 2021, together with the notes thereto (the “**Financial Statements**”), are specifically incorporated herein by reference and are available for review on SEDAR at [www.sedar.com](http://www.sedar.com).

## **GLOSSARY OF TERMS**

In this AIF, the following terms have the meanings set forth below, unless otherwise indicated. Words importing the singular include the plural and vice versa and words importing any gender include all genders.

**"Agency Agreement"** means the Agency Agreement dated May 13, 2021, between the Agent and the Issuer.

**"Agent"** means Leede Jones Gable Inc.

**"AIF"** or **"Annual Information Form"** means the present Annual Information Form dated December 29, 2021.

**"Author"** means Matthew Long, P. Geo., the author of the Technical Report.

**"Assignment Agreement"** means an assignment and assumption agreement made as of June 24, 2020 between 1544230 Ontario Inc. and the Optionor, whereby 1544230 Ontario Inc. assigned all of its right, title and interest in and to the Property Option Agreement to the Optionor.

**"Board of Directors"** or **"Board"** means the Issuer's board of directors.

**"Common Shares"** means the common shares without par value in the capital of the Issuer.

**"Compensation Options"** means the options granted to the Agent as compensation for its services in relation to the Issuer's IPO, entitling the Agent to purchase up to that amount of Common Shares as is equal to 10% of the aggregate number of Common Shares issued pursuant to the IPO. Each Compensation Option entitles the Agent to purchase one Common Share at \$0.15 per Common Share for a period of 36 months after the June 17, 2021.

**"COVID-19"** means coronavirus disease 2019, an infectious disease caused by severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2).

**"Escrow Agent"** means TSX Trust Issuer.

**"Escrow Agreement"** means the National Policy 46-201 Escrow Agreement dated May 6, 2021 among certain securityholders of the Issuer, the Issuer and the Escrow Agent, whereby the securityholders agreed to deposit their Common Shares in escrow with the Escrow Agent.

**"Exchange"** or **"TSXV"** means the TSX Venture Exchange.

**"IPO"** means the Issuer's initial public offering, completed on June 17, 2021.

**"Issuer"** means Fairchild Gold Corp.

**"Listing Date"** means June 22, 2021, date in which the Issuer started trading on the TSX Venture Exchange (the **"Exchange"** or the **"TSXV"**) under the symbol **"FAIR"**.

**"Optionor"** means EMX Royalty Corporation, an arm's length Issuer with its common shares listed on the TSX Venture Exchange and the NYSE American Exchange under the symbol **"EMX"** and on the Frankfurt Stock Exchange under the symbol **"6E9"**.

**"Property" or the "Fairchild Lake Property"** means the mineral property comprised of 25 single-cell and multi-cell claims (108 cells) covering an area of approximately 2,224 hectares, in the Patricia Mining Division in north-western

Ontario, approximately 250 km northwest of the city of Thunder Bay.

**"Property Option Agreement"** means the option agreement dated January 16, 2020, between the Issuer and 1544230 Ontario Inc. with respect to the Fairchild Lake Property, as amended. Pursuant to the Assignment and Assumption Agreement, 1544230 Ontario Inc. assigned all of its right, title and interest under the Property Option Agreement to the Optionor.

**"Stock Option Plan"** means the stock option plan approved by the Board of Directors of the Issuer on November 2, 2020, as amended, providing for the granting of incentive stock options to the Issuer's directors, officers, employees and consultants.

**"Technical Report"** means the technical report dated February 4, 2021 and dated effective September 28, 2020, entitled "Technical Report On the Fairchild Lake Property, Patricia Mining Division, Northwestern Ontario, Canada" authored by Matthew Long, P.Geol.

## CORPORATE STRUCTURE

### **Name, Address and Incorporation**

The Issuer was incorporated on November 28, 2019 pursuant to the *British Corporations Act* (British Columbia) under the name “Fairchild Gold Corp.”. The Issuer’s head office is located at 9285 203B Street, Langley, British Columbia, V1M 2L9, and its registered and records office is located at Lotz & Company, Suite 1170, 1040 West Georgia Street, Vancouver, British Columbia, V6E 4H1.

The Issuer started trading on the TSX Venture Exchange (the “**Exchange**” or the “**TSXV**”) under the symbol “FAIR” on June 22, 2021.

### **Intercorporate Relationships**

The Issuer has no subsidiaries.

## GENERAL DEVELOPMENT OF THE BUSINESS

### **History**

Subsequent to its incorporation, the Issuer has completed private seed capital equity financing, raising aggregate gross proceeds of approximately \$321,201. These funds have been, and are being, used for the acquisition, exploration and maintenance of the Property and general working capital.

On June 17, 2021, Fairchild completed its IPO of 6,900,000 Common Shares at a price of \$0.15 per Common Share for gross proceeds of \$1,035,000 by way of a prospectus dated May 13, 2021 filed in the provinces of British Columbia, Alberta, Ontario and Quebec. The Common Shares began trading on the Exchange under the symbol “FAIR”.

### **Significant Acquisitions**

The Issuer entered into the Property Option Agreement whereby the Issuer was granted an irrevocable and exclusive option to acquire a 100% interest in the Fairchild Lake Property, consisting of 25 single-cell and multi-cell claims (108 cells) covering an area of approximately 2,224 hectares, in the Patricia Mining Division in north-western Ontario, approximately 250 km northwest of the city of Thunder Bay, the particulars of which are described in greater detail below. To acquire a 100% interest in the Property, the Issuer is required to pay a total of \$86,000 in cash payments to the Optionor in accordance with the following schedule:

<b>Date for Completion</b>	<b>Cash Payment</b>
Upon execution of the Property Option Agreement	16,000\$ (paid)
On or before April 30, 2021	12,000\$ (paid)
On or before the 2 <sup>nd</sup> anniversary of the Property Option Agreement	14,000\$
On or before the 3 <sup>rd</sup> anniversary of the Property Option Agreement	16,000\$
On or before the 4 <sup>th</sup> anniversary of the Property Option Agreement	28,000\$

Once the Issuer has paid the option consideration in full, then it shall be deemed to have earned a 100% undivided interest in the Property, subject to a 1.5% net smelter returns royalty (the "Royalty") on the Property. The Issuer will have the right to purchase 0.75% of such Royalty for \$500,000 at any time. Otherwise, once the Issuer exercises its option to acquire a 100% interest in the Property and upon the commencement of commercial production thereon, the Royalty is payable to the Optionor on all ores, metals or concentrates sold, after deducting from such proceeds the following charges to the extent that they were not deducted by the purchaser in computing payment: all reasonable smelting and refining charges, cost of transportation of ores, metals or concentrates from the Property to any mint, mill, smelter or other purchaser, insurance of such ores, metals or concentrates. The Issuer has exclusive possession of the Property with the right to carry out mining operations thereon and the right to remove reasonable quantities of rocks, ores and minerals therefrom for the purposes of sampling, metallurgical testing and assaying during the term of the Property Option Agreement. The Issuer will also pay any licence renewal fees, taxes and other governmental charges required to keep the Fairchild Lake Property in good standing during the term of the Property Option Agreement.

## **NARRATIVE DESCRIPTION OF THE BUSINESS**

### **Overview**

The Issuer is engaged in the business mineral exploration and the acquisition of mineral property assets in Canada and in the United States. The Issuer's objective is to locate and develop economic precious and base metal properties of merit and to conduct its exploration program on the Fairchild Lake Property. The Issuer's sole property is the Fairchild Lake Property, located in the Armit Lake district, Ontario, approximately 250 km northwest of the city of Thunder Bay in the Patricia Mining Division. The Issuer's interest in the Property is governed by the Property Option Agreement.

### **Fairchild Lake Property, Patricia Mining Division, north-western Ontario, Canada**

The following information regarding the Property is summarized or extracted from an independent technical report dated February 4, 2021, and dated effective September 28, 2020, entitled "Technical Report on the Fairchild Lake Property, Patricia Mining Division, Northwestern Ontario, Canada" authored by the Author in accordance with the requirements of NI 43-101. The Author is a "qualified person" within the meaning of NI 43-101.

All figure and table references herein are numbered in accordance with the Technical Report available on the Issuer's SEDAR profile at [www.sedar.com](http://www.sedar.com).

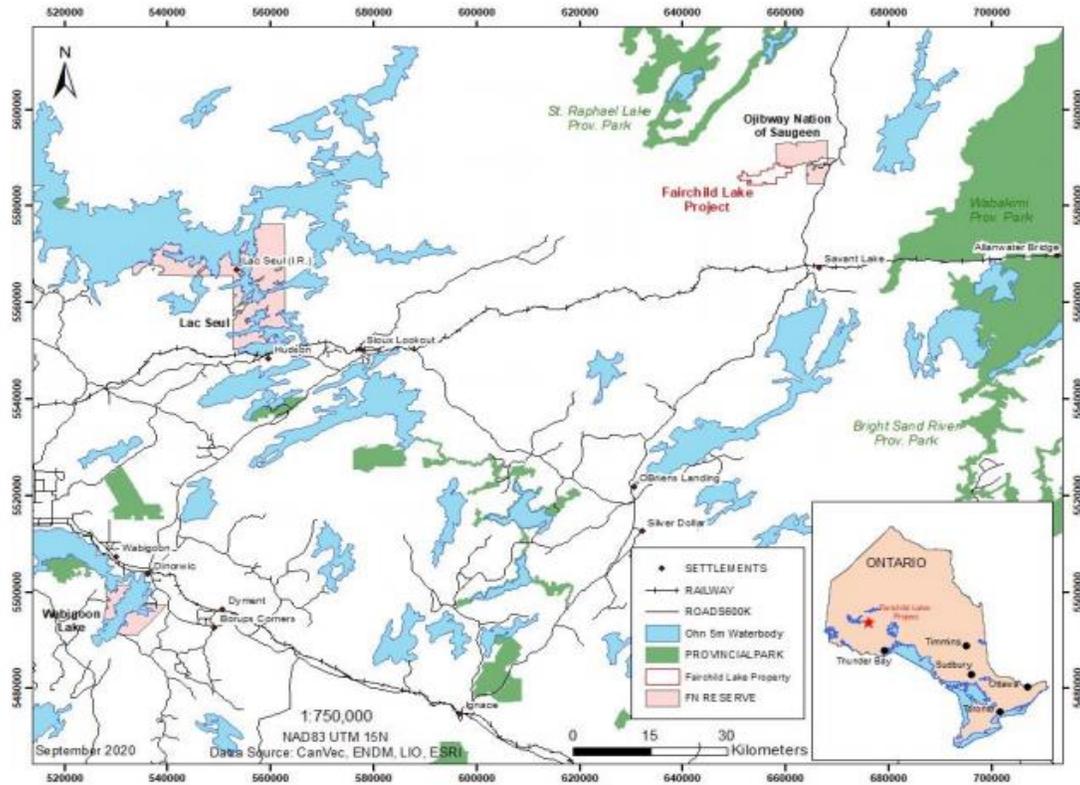
### **Description and Location of the Fairchild Lake Property**

The Property is located approximately 250 km northwest of the city of Thunder Bay and 19km north-northwest of the village of Savant Lake (Figure 1) in the Armit Lake Area, within the Patricia Mining Division (NTS map sheet 52J/7). The centre of the Property is located approximately at 657849 E, 5587148 N, NAD 83 UTM Zone 15N.

On April 10, 2018, Ontario converted its 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 Mining Land Administration System ("MLAS") map viewer.

The Property consists of 25 single-cell and multi-cell claims (108 cells) totalling 2224 hectares. The claims are shown in Figure 2 and are listed in Table 1. The total work requirements for all claims is \$43,200 annually. The claims are held 100% by EMX Properties (Canada) Inc., a wholly owned subsidiary of the Optionor, and under the terms of the Property Option Agreement, the Issuer can earn a 100% interest in the Property by making staged payments totalling \$86,000 over 4 years. If the option is exercised, the Royalty will be retained by the Optionor on products produced from the

claims comprising the Property, and the Issuer or its assigns shall have the right at any time to purchase from the Optionor 50% (0.75%) percent of the Royalty from the Optionor for \$500,000.



**Figure 1. Property Location**

The proposed exploration program in the Technical Report is subject to the guidelines, policies and legislation of the Ontario Ministry of Energy, Northern Development and Mines ("MENDM"), the Ontario Ministry of Natural Resources and Forestry and the Federal Department of Fisheries and Oceans regarding surface exploration, stream crossings, and work being carried out near rivers and bodies of water.

No mineral resources, reserves or mines existing prior to the mineralization described in the Technical Report are known by the Author to occur on the Property. There are no known environmental liabilities associated with the Property, and there are no other known factors or risks that may affect access, title, or the right or ability to perform work on the Property. The mining claims do not give the claim holder title to or interest in the surface rights on those claims, and as the land is Crown land, legal access to the claims is available by public roads which cross the Property.

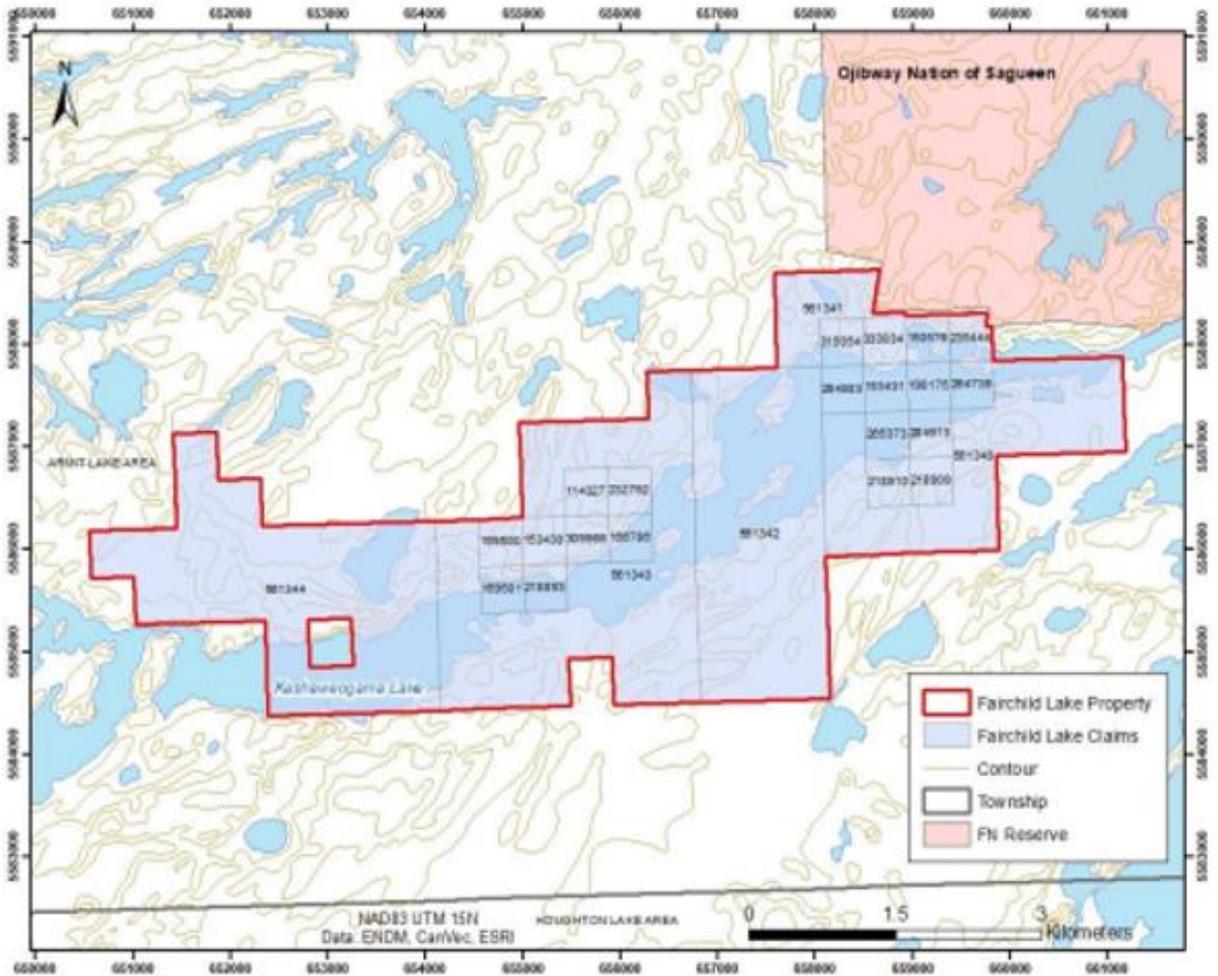
The Property has a valid permit (PR-20-000056) for diamond drilling, trenching and stripping, line cutting, and geophysics requiring a generator. All early exploration activities are subject to the terms and conditions of the permit.

The northeastern boundary of the Property claim block abuts the reserve lands of Ojibway Nation of Saugeen and the boat launch access to Kashaweogama Lake is through this First Nation reserve. Continued communications of ongoing and planned exploration work on the Property is critical to avoid potential future conflicts with this First Nation community.

**Table 1. Fairchild Lake Property Claims**

<b>Title Number</b>	<b>Owner</b>	<b>Number of Cells</b>	<b>Township/Area</b>	<b>Anniversary Date</b>	<b>Work Required</b>
114327	EMX Properties (Canada) Inc. (100%)	1	Amit Lake Area	2023-12-15	\$400
150576	EMX Properties (Canada) Inc. (100%)	1	Amit Lake Area	2023-12-15	\$400
153430	EMX Properties (Canada) Inc. (100%)	1	Amit Lake Area	2023-12-15	\$400
153431	EMX Properties (Canada) Inc. (100%)	1	Amit Lake Area	2023-12-15	\$400
166786	EMX Properties (Canada) Inc. (100%)	1	Amit Lake Area	2023-12-15	\$400
169500	EMX Properties (Canada) Inc. (100%)	1	Amit Lake Area	2023-12-15	\$400
169501	EMX Properties (Canada) Inc. (100%)	1	Amit Lake Area	2023-12-15	\$400
198175	EMX Properties (Canada) Inc. (100%)	1	Amit Lake Area	2023-12-15	\$400
218893	EMX Properties (Canada) Inc. (100%)	1	Amit Lake Area	2023-12-15	\$400
218909	EMX Properties (Canada) Inc. (100%)	1	Amit Lake Area	2023-12-15	\$400
218910	EMX Properties (Canada) Inc. (100%)	1	Amit Lake Area	2023-12-15	\$400
232792	EMX Properties (Canada) Inc. (100%)	1	Amit Lake Area	2023-12-15	\$400
235444	EMX Properties (Canada) Inc. (100%)	1	Amit Lake Area	2023-12-15	\$400
264739	EMX Properties (Canada) Inc. (100%)	1	Amit Lake Area	2023-12-15	\$400
265373	EMX Properties (Canada) Inc. (100%)	1	Amit Lake Area	2023-12-15	\$400
248903	EMX Properties (Canada) Inc. (100%)	1	Amit Lake Area	2023-12-15	\$400
284913	EMX Properties (Canada) Inc. (100%)	1	Amit Lake Area	2023-12-15	\$400
309966	EMX Properties (Canada) Inc. (100%)	1	Amit Lake Area	2023-12-15	\$400
319354	EMX Properties (Canada) Inc. (100%)	1	Amit Lake Area	2023-12-15	\$400
333834	EMX Properties (Canada) Inc. (100%)	1	Amit Lake Area	2023-12-15	\$400
561340	EMX Properties (Canada) Inc. (100%)	14	Amit Lake Area	2023-10-07	\$5,600
561341	EMX Properties (Canada) Inc. (100%)	4	Amit Lake Area	2023-10-07	\$1,600
561342	EMX Properties (Canada) Inc. (100%)	21	Amit Lake Area	2023-10-07	\$8,400

561343	EMX Properties (Canada) Inc. (100%)	24	Amit Lake Area	2023-10-07	\$9,600
561344	EMX Properties (Canada) Inc. (100%)	25	Amit Lake Area	2023-10-07	\$10,000



**Figure 2. Fairchild Lake Property Map**

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

The Property is located approximately 250 km northwest of the City of Thunder Bay and 19km NNW of the village of Savant Lake (Figure 1) in the Armit Lake Area, within the Patricia Mining Division (NTS map sheet 52J/7). The centre of the Property is located approximately at 657849 E, 5587148 N, NAD 83 UTM Zone 15N.

Savant Lake is a village situated on Highway 599. The community has basic amenities such as accommodations, fuel and food and is a Canadian National Railway service point for the northern cross Canada CNR route. Power lines stretch along Highway 599 and there is a proposed 220 kV line that began construction in July 2020 constructed by Watay Power that will run from Dinorwic to Pickle Lake. The closest source of natural gas is the Trans-Canada line lying along the Highway 17 corridor, 130 km to the south.

The City of Thunder Bay has a population of 110,000 and provides support services, equipment and skilled labour for both the minerals exploration and mining industries. Rail, national highway, port and international airport services are also available out of Thunder Bay.

From Thunder Bay, the Property can be reached by travelling west on Highway 17 for 246 km to the town of Ignace and continuing along highway 599 for 129 km to the village of Savant Lake. From Savant Lake, access to the Property can either be gained by boat utilizing the boat launch at the eastern end of Kashaweogama Lake on the Ojibway Nation of Saugeen Land or by utilizing Rusty Myers air service located just outside of Savant Lake for a short flight to Kashaweogama Lake. The southern part of the Property can also be accessed via numerous logging roads north from Highway 516.

The terrain is fairly typical for the Pre-Cambrian of north-west Ontario, with low rolling hills and swamp/marsh. Property elevation ranges from 391 to 439 metres above mean sea level ('MSL'). Natural vegetation has been dramatically modified by logging and periodic forest fires. Storms and associated microbursts have caused local, significant blow down. Hill tops are generally clearer, with relict jack pine predominant; otherwise, the area now supports a mixed bush of spruce, poplar, pine, birch and alders with almost no old growth remaining.

The climate in the Savant Lake area is described as warm-summer humid continental (climate type Dfb according to the Köppen climate classification system). Mean daily temperatures range from -18°C in January to +18°C in July. Annual precipitation averages 70 cm, mainly occurring as summer showers, which includes a total of about two metres of snow. Snow usually starts falling during late October and starts melting during March but is not normally fully melted until late April. Late-season snow in May does occur. Fieldwork and drilling are possible year-round on the Property although certain wetter areas are more easily accessible when frozen in the winter.

The land holdings are sufficient to allow for exploration and development. The potential surface rights holdings, that can be triggered when the claims go to lease, are sufficient for development of infrastructure to sustain a mining operation.

## **History**

There are no mineral resources, reserve estimates, or historical gold production for the Property. Relevant historical exploration work conducted on the Property is summarized below. The dominant source of this information were assessment reports filed with the MENDM.

1920 - Ontario Bureau of Mines (AFRI 52J07NW2651): Conducted a magnetic survey over Kashaweogama Lake for the Ontario Bureau of Mines.

1975 – F. Hoey (AFRI 52J07NW0037): Performed manual stripping and trenching in the vicinity of claim 218893. No results were reported.

1981 – S. Johnson (AFRI 52J07NW0021): Conducted a magnetometer survey across a single claim. The reading at all stations were similar and no anomalies were located.

1981 & 82 – Stargazer Resources (AFRI 52J09SW2355): Field operations included line cutting and ground geophysics, trenching and pitting, as well as 5 diamond drill holes totalling 2081ft. These operations were carried out along several locations from Fairchild Lake to Savant Lake. Two of the drill holes fall on the Property. Drill hole 82- 4 returned no anomalous Au results and drill hole 82-5 near the Hoey showings returned values of 102 to 136 ppb Au over 20, 10, and 3.2 foot intervals respectively.

1985 & 86 – Dome Exploration (AFRI20000005277): Carried out a diamond drilling program of eight (8) holes totaling 906.5m at the western end of Kashaweogama Lake. One of the holes may fall on claim 561344. Assay results were not reported.

1988 & 1989 - Redaurum Red Lake Mines Ltd (AFRI 52J07NE0006, 52J07NE0002, 52J07NE8877): Conducted a VLF-EM survey over the eastern portion of the current Property. A total of 51.8 miles of line were established. In total there were 51.8 line miles of magnetic survey and 95.7 line miles of VLF-EM completed. A total of 390 soil and 152 rock samples were collected. Highlighted samples from the Johnson showing (also known as the Sidore prospect) returned 95.36 g/t Au (8646), 4.46g/t Au (8870) and 1.406 g/t Au (8880) (Figure 3). Soil sampling outlined two areas of higher gold geochemical values located south of Duck Pond Lake. Trenching and sampling consisting of five (5) trenches east of duck pond (Claim 561340) were completed. Trench 5 returned one assay of 1.337 g/t Au (8872) (Figure 4).

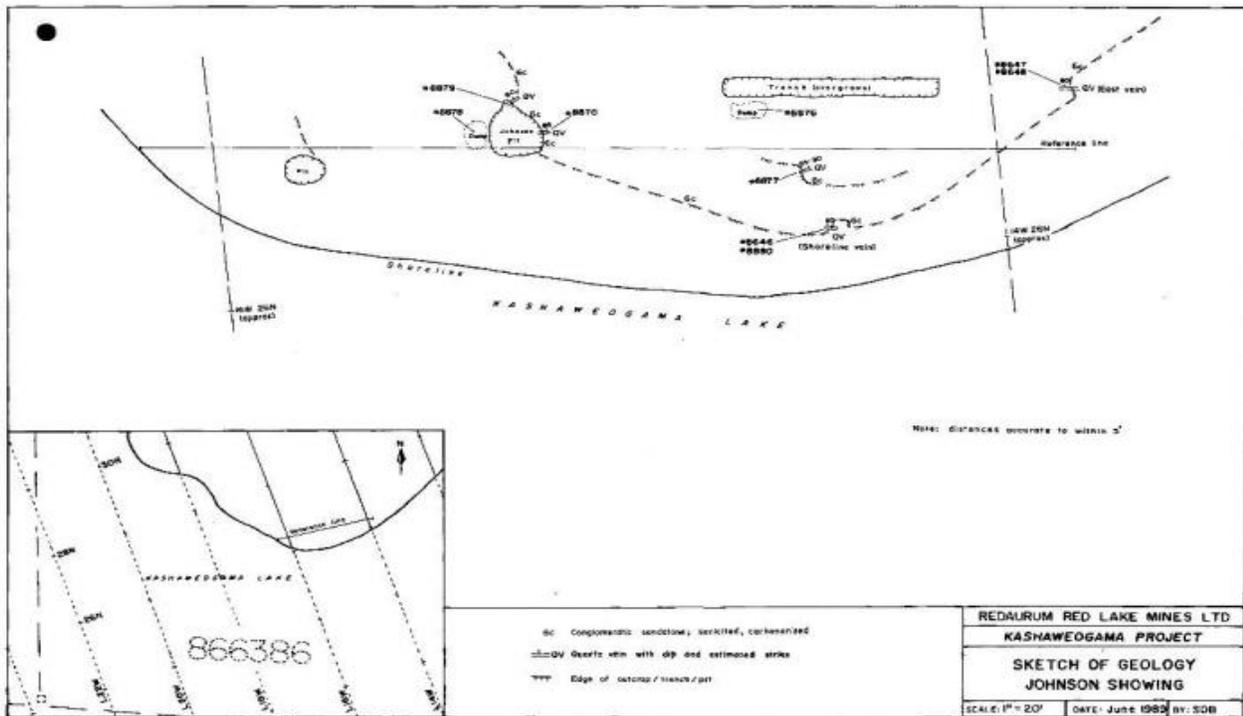


Figure 3. Sketch of Sidore (Johnson) showing Redaurum 1989.

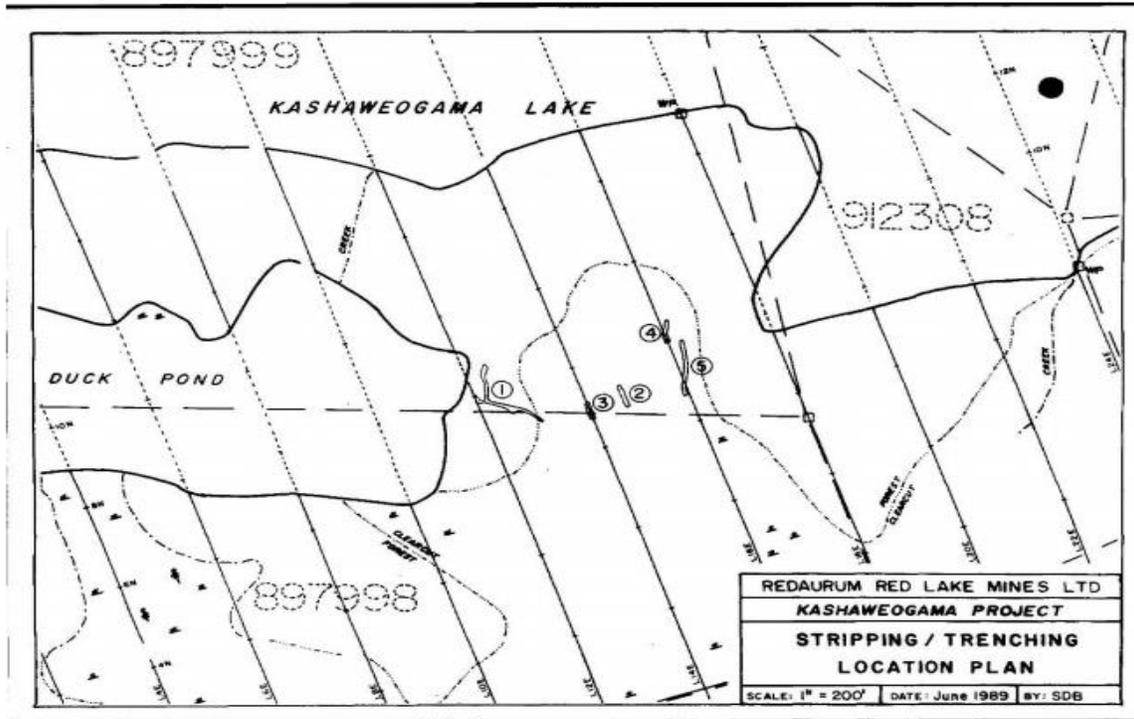
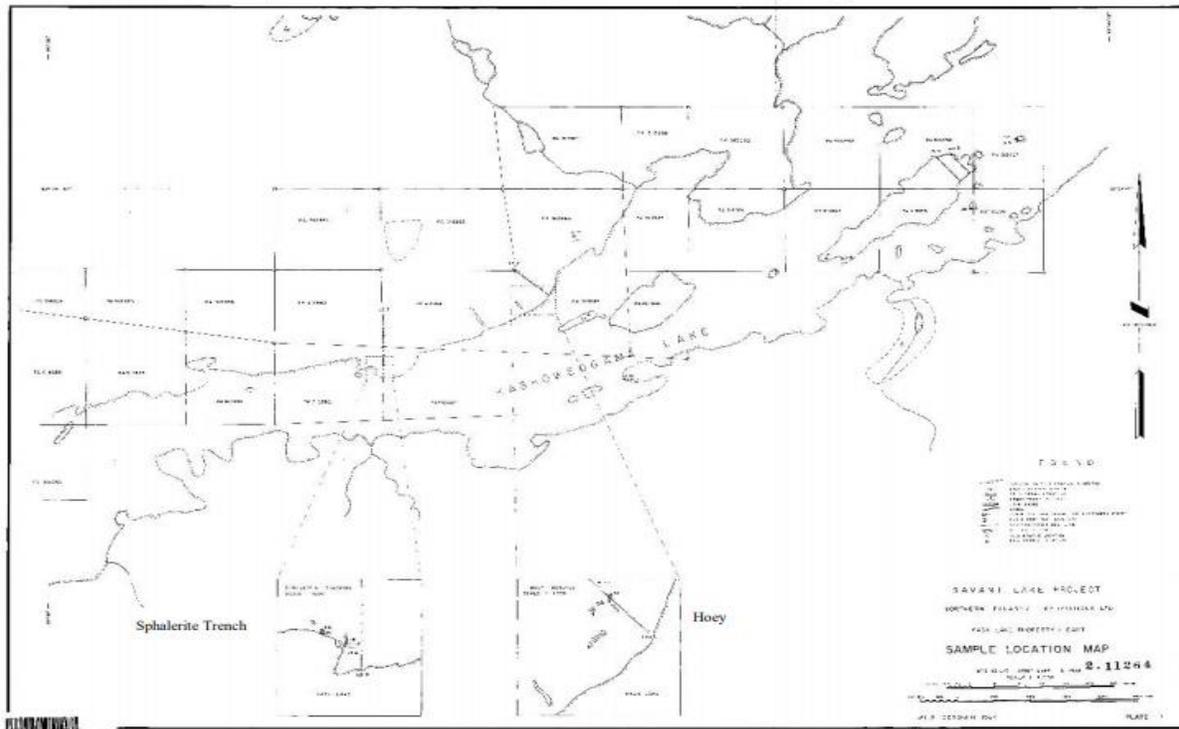


Figure 4. Sketch of trenching locations Redaurum 1989.

1987-89 – Northern Dynasty Exploration Ltd (AFRI 52J07NW0011, 52J07NW8931, 52J07NW0012, 52J07NW0007): Over the 1987 and 1988 field seasons a program of geological mapping and sampling was executed. The Hoey showing samples returned multiple assays over 1.3 g/t Au up to 8.39 g/t Au. Sampling was focused on three main zones of mineralization and alteration; the "Hoey Zone", the Sphalerite Trench and the Alteration island zone (Figure 5). Both lithological and soil samples were taken. The Hoey showing returned values of 1.86 g/t Au (J53) and 1.15 g/t Au (R3). The "Sphalerite Zone returned values of 4.79 g/t Au (E16) and 2.84 g/t Au (J8). The "Alteration Island Zone" returned values of 2.35 g/t Au (G127), 5.44g/t Au (E150) and 3.11 g/t Au (G4). The Hoey zone referenced is on claim 166786. The "Sphalerite zone" is on claim 218893, and "Alteration Island" is off of the Property.

A ground magnetic and electromagnetic program comprised of 45 line-km was completed across the Property. These surveys outline a number of magnetite iron formations and a variety of conductors.

A five (5) hole diamond drill program totalling 909m (2982ft) was completed on various targets. Assays reported included 600 ppb gold over 0.79m from K-89-01 and 0.67 oz/t Au over 1.3m in K-89-02 (banded chlorite-carbonate-sericite schist). These holes fall on claims 561344, 218893, 166786, and 232792.



**Figure 5. Northern Dynasty sample locations Hoey and Sphalerite Trench 1988.**

1990-1997 – G Hogg & R Ramsay:

1990 (AFRI 52J07NW0003, 52J07NW0001): Conducted prospecting, line-cutting, a VLF-EM survey, a dip needle survey, and trenching. Samples from the "Sidore prospect" returned values of 9.18 oz/t Au (8669) , 3.77 g/t Au (8902), and 9.6 g/t Au (8905) with the "North Zone" samples returning 1.75 g/t Au (8933) and 16.2 g/t Au (8945).

Conducted a VLF survey over the area east of June Lake. The survey results suggested that well-mineralized formational units extend in an easterly direction across the grid area and that they are disturbed by folding and/or faulting action.

1991 (AFRI 52J07NW8938, 52J07NE0007, 52J07NW0002):

Carried out a program comprised of prospecting, geological mapping, trenching, and geophysical surveys. A total of 36 samples were reported, sampling the "Cliff Zone", "Sidore Prospect", "Stringer Zone" and the "11W Trench". 8407 - 0.08 oz/t Au "North Zone", 8409 - 2.91 oz/t Au "Sidore", 8410 - 0.47 oz/t Au, "Sidore", 8411 - 0.08oz/ t Au - North Vein #1 "Sidore", 8412 - 0.01oz/t Au North Vein #1 Sidore, 8417 - 0.17oz/t Au Sidore, 8423 - 830ppb Trench 11W.

Conducted stripping, trenching, blasting, and prospecting at the "Stringer Zone" and "North Zones" (Claim 561341). Some assays were reported but location cannot be determined.

1992 (AFRI 52J07NE8876): Conducted sampling, geological mapping, and trenching. In total 62 samples were analyzed and taken across five general areas across the Property. Twenty samples were taken east of June Lake reporting 19 to 444 ppb. One sample was crushed and panned yielding a value of 0.15oz/t Au (8467) while the unconcentrated source material reported 290 ppb (8468). The sampling on the southern shores of Kashaweogama Lake demonstrated that the soil anomalies reflect metalliferous content in the underlying bedrock. Prospecting, stripping, trenching and sampling on areas east of June Lake were completed. A total of 35 samples were taken on the Property with the highest value

returning 2.91oz/t Au and 0.49oz/t Au from the "Sidore Prospect", 0.08oz/t Au from the North Vein #1 and 830 ppb from Trench 11W.

1993 (AFRI 52J07NE8875): Conducted mapping and sampling on previously worked areas along the southern shore of Kashaweogama Lake and East of June Lake. Sample 8457 from 11w Trench returned a value of 0.15oz/t Au; this was an assay of concentrate located east of June Lake.

1994 (AFRI 52J07NE0008, 52J07NE0014): Conducted a program of stripping, trenching and sampling concentrated in northeastern area of the Property. In total, 38 samples were collected with the highest sample returning 450ppb.

1995 (AFRI 52J07NE0011, 52J07NE0012): Conducted a trenching and sampling program in 1994 concentrated on the NE part of the Property to test the gold potential of the magnetite iron formation. Several areas along the south shore of Kashaweogama Lake in the vicinity of Duck Pond were stripped, and three areas were drilled by plugger and trenched by blasting. In total 38 samples were submitted for analysis. Samples returned 530 ppb Au and 450 ppb Au from the Island Prospect, 94-3 Trench Area; 26 to 60 ppb Au. 94-2 Trench Area; 21 to 61 ppb Au. and 94-1 Trench; 40 to 78 ppb Au. Conducted exploration trenching and sampling during 1995 in the vicinity of Hough Creek (Claim 284913 / 561340). A total of six (6) representative samples were taken ranging from 5 to 15 ppb Au. Earlier reported samples were up to 300 ppb.

1997 (AFRI 52J07NW0004): R.G Ramsay conducted additional trenching and sampling in the 11W Trench Area (Claim 561341). Approximately 150 feet north of the trenching area is a strong ESE-striking VLF-EM conductor. Grab samples from the trench reported 10 to 450 ppb Au.

2010 – Enstar Corp (20000006277): Conducted a VTEM and MAG airborne survey, flying a total of 112 1-km at 100m line spacing. Intersecting parts of claims 561340, 561342, 218910 and 218909. The majority of the survey falls south east of the Property.

## **Geological Setting and Mineralization**

### *Regional Geology*

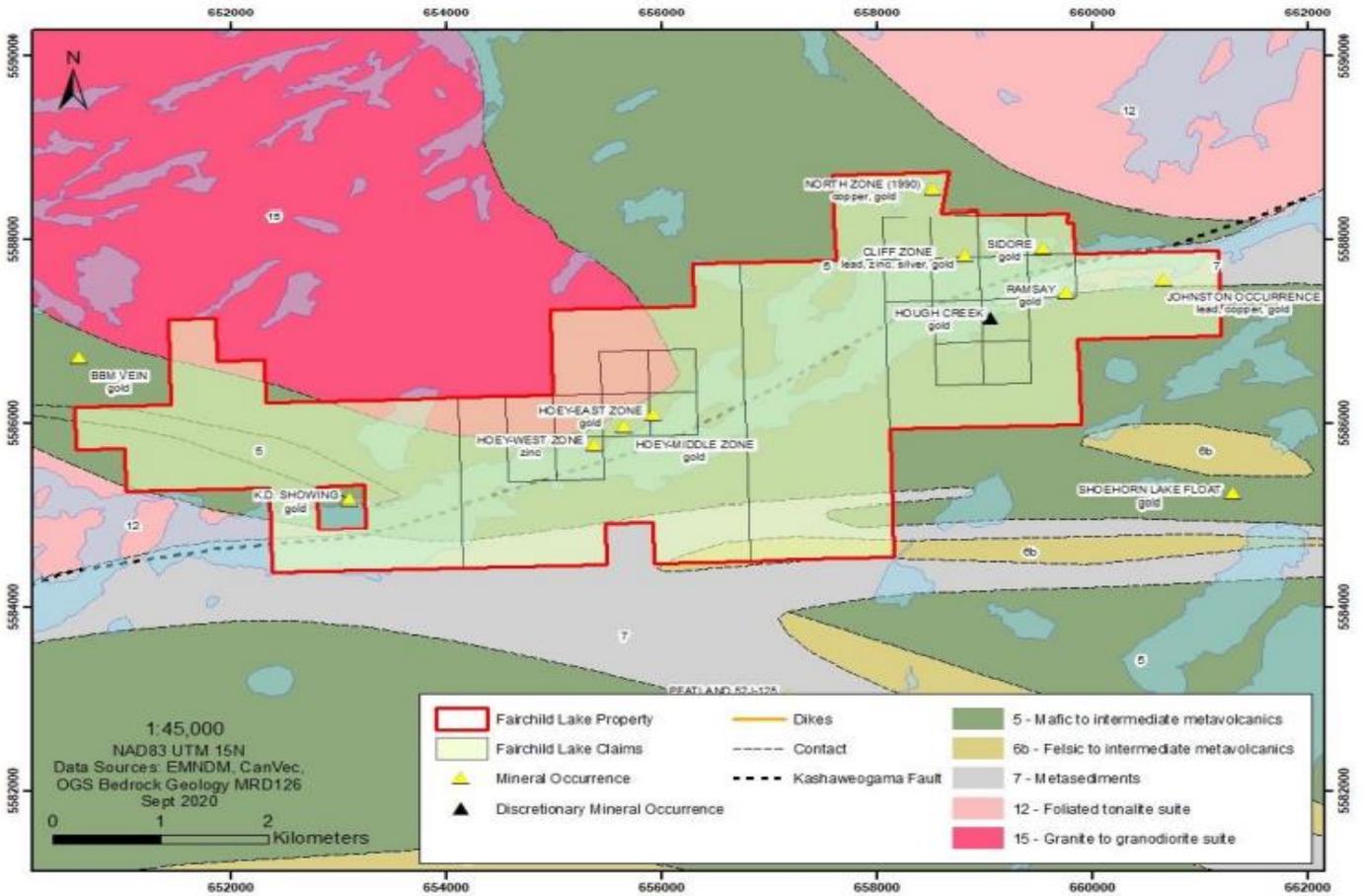
The Property is in the western arm of the Savant Lake greenstone belt. This western end is terminated by the Miniss River Fault System while the eastern end expands into the Savant Lake greenstone belt proper. The Savant Lake greenstone belt marks the limit of the northerly development of the Wabigoon Subprovince.

W. D. Bond (1980) provides an excellent description of the regional geology. The Technical Report combined with map P. 3099 (Trowell, 1988) forms a comprehensive geological picture (Figure 6).

In summary, the regional geology can be divided into three main supracrustal units with a late stage felsic intrusive phase. The oldest of the supracrustal rocks is the Jutten Volcanic Sequence. This unit comprises essentially massive and pillowed mafic volcanic flows interlayered with thick chert-iron formation horizons. The next stratigraphic group is localized about Kashaweogama Lake. Neither Bond (1980) nor Trowell (1988) clearly define the stratigraphic relationships, either within the group nor between it and the other supergroups. However, both authors do implicitly acknowledge the existence of a discontinuity. This field evidence suggests that there are distinct variances in the lithological and structural nature of the rocks centred about Kashaweogama Lake. Therefore, the rocks of Kashaweogama Lake are believed to belong to a separate and distinct geological environment. For the purposes of the Technical Report the rocks of Kashaweogama Lake are combined under the term Kashaweogama Lake supergroup. The Kashaweogama Lake supergroup is composed of several distinct but laterally related units. The lowermost unit of this group is the Savant Narrows formation. This unit unconformably overlies the Jutten Volcanic Sequence and is composed of a lower granitoid and volcanic-clastic conglomerate and an upper volcanic-clastic conglomerate. The sedimentary Whimbrel Lake Volcanic Sequence, in the extreme east, is interbedded with the Savant Narrows formation and shows



suggesting either magnetite-bearing metavolcanics or ferruginous metasediments. Poor exposure has limited investigation, however, both types of magnetic lithologies are known to exist in the area. The southern shoreline marks the northern limit of the Handy Lake Volcanic Sequence. The Dickson Lake Pluton, a massive granodiorite unit, is the most prominent of the late stage felsic intrusions. This unit outcrops within 200m of the north lake shore.



**Figure 7. Property Geology.**

### Mineralization

Gold mineralization on the Property is located north and in proximity to the Kashaweogama fault system as disseminated pyrite with lesser chalcopyrite, sphalerite, and galena in widespread quartz veining and within the sedimentary units themselves. Anomalous gold is commonly associated with the sulphide mineralization, and locally it occurs in native form in quartz veining. Fuchsite occurring in bands or beds is frequently present in the siliceous and tuffaceous clastics of the northwest Property area and as patchy areas of hematitic alteration (Hogg, 1992).

Historically four main areas of anomalous gold mineralization have been identified on the Property: Hoey Zones (west, middle, east), North Zone, Cliff Zone, and Sidore Zone (Figure 7).

- **Hoey Zones:** Gold mineralization, including free gold, occurs in Fe-carbonate-pyrite-quartz veins and pyritic shears. These veins are hosted in mafic to ultramafic volcanics. Alteration is dominated by iron and calcium carbonatization, sericitization, talc, and chromium mica development, and silicification. The nature of the alteration is controlled by host rock lithology. Both auriferous quartz veins and alteration zones are highly deformed. The best gold values and most extensive alteration are mainly located close to the Kashaweogama

Lake deformation zone.

- North Zone: This is located in an area of weak conductivity which shows strong development of quartz veining in sheared mafic volcanics. Mineralized quartz veins contain pyrite, pyrrhotite, and chalcopyrite.
- Cliff Zone: Zone of broad pyritic mineralization in sheared and variably siliceous tuffaceous graywacke.
- Sidore Zone: Mineralization in this zone is restricted to quartz veins within unmineralized granitoid-clast conglomerate. This consists of a series of pyrite-bearing white quartz veins in an exposure of conglomerate. The veining varies from 10's of cm's to 0.75 m in width, and is controlled by near vertical, easterly striking shearing (Ho, J. W., 1988).

## **Deposit Types**

The deposit type being targeted by Fairchild on the Property is "greenstone-hosted quartz-carbonate vein deposits" 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.

There is also the potential for Archean-aged orogenic gold deposits as defined by Groves et al. (1998). Following Kerrich et al. (2000), orogenic gold deposits are typically associated with crustal-scale fault structures, although the most abundant gold mineralization is hosted by lower-order splays from these major structures. Deposition of gold is generally syn-kinematic, syn- to post-peak metamorphism and is largely restricted to the brittle-ductile transition zone. However, deposition over a much broader range of 200–650°C and 1–5 kbar has been demonstrated. Host rocks are highly variable, but typically include mafic and ultramafic volcanic rocks, banded iron formation, sedimentary rocks and rarely, granitoids. Alteration mineral assemblages are dominated by quartz, carbonate, mica, albite, chlorite, pyrite, scheelite and tourmaline, although there is much inter-deposit variation.

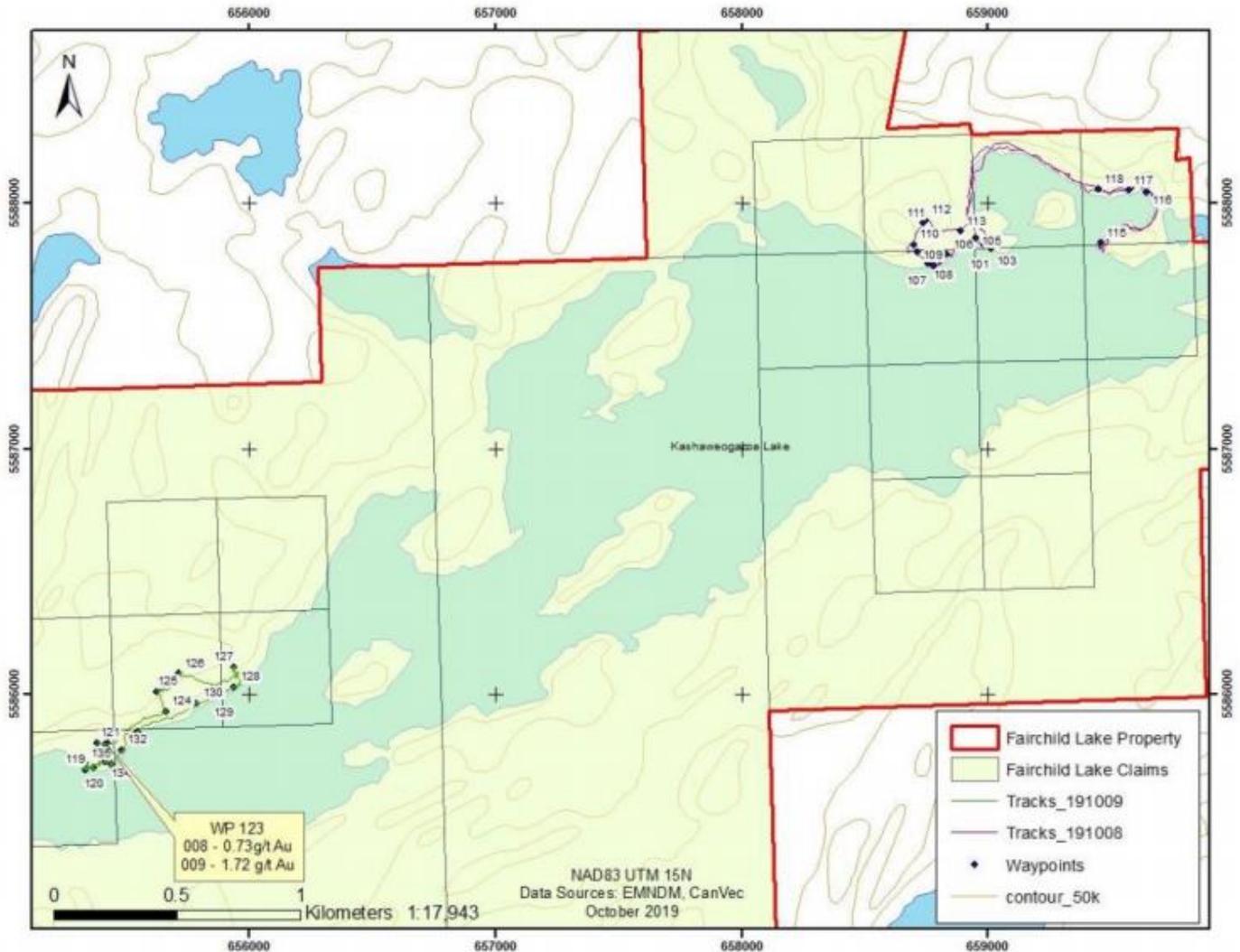
## **Exploration**

Exploration conducted on behalf of Fairchild on the Property consisted of airborne geophysics, prospecting, mapping, and soil sampling. A short reconnaissance program was also carried out in the fall of 2019. Field work for the 2019 program was supported by fixed wing aircraft. In 2020 an airborne geophysical survey of the entire claim group was flown by Prospectair Geosurveys in April. Clark Exploration Consulting carried out a program of prospecting, mapping, and soil sampling of the Property from June 8 to June 27 and July 27 to August 3. In total 23 days were spent on the Property with 4 days for mob/de-mob. The 2020 program was supported by boat; field crews were based in Savant Lake.

### 2019 Program

## Rock Sampling

The 2019 prospecting program focused on the areas in the vicinity of the Hoey, Cliff, and Sidore showings. In total, 13 grab samples were taken with the only significant values being returned near the Hoey West zone. Sample BC19-AL-008 of a quartz vein returned 1.72g/t Au and sample BC-19-AL-009 from the surrounding mafic volcanics returned 0.732g/t Au (Figure 8).



**Figure 8. 2019 grab sample locations.**

## 2020 Program

### Airborne Geophysics

Prospectair Geosurveys was contracted to conduct a heliborne magnetic (MAG) and time-domain electromagnetic (TDEM) survey on the Fairchild Lake Property. The survey was flown on April 24, 2020. One survey block was flown for a total of 323 line kilometers. A total of 3 production flights were performed using Prospectair's Eurocopter EC120B, registration C-GEDI. The helicopter and survey crew operated out of the Sioux Lookout airport located 85 km to the southwest of the block. The block lies about 20 km to the north of the village of Savant Lake. The block was flown with

traverse lines at 100 m spacing and control lines spaced every 1000 m. The survey lines were oriented 358. The control lines were oriented perpendicular to the traverse lines.

Most of the survey block is affected by linear magnetic features characteristic of alternating sequences of mafic volcanics with sedimentary or intermediate to felsic volcanic rocks, with probably some small size intrusive stocks or dykes locally. The north area of the survey block shows low magnetic signal variations and more homogeneous magnetic textures, which is typical of large size felsic to intermediate intrusions. The strongest anomalies of the survey are found in the eastern and southeastern parts of the block and are interpreted to relate to magnetite rich iron formations. Stronger anomalies are best seen on Figure 9 which illustrates the residual total magnetic intensity (TMI) data with a linear color distribution. Other weaker anomalies are likely associated to mafic/ultramafic volcanic or intrusive rocks. In between these magnetic anomalies, areas with low magnetic signal variations and depressed background values, are possibly related to sedimentary or felsic volcanic rocks.

Throughout the block it is possible to detect structural features offsetting observed magnetic lineaments and causing abrupt interruption or changes of the magnetic response. These features are typically caused by faults, fractures and shear zones. Shorter wavelength anomalies are greatly enhanced on the first vertical derivative (FVD) (Figure 10) and on the TILT (Figure 11) products. Since the FVD attenuates longer wavelength anomalies and the TILT enhances very weak amplitude anomalies, they are the preferred products for structural interpretation.

On the Fairchild Lake block, 13 EM anomalies were identified. All are marginal to weak anomalies with TAU lower than 0.25 msec and are included in a group represented by an empty circle on the anomaly map (Figure 11). The early off-time map (Figure 11) provides a good overview of the TDEM response amplitude distribution. There are three conductive areas that have been outlined by the survey. Of these, two are located at the north end of the block and are marginally conductive, only slightly exceeding the noise envelope of the system. These are also occurring beside lake and wetlands and could be caused by conductive sediments, or, although less likely, by conductive mineralization of very limited extents. The third conductive area occurs underneath Kashaweogama Lake. It depicts a stronger response at later times which is more typical of bedrock conductors. It also occurs very close to a very strong and continuous magnetic anomaly interpreted to relate to an iron formation. It could therefore directly originate from a sulphide rich section along this iron formation or from another conductive source (sulphides/graphite) spatially parallel and close to the iron formation.

The magnetic data was interpreted by Prospectair and recommendations were made for target areas of exploration (Figure 12).

Targets 1, 2 and 3 relate to faulting/shearing structures cross-cutting mag anomalies likely associated to mafic volcanics.

Targets 4, 7 and 9 pertain to areas where strongly magnetic iron formations are also cross-cut by main structures. In addition, targets 7 and 9 show clear evidence of folding, where structural repetition and stratigraphic thickening may have occurred. The possible opening of dilatant zones in these areas may also have provided traps mineralizing fluids.

Target 5 and 6 both occur near the contact zone with the large intrusion, along a possible fault/shear of interest. Target 5 includes marginal EM anomalies near the lake shore that warrant further investigation. Target 6 includes an intriguing compact and isolated magnetic anomaly.

Target 8 is under the lake, but is situated on the main, strong, conductor of the survey, very close to a strong magnetic anomaly possibly related to an iron formation. If support can be found during future exploration for mineralization in these structures on adjacent peninsulas and islands, then a case can perhaps be built for drill testing this target.

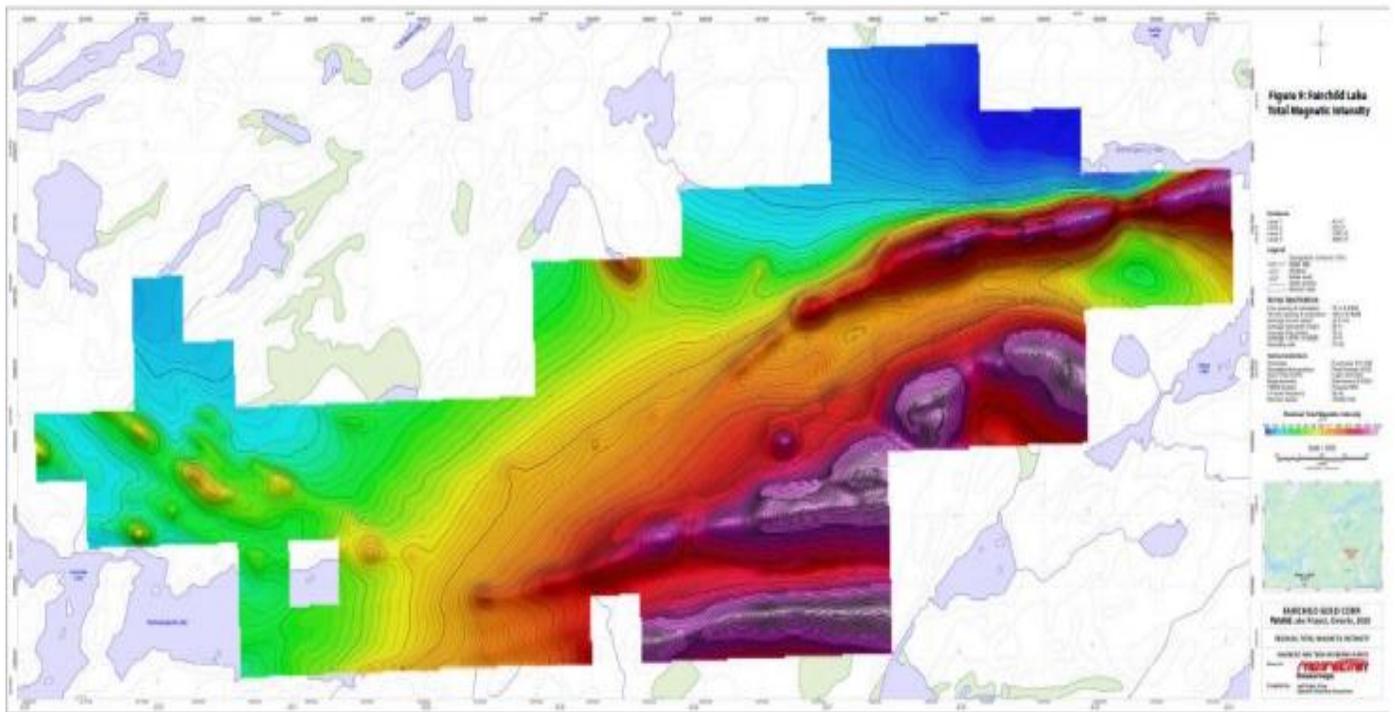


Figure 9. Fairchild Lake Total Magnetic Intensity (TMI).

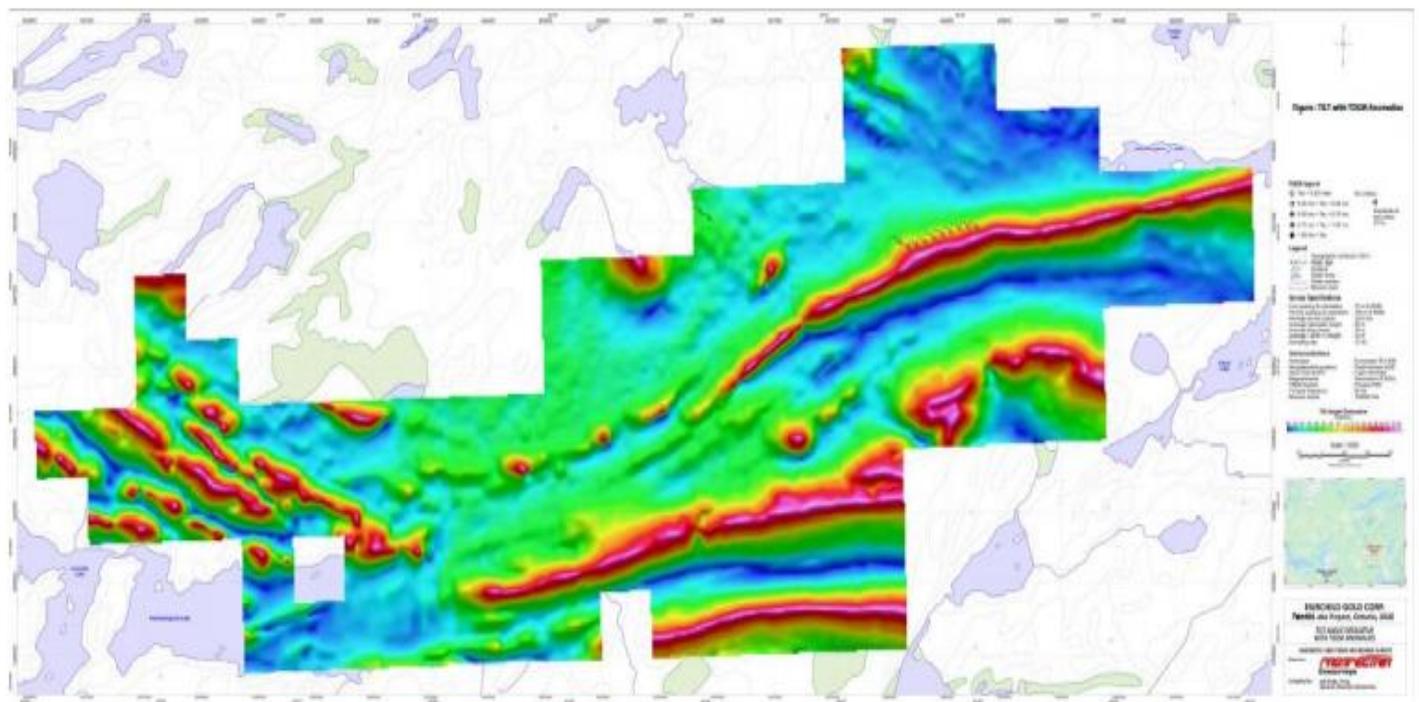


Figure 10. First Vertical Derivative (FVD) with anomaly picks.

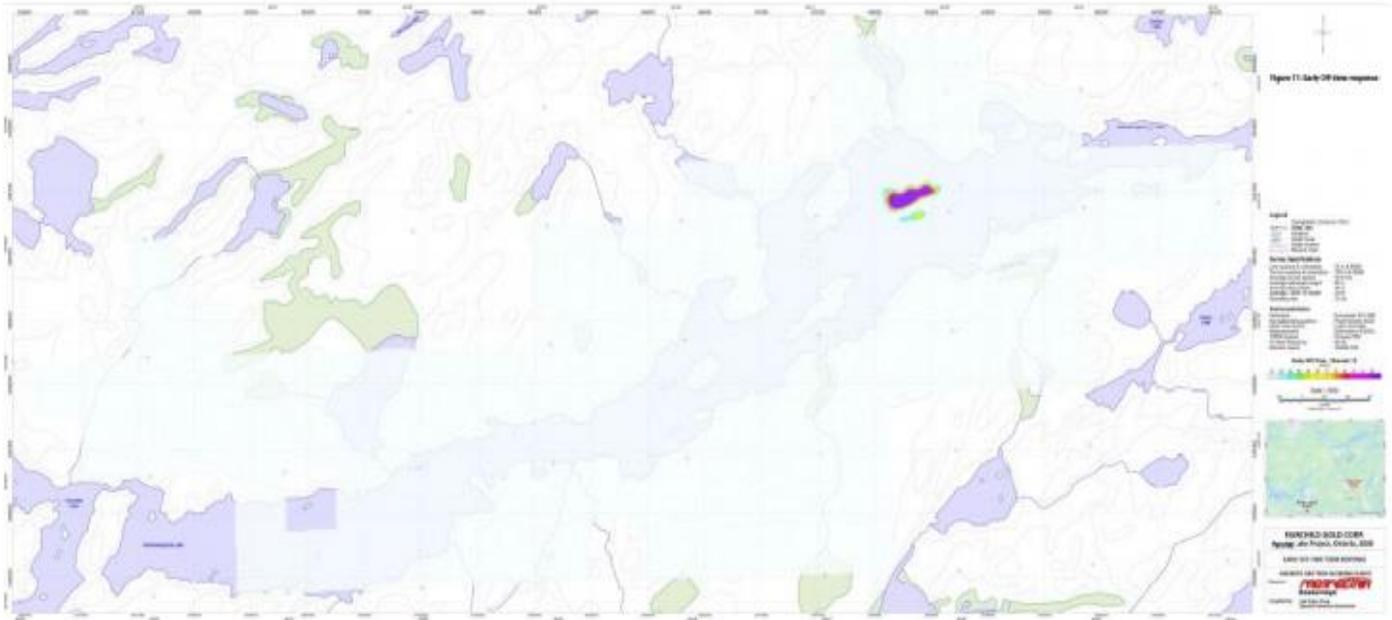


Figure 11. Early off-time response.

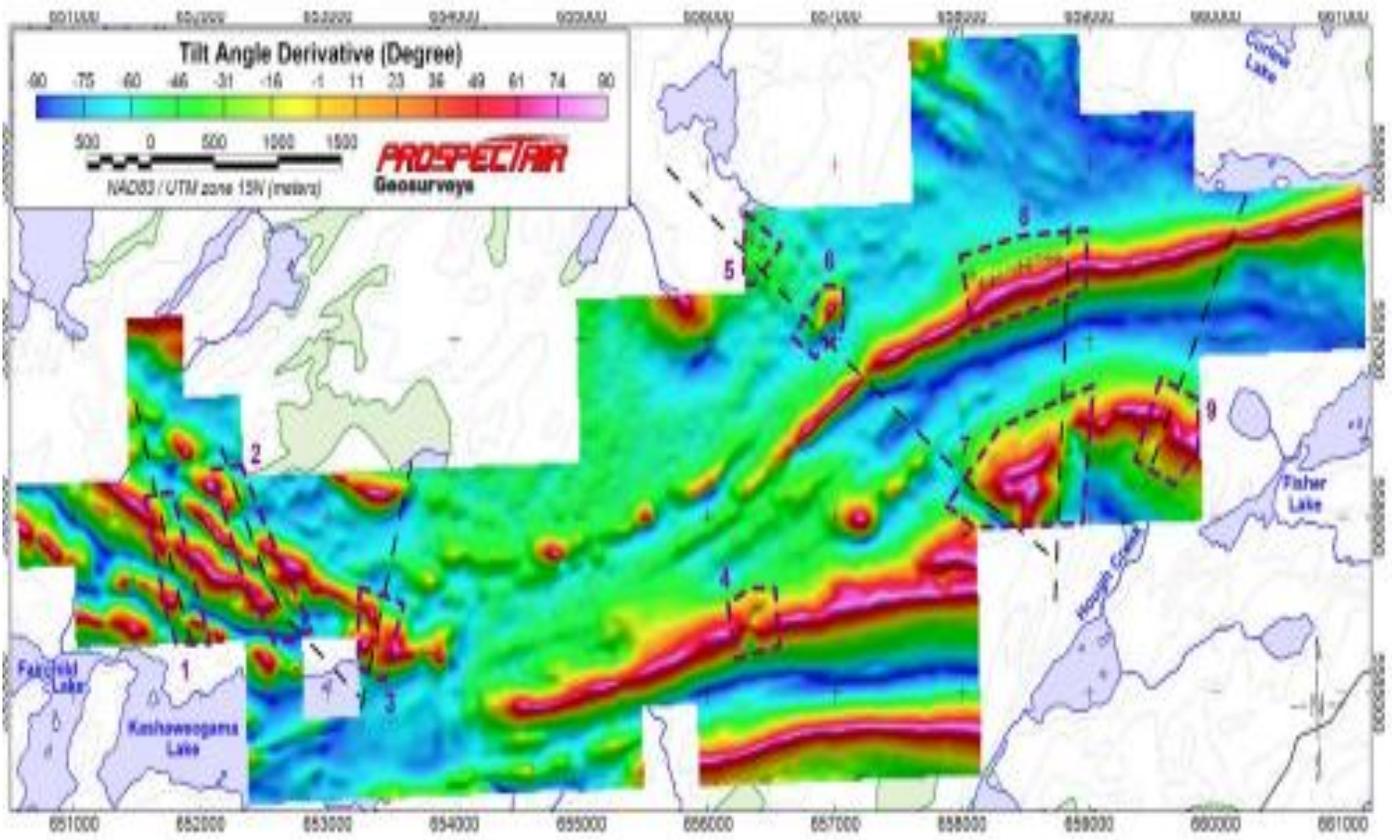
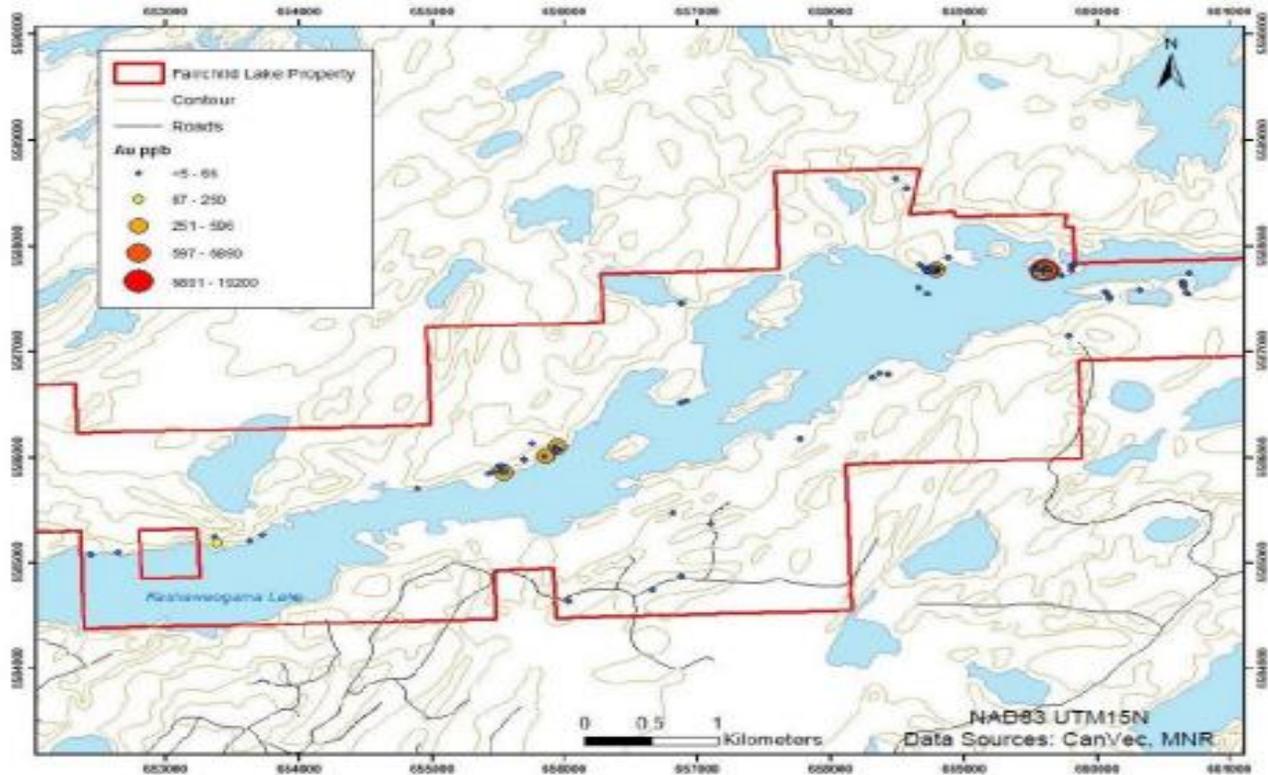


Figure 12. Areas of interpreted structures.

## Rock Sampling

A total of 106 grab rock samples (which includes 4 blanks). The prospecting and mapping programs were designed to locate and sample historical occurrences on the Property (Figure 13). Grab samples taken on the Property ranged from below detection limit to >6000 ppb Au (Table 2). The highest assays were returned from the Sidore prospect, followed by the Hoey showing and Cliff Zone.



**Figure 13. Overview of grab samples taken from the 2020 exploration program.**

**Table 2. Summary of grab sample ranges for the 2020 exploration program.**

Number of Samples	Gold PPB
39	<5
49	5 to 100
9	100 to 200
5	200 to 400
2	400 to 600
2	>6000

The highest gold assays were from the Sidore Prospect returning 19.2g/t Au, 12.8g/t Ag A934502, and 6.89g/t Au, 4.5g/t Ag A934501 Figure 14 (Table 3). Other samples from the Sidore prospect returned values from <5ppb to 426 ppb Au. Sample A934502 was taken from a quartz vein hosted in conglomerate. It is believed that this sample was taken from the same veins historically sampled which returned up to 9.48oz/t (G. Hogg, 1990).

**Table 3. Summary of highest grade assays for the 2020 exploration program.**

Sample	Northing	Easting	Location	Sample Type	Description	Au ppb	Ag ppm
A934502	5587762	659613	Sidore	Outcrop	15x10x8cm w/ sugary qtz stringers, trace diss py w/ possible galena, rusty vugs on fracture w/ ankerite	19200	12.8
A934501	5587767	659610	Sidore	Float	10 cm sugary qtz vein, trace diss py, minor chl & vuggyneess	6890	4.5
B181271	5585853	655550	Hoey West	Outcrop	Sheared mafic volcanic. str ser + chl and locally silicified. silicification carries sulphides. mgr py, cpy, asp, sphalerite	596	0.4
A934506	5587760	659596	Sidore	Float	Sugary float qtz vein from 10-15 cm vein, trace diss py & possible galena?	426	<0.5
B181286	5587756	659595	Sidore	Outcrop	Silicified and sheared rhyolite wallrock adjacent to Sidore vein sample B181285. trace fgr py + arseno	383	< 0.2
B181326	5586094	655956	Hoey East	Outcrop	Foliated mafic volcanics (chl-bt schist) with local irreg qtz veining and trace py	344	0.3
B181294	5587773	658791	Cliff Zone	Outcrop	qtz-ser schist w 7% sulphides. local fuchsite	334	1.8

Sample	Northing	Easting	Location	Sample Type	Description	Au ppb	Ag ppm
A934517	5586007	655861	Hoey East	Outcrop	20% mafic volcanic w/ 1-2% diss py, 80% rusty qtz vein, sugary in areas, minor sulphides	317	2.4
A934505	5587763	659617	Sidore	Float	Sugary qtz vein float w/ patchy ankerite, trace diss py & possible galena?	250	<0.5

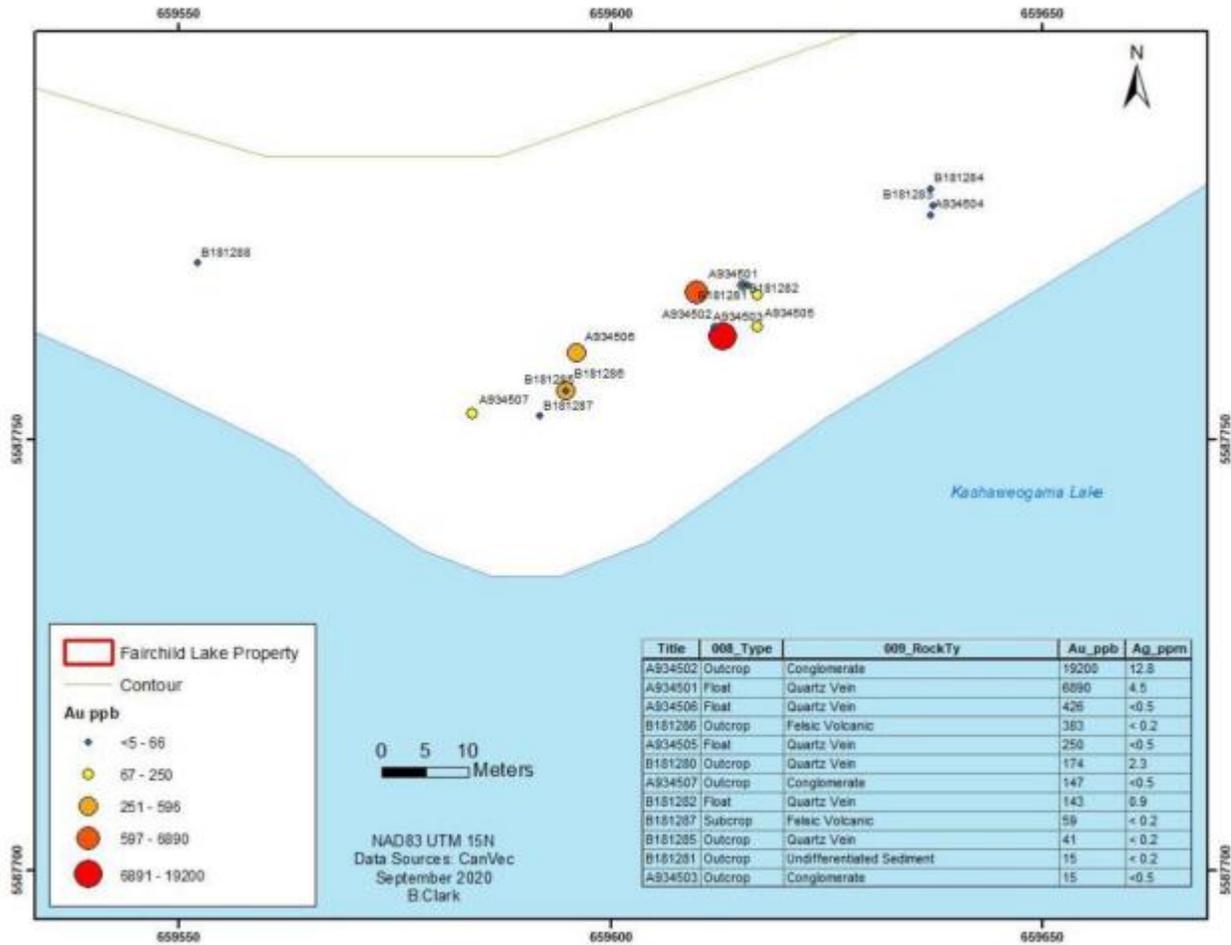
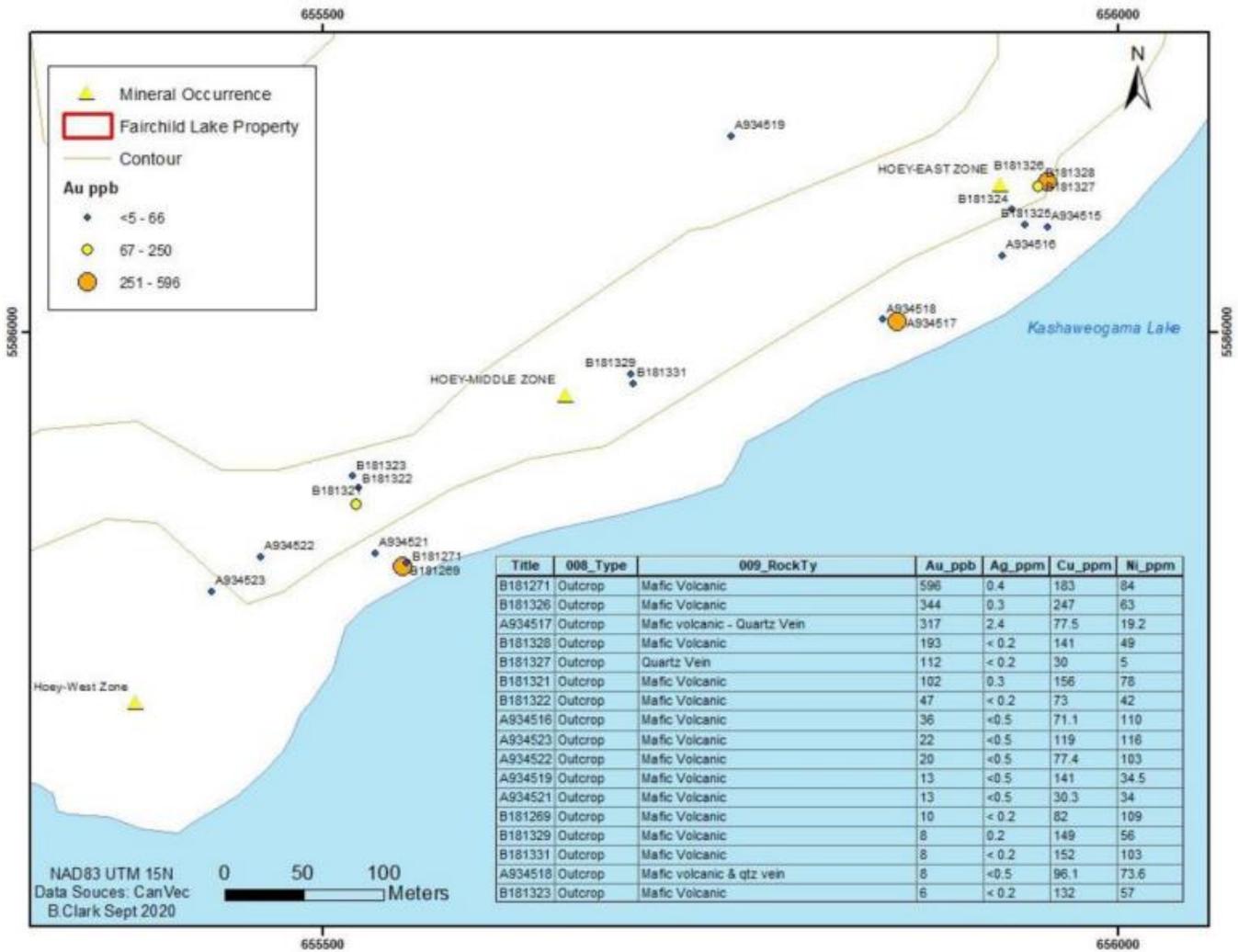


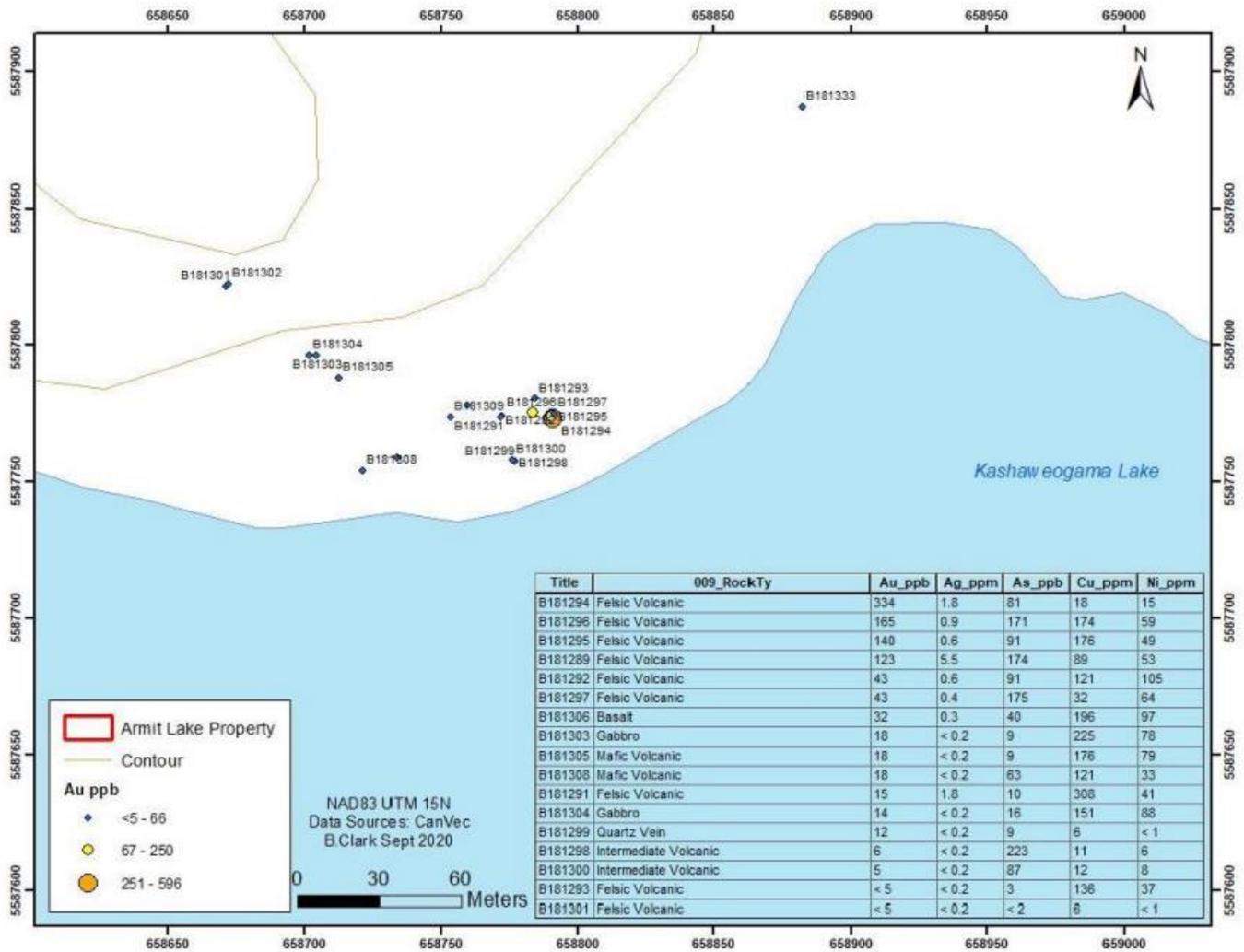
Figure 14. Samples taken in the vicinity of the Sidore prospect, 2020.

In total 17 grab samples were taken from the Hoey East and West areas. There were six (6) samples that returned greater than 100ppb Au with the highest assays being 596ppb Au (B181271) and 344ppb Au, 247ppm Cu (B181326) (Figure 15). These samples were hosted in foliated weakly silicified mafic volcanics.



**Figure 15. Samples taken near the Hoey series of historical showings, 2020.**

In total twenty (20) samples were taken around the Cliff showing (Figure 16). Samples consisted of felsic and mafic volcanics and local quartz veins. There were six samples that returned below detection limit. Highlighted samples from this area returned 334ppb Au, 1.8g/t Ag (B181294), 123ppb Au, 5.5g/t Ag, 0.2% Pb (B181289), and 15 pb Au, 1.8g/t Ag, 309ppm Cu, 0.15% Zn (B181291).



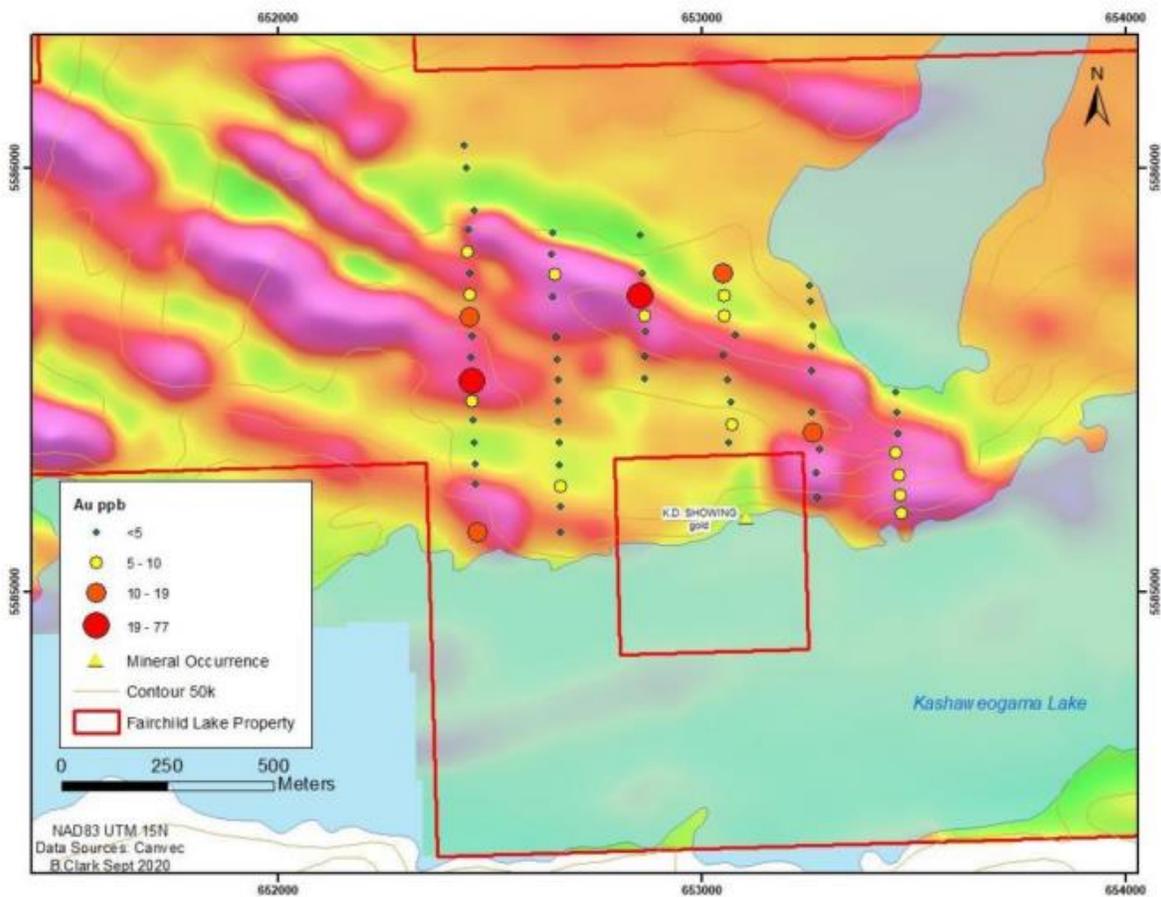
**Figure 16. Grab samples taken from the Cliff showing, 2020.**

### Soil Sampling

The soil sampling grid at the western end of the Property was designed to aid in determining lithological contacts as well as defining the gold trend associated with the “KD showing” which is not on the Property. Soil samples were taken at 50m intervals on 100m spaced lines. Of the 68 B-horizon soil samples collected 19 returned values above 5 ppb Au up to 77 ppb Au (Table 4). Soil sample values show a moderate correlation with what is interpreted to be lithological contacts between mafic and ultramafic volcanics of the Jutten Volcanic sequence and interbedded metasediments. Base metal values up to 124ppm Cu and 106ppm Ni most likely correlate with ultramafic bedrock lithologies. Gold values of 20 ppb and greater warrant additional follow-up sampling, prospecting, and mapping in order to explain these relatively high values that may reflect bedrock gold mineralization.

**Table 4. Summary of soil sample results for the 2020 exploration grid.**

Number of Samples	Gold ppb
44	<5
13	5 to 10
4	11 to 19
2	20 to 77



**Figure 17. Soil sample results Au with the First Vertical Derivative background, 2020.**

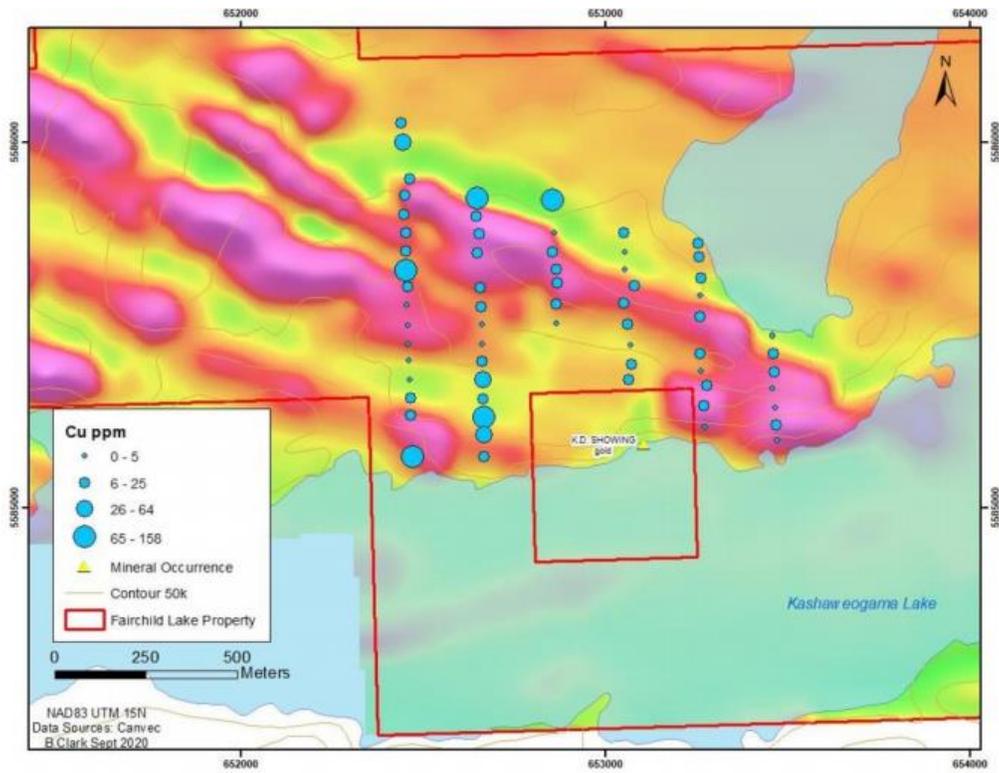


Figure 18. Soil sample results for Cu with the First Vertical Derivative background, 2020.

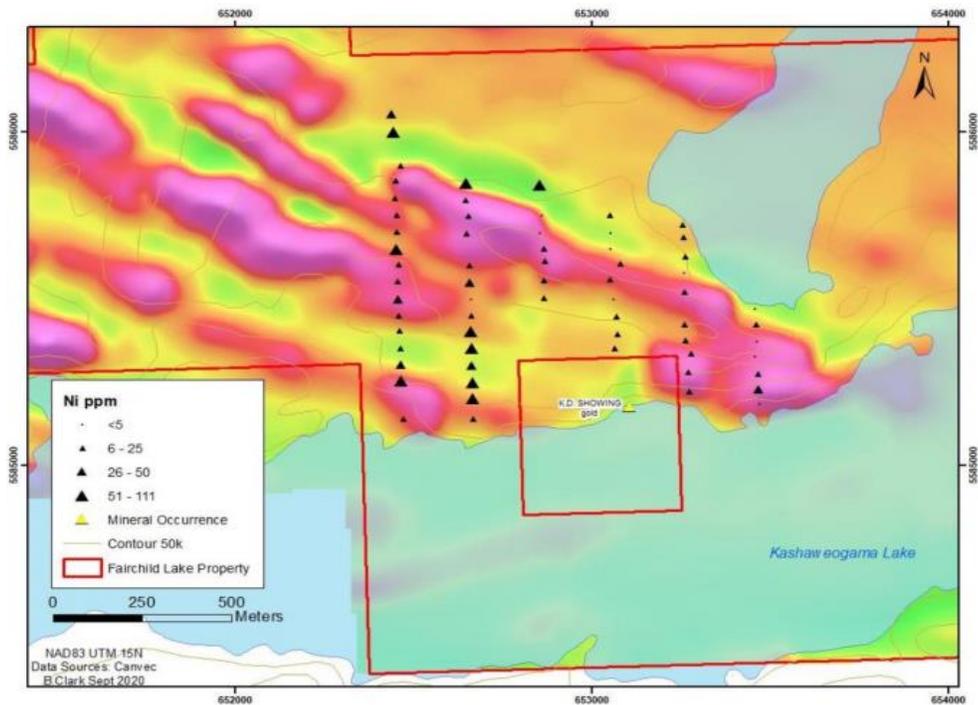
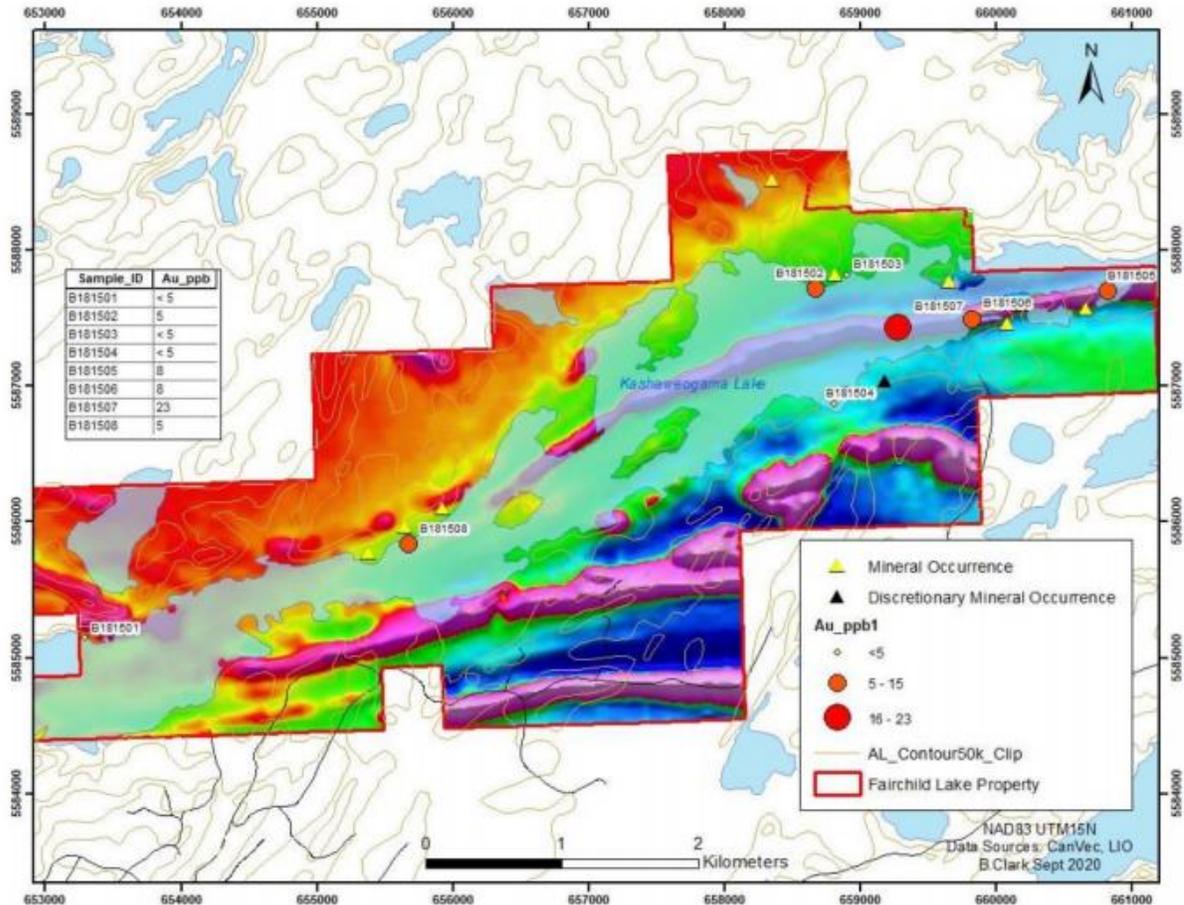


Figure 19. Soil sample Ni values with the First Vertical Derivative background, 2020.

## Lake Bottom Sampling

Lake bottom sediment sampling returned three samples below detection limit, 4 samples between 5-8ppb and one sample returned 23ppb Au (B181507) (Figure 20). The samples that returned results above the detection limit may reflect mineralization in the Kashaweogama Lake Fault.



**Figure 20. Lake bottom sample location and results for Au with First Vertical Derivative background, 2020.**

The exploration programs succeeded in re-locating areas of historically reported mineralization on the Property. Rock sampling in these areas demonstrated that gold mineralization with potentially economic grades occurs on the Property at the Sidore occurrence where grab samples assayed 16.8 and 6.89 grams/tonne gold. Rock samples from quartz vein-filled shear zones at the Hoey and Cliff zones also returned analyses of several hundred ppb gold and therefore warrant more detailed follow-up. Airborne geophysics identified 9 target areas warranting follow-up. Several of these are coincident with the known gold occurrences or are within close proximity to them.

## Drilling

The Issuer has not carried out any drilling on the Property. Refer to the "History" section above for an overview of the historic diamond drilling carried out on the Property.

## Sample Preparation, Analyses and Security

Grab samples were collected and placed in sample bags with appropriate sample tags and sealed with tape or zip ties. Soil samples were collected using an auger and placed in paper bags, then inside a plastic bag to avoid any contamination and sealed. Between each station the auger was wiped clean with a cloth. For field quality assurance and quality control blanks were inserted every twenty samples. In total 3 blank samples of pool sand were analysed with the results all being below detection limits. Lake bottom samples were collected with a Kajak-Brinhurst type sediment core sampler and placed in individual sample bags. These were then allowed to dry and sealed. All samples were delivered directly to the laboratories utilized by Clark staff.

Analysis for the initial field program from June 8th to June 27th was conducted by Actlabs in Thunder Bay, Ontario. Actlabs is independent from Fairchild. The samples were transported to Thunder Bay and dropped off at the lab where they were crushed and prepared for assay. A pulverized sub-sample was then shipped to Actlabs in Kamloops, BC for analysis. Samples were analyzed for Au by 30g fire assay with ICP-AAS finish and a multi-element aqua regia digestion with an ICP-OES finish.

Actlabs' Quality System is accredited to international quality standards through the following organizations:

- Standards Council of Canada (SCC)
- Canadian Association for Laboratory Accreditation (CALA)

Actlabs is accredited and/or certified for the following standards :

- ISO/IEC 17025:2017
- ISO 9001:2015

The second phase of fieldwork followed the same sample protocols but used AGAT Laboratories in Thunder Bay for the analysis of the grab samples. AGAT Laboratories is independent from Fairchild. Sample analysis consisted of 30g Fire Assay with AAS finish and a 4 Acid Digest with ICP-OES finish. Over limit gold assay A934502 was run through a Fire Assay – Au Ore Grade, Gravimetric finish.

Due to the limited number of grab samples taken, no field quality assurance or quality control was completed.

AGAT Laboratories is accredited for specific tests as listed in the laboratory's current scope of accreditation by the following organizations:

- The Standards Council of Canada (SCC)
- The Canadian Association for Laboratory Accreditation (CALA) and
- SAI Global

Actlabs is accredited, for specific tests, to the following standard:

- ISO/IEC 17025:2005

Actlabs is accredited and/or certified for the following standards :

- ISO/IEC 9001:2015

### **Data verification**

The data presented in the Technical Report has come primarily from the assessment files available at the Ontario Ministry of Energy, Northern Development and Mines in addition to the data collected during the airborne survey and field exploration programs in 2019 and 2020. The Author compared the data from various assessment files and

the government published geological materials to verify the data descriptions. The Author can verify that the information has been presented accurately as reported in those files and reports.

There were no limitations placed on the Author 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 a qualified person. The Author is of the opinion that these data sets were adequate for an initial assessment of the Property and the determination that further work is warranted.

### **Mineral Processing and Metallurgical Testing**

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

### **Mineral Resource Estimates**

There is no mineral resource defined on the Property.

### **Adjacent Properties**

There are no adjacent properties.

### **Other Relevant Data and Information**

To the knowledge of the Author there is no other relevant data and information concerning the Property.

### **Interpretation and Conclusions**

Historical and recent exploration work has indicated the presence of elevated gold values in grab, soil and lake bottom sediment samples over an area in close proximity to the Kashaweogama fault system. This fault system represents a major crustal break within this greenstone belt, similar to the LP fault discovered by Great Bear Resources in the Red Lake District. However, the Author has not verified information with respect to the LP fault discovered by Great Bear Resources, and information in the Technical Report with respect to the LP fault is not necessarily indicative of the mineralization on the Property. Both gold deposit models described in the Report are associated with or in close proximity to major fault zones. This environment represents a promising geological setting to host economic gold mineralization.

The highest gold value from the Sidore Prospect returned 19.2 g/t Au from an outcrop grab sample A934502. A float sample A934501 taken in the same area returned a value of 6.89 g/t Au. The Hoey showings returned gold values from the 2019 program of 1.72g/t Au and 0.732 g/t Au from a quartz vein and adjacent mafic volcanics, respectively. The area requires further exploration to fully delineate the surface extent of the mineralized areas. The Cliff showing area returned 334 ppb Au, 1.8g/t Ag (B181294), 123 ppb Au, 5.5g/t Ag, 0.2% Pb (B181289), and 15 ppb Au, 1.8g/t Ag, 309 ppm Cu, 0.15% Zn (B181291). These values are considered anomalous and warrant further exploration to delineate structures and surface extent of mineralization.

Gold values found in the limited soil sampling correspond well with interpreted airborne magnetic highs that may be attributed with the underlying mafic volcanics and chemical sediments. Extension of the soil grids is warranted in order to evaluate the potential for this and other areas to host gold mineralization. Limited lake bottom sampling returned a value of 23 ppb Au in sample B181507, indicating positive exploration potential beneath the lake.

In addition to gold exploration, the airborne magnetics and TDEM completed over the Property has highlighted various structural trends and domains of rock types that provide targets for base metal massive sulphides.

The Property is at an early stage of exploration and will require substantial work to find and fully evaluate its resource potential. No mineral resources or reserves have been estimated for the Property. There is no guarantee that further work will be successful in locating potentially economic mineral resources on the Property.

### Recommendations

An exploration program comprised of detailed geological mapping, manual outcrop stripping, washing, and sampling to be completed on the four main historical zones (Cliff, Hoey, North, and Sidore) is recommended.

Further prospecting and mapping is recommended to locate other historic trenches such as the Ramsay-Johnson, North Zone, Stringer Zone, and 11W Trench showings. Positive results from the preliminary summer soil sampling in 2020 should be followed up with extended lines and infill on 25 m centres to help further delineate a mineralized trend.

Additional soil sample grids are recommended at 100m spaced lines and 25m centres over top of the iron formation on the southern part of the Property to identify areas of gold mineralization. Grids will be set up over areas of interpreted faulting as these structures are favourable for mineralization. The target 7 area is of high priority as it shows clear evidence of tight folding, where repetition and thickening of strata may allow for structures favourable for mineralization to accumulate (Figure 21).

The estimated cost of the recommended program is \$201,225 (Table 5).

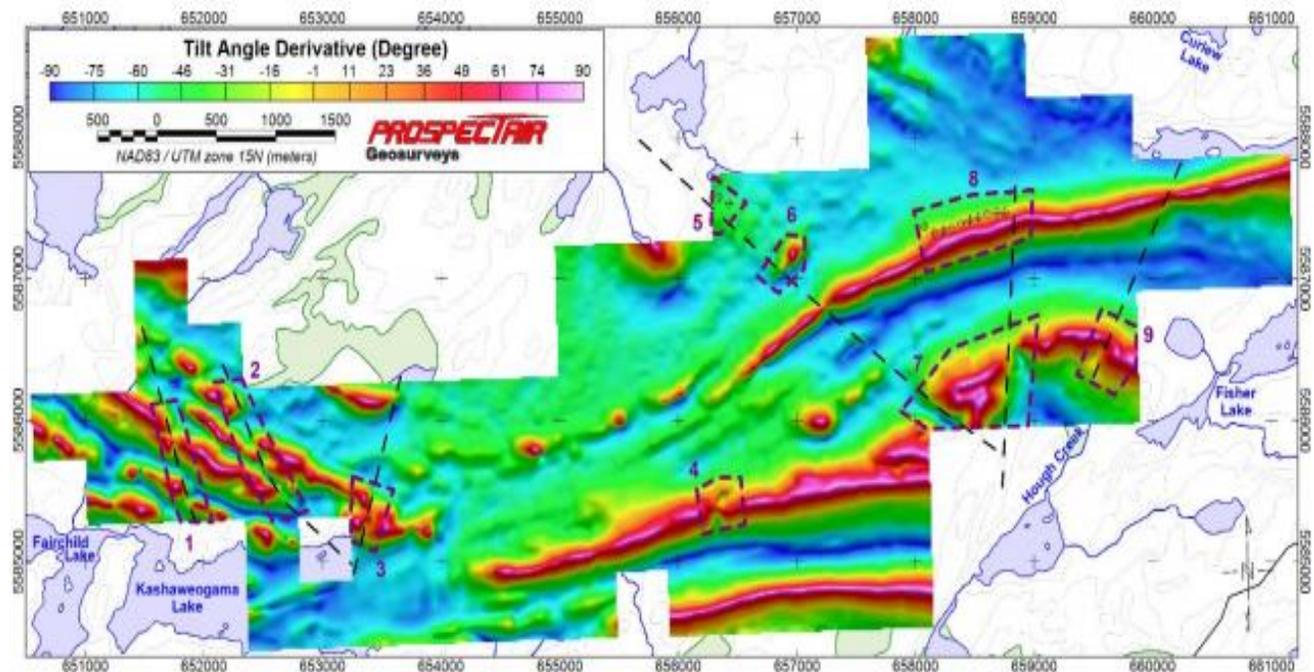


Figure 21. Exploration target areas recommended from airborne.

**Table 5. Proposed Exploration Budget.**

<b>Activity</b>	<b>Duration (weeks)</b>	<b>Rate (\$)</b>	<b>Amount</b>
Geologist x2 Prospecting, Mapping, Stripping	3	\$700 / day per person	\$29,400
Field Assistant x2 Prospecting, Mapping, Stripping	3	\$450/day per person	\$18,900
Geologist x2 Soil Sampling	2	\$700 / day per person	\$19,600
Field Assistant x2 Soil Sampling	2	\$450 / day per person	\$12,600
Truck Rental / Fuel	5	\$6,200 / month	\$7,800
Accommodation / Meals	5	\$430 / day	\$15,050
Boat Rental / Fuel	5	\$125 / day	\$4,375
Assay Costs (Grab)	750	\$32	\$24,000
Assay Costs (Soils)	1200	\$35	\$42,000
Supplies			\$2,500
Contingencies			\$20,000
Assessment Report / Filing			\$5,000
		<b>TOTAL:</b>	<b>\$201,225</b>

### **RISK FACTORS**

The Issuer is in the business of exploring mineral properties, which is a highly speculative endeavor. Investment in the securities of the Issuer 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. Investors should carefully consider the risk factors set out below and consider all other information contained herein and in the Issuer's other public filings before making an investment decision. The risks below are an exhaustive description of all the risks associated with an investment in the Issuer.

#### **Insufficient Capital**

The Issuer does not currently have any revenue producing operations and may, from time to time, report a working capital deficit. To maintain its activities and for the exploration and development of the Property, if warranted, the Issuer will require additional funds which may be obtained through various financing transactions or arrangements, including joint venturing of projects, debt financing, equity financing or other means. Additional financing may not be available when needed or, if available, the terms of such financing might not be favorable to the Issuer and might involve substantial dilution to existing shareholders. The Issuer may not be successful in locating suitable financing transactions in the time period required or at all. A failure to raise capital when needed would have a material adverse effect on the Issuer's business, financial condition and results of operations, and could result in the loss of the Issuer's interest in the Property. Any future issuance of securities to raise required capital will likely be dilutive to existing shareholders. In addition, debt and other debt financing may involve a pledge of assets and may be senior to interests of equity holders. The Issuer may incur substantial costs in pursuing future capital requirements, including investment banking fees, legal fees, accounting fees, securities law compliance fees, printing and distribution expenses and other costs. The ability to obtain needed financing may be impaired by such factors as the capital markets, the price of commodities and/or the loss of key management personnel. Failure to obtain sufficient financing will result in a delay or indefinite postponement of exploration or development, including further exploration, if warranted, at the Property.

#### **Financing Risks**

The Issuer has no history of earnings and, due to the nature of its business, there can be no assurance that the Issuer will be profitable. The Issuer 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 Issuer is through the sale of its Common Shares. Even if the results of exploration are encouraging, the Issuer may not have sufficient funds to conduct the further exploration that may be necessary to determine whether or not a commercially mineable deposit exists on any of its properties. The effects of COVID-19 and measures taken by governments to contain the pandemic have significantly impacted global economic activity, contributed to increased market volatility and resulted in changes to the macroeconomic environment. If the COVID-19 pandemic is prolonged, including the possibility of subsequent waves or the emergence of variants that give rise to similar effects, the impact of the pandemic on economic activity could be prolonged and could result in declines in financial markets and further market volatility, any of which could have an adverse effect on the ability of the Issuer to raise funds. While the Issuer may generate additional working capital through further equity offerings or through the sale or possible syndication of its properties, there is no assurance that any such funds will be available on terms acceptable to the Issuer, or at all. At present it is impossible to determine what amounts of additional funds, if any, may be required.

### **Limited Operating History and Negative Operating Cash Flow**

The Issuer has no history of earnings. To the extent that the Issuer has a negative operating cash flow in future periods, the Issuer may need to allocate a portion of its cash reserves to fund such negative operating cash flow. The Issuer may also be required to raise additional funds through the issuance of equity or debt securities. There can be no assurance that additional capital or other types of financing will be available when needed or that these financings will be on terms favourable to the Issuer.

### **Loss of Entire Investment**

An investment in the Common Shares is speculative and may result in the loss of an investor's entire investment. Only potential investors who are experienced in high risk investments and who can afford to lose their entire investment should consider an investment in the Issuer.

### **Resale of Shares**

The continued operation of the Issuer 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 Issuer is unable to generate such revenues or obtain such additional financing, any investment in the Issuer may be lost. In such event, the probability of resale of the Common Shares purchased would be diminished.

### **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 Issuer in creating revenues, cash flows or earnings. The value of Common Shares distributed hereunder will be affected by such volatility.

### **Dilution from Equity Financing could Negatively Impact Holders of Common Shares**

The Issuer may from time to time raise funds through the issuance of Common Shares or the issuance of debt instruments or other securities convertible into Common Shares. The Issuer cannot predict the size or price of future issuances of Common Shares or the size or terms of future issuances of debt instruments or other securities convertible into Common

Shares, or the effect, if any, that future issuances and sales of the Issuer's securities will have on the market price of the Common Shares. Sales or issuances of substantial numbers of Common Shares, or the perception that such sales or issuances could occur, may adversely affect prevailing market prices of the Common Shares. With any additional sale or issuance of Common Shares, or securities convertible into Common Shares, investors will suffer dilution to their voting power and the Issuer may experience dilution in its earnings per share.

### **COVID-19 Outbreak**

In December 2019, COVID-19 emerged and spread around the world causing significant business and social disruption. On March 11, 2020, the World Health Organization declared the outbreak of COVID-19 a global pandemic. In response to the outbreak, governmental authorities in Canada and internationally have introduced various recommendations and measures to try to limit the pandemic, including travel restrictions, border closures, non-essential business closures, quarantines, self-isolations, shelters-in-place and social distancing. The COVID-19 outbreak and the response of governmental authorities to try to limit it are having a significant impact on the private sector and individuals, including unprecedented business, employment and economic disruptions. The continued spread of COVID-19 nationally and globally could have an adverse impact on the business, financial condition, results of operations and cash flows.

The outbreak of COVID-19 may cause disruptions to the Issuer's business and operational plans. These disruptions may include disruptions resulting from (i) shortages of skilled workers, (ii) unavailability of contractors and subcontractors and the inability of same to get to and from the Property, (iii) interruption of supplies from third parties upon which the Issuer relies, (iv) restrictions that governments or First Nations (including the Ojibway Nation of Saugeen) impose to address the COVID-19 pandemic, (v) restrictions that the Issuer and its contractors and subcontractors impose to ensure the safety of employees and others, (vi) closure of assay labs, (vii) work delays, and (viii) the diversion of management's attention from the Issuer's business objectives due to dealing with any of the aforementioned disruptions. Further, it is presently not possible to predict the extent or durations of these disruptions. These disruptions may have a material adverse effect on the Issuer's business, financial condition and results of operations. Such adverse effect could be rapid and unexpected. These disruptions may severely impact the Issuer's ability to carry out its business plans for 2021 in accordance with the "Use of Proceeds" section above, and may result in an increase in the total amount of funds the Issuer requires to carry out its planned exploration activities, including the recommended exploration program set out in the Technical Report.

### **Property Interests**

The Issuer does not own the mineral rights pertaining to the Property. Rather, it holds an option to acquire a 100% interest. There is no guarantee the Issuer 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 Issuer 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 Issuer, whether by way of option or otherwise, should the Issuer wish to acquire any additional properties.

In the event that the Issuer acquires a 100% interest in the Property, there is no guarantee that title to the Property will not be challenged or impugned. The Issuer's mineral property interests may be subject to prior unregistered agreements or transfers or aboriginal or indigenous land claims or title may be affected by undetected defects. Surveys have not been carried out on the Property, therefore, in accordance with the laws of the jurisdiction in which the Property is situated; its existence and area could be in doubt. Until competing interests in the mineral lands have been determined, the Issuer can give no assurance as to the validity of title of the Issuer to those lands or the size of such mineral lands.

### **Assurance of Rights and Title**

Ownership in mineral property interests involves certain inherent risks due to the difficulties of determining and obtaining clear title to claims as well as the potential for problems and other interests arising from the frequently

ambiguous conveyance history characteristics of many mineral properties.

The Issuer has taken steps to attempt to ensure that proper title to the Property has been obtained. Despite the due diligence conducted by the Issuer, there is no guarantee that the Issuer's title or right to conduct exploration and development work on the Property will not be challenged or impugned. The Issuer's mineral property interests may be subject to prior unregistered agreements or transfers or aboriginal land claims and title may be affected by undetected defects.

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

### **First Nations Land Claims**

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* (the "Tsilhqot'in Decision") marked the first time in Canadian history that a court has declared First Nations title 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 Issuer'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 Issuer's activities. Even in the absence of such recognition, the Issuer 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 Issuer 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.

There is a risk that the *Tsilhqot'in Decision* may lead other communities or groups to pursue similar claims in areas where the Property is located. Although the Issuer relies on the Crown to adequately discharge its obligations in order to preserve the validity of its actions in dealing with public rights, the Issuer cannot accurately predict whether aboriginal claims will have a material adverse effect on the Issuer's ability to carry out its intended exploration and work programs on the Property

### **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 Issuer may be affected by numerous factors which are beyond the control of the Issuer and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment and other factors such 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 Issuer not receiving an adequate return of investment capital.

The Issuer's operations will be subject to all of the hazards and risks normally encountered in the exploration, development and production of minerals. These include unusual and unexpected geological formations, rock falls, seismic activity, flooding and other conditions involved in the extraction of material, any of which could result in damage

to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although precautions to minimize risk will be taken, operations are subject to hazards that may result in environmental pollution, and consequent liability that could have a material adverse impact on the business, operations and financial performance of the Issuer.

There is no assurance that the Issuer's mineral exploration and development activities will result in any discoveries of commercial bodies of ore. The long-term profitability of the Issuer'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.

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

### **Uninsurable Risks**

In the course of exploration, development and production of mineral properties, certain risks and, 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 Issuer 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 Issuer.

### **Permits and Government Regulations**

The future operations of the Issuer 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 Issuer 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 Property. The Issuer currently does not have any permits in place.

### **Environmental Laws and Regulations**

Environmental laws and regulations may affect the operations of the Issuer. 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 Issuer 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 Issuer generally relies on recognized designers and development contractors from which the Issuer will, in the first instance, seek indemnities. The Issuer 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 Issuer's operations more expensive.

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

### **No Commercial Ore**

The Property does not contain any known amounts of commercial ore.

### **Competition**

The mining industry is intensely competitive in all its phases and the Issuer competes with other companies that have greater financial resources and technical facilities. Competition could adversely affect the Issuer's ability to acquire suitable properties or prospects in the future.

### **Management and Directors**

The success of the Issuer is currently largely dependent on the performance of its officers. The loss of the services of these persons will have a materially adverse effect on the Issuer's business and prospects. There is no assurance the Issuer can maintain the services of its officers or other qualified personnel required to operate its business, and the Issuer's ability to keep qualified personnel required to operate its business in place could be affected as a result of potential COVID-19 outbreaks or quarantines. Failure to do so could have a material adverse effect on the Issuer and its prospects.

The Issuer has made certain forward-looking statements in this Prospectus regarding the future plans and intentions of the Issuer. Investors are cautioned that while the Issuer presently believes such statements to be accurate, the current Board of Directors and management of the Issuer do not have the power to irrevocably bind future Boards of Directors, management or shareholders of the Issuer and, accordingly, cannot guarantee that such plans and intentions will be fulfilled by the Issuer, if any.

### **Fluctuating Mineral Prices**

The Issuer'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 Issuer 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 Issuer's exploration projects cannot be accurately predicted and may be adversely affected by fluctuations in mineral prices. Currency fluctuations may affect the cash flow which the Issuer may realize from its operations, since most mineral commodities are sold in the world market in United States dollars. Additionally, the current COVID-19 pandemic and efforts to contain it, including restrictions on travel and other advisories issued may have a significant effect on metal prices. Recent vaccine breakthroughs have the potential to mitigate some of the economic disruption caused by the COVID-19 pandemic, but the risks of economic uncertainty and market volatility are expected to remain for the foreseeable future. The Issuer cannot predict how successful the vaccines will be against COVID-19 or any of its variants, if there will be significant adverse side effects from vaccines, how quickly the vaccines will be available and rolled out to the general population, the willingness of people to get vaccinated and how long it will take for economies to stabilize if and when the vaccines prove to be effective in reducing the spread of COVID-19. Declines in metal prices may have a negative side effect on the Issuer and on the trading value of the Common Shares.

### **Litigation**

The Issuer may from time to time be involved in various claims, legal proceedings and disputes arising from disputes in

relation to its mineral properties, including the Property, and in the ordinary course of business. If such disputes arise and the Issuer is unable to resolve these disputes favourably, it may have a material and adverse effect on the Issuer's profitability or results of operations and financial condition.

### **Conflicts of Interest**

Certain of the directors of the Issuer serve as directors of other companies or have significant shareholdings in other companies and, to the extent that such other companies may participate in ventures in which the Issuer may participate, the directors of the Issuer may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the board of directors of the Issuer, a director who has such a conflict will abstain from voting for or against the approval of such a participation or such terms. From time to time several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment. In accordance with the laws of the Province of British Columbia, the directors of the Issuer are required to act honestly, in good faith and in the best interests of the Issuer. In determining whether or not the Issuer will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Issuer may be exposed and its financial position at that time.

### **Dividends**

The Issuer does not anticipate paying any dividends on its Common Shares in the foreseeable future.

### **Tax Issues**

Income tax consequences in relation to the Common 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 Common Shares.

The Issuer issued flow-through shares on January 24, 2020 and February 25, 2020 pursuant to flow-through subscription agreements with subscribers. Although the Issuer believes it has incurred or intends to incur expenditures as contemplated by those flow-through subscription agreements, there is a risk that expenditures incurred by the Issuer may not qualify as "Canadian exploration expenditures" ("CEE") or "Canadian development expense" ("CDE"), as such terms are defined in the Tax Act, or that any such resource expenses incurred will be reduced by other events including failure to comply with the provisions of the flow-through subscription agreements or of applicable income tax legislation. If the Issuer does not renounce to such subscribers CEE or CDE within the prescribed time period, or if there is a reduction in such amount renounced pursuant to the provisions of the Tax Act, the Issuer may need to indemnify such subscribers, on the terms included in the flow-through subscription agreements, for an amount equal to the amount of any tax payable or that may become payable under the Tax Act.

## **DIVIDENDS AND DISTRIBUTIONS**

There are no restrictions that would prevent the Issuer from paying dividends on the Common Shares, however, the Issuer has neither declared nor paid any dividends on its Common Shares since incorporation and has not established any dividend or distribution policy. The Issuer intends to retain its earnings to finance growth and expand its operations and does not anticipate paying any dividends on its Common Shares in the foreseeable future.

## DESCRIPTION OF CAPITAL STRUCTURE

The authorized share capital of the Issuer consists of an unlimited number of common shares without par value.

### **Common Shares**

The holders of the Common Shares are entitled to receive notice of and to attend and vote at all meetings of the shareholders of the Issuer and each Common Share confers the right to one vote in person or by proxy at all meetings of the shareholders of the Issuer. The holders of the Common Shares, subject to the prior rights, if any, of any other class of shares of the Issuer, are entitled to receive such dividends in any financial year as the Board of Directors may by resolution determine. In the event of the liquidation, dissolution or winding-up of the Issuer, 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 Issuer, the remaining property and assets of the Issuer. As at the date of this AIF, there is 15,077,501 Common Shares issued and outstanding.

### **Stock Options**

The Issuer has adopted the Stock Option Plan whereby the Issuer may from time to time, in accordance with the Exchange requirements, grant to directors, officers, employees and consultants of the Issuer and of its affiliates (together "eligible persons") to purchase common shares of the Issuer provided that the number of options granted under the Stock Option Plan does not exceed 10% of the Issuer's issued and outstanding Common Shares at the time of the grant.

The following table sets out information about the Options issued and outstanding pursuant to the Stock Option Plan as of the date hereof:

<b>Name of Optionee</b>	<b>Designation of Securities under Option</b>	<b>Number of Common Shares under Option</b>	<b>Exercise price per Common Share</b>	<b>Expiry Date</b>
All executive officers and past executive officers as a group (3 persons)	Common Shares	375,000	\$0.15	November 2, 2025
All directors and past directors who are not also executive officers as a group (3 persons)	Common Shares	375,000	\$0.15	November 2, 2025

### **Compensation Options**

The Issuer granted the Agent and its selling group Compensation Options entitling the Agent to purchase in aggregate 690,000 Common Shares at a price of \$0.15 per share, exercisable on or before June 17, 2024.

## MARKET FOR SECURITIES

### **Trading Price and Volume of Common Shares**

The Common Shares are listed and posted for trading on the TSXV under the symbol "FAIR". The following table sets forth the high and low trading prices and the aggregate volume of trading of the Common Shares on the TSXV for the periods indicated (as quoted by the TSXV):

Date	Open	High	Low	Close*	Adj Close**	Volume
Dec. 21, 2021	0.1500	0.1500	0.1500	0.1500	0.1500	50,000
Dec. 01, 2021	0.1600	0.1600	0.1450	0.1500	0.1500	71,500
Oct. 31, 2021	0.1400	0.1950	0.1400	0.1600	0.1600	486,328
Sep. 30, 2021	0.1450	0.1500	0.1400	0.1400	0.1400	118,600
Aug. 31, 2021	0.1600	0.1900	0.1450	0.1450	0.1450	826,017
Jul. 31, 2021	0.1550	0.1750	0.1500	0.1750	0.1750	309,500
Jun. 30, 2021	0.1550	0.1700	0.1450	0.1650	0.1650	472,161

\*Close price adjusted for splits. \*\*Adjusted close price adjusted for splits and dividend and/or capital gain distributions.

## Prior Sales

The following table summarizes the issuance of Common Shares or securities convertible into Common Shares for the 12 month period prior to the date of this AIF:

Issue or Grant Date	Type of Security	Issue or Exercise Price Per Security	Number of Securities	Proceeds to the Issuer
June 17, 2020	Common Shares	\$0.15	6,900,000	\$1,035,000
June 17, 2020	Compensation Options	\$0.15	690,000 <sup>(1)</sup>	Nil

Notes:

(1) The compensation options are exercisable into common shares at a price of \$0.15 per share and have an expiry date of June 17, 2024.

## **ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTIONS ON TRANSFERS**

### Escrowed Securities

The following table sets forth details of the Escrowed Securities that are subject to the Escrow Agreement :

Designation of Class	Number of securities held in escrow	Percentage of class <sup>(3)</sup>
Common Shares	3,750,001 <sup>(1)(2)</sup>	24.87%

**Notes:**

(1) Such Common Shares have been deposited in escrow with the Escrow Agent.

(2) The Escrow Agreement provides that 10% of the Escrowed Securities will be released from escrow upon the Listing Date and that, where there are no changes to the Common Shares initially deposited and no additional Escrow Securities, the remaining Escrowed Securities will be released in equal tranches of 15% every 6-month interval thereafter, over a period of 36 months.

(3) Based on 15,077,501 Common Shares outstanding.

## **DIRECTORS AND OFFICERS**

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

<b>Name and Province of Residence and Position with the Issuer</b>	<b>Director/Officer Since</b>	<b>Principal Occupation for the Past Five Years</b>	<b>Number and Percentage of Common Shares owned, controlled or directed, directly or indirectly</b>
<b>Luís Manuel Plácido Martins</b> Lisboa, Portugal  <i>President and Chief Executive Officer and Director</i>	June 29, 2021	President of the Board of the Cluster Portugal Mineral Resources; director of public companies in the mining industry.	Nil
<b>Robert Coltura</b> <sup>(1)</sup> British Columbia, Canada  <i>Executive VP Admin and Director</i>	November 28, 2019	President of Matalia Investments Ltd. from October 1993 to present; director and officer of public companies in the mining industry.	875,001 11.62%
<b>Mark Lotz</b> British Columbia, Canada  <i>Chief Financial Officer and Director</i>	November 28, 2019	Accountant and director and officer of several companies in various industries, including mining.	350,000 2.32%
<b>Perry English</b> <sup>(1)</sup> Manitoba, Canada  <i>Director</i>	November 28, 2019	Prospector.	375,000 2.48%
<b>Victor Cantore</b> <sup>(1)</sup> Montréal, Québec  <i>Director</i>	May 27, 2020	President, CEO, and a director of Amex Exploration inc.; director of public companies in the mining industry.	2,000,000 13.26%

**Note :**

(1) Member of the audit committee of the Issuer (the "Audit Committee").

**CORPORATE CEASE TRADE ORDERS OR BANKRUPTCIES**

To the Issuer's knowledge, except as disclosed below :

- (1) no existing or proposed director, chief executive officer, chief financial officer or promoter of the Issuer is as of the date hereof, or within the ten years prior to the date hereof has been, a director or executive officer of any other company that, while that person was acting in the capacity of director or executive officer of that company, was the subject of a cease trade order or similar order or an order that denied the company access to any statutory exemptions for a period of more than 30 consecutive days; and
- (2) no existing or proposed director, chief executive officer, chief financial officer or promoter of the Issuer is as of the date hereof, or within the ten years prior to the date hereof ceased to be a director or executive officer of any

other company that, was the subject of a cease trade order or similar order or an order that denied the company access to any statutory exemptions for a period of more than 30 consecutive days that was issued after the director, executive officer or promoter ceased to be a director or executive officer and which resulted from an event that occurred while that person was acting in the capacity as director or executive officer.

On May 1, 2019, the British Columbia Securities Commission issued a management cease trade order against Mark Lotz in his capacity as Chief Financial Officer of Specialty Liquid, for Specialty Liquid's failure to file annual audited financial statements and management's discussion and analysis for the year ended December 31, 2018 (collectively, the "2018 Financial Statements") within the prescribed time period. On August 6, 2019, at a time when Mr. Lotz was the Chief Financial Officer of Specialty Liquid, a cease trade order was issued to Specialty Liquid by the British Columbia Securities Commission, for its failure to file the 2018 Financial Statements, interim financial report for the period ended March 31, 2019, management's discussion and analysis for the period ended March 31, 2019 and certification of annual and interim filings for the periods ended December 31, 2018 and March 31, 2019. The management cease trade order against Mr. Lotz and the cease trade order against Specialty Liquid is currently outstanding as a result of the inability of Specialty Liquid to attain pertinent information from Specialty Liquid's Korean and Argentinian subsidiaries.

On July 30, 2019, at Mark Lotz's request, the British Columbia Securities Commission issued a management cease trade order against Mr. Lotz in his capacity as Chief Financial Officer and director of Gnomestar, for Gnomestar's failure to file annual audited financial statements and management's discussion and analysis for the year ended March 31, 2019 within the prescribed time period. Gnomestar was unable to file such financial statements within the prescribe period of time as a result of delays in completion of Gnomestar's audit. The cease trade order against Gnomestar was revoked on October 2, 2019.

Mark Lotz was appointed the Chief Financial Officer of LUFF Enterprises Ltd., formerly Ascent Industries Corp. ("Ascent") in April 2019 after it voluntarily sought protection under the Companies' Creditors Arrangements Act (CCAA). Mr. Lotz's mandate was to complete the CCAA process and all outstanding financial reporting requirements. The CCAA process was completed and the company returned to good standing with the CSE and the British Columbia Securities Commission in May of 2020, which concluded Mr. Lotz's engagement with the company.

Mark Lotz was the Chief Financial Officer of Ascent when, on March 11, 2020, the British Columbia Securities Commission granted a voluntary management cease trade order pursuant to which Mr. Lotz was prohibited from trading in securities of Ascent until such time as Ascent had filed annual audited financial statements and management's discussion and analysis for the year ended December 31, 2018, as well as interim financial reports and management's discussion and analysis for the periods ended March 31, 2019, June 30, 2019 and September 30, 2019. On May 12, 2020, the management cease trade order was revoked following Ascent's filing of the required financial statements and management's discussion and analysis.

Mark Lotz was the Chief Financial Officer of Handa Mining Corp. ("Handa") when, on July 17, 2020, the British Columbia Securities Commission granted a voluntary management cease trade order pursuant to which Mr. Lotz was prohibited from trading in securities of Handa until such time as Handa had filed its annual audited financial statements and management's discussion and analysis for the year ended January 31, 2020. On August 18, 2020, the management cease trade order was revoked following Handa's filing of the required financial statements and management's discussion and analysis.

### **Penalties or Sanctions**

Except as disclosed below, to the Issuer's knowledge, no director or executive officer of the Issuer, or any shareholder holding a sufficient number of securities of the Issuer to affect materially the control of the Issuer has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or been subject to any other penalties or

sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

In 2002, Mark Lotz paid a fine in the amount of \$20,000 to the Investment Dealers Association (IDA), the predecessor to the Investment Industry Regulatory Organization of Canada (IIROC), for having failed to file an application with the IDA reflecting a change of his employment status with Golden Capital Securities Ltd., a registered investment dealer where he was employed ("Golden Capital"). At the time, Mr. Lotz had a part-time accounting and tax practise which, under IDA policies, should have been reflected in his employment status. Upon termination of his employment and after Golden Capital had declared its intent to cease operations, Mr. Lotz undertook to act as the Chief Financial Officer for a public company but inadvertently failed to disclose this engagement with the IDA.

### **Personal Bankruptcies**

To the Issuer's knowledge, no existing or proposed director, executive officer or a shareholder holding a sufficient number of securities of the Issuer to affect materially the control of the issuer is as of the date hereof, or within the ten years prior to the date hereof, been declared bankrupt or made a voluntary assignment into bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his or her assets.

### **Conflicts of Interest**

The directors of the Issuer are required by law to act honestly and in good faith with a view to the best interests of the Issuer and to disclose any interests, which they may have in any project or opportunity of the Issuer. If a conflict of interest arises at a meeting of the Board of Directors, any director in a conflict will disclose his interest and abstain from voting on such matter.

To the Issuer's knowledge and other than disclosed herein, there are no known existing or potential conflicts of interest among the Issuer, its promoters, directors and officers or other members of management of the Issuer or of any proposed promoter, director, officer or other member of management as a result of their outside business interests except that certain of the directors and officers serve as directors and officers of other companies and therefore it is possible that a conflict may arise between their duties to the Issuer and their duties as a director or officer of such other companies.

## **PROMOTERS**

Robert Coltura is considered to be a promoter of the Issuer in that he took the initiative in organizing the business of the Issuer. Mr. Coltura beneficially holds, directly or indirectly, a total of 875,001 (5.8%) of the Issuer's currently issued and outstanding Common Shares. Mr. Coltura also holds 125,000 stock options.

## **AUDIT COMMITTEE AND CORPORATE GOVERNANCE**

### **Audit Committee**

National Instrument 52-110 – Audit Committees ("NI 52-110"), NI 41-101 and Form 52-110F1 require the Issuer to disclose certain information relating to the Issuer's Audit Committee and its relationship with the Issuer's independent auditors.

### *Audit Committee Charter*

The text of the Audit Committee's charter is attached hereto as Schedule "A".

### *Composition of Audit Committee*

The members of the Audit Committee are set out below:

Robert Coltura	Not Independent	Financially literate <sup>(2)</sup>
Perry English	Independent <sup>(1)</sup>	Financially literate <sup>(2)</sup>
Victor Cantore (Chairman)	Independent <sup>(1)</sup>	Financially literate <sup>(2)</sup>

Notes:

(1) A member of an audit committee is independent if the member has no direct or indirect material relationship with the Issuer, which could, in the view of the Board of Directors, reasonably interfere with the exercise of a member's independent judgment.

(2) An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth 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 Issuer's financial statements.

Each member of the Issuer's present Audit Committee has adequate education and experience that is relevant to their performance as an Audit Committee member and, in particular, the requisite education and experience that have provided the member with:

- a. an understanding of the accounting principles used by the Issuer to prepare its financial statements and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- b. the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and provisions;
- c. experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Issuer's financial statements or experience actively supervising individuals engaged in such activities; and
- d. an understanding of internal controls and procedures for financial reporting.

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

Neither the Issuer nor the Property is or has been the subject of any legal proceedings, penalties or sanctions imposed by a court or regulatory authority, or settlement agreements before a court or regulatory, and no such legal proceedings, penalties or sanctions are known by the Issuer to be contemplated.

### **INTERESTS OF MANAGEMENT & OTHERS IN MATERIAL TRANSACTIONS**

Pursuant to the Property Option Agreement, the Issuer has the ability to acquire a 100% interest in the Property by making cash payments in the aggregate amount of \$86,000, of which \$28,000 has been paid to 1544230 Ontario Inc., a private non-arm's length company controlled by Perry English, a director of the Issuer. Subsequently, as a result of the Assignment Agreement, 1544230 Ontario Inc. assigned all of its right, title and interest in and to the Property Option Agreement to the Optionor, such that all future cash payments made pursuant to the Property Option Agreement will be made to the Optionor.

During the period ended August 31, 2020, the Issuer (i) paid management fees of \$27,000 and rent of \$6,750 to a

company controlled by the Executive VP Admin of the Issuer; and (ii) paid \$6,200 in accounting fees to a company controlled by the Chief Financial Officer of the Issuer. During the period ended August 31, 2021, the Issuer (i) paid management fees of \$44,000 and rent of \$9,000 to a company controlled by the Executive VP Admin of the Issuer; and (ii) paid \$52,111 in accounting fees to a company controlled by the Chief Financial Officer of the Issuer.

See "General Development of the Business - Acquisitions" above and " Transactions" above for further information.

Except as set out above, the directors, senior officers and principal shareholders of the Issuer, a person or company that beneficially owns or controls or directs, directly or indirectly more than 10% of the Common Shares of the Issuer, or any associate or affiliate of the foregoing have had no material interest, direct or indirect, in any transactions in which the Issuer has participated within the three year period prior to the date of this Prospectus, or will have any material interest in any proposed transaction, which has materially affected or will materially affect the Issuer.

### **REGISTRAR AND TRANSFER AGENT**

The registrar and transfer agent of the Issuer is TSX Trust Company, of Suite 2700, 650 West Georgia Street, Vancouver, British Columbia, V6B 4N9.

### **MATERIAL CONTRACTS**

Except for contracts made in the ordinary course of business, the following are the only materials contracts entered into by the Issuer since the incorporation of the Issuer to the date of this AIF that are still in effect and that would be required to be disclosed pursuant to NI 51-102 *respecting Continuous Disclosure Obligations*:

1. Property Option Agreement dated January 16, 2020, made between the Issuer and 1544230 Ontario Inc., as amended, with respect to the Property. Pursuant to the Assignment Agreement, 1544230 Ontario Inc. assigned all of its right, title and interest in and to the Property Option Agreement to the Optionor.
2. Stock Option Plan approved by the Board of Directors on November 2, 2020.
3. Stock Option Agreements approved by the directors on November 2, 2020 between the Issuer and the directors and officers of the Issuer.
4. Escrow Agreement made among the Issuer, TSX Trust Company and Principals of the Issuer made as of May 6, 2021.
5. Agency Agreement between the Issuer and Leede Jones Gable Inc., dated for reference May 13, 2021.
6. Executive consulting services agreement (the "**Consulting Agreement**") between the Issuer and Chief Executive Officer of the Issuer dated August 1, 2021. Pursuant to the Consulting Agreement, the Issuer pays a monthly fee of USD \$10,000 as consideration for several consulting and management services rendered by its Chief Executive Officer.

### **EXPERTS**

Matthew Long, P.Geo., the Author, is independent from the Issuer within the meaning of NI 43-101.

Manning Elliott LLP, Chartered Professional Accountants is the auditor of the Issuer. Manning Elliott has informed the Issuer that it is independent of the Issuer within the meaning of the rules of professional conduct of the Institute of Chartered Professional Accountants of British Columbia (ICABC).

In addition, none of the aforementioned persons or companies, nor any director, officer or employee of any of the aforementioned persons or companies, is or is expected to be elected, appointed or employed as a director, officer or

employee of the Issuer or of any associate or affiliate of the Issuer.

**ADDITIONAL INFORMATION**

Additional information regarding the Issuer may be found on SEDAR at [www.sedar.com](http://www.sedar.com)

SCHEDULE "A"  
Audit Committee Charter

See attached

## **FAIRCHILD GOLD CORP.**

### **AUDIT COMMITTEE CHARTER**

#### **1. Mandate and Purpose of the Committee**

The Audit Committee (the "Committee") of the board of directors (the "Board") of Fairchild Gold Corp. (the "Company") is a standing committee of the Board whose primary function is to assist the Board in fulfilling its oversight responsibilities relating to:

- (a) the integrity of the Company's financial statements;
- (b) the Company's compliance with legal and regulatory requirements, as they relate to the Company's financial statements;
- (c) the qualifications, independence and performance of the Company's auditor;
- (d) internal controls and disclosure controls;
- (e) the performance of the Company's internal audit function;
- (f) consideration and approval of certain related party transactions; and
- (g) performing the additional duties set out in this Charter or otherwise delegated to the Committee by the Board.

#### **2. Authority**

The Committee has the authority to:

- (a) engage and compensate independent counsel and other advisors as it determines necessary or advisable to carry out its duties; and
- (b) communicate directly with the Company's auditor.

The Committee has the authority to delegate to individual members or subcommittees of the Committee.

#### **3. Composition and Expertise**

The Committee shall be composed of a minimum of three members, each of whom is a director of the Company. The majority of the Committee's members must not be officers or employees of the Company or an affiliate of the Company.

Committee members shall be appointed annually by the Board at the first meeting of the Board following each annual meeting of shareholders. Committee members hold office until the next annual meeting of shareholders or until they are removed by the Board or cease to be directors of the Company.

The Board shall appoint one member of the Committee to act as Chairman of the Committee. If the Chairman of the Committee is absent from any meeting, the Committee shall select one of the other members of the

Committee to preside at that meeting.

#### **4. Meetings**

Any member of the Committee or the auditor may call a meeting of the Committee. The Committee shall meet at least four times per year and as many additional times as the Committee deems necessary to carry out its duties. The Chairman shall develop and set the Committee's agenda, in consultation with other members of the Committee, the Board and senior management.

Notice of the time and place of every meeting shall be given in writing to each member of the Committee, at least 72 hours (excluding holidays) prior to the time fixed for such meeting. The Company's auditor shall be given notice of every meeting of the Committee and, at the expense of the Company, shall be entitled to attend and be heard thereat. If requested by a member of the Committee, the Company's auditor shall attend every meeting of the Committee held during the term of office of the Company's auditor.

A majority of the Committee who are not officers or employees of the Company or an affiliate of the Company shall constitute a quorum. No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present in person or by means of such telephonic, electronic or other communications facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously. Business may also be transacted by the unanimous written consent resolutions of the members of the Committee, which when so approved shall be deemed to be resolutions passed at a duly called and constituted meeting of the Committee.

The Committee may invite such directors, officers and employees of the Company and advisors as it sees fit from time to time to attend meetings of the Committee.

The Committee shall meet without management present whenever the Committee deems it appropriate.

The Committee shall appoint a Secretary who need not be a director or officer of the Company. Minutes of the meetings of the Committee shall be recorded and maintained by the Secretary and shall be subsequently presented to the Committee for review and approval.

#### **5. Committee and Charter Review**

The Committee shall conduct an annual review and assessment of its performance, effectiveness and contribution, including a review of its compliance with this Charter. The Committee shall conduct such review and assessment in such manner as it deems appropriate and report the results thereof to the Board.

The Committee shall also review and assess the adequacy of this Charter on an annual basis, taking into account all legislative and regulatory requirements applicable to the Committee, as well as any guidelines recommended by regulators or the Canadian Securities Exchange and shall recommend changes to the Board thereon

#### **6. Reporting to the Board**

The Committee shall report to the Board in a timely manner with respect to each of its meetings held. This report may take the form of circulating copies of the minutes of each meeting held.

## **7. Duties and Responsibilities**

### **(a) Financial Reporting**

The Committee is responsible for reviewing and recommending approval to the Board of the Company's annual and interim financial statements, any auditor's report thereon, MD&A and related news releases, before they are published.

The Committee is also responsible for:

- (i) being satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, other than the public disclosure referred to in the preceding paragraph, and for periodically assessing the adequacy of those procedures;
- (ii) engaging the Company's auditor to perform a review of the interim financial statements and receiving from the Company's auditor a formal report on the auditor's review of such interim financial statements;
- (iii) discussing with management and the Company's auditor the quality of applicable accounting principles and financial reporting standards, not just the acceptability of thereof;
- (iv) discussing with management any significant variances between comparative reporting periods; and
- (v) in the course of discussion with management and the Company's auditor, identifying problems or areas of concern and ensuring such matters are satisfactorily resolved.

### **(b) Auditor**

The Committee is responsible for recommending to the Board:

- (i) the auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company; and
- (ii) the compensation of the Company's auditor. The Company's auditor reports directly to the Committee. The Committee is directly responsible for overseeing the work of the Company's auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the Company's auditor regarding financial reporting.

### **(c) Relationship with the Auditor**

The Committee is responsible for reviewing the proposed audit plan and proposed audit fees. The Committee is also responsible for:

- (i) establishing effective communication processes with management and the Company's auditor so that it can objectively monitor the quality and effectiveness of the auditor's relationship with management and the Committee;
- (ii) receiving and reviewing regular feedback from the auditor on the progress against the approved audit plan, important findings, recommendations for improvements and the auditor's final report;

- (iii) reviewing, at least annually, a report from the auditor on all relationships and engagements for non-audit services that may be reasonably thought to bear on the independence of the auditor; and
- (iv) meeting in camera with the auditor whenever the Committee deems it appropriate.

**(d) Accounting Policies**

The Committee is responsible for:

- (i) reviewing the Company's accounting policy note to ensure completeness and acceptability with applicable accounting principles and financial reporting standards as part of the approval of the financial statements;
- (ii) discussing and reviewing the impact of proposed changes in accounting standards or securities policies or regulations;
- (iii) reviewing with management and the auditor any proposed changes in major accounting policies and key estimates and judgments that may be material to financial reporting;
- (iv) discussing with management and the auditor the acceptability, degree of aggressiveness/conservatism and quality of underlying accounting policies and key estimates and judgments; and
- (v) discussing with management and the auditor the clarity and completeness of the Company's financial disclosures.

**(e) Risk and Uncertainty**

The Committee is responsible for reviewing, as part of its approval of the financial statements:

- (i) uncertainty notes and disclosures; and
- (ii) MD&A disclosures.

The Committee, in consultation with management, will identify the principal business risks and decide on the Company's "appetite" for risk. The Committee is responsible for reviewing related risk management policies and recommending such policies for approval by the Board. The Committee is then responsible for communicating and assigning to the applicable Board committee such policies for implementation and ongoing monitoring.

The Committee is responsible for requesting the auditor's opinion of management's assessment of significant risks facing the Company and how effectively they are managed or controlled.

**(f) Controls and Control Deviations**

The Committee is responsible for reviewing:

- (i) the plan and scope of the annual audit with respect to planned reliance and testing of controls; and
- (ii) major points contained in the auditor's management letter resulting from control evaluation and testing.

The Committee is also responsible for receiving reports from management when significant control deviations occur.

#### **(g) Compliance with Laws and Regulations**

The Committee is responsible for reviewing regular reports from management and others (e.g. auditors) concerning the Company's compliance with financial related laws and regulations, such as:

- (i.) tax and financial reporting laws and regulations;
- (ii.) legal withholdings requirements;
- (iii.) environmental protection laws; and
- (iv.) other matters for which directors face liability exposure.

#### **(h) Related Party Transactions**

All transactions between the Company and a related party (each a "related party transaction"), other than transactions entered into in the ordinary course of business, shall be presented to the Committee for consideration.

The term "related party" includes (i) all directors, officers, employees, consultants and their associates (as that term is defined in the Securities Act (British Columbia), as well as all entities with common directors, officers, employees and consultants (each "general related parties"), and (ii) all other individuals and entities having beneficial ownership of, or control or direction over, directly or indirectly securities of the Company carrying more than 10% of the voting rights attached to all of the Company's outstanding voting securities (each "10% shareholders").

Related party transactions involving general related parties which are not material to the Company require review and approval by the Committee. Related party transactions that are material to the Company or that involve 10% shareholders require approval by the Board, following review thereof by the Committee and the Committee providing its recommendation thereon to the Board.

### **8. Non-Audit Services**

All non-audit services to be provided to the Company or its subsidiary entities by the Company's auditor must be pre-approved by the Committee.

### **9. Submission Systems and Treatment of Complaints**

The Committee is responsible for establishing procedures for:

- (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and

(b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

The Committee is responsible for reviewing complaints and concerns that are brought to the attention of the Chairman of the Audit Committee and for ensuring that any such complaints and concerns are appropriately addressed. The Committee shall report quarterly to the Board on the status of any complaints or concerns received by the Committee.

## **10. Procedure For Reporting Of Fraud Or Control Weaknesses**

Each employee is expected to report situations in which he or she suspects fraud or is aware of any internal control weaknesses. An employee should treat suspected fraud seriously, and ensure that the situation is brought to the attention of the Committee. In addition, weaknesses in the internal control procedures of the Company that may result in errors or omissions in financial information, or that create a risk of potential fraud or loss of the Company's assets, should be brought to the attention of both management and the Committee.

To facilitate the reporting of suspected fraud, it is the policy of Company that the employee (the "whistleblower") has anonymous and direct access to the Chairman of the Audit Committee. Should a new Chairman be appointed prior to the updating of this document, the current Chairman will ensure that the whistleblower is able to reach the new Chairman in a timely manner. In the event that the Chairman of the Audit Committee cannot be reached, the whistleblower should contact the Chairman of the Board.

In addition, it is the policy of the Company that employees concerned about reporting internal control weaknesses directly to management are able to report such weaknesses to the Committee anonymously. In this case, the employee should follow the same procedure detailed above for reporting suspected fraud.

## **11. Hiring Policies**

The Committee is responsible for reviewing and approving the Company's hiring policies regarding partners, employees and former partners and employees of the present and former auditor of the Company