

**DUCKWORTH CAPITAL CORP.**

**FILING STATEMENT**

with respect to a Qualifying Transaction pursuant to Policy 2.4 of the TSX Venture Exchange

DATED: OCTOBER 30, 2018

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

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## NOTE TO UNITED STATES SHAREHOLDERS

The transactions contemplated herein are being undertaken by Canadian issuers in accordance with Canadian corporate and securities laws. Shareholders should be aware that disclosure requirements under such Canadian laws are different from requirements under United States corporate and securities laws relating to issuers organized under United States laws, and this Filing Statement has not been filed with or approved by the United States Securities and Exchange Commission or the securities regulatory authority of any state within the United States. Likewise, information concerning the operations of each of Goldspot Discoveries Inc. (“**Goldspot**”) and Duckworth Capital Corp. (“**Duckworth**”) has been prepared in accordance with Canadian standards, and may not be comparable to similar information for issuers organized in the United States.

The financial statements of Goldspot and Duckworth included in this Filing Statement have been prepared in accordance with IFRS, and thus may not be comparable to financial statements prepared in accordance with accounting principles generally accepted in the United States of America. Completion of the transactions described herein may have tax consequences under the laws of both the United States and Canada, and neither Duckworth nor Goldspot undertakes to describe any such tax consequences under the laws of the United States in this Filing Statement. United States shareholders of Goldspot or Duckworth are advised to consult their tax advisors to determine any particular tax consequences to them of the transactions to be effected in connection with the Business Combination.

THE DUCKWORTH COMMON SHARES TO BE EXCHANGED PURSUANT TO THE AMALGAMATION HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND SUCH SECURITIES ARE BEING ISSUED IN RELIANCE UPON EXEMPTIONS FROM REGISTRATION UNDER APPLICABLE UNITED STATES FEDERAL AND STATE SECURITIES LAWS. AS A RESULT, DUCKWORTH COMMON SHARES ISSUED TO UNITED STATES SHAREHOLDERS MAY BE SUBJECT TO CERTAIN RESTRICTIONS ON TRANSFER UNDER APPLICABLE U.S. FEDERAL AND STATE SECURITIES LAWS.

UNITED STATES HOLDERS OF GOLDSLOT OR DUCKWORTH SECURITIES SHOULD CONSULT THEIR OWN TAX, LEGAL AND FINANCIAL ADVISORS REGARDING THE PARTICULAR CONSEQUENCES TO THEM OF THE BUSINESS COMBINATION.

All capitalized terms used and not otherwise defined above shall have the meanings ascribed thereto in the Glossary of Defined Terms in this Filing Statement.

### NOTICE CONCERNING FORWARD-LOOKING STATEMENTS

This Filing Statement contains forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects” or “does not expect”, “is expected”, “estimates”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Duckworth, Goldspot and/or the Resulting Issuer to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Examples of such statements include: (A) the intention to complete the Business Combination and all of its components; (B) the description of the Resulting Issuer that assumes completion of the Business Combination; (C) the intention to grow the business and the proposed operations of the Resulting Issuer; (D) the level of working capital and cash-flow at closing and in the future, including whether cash-flow is positive or negative; (E) expectations or anticipations regarding the market and market participants, the terms and effects of marketing plans and strategies, treatment of the Resulting Issuer under governmental regulatory regimes and tax laws, and the evolution of the regulatory environment and regime; and (F) proposals regarding the governance, operations and compensation matters for the Resulting Issuer. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this Filing Statement. Such forward-looking statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to the efficiency and results of operations of Goldspot and/or the Resulting Issuer, the economy generally, market participants’ interest in the Resulting Issuer’s services and products, market and competitive conditions, the regulatory and foreign environment, current and future stock prices, future capital and other expenditures (including the amount, nature and sources of funding thereof), competitive advantages, fluctuations

in foreign currency exchange rates, business prospects and opportunities, transportation delays, accidents, labour disputes and other risks of the industry, political developments, arbitrary changes in law, delays in obtaining governmental approvals and anticipated and unanticipated costs, as well as to the ability of Duckworth, Goldspot and/or the Resulting Issuer to: (a) satisfy the conditions under the Business Combination Agreement and for the Qualifying Transaction; (b) satisfy the requirements of the Exchange with respect to the Business Combination and the Qualifying Transaction such that the Exchange will issue the Final Exchange Bulletin; (c) obtain necessary financing as and when additional financing is required; and (d) successfully integrate Duckworth and Goldspot and manage risks. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking information prove incorrect, actual results, performance or achievement may vary materially from those expressed or implied by the forward-looking information contained in this Filing Statement.

While Duckworth anticipates that subsequent events and developments may cause its views to change, each of Duckworth, Goldspot and the Resulting Issuer specifically disclaims any obligation to update these forward-looking statements. These forward-looking statements should not be relied upon as representing the views of any of Duckworth, Goldspot and the Resulting Issuer as of any date subsequent to the date of this Filing Statement. Although Duckworth has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

The factors identified above are not intended to represent a complete list of the factors that could affect Duckworth, Goldspot and/or the Resulting Issuer. Additional factors are noted under “*Summary of the Filing Statement – Risk Factors*” in this Filing Statement. The forward-looking statements contained in this Filing Statement are expressly qualified in their entirety by this cautionary statement. The forward-looking statements included in this Filing Statement are made as of the date of this Filing Statement and none of Duckworth, Goldspot or the Resulting Issuer undertakes an obligation to publicly update such forward-looking statements to reflect new information, subsequent events or otherwise unless required by applicable securities legislation.

## GLOSSARY

The following terms used in this Filing Statement have the meanings set forth below.

“**Affiliate**” means a company that is affiliated with another company as described below.

A company is an “**Affiliate**” of another company if:

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

A company is “**controlled**” by a Person if:

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

A Person beneficially owns securities that are beneficially owned by:

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

“**Agency Agreement**” means the agency agreement to be entered into between Goldspot and the Agents with respect to the Concurrent Financing;

“**Agents**” means Canaccord Genuity Corp. and Haywood Securities Inc.;

“**Amalco**” means the corporation to be formed as a result of the Amalgamation;

“**Amalgamation**” means the amalgamation of Newco and Goldspot in accordance with the terms and conditions of the Amalgamation Agreement to form Amalco pursuant to Section 174 of the OBCA, which shall result in the indirect acquisition by Duckworth of all of the issued and outstanding securities of Goldspot;

“**Articles of Amalgamation**” means the articles of amalgamation among Newco and Goldspot to be filed pursuant to the OBCA and the terms of the Business Combination Agreement to give effect to the Amalgamation;

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

- (a) an issuer of which the person or company beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to outstanding securities of the issuer,
- (b) any partner of the person or company,
- (c) any trust or estate in which the person or company has a substantial beneficial interest or in respect of which a person or company serves as trustee or in a similar capacity,
- (d) in the case of a person, a relative of that person, including:
  - (i) that person’s spouse or child, or
  - (ii) any relative of the person or of his spouse who has the same residence as that person;but
- (e) where the Exchange determines that two persons shall, or shall not, be deemed to be associates with respect to a Member firm, Member corporation or holding company of a Member corporation, then such determination shall be determinative of their relationships in the application of Rule D with respect to that Member firm, Member corporation or holding company;

“**Business Combination**” means the business combination transaction between Duckworth and Goldspot in accordance with the terms and conditions of the Business Combination Agreement pursuant to which, subject to all necessary shareholder and Exchange approvals, among other matters:

- (a) Goldspot shall complete the Concurrent Financing;
- (b) Duckworth will complete the Consolidation, Name Change and Director Appointments; and
- (c) Duckworth, Newco and Goldspot will complete the Amalgamation, as a result of which Duckworth will acquire all of the issued and outstanding securities of Goldspot by way of the Amalgamation after giving effect to the Consolidation and on the basis of the Exchange Ratio, Amalco will become a direct, wholly-owned Subsidiary of Duckworth, and Duckworth will be re-named “Goldspot Discoveries Corp.” or such similar name as may be approved by the Duckworth Board.

“**Business Combination Agreement**” means the business combination agreement dated as of June 18, 2018 between Newco, Duckworth and Goldspot containing the terms and conditions of the Business Combination;

“**Business Day**” means any day other than a Saturday, Sunday or a statutory holiday in the Province of Ontario;

“**CBCA**” means the *Canada Business Corporations Act*, as amended from time to time;

“**Closing**” means the closing of the Business Combination;

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

“**Compensation Warrants**” has the meaning attributed to that term at “*Information Concerning Goldspot-General Development of the Goldspot Business-Concurrent Financing*”;

“**completion of the Qualifying Transaction**” means the date the Final Exchange Bulletin is issued by the Exchange;

“**Concurrent Financing**” has the meaning attributed to that term at “*Information Concerning Goldspot – Narrative Description of the Goldspot Business – Concurrent Financing*”;

“**Consolidation**” means the proposed consolidation of the Duckworth Common Shares on the basis of the Consolidation Ratio to be approved by the Duckworth Shareholders at the Duckworth Meeting;

“**Consolidation Ratio**” means the ratio for the Consolidation, being one (1) post-Consolidation Duckworth Common Share for every two (2) pre-Consolidation Duckworth Common Shares;

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

“**CPC**” means a corporation:

- (a) that has been incorporated or organized in a jurisdiction of Canada;
- (b) that has filed and obtained a receipt for a preliminary CPC prospectus from one or more of the securities regulatory authorities in compliance with the CPC Policy; and
- (c) in regard to which the completion of the Qualifying Transaction has not yet occurred;

“**CPC Escrow Agreement**” means the Form 2F - CPC Escrow Agreement dated July 28, 2017 among Duckworth, the Escrow Agent and certain shareholders of Duckworth;

“**CPC Policy**” means Exchange Policy 2.4 – *Capital Pool Companies*;

**“Director Appointments”** means the appointment of new directors as detailed below under *“Information Concerning the Resulting Issuer – Directors and Officers – Management”* to be approved by the Duckworth Shareholders at the Duckworth Meeting and which is to be effected at the time of the Closing of the Business Combination;

**“Discounted Market Price”** has the meaning ascribed to such term in Exchange Policy 1.1 – *Interpretation*;

**“Duckworth”** means Duckworth Capital Corp., a company incorporated pursuant to the provisions of the CBCA on May 1, 2017;

**“Duckworth Board”** means the board of directors of Duckworth;

**“Duckworth Broker Warrants”** means the 400,000 broker warrants of Duckworth, each Broker Warrant entitling the holder to acquire a Duckworth Common Share at an exercise price of \$0.10 per Duckworth Common Share on or before August 24, 2019;

**“Duckworth Common Shares”** means the common shares in the capital of Duckworth, in respect of which, except for historical issuance information and information regarding the capitalization of Duckworth as of the date of this Filing Statement and the Consolidation, information in this Filing Statement concerning the Duckworth Common Shares, including the number of Duckworth Common Shares and other securities to be issued in connection with the Business Combination and Amalgamation and information as to the capitalization of the Resulting Issuer, are presented on a post-Consolidation basis;

**“Duckworth Meeting”** means the annual and special meeting of Duckworth Shareholders held on October 12, 2018 and at which the Duckworth Shareholders approved the following items of business:

- (a) the Consolidation;
- (b) the Name Change; and
- (c) the Director Appointments;

**“Duckworth Named Executives”** means the following individuals in respect of Duckworth:

- (a) the CEO;
- (b) the CFO;
- (c) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, as determined in accordance with Form 51-102F6, for that financial year; and
- (d) each individual who would be a Duckworth Named Executive under paragraph (c) above but for the fact that the individual was neither an executive officer of Duckworth, nor acting in a similar capacity, at the end of that financial year;

**“Duckworth Options”** means stock options to purchase Duckworth Common Shares outstanding pursuant to the Duckworth Stock Option Plan;

**“Duckworth Shareholders”** means the shareholders of Duckworth at the relevant time;

**“Duckworth Stock Option Plan”** means the stock option plan of Duckworth;

**“Engagement Agreement”** means the engagement agreement dated August 23, 2018, between Canaccord Genuity Corp., Goldspot and Duckworth;

**“Escrow Agent”** means Computershare Investor Services Inc., in its capacities, as the context requires: (A) as escrow agent for the Common Shares held in escrow under the CPC Escrow Agreement; and (B) as escrow agent for the Value Security Escrow Agreement to be entered into prior to or at the Closing;

**“Exchange”** means the TSX Venture Exchange Inc.;

“**Exchange Ratio**” means the ratio for the exchange of Duckworth Common Shares for Goldspot Common Shares under the Business Combination, being 82.73481801 pre-Consolidation Duckworth Common Shares for every one (1) Goldspot Common Share;

“**Filing Statement**” means this filing statement;

“**Final Exchange Bulletin**” means the Exchange Bulletin which is issued following closing of the Qualifying Transaction and the submission of all required documentation and that evidences the final Exchange acceptance of the Qualifying Transaction;

“**Final Prospectus**” means the final prospectus of Duckworth dated July 28, 2017;

“**Form 51-102F6**” means Form 51-102F6 – *Statement of Executive Compensation*, promulgated pursuant to the *Securities Act* (Ontario) and regulations thereto and other securities law authorities;

“**Goldspot**” means Goldspot Discoveries Inc., a company continued under the OBCA on May 8, 2018;

“**Goldspot Board**” means the board of directors of Goldspot;

“**Goldspot Business**” means the business carried on by Goldspot, as of the date hereof;

“**Goldspot Common Shares**” means the common shares in the capital of Goldspot, including, as the context requires, those issuable or issued upon the conversion of the Goldspot Options;

“**Goldspot Meeting**” means the special meeting of Goldspot Shareholders held on September 7, 2018, at which Goldspot Shareholders approved the Amalgamation;

“**Goldspot Named Executives**” means the following individuals in respect of Goldspot:

- (a) the CEO;
- (b) the CFO;
- (c) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, as determined in accordance with Form 51-102F6, for that financial year; and
- (d) each individual who would be a Goldspot Named Executive under paragraph (c) above but for the fact that the individual was neither an executive officer of Goldspot, nor acting in a similar capacity, at the end of that financial year;

“**Goldspot Options**” means stock options to purchase Goldspot Common Shares granted to Goldspot’s directors, officers, employees, contractors and other eligible persons pursuant to the Goldspot Stock Option Plan, of which, as of the date of this Filing Statement, there are 117,500 Goldspot Options issued and outstanding, 95,000 of such options entitled the holder to acquire one Goldspot Common Share at an exercise price of \$10.00 per Goldspot Common Share on or before February 1, 2025 and 22,500 to be issued to specified employees of Goldspot at a date, exercise price and expiry date to be determined by the board of directors of Goldspot, provided that the exercise price is not less than \$10.00 and the term is not longer than 10 years;

“**Goldspot Shareholders**” means the shareholders of Goldspot at the relevant time;

“**Goldspot Stock Option Plan**” means the stock option plan of Goldspot effective February 13, 2018;

“**Governmental Authority**” means any foreign, national, provincial, local or state government, any political subdivision or any governmental, judicial, public or statutory instrumentality, court, tribunal, agency (including those pertaining to health, safety or the environment), authority, body or entity, or other regulatory bureau, authority, body or entity having legal jurisdiction over the activity or person or entity in question including, without limitation, the Exchange;

“**IFRS**” means International Financial Reporting Standards;

“**Insider**” if used in relation to an issuer, means:

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

“**IPO**” means initial public offering;

“**LOI**” means the letter of intent entered into by Duckworth and Goldspot dated April 10, 2018, as amended, relating to the Business Combination;

“**Member**” has the meaning ascribed to such term in Rule A of the rules and policies of the Exchange;

“**Name Change**” means the proposed change in the name of Duckworth to “Goldspot Discoveries Corp., or such similar name as may be approved by the Duckworth Board, which was approved by the Duckworth Shareholders at the Duckworth Meeting and which is to be effected at the time of the Closing of the Business Combination;

“**Newco**” means 2639781 Ontario Inc., a wholly-owned Subsidiary of Duckworth incorporated under the OBCA on June 8, 2018;

“**Non-Arm’s Length Party**” means, in relation to a company, a promoter, officer, director, other Insider or Control Person of that company and any Associates or Affiliates of any such persons, and, in relation to an individual, means any Associate of the individual or any company of which the individual is a promoter, officer, director, Insider or Control Person;

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

“**OBCA**” means the *Business Corporations Act (Ontario)*, as amended from time to time;

“**Offering Price**” has the meaning attributed to that term at “*Information Concerning Goldspot – Narrative Description of the Goldspot Business – Concurrent Financing*”;

“**Over-Allotment Option**” has the meaning attributed to that term at “*Information Concerning Goldspot – Narrative Description of the Goldspot Business – Concurrent Financing*”;

“**Person**” means a company or individual;

“**Principal**” means:

- (a) a Person who acted as a Promoter of the issuer within two years or Associates or Affiliates thereof, before the IPO prospectus or Final Exchange Bulletin;
- (b) a director or senior officer of the issuer or any of its material operating Subsidiaries at the time of the IPO prospectus or Final Exchange Bulletin;
- (c) a “20% holder” – a Person that holds securities carrying more than 20% of the voting rights attached to the issuer’s outstanding securities immediately before and immediately after the issuer’s IPO or immediately after the Final Exchange Bulletin for non IPO transactions;
- (d) a “10% holder” – a Person that:
  - (i) holds securities carrying more than 10% of the voting rights attached to the issuer’s outstanding securities immediately before and immediately after the issuer’s IPO or immediately after the Final Exchange Bulletin for non IPO transactions; and

- (ii) has elected or appointed, or has the right to elect or appoint, one or more directors or senior officers of the issuer or any of its material operating Subsidiaries.

In calculating these percentages, securities that may be issued to the holder under outstanding convertible securities are included in both the holder's securities and the total securities outstanding.

A company more than 50% held by one or more Principals will be treated as a Principal. (In calculating this percentage, include securities of the entity that may be issued to the Principals under outstanding convertible securities in both the securities of the entity held by the Principals and the total securities of the entity outstanding.) Any securities of the issuer that this entity holds will be subject to escrow requirements.

A Principal's spouse and their relatives that live at the same address as the Principal will also be treated as Principals and any securities of the issuer they hold will be subject to escrow requirements;

**"Promoter"** means:

- (a) a person or company who, acting alone or in conjunction with one or more other persons, companies or a combination thereof, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of an issuer; or
- (b) a person or company who, in connection with the founding, organizing or substantial reorganizing of the business of an issuer, directly or indirectly, receives in consideration of services or property, or both services and property, 10 per cent or more of any class of securities of the issuer or 10 per cent or more of the proceeds from the sale of any class of securities of a particular issue, but a person or company who receives such securities or proceeds either solely as underwriting commissions or solely in consideration of property shall not be deemed a promoter within the meaning of this definition if such person or company does not otherwise take part in founding, organizing, or substantially reorganizing the business;

**"Qualifying Transaction"** means a transaction where a CPC acquires Significant Assets other than cash, by way of purchase, amalgamation, merger or arrangement with another company or by other means, and, specifically in the case of Duckworth, means the Business Combination, as more particularly described herein;

**"Replacement Options"** means stock options to purchase Resulting Issuer Common Shares to be issued by the Resulting Issuer under the Business Combination in exchange for the outstanding Goldspot Options pursuant to the terms and conditions of the Business Combination Agreement, which based on the Goldspot Options outstanding as of the date of this Filing Statement, will result in 4,653,833 Replacement Options to be issued to the holders of the Goldspot Options on a post-Consolidation basis, each of which will be exercisable to acquire one Resulting Issuer Common Share at exercise prices ranging between \$0.24 and \$0.40 per share and having expiry dates between February 1, 2025 and September 1, 2025.

**"Resulting Issuer"** means the issuer that was formerly a CPC that exists upon the issuance of the Final Exchange Bulletin, and, specifically in the case of Duckworth, means Duckworth after giving effect to the Business Combination, and re-named "Goldspot Discoveries Corp.", or such similar name as may be approved by the Duckworth Board, upon the issuance of the Final Exchange Bulletin;

**"Resulting Issuer Board"** means the board of directors of the Resulting Issuer;

**"Resulting Issuer Common Shares"** means the common shares in the capital of the Resulting Issuer (being the Duckworth Common Shares on a post-Consolidation basis);

**"Resulting Issuer Shareholders"** means the shareholders of the Resulting Issuer at the relevant time;

**"Resulting Issuer Stock Option Plan"** means, post-closing of the Business Combination, the Duckworth Stock Option Plan;

**"SEDAR"** means the System for Electronic Document Analysis and Retrieval;

“**Significant Assets**” means one or more assets or businesses which, when purchased, optioned or otherwise acquired by the CPC, together with any concurrent transactions, would result in the CPC meeting the initial listing requirements of the Exchange;

“**Subscription Receipts**” has the meaning attributed to that term at “*Information Concerning Goldspot – Narrative Description of the Goldspot Business – Concurrent Financing*”;

“**Subscription Receipt Agreement**” has the meaning attributed to that term at “*Information Concerning Goldspot – Narrative Description of the Goldspot Business – Concurrent Financing*”;

“**Subsidiary**” includes, with respect to any person, company, partnership, limited partnership, trust or other entity, any company, partnership, limited partnership, trust or other entity controlled, directly or indirectly, by such person, company, partnership, limited partnership, trust or other entity;

“**Surplus Escrow Agreement**” means the TSXV Form 5D *Escrow Agreement Surplus Security* to be entered into in connection with the closing of the Qualifying Transaction, between the Corporation, the Escrow Agent and certain holders of the securities of Goldspot, as more particularly described in this Filing Statement, conditional upon completion of the Maximum Offering;

“**Tax Act**” means the *Income Tax Act* (Canada) and the regulations thereunder, as amended;

“**Taxation Year**” means the taxation year of the Resulting Issuer for the purposes of the Tax Act;

“**Transfer Agent**” means Computershare Trust Company of Canada, the transfer agent and registrar of Duckworth; and

“**Value Security Escrow Agreement**” means the escrow agreement in Form 5D to be entered into by and among the Escrow Agent, the Resulting Issuer and certain Principals of the Resulting Issuer prior to the Closing.

## SUMMARY OF THE FILING STATEMENT

The following is a summary of information relating to Duckworth, Goldspot and the Resulting Issuer (assuming completion of the Business Combination) and should be read together with the more detailed information and financial data and statements contained elsewhere in this Filing Statement. Capitalized terms are defined in the Glossary. Unless otherwise stated, all references in this Filing Statement to “\$” or “dollars” mean the lawful currency of Canada. Information contained herein is current as of the date of this Filing Statement unless otherwise indicated.

### **Duckworth Capital Corp.**

Duckworth was incorporated under the CBCA on May 1, 2017 and completed its IPO under the CPC Policy on August 24, 2017. The Duckworth Common Shares were listed for trading on the Exchange on August 24, 2017 under the symbol “DUKE.P”.

As disclosed in the Final Prospectus, Duckworth’s business has been restricted to the identification and evaluation of businesses or assets for the purposes of completing its Qualifying Transaction.

### **Goldspot Discoveries Inc.**

Goldspot was incorporated under the *Business Corporations Act* (Québec) on November 9, 2016 and continued under the OBCA on May 8, 2018. The business of Goldspot comprises, leveraging machine learning to reduce capital risk, while working to increase efficiencies and success rates in resource exploration and investment. Goldspot combines proprietary technology with traditional domain expertise, offering a front-to-back service solution to its partners. Goldspot's solutions target big data problems, making full use of historically unutilized data to gain deeper understanding of resource property potential. Goldspot has developed a monetization strategy into multiple verticals of the mining and investment industry, including service offerings, staking and royalty acquisition, and the development of an artificial-intelligence driven investment platform.

### **The Qualifying Transaction**

Management of Duckworth has identified the acquisition of Goldspot as an appropriate transaction to constitute its Qualifying Transaction. It is proposed that Duckworth will indirectly acquire all of the issued and outstanding securities of Goldspot in exchange for such number of Duckworth Common Shares and Replacement Options, as described herein.

The purchase price and other terms in connection with the Business Combination were determined pursuant to arm’s length negotiations between Duckworth and Goldspot.

In connection with the Business Combination, it is proposed that the Duckworth Common Shares be consolidated on the basis of the Consolidation Ratio following the completion of the Amalgamation and the Business Combination. Upon completion of the Consolidation, the number of Duckworth Common Shares issuable upon exercise of the outstanding Duckworth Broker Warrants will be adjusted on the basis of the Consolidation Ratio with the exercise price to be adjusted to the exercise price inversely proportional to the Consolidation Ratio pursuant to the terms of the Business Combination Agreement.

On October 12, 2018, Duckworth held the Duckworth Meeting and the Duckworth Shareholders approved, among other things, the Consolidation, the Name Change and the Director Appointments. After giving effect to the Consolidation and the Concurrent Financing, Duckworth will have issued and outstanding approximately 92,747,317 Duckworth Common Shares (94,247,051 assuming the exercise of the Over-Allotment Option) and Duckworth Broker Warrants exercisable to acquire 200,000 Duckworth Common Shares at an exercise price of \$0.20 per share, subject to minor deviation as a result of the effects of rounding at the individual securityholder’s level.

Duckworth is required to complete a Qualifying Transaction with this requirement being satisfied by the Exchange issuing a Final Exchange Bulletin that evidences the Exchange’s final acceptance and the closing of the Qualifying Transaction. However, if this requirement is not met by August 24, 2019, then Duckworth’s Common Shares may be transferred to the NEX board of the Exchange.

Except for historical issuance information and information regarding the capitalization of Duckworth as of the date of this Filing Statement and the Consolidation, information in this Filing Statement concerning the Duckworth

Common Shares, including the number of Duckworth Common Shares and other securities to be issued in connection with the Business Combination and information as to the capitalization of the Resulting Issuer, are presented on a post-Consolidation basis.

In addition, the information in this Filing Statement about the number of Duckworth Common Shares and other securities to be issued in exchange for Goldspot Common Shares and other Goldspot securities on Closing assumes that no existing Goldspot Options will be exercised or converted prior to Closing.

Subject to the approval of the Goldspot Shareholders, the Business Combination will be effected by way of the Amalgamation between Newco and Goldspot pursuant to the terms of the Amalgamation Agreement, including the following:

- (a) Newco and Goldspot will amalgamate, with Amalco, the corporation to be formed as a result of the Amalgamation, continuing as a direct, wholly-owned Subsidiary of the Resulting Issuer;
- (b) Duckworth will issue pre-Consolidation Duckworth Common Shares to the Goldspot Shareholders in exchange for all Goldspot Common Shares, at the Exchange Ratio. Based on the number of Goldspot Common Shares outstanding as of the date of this Filing Statement, the aggregate number of Duckworth Common Shares to be issued is expected to be 138,950,892 (69,475,458 post-Consolidation Duckworth Common Shares);
- (c) Duckworth will issue an aggregate of 34,393,718 pre-Consolidation Duckworth Common Shares (17,246,859 post-Consolidation Duckworth Common Shares) to the Goldspot Shareholders in exchange for the Goldspot Common Shares to be issued pursuant to the Concurrent Financing or an aggregate of 37,493,186 pre-Consolidation Duckworth Common Shares (18,746,593 post-Consolidation Duckworth Common Shares), assuming the exercise of the Over-Allotment Option;
- (d) Duckworth will issue Replacement Options to the holders of Goldspot Options, in exchange for all outstanding Goldspot Options. The rate of exchange of Replacement Options for Goldspot Options shall be the Exchange Ratio. Subject to the policies of the Exchange, each Replacement Option will be issued by Duckworth under the Duckworth Stock Option Plan on substantially the same terms as the Goldspot Option it replaces (subject to appropriate adjustments to the exercise price inversely proportional to the Exchange Ratio). Based on the number of Goldspot Options outstanding as of the date of this Filing Statement, it is expected that Duckworth will issue 9,307,665 Replacement Options (4,653,833 Replacement Options on a post-Consolidation basis) to the holders of Goldspot Options.

Note that the numbers referenced above may be subject to minor deviation as a result of the effects of rounding at the individual security holder level.

The completion of the Business Combination is subject to the approval of the Exchange with the Resulting Issuer satisfying the Exchange's initial listing requirements in order to become a Tier 1 – Technology or Investment Issuer on the Exchange and obtaining all other necessary regulatory approvals. It is also subject to additional conditions precedent, including:

- (a) preparation and filing of this Filing Statement outlining the definitive terms of the Business Combination in accordance with the policies of the Exchange;
- (b) receipt of all director, shareholder and requisite regulatory approvals relating to the Business Combination, including, without limitation, the approval of the Exchange;
- (c) any person who will be a post-Closing holder of Resulting Issuer Common Shares and who is required by the Exchange to sign an escrow agreement in accordance with the policies of the Exchange shall have signed and delivered such agreement; and
- (d) each of Duckworth and Goldspot shall have performed all covenants on its part to be performed under the Business Combination Agreement and all representations and warranties of each party contained in the Business Combination Agreement shall be true and correct at the time of closing.

## The Resulting Issuer

Following the Closing, Amalco will be a direct, wholly-owned Subsidiary of the Resulting Issuer will be direct wholly-owned Subsidiaries of Amalco. The capital structure of the Resulting Issuer will remain unchanged, other than for the issuances of securities contemplated by the Business Combination. Upon completion of the Business Combination and subject to the approval of the Exchange, the Resulting Issuer is expected to become a Tier 1 – Technology or Investment Issuer on the Exchange. See “*Information Concerning the Resulting Issuer – Corporate Structure*”.

The proposed directors and officers of the Resulting Issuer following the Closing are as follows:

Name and Municipality of Residence	Proposed Position With Resulting Issuer
Denis Laviolette – Toronto, Ontario	President, Chief Executive Officer and Director
Collin Kettell – Puerto Rico	Chairman
Vincent Dubé-Bourgeois – Verdun, Québec	Chief Operating Officer and Director
Cejay Kim – Calgary, Alberta	Vice-President, Corporate Development and Director
Ramón Barúa – Lima, Peru	Director
Sheldon Inwentash – Toronto, Ontario	Director
Binh Quach – Mississauga, Ontario	Chief Financial Officer
Lisa McCormack – Acton, Ontario	Corporate Secretary

Prior to Closing, it is proposed to appoint one additional independent director to the board of directors of the Resulting Issuer.

## Interests of Insiders, Promoters and Control Persons

The following Insiders, Promoters and Control Persons of Duckworth and their respective Associates and Affiliates (before giving effect to the Qualifying Transaction) have an interest in Goldspot.

Name and Position with Duckworth	Duckworth Shares <sup>(1)</sup>	Duckworth Shares Issued Pursuant to Amalgamation Agreement <sup>(2)</sup>	Resulting Issuer Shares	Percentage Upon Completion of Concurrent Financing <sup>(3)</sup>	Percentage Upon Completion of Concurrent Financing and Exercise of Over-Allotment Option <sup>(4)</sup>
Brigus Capital Inc. (Wade Dawe – Principal Shareholder)	700,000	413,674	1,113,674	1.2%	1.2%
Torrent Capital Ltd. (Rob Randall - CFO)	150,000	413,674	563,674	0.6%	0.6%
Numus Financial Inc. (James Megann - Director)	100,000	206,837	306,837	0.3%	0.3%
John St. Capital Inc. (James Megann – Director)	900,000	206,837	1,106,837	1.2%	1.1%
<b>Total</b>	<b>1,850,000</b>	<b>1,241,022</b>	<b>3,091,022</b>	<b>3.3%</b>	<b>3.2%</b>

Notes:

(1) Reflects current holdings of Duckworth Shares on post-Consolidation basis.

(2) Reflects Duckworth Shares issued pursuant to Business Combination Agreement (equal to number of Goldspot Shares multiplied by exchange ratio of 82.73481801) and on a post-Consolidation basis.

(3) Assumes completion of the Concurrent Financing for gross proceeds of \$6,900,009.

(4) Assumes completion of the Concurrent Financing and exercise of the Over-Allotment Option for gross proceeds of \$7,500,013.

The Goldspot Shares held by the insiders of Duckworth listed above were acquired in private placements completed prior to the date of this Filing Statement. Due to their limited involvement with Goldspot, none of the insiders of Duckworth listed above is a “Non-Arm’s Length Party” or “Insider” of Goldspot within the meanings of such terms under the policies of the Exchange and the applicable securities laws.

### Arm's Length Qualifying Transaction

The proposed Qualifying Transaction described in this Filing Statement does not constitute a Non-Arm's Length Qualifying Transaction for Duckworth within the meaning of the CPC Policy.

### Available Funds and Principal Purposes

After completion of the Business Combination, and taking into account estimated legal, other professional costs, commissions and filing fees, the Resulting Issuer is expected to have working capital as follows:

Purpose	Assumes Completion of Concurrent Financing <sup>(1)</sup>	Assumes Completion of Concurrent Financing and Exercise of Over-Allotment Option <sup>(2)</sup>
Estimated working capital of Duckworth as of Sept. 30, 2018	\$570,410	\$570,410
Estimated working capital of Goldspot as of Sept. 30, 2018	\$2,275,000	\$2,275,000
Gross Proceeds of Concurrent Financing	\$6,900,009	\$7,500,013
Estimated to be utilized by Duckworth to Closing	(\$25,000)	(\$25,000)
Estimated to be utilized by Goldspot to Closing	(\$174,000)	(\$174,000)
Estimated costs of the Business Combination (e.g. professional, Exchange fees, Agent's expenses, etc.)	(\$350,000)	(\$350,000)
<b>Estimated available funds:</b>	<b>\$9,196,419</b>	<b>\$9,796,423</b>

Notes:

(1) Assumes completion of the Concurrent Financing for gross proceeds of \$6,900,009.

(2) Assumes completion of the Concurrent Financing and exercise of the Over-Allotment Option for gross proceeds of \$7,500,013.

The table below sets forth the principal purposes for which the estimated funds available to the Resulting Issuer upon completion of the Business Combination will be used for the next 18 months. While management currently intends to use the available funds as set forth in this Filing Statement, the Resulting Issuer may reallocate available funds for sound business reasons from time to time.

Purpose	Assumes Completion of Concurrent Financing <sup>(1)</sup>	Assumes Completion of Concurrent Financing and Exercise of Over-Allotment Option <sup>(2)</sup>
<b>Estimated Available Funds</b>	<b>\$9,196,419</b>	<b>\$9,796,423</b>
Agent's commission	\$552,000	\$600,000
Legal Fees in connection with Concurrent Financing	\$190,000	\$190,000
Field Testing on Mineral Properties	\$250,000	\$350,000
Consulting Fees	\$2,204,082	\$2,345,210
Office Rent	\$144,000	\$144,000
Travel Expenses	\$240,000	\$320,000
Research and Development	\$4,616,337	\$4,647,213
Investment Capital to Test Quantamental Platform	\$800,000	\$1,000,000
<b>Unallocated Working Capital</b>	<b>\$200,000</b>	<b>\$200,000</b>

Notes:

(1) Assumes completion of the Concurrent Financing for gross proceeds of \$6,900,009.

(2) Assumes completion of the Concurrent Financing and exercise of the Over-Allotment Option for gross proceeds of \$7,500,013.

See "Information Concerning the Resulting Issuer – Available Funds and Principal Purposes".

## Selected Financial Information

### *Duckworth Capital Corp.*

Since Duckworth is currently a CPC, other than its IPO, its business has to date consisted solely of identifying a suitable Qualifying Transaction. Duckworth raised gross proceeds of \$400,000 from its IPO as a CPC in August, 2017 and had previously raised \$402,500 prior to its IPO. The expenses incurred by Duckworth in connection with the IPO and the listing of the Common Shares on the Exchange were \$112,750. As of May 31, 2018, Duckworth had working capital in the amount of approximately \$610,960, has no outstanding capital commitments, and had not pledged any of its assets as security for loans, or otherwise, and was not subject to any debt covenants. Management believes that Duckworth has sufficient working capital to meet its anticipated financial obligations for 2018, and to pursue another Qualifying Transaction should the Business Combination not be completed.

### *Goldspot Discoveries Inc.*

The table below sets out certain financial data for the Goldspot Business in respect of the periods for which financial information is included elsewhere in this Filing Statement.

	<b>6-months Ended June 30, 2018 (Unaudited)</b>	<b>Year Ended December 31, 2017 (Audited)</b>	<b>From Incorporation (November 9, 2016) to December 31, 2016 (Audited)</b>
<b>Total Revenues</b>	\$598,800	\$452,508	\$ --
<b>Net (Loss)</b>	\$(476,319)	\$(493,729)	\$(41,064)
<b>Total Liabilities</b>	\$6,265	\$57,830	\$59,377
<b>Total Assets</b>	\$2,887,717	\$1,626,906	\$18,414

### *The Resulting Issuer*

The following table summarizes certain pro forma financial information for the Resulting Issuer after giving effect to the Business Combination and should be read in conjunction with the pro forma financial statement for the Resulting Issuer attached as Schedule “E” to this Filing Statement.

<b>As at May 31, 2018 (After Giving Effect to Business Combination<sup>(1)</sup>)</b>	
Current Assets	\$8,861,544
Current Liabilities	\$176,244
Shareholders’ Equity	\$8,685,300

*Notes:*

- (1) Assumes completion of the Concurrent Financing for gross proceeds of \$6,900,009.
- (2) Assumes completion of the Concurrent Financing and exercise of the Over-Allotment Option for gross proceeds of \$7,500,013.

### **Market Price of Common Shares**

The Duckworth Common Shares are listed on the Exchange under the symbol “DUKE.P”. The closing market price of the Duckworth Common Shares on April 11, 2018, the last trading day immediately preceding the announcement of the Business Combination, was \$0.22. See “*Information Concerning Duckworth Capital Corp. – Market Price and Trading Volume Data*” for information relating to the trading price of the Duckworth Common Shares for the last 12 months.

There is no public market for the Goldspot Common Shares.

## Financings

### *Concurrent Financing*

Under the terms of the Engagement Agreement, Goldspot intends to complete a brokered private placement offering (the “**Concurrent Financing**”) of 416,919 subscription receipts (each, a “**Subscription Receipt**”), at a price of \$16.55 per Subscription Receipt (the “**Offering Price**”), for the aggregate gross proceeds of a minimum of \$6,900,009 (the “**Minimum Offering**”). Goldspot has granted to the Agents, an option (the “**Over-Allotment Option**”) exercisable, in whole or in part, at the sole discretion of the Agents, at any time prior to the closing of the Concurrent Financing, to arrange for the purchase of up to an additional 25% of the number of Subscription Receipts sold pursuant to the Concurrent Financing at the Offering Price. In the event the Over-Allotment Option is exercised in full, Goldspot will issue an aggregate of 453,173 Subscription Receipts at the Offering Price for gross proceeds of \$7,500,013 (the “**Maximum Offering**”).

Each Subscription Receipt will be automatically exchangeable, without additional payment of additional consideration, into Goldspot Common Shares on the basis of one (1) Goldspot Common Share for each Subscription Receipt, pursuant to the terms of a subscription receipt agreement (the “**Subscription Receipt Agreement**”) to be entered into on the closing date of the Concurrent Financing, between Goldspot, the Agents and an escrow agent to be agreed to by Goldspot and the Agents. The Subscription Receipt Agreement will provide for the exchange of the Subscription Receipt, without additional payments, into Goldspot Common Shares, upon the occurrence of certain events, including without limitation, the completion of the Business Combination and the subsequent listing of the Resulting Issuer on the Exchange.

In connection with the Concurrent Financing, Goldspot has agreed to pay the Agents a cash commission equal to 8% of the gross proceeds from the Concurrent Financing, subject to a reduced commission of 4% for certain subscribers on a President’s List of Goldspot (which is capped at a maximum of \$2,000,000 of subscription proceeds), and issue compensation warrants exercisable (the “**Compensation Warrants**”) equal to 8% of the number of Subscription Receipts sold under the Concurrent Financing, subject to a reduced percentage of 4% for certain subscribers on the President’s List of Goldspot. Each Compensation Warrant shall entitle the Agents to acquire one Goldspot Common Share at the Offering Price for a period of twelve months from the closing of the Concurrent Financing. For additional details regarding the Concurrent Financing, see “*Information Concerning Goldspot - Narrative Description of the Goldspot Business – Concurrent Financing*”).

In consideration of the services rendered by the Agents in connection with the Business Combination, Canaccord Genuity Corp. will receive from Goldspot a fee of \$100,000 payable as to \$50,000 in cash and 3,021 Goldspot Common Shares (the equivalent of \$50,000).

Under the Business Combination, the Goldspot Shareholders resulting from the Concurrent Financing will receive pre-Consolidation Duckworth Common Shares in exchange for their Goldspot Common Shares and the Agents will receive Replacement Warrants in exchange for its Compensation Warrants, on the basis of the Exchange Ratio, as described elsewhere in this Filing Statement.

### **Sponsorship**

Sponsorship for the Qualifying Transaction is required by the CPC Policy unless an exemption from the sponsorship requirement is granted to Duckworth by the Exchange. Duckworth has applied for, and the Exchange has provided Duckworth with, an exemption from the sponsorship requirement on the basis that Goldspot has completed the Concurrent Financing in connection with the Qualifying Transaction for aggregate gross proceeds of greater than \$500,000 and the Agents has provided the Exchange with confirmation that it has completed appropriate due diligence on both the Business Combination and this Filing Statement that is generally in compliance with the relevant policies of the Exchange.

### **Conflicts of Interest**

There may be potential conflicts of interest to which the directors and officers of the Resulting Issuer will be subject in connection with the operations of the Resulting Issuer. Some of the directors and officers have been and will continue to be engaged in the identification and evaluation, with a view to potential acquisition of interests in businesses and corporations on their own behalf and on behalf of other corporations, and situations may arise where the directors and officers will be in direct competition with the Resulting Issuer. Conflicts, if any, will be subject to the procedures and remedies under the OBCA. See “*Risk Factors*”.

## **Shareholder Approvals**

Under the terms of the Business Combination Agreement, the Business Combination is subject to approval of the shareholders of Goldspot, which approval is a condition to closing the Business Combination. No approval of the Business Combination is required from the shareholders of Duckworth other than in connection with the matters for which shareholder approval was sought and obtained at the Duckworth Meeting, being the Consolidation, Name Change and Director Appointments. This Filing Statement is filed in connection with the requirements of the policies of the Exchange.

## **Interest of Experts**

No person or company who is named as having prepared or certified a part of this Filing Statement or prepared or certified a report or valuation described or included in this Filing Statement has, or will have immediately following completion of the Business Combination, any direct or indirect interest in Goldspot or in Duckworth.

## **Conditional Listing Approval**

The Exchange has conditionally accepted the Business Combination, subject to Duckworth fulfilling all of the requirements of the Exchange on or before January 30, 2019.

## **Risk Factors**

There are inherent risks in the business of Duckworth and in the business of Goldspot. The Business Combination must be considered speculative due to the nature of the business of Duckworth and Goldspot, and each company's relatively formative stage of development. Duckworth Shareholders must rely on the ability, expertise, judgment, discretion, integrity and good faith of the management of Duckworth and the Resulting Issuer. There is no guarantee that the Resulting Issuer will be able to secure future financing to meet its future needs on reasonable terms. The business of the Resulting Issuer will be subject to risks and hazards related to Duckworth and Goldspot, some of which are beyond its control.

For a description of the risk factors facing Duckworth as a CPC, please see Duckworth's Final Prospectus, dated July 28, 2017, available at [www.sedar.com](http://www.sedar.com).

The following risk factors should be carefully considered in evaluating Goldspot, the Resulting Issuer and the Qualifying Transaction. The risks presented below may not be all of the risks that Goldspot and the Resulting Issuer may face. It is believed that these are factors that could cause actual results to be different from expected and historical results. Other sections of this Filing Statement include additional factors that could have an effect on the business and financial performance of the business following the completion of the Qualifying Transaction. The market in which Goldspot currently competes is very competitive and evolving rapidly. Sometimes new risks emerge and management may not be able to predict all of them or be able to predict how they may cause actual results to be different from those contained in any forward-looking statements. You should not rely upon forward-looking statements as a prediction of future results. For the purposes of the risk factors presented below and herein, references to "Goldspot" and/or the "Resulting Issuer", based on the context, shall be, and be deemed to be, also references to Amalco and the business of the Resulting Issuer and its Subsidiaries. See "*Risk Factors*" for a detailed summary of the risk factors.

## ***Completion of the Business Combination and Exchange Approval***

The completion of the Business Combination is subject to several conditions precedent. There can be no assurances that the Business Combination will be completed on the terms set out in the Business Combination Agreement, as negotiated, or at all. In the event that any of the conditions precedent are not satisfied or waived, the Business Combination may not be completed. In addition, there is no guarantee that the Resulting Issuer will be able to satisfy the requirements of the Exchange such that it will issue the Final Exchange Bulletin, or the requirements of the Exchange such that it will list the Resulting Issuer Common Shares.

## ***Limited Operating History***

Goldspot began carrying on business in 2017 and has only recently started to generate revenue from its operations. Goldspot is therefore subject to many of the risks common to early-stage enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial, and other resources and limited revenues. There is

no assurance that Goldspot or the Resulting Issuer will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of the early stage of operations.

### ***Operational Risks***

The Resulting Issuer and Goldspot will be affected by a number of operational risks and may not be adequately insured for certain risks, including: labour disputes; catastrophic accidents; fires; blockades or other acts of social activism; changes in the regulatory environment; impact of non-compliance with laws and regulations; natural phenomena, such as inclement weather conditions, floods, earthquakes and ground movements. There is no assurance that the foregoing risks and hazards will not result in damage to, or destruction of technologies, personal injury or death, environmental damage, adverse impacts on operation, costs, monetary losses, potential legal liability and adverse governmental action, any of which could have an adverse impact on future cash flows, earnings and financial condition. Also, the Resulting Issuer may be subject to or affected by liability or sustain loss for certain risks and hazards against which the Resulting Issuer cannot insure or which the Resulting Issuer may elect not to insure because of the cost. This lack of insurance coverage could have an adverse impact on the Resulting Issuer's future cash flows, earnings, results of operations and financial condition.

### ***Reliance on Management and Key Employees***

The Resulting Issuer's future success depends substantially on the continued services of its executive officers and its key development personnel. If one or more of its executive officers or key development personnel were unable or unwilling to continue in their present positions, the Resulting Issuer might not be able to replace them easily or at all. In addition, if any of its executive officers or key employees joins a competitor or forms a competing company, the Resulting Issuer may lose know-how, key professionals and staff members as well as partners. These executive officers and key employees could develop the Goldspot's technology that could compete with and take customers and market share away from Goldspot.

### ***Additional Financing***

The premises and operation of Goldspot's facilities and business are capital intensive, and the Resulting Issuer is expected to incur operating losses as it continues to expend funds to develop its business operations. As Goldspot will have limited revenue, its ability to continue operations will be largely reliant on its continued attractiveness to investors. In order to execute the anticipated growth strategy, Goldspot or the Resulting Issuer may require some additional equity and/or debt financing to support on-going operations, to undertake capital expenditures or to undertake acquisitions or other business combination transactions. There can be no assurance that additional financing will be available to Goldspot when needed or on terms which are commercially acceptable to Goldspot or the Resulting Issuer, respectively. Goldspot's inability to raise financing to support on-going operations or to fund capital expenditures or acquisitions could limit its growth and may have a material adverse effect upon future profitability. The Resulting Issuer may require additional financing to fund its operations to the point where it is generating positive cash flows.

If additional funds are raised through further issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of holders of Resulting Issuer Common Shares.

Even if its financial resources upon completion of the Business Combination are sufficient to fund its current operations, there is no guarantee that the Resulting Issuer will be able to achieve its business objectives. The continued development of the Resulting Issuer following the Business Combination will require substantial additional financing. The failure to raise such capital could result in the delay or indefinite postponement of current business objectives or the Resulting Issuer going out of business. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Resulting Issuer. In addition, from time to time, the Resulting Issuer may enter into transactions to acquire assets or the shares of other corporations. These transactions may be financed wholly or partially with debt, which may temporarily increase the Resulting Issuer's debt levels above industry standards. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Resulting Issuer to obtain additional capital and to pursue business opportunities, including potential acquisitions.

### ***Dilution of Duckworth and Resulting Issuer Shareholders***

Duckworth currently has 12,050,000 Duckworth Common Shares issued and outstanding prior to the Consolidation (6,025,000 Duckworth Common Shares post-Consolidation). It is anticipated that, upon completion of the Business Combination, Duckworth will have issued at least an aggregate of 138,950,892 Duckworth Common Shares (69,475,458 post-Consolidation Duckworth Common Shares) to Goldspot Shareholders. This increase in the number of Duckworth Common Shares issued and outstanding, and the sales of such Duckworth Common Shares, may have a depressive effect on the price of the Resulting Issuer Common Shares. In addition, as a result of the issuance of such additional Duckworth Common Shares, the voting power of the existing Duckworth Shareholders will be substantially diluted.

The Resulting Issuer may, in its sole discretion in accordance with its constating documents and subject to applicable laws, including the policies of the Exchange, issue additional Resulting Issuer Common Shares or other securities (equity, debt or otherwise) from time to time, and the interests of the holders of Resulting Issuer Common Shares may be diluted thereby

### ***Resale of Shares***

There can be no assurance that the publicly-traded market price of the Resulting Issuer Shares will be high enough to create a positive return for the existing investors. Further, there can be no assurance that the Resulting Issuer Shares will be sufficiently liquid so as to permit investors to sell their position in the Resulting Issuer without adversely affecting the stock price. In such event, the probability of resale of the Resulting Issuer Shares would be diminished.

As well, the continued operation of the Resulting Issuer may be dependent upon its ability to procure additional financing in the short term and to generate operating revenues in the longer term. There can be no assurance that any such financing can be obtained or that revenues can be generated. If the Resulting Issuer is unable to obtain such additional financing or generate such revenues, investors may be unable to sell their Issuer Shares and any investment in the Resulting Issuer may be lost.

### ***Cyclical Downturn***

A significant operating risk affecting Goldspot and the Resulting Issuer is a downturn in demand for its services due a decrease in activity in the mining industry. A severe and persistent downturn in the mining industry would have severe consequences on the business of the company. In many cases, capital markets are the only source of funds available to junior mining companies and any change in the outlook for the sector or the lack of success of a specific exploration program can quickly impair the ability of these juniors to raise capital to pay for their consulting services.

### ***Market for 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 continuing fluctuations in price will not occur. It may be anticipated that any quoted market for the Resulting Issuer Shares will be subject to market trends generally, notwithstanding any potential success of the Resulting Issuer in creating revenues, cash flows or earnings. The value of the Resulting Issuer Shares will be affected by such volatility. An active public market for the Resulting Issuer Shares might not develop or be sustained after the completion of the Listing. If an active public market for the Resulting Issuer Shares does not develop, the liquidity of a shareholder's investment may be limited and the share price may decline.

### ***Global Financial Conditions***

Current global financial conditions have been subject to increased volatility and access to financial markets has been severely restricted. These factors may impact the ability of the Resulting Issuer to obtain equity or debt financing in the future and, if obtained, on terms favourable to the Resulting Issuer. If these increased levels of volatility and market turmoil continue, the Resulting Issuer's operations could be adversely impacted and the value and the price of the Resulting Issuer Shares could continue to be adversely affected.

***Goldspot operates in new and evolving markets, which makes it difficult to evaluate its business and future prospects.***

Goldspot's services are sold in new and rapidly evolving markets. The Goldspot Business is in early stages of customer adoption. Accordingly, Goldspot's business and future prospects may be difficult to evaluate. Goldspot cannot accurately predict the extent to which demand for its services or products will increase, or if at all. The challenges, risks and uncertainties frequently encountered by companies in rapidly evolving markets could impact Goldspot or the Resulting Issuer's ability to do the following:

- generate sufficient revenue to maintain profitability;
- acquire and maintain market share;
- achieve or manage growth in operations;
- develop and renew contracts;
- attract and retain highly-qualified personnel;
- adapt to new or changing policies and spending priorities of governments and government agencies; and
- access additional capital when required and on reasonable terms.

If Goldspot or the Resulting Issuer fail to address these and other challenges, risks and uncertainties successfully, its business, results of operations and financial condition would be materially harmed.

### ***Substantial Capital Requirements***

Management of Goldspot anticipates that they may make substantial capital expenditures for the acquisition, exploration, development and production of its technology in the future. They may have limited ability to raise the capital necessary to undertake or complete future development work. There can be no assurance that debt or equity financing will be available or sufficient to meet these requirements or for other corporate purposes or, if debt or equity financing is available, that it will be on terms acceptable to Goldspot or the Resulting Issuer. Moreover, future activities may require the Resulting Issuer or Goldspot to alter its capitalization significantly. The inability of the Goldspot or the Resulting Issuer to access sufficient capital for its operations could have a material adverse effect on its financial condition, results of operations or prospects. In particular, failure to obtain such financing on a timely basis could cause Goldspot or the Resulting Issuer to forfeit its interest in certain business opportunities, miss certain acquisition opportunities and reduce or terminate operations.

### ***Management of Growth***

The Resulting Issuer and Goldspot may experience a period of significant growth in the number of personnel that will place a strain upon its management systems and resources. Its future will depend in part on the ability of its officers and other key employees to implement and improve financial and management controls, reporting systems and procedures on a timely basis and to expand, train, motivate and manage the workforce. Goldspot's current and planned personnel, systems, procedures and controls may be inadequate to support its future operations.

### ***Risks Associated with Acquisitions***

As part of the Resulting Issuer's overall business strategy, after the completion of the Business Combination, the Resulting Issuer may pursue select strategic acquisitions that would provide additional product or service offerings, additional industry expertise, and a stronger industry presence in both existing and new jurisdictions. Future acquisitions may expose it to potential risks, including risks associated with: (a) the integration of new operations, services and personnel; (b) unforeseen or hidden liabilities; (c) the diversion of resources from Goldspot's existing business and technology; (d) potential inability to generate sufficient revenue to offset new costs; (e) the expenses of acquisitions; or (f) the potential loss of or harm to relationships with both employees and existing users resulting from its integration of new businesses. In addition, any proposed acquisitions may be subject to regulatory approval.

### ***Electronic Communication Security Risks***

A significant potential vulnerability of electronic communications is the security of transmission of confidential information over public networks. Anyone who is able to circumvent the Goldspot's security measures could misappropriate proprietary information or cause interruptions in its operations. Goldspot may be required to expend capital and other resources to protect against such security breaches or to alleviate problems caused by such breaches.

### ***Tax Risk***

The Resulting Issuer will be considered to have been carrying on business in Canada for purposes of the *Income Tax Act* (the “**Tax Act**”). However the Resulting Issuer will be operating in a new and developing industry that has had historically low regulations and tax compliance. There is risk that foreign governments may look to increase their tax revenues or levy additional taxes. While Goldspot does not foresee any adverse tax affects, there is no guarantee that governments will not impose such additional adverse taxes in the future.

### ***Currency Fluctuations***

Due to Goldspot’s present operations, and after completion of the Business Combination, Goldspot’s intention is to have future operations in jurisdictions outside Canada, the Resulting Issuer is expected to be exposed to significant currency fluctuations. Recent events in the global financial markets have been coupled with increased volatility in the currency markets. Fluctuations in the exchange rate between the US dollar and other currencies, such as the British pound, may have a material adverse effect on the Resulting Issuer’s business, financial condition and operating results. The Resulting Issuer may, after completion of the Business Combination, expand operations globally so it may be subject to additional gains and losses against additional currencies. Goldspot does not currently have a foreign exchange hedging program in place. However, in the future, it may establish a program to hedge a portion of its foreign currency exposure with the objective of minimizing the impact of adverse foreign currency exchange movements. However, even if the Goldspot or the Resulting Issuer develops a hedging program, it may not hedge its entire exposure to any one foreign currency and it may not hedge its exposure at all with respect to certain foreign currencies.

### ***Conflicts of Interest***

Because directors and officers of the Resulting Issuer and/or Goldspot are or may become directors or officers of other reporting companies or have significant shareholdings in other technology or mineral companies, the directors and officers of the Resulting Issuer may have a conflict of interest in conducting their duties. The Resulting Issuer and its directors and officers will attempt to minimize such conflicts. In the event that such a conflict of interest arises at a meeting of the directors of the Resulting Issuer, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In appropriate cases the Resulting Issuer will establish a special committee of independent directors to review a matter in which several directors, or officers, may have a conflict. In determining whether or not the Resulting Issuer will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the potential benefits to the Resulting Issuer, the degree of risk to which the Resulting Issuer may be exposed and its financial position at that time.

Executive officers and directors may have rights to indemnification including directors’ and officers’ liability insurance that will survive consummation of their agreements.

### ***Competitive Markets***

Goldspot faces competition and new competitors will continue to emerge throughout the world. Services offered by the Goldspot’s competitors may take a larger market share than anticipated, which could cause revenue generated from Goldspot’s or the Resulting Issuer’s products and services to fall below expectations. It is expected that competition in these markets will intensify.

If competitors of the Resulting Issuer develop and market more successful products or services, offer competitive products or services at lower price points, or if the Resulting Issuer does not produce consistently high-quality and well-received products and services, revenues, margins, and profitability of the Resulting Issuer will decline.

The Resulting Issuer’s ability to compete effectively will depend on, among other things, the Resulting Issuer’s pricing of services and equipment, quality of customer service, development of new and enhanced products and services in response to customer demands and changing technology, reach and quality of sales and distribution channels and capital resources. Competition could lead to a reduction in the rate at which the Resulting Issuer adds new customers, a decrease in the size of the Resulting Issuer’s market share and a decline in its customers. Examples include but are not limited to competition from other companies in the same industry as the Resulting Issuer.

### ***Uncertainty and Adverse Changes in the Economy***

Adverse changes in the economy could negatively impact the Resulting Issuer’s business. Future economic distress may result in a decrease in demand for the Resulting Issuer’s products, which could have a material adverse impact on the Resulting Issuer’s operating results and financial condition. Uncertainty and adverse changes in the economy

could also increase costs associated with developing and publishing products, increase the cost and decrease the availability of sources of financing, and increase the Resulting Issuer's exposure to material losses from bad debts, any of which could have a material adverse impact on the financial condition and operating results of the Resulting Issuer.

***Exploration Risk***

In addition to providing services to companies involved in mineral exploration and development, Goldspot has staked various mineral properties and intends to explore and evaluate such properties. Goldspot's exploration and evaluation division is dependent on its exploration and evaluation programs. The exploration and evaluation of mineral deposits involves significant financial risks over a prolonged period of time, which may not be eliminated even through a combination of careful evaluation, experience and knowledge. Few properties that are explored are ultimately developed into economically viable operating mines. It is impossible to ensure that the current or proposed exploration programs on any of the properties in which Goldspot has exploration rights, will result in any profitable commercial mining operations. Goldspot cannot give any assurance that its current and future exploration activities will result in a discovery of mineral deposits containing mineral reserves.

## **INFORMATION CONCERNING DUCKWORTH CAPITAL CORP.**

### **CORPORATE STRUCTURE**

#### **Name and Incorporation**

Duckworth's full corporate name is "Duckworth Capital Corp.". Duckworth was incorporated pursuant to the CBCA on May 1, 2017 and completed its IPO under the CPC Policy on August 24, 2017. The head office and registered office of Duckworth are located at 1969 Upper Water Street, Suite 2001, Purdy's Warf Tower II, Halifax, Nova Scotia, B3J 3R7.

### **GENERAL DEVELOPMENT OF THE BUSINESS**

#### **History**

Duckworth is a CPC and to date has not carried on any operations. The principal business of Duckworth has been to identify and evaluate businesses and assets with a view to completing a Qualifying Transaction and, having identified and evaluated such opportunities, to negotiate participation in a Qualifying Transaction, subject to acceptance by the Exchange.

Duckworth completed its IPO under the CPC Policy on August 24, 2017. The Duckworth Common Shares were listed for trading on the Exchange on August 24, 2017 under the symbol "DUKE.P".

The authorized share capital of Duckworth consists of an unlimited number of Duckworth Common Shares and an unlimited number of preferred shares, issuable in series. As of the date hereof, 12,050,000 Duckworth Common Shares are issued and outstanding and no preferred shares are issued and outstanding. The Duckworth Shareholders are entitled to receive notice of and attend all meetings of the Duckworth Shareholders and are entitled to one vote at such meetings, in respect of each Duckworth Common Share held. In the event of the liquidation, dissolution or winding-up of Duckworth, the Duckworth Shareholders are entitled to share ratably in the remaining assets of Duckworth.

Duckworth has no Subsidiaries except for Newco. Newco is a wholly-owned Subsidiary of Duckworth formed solely for the purpose of entering into the Business Combination Agreement and completing the Amalgamation to effect the Business Combination. Newco was incorporated under the OBCA on June 8, 2018.

### **THE BUSINESS COMBINATION**

Management of Duckworth has identified the acquisition of Goldspot as an appropriate transaction to constitute its Qualifying Transaction. It is proposed that Duckworth would indirectly acquire all of the issued and outstanding securities of Goldspot in exchange for a number of Duckworth Common Shares, options and other securities described herein.

The purchase price in connection with the Business Combination was determined pursuant to arm's length negotiations.

In connection with the Business Combination it is proposed that the Duckworth Common Shares be consolidated on the basis of the Consolidation Ratio prior to the Business Combination. Upon completion of the Consolidation, the number of Duckworth Common Shares issuable upon exercise of the outstanding Duckworth Broker Warrants will be adjusted by the Duckworth Board on the basis of the Consolidation Ratio with the exercise price to be adjusted on a basis inversely proportional to the Consolidation Ratio pursuant to the terms of the Business Combination Agreement.

On October 12, 2018, Duckworth held the Duckworth Meeting and the Duckworth Shareholders approved, among other things, the Consolidation, the Name Change and the Director Appointments. After giving effect to the Consolidation, Duckworth will have issued and outstanding 6,025,000 Duckworth Common Shares and Duckworth Broker Warrants exercisable to acquire 200,000 Duckworth Common Shares at an exercise price of \$0.20 per share, subject to minor deviation as a result of the effects of rounding at the individual securityholder's level.

Duckworth is required to complete a Qualifying Transaction with this requirement being satisfied by the Exchange issuing a Final Exchange Bulletin that evidences the Exchange’s final acceptance and the closing of the Qualifying Transaction. However, if this requirement is not met by August 24, 2019, then Duckworth’s shares will be transferred to the NEX board of the Exchange.

Except for historical issuance information and information regarding the capitalization of Duckworth as of the date of this Filing Statement and the Consolidation, information in this Filing Statement concerning the Duckworth Common Shares, including the number of Duckworth Common Shares to be issued in connection with the Business Combination and information as to the capitalization of the Resulting Issuer, are presented on a post-Consolidation basis.

In addition, the information in this Filing Statement about the number of Duckworth Common Shares and other securities to be issued in exchange for Goldspot Common Shares and other Goldspot securities on Closing assumes that no existing Goldspot Options will be exercised prior to Closing.

The Business Combination will be completed by way of the Amalgamation between Newco and Goldspot pursuant to the terms of the Business Combination Agreement, including the following:

- (a) Newco and Goldspot will amalgamate, with Amalco, the corporation to be formed as a result of the Amalgamation, continuing as a direct, wholly-owned Subsidiary of the Resulting Issuer;
- (b) Duckworth will issue pre-Consolidation Duckworth Common Shares to the Goldspot Shareholders in exchange for all Goldspot Common Shares, at the Exchange Ratio. Based on the number of Goldspot Common Shares outstanding as of the date of this Filing Statement, the aggregate number of Duckworth Common Shares to be issued is expected to be 138,950,892 on a pre-Consolidation basis and 69,475,458 on a post-Consolidation basis;
- (c) Duckworth will issue Replacement Options to the holders of Goldspot Options, in exchange for all outstanding Goldspot Options. The rate of exchange of Replacement Options for Goldspot Options shall be the Exchange Ratio. Subject to the policies of the Exchange, each Replacement Option will be issued by Duckworth under the Duckworth Stock Option Plan on substantially the same terms as the Goldspot Option it replaces (subject to appropriate adjustments to the exercise price inversely proportional to the Exchange Ratio). Based on the number of Goldspot Options outstanding as of the date of this Filing Statement, it is expected that Duckworth will issue 9,307,665 Replacement Options to the holders of Goldspot Options on a pre-Consolidation basis and 4,653,833 Replacement Options on a post-Consolidation basis.

The Business Combination is subject to certain conditions, including but not limited to the Exchange being satisfied that after completion of the Business Combination, the Resulting Issuer will satisfy the Exchange’s initial listing requirements in order to become a Tier 1 – Technology or Investment Issuer on the Exchange.

#### SELECTED FINANCIAL INFORMATION AND MD&A

Since Duckworth is a CPC, other than its IPO, its business to date has consisted solely of identifying a suitable Qualifying Transaction. Since incorporation, Duckworth has incurred costs in carrying out its IPO, in seeking, evaluating and negotiating potential Qualifying Transactions, and in meeting the disclosure obligations imposed upon it as a reporting issuer. The following tables set out selected historical financial information for Duckworth for the fiscal year ended May 31, 2018 and for the period from May 1, 2017 (the date of incorporation) to May 31, 2017. Such information is derived from and should be read in conjunction with the financial statements of Duckworth attached as Schedule “A” to this Filing Statement.

Income Statement Data	Fiscal Year Ended May 31, 2018 (Audited)	From Incorporation, (May 1, 2017) to May 31, 2017 (Audited)
Revenues	\$ --	\$ --
Total Expenses	\$86,781	\$7,500
Net Loss	\$86,781	\$7,500

<b>Balance Sheet Date</b>	<b>Fiscal Year Ended May 31, 2018 (Audited)</b>	<b>From Incorporation, (May 1, 2017) to May 31, 2017 (Audited)</b>
Cash and cash equivalents	\$640,339	\$402,500
Total Assets	\$643,827	\$412,250
Liabilities	\$32,867	\$26,000
Shareholders' equity	\$610,960	\$386,250

The cumulative operating expenses of Duckworth for the period from May 1, 2017 (the date of incorporation) to May 31, 2018, were \$94,281, and consist of the following:

<b>Expense (From Incorporation, May 1, 2017 to May 31, 2018)</b>	<b>Amount</b>
Professional fees	\$47,121
Administrative expenses	\$719
Securities and Regulatory	\$46,441
<b>Total:</b>	<b>\$94,281</b>

Duckworth continues to expect to generate negative cash flow from operating activities in the future until Duckworth commences revenue generation upon completion of the Qualifying Transaction and in accordance with the business of Goldspot.

As of May 31, 2018, Duckworth had working capital in the amount of \$610,960, has no outstanding capital commitments, and had not pledged any of its assets as security for loans, or otherwise, and was not subject to any debt covenants. Management of Duckworth believes that Duckworth has sufficient working capital to meet its anticipated financial obligations for 2018, and to pursue another Qualifying Transaction should the Business Combination not be completed.

See Schedule "B" to this Filing Statement for Duckworth's management's discussion and analysis of financial condition and result of operations for the fiscal year ended May 31, 2018.

### **DESCRIPTION OF THE SECURITIES**

Duckworth is authorized to issue an unlimited number of common shares and an unlimited number of preferred shares, issuable in series, of which, as of the date hereof, 12,050,000 Duckworth Common Shares are issued and outstanding and no preferred shares are issued and outstanding. As at the date hereof, an aggregate of 8,050,000 Duckworth Common Shares are currently held in escrow pursuant to the policies of the Exchange. After giving effect to the Consolidation, an aggregate of 6,025,000 Duckworth Common Shares will be issued and outstanding, subject to minor deviation as a result of the effects of rounding at the individual securityholder's level.

The holders of Duckworth Common Shares are entitled to dividends, if, as and when declared by the directors, to one vote per Duckworth Common Share at meetings of the Duckworth Shareholders, upon dissolution, to share equally in such assets of Duckworth as are distributable to the holders of Duckworth Common Shares.

Duckworth has also issued Duckworth Broker Warrants exercisable to acquire 400,000 Duckworth Common Shares at a price of \$0.10 per Duckworth Common Share on or before August 24, 2019.

In connection with the aforementioned options, Duckworth has reserved, in aggregate, 400,000 Duckworth Common Shares for issuance upon exercise of the Duckworth Broker Warrants. After giving effect to the Consolidation, Duckworth will have Duckworth Broker Warrants exercisable for 200,000 Duckworth Common Shares at an exercise price of \$0.20 per Duckworth Common Share.

### **OPTIONS TO PURCHASE SECURITIES OF DUCKWORTH**

Duckworth has adopted the Duckworth Stock Option Plan, which provides that the Duckworth Board may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, employees and technical consultants of Duckworth, non-transferable options to purchase Duckworth Common Shares, provided that the number of Duckworth Common Shares reserved for issuance pursuant to such options will not exceed 10% of the total number of then-issued and outstanding Duckworth Common Shares. Such Duckworth Options will be exercisable for a period of up to ten (10) years from the date of grant. The number of

Duckworth Common Shares reserved for issuance to any individual director or officer will not exceed 5% of the number of outstanding Duckworth Common Shares at the time of closing of Duckworth's IPO and the number of Duckworth Common Shares reserved for issuance to all technical consultants will not exceed 2% of the number of then outstanding Duckworth Common Shares in any 12-month period. Duckworth Options may be exercised within the greater of 12 months after completion of the Qualifying Transaction and 90 days following cessation of the optionee's position with Duckworth, provided that if the cessation of office, directorship, or technical consulting arrangement was by reason of death, the option may be exercised within a maximum period of 6 months after such death, subject to the expiry date of such option. Any Duckworth Common Shares acquired pursuant to the exercise of options prior to completion of the Qualifying Transaction must be deposited in escrow and will be subject to escrow until the Final Exchange Bulletin is issued. There are no Duckworth Options outstanding as of the date of this Filing Statement.

For more information, please see the Final Prospectus of Duckworth, dated July 28, 2017, available at [www.sedar.com](http://www.sedar.com).

### PRIOR SALES

Since the date of incorporation of Duckworth, an aggregate of 12,050,000 Duckworth Common Shares have been issued as follows (all numbers presented on a pre-Consolidation basis):

Date of Issue	Number of Duckworth Common Shares Issued	Aggregate Issue Price	Issue Price Per Duckworth Common Share	Nature of Consideration Received
May 1, 2017	1 <sup>(1)</sup>	\$0.05	\$0.05	Cash
May 25, 2017	8,049,999 <sup>(1)</sup>	\$402,499.95	\$0.05	Cash
August 24, 2017	4,000,000	\$400,000	\$0.10	Cash
<b>Total:</b>	<b>12,050,000</b>	<b>\$802,500.00<sup>(2)</sup></b>		

Notes:

- (1) All of the 8,050,000 Duckworth Common Shares issued at a price of \$0.05 are held in escrow. See "Information Concerning the Resulting Issuer – Escrowed Securities."
- (2) Before deducting the costs and expenses of Duckworth's IPO and in connection with the initial issuance of Duckworth Common Shares which in the aggregate were approximately \$81,563.

### MARKET PRICE AND TRADING VOLUME DATA

The Duckworth Common Shares have been listed and posted for trading on the Exchange since August 24, 2017. The following table sets forth certain trading information for the Duckworth Common Shares on the Exchange for the period noted below.

Period	High	Low	Trading Volume
July 2018	--	--	--
June 2018	--	--	--
May 2018	--	--	--
April 2018	--	--	--
March 2018 <sup>(1)</sup>	\$0.27	\$0.20	64,500
December 1, 2017 to February 28, 2017	\$0.32	\$0.21	171,501
September 1, 2017 to November 30, 2017	\$0.31	\$0.225	455,000
August 24, 2017 <sup>(2)</sup> to August 31, 2017	\$0.295	\$0.13	411,200

Notes:

- (1) Trading of the Duckworth Common Shares has been halted by the Exchange since March 29, 2018, upon Duckworth's announcement of the LOI.
- (2) Trading of the Duckworth Common Shares commenced on the Exchange on August 24, 2017.

### ARM'S LENGTH TRANSACTION

The proposed Qualifying Transaction described in this Filing Statement does not constitute a Non-Arm's Length Qualifying Transaction for Duckworth within the meaning of the CPC Policy.

## **LEGAL PROCEEDINGS**

Duckworth is not currently a party to any legal proceedings, nor is Duckworth currently contemplating any legal proceedings, which are material to its business. Management of Duckworth is currently not aware of any legal proceedings contemplated against Duckworth or any legal proceedings of which Duckworth's property is the subject matter.

## **AUDITOR, TRANSFER AGENT AND REGISTRAR**

### **Auditor**

The auditor for Duckworth is Manning Elliott LLP, 1030 West Georgia St., Suite 1700, Vancouver, British Columbia V6E 2Y3.

### **Transfer Agent and Registrar**

The transfer agent and registrar for the Duckworth Common Shares is Computershare Investor Services Inc., 1500 Robert-Bourassa Blvd., 7<sup>th</sup> Floor, Montréal, Québec H3A 3S8.

## **MATERIAL CONTRACTS**

Duckworth has not entered into any contracts material to investors in the Duckworth Common Shares since incorporation, and is not expected to enter into any material contracts prior to the Closing, other than contracts in the ordinary course of business, except:

- (a) the CPC Escrow Agreement dated July 28, 2017 among Duckworth, the Escrow Agent and certain Duckworth Shareholders;
- (b) the agency agreement dated July 28, 2017, between Duckworth and Haywood Securities Inc., the Agents for Duckworth's IPO;
- (c) the Transfer Agent, Registrar and Disbursing Agent Agreement dated July 5, 2017, between Duckworth and Computershare Investor Services Inc.; and
- (d) the Business Combination Agreement.

Copies of these agreements are, or will upon finalization and execution, be available for inspection, without charge, at the offices of Stewart McKelvey LLP, legal counsel to Duckworth, at Suite 900, Purdy's Wharf Tower I, 1959 Upper Water Street, Halifax, Nova Scotia B3J 3N2, at any time during ordinary business hours and until 30 days after the completion of the Business Combination.

## INFORMATION CONCERNING GOLDSPOT

### CORPORATE STRUCTURE

#### Name and Incorporation

Goldspot's full corporate name is "Goldspot Discoveries Inc./Découvertes Goldspot Inc.". Goldspot was incorporated under the Business Corporations Act (Québec) on November 9, 2016 and continued under the OBCA on May 8, 2018. Goldspot is authorized to issue an unlimited number Goldspot Common Shares of which there are currently 1,679,473 Goldspot Common Shares issued and outstanding.

#### Intercorporate Relationships

Goldspot does not currently have any subsidiaries.

### GENERAL DEVELOPMENT OF THE GOLDSPOT BUSINESS

#### History

Goldspot was formed in November 2016 for the purpose of acquiring certain intellectual property developed by a group of consultants (the "**Dataminers Team**") who had developed a proprietary technology that uses artificial intelligence and pattern recognition algorithms to analyze digital data sets of georeferenced historical exploration data. The Dataminers Team used their proprietary technology to capture second place in Integra Gold Corp.'s ("**Integra**") gold rush challenge, an incentive prize challenge where competitors were given access to 75 years of historical mining and exploration data from Integra's Sigma and Lamaque mines in Val-d'Or, Quebec for the purpose of locating geological targets at the mines. New Found Gold Inc. ("**New Found**"), a private Ontario company involved in the exploration of precious metals, had previously retained the Dataminers Team to utilize their proprietary technology to locate geological targets on its various exploration properties.

In January 2017, Goldspot completed its initial capital raise from the founding shareholders of New Found for gross proceeds of \$456,000.

In February 2017, Goldspot settled an aggregate of \$100,000 of debt through the issuance of 100,000 Goldspot Common Shares and the Dataminers Team assigned their proprietary technology to Goldspot in consideration of 118,500 Goldspot Common Shares. Goldspot entered into a service agreement with Jerritt Canyon Gold LLC to use its proprietary technology to analyse geological information to identify mineralization and drill targets with respect to the Jerritt Canyon Mine located in Elko County, Nevada.

Goldspot completed a non-brokered financing in March 2017, raising gross proceeds of \$50,000 through the issuance of 50,000 Goldspot Common Shares.

In August 2017 Goldspot commenced providing consulting services. Goldspot signed a services agreement with Compania Minera Ares S.A.C., the Peruvian division of Hochschild Mining ("**Hochschild**"), to use its proprietary technology to analyse geological information to identify mineralization and drill targets with respect to the Arcata Mine located in the Department of Arequipa, Peru.

In September 2017, Goldspot entered into a service agreement with Northern Sphere Mining Corp. to use its proprietary technology to analyse geological information to identify mineralization and drill targets with respect to the Scadding Property located in Sudbury, Ontario, and the Black Diamond property located in Arizona.

In November 2017, Goldspot entered into a service agreement with Minera Santa Cruz S.A., the Argentinean division of Hochschild, to use its proprietary technology to analyze geological information to identify mineralization and drill targets with respect to the San Jose Mine located 50 kilometers from the town of Perito Moreno in the Province of Santa Cruz, Argentina.

Goldspot completed a non-brokered financing in December 2017, raising gross proceeds of \$1,329,677 through the issuance of 279,932 Goldspot Common Shares at a price of \$4.75 per Goldspot Common Share. Goldspot settled \$48,336 of indebtedness through the issuance of 10,176 Goldspot Common Shares at a price of \$4.75 per Goldspot Common Share. In connection with the financing Hochschild was granted a pre-emptive right to maintain its 10% interest in Goldspot.

In March 2018, Goldspot signed a services agreement with McEwen Mining Inc. to use its proprietary technology to analyse geological information to identify mineralization and drill targets with respect to the Black Fox Mine located in Timmins, Ontario. Goldspot completed a non-brokered financing raising gross proceeds of \$1,561,000 through the issuance of 156,100 Goldspot Common Shares at a price of \$10.00 per Goldspot Common Share.

On April 10, 2018, Goldspot entered into the LOI with Duckworth to complete the Business Combination which would constitute Duckworth's Qualifying Transaction pursuant to the policies of the Exchange. The LOI was amended pursuant to an amending agreement dated May 10, 2018.

On June 18, 2018, Goldspot entered into the Business Combination Agreement with Duckworth.

### **Concurrent Financing**

Under the terms of the Engagement Agreement, Goldspot intends to complete a brokered private placement offering (the "**Concurrent Financing**") of 416,919 subscription receipts (each, a "**Subscription Receipt**"), at a price of \$16.55 per Subscription Receipt (the "**Offering Price**"), for the aggregate gross proceeds of a minimum of \$6,900,009 (the "**Minimum Offering**"). Goldspot has granted to the Agents, an option (the "**Over-Allotment Option**") exercisable, in whole or in part, at the sole discretion of the Agents, at any time prior to the closing of the Concurrent Financing, to arrange for the purchase of up to an additional 25% of the number of Subscription Receipts sold pursuant to the Concurrent Financing at the Offering Price. In the event the Over-Allotment Option is exercised Goldspot will issue an aggregate of 453,173 Subscription Receipts at the Offering Price for gross proceeds of \$7,500,013 (the "**Maximum Offering**").

Each Subscription Receipt will be automatically exchangeable, without additional payment of additional consideration, into Goldspot Common Shares on the basis of one (1) Goldspot Common Share for each Subscription Receipt, pursuant to the terms of a subscription receipt agreement (the "**Subscription Receipt Agreement**") to be entered into on the closing date of the Concurrent Financing, between Goldspot, the Agents and an escrow agent to be agreed to by Goldspot and the Agents. The Subscription Receipt Agreement will provide for the exchange of the Subscription Receipt, without additional payments, into Goldspot Common Shares, upon the occurrence of certain events, including without limitation, the completion of the Business Combination and the subsequent listing of the Resulting Issuer on the Exchange.

In connection with the Concurrent Financing, Goldspot has agreed to pay the Agents a cash commission equal to 8% of the gross proceeds from the Concurrent Financing, subject to a reduced commission of 4% for certain subscribers on a President's List of Goldspot (which is capped at a maximum of \$2,000,000 of subscription proceeds), and issue compensation warrants exercisable (the "**Compensation Warrants**") equal to 8% of the number of Subscription Receipts sold under the Concurrent Financing, subject to a reduced percentage of 4% for certain subscribers on the President's List of Goldspot. Each Compensation Warrant shall entitle the Agents to acquire one Goldspot Common Share at the Offering Price for a period of twelve months from the closing of the Concurrent Financing. For additional details regarding the Concurrent Financing, see "*Information Concerning Goldspot - Narrative Description of the Goldspot Business – Concurrent Financing*").

In consideration of the services rendered by the Agents in connection with the Business Combination, Canaccord Genuity Corp. will receive from Goldspot a fee of \$100,000 payable as to \$50,000 in cash and 3,021 Goldspot Common Shares (the equivalent of \$50,000).

Under the Business Combination, the Goldspot Shareholders resulting from the Concurrent Financing will receive pre-Consolidation Duckworth Common Shares in exchange for their Goldspot Common Shares and the Agents will receive Replacement Warrants in exchange for its Compensation Warrants, on the basis of the Exchange Ratio, as described elsewhere in this Filing Statement.

## **NARRATIVE DESCRIPTION OF THE GOLDSPOT BUSINESS**

### **General**

Goldspot is developing a proprietary technology which uses artificial intelligence ("AI") and pattern recognition algorithms to analyze digital data sets of compiled georeferenced historical exploration data, including, geological, geochemical, geophysical and structural data, as well as digital elevation models to increase efficiencies and success rates in resource exploration and investment. The company combines proprietary technology with traditional domain expertise, offering a front-to-back service solution to its partners. Goldspot's solutions target big data problems,

making full use of historically unutilized geological data to gain deeper understanding of a resource property's potential.

The ownership and protection of Goldspot's intellectual property rights is a significant aspect of Goldspot's future success. Currently, Goldspot relies on trade secrets, technical know-how and proprietary information to protect its intellectual property. Goldspot also attempts to protect its intellectual property by entering into confidentiality agreements with parties that have access to it, such as business partners, collaborators, employees and consultants. Any of these parties may breach these agreements and Goldspot may not have adequate remedies for any specific breach. In addition, Goldspot's trade secrets and technical know-how, which are not protected by patents, may otherwise become known to or be independently developed by competitors, in which event Goldspot's business, financial condition and results of operation could be materially affected. In addition, Goldspot filed an application with the Canadian Intellectual Property Office of Canada for a trademark registration of the Goldspot name, design and services.

## Market Overview

According to an SNL Metals and Mining report from July 2016, in the past twenty years, exploration spending for gold peaked in 2012 at US\$6.1 billion. In the subsequent years, only four gold deposits were discovered, compared to an average of ten per year leading up to 2012. Less capital is being deployed in mineral exploration, and deposits are getting harder to find.

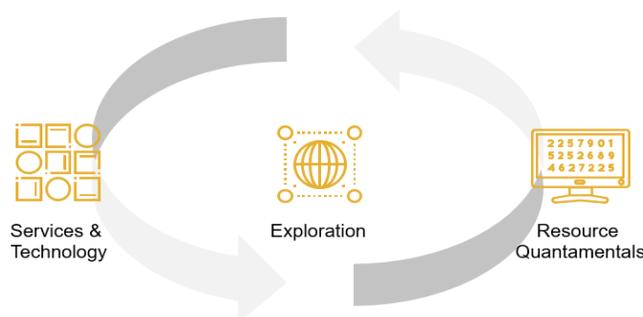
Traditionally, "boot-and-hammer" prospecting has always been an important part of mineral exploration. Prospectors look for trace amounts of minerals, favourable rock types and for alteration that may have been caused by mineralizing solutions. The majority of previous discoveries to date have been shallow ore bodies with geological surface expressions found by prospectors.

Management believes that future discoveries will be deeper ore bodies that are more complex in nature, hidden by overburden and other geologically complex environments. Drilling for deeper ore bodies is prohibitively expensive, and management believes this will necessitate the use of new technologies that can assist in discovering these concealed deposits, while mitigating risk, saving time and reducing costs.

In addition, mineral exploration involves detailed analysis of geology, structure, geochemistry, and geophysics, all of which contain many subsets, to recognize patterns and relationships to identify geological targets. There is an overwhelming amount of data, which can be analysed more efficiently with modern technology.

Management believes that the large amount of georeferenced data will necessitate a shift in mining exploration from traditional "boot and hammer" geology to big data analysis and machine learning ("ML"). Big data are data sets so large and complex that conventional processing applications are inadequate to deal with them. ML involves the creation of algorithms that can learn from and make predictions from big data, overcoming strictly static program instructions, basically giving computers the ability to learn without being explicitly programmed. Management believes that ML algorithms will allow users to produce reliable, repeatable decisions and results and uncover "hidden insights" through learning from historical relationships and trends in the data.

Goldspot plans on utilizing these "hidden insights" to revolutionize mineral exploration and the investment decision process. The workflow created is a disruptive service to help both geologists and investors with the decision-making process and to significantly decrease risk, while increasing the efficiency and success rate of mineral exploration.



Goldspot's core business is focused on commercialising its proprietary technology. Management has identified three verticals in the mining and investment industry: providing consulting services; the acquisition, exploration and development of mineral properties and mineral royalties; and the development of an AI driven trading platform.

### Consulting Services

Goldspot's core technical team is made up of the Dataminers Team that placed second in the Integra gold rush challenge held in March 2016. The challenge centred on Integra's Lamaque Mine, located just east of Val-d'Or, on the eastern tip of the prolific Abitibi Gold Belt. The Lamaque Mine first opened in 1935, and remained in production for 50 years, processing more than 24 million tons of ore and 4.5 million ounces of gold, before being shuttered in 1985 due to labour unrest and low gold prices. In October 2014, Integra Gold purchased the land, permits and infrastructure of the Lamaque and Sigma mines out of bankruptcy. In addition to the Lamaque and Sigma Mines, the acquisition included over 75 years of mining data. Due to the volume of data Integra decided to make the data room to the public and allow anyone to delineate targets for them. The team with the "best" targets would be awarded \$1 million.

The Dataminers Team, comprised of three Masters students and three PhD candidates, used an innovative, geological and geostatistical workflow, both knowledge and data-driven, to analyse the historical geological data, based on four steps:

1. data extraction and refinement;
2. three-dimensional (3D) geological modelling;
3. multi-component statistical analysis; and
4. identification and validation of targets.

This approach was combined with the use of conventional exploration vectors, stemming from up-to-date deposit type metallogenic knowledge, and a data-driven approach using statistical evaluation of exploration vectors and machine learning algorithms. The method involved the combination of geological modeling with the random forest regression algorithm, which studies spatial relationships between numerous primary variables, and generates spatially continuous predictions for potential mineralization. The Dataminers Team was able to delineate three distinct, high-potential, high-confidence exploration targets for the Lamaque and Sigma mines, which could be tested with a limited number of drill holes and, in the long-term, potentially become new major gold resources.

Using this proprietary technology Goldspot's consulting division targets companies with substantial amounts of geoscience data. In order for the machine learning algorithm to be effective, large amounts of reliable data are needed. Usually, this involves properties that have advanced through several steps in the mineral exploration cycle.

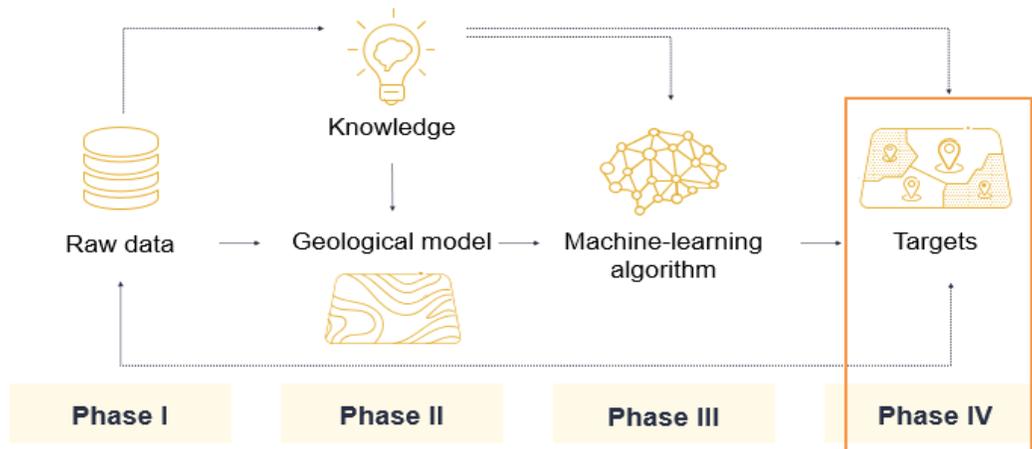
The Exploration Cycle:

- **Geological exploration** – Understanding regional geography is the starting point, initial data is interpreted through cross sections and geologic maps. Other important variables to consider include the chemical composition of the igneous rock, host rock, wall rock, gangue mineral and secondary mineral. Other variables to consider is geochronology, structural controls, physiography, weathering and ore mineralogy.
- **Geophysical exploration** – Once an area is singled out, explorers will employ geophysical tools, paired with more basic methods to identify potential anomalies. These tools are often employed in tandem to identify anomalies, which can be overlaid to identify potential targets for further investigation. The most commonly used methods include: magnetic and gravity, resistivity and induced polarization ("IP"), and electromagnetic ("EM").
- **Geochemical exploration** – With potential targets determined, actual samples from the area are collected to see if specific elements are contained, used as indication that the sample was in contact with a deposit. Geochemical exploration normally involves an explorer on the ground looking for unusual rock, soil, and vegetative effects. Once samples are collected they are sent off to a lab to be analyzed for abnormal concentrations of elements or hydrocarbons.

- **Trenching** – After interpreting the results thus far, trenches are used to see more a complete picture of the rock, which include the width and mineral character of the ore when it is at the surface. Heavy equipment is used to remove surface soil and expose the bedrock. Trenches are further excavated or blasted to expose mineralized zones for sampling and testing.
- **Drilling** – Drill targets will depend on numerous factors, but the most important are typically the size, orientation, and distribution of minerals of the ore target. These targets are identified based on the accumulation of all the initial work, as discussed previously; the more work that has been conducted, the better the grasp of the theoretical ore deposit tends to be. This can translate into more efficient and economic drilling; it also gives explorers the ability to aim for more promising targets, which can result in more funding for subsequent programs. Drill core is extracted from the ground and sent to an assay lab for examination for an analysis of the targeted minerals, as well as an accessory mineralization.

After each step, more and more data are collected which results in further refined targets. If only regional data is available, Goldspot will only be able to deduce regional or 2D prospectivity targets, which can cover numerous square kilometers. However, as the data becomes more refined and localized, Goldspot can begin delineating targets on a 3D basis. As more data is collected along the exploration cycle, the more localized the targets can be.

When contracted, Goldspot approaches each project in four phases:



**Phase I** – reviewing the literature on the study area and the selected mineral system(s); extracting and refining the available data;

**Phase II** – the creation of accurate and sophisticated geological, structural and mineralization models; determining which of variables that best represent the geological features that influence the location of gold deposits (exploration vectors);

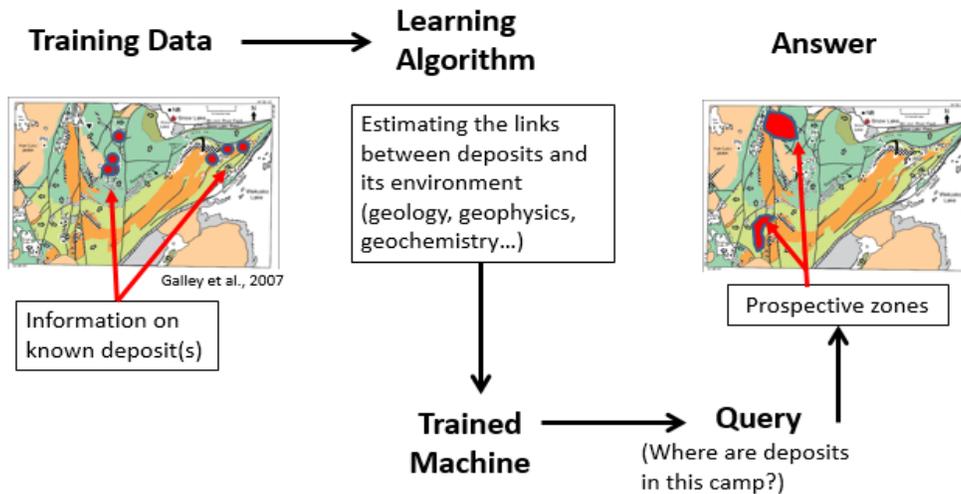
**Phase III** – geostatistical analysis of these variables and building a prediction model using an ML algorithm; and

**Phase IV** – identifying targets and validating them.

Phases I and II require the most time and labour and require the expertise and knowledge of a geologist.

The eventual outcome of phases I and II, is the training set, or the dataset used to teach the algorithm to predict the prospectivity of minerals. The machine learning algorithm does not replace the geologist. A highly-trained technical team is still needed to collect and control the data; understand the geology; determine the parameters; and interpret the predictions.

The end-result is a circular workflow that provides a cost-effective and efficient data processing and target-generation routine.



### Initial Results

Initial test of Goldspot’s proprietary technology involved a prospectivity map prepared by the Dataminers Team for three areas in the Abitibi Greenstone Belt in Quebec. These areas were chosen primarily because there was a great deal of data available and there were enough deposits that could be removed from the training set to see if the algorithm would be able to identify geological anomalies on its own. This is an essential step in the blind-test: to confirm the functionality of the ML algorithm developed and to identify mineralization targets already known based on available data.

For the blind-test, 20% of existing gold deposits were removed during the training of the algorithm. When queried, the trained machine was still able to identify 80% of the omitted deposits. It also identified 86% of all existing deposits, but only needed 4% of the total surface to do so.

In machine learning, a precision score is the fraction of retrieved instances that are relevant, while the recall score is the fraction of relevant instances that are retrieved. Precision and recall scores are often used together in the F1 Score for a single measurement of a system, with higher percentages indicating more positive results. In the initial test, the F1 scores for Goldspot’s algorithms of the three areas were, 97.7%, 95.45%, and 96.55%. In addition, the Goldspot algorithm identified 82,200 hectares that had a prospectivity score of higher than 0.99%, 6,000 of which were staked by Goldspot.

To date Goldspot has provided consulting services to four mining companies generating revenue of \$452,508 from the commencement of consulting activities in August of 2017, and \$379,200 during the three-month period ended March 31, 2018.

### Acquisitions, Exploration and Development of Mineral Properties

In addition to providing consulting services Goldspot has used its proprietary technology to identify prospective mineral exploration properties for the purpose of acquisition, exploration and development.

To date, Goldspot has staked 3,184 hectares in Senneterre, 3,366 hectares in Authier-Nord, 1,332 hectares in Taschereau, and 8,168 hectares in Duparquet. Goldspot plans to conduct basic exploration reconnaissance on these properties, including small-scale mapping and ground magnetics. Goldspot plans on using its proprietary information to produce prospectivity maps to locate prospective mineral properties to be staked. Goldspot will perform basic exploration on the properties it stakes and, based on the initial results, will determine to perform additional exploration or option the property.

Goldspot is currently constructing a prospectivity map for the Ontario side of the Abitibi Belt. With the advent of online staking, management will be able to stake properties based on targets generated by the prospectivity maps.

As a result, management believes that the acquisition of properties will require minimal capital investment and offers significant upside from the sale or option of these properties for shares and/or a royalty. Once initial reconnaissance has been performed, Goldspot will make the decision to either explore more or begin the option/JV process.

## **Investing**

The development of Quantamental analysis is the combination of two types of investment strategies, quantitative and fundamental.

Quantitative analysis refers to the economic, business or financial analysis that looks to understand and predict the behavior of stocks through the use of mathematical, calculations, statistical modeling and research. As technology has advanced, quantitative analysis has incorporated computer models and large amounts of current and historical data, and machine learning/artificial intelligence algorithms to predict the future prices of securities by looking at historically recurring patterns that look similar to current situations.

Fundamental analysis is a method of evaluating a security by attempting to calculate its intrinsic value, done so by examining economic, financial and other qualitative and quantitative factors. Practitioners study anything that can affect a security's value, including the economy, industry conditions, company data, and company management. The end goal of fundamental analysis is to calculate a value that can be compared to the security's current price, thus indicating whether the security is undervalued or overvalued.

Quantitative investing generally uses complex algorithms, powerful computer systems and large amounts of data to invest in marketable securities. Fundamental investing uses analysis based on the bottoms up fundamentals of a company. It's an approach that the most famous value investors utilize, ie. Warren Buffett.

Management believes that Quantamental investing strategies have never been applied to mining.

Goldspot advantage will centre on utilizing geologic-specific data as one of its data sources. One such layer is all the drill data produced and released by companies as assays become available.

An algorithm would be able to immediately relate the depth, length and grade, with hundreds of other variables, including directorships, the ability to raise funds, insider buying, market data, and all financial data:

Goldspot plans on training a trading algorithm with all relevant geological and quantitative data dating back to the inception of the TSX Venture. Once trained, the algorithm will be back-tested, eventually to go live and constantly updated with 'live' data. 'Buy' and 'sell' signals will then be reviewed and analyzed with fundamental analysis for the purpose of actionable conclusions.

## **Division Synergies**

All three verticals of Goldspot revolve around the use of AI and ML, but with different objectives. However, each vertical generates different data sets which can be utilized by the other divisions, strengthening the overall training set for the ML process, resulting in better results.

## **Competition**

There are currently few companies with products that directly compete with Goldspot's business, however, there are a number of companies attempting to use AI to analyze georeferenced data, such as the following:

**Minerva Intelligence** – is headquartered in Toronto, ON, and in the initial stages of development. The company has worked with the Yukon Government to generate a prospectivity map to identify exploration targets and to simulate mineral exploration in the territory. It appears that Minerva Intelligence is in the process of going public in July-October 2018.

**Albert Mining** –Albert Mining has offices in Brossard, Québec and Ottawa, Ontario. It acquired the CARDS system from Diagnos Inc. in May 2017. Albert Mining is engaged in the acquisition, exploration and development of mineral properties in Québec with the aim of discovering commercially exploitable deposits of minerals (primarily base metals, precious metals and lithium). The Company also offers services using its 2D/3D CARDS system using AI and datamining. CARDS uses the latest AI and pattern recognition algorithms to analyze digital data sets of compiled

georeferenced historical exploration data, including geological, geochemical, geophysical, and structural data, as well as digital elevation (DEM).

**Beak Consultants GmbH** – is an independent consulting company located in Freiberg, Germany. The company provide services in business, education, research and administration a broad range of planning, research and development services in geosciences, environmental and intellectual technology sector. Beak owns advangeo, a prediction software that adds value to big data using artificial neural networks and GIS for the prediction of spatial events and phenomena like probability of geo-hazards or location of mineral deposits. The applied hybrid approach by Beak combines strengths of both data-driven and knowledge-based predictive mapping using Beak’s advangeo Software. Their success is the result of a 10-year-on-going development of the artificial neural network-based software at Beak and the deep understanding of the respective exploration models by Beak’s geologists.

In addition to these service providers some of the major gold companies are either considering the use of AI and ML in their operations or currently testing the use of AI and ML with respect to their businesses. For example, Goldcorp Inc. has established a relationship with IBM with respect to Watson, IBM’s deep ML computer system. To date the progress of the relationship has been slow. Management believes that Goldspot is n an emerging market sector where few competitors currently operate. However, the market is rapidly evolving, being transformed by disruptive AI innovations, and management expects competition to increase in the future.

Management believes the following are the most important competitive attributes in Goldspot’s targeted market segment:

- Breadth, depth, and completeness of offering;
- Effectiveness and innovation of technologies, systems and R&D priorities;
- Credibility with international, top-tier customers;
- Ease of development and integration;
- Global reach; and
- Ability to deploy and regularly adapt state-of-the-art AI capabilities.

Management believes that Goldspot completes favourably based on the attributes listed above, and that no specific competitor currently offers comprehensive, integrated capabilities comparable to what Goldspot has created. It is possible that large technology companies which have longer operating histories, significantly grater financial, marketing, distribution, or other resources, and greater name recognition, could become interested in the developing AI and ML to analyze geological data and devote significant resources to becoming a competitor of Goldspot.

Management believes that Goldspot’s team of skilled geologists and developers, as well as its proprietary customized AI software constitutes a core competitive advantage and a high barrier to entry. Management of Goldspot believes it will take substantial time and cost for competitors that may seek to enter Goldspot’s markets to accumulate a comparable team of experts, and develop and fine tune their AI-based algorithms.

## SELECTED FINANCIAL INFORMATION AND MD&A OF GOLDSPOT

### Summary Information

The following table sets out selected historical financial information for Goldspot the year ended December 31, 2017 and for the period from incorporation (November 9, 2016) to December 31, 2016 and for the six-month interim period ended June 30, 2018. Such information is derived from and should be read in conjunction with the financial statements of Goldspot attached as Schedule “C” to this Filing Statement.

	<b>6-months Ended June 30, 2018 (Unaudited)</b>	<b>Year Ended December 31, 2017 (Audited)</b>	<b>From Incorporation (November 9, 2016) to December 31, 2016</b>
<b>Total Revenues</b>	\$598,800	\$452,508	\$ --
<b>Net Income (Loss)</b>	\$(476,319)	\$(493,729)	\$(41,064)
<b>Total Liabilities</b>	\$6,265	\$57,830	\$59,377
<b>Total Assets</b>	\$2,887,717	\$1,626,906	\$18,414

## Management’s Discussion and Analysis of Financial Condition and Results of Operations

See Schedule “D” to this Filing Statement for Goldspot’s management’s discussion and analysis of financial condition and results of operations for the year ended December 31, 2017 and for the period from incorporation (November 9, 2016) to December 31, 2016 and for the six-month interim period ended June 30, 2018 and comparative interim period.

### DESCRIPTION OF SECURITIES

Goldspot is authorized to issue an unlimited number of common shares, of which 1,679,473 Goldspot Common Shares are issued and outstanding as fully paid and non-assessable as at the date hereof. In addition 112,500 Goldspot Common Shares are reserved for issuance upon the exercise of the Goldspot Options. The Goldspot Options vest as to 10% on February 1, 2019, an additional 15% on February 1, 2020, an additional 20% on February 1, 2021, an additional 25% on February 1, 2022 and the balance on February 1, 2023.

Other than the issued and outstanding Goldspot Common Shares and the Goldspot Common Shares issuable upon the conversion or exercise of the Goldspot Options, no other securities of Goldspot are issued and outstanding.

### CONSOLIDATED CAPITALIZATION

Designation of Security	Amount Authorized	Amount Outstanding as of June 30, 2018	Amount Outstanding as of the date hereof
Common Shares	Unlimited	1,679,473	1,679,473

Goldspot’s deficit as at December 31, 2017 and June 30, 2018 was (\$534,793) and (\$1,011,112) respectively, and its shareholders’ equity was \$1,569,076 and \$2,881,452, respectively.

Goldspot also has outstanding the Goldspot Options described above in “*Description of Securities*”.

### PRIOR SALES

The following were the sales and issuances of securities by Goldspot in the past 12 months preceding the date of this Filing Statement.

Date	Number and Type of Securities	Issue Price	Aggregate Proceeds	Nature of Consideration Received
December 18, 2017	279,932 Goldspot Common Shares	\$4.75	\$1,329,677	Cash
December 19, 2017	10,176 Goldspot Common Shares	\$4.75	\$48,336	Conversion of Debt
January 14, 2018	1,255 Goldspot Common Shares	\$4.75	\$5,961	Shares for Services pursuant to Consulting Agreement
March 28, 2018	118,600 Goldspot Common Shares	\$10.00	\$1,118,600	Cash
April 12, 2018	37,500 Goldspot Common Shares	\$10.00	\$375,000	Cash
April 14, 2018	1,255 Goldspot Common Shares	\$10.00	\$12,550	Shares for Services pursuant to Consulting Agreement

### EXECUTIVE COMPENSATION

#### Overview

This compensation discussion and analysis describes and explains the policies and practices of Goldspot with respect to the compensation of the Goldspot Named Executives. The Goldspot Named Executives are comprised of: (i) Denis Laviolette, Goldspot’s President and Chief Executive Officer; and (ii) Binh Quach, Goldspot’s Chief Financial Officer; No other individual received total compensation from Goldspot in excess of \$150,000 during its most recently completed financial year.

Goldspot's executive compensation program is designed to provide short and long-term rewards to the Goldspot Named Executives that are consistent with individual and corporate performance and their contribution to Goldspot's short and long-term objectives. The objectives of Goldspot with respect to compensation of executive officers are to provide compensation levels necessary to attract and retain high quality executives and to motivate key executives to contribute to the interests of Goldspot. These objectives are to be met by the principal components of the Goldspot's executive compensation program, which has been focused on a combination of base compensation, bonus remuneration and long-term incentives in the form of stock options.

## Compensation Components

### Base Salaries

Base salary is reflective of responsibilities and annual increases should, at a minimum, reflect inflationary pressures and changes in duties. At the date of hire, base salary is determined using a number of factors including industry comparators and relevant experience and is set out in the employment agreement. Annual increases are determined based upon reference to data on compensation levels of executives in comparable companies as well as the annual performance evaluation and underlying economic circumstances.

### Annual Incentive Compensation and Benefits

Cash bonuses are awarded to recognize the achievement of annual corporate objectives and to recognize contributions that enhance the intrinsic value of Goldspot. Benefits commensurate with those paid to senior officers of companies of similar size and scope to Goldspot are paid to Goldspot's executive officers.

The annual incentive plan is a cash performance plan under which a payment is made to executives following the end of Goldspot's fiscal year, based on the achievement of established corporate and individual goals and objectives.

### Long Term Incentives and Stock Options

The long-term component of compensation for executive officers, including the Goldspot Named Executives, is based on stock options. This component of compensation is intended to reinforce management's commitment to long term improvements in Goldspot's performance.

The following table sets out the compensation for the Goldspot Named Executives for the years ended December 31, 2017 and the period from November 9, 2016 (date of incorporation) to December 31, 2016:

Name and Principal Position	Fiscal Year	Salary (\$)	Share-Based Awards (\$)	Option-Based Awards (\$) <sup>(1)</sup>	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long-Term Incentive Plans <sup>(1)</sup>			
Denis Laviolette President & CEO	2016 2017	Nil \$50,000	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil \$50,000
Binh Quach Chief Financial Officer	2016 2017	Nil \$23,000	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil \$23,000

Notes:

(1) "Long Term Incentive Plan" means any plan that provides compensation intended to motivate performance to occur over a period greater than one fiscal year, but does not include option or share-based awards.

## Incentive Plan Awards

Goldspot has adopted the Goldspot Stock Option Plan for the benefit of its employees, directors, officers and consultants. The Goldspot Stock Option Plan was established to (i) support the achievement of Goldspot's performance objectives; and (ii) ensure that interests of key persons are aligned with the success of Goldspot.

The Goldspot Stock Option Plan is administered by the Goldspot Board, or if the directors so delegate, by a committee of the Goldspot Board.

Pursuant to the Goldspot Stock Option Plan, 112,500 Goldspot Common Shares have been reserved for issuance to the Goldspot Stock Option Plan participants. Options granted under the Goldspot Stock Option Plan are non-transferable and are vested based on the sole determination of the administrator of the Goldspot Stock Option Plan at the time they are granted. The administrator of the Goldspot Stock Option Plan will, at the time the Goldspot Option is granted, determine the date or dates upon which a Goldspot Option will expire, which date cannot be greater than ten (10) years from the date of the grant of the Goldspot Option. On the expiry of a Goldspot Option, the Goldspot Option will be void and of no effect.

### **Outstanding Share-Based Awards and Option-Based Awards**

No share-based awards or option-based awards were granted by Goldspot to the Goldspot Named Executives for the period from November 9, 2016 (the date of incorporation) to December 31, 2017.

### **Incentive Plan Awards – Value Vested or Earned During the Year**

During the fiscal year ended December 31, 2017, no incentive plan awards were issued or vested.

### **Executive Employment Contracts**

Denis Laviolette serves as Goldspot's President and Chief Executive Officer. He entered into an employment contract with Goldspot effective January 1, 2018. Pursuant to the contract, Mr. Laviolette currently receives a base salary of \$10,000 per month and annual discretionary bonus. The term of the contract is indefinite, though either party can terminate the contract with certain periods of advance notice. The contract includes an 18-month non-solicitation clause. Upon a change of control of Goldspot coupled with the occurrence of any one of the following events, Mr. Laviolette is entitled to a lump sum payment equal to \$60,000 and an additional \$10,000 for each year that Mr. Laviolette has provided services to Goldspot under the agreement, including: (a) an adverse change in any of the duties, powers, rights, discretion, prestige, salary, benefits or perquisites of Mr. Laviolette; (b) a diminution in Mr. Laviolette's title; (c) a change in position or body to whom Mr. Laviolette reports; and (d) a change in the hours or location at which Mr. Laviolette is required to perform the services.

Binh Quach serves as Goldspot's Chief Financial Officer. He entered into an employment contract with Goldspot effective January 1, 2018. Pursuant to the contract, Mr. Quach currently receives a base salary of \$5,000 per month and annual discretionary bonus. The term of the contract is indefinite, though either party can terminate the contract with certain periods of advance notice. The contract includes an 18-month non-solicitation clause. Upon a change of control of Goldspot coupled with the occurrence of any one of the following events, Mr. Quach is entitled to a lump sum payment equal to \$30,000 and an additional \$5,000 for each year that Mr. Quach has provided services to Goldspot under the agreement, including: (a) an adverse change in any of the duties, powers, rights, discretion, prestige, salary, benefits or perquisites of Mr. Laviolette; (b) a diminution in Mr. Quach's title; (c) a change in position or body to whom Mr. Quach reports; and (d) a change in the hours or location at which Mr. Quach is required to perform the services.

## **LEGAL PROCEEDINGS**

Except as disclosed in this Filing Statement, management of Goldspot is not aware of any material pending or threatened proceedings.

## **NON-ARM'S LENGTH TRANSACTIONS**

Since the date of incorporation of Goldspot, it has not acquired any assets or services from (i) any director, officer or promoter of Goldspot; (ii) any party disclosed in this Filing Statement as a principal securityholder; or (iii) an Associate or Affiliate of any of the persons or companies referred to in section (i) or (ii), other than the following:

1. the subscription by: (a) Collin Kettell for 36,000 Goldspot Common Shares; (b) Palisade Global Investments Inc. for 175,000 Goldspot Common Shares; and (c) ThreeD Capital Inc. for 135,000 Common Shares pursuant to a private placement completed in January 2017 at a price of \$1.00 per Goldspot Common Share for aggregate proceeds of \$346,000;
2. the subscription by: (a) Cejay Kim for 25,000 Goldspot Common Shares; (b) Denis Laviolette for 40,000 Goldspot Common Shares; (c) Binh Quach for 10,000 Goldspot Common Shares; and (d) Palisade Global Investments Inc. for 10,000 Goldspot Common Shares; pursuant to a private placement completed in February 2017 at a price of \$1.00 per Goldspot Common Share for aggregate proceeds of \$85,000;

3. the issuance to Vincent Dubé-Bourgeois of:
- (a) 29,625 Goldspot Common Shares in February 2017 as consideration for the assignment of IP at a deemed price of \$1.00 per Goldspot Common Share;
  - (b) 5,925 Goldspot Common Shares in December 2017 as consideration for consulting services provided to Goldspot at a deemed price of \$1.00 per Goldspot Common Share;
  - (c) 10,000 Goldspot Common Shares at a price of \$1.00 per Goldspot Share pursuant to a private placement of Goldspot Shares completed in February 2017; and
  - (d) 5,088 Goldspot Common Shares in December 2017 as consideration for a settlement of indebtedness in the amount of \$24,168 at a deemed price of \$4.75 per Goldspot Common Share;

#### **MATERIAL CONTRACTS**

The following is a list of each material contract of Goldspot, other than contracts entered into in the ordinary course of business, that were entered into since the date of incorporation of Goldspot:

- (a) the Business Combination Agreement; and
- (b) the Engagement Agreement.

Copies of the contracts may be inspected, without charge, during business hours at the offices of Irwin Lowy LLP, Suite 400, 365 Bay Street, Toronto, Ontario M5H 2V1 until the date of closing of the Business Combination and for a period of thirty (30) days thereafter.

## INFORMATION CONCERNING THE RESULTING ISSUER

Information contained in this part is forward-looking in nature and assumes completion of the Business Combination. See “*Notice Concerning Forward-Looking Statements*”.

### CORPORATE STRUCTURE

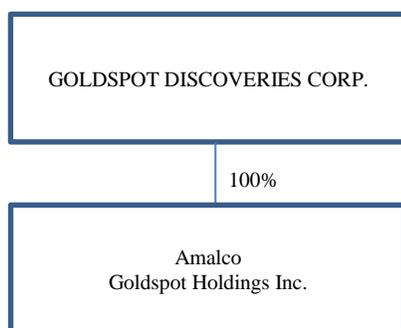
#### Name and Incorporation

The corporate name of the Resulting Issuer is expected to be “Goldspot Discoveries Corp.”, or such similar name as may be approved by the Duckworth Board, in its discretion, and accepted by the Exchange. The Resulting Issuer will be a corporation incorporated under the CBCA. The Resulting Issuer’s head and registered office address will be 69 Yonge Street, Suite 1010, Toronto, Ontario M5E 1K3.

#### Intercorporate Relationships

Following closing of the Business Combination, Amalco, a corporation amalgamated under the OBCA, will be a wholly-owned Subsidiary of the Resulting Issuer.

The following chart is an illustration of the organizational structure of Goldspot.



### NARRATIVE DESCRIPTION OF THE BUSINESS

The Resulting Issuer will be a holding company holding all of the outstanding shares of Amalco as its wholly-owned Subsidiary. Amalco will be the operating company continuing to carry on the Goldspot Business described above under “*Information Concerning Goldspot Discoveries Inc. – Narrative Description of the Goldspot Business*”.

The primary objectives the Resulting Issuer hopes to achieve in the next twelve months with its available funds is to:

- continue its program of client acquisition and providing consulting services to existing and new clients;
- continue staking and acquiring additional mineral properties;
- continue the development of its Quantamental investment platform and, upon completion, deploy the platform;
- continue R&D of its AI and ML algorithms for the purpose of refining its offering to clients.

See “*Information Concerning Goldspot Discoveries Inc. – Narrative Description of the Goldspot Business*” and “*Information Concerning The Resulting Issuer – Available Funds and Principal Purposes*”.

### DESCRIPTION OF SECURITIES

The authorized share capital of the Resulting Issuer will consist of an unlimited number of Resulting Issuer Common Shares. In connection with the Business Combination it is proposed that the Duckworth Common Shares be consolidated on the basis of the Consolidation Ratio. Duckworth plans to hold the Duckworth Meeting at which the Duckworth Shareholders will be asked to consider, and if thought appropriate, approve, among other things, the Consolidation. Except for historical issuance information and information regarding the capitalization of Duckworth as of the date of this Filing Statement and the Consolidation, information in this Filing Statement concerning the Duckworth Common Shares, including the number of Resulting Issuer Common Shares to be issued

in connection with the Business Combination and information as to the capitalization of the Resulting Issuer, are presented on a post-Consolidation basis.

The holders of Resulting Issuer Common Shares will be entitled to dividends, if, as and when declared by the directors, to one vote per Resulting Issuer Common Share at meetings of the Shareholders of the Resulting Issuer, upon dissolution, to share equally in such assets of the Resulting Issuer as are distributable to the holders of Resulting Issuer Common Shares.

## PRO FORMA CONSOLIDATED CAPITALIZATION

### Pro Forma Consolidated Capitalization

The following table sets out the pro forma capitalization of the Resulting Issuer prior to and after giving effect to the Business Combination. This table should be read in conjunction with the pro forma financial statement for the Resulting Issuer included in this Filing Statement.

Designation of Security	Amount Authorized	After Giving Effect to the Business Combination	After Giving Effect to the Business Combination and Consolidation
		Amount Outstanding	Amount Outstanding
Common Shares	Unlimited	151,000,892	69,475,458
Stock Options	10% of Resulting Issuer Shares	9,307,665	4,653,833

### Fully Diluted Share Capital

The following table sets out the fully diluted share capital of the Resulting Issuer after giving effect to the Business Combination:

	Resulting Issuer Common Shares after giving effect to the Business Combination, the Consolidation completion of the Minimum Offering and assuming satisfaction of the Escrow Release Conditions	Resulting Issuer Common Shares after giving effect to the Business Combination, the Consolidation completion of the Maximum Offering and assuming satisfaction of the Escrow Release Conditions
Resulting Issuer Common Shares held by former Duckworth Shareholders (on a post-Consolidation basis)	6,025,000 (6.1%)	6,025,000 (6.0%)
Resulting Issuer Common Shares held by former Goldspot Shareholders	69,475,458 (70.2%)	69,475,458 (69.1%)
Resulting Issuer Common Shares reserved for issuance pursuant to Resulting Issuer Broker Warrants issued in replacement of Broker Warrants (on a post-Consolidation basis)	200,000 (0.2%)	200,000 (0.2%)
Resulting Issuer Common Shares reserved for issuance pursuant to Replacement Options issued in replacement of Goldspot Options	4,653,833 (4.7%)	4,653,833 (4.6%)
Resulting Issuer Common Shares reserved for issuance pursuant to the Concurrent Financing	17,246,859 (17.4%)	18,746,593 (18.6%)
Resulting Issuer Common Shares reserved for issuance pursuant to Compensation Warrant	1,375,749 (1.4%)	1,499,728 (1.5%)
<b>Total Number of Diluted Securities</b>	<b>98,976,899 (100%)</b>	<b>100,600,612 (100%)</b>

## AVAILABLE FUNDS AND PRINCIPAL PURPOSES

### Funds Available

The table below sets forth the estimated total funds available to the Resulting Issuer upon completion of the Business Combination.

Purpose	Assumes Completion of Concurrent Financing	Assumes Completion of Concurrent Financing and Exercise of Over-Allotment Option
Estimated working capital of Duckworth as of Sept. 30, 2018	\$570,410	\$570,410
Estimated working capital of Goldspot as of Sept. 30, 2018	\$2,275,000	\$2,275,000
Gross Proceeds of Concurrent Financing	\$6,900,009	\$7,500,013
Estimated to be utilized by Duckworth to Closing	(\$25,000)	(\$25,000)
Estimated to be utilized by Goldspot to Closing	(\$174,600)	(\$174,600)
Estimated costs of the Business Combination (e.g. professional, Exchange fees, Agent's expenses, etc.)	(\$350,000)	(\$350,000)
<b>Estimated available funds:</b>	<b>\$9,196,419</b>	<b>\$9,796,423</b>

Notes:

- (1) Assumes completion of the Concurrent Financing for gross proceeds of \$6,900,009.  
 (2) Assumes completion of the Concurrent Financing and exercise of the Over-Allotment Option for gross proceeds of \$7,500,013.

### Dividends

It is not anticipated that the Resulting Issuer will pay any cash dividends in the foreseeable future. It is expected that the Resulting Issuer will use its earnings to finance further business development. Any future determination to pay dividends will be at the discretion of the Resulting Issuer Board and will depend on, among other things, the Resulting Issuer's results of operations, current and anticipated cash requirements and surplus, financial condition, contractual restrictions and financing agreement covenants, solvency tests imposed by corporate law and other factors that the Resulting Issuer Board may deem relevant. Apart from those imposed by statute, there are no restrictions on the Resulting Issuer's ability to pay dividends.

### Principal Purpose of Funds

The table below sets forth the principal purposes for which the estimated funds available to the Resulting Issuer upon completion of the Business Combination will be used for the next 18 months. The following are estimates only – there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary. It is difficult at this time to definitively project the total funds necessary to effect the planned undertakings of the Resulting Issuer, and as such management considers it to be in the best interest of the Resulting Issuer and its shareholders to permit management a reasonable degree of flexibility as to how the Resulting Issuer's funds are employed among the below uses or for other purposes, if and when the need arises.

Purpose	Assumes Completion of Concurrent Financing <sup>(1)</sup>	Assumes Completion of Concurrent Financing and Exercise of Over-Allotment Option <sup>(2)</sup>
<b>Estimated Available Funds</b>	<b>\$9,196,419</b>	<b>\$9,796,423</b>
Agent's commission	\$552,000	\$600,000
Legal Fees in connection with Concurrent Financing	\$190,000	\$190,000
Field Testing on Mineral Properties	\$250,000	\$350,000
Consulting Fees	\$2,204,082	\$2,345,210
Office Rent	\$144,000	\$144,000
Travel Expenses	\$240,000	\$320,000
Research and Development	\$4,616,337	\$4,647,213
Investment Capital to Test Quantamental Platform	\$800,000	\$1,000,000
<b>Unallocated Working Capital</b>	<b>\$200,000</b>	<b>\$200,000</b>

Notes:

- (1) Assumes completion of the Concurrent Financing for gross proceeds of \$6,900,009.  
 (2) Assumes completion of the Concurrent Financing and exercise of the Over-Allotment Option for gross proceeds of \$7,500,013.

## PRINCIPAL SECURITYHOLDERS

To the knowledge of the directors and senior officers of each of Duckworth and Goldspot, as of the date hereof, no shareholder is anticipated to own of record or beneficially, directly or indirectly, or exercise control or direction over, more than 10% of any class of voting securities of the Resulting Issuer after giving effect to the Business Combination, other than as set forth below:

Name and Municipality of Residence of Securityholder	Type of Ownership	After Giving Effect to the Business Combination and Completion of Minimum Offering <sup>(1)</sup>		After Giving Effect to the Business Combination and Completion of Maximum Offering <sup>(1)</sup>	
		Number of Resulting Issuer Common Shares Beneficially Owned or Controlled	Number of Resulting Issuer Common Shares Beneficially Owned or Controlled	Number of Resulting Issuer Common Shares Beneficially Owned or Controlled	Number of Resulting Issuer Common Shares Beneficially Owned or Controlled
Palisade Global Investments Ltd. Belize City, Belize	Of Record	14,892,267 <sup>(2)</sup>	16.1%	14,892,267 <sup>(2)</sup>	15.8%
ThreeD Capital Inc. <sup>(3)</sup> Toronto, Ontario	Of Record	11,479,456 <sup>(3)</sup>	12.4%	11,479,456 <sup>(3)</sup>	12.2%

Notes:

(1) Assumes completion of the Consolidation.

(2) Mr. Collin Kettell, a proposed officer of the Resulting Issuer, has control and direction over the securities held by Palisade Global Investments Ltd.

(3) Mr. Sheldon Inwentash, a proposed director of the Resulting Issuer, has control and direction over the securities held by ThreeD Capital Inc.

## DIRECTORS AND OFFICERS

### Name, Address, Occupation and Security Holdings

Following completion of the Business Combination the following will be the directors and senior officers of the Resulting Issuer:

Name and Municipality of Residence	Position/Offices to be Held	Principal Occupation During Past 5 years	Number of Resulting Issuer Common Shares Beneficially Owned or Controlled after giving effect to the Business Combination	Percentage of Resulting Issuer Common Shares Beneficially Owned or Controlled after giving effect to the Business Combination
Denis Laviolette Toronto, Ontario	President, CEO and Director	President and Chief Executive Officer of Goldspot since November 9, 2016, and President and Chief Executive Officer of New Found Gold Corp., a gold focused exploration company, since June 2016. Prior thereto, Vice-President of Investments of ThreeD Capital Inc., a venture capital investment firm from June, 2015 to June, 2016, and, prior thereto, Chief Mining Analyst from November, 2013 to June, 2015.	2,482,045	3.3%
Binh Quach Mississauga, Ontario	Chief Financial Officer	Controller of ThreeD Capital Inc., a venture capital investment firm.	827,348	1.1%

Name and Municipality of Residence	Position/Offices to be Held	Principal Occupation During Past 5 years	Number of Resulting Issuer Common Shares Beneficially Owned or Controlled after giving effect to the Business Combination	Percentage of Resulting Issuer Common Shares Beneficially Owned or Controlled after giving effect to the Business Combination
Collin Kettell Puerto Rico	Chairman	Chief Executive Officer of Palisades Global Investments Ltd., an investment company.	2,978,453	3.9%
Vincent Dubé-Bourgeois Verdun, Québec	Chief Operating Officer and Director	Chief Operation Officer of Goldspot since November 2016. Prior thereto a senior geological assistant at the Ontario Geological Survey from May 2014 to September 2014 and, prior thereto, a Survey assistant at the Ontario Geological Survey from May 2013 to September 2013.	2,094,762	2.8%
Ramón Barúa Lima, Peru	Director	Chief Financial Officer of Hothchild Mining PLC, a mining company.	Nil	Nil
Cejay Kim Calgary, Alberta	Vice-President Corporate Development and Director	Chief Investment Officer of Palisades Global Investments Ltd., as investment company from June 2015 to present, prior thereto associate at ReQuest Equity, an investment company from January 2015 to June 2015.	1,509,911	2.0%
Sheldon Inwentash Toronto, Ontario	Director	Chairman and Chief Executive Officer of ThreeD Capital Inc., a venture capital investment firm.	Nil	Nil
Lisa McCormack Acton, Ontario	Corporate Secretary	Corporate Securities Law Clerk with Irwin Lowy LLP from August 2006 to present. Corporate Secretary of Barkerville Gold Mines Ltd. from April 2015 to August 2017, Corporate Secretary of Kerr Mines Inc. from December 2013 to July 2016, Vice-President, Legal of Northern Gold Mining Inc. from October 2012 to June 2013, Corporate Secretary of Trelawney Mining and Exploration Inc. from January 2011 to June 2012.	Nil	Nil

Note:

- (1) Mr. Kettell is a director and officer of Palisade Global Investments Ltd. and upon completion of the Business Combination Mr. Kettle will have control and direction over 17,870,720 Resulting Issuer Shares, representing 18.9% of the Resulting Issuer Shares.
- (2) Mr. Inwentash is a director, Chairman and Chief Executive Officer of ThreeD Capital Inc. and upon completion of the Business Combination Mr. Inwentash will have control and direction over 11,479,456 Resulting Issuer Shares, representing 15.2% of the Resulting Issuer Shares.

It is anticipated that prior to Closing one additional independent director will be appointed to the board of directors of the Resulting Issuer.

Assuming completion of the Business Combination, the proposed directors and officers of the Resulting Issuer will beneficially own, directly or indirectly, or exercise control or direction over, an aggregate of 35,264,241 Common Shares, representing approximately 38% of the issued and outstanding Common Shares of the Resulting Issuer.

#### **Audit Committee**

The Resulting Issuer's audit committee is expected to be re-constituted following completion of the Business Combination, such that the audit committee will be chaired by Mr. Barúa, with Messrs. Inwentash and Kettell as the other members.

#### **Management and Director Information**

The following are brief résumés of the proposed directors and officers of the Resulting Issuer. Each member of senior management devote a majority of their business hours to their respective duties to the company, and their respective employment agreements will also provide for customary non-disclosure and non-competition obligations. The non-management directors of the Resulting Issuer will not work full time for the Resulting Issuer but will devote such time as is required in connection with their duties.

##### ***Denis Laviolette - Chief Executive Officer, President and Director (age: 33)***

Mr. Laviolette has over 10 years of experience in exploration, mine operations and capital markets. He has worked in Northern Ontario (Timmins, Kirkland Lake and Red Lake), Norway and Ghana, and he was responsible for a diverse array of responsibilities including grass roots exploration, start-up mine management, and advanced mine operations. Mr. Laviolette worked as a Mining Analyst with Pinetree Capital Ltd. and now serves as a Mining Analyst and VP of Corporate Development for ThreeD Capital Inc. He is also the President of New Found Gold Corp. and Director of Xtra-Gold Resources Corp., Northern Sphere Mining Corp., and Tartisan Nickel Corp. Mr. Laviolette has a BSc Earth Sciences (Geology) from Brock University.

It is expected that Mr. Laviolette will be an employee, and devote 100% of his working time to the Resulting Issuer. Mr. Laviolette has entered into a consult and services agreement with Goldspot containing confidentiality and non-solicitation provisions and is expected to enter into such an agreement with the Resulting Issuer.

##### ***Collin Kettell – Chairman (age: 27)***

Mr. Kettell is the Principal and co-founder of Palisade Global Investments and is involved with AuEx Ventures Inc. and the Long Canyon deposit, a project ultimately acquired by Newmont Mining Corporation for \$2.2B. Mr. Kettell is also co-founder and Chief Executive Officer of New Found Gold Corp., a gold focused exploration company.

##### ***Vincent Dubé-Bourgeois - Chief Operating Officer and Director (age: 28)***

Mr. Dubé-Bourgeois worked for the Ontario Geological Survey (OGS) and Noront Resources Ltd., wherein he led the MSc project which consisted of describing and interpreting the geochemistry and geodynamic setting of the volcanic rocks hosting the gold-rich VMS Lalor deposit in Snow Lake, Manitoba. Mr. Dubé-Bourgeois holds a BSc in Geology from the University of Ottawa.

It is expected that Mr. Dubé-Bourgeois will be an employee and devote 30% of his working time to the affairs of the Resulting Issuer. Mr. Dubé-Bourgeois has entered into a consulting services agreement with Goldspot which contains non-disclosure/confidentiality and non-solicitation provisions and is expected to enter into a similar agreement with the Resulting Issuer.

##### ***Ramón Barúa – Director (age: 45)***

Mr. Barúa is currently the Chief Financial Officer of Hochschild Mining plc. He was previously the Chief Executive Officer of Fosfatos del Pacifico, a mining project in northern Peru owned by Cementos Pacasmayo, an associate company of the Hochschild Group. During 2008, Mr. Barúa was the General Manager for Hochschild Mining's Mexican operations, having previously worked as Deputy CEO and CFO of Cementos Pacasmayo. Prior to joining Hochschild, Mr. Barúa was a Vice President of Debt Capital Markets with Deutsche Bank in New York for four years

and a sales analyst with Banco Santander in Peru. Mr. Barúa is an economics graduate from Universidad de Lima and holds an MBA from Columbia Business School.

***Cejay Kim - VP Corporate Development and Director (age: 35)***

Mr. Kim is the Chief Investment Officer of Palisade Global Investments. He previously served in a senior capacity at ReQuest Equities, a merchant bank in the junior resource sector supported by the KCR Fund, a \$100 million venture backed by Marin Katusa, Doug Casey, and Rick Rule. Mr. Kim holds a BA in Economics from the University of Calgary, MBA in Global Asset and Wealth Management from Simon Fraser University, is a CFA charterholder, and is a member of the Calgary CFA Society.

It is expected that Mr. Kim will be an employee and devote 30% of his working time to the affairs of the Resulting Issuer. Mr. Kim has entered into a consulting services agreement with Goldspot which contains non-disclosure/confidentiality and non-solicitation provisions and is expected to enter into a similar agreement with the Resulting Issuer.

***Binh Quach - Chief Financial Officer (age: 43)***

Mr. Quach is an operational and financial manager with 20 years of experience. He has broad experience in all aspects of accounting, financial, and corporate management, both public and private. Mr. Quach is a member in good standing with the Chartered Professional Accountants of Canada and Ontario, with an Honours Bachelor of Accounting from Brock University. He is currently the CFO of New Found Gold Corp. and the Controller of ThreeD Capital Inc.

It is expected that Mr. Quach will be an employee and devote 30% of his working time to the affairs of the Resulting Issuer. Mr. Quach has entered into a consulting services agreement with Goldspot which contains non-disclosure/confidentiality and non-solicitation provisions and is expected to enter into a similar agreement with the Resulting Issuer.

***Sheldon Inwentash – Director (age: 62)***

Mr. Inwentash has over 30 years of investing experience in the resource, biotech and technology sectors. Mr. Inwentash is the Founder, Chairman and CEO of ThreeD Capital Inc. Through two decades leading Pinetree Capital Ltd., Mr. Inwentash created significant shareholder value through early investments including Queenston Mining Inc. (acquired by Osisko Mining Corporation for \$550-million), Aurelian Resources Inc. (acquired by Kinross Gold Corporation for \$1.2-billion) and Gold Eagle Mines Ltd. (acquired by Goldcorp Inc. for \$1.5-billion). Mr. Inwentash holds a BComm from the University of Toronto and is a Chartered Professional Accountant. Mr. Inwentash also holds an honorary degree, Doctor of Laws (LL.D) from the University of Toronto.

***Lisa McCormack – Corporate Secretary (age: 40)***

Ms. McCormack has been a Corporate Securities Law Clerk with Irwin Lowy LLP from August 2006 to December 2010 and from September 20, 2013 to present. Ms. McCormack was also Corporate Secretary of Barkerville Gold Mines Ltd. from April 2015 to August 2017. Prior thereto Ms. McCormack served as Corporate Secretary of Kerr Mines Inc. from December 2013 to July 2016, Vice-President, Legal of Northern Gold Mining Inc. from October 2012 to June 2013, Corporate Secretary of Trelawney Mining and Exploration Inc. from January 2011 to June 2012. Ms. McCormack has also serves as a director and/or officer of several reporting issuer and publicly listed companies

**Corporate Cease Trade Orders or Bankruptcies**

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

### ***Sheldon Inwentash***

Mr. Inwentash served as director of Pinetree Capital Ltd. (“**Pinetree**”) from March 2001 to January 2015. Pinetree held over 10% of the securities of the following issuers which were subject the cease trade orders detailed below:

- (a) Kirrin Resources Inc. (“**Kirrin**”) is subject to cease trade orders issued by the British Columbia Securities Commission (the “**BCSC**”) and the Alberta Securities Commission (the “**ASC**”) on May 8, 2013, resulting from a failure to file its annual financial statements and management discussion and analysis for the year ended December 31, 2012. The cease trade orders issued against Kirrin remain in effect as of the date of this Filing Statement;
- (b) Pacific Comox Resources Ltd. (“**Pacific Comox**”) is subject to cease trade orders issued by the BCSC on March 7, 2014 and the ASC on June 6, 2014, resulting from a failure to file its annual financial statements and management discussion and analysis for the year ended October 31, 2013. The cease trade orders issued against Pacific Comox remain in effect as of the date of this Filing Statement;
- (c) Landdrill International Inc. (“**Landdrill**”) is subject to cease trade orders issued by the New Brunswick Securities Commission on October 12, 2012, the BCSC on October 15, 2012 and the ASC on January 11, 2013, resulting from a failure to file its annual financial statements and management discussion and analysis for the year ended June 30, 2012. The cease trade orders issued against Landdrill remain in effect as of the date of this Filing Statement; and
- (d) Caldera Resources Inc. (“**Caldera**”) is subject to cease trade orders issued by the BCSC on May 8, 2013, l’Autorité des marchés financiers du Québec on May 21, 2013, the Ontario Securities Commission on May 24, 2013 and the ASC on August 21, 2013, resulting from a failure to file its annual financial statements and management discussion and analysis for the year ended December 31, 2012. The cease trade orders issued against Caldera remain in effect as of the date of this Filing Statement.

### **Penalties or Sanctions**

No director, officer or Promoter of the Resulting Issuer, or shareholder holding a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by any securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or has been subject to any other penalties or sanctions imposed by a court or regulatory body or self-regulatory authority that would be likely to be considered important to a reasonable securityholder making a decision about the Business Combination.

### **Personal Bankruptcies**

No director, officer or Promoter of the Resulting Issuer, or shareholder holding a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, or personal holding company of any such persons, has within the past ten years, as applicable, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets.

### **Conflicts of Interest**

There may be potential conflicts of interest to which some of the directors, officers and Insiders of the Resulting Issuer will be subject in connection with the operations of the Resulting Issuer. Some of the directors, officers and Insiders may have been engaged in, are engaged in or will continue to be engaged in corporations or businesses which may be in competition with those of the Resulting Issuer. Accordingly, situations may arise where some or all of the directors, officers and Insiders of the Resulting Issuer will be in direct competition with the Resulting Issuer. Conflicts, if any, will be subject to the procedures and remedies as provided under the OBCA. See “*Summary of the Filing Statement - Risk Factors*”.

### **Other Reporting Issuer Experience**

The following table sets out the proposed directors and officers of the Resulting Issuer that are, or have been within the last five (5) years, directors or officers of other reporting issuers.

Name	Name of Reporting Issuer	Name of Exchange or Market	Position	From	To
Denis Laviolette	Xtra-Gold Resources Corp.	TSX	Director	June 2015	Present
	Northern Sphere Mining Corp.	CSE	Director	August 2015	May 2018
	Tartisan Nickle Corp.	CSE	Director	April 2016	Present
	Gratomic Inc.	TSXV	Director	December 2017	Present
Binh Quach	Mooncor Oil & Gas Corp.	TSXV	Director	November 10, 2016	Present
Ramon Barua	Hochschild Mining PLC	London Stock Exchange	CFO	June 2010	Present
Sheldon Inwentash	Gratomic Inc.	TSXV	Director	April 2017	Present
	ThreeD Capital Inc.	CNSX	Director	May 2002	Present
	Mesa Exploration Inc.	TSXV	Director	November 2009	January 2015
	Copper Mesa Mining Corporation	TSXV	Director	November 2009	January 2015
	Potash Ridge Corporation	TSXV	Director	December 2012	January 2015
	REBgold Corporation	TSXV	Director	April 2010	January 2014
	ValGold Resources Ltd.	TSXV	Director	July 2008	January 2015
	Black Mammoth Metals Corporation	TSXV	Director	October 2010	January 2014
	Western Troy Capital Resources Inc.	TSXV	Director	April 2007	February 2014
	Valencia Ventures Inc.	TSXV	Director	April 2007	January 2014
	Sendero Mining Corp.	TSXV	Director	July 2013	February 2014
	Bear Lake Gold Ltd.	TSXV	Director	June 2009	January 2014
	Gold Canyon Resources Inc.	TSXV	Director	April 2010	December 2014
	Encore Energy Corp.	TSXV	Director	April 2011	May 2014
	Santa Fe Metals Corporation	TSXV	Director	May 2009	February 2014
	Newport Exploration Ltd.	TSXV	Director	May 2009	January 2014
	Chemistree Technology Inc.	CNSX	Director	April 2010	January 2014
	Sparton Resources Inc.	TSXV	Director	April 2010	January 2014
	Troilus Gold Corp.	TSXV	Director	March 2013	January 2015
	Battle Mountain Gold Inc.	TSXV	Director	October 2009	May 2014
	Pure Gold Mining Inc.	TSXV	Director	January 2013	March 2014
	U3O8 Corp.	TSX	Director	October 2009	October 2014
	Coro Mining Corp.	TSX	Director	December 2013	October 2014
	Pinetree Capital Ltd.	TSX	Director	March 2001	January 2015
	Mega Uranium Ltd.	TSX	Director	January 2002	March 2015
	Mega Precious Metals Inc.	TSXV	Director	July 2002	January 2015
	Global Cannabis Applications Corp.	CNSX	Director	November 2017	March 2018
	Anthem Resources Inc.	TSXV	Director	April 2011	January 2014
	Parallel Mining Corp.	TSXV	Director	February 2012	February 2014
	Canterra Minerals Corporation	TSXV	Director	December 2011	January 2014
	Central Iron Ore Limited	TSXV	Director	May 2011	April 2014
	Nortec Minerals Corp	TSXV	Director	March 2007	February 2014
	Saint Jean Carbon Inc.	TSXV	Director	April 2007	January 2014
	Kirrin Resources Inc.	TSXV	Director	March 2010	January 2015
	Evolving Gold Corp.	CNSX	Director	August 2013	March 2014
	Imagin Medical Inc.	CNSX	Director	August 2010	February 2014
	Norvista	TSXV	Director	March 2009	June 2014
	Northern Lion Gold Corp.	TSXV	Director	November 2011	February 2014
	Midasco Capital Corp.	TSXV	Director	April 2010	February 2014
	Mooncor Oil & Gas Corp.	TSXV	Director	April 2010 March 2014	January 2014 January 2015
	Macarthur Minerals Limited	TSXV	Director	June 2007	January 2015
	Galileo Exploration Ltd.	TSXV	Director	July 2007	February 2014
Terreno Resources Corp.	TSXV	Director	November 2007	January 2015	
Manitex Capital Inc.	TSXV	Director	August 2014	January 2015	
Bayswater Uranium Corporation	TSXV	Director	January 2014	August 2014	
August Industries	TSXV	Director	March 2008	January 2015	

Name	Name of Reporting Issuer	Name of Exchange or Market	Position	From	To
	Argentum Silver Corp.	TSXV	Director	February 2011	April 2014
	African Queen Mines Ltd.	TSXV	Director	August 2011	March 2014
	Pacific Comox Resources Ltd.	TSXV	Director	July 2010	January 2015
	AirlQ Inc.	TSXV	Director	May 2011	February 2014
	Redstar Gold Corp	TSXV	Director	May 2007	April 2014
	Pacific Bay Minerals Ltd	TSXV	Director	November 2010	February 2014
	Black Bull Resources Inc.	TSXV	Director	June 2007	January 2015
	Kingsmen Resources Ltd	TSXV	Director	May 2011	January 2014
	Landdrill International Inc.	TSXV	Director	June 2007	January 2015
	Silver Spruce Resources Inc.	TSXV	Director	December 2009	February 2014
	Orocco Resource Corp	TSXV	Director	July 2011	January 2014
	Caracara Silver Inc.	TSXV	Director	April 2012	January 2015
	First Energy Metals Limited	TSXV	Director	November 2010	January 2014
	African Gold Group Inc.	TSXV	Director	September 2009	October 2014
	AurCrest Gold Inc	TSXV	Director	December 2010	February 2014
	ZipLocal Inc	TSXV	Director	December 2007	August 2017
	NexGen Energy Ltd	TSX	Director	April 2013	March 2015
	Canada Coal Inc	TSXV	Director	March 2014	March 2014
	EnerDynamic Hybrid Technologies Inc.	TSXV	Director	September 2014	January 2015
	Canntub Therapeutics Limited	TSXV	Director	April 2018	June 2018
	Desert Mountain Energy Corp.	TSXV	Director	August 2011	March 2014
	Darwin Resources Corp.	TSXV	Director	April 2012	February 2014
	Ashanti Sankofa Inc	TSXV	Director	May 2009	February 2014
	Adira Energy	TSXV	Director	July 2013	February 2014
	Caldera Resources Inc	TSXV	Director	January 2010	January 2015
	Aldershot Resources Ltd.	TSXV	Director	June 2009	February 2014
	Unigold Inc	TSXV	Director	November 2011	May 2014
	Golden Tag Resources Inc	TSXV	Director	December 2010	April 2014
	Fieldex Exploration Inc.	TSXV	Director	October 2009	February 2014
	Happy Creek Minerals Ltd.	TSXV	Director	May 2007	February 2014
	Waymar Resources Ltd.	TSXV	Director	April 2012	July 2014
	Strategic Resources Inc	TSXV	Director	May 2007	March 2014
	Crown Mining Corp.	TSXV	Director	August 2010	February 2014
	Dios Exploration Inc	TSXV	Director	May 2007	March 2014
	Diagnos Inc	TSXV	Director	November 2009	April 2014
	Peeks Social Ltd	TSXV	Director	April 2010	April 2015
	Canadian Orebodies Inc	TSXV	Director	February 2011	November 2014
	Leonovus Inc	TSXV	Director	August 2013	January 2015
	Latin American Minerals Inc.	TSXV	Director	September 2008	January 2015
	Integra Gold Corp.	TSXV	Director	October 2013	October 2014
	Santana Resources Inc	TSXV	Director	January 2011	December 2014
	Northern Sphere Mining Inc.	CNSX	Director	December 2016	March 2018
	Canada Carbon Inc.	TSXV	Director	April 2010	February 2014
	War Eagle Mining Company Inc.	TSXV	Director	December 2012	June 2014
Lisa McCormack	Schyan Exploration Inc.	N/A	Director, CEO & President	June 2018	Sept. 2018
	Royal Standard Minerals Inc.	OTC	Director	March 2018	Present
	Ateba Resources Inc.	N/A	Director, President, CEO & Secretary	August 2017	Present
	Barkerville Gold Mines Ltd.	TSXV	Corporate Secretary	April 2015	August 2017
	Kerr Mines Inc.	TSX	Corporate Secretary	October 2013	June 2016
	Integra Resources Inc.	CSE	Director	January 2017	March 2018

Name	Name of Reporting Issuer	Name of Exchange or Market	Position	From	To
	Airesurf Networks Holdings Inc.	CSE	Director	June 2014	October 2016
	Wamco Technology Group Inc.	N/A	Director, President & Secretary	July 2015	February 2018
	Caza Gold Corp.	TSXV	Director & CEO	July 2017	June 2018

## STATEMENT OF EXECUTIVE COMPENSATION

### Compensation Discussion and Analysis

This compensation discussion and analysis describes and explains the proposed policies and practices of the Resulting Issuer with respect to the compensation of its executive officers.

#### Overview

The Resulting Issuer's proposed executive compensation program will be designed to provide short and long-term rewards to its executive officers that are consistent with individual and corporate performance and their contribution to the Resulting Issuer's short and long-term objectives. The objectives of the Resulting Issuer with respect to compensation of executive officers will be to provide compensation levels necessary to attract and retain high quality executives and to motivate key executives to contribute to the interests of the Resulting Issuer. These objectives are intended to be met by the principal components of the Resulting Issuer's proposed executive compensation program, which will be focused on a combination of base compensation, bonus remuneration and long term incentives in the form of stock options.

It is expected that management, the members of the Compensation Committee of the Resulting Issuer, and the Resulting Issuer Board will each rely on their concurrent and past experiences and collective knowledge of both public and private companies. Generally, determinations as to executive compensation are expected to be based, ultimately, on (i) informal discussion among Resulting Issuer Board members and management, (ii) negotiation with the executive in question and (iii) a view to what is in the best interests of the Resulting Issuer and its various stakeholders. Periodically, the Compensation Committee of the Resulting Issuer or the Resulting Issuer Board may seek and receive professional advice from external independent compensation experts with respect to the compensation levels for the Resulting Issuer's executive officers.

### Compensation Components

#### *Base Salaries*

Base salary will be reflective of responsibilities and annual increases should, at a minimum, reflect inflationary pressures and changes in duties. At the date of hire, base salary will be determined using a number of factors including industry comparators and relevant experience and is set out in the employment agreement. Annual increases will be determined based upon reference to data on compensation levels of executives in comparable companies as well as the annual performance evaluation and underlying economic circumstances.

#### *Annual Incentive Compensation and Benefits*

Cash bonuses may be awarded to recognize the achievement of annual corporate objectives and to recognize contributions that enhance the intrinsic value of the Resulting Issuer. It is anticipated that benefits commensurate with those paid to senior officers of companies of similar size and scope to the Resulting Issuer will be paid to its executive officers.

The annual incentive plan will be a cash performance plan under which a payment is made to executives following the end of the Resulting Issuer's fiscal year, based on the achievement of established corporate and individual goals and objectives. It is anticipated that the annual objectives of the Resulting Issuer will be presented to the Compensation Committee of the Resulting Issuer or the Resulting Issuer Board at the relevant time followed by periodic updates. Following the completion of the fiscal year, it is anticipated that an evaluation of corporate performance versus objectives would be undertaken and the Resulting Issuer Board, on recommendation from the

Compensation Committee as applicable, would then be expected to have final approval of the amounts paid to the Chief Executive Officer and his direct reports under the annual incentive plan.

### ***Long Term Incentives and Stock Options***

The long-term component of compensation for executive officers is expected to continue to be based on stock options. This component of compensation is intended to reinforce management’s commitment to long term improvements in the Resulting Issuer’s performance.

The stock option plan of the Resulting Issuer may include initial option grants upon hire and executives may be eligible for an annual award of stock options. An initial grant of options could occur at the initial hire date for each executive which is proportionate to annual base salary. Thereafter, options could be granted on an annual basis based upon guidelines set by the Compensation Committee of the Resulting Issuer or the Resulting Issuer Board. The annual option grants for the executive officers of the Resulting Issuer are expected to be determined by the Compensation Committee of the Resulting Issuer or the Resulting Issuer Board based upon pre-determined guidelines. Annual option awards would be made during the first quarter of the fiscal year following the completion of the annual audit and the determination of financial performance for the preceding year. The amount of options previously granted to an executive is not expected to be a factor in determining the amount of the annual option award.

Following closing of the Business Combination, the Resulting Issuer does not anticipate other forms of compensation. However, the Resulting Issuer may in the future evaluate alternatives or additional programs which would be enacted with the objective of providing key employees with short and long term incentives through employee retention and performance bonuses.

### **Summary Compensation Table**

Upon completion of the Business Combination, the Resulting Issuer will have two executive officers. The following table sets forth the proposed compensation for the President and Chief Executive Officer, and the Chief Financial Officer for the 12 month period following the completion of the Business Combination:

Name and Principal Position	Salary (\$)	Share-Based Awards (\$)	Option-Based Awards (\$)	Non-Equity Incentive		Pension Value (\$)	All Other Compensation (\$) <sup>(3)</sup>	Total Compensation (\$)
				Annual Incentive Plans	Long-Term Incentive Plans <sup>(3)</sup>			
Denis Laviolette President & CEO	\$50,000	Nil	\$148,922 <sup>(1)</sup>	Nil	Nil	Nil	Nil	\$198,922
Binh Quach Chief Financial Officer	\$23,000	Nil	\$99,282 <sup>(2)</sup>	Nil	Nil	Nil	Nil	\$122,282

*Notes:*

- (1) *The Assumes stock options are issued to Mr. Laviolette pursuant to the Resulting Issuer Stock Option Plan, entitling him to purchase 620,511 Resulting Issuer Shares at an exercise price of \$0.24, on or before February 1, 2025.*
- (2) *Assumes stock options are issued to Mr. Quach pursuant to the Resulting Issuer Stock Option Plan, entitling him to purchase 413,674 Resulting Issuer Shares at an exercise price of \$0.24, on or before February 1, 2025.*
- (3) *“Long Term Incentive Plan” means any plan that provides compensation intended to motivate performance to occur over a period greater than one fiscal year, but does not include option or share-based awards.*

However, the actual award amounts, if any, will be determined by the Resulting Issuer Board.

### **Employment Agreements**

In connection with the closing of the Business Combination, each of the executive officers listed in the table above will enter into employment agreements with the Resulting Issuer similar to those that the parties have with Goldspot. See “*Information Concerning Goldspot – Executive Compensation – Executive Employment Contracts*”.

### **Compensation of Directors**

It is anticipated that the directors of the Resulting Issuer will not be paid fees for their services. However, the amounts of such fees will be determined in the discretion of the Resulting Issuer Board following completion of the Qualifying Transaction.

It is also expected that the Resulting Issuer will grant stock options to directors in recognition of their service as directors of the Resulting Issuer. The actual timing, amounts, terms (including exercise price and vesting terms) of these future option-based awards will similarly be considered and determined in the discretion of the Resulting Issuer Board following completion of the Qualifying Transaction.

### **Insurance Coverage for Directors and Officers and Indemnification**

The Resulting Issuer will obtain a directors' and officers' liability insurance policy, which will cover corporate indemnification of directors and officers and individual directors and officers of the Resulting Issuer in certain circumstances. In addition, the Resulting Issuer will enter into indemnification agreements with its directors and officers for liabilities and costs in respect of any action or suit against them in connection with the execution of their duties, subject to customary limitations prescribed by applicable law.

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

None of the officers or directors of Duckworth or Goldspot and none of the proposed directors or officers of the Resulting Issuer, have been indebted to either Duckworth or Goldspot at any time during the most recently completed fiscal year of Duckworth or Goldspot, as applicable, nor has Duckworth or Goldspot guaranteed or otherwise supported the indebtedness of any such person during that period.

### **INVESTOR RELATIONS ARRANGEMENTS**

Goldspot has not entered into any written or oral agreement or understanding with any person to provide any promotional or investor relations services for the Resulting Issuer or its securities or to engage in activities for the purpose of stabilizing the market. Any such agreement or understanding that may be entered into following the Closing will be at the determination of the Board.

### **OPTIONS TO PURCHASE SECURITIES**

#### **Options to Purchase Securities**

The tables below, arranged by identifiable groups of individuals, set forth the options granted under the Goldspot Stock Option Plan that will be held upon completion of the Business Combination pursuant to the Resulting Issuer Stock Option Plan on a post-Consolidation basis.

#### ***Proposed Officers and Directors of the Resulting Issuer***

<b>Optionee</b>	<b>Date of Grant</b>	<b>Securities Under Options Granted (#)</b>	<b>Exercise of Base Price (\$/Security)</b>	<b>Market Value of Securities Underlying Options on the Date of Grant<sup>(2)</sup> (\$/Security)</b>	<b>Expiration Date</b>
Denis Laviolette President, Chief Executive Officer & Director	Feb. 1, 2018 <sup>(1)</sup>	620,511	\$0.24	\$148,922	Feb. 1, 2025
Binh Quach Chief Financial Officer	Feb. 1, 2018 <sup>(1)</sup>	413,674	\$0.24	\$99,282	Feb. 1, 2025
Cejay Kim VP, Corporate Development & Director	Feb. 1, 2018 <sup>(1)</sup>	413,674	\$0.24	\$499,282	Feb. 1, 2025
Vincent Dubé- Bourgeois Chief Operating Officer & Director	Feb. 1, 2018 <sup>(1)</sup>	413,674	\$0.24	\$499,282	Feb. 1, 2025

*Notes:*

- (1) Options vest as to 10% on February 1, 2018, an additional 15% on February 1, 2020, and additional 25% on February 1, 2022 and the balance on February 1, 2023.
- (2) Assuming a price of \$0.24 per Resulting Issuer Common Share, on a post-Consolidation basis, based on the price of \$10 per Goldspot Common Share issued pursuant to a private placement offering completed in March 2018 at a price of \$10 per Goldspot Common Share.

### ***Other Employees of the Resulting Issuer***

<b>Optionee</b>	<b>Date of Grant</b>	<b>Securities Under Options Granted (#)</b>	<b>Exercise of Base Price (\$/Security)</b>	<b>Market Value of Securities Underlying Options on the Date of Grant (\$/Security)<sup>(3)</sup></b>	<b>Expiration Date</b>
Other Employees	Feb. 1, 2018 <sup>(1)</sup>	1,861,533	\$0.24	\$446,768	Feb. 1, 2025
Other Employees	Sept. 1, 2018 <sup>(2)</sup>	930,766	\$0.40	\$372,306	Sept. 1, 2025

Notes:

- (1) *Options vest as to 10% on February 1, 2019, an additional 15% on February 1, 2020, an additional 20% on February 1, 2021, an additional 25% on February 1, 2022 and the balance on February 1, 2023.*
- (2) *Options vest as to 10% on September 1, 2019, an additional 15% on September 1, 2020, an additional 20% on September 1, 2021, an additional 25% on September 1, 2022 and the balance on September 1, 2023.*
- (3) *Assuming a price of \$10 per Resulting Issuer Common Share based on the price of \$10 per Goldspot Common Share issued pursuant to a private placement offering completed in March 2018 at a price of \$10 per Goldspot Common Share.*

### **Additional Options to Purchase Securities**

The table below sets forth additional securities exercisable to acquire Resulting Issuer Common Shares that will be held by agents or underwriters upon completion of the Business Combination.

<b>Optionee</b>	<b>Date of Grant</b>	<b>Securities Under Options Granted<sup>(2)</sup> (#)</b>	<b>Exercise of Base Price (\$/Security)</b>	<b>Market Value of Securities Underlying Options on the Date of Grant (\$/Security)</b>	<b>Expiration Date</b>
Haywood Securities Inc.	August 24, 2018	200,000	\$0.20	Nil	August 24, 2019
Canaccord Genuity Corp.	Date of closing of Concurrent Financing	1,499,728	\$16.55	Nil	12-months from date of closing of Concurrent Financing

Note:

- (1) *Assumes completion of the Concurrent Financing and exercise of Over-Allotment Option.*
- (2) *Assumes completion of the Consolidation.*

### **STOCK OPTION PLAN**

The proposed Resulting Issuer Stock Option Plan approved by the Duckworth Shareholders at the Duckworth Meeting will operate as the Resulting Issuer's stock option plan when and if approved by the Resulting Issuer Board at or following the completion of the Qualifying Transaction.

The Resulting Issuer Stock Option Plan will enable the directors, officers, employees and consultants of the Resulting Issuer and its affiliates to participate in the growth and development of the Resulting Issuer by providing such persons with the opportunity, through options to purchase shares, to acquire an increased proprietary interest in the Resulting Issuer that is aligned with the interests of the shareholders.

The Resulting Issuer Stock Option Plan will provide that the Resulting Issuer Board may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, employees and technical consultants to the Resulting Issuer, non-transferable options to purchase shares, provided that the number of shares reserved for issue will not exceed 10% of the number of then outstanding shares as at the date of the grant. Subject to the terms of grant as may be determined by the Resulting Issuer Board at the time options are granted, options may be exercisable for a period of up to ten years after the date of grant thereof. The number of shares reserved for issue to any individual director or officer will not exceed five per cent (5%) of the number of then-outstanding shares and the number of shares reserved for issue to any consultants or persons conducting investor relations activities will not exceed two per cent (2%) of the number of then-outstanding shares.

The Resulting Issuer Stock Option Plan will be administered by the Resulting Issuer Board which may grant options to directors, officers, employees and consultants of the Resulting Issuer and its affiliates. The Resulting Issuer Board has the discretion to determine to whom options will be granted, the number and exercise price of such

options and the terms and time frames in which the options will vest and be exercisable. Options, however, may only be exercisable for a maximum of ten calendar years from the date of grant and the exercise price of the options must be no less than the Discounted Market Price as defined in Exchange Policy 1.1 – *Interpretation*.

Upon completion of the Qualifying Transaction, it is anticipated that the Resulting Issuer Stock Option Plan will replace the Goldspot Stock Option Plan and will have granted and outstanding 4,653,833 Resulting Issuer Options, on a post-Consolidation basis. See “*Information Concerning the Resulting Issuer – Pro Forma Consolidated Capitalization*”.

### Employment Arrangements and Agreements

The employment agreements currently in place between Goldspot and Mr. Laviolette and Mr. Quach and all other senior members of Goldspot’s management are expected to continue in place on substantially the same terms following the closing of the Business Combination.

## ESCROWED SECURITIES

### CPC Escrow Agreement

As of the date of this Filing Statement, 8,050,000 of the 12,050,000 Duckworth Common Shares issued by Duckworth prior to the IPO which are still outstanding are deposited with the Escrow Agent under the CPC Escrow Agreement.

All Duckworth Common Shares acquired on exercise of Duckworth Options prior to the completion of the Qualifying Transaction, if any, must also be deposited in escrow and will be subject to escrow until the Final Exchange Bulletin is issued.

In addition, all Duckworth Common Shares acquired in the secondary market prior to the Closing by any person or company who becomes a Control Person, if any, are required to be deposited in escrow.

The following table sets forth the relevant particulars of the Duckworth Common Shares held in escrow under the CPC Escrow Agreement as of the date of this Filing Statement, and of the Resulting Issuer Common Shares that will be held in escrow upon Closing under the CPC Escrow Agreement (assuming completion of the Consolidation):

Name and Municipality of Residence of Securityholder	Designation of Class	Before Giving Effect to the Business Combination		After Giving Effect to the Business Combination and Completion of Minimum Offering		After Giving Effect to the Business Combination and Completion of Maximum Offering	
		Number of Securities to be held in Escrow <sup>(1)</sup>	Percentage of Class	Number of Securities to be held in Escrow <sup>(1)</sup>	Percentage of Class	Number of Securities to be held in Escrow <sup>(1)</sup>	Percentage of Class
Strategic Concepts Inc. St. John's, NL	Common Shares	500,000	8.30%	500,000	0.54%	500,000	0.53%
Salt Box Capital Inc. Toronto, ON	Common Shares	500,000	8.30%	500,000	0.54%	500,000	0.53%
Robert Randall Halifax, NS	Common Shares	150,000	2.49%	150,000	0.16%	150,000	0.15%
Jennifer Horton Bedford, NS	Common Shares	50,000	0.83%	50,000	0.05%	50,000	0.05%
Heather Pomeroy Halifax, NS	Common Shares	25,000	0.41%	25,000	0.03%	25,000	0.03%
Paul Thomson Dartmouth, NS	Common Shares	25,000	0.41%	25,000	0.03%	25,000	0.03%
John St. Capital Inc. Halifax, NS	Common Shares	900,000	14.94%	900,000	0.97%	900,000	0.95%
Brigus Capital Inc. Halifax, NS	Common Shares	700,000	11.62%	700,000	0.75%	700,000	0.74%
Blue Ridge Resources Inc. Halifax, NS	Common Shares	700,000	11.62%	700,000	0.75%	700,000	0.74%
Neil Smith Halifax, NS	Common Shares	250,000	4.15%	250,000	0.27%	250,000	0.26%
Dan Whittaker Halifax, NS	Common Shares	50,000	0.83%	50,000	0.05%	50,000	0.05%

Name and Municipality of Residence of Securityholder	Designation of Class	Before Giving Effect to the Business Combination		After Giving Effect to the Business Combination and Completion of Minimum Offering		After Giving Effect to the Business Combination and Completion of Maximum Offering	
		Number of Securities to be held in Escrow <sup>(1)</sup>	Percentage of Class	Number of Securities to be held in Escrow <sup>(1)</sup>	Percentage of Class	Number of Securities to be held in Escrow <sup>(1)</sup>	Percentage of Class
Numus Financial Inc. Halifax, NS	Common Shares	100,000	1.66%	100,000	0.11%	100,000	0.10%
Don Oliver Halifax, NS	Common Shares	50,000	0.83%	50,000	0.05%	50,000	0.05%
Sarah Oliver Halifax, NS	Common Shares	25,000	0.41%	25,000	0.03%	25,000	0.03%
<b>TOTAL:</b>		<b>4,025,000</b>	<b>66.8%</b>	<b>4,025,000</b>	<b>4.33%</b>	<b>4,025,000</b>	<b>4.24%</b>

Note:

(1) Assumes completion of the Consolidation.

Under the CPC Escrow Agreement, and assuming that the Resulting Issuer becomes a Tier 1 – Technology or Investment Issuer on the Exchange, 25% of the escrowed shares will be released from escrow on the issuance of the Final Exchange Bulletin, and an additional 25% will be released on each of the dates which are 6 months, 12 months and 18 months following the initial release.

If a Final Exchange Bulletin is not issued, the escrowed Duckworth Common Shares held in escrow under the CPC Escrow Agreement will not be released. Under the CPC Escrow Agreement, each Non-Arm's Length Party to Duckworth who holds escrowed Duckworth Common Shares acquired at a price below the offering price of its IPO has irrevocably authorized and directed the Escrow Agent to immediately cancel all of those escrowed Duckworth Common Shares upon the issuance by the Exchange of an Exchange Bulletin delisting the Duckworth Common Shares.

#### Terms of Escrow for the Securities Held by Principals

In accordance with Exchange Policy 5.4, securities of the Resulting Issuer held by Principals (as such term is defined in Exchange Policy 5.4) of the Resulting Issuer may be required to be deposited into escrow under the terms of either the Value Security Escrow Agreement or the Surplus Escrow Agreement. The following table set out, as of the date hereof and the knowledge of Duckworth and Goldspot, the name and municipality of residence of the holders of securities of the Resulting Issuer following completion of the Business Combination will be placed in escrow:

Name and Municipality of Residence of Securityholder	Designation of Class	Before Giving Effect to the Business Combination		After Giving Effect to the Business Combination and Completion of Minimum Offering		After Giving Effect to the Business Combination and Completion of Maximum Offering	
		Number of Securities to be held in Escrow	Percentage of Class	Number of Securities to be held in Escrow <sup>(1)</sup>	Percentage of Class	Number of Securities to be held in Escrow <sup>(1)</sup>	Percentage of Class
Denis Laviolette Toronto, Ontario	Common Shares	60,000	3.6%	2,482,045	2.7%	2,482,045	2.6%
	Options	15,000	13.3%	620,511	13.3%	620,511	13.3%
Binh Quach Toronto, Ontario	Common Shares	20,000	1.2%	827,348	0.9%	827,348	0.9%
	Options	10,000	8.9%	413,674	8.9%	413,674	8.9%
Cejay Kim, Calgary, Alberta	Common Shares	36,500	2.2%	1,509,910	1.6%	1,509,910	1.6%
	Options	10,000	8.9%	413,674	8.9%	413,674	8.9%
Vincent Dubé-Bourgeois Verdun, Québec	Common Shares	50,638	3.0%	2,094,763	2.3%	2,094,763	2.2%
	Options	10,000	8.9%	413,674	8.9%	413,674	8.9%
Ramón Barúa Lima, Peru	Common Shares	Nil	Nil	Nil	Nil	Nil	Nil
	Options	Nil	Nil	Nil	Nil	Nil	Nil
Sheldon Inwentash Toronto, Ontario	Common Shares	Nil	Nil	Nil	Nil	Nil	Nil
	Options	Nil	Nil	Nil	Nil	Nil	Nil
Collin Kettell Puerto Rico	Common Shares	72,000	4.3%	2,978,453	3.2%	2,978,453	3.2%
	Options	Nil	Nil	Nil	Nil	Nil	Nil
Lisa McCormack Acton, Ontario	Common Shares	Nil	Nil	Nil	Nil	Nil	Nil
	Options	Nil	Nil	Nil	Nil	Nil	Nil

Name and Municipality of Residence of Securityholder	Designation of Class	Before Giving Effect to the Business Combination		After Giving Effect to the Business Combination and Completion of Minimum Offering		After Giving Effect to the Business Combination and Completion of Maximum Offering	
		Number of Securities to be held in Escrow	Percentage of Class	Number of Securities to be held in Escrow <sup>(1)</sup>	Percentage of Class	Number of Securities to be held in Escrow <sup>(1)</sup>	Percentage of Class
Palisade Global Investments Cayman Islands	Common Shares	360,000	21.4%	14,892,267	16.1%	14,892,267	15.8%
	Options	Nil	Nil	Nil	Nil	Nil	Nil
Three D Capital Inc. Toronto, Ontario	Common Shares	277,500	16.5%	11,479,456	12.4%	11,479,456	12.2%
	Options	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

(1) Assumes completion of Consolidation.

### ***Value Security Escrow Agreement***

In the event the Maximum Offering is completed, the securities of the Resulting Issuer set forth in the above-noted table will be held in escrow by the Escrow Agent, upon completion of the Business Combination, pursuant to the Value Security Escrow Agreement.

In the event the above-noted securities of the Resulting Issuer are held in escrow pursuant to the Value Security Escrow Agreement, the securities shall be released as to 10% immediately following the issuance of the Final TSXV Bulletin and as to 15% thereof on each of the 6, 12, 18, 24, 30 and 36-month anniversaries of the initial release.

### ***Surplus Escrow Agreement***

In the event the Maximum Offering is not completed, the securities of the Resulting Issuer set forth in the above-noted table will be held in escrow by the Escrow Agent, upon completion of the Business Combination, pursuant to the terms of the Surplus Escrow Agreement.

In the event the above-noted securities of the Resulting Issuer are held in escrow pursuant to the Surplus Escrow Agreement, the securities shall be released as to: 5% immediately following the issuance of the Final TSXV Bulletin; and 5% six months after the Final TSXV Bulletin; 10% 12 months from the Final TSXV Bulletin; 10% 18 months from the Final TSXV Bulletin; 15% 24 months from the Final Exchange Bulletin; 15% 30 from the Final TSXV Bulletin and 40% 36 months from the Final TSXV Bulletin.

### **General**

The Exchange's prior consent must be obtained before a transfer within escrow of escrowed Resulting Issuer Common Shares. Generally, the Exchange will only permit a transfer within escrow to be made to incoming Principals in connection with a proposed Qualifying Transaction.

Where securities which are required to be held in escrow are held by a non-individual (a "**holding company**"), each holding company pursuant to the applicable escrow agreement, has agreed, or will agree, not to carry out any transactions during the currency of the escrow agreement which would result in a change of control of the holding company, without the consent of the Exchange. Any holding company must sign an undertaking to the Exchange that, to the extent reasonably possible, it will not permit or authorize any issuance of securities or transfer of securities could reasonably result in a change of control of the holding company. In addition, the Exchange may require an undertaking from any control person of the holding company not to transfer the shares of that company.

The escrow agreements described above provide, *inter alia*, that all voting rights attached to escrowed securities shall be exercised by the registered holder of such securities.

### **Seed Share Resale Restrictions**

Pursuant to TSXV Policy 5.4 - *Escrow, Vendor Consideration and Resale Restrictions*, certain non-principal shareholders of Goldspot Common Shares, upon exchange into Resulting Issuer Shares, will be subject to seed share resale restrictions (each, an "**SSRR**"). SSRRs are TSXV hold periods of various lengths which apply where seed shares are issued to non-principals by private companies at a price below \$0.05. The terms of the SSRRs are based on the length of time such Goldspot Common Shares have been held and the price at which such shares were originally issued.

There are 19 non-principal shareholders of Goldspot Common Shares who will hold an aggregate of 14,755,962 Resulting Issuer Common Shares that will be held in escrow pursuant to the Value Security Escrow Agreement pursuant to SSRRs upon the completion of the Business Combination. Such Resulting Issuer Common Shares will be issued with a restrictive legend that will permit 10% of such shares to be released upon closing of the Business Combination, and 15% to be released every six months thereafter.

A further 12,256,131 Resulting Issuer Common Shares held by 6 non-principal shareholders of Goldspot Common Shares will be subject to a hold period of four months and one day from the date of completion of the Business Combination pursuant to the SSRRs.

## **AUDITOR, TRANSFER AGENT AND REGISTRAR**

### **Auditor**

The auditor for the Resulting Issuer is expected to be DNTW Toronto, LLP.

### **Transfer Agent and Registrar**

The transfer agent and registrar for the Resulting Issuer Common Shares will be Computershare Investor Services Inc. located at 1500 Robert-Bourassa Blvd., 7<sup>th</sup> Floor, Montréal, Québec H3A 3S8.

## **GENERAL MATTERS**

### **SPONSORSHIP**

Sponsorship for the Qualifying Transaction is required by the CPC Policy unless an exemption from the sponsorship requirement is granted to Duckworth by the Exchange. Duckworth has applied for, and the Exchange has provided Duckworth with, an exemption from the sponsorship requirement on the basis that Goldspot has completed the Concurrent Financing in connection with the Qualifying Transaction for aggregate gross proceeds of greater than \$500,000 and the Agents will be providing the Exchange with confirmation that it has completed appropriate due diligence on both the Business Combination and this Filing Statement that is generally in compliance with the relevant policies of the Exchange. In the event that an exemption is not available, a sponsor will be identified at a later date and will be announced in a subsequent press release of Duckworth. An agreement to sponsor should not be construed as an assurance with respect to the merits of the transaction or the likelihood of completion of the proposed Qualifying Transaction.

### **EXPERTS**

The financial statements of Duckworth included in this Filing Statement have been audited by Manning Elliot LLP, Chartered Professional Accountants, located at 1030 West Georgia St., Suite 1700, Vancouver, British Columbia V6E 2Y3, as set forth in their audit reports. Manning Elliot LLP, is the independent auditor of Duckworth and is independent within the meaning of the Rules of Professional Conduct of Chartered Professional Accountants of Ontario.

The financial statements of Goldspot included in this Filing Statement have been audited by DNTW Toronto LLP, Chartered Professional Accountants and Licenced Public Accountants, at its offices at 45 Sheppard Avenue East, Suite 703, Toronto, Ontario M2N 5W9, as set forth in their independent auditor's reports. DNTW Toronto LLP is the independent auditor of Goldspot and is independent within the meaning of the Rules of Professional Conduct of Chartered Professional Accountants of Ontario.

No person or company who is named as having prepared or certified a part of the Filing Statement or prepared or certified a report or valuation described or included in the Filing Statement has, or will have, immediately following completion of the Business Combination, any direct or indirect interest in the Goldspot Business or in Duckworth or in the Resulting Issuer.

### **OTHER MATERIAL FACTS**

There are no additional material facts about Duckworth, Goldspot, the Resulting Issuer or the Business Combination that are not otherwise disclosed and are necessary in order for the Filing Statement to contain full, true and plain disclosure of all material facts relating to Duckworth, Goldspot and the Resulting Issuer.

## **BOARD APPROVAL**

The Duckworth Board has approved the contents of this Filing Statement. Where information contained in this Filing Statement rests particularly within the knowledge of a Person other than Duckworth, Duckworth has relied upon information furnished by such Person.

**CERTIFICATE OF DUCKWORTH CAPITAL CORP.**

DATED OCTOBER 30, 2018

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities of Duckworth Capital Corp. assuming completion of the Qualifying Transaction.

By: "Carl Sheppard" (Signed)  
Carl Sheppard  
President & Chief Executive Officer

By: "Robert Randall" (Signed)  
Robert Randall  
Chief Financial Officer

On behalf of the board of directors of Duckworth Capital Corp.:

By: "James Megann" (Signed)  
James Megann  
Director

By: "Paul Sparkes" (Signed)  
Paul Sparkes  
Director

**CERTIFICATE OF GOLDSLOT DISCOVERIES INC.**

DATED OCTOBER 30, 2018

The foregoing, as it relates to Goldspot Discoveries Inc., constitutes full, true and plain disclosure of all material facts relating to the securities of Goldspot Discoveries Inc.

By: "Denis Laviolette" (Signed)  
Denis Laviolette  
President and Chief Executive Officer

By: "Binh Quach" (Signed)  
Binh Quach  
Chief Financial Officer

On behalf of the board of directors of Goldspot Discoveries Inc.

By: "Sheldon Inwentash" (Signed)  
Sheldon Inwentash  
Director

By: "Cejay Kim" (Signed)  
Cejay Kim  
Director

## ACKNOWLEDGEMENT – PERSONAL INFORMATION

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

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

- (a) the disclosure of Personal Information by the undersigned to the Exchange (as defined in Appendix 6B to the Corporate Finance Manual of the Exchange (“**Appendix 6B**”)) pursuant to this Filing Statement; and
- (b) the collection, use and disclosure of Personal Information by the Exchange for the purposes described in Appendix 6B or as otherwise identified by the Exchange, from time to time.

Dated at as of October 30, 2018

### DUCKWORTH CAPITAL CORP.

Per: “Carl Sheppard” (Signed)

Name: Carl Sheppard

Title: President & Chief Executive Officer

**SCHEDULE "A"**

**FINANCIAL STATEMENTS OF DUCKWORTH CAPITAL CORP.**

See attached.

**Duckworth Capital Corp.**

**(Capital Pool Company)**

**For the year ended May 31, 2018**

**(Expressed in Canadian dollars)**



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## **INDEPENDENT AUDITORS' REPORT**

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To the shareholders of  
Duckworth Capital Corp.

We have audited the accompanying financial statements of Duckworth Capital Corp. which comprise the statements of financial position as at May 31, 2018 and 2017, and the statements of comprehensive loss, changes in equity and cash flows for the year ended May 31, 2018 and for period from incorporation on May 1, 2017 to May 31, 2017 and the related notes comprising a summary of significant accounting policies and other explanatory information.

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

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

### **Auditors' Responsibility**

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

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

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

### **Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of Duckworth Capital Corp. as at May 31, 2018 and 2017, and its financial performance and its cash flows for the year ended May 31, 2018 and for the period from incorporation on May 1, 2017 to May 31, 2017 in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

### **Emphasis of Matter**

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which indicates the existence of a material uncertainty that may cast significant doubt on the ability of Duckworth Capital Corp. to continue as a going concern.

*Manning Elliott LLP*

**Duckworth Capital Corp.**  
**(Capital Pool Company)**  
**Statements of Financial Position**  
**As at May 31, 2018 and 2017**  
**(Expressed in Canadian dollars)**

	<b>2018</b>	<b>2017</b>
	\$	\$
<b>Assets</b>		
<b>Current assets</b>		
Cash	640,339	402,500
Prepaid expenses	3,488	-
	<u>643,827</u>	<u>402,500</u>
Deferred share issuance costs	-	9,750
	<u>643,827</u>	<u>412,250</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	<u>32,867</u>	<u>26,000</u>
<b>Equity</b>		
Share capital (note 4)	684,182	393,750
Warrants (note 4)	21,059	-
Deficit	<u>(94,281)</u>	<u>(7,500)</u>
	<u>610,960</u>	<u>386,250</u>
	<u>643,827</u>	<u>412,250</u>

Nature of Operations and Going Concern (note 1)

Approved and authorized for issue on behalf of the Board on July 11, 2018

"James Megann", Director

"Carl Sheppard", Director

The accompanying notes form an integral part of these financial statements

Duckworth Capital Corp.  
(Capital Pool Company)  
Statements of Comprehensive Loss  
For the year ended May 31, 2018 and the period from incorporation on May 1, 2017 to May 31, 2017  
(Expressed in Canadian dollars)

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	Year ended May 31, 2018	Period ended May 31, 2017
	\$	\$
<b>Expenses</b>		
Office and communications	719	-
Professional fees	39,621	7,500
Securities and regulatory	46,441	-
<b>Net loss and comprehensive loss for the period</b>	<u>86,781</u>	<u>7,500</u>
<b>Basic and diluted loss per share</b>	<u>(0.01)</u>	<u>(0.00)</u>
<b>Weighted average number of common shares outstanding</b>	<u>11,129,452</u>	<u>1,817,743</u>

The accompanying notes form an integral part of these financial statements

**Duckworth Capital Corp.**  
**(Capital Pool Company)**  
**Statements of Changes in Equity**  
**For the year ended May 31, 2018 and the period from incorporation on May 1, 2017 to May 31, 2017**  
**(Expressed in Canadian dollars)**

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	Number of Common Shares	Common Shares	Warrants	Deficit	Total
		\$	\$	\$	\$
<b>Balance, incorporation date</b>	-	-	-	-	-
Shares issued for cash	8,050,000	402,500	-	-	402,500
Share issue costs	-	(8,750)	-	-	(8,750)
Comprehensive loss for the period	-	-	-	(7,500)	(7,500)
<b>Balance, May 31, 2017</b>	<b>8,050,000</b>	<b>393,750</b>	-	<b>(7,500)</b>	<b>386,250</b>
Shares issued pursuant to Initial Public Offering financing (note 4)	4,000,000	400,000	-	-	400,000
Broker warrants issued pursuant to Initial Public Offering financing (note 4)	-	(21,059)	21,059	-	-
Share issue costs	-	(88,509)	-	-	(88,509)
Comprehensive loss for the year	-	-	-	(86,781)	(86,781)
<b>Balance, May 31, 2018</b>	<b>12,050,000</b>	<b>684,182</b>	<b>21,059</b>	<b>(94,281)</b>	<b>610,960</b>

The accompanying notes form an integral part of these financial statements

**Duckworth Capital Corp.**  
**(Capital Pool Company)**  
**Statements of Cash Flows**  
**For the year ended May 31, 2018 and the period from incorporation on May 1, 2017 to May 31, 2017**  
**(Expressed in Canadian dollars)**

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	Year ended May 31, 2018	Period ended May 31, 2017
	\$	\$
<b>Cash provided by (used in):</b>		
<b>Operating activities</b>		
Net loss	(86,781)	(7,500)
Changes in non-cash working capital balance:		
Increase in prepaid expenses	(3,488)	-
Increase in accounts payable and accrued liabilities	6,867	7,500
Cash provided by operating activities	(83,402)	-
<b>Financing activity</b>		
Proceeds from issuance of common shares	400,000	402,500
Financing costs	(78,759)	-
Cash provided by financing activity	321,241	402,500
Increase in cash	237,839	402,500
Cash, beginning	402,500	-
Cash, ending	640,339	402,500
Supplemental cash flow disclosures:		
Income taxes paid	-	-
Interest paid	-	-

The accompanying notes form an integral part of these financial statements

**Duckworth Capital Corp.  
(Capital Pool Company)  
Notes to Financial Statements  
For the year ended May 31, 2018 and the period from incorporation on May 1, 2017 to May 31, 2017  
(Expressed in Canadian dollars)**

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1. Nature of operations and going concern

Nature of operations

Duckworth Capital Corp. ("Duckworth" or the "Corporation") was incorporated under the Canada Business Corporations Act on May 1, 2017. The Corporation is classified as a Capital Pool Company as defined in the TSX Venture Exchange (the "Exchange") Policy 2.4. The principal business of the Corporation is the identification and evaluation of a Qualifying Transaction ("QT") and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholders' approval, if required, and acceptance by regulatory authorities. The Corporation commenced trading on August 24, 2017 under the symbol DUKE.P (TSXV).

The head office and the registered head office of the Corporation are located at 1959 Upper Water Street, Suite 900, Halifax, Nova Scotia B3J 3N2.

The financial statements were approved by the Board of Directors on July 11, 2018.

Going concern

These financial statements have been prepared on a going concern basis. The going concern basis of presentation assumes that the Corporation will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The Corporation incurred a net loss for the year of \$86,781 (period ended May 31, 2017 - \$7,500) and has no operations at this time which will generate revenue. These circumstances have resulted in a material uncertainty that may cast significant doubt about the ability of the Corporation to continue as a going concern.

The Corporation is currently investigating prospective acquisitions and is devoting all of its present efforts to securing and establishing a new business. Management cannot provide assurance that the Corporation will ultimately achieve profitable operations, become cash flow positive, or raise additional debt and/or equity capital.

The ability of the Corporation to continue as a going concern and to realize the carrying value of its assets and discharge its liabilities when due is dependent on the successful completion of the actions taken or planned, some of which are described above, which management believes will mitigate the adverse conditions and events which raise doubt about the validity of the going concern assumption used in preparing these financial statements. There is no certainty that these and other strategies will be sufficient to permit the Corporation to continue as a going concern.

The financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern basis was not appropriate for these financial statements, then adjustments would be necessary to the carrying values of assets and liabilities.

**Duckworth Capital Corp.**  
**(Capital Pool Company)**  
**Notes to Financial Statements**  
**For the year ended May 31, 2018 and the period from incorporation on May 1, 2017 to May 31, 2017**  
**(Expressed in Canadian dollars)**

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2. Significant accounting policies

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

Basis of presentation

The financial statements have been prepared on a historical cost basis except for any financial assets and liabilities classified as available for sale. The Corporation's functional currency is the Canadian dollar and these financial statements are presented in Canadian dollars.

a) Share-based payments

The Corporation has a stock option plan that is described in note 4. The Corporation accounts for stock options using the fair value method by applying the Black-Scholes model. The estimated fair value of all stock options granted is recorded in the statement of loss over their vesting periods.

b) Share issuance costs

Costs directly attributable to the raising of capital are charged against the related share capital. Costs related to shares not yet issued are recorded as deferred share issuance costs. These costs are deferred until the issuance of the shares to which the costs relate, at which time the costs will be charged against the related share capital or charged to operations if the shares are not issued.

c) Loss per share

Basic loss per share is computed by dividing net earnings available to common shareholders by the weighted average number of common shares outstanding during the period. The Corporation applies the treasury stock method in calculating diluted loss per share. Diluted loss per share excludes all dilutive potential common shares if their effect is anti-dilutive.

d) Income taxes

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period the Corporation reassesses unrecognized deferred tax assets. The Corporation recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

**Duckworth Capital Corp.**  
**(Capital Pool Company)**  
**Notes to Financial Statements**  
**For the year ended May 31, 2018 and the period from incorporation on May 1, 2017 to May 31, 2017**  
**(Expressed in Canadian dollars)**

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2. Significant accounting policies (continued)

e) Significant accounting estimates and judgments

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

Significant accounting estimates

- i. the inputs used in accounting for share-based payments

Significant accounting judgments

- i. the evaluation of the Corporation's ability to continue as a going concern; and
- ii. the determination of whether it is likely that future taxable profits will be available to utilize against any deferred tax assets

f) Financial instruments

All financial assets are initially recorded at fair value and classified into one of four categories: held to maturity, available for sale, loans and receivables or at fair value through profit or loss ("FVTPL"). All financial liabilities are initially recorded at fair value and classified as either FVTPL or other financial liabilities.

Financial instruments comprise cash and accounts payable. At initial recognition, management has classified financial assets and liabilities as follows:

*Financial assets* - The Corporation has classified its cash as FVTPL. A financial instrument is classified at FVTPL if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated at FVTPL if the Corporation manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Corporation's documented risk management or investment strategy. Financial instruments at FVTPL are measured at fair value and changes therein are recognized in income.

*Financial liabilities* - The Corporation has classified its accounts payable as other financial liabilities. Accounts payable are recognized at the amount required to be paid less, when material, a discount to reduce the payable to fair value. The Corporation derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

**Duckworth Capital Corp.**  
**(Capital Pool Company)**  
**Notes to Financial Statements**  
**For the year ended May 31, 2018 and the period from incorporation on May 1, 2017 to May 31, 2017**  
**(Expressed in Canadian dollars)**

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2. Significant accounting policies (continued)

g) New Accounting Standards Issued But Not Yet Effective

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB that are mandatory for future accounting periods. Some updates that are not applicable or are not consequential to the Corporation may have been excluded from the list below. The Corporation is evaluating any impact the standards noted below may have on the Corporation's financial statements and this assessment has not been completed.

Standards effective for annual periods beginning on or after January 1, 2018:

*IFRS 15 Revenue from Contracts with Customers* - In May 2014, the IASB issued IFRS 15 – Revenue from Contracts with Customers ("IFRS 15") which supersedes IAS 11 – Construction Contracts, IAS 18 – Revenue, IFRIC 13 – Customer Loyalty Programmes, IFRIC 15 – Agreements for the Construction of Real Estate, IFRIC 18 – Transfers of Assets from Customers, and SIC 31 – Revenue – Barter Transactions Involving Advertising Services. IFRS 15 establishes a comprehensive five-step framework for the timing and measurement of revenue recognition.

*IFRS 9 Financial Instruments* – In November 2009, as part of the IASB project the ASB intends to replace IAS 39 - Financial Instruments: Recognition and Measurement in its entirety with IFRS 9 – Financial Instruments ("IFRS 9") which is intended to reduce the complexity in the classification and measurement of financial instruments. In July 2014, the final version of IFRS 9 was issued and adds a new expected loss impairment model and amends the classification and measurement model for financial assets by adding a new fair value through other comprehensive income category for certain debt instruments and additional guidance on how to apply the business model and contractual cash flows characteristics.

*IFRS 2 Share-based Payment* - In November 2016, the IASB has revised IFRS 2 to incorporate amendments issued by the IASB in June 2016. The amendment provide guidance on the accounting for i) the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments; ii) share-based payment transactions with a net settlement feature for withholding tax obligations and iii) a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.

Standard effective for annual periods beginning on or after January 1, 2019:

*IFRS 16 Leases* - In June 2016, the IASB issued IFRS 16 - Leases. IFRS 16 establishes principles for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. However, lessees are no longer classifying leases as either operating leases or finance leases as it is required by IAS 17.

**Duckworth Capital Corp.**  
**(Capital Pool Company)**  
**Notes to Financial Statements**  
**For the year ended May 31, 2018 and the period from incorporation on May 1, 2017 to May 31, 2017**  
**(Expressed in Canadian dollars)**

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3. Capital management

The Corporation manages its capital structure and makes adjustments to it, based on the funds available to the Corporation, in order to support the identification and evaluation of a QT and continue as a going concern. The Corporation considers capital to be all accounts in equity. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Corporation's management to sustain future development of the business. Additional funds may be required to finance the Corporation's Qualifying Transaction.

The proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that up to the lesser of 30% of the gross proceeds realized by the Corporation in respect of the sale of its securities, or \$210,000, may be used for purposes other than evaluating businesses or assets. These restrictions apply until completion of a QT by the Corporation as defined under the policies of the Exchange. The Corporation is required to complete its QT on or before two years from the date the Corporation receives regulatory approval to list its shares on the Exchange.

4. Share capital

a) Common shares

The Corporation is authorized to issue an unlimited number of common shares without par value.

	<b>Number of Shares</b>	<b>Amount \$</b>
Incorporation, May 1, 2017	-	-
Shares issued for cash	8,050,000	402,500
Less: Share issue costs	-	(8,750)
<b>Outstanding, May 31, 2017</b>	<b>8,050,000</b>	<b>393,750</b>
Shares issued pursuant to the Initial Public Offering	4,000,000	400,000
Less: Broker warrants issued	-	(21,059)
Less: Share issue costs	-	(88,509)
<b>Outstanding, May 31, 2018</b>	<b>12,050,000</b>	<b>684,182</b>

On July 28, 2017, the Corporation filed a Prospectus in respect of an Initial Public Offering ("IPO"). The Corporation's IPO was completed on August 24, 2017 with the issuance of 4,000,000 common shares at a price of \$0.10 per share, for gross proceeds of \$400,000. The cost of issuing the shares was \$88,509. In connection with the financing, the Corporation entered into an Agency Agreement with Haywood Securities Inc. (the "Agent"). As part of the Agency Agreement, the Agent received a cash commission of 10% of gross proceeds, or \$40,000, a corporate finance fee of \$10,000, and a legal cost reimbursement of \$10,000. Additional costs of the IPO included other legal and regulatory costs of \$28,509. The Agent was also granted an option to acquire 10% of the common shares issued in connection with the IPO at a price of \$0.10 per common share, exercisable for a period ending twenty-four months from the date the Corporation's common shares are listed on the Exchange. These broker warrants were valued at \$21,059 using the Black-Scholes valuation (see below).

**Duckworth Capital Corp.**  
**(Capital Pool Company)**  
**Notes to Financial Statements**  
**For the year ended May 31, 2018 and the period from incorporation on May 1, 2017 to May 31, 2017**  
**(Expressed in Canadian dollars)**

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4. Share capital (continued)

On May 26, 2017, the Corporation issued 8,050,000 common shares at \$0.05 per share, which are subject to an escrow agreement. The issued and outstanding common shares will be held in escrow pursuant to the requirements of the Exchange and terms of escrow agreement and will be released from escrow in stages over a period of up to three years after the date of the Corporation receiving the final Exchange acceptance of the QT. All common shares acquired on exercise of stock options granted to directors and officers prior to the completion of a QT must also be deposited in escrow pursuant to the terms of the escrow agreement. As at May 31, 2018 and May 31, 2017, there were 8,050,000 common shares in escrow.

b) Warrants

Warrant activity during the year ended May 31, 2018 was as follows:

	<b>Number of Warrants</b>	<b>Amount \$</b>
<b>Outstanding, May 31, 2017</b>	-	-
Broker warrants issued pursuant to the Initial Public Offering	400,000	21,059
<b>Outstanding, May 31, 2018</b>	<b>400,000</b>	<b>21,059</b>

There were no warrants issued during the period from the date of incorporation on May 1, 2017 to May 31, 2017. On August 24, 2017, the Corporation issued 400,000 broker warrants pursuant to the Agency Agreement as part of the Corporation's IPO. The broker warrants are exercisable into common shares of the Corporation at an exercise price of \$0.10 per share and expire on August 24, 2019.

The 400,000 broker warrants issued during the year ended May 31, 2018 were valued using the Black-Scholes method with the following assumptions:

Share price	\$0.10
Risk-free interest rate	1.25%
Expected life	2 years
Expected volatility	100%
Expected dividend per share	\$0.00
Weighted-average fair value per warrant	\$0.053

c) Stock option plan:

The Corporation has a common share purchase option plan (the "Plan") for directors, officers, employees and consultants. The total number of options issued and outstanding at any time cannot exceed 10% of the issued and outstanding common shares of the Corporation unless shareholder and regulatory approvals are obtained. Options granted under the Plan have a ten-year term and are non-transferable. Unless otherwise determined by the Board of Directors, options vest immediately upon granting and may be exercised until the greater of twelve months after the completion of the QT and ninety days following the date of termination of employment or holding office as a director or officer of the Corporation and, in the case of death, expire within one year thereafter. Options are granted at a price no lower than the market price of the common shares less any discounts allowed by the Exchange at the time of the grant.

**Duckworth Capital Corp.**  
**(Capital Pool Company)**  
**Notes to Financial Statements**  
**For the year ended May 31, 2018 and the period from incorporation on May 1, 2017 to May 31, 2017**  
**(Expressed in Canadian dollars)**

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4. Share capital (continued)

No options were issued during the year ended May 31, 2018 or the period ended May 31, 2017.

5. Related party transactions

There were no transactions with related parties and no remuneration paid to key management personnel during the year ended May 31, 2018 or the period from the date of incorporation on May 1, 2017 to May 31, 2017. Key management personnel consists of officers and directors of the Corporation.

6. Financial instruments

Credit risk

The Corporation's financial asset is cash. The Corporation's maximum exposure to credit risk, as at year end, is the carrying value of its financial asset. The Corporation manages credit risk by maintaining its cash on deposit with a major Canadian bank.

Liquidity risk

The Corporation's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at May 31, 2018, the Corporation had a cash balance of \$640,339. The Corporation's ability to continue to meet its liabilities when due, beyond the current cash balance, is dependent on future support of shareholders through public or private equity offerings. Refer to note 1, Going Concern.

7. Income taxes

The Corporation's effective income tax rate differs from the amount that would be computed from applying the federal and provincial statutory rate of 31% to the pre-tax net loss for the periods. The reasons for the difference are as follows:

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Loss before income taxes	86,781	7,500
Income tax recovery based on substantively enacted rates	26,902	2,325
Permanent differences	30,150	-
Changes in tax benefits not recognized	(57,052)	(2,325)
Net deferred tax (recovery)	-	-

**Duckworth Capital Corp.**  
**(Capital Pool Company)**  
**Notes to Financial Statements**  
**For the year ended May 31, 2018 and the period from incorporation on May 1, 2017 to May 31, 2017**  
**(Expressed in Canadian dollars)**

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7. Income taxes (continued)

The tax effect of deductible and taxable temporary differences that give rise to the Corporation's deferred income tax assets and liabilities are shown below:

	2018	2017
	\$	\$
Non-capital loss carry forward	35,257	2,325
Share issuance costs	24,120	-
Total gross deferred income tax assets	59,377	2,325
Deferred tax assets not recognized	(59,377)	(2,325)
Net deferred income tax assets (liabilities)	-	-

As at May 31, 2018, the Corporation has losses of approximately \$113,700 (May 31, 2017 - \$7,500) available for carryforward to reduce future years' taxable income. These losses expire between 2037 and 2038.

8. Proposed transaction and subsequent event

On June 21, 2018, the Corporation announced that it has entered into an amalgamation agreement (the "Amalgamation Agreement") with Goldspot Discoveries Inc. ("Goldspot"), an arms-length third party, and 2639781 Ontario Inc. ("Subco"), a company incorporated subsequent to year end as a wholly-owned subsidiary of Duckworth, whereby Duckworth will acquire all of the issued and outstanding shares of Goldspot. Goldspot is an Ontario-based private company that leverages machine learning to reduce capital risk, while working to increase efficiencies and success rates in resource exploration and investment.

Pursuant to the proposed Amalgamation Agreement, Goldspot will amalgamate with Subco, and all of the 1,679,473 outstanding common shares of Goldspot (the "Goldspot Shares") will be exchanged for common shares of Duckworth (the "Duckworth Shares") on the basis of 82.73481801 Duckworth Shares for each Goldspot Share held. As a result, approximately 138,950,893 Duckworth Shares will be issued to former Goldspot shareholders on a pre-consolidated basis and not including any shares issued pursuant to the Offering described below. Upon completion of the transaction and not including the shares issued pursuant to the Offering, former Goldspot shareholders will own approximately 92% the resulting issuer on an undiluted basis. There will be no finder's fees payable in connection with the proposed transaction.

For accounting purposes, the transaction will result in a reverse takeover, whereby Goldspot will be deemed to be the accounting acquirer and the Corporation will be deemed to be the accounting acquiree.

Prior to completion of the transaction, either Goldspot or Duckworth, as determined by the parties, intends to complete a non-brokered private placement (the "Offering") of subscription receipts for gross proceeds of not less than \$4,850,000.

The proposed transaction is intended to serve as the Corporation's QT pursuant to the policies of the Exchange and is subject to the approval of the Exchange and the shareholders of the Corporation. There can be no assurance that the transaction will be completed as proposed or at all.

**SCHEDULE "B"**

**MANAGEMENT DISCUSSION AND ANALYSIS OF DUCKWORTH CAPITAL CORP.**

See attached.

**DUCKWORTH CAPITAL CORP.**  
**Management Discussion and Analysis**  
**Year Ended May 31, 2018**

*This Management Discussion and Analysis (“MD&A”) of Duckworth Capital Corp. (“Duckworth” or the “Corporation”) provides analysis of the Corporation’s financial results for the year ended May 31, 2018. The following information should be read in conjunction with the audited financial statements and the notes to the audited financial statements for the year ended May 31, 2018 and the audited financial statements for the period from the date of incorporation on May 1, 2017 to May 31, 2017, which are prepared in accordance with International Financial Reporting Standards (“IFRS”). All amounts are expressed in Canadian dollars unless otherwise noted.*

*This discussion includes certain statements that may be deemed “forward-looking statements”. Forward-looking statements usually include words such as may, will, would, expect, plan, anticipate, budget, estimates, potential, believe, intend, or other similar words. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, continued availability of capital and financing and general economic, market or business conditions. The Corporation does not update or revise forward-looking information even if new information becomes available unless legislation requires us to do so. Investors should not place undue reliance on forward-looking statements. Additional details of the specific risks associated with the operations of the Corporation and such forward-looking statements are set out below under “Risks and Uncertainties”. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements.*

**Date of Report**

This MD&A is prepared as of July 11, 2018.

**Corporate Profile and Overall Performance**

Duckworth Capital Corp. (“Duckworth” or the “Corporation”) was incorporated under the Canada Business Corporations Act on May 1, 2017. The Corporation is classified as a “Capital Pool Company” for the purposes of Policy 2.4 of the TSX Venture Exchange Inc. (the “TSXV” or the “Exchange”). As a result, the Corporation’s principal business is the identification and evaluation of a Qualifying Transaction (“QT”) and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval, if required, and acceptance by regulatory authorities. The Corporation has not conducted commercial operations other than to enter into discussions for the purpose of identifying potential acquisitions or interests.

Until completion of a Qualifying Transaction, the Corporation will not carry on any business other than the identification and evaluation of businesses or assets with a view to completing a potential Qualifying Transaction. With the consent of the Exchange, this may include the raising of additional funds in order to finance an acquisition. Except as described in the Corporation’s prospectus dated July 28, 2017, the funds raised pursuant to the Corporation’s Initial Public Offering and any subsequent financing will be utilized only for the identification and evaluation of potential Qualifying Transactions and, to the extent permitted by Policy 2.4, for general and administrative expenses.

### **Qualifying Transaction**

To date, the Corporation has not yet completed a Qualifying Transaction. The Corporation has limited funds to identify and complete a QT, and therefore there can be no assurance that the Corporation will be able to complete a QT within the time period permitted.

On June 21, 2018, the Corporation announced that it has entered into an amalgamation agreement (the "Amalgamation Agreement") with Goldspot Discoveries Inc. ("Goldspot"), an arms-length third party, and 2639781 Ontario Inc. ("Subco"), a company incorporated subsequent to year end as a wholly-owned subsidiary of Duckworth, whereby Duckworth will acquire all of the issued and outstanding shares of Goldspot. Goldspot is an Ontario-based private company that leverages machine learning to reduce capital risk, while working to increase efficiencies and success rates in resource exploration and investment.

Pursuant to the proposed Amalgamation Agreement, Goldspot will amalgamate with Subco, and all of the 1,679,473 outstanding common shares of Goldspot (the "Goldspot Shares") will be exchanged for common shares of Duckworth (the "Duckworth Shares") on the basis of 82.73481801 Duckworth Shares for each one Goldspot Share held. As a result, approximately 138,950,893 Duckworth Shares will be issued to former Goldspot shareholders on a pre-consolidated basis and not including any shares issued pursuant to the Offering described below. Upon completion of the transaction and not including the shares issued pursuant to the Offering, former Goldspot shareholders will own approximately 92% of the resulting issuer on an undiluted basis. There will be no finder's fees payable in connection with the proposed transaction.

For accounting purposes, the transaction will result in a reverse takeover, whereby Goldspot will be deemed to be the accounting acquirer and the Corporation will be deemed to be the accounting acquiree.

Prior to completion of the transaction, either Goldspot or Duckworth, as determined by the parties, intends to complete a non-brokered private placement (the "Offering") of subscription receipts for gross proceeds of not less than \$4,850,000.

The proposed transaction is intended to serve as the Corporation's QT pursuant to the policies of the TSX Venture Exchange and is subject to the approval of the TSX Venture Exchange and the shareholders of the Corporation. There can be no assurance that the transaction will be completed as proposed or at all.

### **Initial Public Offering**

On July 28, 2017, the Corporation filed a Prospectus in respect of an Initial Public Offering ("IPO"). The Corporation's IPO was completed on August 24, 2017 with the issuance of 4,000,000 common shares at a price of \$0.10 per share, for gross proceeds of \$400,000. The total cost of issuing the shares was \$88,509. In connection with the financing, the Corporation entered into an Agency Agreement with Haywood Securities Inc. (the "Agent"). As part of the Agency Agreement, the Agent received a cash commission of 10% of gross proceeds, or \$40,000, a corporate finance fee of \$10,000, and a legal cost reimbursement of \$10,000. Additional costs of the IPO included other legal and regulatory costs of \$28,509. The Agent was also granted an option to acquire 10% of the common shares issued in connection with the IPO at a price of \$0.10 per common share, exercisable for a period ending twenty-four months from the date the Corporation's common shares are listed on the Exchange. These broker warrants were valued at \$21,059.

The Corporation commenced trading on the Exchange on August 24, 2017 under the symbol DUKE.P. Shares were halted during the fourth quarter of the current year as the Company is seeking to complete its Qualifying Transaction with Goldspot.

## **Results of Operations**

### **Year ended May 31, 2018**

The Corporation's only activity to date has been to attempt to identify businesses with a view to completing a Qualifying Transaction. During the year ended May 31, 2018, the Corporation had a net loss of \$86,781. The loss related primarily to professional fees of \$39,621 and securities and regulatory costs of \$46,441. These costs were related to the initial set up of the Corporation, the Corporation's listing on the Exchange, the audit and legal expenses relating to the filing of the Corporation's Prospectus, and costs incurred during the fourth quarter of the year related to the proposed transaction with Goldspot.

During the period from date of incorporation on May 1, 2017 to May 31, 2017, the Corporation incurred professional fees of \$7,500 relating to the start-up of the business.

## **Liquidity and Capital Resources**

At May 31, 2018, the Corporation had a working capital surplus of \$610,960, including cash of \$640,339, an increase of \$237,839 over May 31, 2017 due to the completion of the Corporation's IPO during the first quarter of the year. During the year ended May 31, 2018, the Corporation spent cash of \$83,402 on operating costs. Net cash proceeds from the IPO were \$311,491. The Corporation also had a decrease in deferred share issue costs of \$9,750.

As of the date of this report, the Corporation has not paid dividends and does not have any commitments for capital expenditures.

Management believes the Corporation has sufficient working capital at this time to meet its ongoing financial obligations, however there is no revenue generated from operations, and any additional working capital would require raising additional debt and/or equity capital. Management cannot provide assurance that the Corporation will ultimately achieve profitable operations, become cash flow positive, or raise additional debt and/or equity capital.

## **Transactions with Related Parties**

There were no transactions with related parties and no remuneration paid to key management personnel during the year ended May 31, 2018 or for the period from the date of incorporation on May 1, 2017 to May 31, 2017.

## **Outstanding Share Data**

As at May 31, 2018 and July 11, 2018, there are 12,050,000 common shares issued and outstanding with a value of \$684,182. There are 8,050,000 common shares currently held in escrow.

As at May 31, 2018 and July 11, 2018, the Corporation has 400,000 broker warrants outstanding with a value of \$21,059, exercisable into common shares of the Corporation at an exercise price of \$0.10 per share and expiring on August 24, 2019.

There are no stock options outstanding as at May 31, 2018 and July 11, 2018.

### **Risks and Uncertainties**

The Corporation's sole objective is to identify a satisfactory Qualifying Transaction. The closing of any proposed Qualifying Transaction is subject to a number of terms and conditions, including completion of due diligence procedures by parties to the transaction and receipt of all required regulatory approvals, and there is no assurance that a transaction will be completed. If the Corporation does not complete a Qualifying Transaction within the time permitted by the Exchange, its common shares could be delisted.

The Corporation does not have a source of income, has not commenced commercial operations, and has no significant assets other than cash. There can be no assurance that the Corporation will be able to raise additional funding in the future on terms acceptable to the Corporation.

The Corporation is exposed to financial instrument related risks. The type of risk exposure and the management of the exposure are as follows:

#### **Credit risk**

The Corporation's financial asset is cash. The Corporation's maximum exposure to credit risk, as at period-end, is the carrying value of its financial asset. The Corporation mitigates its credit risk by holding cash with high-quality financing institutions or in trust with the Corporation's lawyer.

#### **Liquidity risk**

The Corporation's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at May 31, 2018, the Corporation had a cash balance of \$640,339. The Corporation's ability to continue to meet its liabilities when due, beyond the current cash balance, is dependent on future support of shareholders through public or private equity offerings.

### **Off Balance Sheet Transactions**

The Corporation does not have any off balance sheet arrangements as at May 31, 2018 or as of the date of this report.

### **Management Updates**

Effective May 1, 2017, James Megann, Carl Sheppard, and Paul Sparkes were elected to the Board of Directors of Duckworth. Carl Sheppard was appointed as President and Chief Executive Officer, and Rob Randall, CPA, CA, was appointed as the Corporation's Chief Financial Officer. Wade Dawe is a Promotor of the Corporation. Management believes that, on a collective basis, the Directors, Officers and Promotor of Duckworth possess the appropriate experience, qualifications and history to be capable of completing the Corporation's Qualifying Transaction.

### **Additional Information**

Additional information relating to the Corporation can be found on SEDAR at [www.sedar.com](http://www.sedar.com).

**SCHEDULE "C"**

**FINANCIAL STATEMENTS OF GOLDSPOT DISCOVERIES INC.**

See attached.

**Interim Condensed Financial Statements of**



**June 30, 2018**  
**(Unaudited - prepared in Canadian dollars)**

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**Contents**

**Interim Condensed Financial Statements:**

<b>Notice to Reader</b>	<b>2</b>
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**GOLDSPOT DISCOVERIES INC.****Notes to the Interim Condensed Financial Statements****June 30, 2018****(Unaudited - Prepared in Canadian dollars)**

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**Notice to reader pursuant to National Instrument 51-102 – Continuous Disclosure Obligations**

Under National Instrument 51-102 – Continuous Disclosure Obligations, if an auditor has not performed a review of a reporting issuer's interim financial statements, the financial statements must be accompanied by a notice indicating that they have not been reviewed by an auditor.

The Company's independent auditor has not performed a review of these interim condensed financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

**GOLDSPOT DISCOVERIES INC.**  
**Statements of Financial Position**  
**As at June 30, 2018 and December 31, 2017**  
**(Unaudited - Prepared in Canadian dollars)**

	<u>Notes</u>	<u>June 30, 2018</u>	<u>December 31, 2017</u>
<b>Assets</b>			
<b>Current</b>			
Cash		\$ 2,357,015	\$ 1,428,323
Restricted cash	3	15,000	-
Accounts receivable	9(a)	191,576	115,173
Sales tax recoverable	9(a)	140,080	60,125
Prepays		116,244	-
		<u>2,819,915</u>	<u>1,603,621</u>
<b>Exploration and evaluation assets</b>		<b>23,285</b>	<b>23,285</b>
<b>Capital assets, net</b>	4	<b>44,517</b>	<b>-</b>
		<u>\$ 2,887,717</u>	<u>\$ 1,626,906</u>
<b>Liabilities and Equity</b>			
<b>Current</b>			
Accounts payable and accrued liabilities		\$ 6,265	\$ 57,830
		<u>6,265</u>	<u>57,830</u>
<b>Equity</b>			
Share capital	6	3,683,380	2,103,869
Contributed surplus		209,184	-
Deficit		<u>(1,011,112)</u>	<u>(534,793)</u>
		<u>2,881,452</u>	<u>1,569,076</u>
		<u>\$ 2,887,717</u>	<u>\$ 1,626,906</u>

Going concern uncertainty 1

The accompanying notes are an integral part of these financial statements

On behalf of the Board:

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

**GOLDSPOT DISCOVERIES INC.****Statements of Loss and Comprehensive Loss****Three And Six Months Ended June 30,****(Unaudited - Prepared in Canadian dollars)**

	Notes	Three Months Ended		Six Months Ended	
		2018	2017	2018	2017
<b>Revenue</b>					
Consulting income	5(b)	\$ 219,600	\$ 10,000	\$ 598,800	\$ 10,000
<b>Expenses</b>					
Consulting fees	5(a), 6(b)	382,570	146,365	697,932	300,036
Stock-based compensation expense	5(d)	80,968	-	209,184	-
Office, general and administrative		39,892	3,183	70,063	21,079
Software licensing fees		33,899	-	54,087	27,778
Travel and promotion		24,301	1,178	34,198	11,666
Professional Fees		1,560	10,553	9,655	10,553
Development costs		-	-	-	118,500
		<u>534,467</u>	<u>161,279</u>	<u>1,075,119</u>	<u>489,612</u>
<b>Loss before income taxes</b>		<b>(314,867)</b>	<b>(151,279)</b>	<b>(476,319)</b>	<b>(479,612)</b>
<b>Income tax expense</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net loss and comprehensive loss for the period</b>		<u><b>\$ (314,867)</b></u>	<u><b>\$ (151,279)</b></u>	<u><b>\$ (476,319)</b></u>	<u><b>\$ (479,612)</b></u>
<b>Loss per common share for the period</b>					
Basic and diluted		<u><b>\$ (0.19)</b></u>	<u><b>\$ (0.12)</b></u>	<u><b>\$ (0.30)</b></u>	<u><b>\$ (0.45)</b></u>
<b>Weighted average number of common shares outstanding</b>					
Basic and diluted		<b>1,674,335</b>	<b>1,229,500</b>	<b>1,600,516</b>	<b>1,060,287</b>

The accompanying notes are an integral part of these financial statements

**GOLDSPOT DISCOVERIES INC.**  
**Statements of Changes in Equity (Deficit)**  
**Three And Six Months Ended June 30,**  
**(Unaudited - Prepared in Canadian dollars)**

	Notes	Number of shares	Share capital	Contributed surplus	Deficit	Total equity (deficit)
<b>Balance at December 31, 2016</b>		505,000	\$ 101	\$ -	\$ (41,064)	\$ (40,963)
Net loss and comprehensive loss for the period		-	-	-	(479,612)	(479,612)
Issued pursuant to rights offering		456,000	456,000	-	-	456,000
Issued pursuant to services		100,000	100,000	-	-	100,000
Issued pursuant to assignment of intellectual property		118,500	118,500	-	-	118,500
Issued pursuant to private placements		50,000	50,000	-	-	50,000
<b>Balance at June 30, 2017</b>		1,229,500	\$ 724,601	\$ -	\$ (520,676)	\$ 203,925
<b>Balance at December 31, 2017</b>		1,520,863	\$ 2,103,869	\$ -	\$ (534,793)	\$ 1,569,076
Net loss and comprehensive loss for the period		-	-	-	(476,319)	(476,319)
Stock-based compensation expense	6(d)	-	-	209,184	-	209,184
Issued pursuant to services	6(b)	2,510	18,511	-	-	18,511
Issued pursuant to private placements	6(c)	156,100	1,561,000	-	-	1,561,000
<b>Balance at June 30, 2018</b>		1,679,473	\$ 3,683,380	\$ 209,184	\$ (1,011,112)	\$ 2,881,452

The accompanying notes are an integral part of these financial statements

**GOLDSPOT DISCOVERIES INC.**  
**Statements of Cash Flows**  
**Three And Six Months Ended June 30,**  
**(Unaudited - Prepared in Canadian dollars)**

	<u>Notes</u>	<u>2018</u>	<u>2017</u>
<b>Cash flows used in operating activities</b>			
Net loss for the period		\$ (476,319)	\$ (479,612)
Items not affecting cash			
Issuance of shares for services		18,511	100,000
Issuance of shares upon assignment of intellectual property		-	118,500
Stock-based compensation expense		209,184	-
Depreciation		5,468	-
		<u>(243,156)</u>	<u>(261,112)</u>
Changes in non-cash working capital balances			
Increase in restricted cash		(15,000)	-
Increase in accounts receivable		(76,403)	(5,650)
Increase in sales tax recoverable		(79,955)	(21,640)
Increase in prepaids		(116,244)	-
Increase in accounts payable and accrued liabilities		(51,565)	37,382
		<u>(582,323)</u>	<u>(251,020)</u>
<b>Cash flows from financing activities</b>			
Repayment of advances from related party		-	(50,470)
Proceeds pursuant to the exercise of rights offering		-	456,000
Proceeds pursuant to private placement financings		1,561,000	50,000
		<u>1,561,000</u>	<u>455,530</u>
<b>Cash flows used in investing activities</b>			
Purchase of capital assets		(49,985)	-
Expenditures on exploration and evaluation assets		-	(5,846)
		<u>(49,985)</u>	<u>(5,846)</u>
<b>Net increase in cash during the period</b>		<b>928,692</b>	<b>198,664</b>
<b>Cash, beginning of period</b>		<b>1,428,323</b>	<b>975</b>
<b>Cash, end of period</b>		<b>\$ 2,357,015</b>	<b>\$ 199,639</b>
<b>Supplemental cash flow information</b>			
Income taxes paid		\$ -	\$ -
Finance expense paid		-	-
Non-cash financing activities			
Issuance of shares pursuant to services		18,511	100,000
Issuance of shares upon assignment of intellectual property		-	118,500

The accompanying notes are an integral part of these financial statements

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# **GOLDSPOT DISCOVERIES INC.**

## **Notes to the Interim Condensed Financial Statements**

**June 30, 2018**

**(Unaudited – Prepared in Canadian dollars)**

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### **1. Nature of business and going concern uncertainty:**

Goldspot Discoveries Inc. ("Goldspot" or the "Company"), a privately-owned company, was incorporated on November 9, 2016 under the *Business Corporations Act* (Quebec) and on May 8, 2018, continued under the *Business Corporations Act* (Ontario), with its registered and head office at 69 Yonge Street, Suite 1010, Toronto, ON, M5E 1K3. The Company leverages machine learning to reduce capital risk, while working to increase efficiencies and success rates in resource exploration and investing. The Company combines proprietary technology with traditional domain expertise, offering a front-to-back service solution to its clients. Goldspot's solutions target big data problems, making full use of historically unutilized data to gain deeper understanding of resource property potential. Goldspot has developed a monetization strategy into multiple verticals of the mining and investment industry, including service offerings, staking and royalty acquisition, and the development of its own artificial-intelligence driven investment platform.

These interim condensed financial statements ("interim financial statements") were approved for issuance by the Company's board of directors on August 29, 2018.

These financial statements have been prepared using accounting policies applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they become due. The Company has operating losses since incorporation on November 9, 2016, has incurred a loss for the six months ended June 30, 2018 of \$476,319 and has an accumulated deficit of \$1,011,112. The Company is a start-up firm and is subject to risks and challenges similar to other companies in a comparable stage. These risks include, but are not limited to, dependence on key individuals, investment risks, market risks, the ability to maintain adequate cash flows, exchange rate fluctuations and continuing as a going concern. Cash on hand is currently adequate to cover expected expenditures for the 12 months period ending June 30, 2019, however, whether or when the Company can attain consistent positive cash flows from operations and the challenges of securing requisite funding beyond June 30, 2019 and the cumulative operating losses indicate the existence of an uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern.

These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts or classification of liabilities that might be necessary should the Company not be able to continue as a going concern or be unable to realize its assets and discharge its liabilities in the normal course of business. Such adjustments can be material.

### **2. Basis of preparation:**

#### **(a) Statement of compliance:**

These interim financial statements are unaudited and have been prepared on a condensed basis in accordance with International Accounting Standard 34, *Interim Financial Reporting*, issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee using accounting policies consistent with International Financial Reporting Standards ("IFRS").

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**GOLDSPOT DISCOVERIES INC.**  
**Notes to the Interim Condensed Financial Statements**  
**June 30, 2018**  
**(Unaudited – Prepared in Canadian dollars)**

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**2. Basis of preparation (continued):**

These interim financial statements as at and for the three and six months ended June 30, 2018 should be read together with the annual financial statements as at and for the year ended December 31, 2017. The same accounting policies and methods of computation were followed in the preparation of these interim financial statements as were followed in the preparation of and as described in note 3 of the annual financial statements as at and for the year ended December 31, 2017, except those adopted on January 1, 2018 as follows. The implementation of the new policies had no impact to the Company's interim financial statements as at and for the three and six months ended June 30, 2018.

- (i) IFRS 9 – Financial Instruments (“IFRS 9”) was issued by the IASB as a complete standard in July 2014 and will replace IAS 39 Financial Instruments: Recognition and Measurement (“IAS 39”). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018.
- (ii) IFRS 15 - Revenue From Contracts With Customers (“IFRS 15”) proposes to replace IAS 18 - Revenue, IAS 11 - Construction contracts, and some revenue-related interpretations. The standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. IFRS 15 is effective for annual periods beginning on or after January 1, 2018.
- (iii) IFRIC 22 – Foreign Currency Transactions and Advance Consideration (“IFRIC 22”) was issued in December 2017 and addresses foreign currency transactions or parts of transactions where there is consideration that is denominated in a foreign currency; a prepaid asset or deferred income liability is recognised in respect of that consideration, in advance of the recognition of the related asset, expense or income; and the prepaid asset or deferred income liability is non-monetary. The interpretation committee concluded that the date of the transaction, for purposes of determining the exchange rate, is the date of initial recognition of the non-monetary prepaid asset or deferred income liability. IFRIC 22 is effective for annual periods beginning on or after January 1, 2018.

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**GOLDSPOT DISCOVERIES INC.**  
**Notes to the Interim Condensed Financial Statements**  
**June 30, 2018**  
**(Unaudited – Prepared in Canadian dollars)**

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**2. Basis of preparation (continued):**

(iv) IFRS 2, Share-based payments ("IFRS 2") - In June 2016, the IASB issued final amendments to IFRS 2, which clarifies how to account for certain types of share-based payment transactions. The amendments provide requirements on the accounting for: (i) the effect of vesting and non-vesting conditions on the measurement of cash-settled share-based payments; (ii) share-based payment transactions with a net settlement feature for withholding tax obligations; and (iii) a modification to the terms and conditions of a share-based payment that changes the classifications of the transaction from cash-settled to equity-settled. The amendments are effective for annual periods beginning on or after January 1, 2018, with early adoption permitted.

(v) Capital assets, net:

Property, plant and equipment are recorded at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is provided at rates designed to amortize the cost of the assets over their estimated useful lives as follows:

	<b>Rate</b>	<b>Basis</b>
Furniture and equipment	20%	Declining balance
Computer equipment	30%	Declining balance

The carrying values of property, plant and equipment are assessed for impairment when indicators of such impairment exist, or when annual impairment testing for an asset is required.

If any indication of impairment exists, an estimate of the asset's recoverable amount is calculated. The recoverable amount is determined as the higher of the fair value less costs to sell for the asset and the asset's value in use.

If the carrying amount of the asset exceeds its recoverable amount, the asset is deemed impaired and an impairment loss is charged to the statements of loss and comprehensive loss. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceeds the carrying amount that would have been determined, net of amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statements of loss and comprehensive loss.

(b) Basis of presentation:

These interim financial statements have been prepared using the historical cost convention except for certain financial instruments which have been measured at fair value. All monetary references expressed in these notes are references to Canadian dollar amounts ("\$").

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**GOLDSPOT DISCOVERIES INC.**  
**Notes to the Interim Condensed Financial Statements**  
**June 30, 2018**  
**(Unaudited – Prepared in Canadian dollars)**

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**2. Basis of preparation (continued):**

- (c) Critical accounting judgments, estimates and assumptions:

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the interim financial statements and the reported amounts of revenue and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these judgments, estimates and assumptions could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The information about significant areas of estimation uncertainty and judgment considered by management in preparing the interim financial statements were the same as those in the preparation of the annual financial statements as at and for the year ended December 31, 2017, except for:

*Stock-based compensation expense:*

The Company uses the Black-Scholes option pricing model to determine the fair value of options in order to calculate stock-based compensation expense. The Black-Scholes model involves six key inputs to determine the fair value of an option: risk-free interest rate, exercise price, market price at the date of issue, expected dividend yield, expected life, and expected volatility. Certain of the inputs are estimates that involve considerable judgment and are or could be affected by significant factors that are out of the Company's control. The Company is also required to estimate the future forfeiture rate of options based on historical information in its calculation of stock-based compensation expense. Refer to Note 6(d) for further details.

**3. Restricted cash:**

As at June 30, 2018, the Company held restricted cash totaling \$15,000 (December 31, 2017 – nil) which are held in a Guaranteed Investment Certificate ("GIC"), as collateral to the Royal bank of Canada ("RBC") for three corporate credit cards issued to the Company from RBC. The total GIC earns interest at a rate of 0.7% annually, matures on January 18, 2019 and is renewed on a monthly basis at the prevailing interest rate.

**GOLDSPOT DISCOVERIES INC.**  
**Notes to the Interim Condensed Financial Statements**  
**June 30, 2018**  
**(Unaudited – Prepared in Canadian dollars)**

**4. Capital assets, net:**

Capital asset, net are as follows as at June 30, 2018 (December 31, 2017 – nil):

	<b>June 30, 2018</b>		
	<b>Cost</b>	<b>Accumulated amortization</b>	<b>Net book value</b>
Furniture and equipment	\$ 18,047	\$ 1,089	\$ 16,958
Computer equipment	31,938	4,379	27,559
	<b>\$ 26,416</b>	<b>\$ 5,468</b>	<b>\$ 44,517</b>

**5. Related party transactions:**

All transactions with related parties have occurred in the normal course of operations.

- (a) Key management personnel are defined as those individuals having authority and responsibility for planning, directing, and controlling the activities of the Company. Goldspot considers Denis Laviolette, its President and Chief Executive Officer (“CEO”), Binh Quach, its Chief Financial Officer (“CFO”), Cejay Kim, its Vice-President Corporate Development (“VP”) (effective February 1, 2018) and Vincent Dube-Bourgeois, its Chief Operating Officer (“COO”) to be its key management personnel. Compensation of key management is included in the statements of comprehensive loss as follows for the three and six months ended June 30:

<b>Type of expense</b>	<b>Three months ended June 30,</b>		<b>Six months ended June 30,</b>	
	<b>2018</b>	2017	<b>2018</b>	2017
Salaries and consulting fees	\$ 99,000	\$ 36,000	\$ 188,000	\$ 108,000
Stock-based compensation expense (c and 6(d))	40,484	-	101,218	-
Development costs	-	-	-	35,550
	<b>\$ 139,484</b>	\$ 36,000	<b>\$ 289,218</b>	\$ 143,550

- (b) The Company may have directors and officers who are directors and/or officers of the Company’s clients. During the six months ended June 30, 2018, the Company recorded consulting revenue of \$388,800 (June 30, 2017 – \$10,000) from customers who had a director or officer who is also a director or officer of the Company.
- (c) On February 1, 2018, the Company granted 45,000 options to directors and officers of the Company, exercisable at \$10.00 per share, vesting annually gradually over 5 years and expiring on February 1, 2025.
- (d) As at December 31, 2017, included in accounts payable and accrued liabilities is \$6,772 owing to the COO relating to reimbursement of travel expenses.
- (e) A company who has an officer who is also a director of Goldspot subscribed for 15,600 shares of the Company for gross proceeds of \$156,000 pursuant to the Company’s private placement in March 2018 (Note 6(c)).

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**GOLDSLOT DISCOVERIES INC.****Notes to the Interim Condensed Financial Statements****June 30, 2018****(Unaudited – Prepared in Canadian dollars)**

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**5. Related party transactions (continued):**

- (f) A company who has an officer/director who is also a director of Goldspot subscribed for 7,500 shares of the Company for gross proceeds of \$75,000 pursuant to the Company's private placement in April 2018 (Note 6(c)).

**6. Equity:**

- (a) Authorized: unlimited number of common shares (no par value).
- (b) In July 2017, the Company entered into a consulting agreement with a researcher/developer which included a payment of 1,255 shares of the Company to be issued to the consultant every three months beginning on October 14, 2017 and ending on July 14, 2022, for a total of 25,100 shares. On January 14, 2018, pursuant to the consulting agreement, the Company issued the second tranche of 1,255 common shares and recorded consulting fee expense at a value of \$4.75 per share, totaling \$5,961. On April 14, 2018, the Company issued the third tranche of 1,255 common shares and recorded consulting fee expense at a value of \$10.00 per share, totaling \$12,550. The consultant resigned on June 14, 2018 and as result, all future share issuances (21,335 shares) in accordance with the consulting agreement were cancelled. In addition, the 5,000 options granted to the consultant on February 1, 2018, with an exercise price of \$10.00 per share and expiring on February 1, 2025, have been cancelled.
- (c) On March 28, 2018, the Company completed the first tranche of a non-brokered private placement financing in raising total gross proceeds of \$1,186,000 through the issuance and sale of 118,600 shares at a price of \$10.00 per share. On April 12, 2018, the Company completed the final tranche of a non-brokered private placement financing in raising total gross proceeds of \$375,000 through the issuance and sale of 37,500 shares at a price of \$10.00 per share.

- (d) Stock options:

The Company grants stock options to eligible directors, officers, key employees and consultants under its 2018 stock option plan to enable them to purchase common shares of the Company. Under the terms of the plan, the number of common shares that may be issued pursuant to the exercise of options granted under the plan may not exceed 10% of the number of common shares outstanding at the time of grant.

The exercise price of an option granted under the plan cannot be less than the closing price of the common shares on the last day on which the common shares trade prior to the grant date of the option. An individual can receive grants of no more than 5% of the outstanding shares of the Company on a yearly basis and options are exercisable over a period not exceeding five years. Options granted are accounted for by the fair value method of accounting for stock-based compensation. The Company records compensation expense and credits contributed surplus for all options granted.

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**GOLDSPOT DISCOVERIES INC.****Notes to the Interim Condensed Financial Statements****June 30, 2018****(Unaudited – Prepared in Canadian dollars)**

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**6. Equity (continued):**

On February 1, 2018, the Company granted 95,000 stock options to officers and consultants of the Company, exercisable at \$10.00 per share expiring on February 1, 2015. The stock options granted vest at the rate of 10% in the first year, 15% in the second year, 20% in the third year, 25% in the fourth year and 30% in the fifth year.

The fair value of the options granted on February 1, 2018 was estimated at the date of grant using the Black-Scholes option valuation model with the following assumptions:

Black-Scholes option valuation model assumptions used (weighted average)	
Expected volatility	<b>100%</b>
Expected dividend yield	<b>0%</b>
Risk-free interest rate	<b>2.2%</b>
Expected option life in years	<b>5 years</b>
Expected forfeiture rate	<b>0%</b>
Fair value per stock option granted on February 1, 2018	<b>\$ 7.51</b>

The expected volatility is based on the average historical volatility over the life of the option. The Company has not paid any cash dividends historically and has no plans to pay cash dividends in the foreseeable future. The risk-free interest rate is based on the yield of Canadian Benchmark Bonds with equivalent terms. The expected option life in years represents the period of time that options granted are expected to be outstanding based on the vesting dates.

For the six months ended June 30, 2018, included in statements of loss and comprehensive loss is stock-based compensation expense of \$209,184 (2017 - \$nil) relating to the stock options granted to officers and consultants of the Company.

A summary of the status of the Company's stock options as at June 30, 2018 (2017 – nil) and changes during the periods then ended is presented below:

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	<b>June 30, 2018</b>	
<b>Stock options</b>	<b># of options</b>	<b>Weighted average exercise price</b>
Outstanding, at beginning of period	-	\$ -
Granted	<b>95,000</b>	<b>10.00</b>
Forfeited/cancelled (b)	<b>(5,000)</b>	<b>10.00</b>
Outstanding, at end of period	<b>90,000</b>	<b>\$ 10.00</b>
Exercisable, at end of period	-	\$ -

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**GOLDSPOT DISCOVERIES INC.**  
**Notes to the Interim Condensed Financial Statements**  
**June 30, 2018**  
**(Unaudited – Prepared in Canadian dollars)**

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**6. Equity (continued):**

(e) Maximum share dilution:

The following table presents the maximum number of shares that would be outstanding if all outstanding stock options were exercised as at June 30, 2018 and December 31, 2017:

	<b>June 30, 2018</b>	December 31, 2017
Common shares outstanding	<b>1,679,473</b>	1,520,863
Stock options to purchase common shares	<b>90,000</b>	-
Fully diluted common shares outstanding	<b>1,769,473</b>	1,520,863

**7. Segmented information:**

The management of the Company is responsible for the Company's sales and considers the business to have a single operating segment.

The Company has a single reportable geographic segment, Canada, and all of the Company's assets are located in Canada.

The internal reporting provided to management of the Company's assets, liabilities, and performance is prepared on a consistent basis with the measurement and recognition principles of IFRS. There were no changes in the reportable segments during the six months ended June 30, 2018.

**8. Management of capital:**

There were no changes in the Company's approach to capital management during the six months ended June 30, 2018. The Company's capital includes all components of equity which amounts to \$2,881,452 as at June 30, 2018 (December 31, 2017 - \$1,569,076). To date, the Company has not declared any cash dividends to its shareholders as part of its capital management program. The Company's current capital resources are sufficient to discharge its current liabilities as at June 30, 2018.

**9. Financial instruments and financial risk management:**

*Financial instruments*

The Company classifies its cash as fair value through profit or loss and is categorized as level 1 in the fair value hierarchy. Accounts receivable and net input sales receivable are recognized as other financial assets, and accounts payable and accrued liabilities and advances from related party as other financial liabilities.

The carrying amounts of accounts receivable, net input sales tax receivable, and accounts payable and accrued liabilities, and advances from related party approximate their fair value due to their short periods to maturity.

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**GOLDSPOT DISCOVERIES INC.****Notes to the Interim Condensed Financial Statements****June 30, 2018****(Unaudited – Prepared in Canadian dollars)**

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**9. Financial instruments and financial risk management (continued):***Financial risk management*

The Company has exposure to credit risk, liquidity risk, and currency risk associated with its financial assets and liabilities. There were no significant or material changes to the Company's risk management during the six months ended June 30, 2018. A discussion of the Company's use of financial instruments and other associated risks is as follows.

**(a) Credit risk:**

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company. Financial instruments which potentially subject the Company to concentrations of credit risk consist of cash, restricted cash, accounts receivable and sales tax recoverable. All funds in cash are held in financial institutions that have a credit rating above AA and the Company believes the risk of loss to be remote. Sales tax recoverable is due from the Quebec government. Sales tax credits are subject to review by the Quebec Ministry of Revenue and by Canada Revenue Agency ("CRA") and any adjustments that may result could reduce the sales tax recoverable as recorded.

The Company has accounts receivable from mining and exploration companies. The Company's credit risk arises from the possibility that a counterparty which owes the Company money is unable or unwilling to meet its obligations in accordance with the terms and conditions in the contracts with the Company, which would result in a financial loss to the Company. These specific mining and exploration companies may be affected by economic factors and government factors which may impact accounts receivable. Management does not believe that a single industry or geographic region represents significant credit risk. This risk is mitigated through established credit management techniques, including monitoring counterparty creditworthiness, setting exposure limits and monitoring exposure against these customer credit limits.

The maximum exposure to credit risk is the carrying amount of the Company's cash, restricted cash, accounts receivable, and sales tax recoverable which total \$2,703,672 as at June 30, 2018 (December 31, 2017 - \$1,603,621).

An aging of accounts receivable as at June 30, 2018 and December 31, 2017 is as follows:

	<b>Accounts receivable due by period</b>				
	<b>0-30 days</b>	<b>31-60 days</b>	<b>61-90 days</b>	<b>91+ days</b>	<b>Total</b>
<b>June 30, 2018</b>	<b>\$ 59,800</b>	<b>\$ -</b>	<b>\$ 131,776</b>	<b>\$ -</b>	<b>\$ 191,576</b>
December 31, 2017	\$ 64,993	\$ -	\$ -	\$ 50,180	\$ 115,173

The allowance for doubtful accounts and bad debts expense are \$nil for the six months ended June 30, 2018 (December 31, 2017 – \$nil). The Company does not have collateral to any of its receivable balances. See note 9(c) for concentration of credit risk.

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**GOLDSPOT DISCOVERIES INC.****Notes to the Interim Condensed Financial Statements****June 30, 2018****(Unaudited – Prepared in Canadian dollars)**

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**9. Financial instruments and financial risk management (continued):****(b) Liquidity risk:**

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they become due. The Company's management is responsible for reviewing liquidity resources to ensure funds are available to meet financial obligations as they become due, as well as ensuring funds exist to support business strategies and operating growth. There were no changes to the way that the Company manages liquidity risk during the six months ended June 30, 2018. The Company manages liquidity risk by reviewing the amount of cash available on a weekly basis and managing its cash flow.

The Company's accounts payable and accrued liabilities and advances from related party are due within less than 1 year as at June 30, 2018 and December 31, 2017.

The Company's cash balance is sufficient to meet the Company's current liabilities.

**(c) Economic dependence:***Revenue*

For the six months ended June 30, 2018, the Company earned revenue from 4 contracts (December 31, 2017 – 3 contracts) from mining and exploration companies. The Company's consulting revenue are usually short term in nature and consulting agreements are between 3-6 months terms. Some of the Company's revenue are earned from related parties (Note 5(b)).

*Concentration of credit risk*

As at June 30, 2018, the accounts receivable were from 3 mining and exploration companies (December 31, 2017 – 3 companies). As at June 30, 2018, the Company had no reason to believe that the accounts receivable will not be fully collected.

**10. Future accounting changes:**

IFRS accounting standards, interpretations and amendments to existing IFRS accounting standards that were not yet effective as at December 31, 2017, are described in Note 13 to the annual financial statements as at and for the year ended December 31, 2018. The Company is currently assessing what impact the application of those standards or amendments which have not been adopted, will have on the financial statements of the Company. The Company intends to adopt the standards, if applicable, when the standards become effective. There have been no other changes to existing IFRS accounting standards and interpretations since December 31, 2017 that are expected to have a material effect on the Company's interim financial statements.

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## **GOLDSPOT DISCOVERIES INC.**

### **Notes to the Interim Condensed Financial Statements**

**June 30, 2018**

**(Unaudited – Prepared in Canadian dollars)**

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#### **11. Subsequent events:**

On June 18, 2018, the Company entered into an amalgamation agreement (the "Amalgamation Agreement") with Duckworth Capital Corp. (TSXV: "DUKE.P") ("Duckworth"), an arm's length party, and 2639781 Ontario Inc., a wholly owned subsidiary of Duckworth ("Subco"), whereby Duckworth would acquire all of the Company's common shares.

Pursuant to the Amalgamation Agreement, Goldspot will amalgamate with Subco and all of the outstanding common shares of Goldspot (the "Goldspot Shares") will be exchanged for common shares of Duckworth (the "Duckworth Shares") on the basis of 82.73481801 Duckworth Shares for each one Goldspot Share held (the "Transaction"). As a result, approximately 138,950,893 Duckworth Shares will be issued to former Goldspot shareholders on a pre-consolidated basis and not including any Duckworth Shares or Goldspot Shares issuable pursuant to the Offering (particulars of which are set out below). There are no finder's fees payable in connection with the completion of the Transaction. In connection with the Transaction, Duckworth is proposing to consolidate all of the outstanding Duckworth Shares by changing each two Duckworth Shares into one Duckworth Share.

Prior to completion of the Transaction, either Goldspot or Duckworth, as determined by the parties, intend to complete a private placement of (the "Offering") subscription receipts (the "Subscription Receipts") for gross proceeds of up to \$6,000,000 at a price per Subscription Receipt of not less than \$16.25, in the event the Offering is completed by Goldspot or \$0.20 in the event the Offering is completed by Duckworth, or such other amount and price as the parties shall agree. There is no assurance that the Offering will be completed on the terms set out above or at all.

Upon completion of the Transaction, former Goldspot and Duckworth shareholders will continue as shareholders of the Resulting Issuer. The Resulting Issuer will have 151,000,893 issued and outstanding common shares (the "Resulting Issuer Shares"), after giving effect to the Offering on a pre-consolidation non-diluted basis (75,500,446 Resulting Issuer Shares on a post-consolidation non-diluted basis). Prior to the Duckworth Share Consolidation, 138,950,893 Resulting Issuer Shares will be held by former Goldspot shareholders and 12,050,000 Resulting Issuer Shares will be held by former Duckworth shareholders which represents ownership of the Resulting Issuer of approximately 92% by former Goldspot shareholders and approximately 8% by former Duckworth shareholders, on an undiluted basis.

Completion of the Transaction will be subject to certain standard conditions including, without limitation: (a) receipt of all necessary consents, waivers, permits, exemptions, orders and approvals, including the approval of the TSXV for the listing of the Resulting Issuer Shares to be issued pursuant to the Transaction; (b) receipt of shareholder approval by Goldspot shareholders to the Transaction; (c) completion of the Offering; and (f) each of the current directors and officers of Duckworth shall have tendered their resignations and provided releases. There can be no assurance that the transaction will be completed as proposed or at all.

**Financial Statements of**



**December 31, 2017 and 2016**  
**(Prepared in Canadian dollars)**

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## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of  
**Goldspot Discoveries Inc.**

### Report on the Financial Statements

We have audited the accompanying financial statements of Goldspot Discoveries Inc., which comprise the statements of financial position as at December 31, 2017 and 2016, and the statements of loss and comprehensive loss, changes in equity (deficit), and cash flows for the year ended December 31, 2017 and period from incorporation (November 9, 2016) to December 31, 2016, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Goldspot Discoveries Inc. as at December 31, 2017 and 2016, and its financial performance and its cash flows for the year ended December 31, 2017 and period from incorporation (November 9, 2016) to December 31, 2016 in accordance with International Financial Reporting Standards.

### Emphasis of Matter

Without modifying our opinion, we draw attention to note 1 of the notes to the financial statements which describes a material uncertainty that may cast significant doubt about Goldspot Discoveries Inc.'s ability to continue as a going concern.

*DNTW Toronto LLP*

Chartered Professional Accountants  
Licensed Public Accountants

June 27, 2018  
Toronto, Ontario

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**GOLDSPOT DISCOVERIES INC.****Statements of Financial Position****As at December 31,****(Prepared in Canadian dollars)**

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	<u>Notes</u>	<u>2017</u>	<u>2016</u>
<b>Assets</b>			
<b>Current</b>			
Cash		\$ 1,428,323	\$ 975
Accounts receivable	4	115,173	-
Sales tax recoverable	12(a)	60,125	-
		<u>1,603,621</u>	<u>975</u>
<b>Exploration and evaluation assets</b>	5	<b>23,285</b>	17,439
		<u>\$ 1,626,906</u>	<u>\$ 18,414</u>
<b>Liabilities and Equity (Deficit)</b>			
<b>Current</b>			
Accounts payable and accrued liabilities		\$ 57,830	\$ 8,907
Advances from related party	6, 8(a)	-	50,470
		<u>57,830</u>	<u>59,377</u>
<b>Equity (deficit)</b>			
Share capital	9	2,103,869	101
Deficit		<u>(534,793)</u>	<u>(41,064)</u>
		<u>1,569,076</u>	<u>(40,963)</u>
		<u>\$ 1,626,906</u>	<u>\$ 18,414</u>

Going concern uncertainty 1

The accompanying notes are an integral part of these financial statements

On behalf of the Board:

"Ramon Barua" Director"Denis Laviolette" Director

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**GOLDSPOT DISCOVERIES INC.****Statements of Loss and Comprehensive Loss****For the year ended December 31, 2017 and from incorporation (November 9, 2016) to December 31, 2016****(Prepared in Canadian dollars)**

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	<u>Notes</u>	<u>December 31, 2017</u>	<u>From incorporation (November 9, 2016) to December 31, 2016</u>
<b>Revenue</b>			
Consulting income	8(a, c)	\$ 452,508	\$ -
<b>Expenses</b>			
Consulting fees	8(b), 9(c)	657,580	34,008
Development costs	8(b), 9(d)	118,500	-
Professional Fees		59,041	-
Software licensing fees		51,765	-
Office, general and administrative		34,673	7,056
Travel and promotion		24,678	-
		<u>946,237</u>	<u>41,064</u>
<b>Loss before income taxes</b>		<b>(493,729)</b>	<b>(41,064)</b>
<b>Income tax expense</b>		<b>-</b>	<b>-</b>
<b>Net loss and comprehensive loss for the period</b>		<b>\$ (493,729)</b>	<b>\$ (41,064)</b>
<hr/>			
<b>Loss per common share for the period</b>			
Basic and diluted		<u>\$ (0.43)</u>	<u>\$ (0.08)</u>
<hr/>			
<b>Weighted average number of common shares outstanding</b>			
Basic and diluted		<b>1,156,162</b>	<b>505,000</b>

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The accompanying notes are an integral part of these financial statements

## **GOLDSPOT DISCOVERIES INC.**

### **Statements of Changes in Equity (Deficit)**

**For the year ended December 31, 2017 and from incorporation (November 9, 2016) to December 31, 2016**  
**(Prepared in Canadian dollars)**

	<b>Notes</b>	<b>Number of shares</b>	<b>Share capital</b>	<b>Deficit</b>	<b>Total equity (deficit)</b>
<b>Balance at November 9, 2016</b>		-	\$ -	-	\$ -
Shares issued pursuant to incorporation		505,000	101	-	101
Net loss and comprehensive loss for the period		-	-	(41,064)	(41,064)
<b>Balance at December 31, 2016</b>		505,000	\$ 101	\$ (41,064)	\$ (40,963)
Net loss and comprehensive loss for the year		-	-	(493,729)	(493,729)
Issued pursuant to rights offering	9(b)	456,000	456,000	-	456,000
Issued pursuant to services	9(c, f)	101,255	101,255	-	101,255
Issued pursuant to assignment of intellectual property	9(d)	118,500	118,500	-	118,500
Issued pursuant to settlement of debt	9(h)	10,176	48,336	-	48,336
Issued pursuant to private placements	9(e,g)	329,932	1,379,677	-	1,379,677
<b>Balance at December 31, 2017</b>		<b>1,520,863</b>	<b>\$ 2,103,869</b>	<b>\$ (534,793)</b>	<b>\$ 1,569,076</b>

The accompanying notes are an integral part of these financial statements

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**GOLDSPOT DISCOVERIES INC.****Statements of Cash Flows****For the year ended December 31, 2017 and from incorporation (November 9, 2016) to December 31, 2016****(Prepared in Canadian dollars)**

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	<b>Notes</b>	<b>December 31, 2017</b>	<b>From incorporation (November 9, 2016) to December 31, 2016</b>
<b>Cash flows used in operating activities</b>			
Net loss for the period		\$ (493,729)	\$ (41,064)
Items not affecting cash			
Issuance of shares for services		101,255	-
Issuance of shares upon assignment of intellectual property		118,500	-
Issuance of shares pursuant to settlement of debt		48,336	-
		<u>(225,638)</u>	<u>(41,064)</u>
Changes in non-cash working capital balances			
Increase in accounts receivable		(115,173)	-
Increase in sales tax recoverable		(60,125)	-
Increase in accounts payable and accrued liabilities		48,923	8,907
		<u>(352,013)</u>	<u>(32,157)</u>
<b>Cash flows from financing activities</b>			
Advances from (repayment to) related party		(50,470)	50,470
Proceeds pursuant to incorporation share issuances		-	101
Proceeds pursuant to the exercise of rights offering		456,000	-
Proceeds pursuant to private placement financings		1,379,677	-
		<u>1,785,207</u>	<u>50,571</u>
<b>Cash flows used in investing activities</b>			
Expenditures on exploration and evaluation assets		(5,846)	(17,439)
		<u>(5,846)</u>	<u>(17,439)</u>
<b>Net increase in cash during the period</b>		<b>1,427,348</b>	<b>975</b>
<b>Cash, beginning of period</b>		<b>975</b>	<b>-</b>
<b>Cash, end of period</b>		<b>\$ 1,428,323</b>	<b>\$ 975</b>
<b>Supplemental cash flow information</b>			
Income taxes paid		\$ -	\$ -
Finance expense paid		-	-
Non-cash financing activities			
Issuance of shares pursuant to services		101,255	-
Issuance of shares upon assignment of intellectual property		118,500	-
Issuance of shares pursuant to settlement of debt		48,336	-

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The accompanying notes are an integral part of these financial statements

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# **GOLDSPOT DISCOVERIES INC.**

## **Notes to the Financial Statements**

**December 31, 2017 and 2016**

**(Prepared in Canadian dollars)**

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### **1. Nature of business and going concern uncertainty:**

Goldspot Discoveries Inc. ("Goldspot" or the "Company"), a privately-owned company, was incorporated on November 9, 2016 under the *Business Corporations Act* (Quebec) and on May 8, 2018, continued under the *Business Corporations Act* (Ontario), with its registered and head office at 69 Yonge Street, Suite 1010, Toronto, ON, M5E 1K3. The Company leverages machine learning to reduce capital risk, while working to increase efficiencies and success rates in resource exploration and investing. The Company combines proprietary technology with traditional domain expertise, offering a front-to-back service solution to its clients. Goldspot's solutions target big data problems, making full use of historically unutilized data to gain deeper understanding of resource property potential. Goldspot has developed a monetization strategy into multiple verticals of the mining and investment industry, including service offerings, staking and royalty acquisition, and the development of its own artificial-intelligence driven investment platform.

The audited financial statements as at and for the period from incorporation (November 9, 2016) to December 31, 2016 and the audited financial statements as at and for the year ended December 31, 2017, collectively, "these financial statements", were approved for issuance by the Company's board of directors on June 27, 2018.

These financial statements have been prepared using accounting policies applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they become due. The Company has operating losses since incorporation on November 9, 2016, has incurred a loss for the year ended December 31, 2017 of \$493,729 (from incorporation on November 9, 2016 to December 31, 2016 - \$41,064) and has an accumulated deficit of \$534,793 (2016 - \$41,064). The Company is a start-up firm and is subject to risks and challenges similar to other companies in a comparable stage. These risks include, but are not limited to, dependence on key individuals, investment risks, market risks, the ability to maintain adequate cash flows, exchange rate fluctuations and continuing as a going concern. Cash on hand is currently adequate to cover expected expenditures for the 12 month period ended December 31, 2018, but not adequate for planned growth initiatives, and therefore the Company will be required to secure additional funding.

These challenges and the continued cumulative operating losses indicate material uncertainties that cast significant doubt on the Company's ability to continue as a going concern. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts or classification of liabilities that might be necessary should the Company not be able to continue as a going concern or be unable to realize its assets and discharge its liabilities in the normal course of business. Such adjustments can be material.

### **2. Basis of preparation:**

#### **(a) Statement of compliance:**

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Significant accounting estimates, judgments and assumptions used or exercised by management in the preparation of these financial statements are presented below.

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## **GOLDSPOT DISCOVERIES INC.**

### **Notes to the Financial Statements**

**December 31, 2017 and 2016**

**(Prepared in Canadian dollars)**

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#### **2. Basis of preparation (continued):**

(b) Basis of presentation:

These financial statements have been prepared using the historical cost convention except for certain financial instruments which have been measured at fair value. All monetary references expressed in these notes are references to Canadian dollar amounts ("\$/").

(c) Critical accounting judgments, estimates and assumptions:

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period.

Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these judgments, estimates and assumptions could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The information about significant areas of estimation uncertainty considered by the Company preparing these financial statements are as follows:

(i) Allowance for doubtful accounts:

Accounts receivable are reviewed for collectability on a monthly basis. Management is required to make judgment whether a receivable balance is collectable based on their relationship with the client and knowledge of the client's financial position. These judgments will affect the reported amounts of accounts receivable and bad debts expense.

The information about significant areas of judgment considered by management in preparing these financial statements are as follows:

(i) Going concern:

The Company's management has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, these financial statements continue to be prepared on a going concern basis. (Refer to Note 1)

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## **GOLDSPOT DISCOVERIES INC.**

### **Notes to the Financial Statements**

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**(Prepared in Canadian dollars)**

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#### **2. Basis of preparation (continued):**

(ii) Exploration and evaluation expenditures:

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment to determine whether future economic benefits are likely, from future either exploitation or sale, or whether activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The determination of reserves and resources is itself an estimation process that requires varying degrees of uncertainty depending on how the resources are classified.

These estimates directly impact when the Company defers exploration and evaluation expenditures. The deferral policy requires management to make certain estimates and assumptions about future events and circumstances, in particular, whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after the expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the relevant capitalized amount is written off in the financial statement of loss and comprehensive loss in the period when the new information becomes available.

(iii) Deferred tax assets:

Deferred tax assets are recognized in respect of tax losses and other temporary differences to the extent it is probable that taxable income will be available against which the losses can be utilized. Judgment is required to determine the amount of deferred tax assets that can be recognized based upon the likely timing and level of future taxable income together with future tax planning strategies. Refer to Note 7 for further details.

#### **3. Significant accounting policies:**

The significant accounting policies used in the preparation of these financial statements are set out below. These policies have been consistently applied to the periods presented.

(a) Foreign currency:

(i) Functional currency:

These financial statements are presented in Canadian dollars which is functional currency.

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## **GOLDSPOT DISCOVERIES INC.**

### **Notes to the Financial Statements**

**December 31, 2017 and 2016**

**(Prepared in Canadian dollars)**

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#### **3. Significant accounting policies (continued):**

(ii) Transactions and balances:

Transactions in foreign currencies are initially recorded in the functional currency at the rate in effect at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange in effect at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. All exchange differences are recorded in the statement of loss and comprehensive loss.

(b) Financial instruments:

(i) Financial assets at fair value:

Financial assets that are managed to collect contractual cash flows made up of principal and interest on specified dates are classified as subsequently measured at amortized cost. All other financial assets are designated as at fair value through profit or loss. All financial assets are recognized initially at fair value plus, in the case of financial assets classified as subsequently measured at amortized cost, directly attributable transaction costs.

Financial assets at amortized cost are measured at initial cost plus interest calculated using the effective interest rate method less cumulative repayments and cumulative impairment losses.

A financial asset is derecognized when the rights to receive cash flows from the asset have expired or the Company has transferred substantially all the risks and rewards of the asset. The Company assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. For amounts deemed to be impaired, the impairment provision is based upon the expected loss.

(ii) Financial liabilities at fair value:

Financial liabilities are presented at amortized cost and are recognized initially at fair value net of directly attributable transaction costs except for those designated at fair value through profit or loss. Financial liabilities at fair value through profit or loss are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of income and comprehensive income. Other financial liabilities are subsequently recognized at amortized cost using the effective interest method with interest expense recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period.

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## **GOLDSPOT DISCOVERIES INC.**

### **Notes to the Financial Statements**

**December 31, 2017 and 2016**

**(Prepared in Canadian dollars)**

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#### **3. Significant accounting policies (continued):**

(iii) Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(iv) Fair value hierarchy:

The fair value measurements use a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The level in the hierarchy within which the fair value measurement is categorized is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. The fair value hierarchy has the following levels:

- (1) Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- (2) Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- (3) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

(c) Non-monetary transactions:

Transactions in which shares or other non-cash consideration are exchanged for assets or services are valued at the fair value of the assets or services involved.

(d) Revenue recognition:

The Company earns revenue by providing consulting services to various mining and exploration companies by utilizing machine learning to target exploration on a regional and localized scale. Revenue is measured at the fair value of the consideration received or receivable for the rendering of services in the ordinary course of the Company's activities and which are generally met once the services are rendered. Revenue is recognized on a monthly contractual basis.

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## **GOLDSPOT DISCOVERIES INC.**

### **Notes to the Financial Statements**

**December 31, 2017 and 2016**

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### **3. Significant accounting policies (continued):**

(e) Income taxes:

(i) Current income tax:

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period.

Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to set off the amounts and the intention is to settle on a net basis, or to realize the asset and settle the liability simultaneously. Current income tax relating to items recognized directly in equity is recognized in equity and not through profit or loss.

(ii) Deferred tax:

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that profit will be available against which the deductible temporary difference and the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the statement of financial position date. Deferred tax relating to items recognized directly in equity is also recognized in equity and not in the statement of income (loss) and comprehensive income (loss).

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient profit will be available to allow all or part of the deferred tax asset to be utilized.

Unrecognized deferred tax assets are reassessed at each statement of financial position date and are recognized to the extent that it has become probable that future profit will allow the deferred tax asset to be recovered. The Company does not record deferred tax assets to the extent that it considers deductible temporary differences, the carry-forward of unused tax credits and unused tax losses cannot be utilized.

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## **GOLDSPOT DISCOVERIES INC.**

### **Notes to the Financial Statements**

**December 31, 2017 and 2016**

**(Prepared in Canadian dollars)**

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#### **3. Significant accounting policies (continued):**

(f) Exploration and evaluation assets:

Amounts included under exploration and evaluation assets relate to properties that are in preproduction and are undergoing exploration and evaluation. All acquisition costs incurred in connection with the Company's exploration and evaluation assets are capitalized less accumulated impairment losses. The Company expenses all exploration expenditures, including geological and geophysical expenditures and overhead expenses directly related to exploration and development activities, as incurred. Once a project has been established as commercially viable and technically feasible, related development expenditures are capitalized. This includes costs incurred in preparing the site for mining operations.

Capitalized exploration and evaluation assets are assessed to determine whether it is likely such net costs may be recovered in the future. Assets that are unlikely to be recovered are written down to their recoverable amount. Impairment reviews take place where there is an indication of impairment or when an exploration and evaluation asset has been transferred into mineral properties.

(j) Earnings (loss) per common share:

Basic earnings (loss) per common share is determined by dividing net income (loss) attributable to common shareholders by the weighted average number of common shares outstanding during the period.

Diluted earnings (loss) per common share is calculated in accordance with the treasury stock method and based on the weighted average number of common shares and dilutive common share equivalents outstanding.

(k) Segment reporting:

Operating segments are reported in a manner consistent with the internal reporting used by management. The Company has a single reportable geographic segment in Canada.

(l) Research and development:

Expenditures on research activities are recognized in comprehensive income (loss) as incurred. Development expenditures are capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, they are recognized in comprehensive income (loss) as incurred. Subsequent to initial recognition, capitalized development expenditures are measured at cost less accumulated amortization and any accumulated impairment losses.

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## **GOLDSPOT DISCOVERIES INC.**

### **Notes to the Financial Statements**

**December 31, 2017 and 2016**

**(Prepared in Canadian dollars)**

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#### **4. Accounts receivable:**

As at December 31, 2017, accounts receivable consists of receivables relating to consulting services to 3 mining and exploration companies located in Argentina, Peru and the U.S.A. The accounts receivables have been outstanding for less than three months and no allowance for bad debts have been recorded against the accounts receivable.

#### **5. Exploration and evaluation assets:**

During the year ended December 31, 2017 and the period from incorporation (November 9, 2016) to December 31, 2016, the Company acquired gold exploration claims in the Abitibi area (Quebec).

As at December 31, 2017, the Company holds 303 claims (14,718 hectares) at a cost of \$23,285. To maintain the claims in good standing, the Company is required to spend \$209,495 by dates between November 15, 2018 and January 28, 2020. As at December 31, 2017, the Company has not incurred any expenditures on the claims but expects to spend the required amounts to keep the claims in good standing.

#### **6. Advances from related party:**

As at December 31, 2016, the advances from related party consisted of \$50,470 due to New Found Gold Corp, a private exploration company with some similar shareholders, directors, and officers. The advances were unsecured, non-interest bearing, and are due on demand. The advances were used for start-up operating costs and were repaid after the Company completed its rights offering in January 2017.

#### **7. Income tax expense and deferred tax assets:**

(a) Income tax expense attributable to income before income taxes differs from the amounts computed by applying the combined federal and provincial tax rate of 26.5% (2016 – 26.5%) of pre-tax income as a result of the following:

	<b>For the year ended December 31, 2017</b>	From incorporation (November 9, 2016) to December 31, 2016
Loss before income taxes	\$ (493,729)	\$ (41,064)
Computed "expected" income tax recovery	\$ (130,838)	\$ (10,882)
Expenses not deductible for income tax purposes	605	-
Net deferred tax assets not recognized	130,233	10,882
Income tax expense	\$ -	\$ -

## **GOLDSPOT DISCOVERIES INC.**

### **Notes to the Financial Statements**

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#### **7. Income tax expense and deferred tax assets (continued):**

- (b) Significant components of the income tax expense for the periods ended December 31, 2017 and 2016 are as follows:

	<b>For the year ended December 31, 2017</b>	<b>From incorporation (November 9, 2016) to December 31, 2016</b>
Current income tax expense	\$ -	\$ -
Deferred taxes		
Income taxes – origination and reversal of temporary differences	<b>(103,233)</b>	(10,882)
Relating to unrecognized temporary differences	<b>103,233</b>	10,882
	-	-
Income tax expense	\$ -	\$ -

- (c) The following deferred tax assets are not recognized in the statements of financial position due to the unpredictability of future income are presented below as at December 31:

	<b>2017</b>	<b>2016</b>
Non-capital losses	\$ <b>141,115</b>	\$ 10,882
Net deferred tax assets	\$ <b>141,115</b>	\$ 10,882

As at December 31, 2017, the Company has approximately \$532,500 (2016 - \$41,100) of non-capital losses carried forward which will expire as follows:

2036	\$ 41,100
2037	491,400
	\$ 532,500

#### **8. Related party transactions:**

All transactions with related parties have occurred in the normal course of operations.

- (a) As at December 31, 2016, the Company had advances from a related party (New Found Gold Corp.) of \$50,470. See Note 6. During the year ended December 31, 2017, the Company also received fees of \$40,000 from New Found Gold Corp. for consulting services. For the year ended December 31, 2017, these fees were included in consulting revenue.

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**GOLDSPOT DISCOVERIES INC.****Notes to the Financial Statements****December 31, 2017 and 2016****(Prepared in Canadian dollars)**

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**8. Related party transactions (continued):**

- (b) During the year ended December 31, 2017, Key management personnel are defined as those individuals having authority and responsibility for planning, directing, and controlling the activities of the Company. Goldspot considers Denis Laviolette, its President and Chief Executive Officer ("CEO"), Binh Quach, its Chief Financial Officer/Corporate Secretary ("CFO") and Vincent Dube-Bourgeois, its Chief Operating Officer ("COO") to be its key management personnel. Compensation of key management is included in the statements of comprehensive loss as follows:

	<b>2017</b>	2016
Consulting fees	\$ <b>203,000</b>	\$ 16,667
Development costs (e(iii))	<b>35,550</b>	-
	<b>\$ 238,550</b>	\$ 16,667

- (c) The Company may have directors and officers who are directors and/or officers of the Company's clients. During the year ended December 31, 2017, the Company recorded consulting revenue of \$307,691 from customers who had a director or officer who is also a director or officer of the Company.
- (d) As at December 31, 2017, included in accounts payable and accrued liabilities is \$6,772 owing to the COO relating to reimbursement of travel expenses.
- (e) During the year ended December 31, 2017, the Company completed several share capital transactions as described in Note 9. Related parties participated in the share capital transactions as follows:
- (i) In January 2017, a director (Collin Kettell as to 36,000 common shares) and insiders (+10% share owners, Palisade Global Investments Ltd. as to 175,000 common shares and ThreeD Capital Inc. as to 135,000 common shares) of the Company participated in a rights offering by subscribing for a total of 346,000 common shares of the Company for total proceeds of \$346,000. (Note 9(b))
- (ii) In February 2017, a director (Cejay Kim as to 25,000 common shares), officers (CEO as to 40,000 common shares and CFO as to 10,000 common shares), and insiders (Palisade Global Investments Ltd. as to 10,000 common shares) received 85,000 common shares of the Company for services at a deemed value of \$1.00 share for a total of \$85,000. (Note 9(c))
- (iii) In February 2017, the COO received 35,550 common shares of the Company in exchange for the assignment of intellectual property at a deemed value of \$1.00 share for a total of \$35,550. (Note 9(d))
- (iv) In February 2017, the COO subscribed for 10,000 common shares of the Company for gross proceeds of \$10,000. (Note 9(e)).

## **GOLDSPOT DISCOVERIES INC.**

### **Notes to the Financial Statements**

**December 31, 2017 and 2016**

**(Prepared in Canadian dollars)**

#### **8. Related party transactions (continued):**

- (v) In December 2017, the COO received 5,088 common shares of the Company for payment of debt totaling \$24,168. (Note 9(h))

#### **9. Share capital:**

- (a) As at December 31, 2017 and 2016, the Company was authorized to issue an unlimited number of common shares (no par value) of which 1,520,863 shares (2016 - 505,000 shares) were issued and outstanding for \$2,103,869 (2016 - \$101).

<b>Issued and outstanding:</b>	<b># of Shares</b>	<b>Amount</b>
<b>Balance, November 9, 2016</b>	-	\$ -
Founders' shares	505,000	101
<b>Balance, December 31, 2006</b>	505,000	\$ 101
Issued pursuant to rights offering (b)	<b>456,000</b>	<b>456,000</b>
Issued pursuant to shares for service (c)	<b>100,000</b>	<b>100,000</b>
Issued upon assignment of intellectual property (d)	<b>118,500</b>	<b>118,500</b>
Issued pursuant to private placement financing (e)	<b>50,000</b>	<b>50,000</b>
Issued pursuant to shares for service (f)	<b>1,255</b>	<b>1,255</b>
Issued pursuant to private placement financing (g)	<b>279,932</b>	<b>1,329,677</b>
Issued pursuant to settlement of debt (h)	<b>10,176</b>	<b>48,336</b>
<b>Balance, December 31, 2007</b>	<b>1,520,863</b>	<b>\$ 2,103,869</b>

- (b) In January 2017, the Company completed a rights offering whereby each common shareholder received one right to subscribe for one common share at an exercise price of \$1.00 per share. Pursuant to the rights offering, the Company issued 456,000 shares at a price of \$1.00 per share for aggregate gross proceeds of \$456,000.
- (c) In February 2017, the Company issued 100,000 shares in exchange for consulting services to the Company. Consulting fees expense of \$1.00 per share, totaling \$100,000 was recorded for these services.
- (d) In February 2017, the Company issued 118,500 shares in exchange for assignment of their consultants' intellectual property related to the Goldspot algorithm. Development costs expense of \$1.00 per share, totaling \$118,500 was recorded for the assignment of the intellectual property.
- (e) In March 2017, the Company completed a non-brokered private placement financing of 50,000 common shares of the Company at a price of \$1.00 per share for aggregate gross proceeds of \$50,000.

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## **GOLDSPOT DISCOVERIES INC.**

### **Notes to the Financial Statements**

**December 31, 2017 and 2016**

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#### **9. Share capital (continued):**

- (f) In July 2017, the Company entered into a consulting agreement with a researcher/developer which included a payment of 1,255 shares of the Company to be issued to the consultant every three months beginning on October 14, 2017 and ending on July 14, 2022, for a total of 25,100 shares. On October 14, 2017, pursuant to the consulting agreement, the Company issued 1,255 common shares and recorded consulting fee expense at a value of \$1.00 per share, totaling \$1,255.
- (g) In December 2017, the Company completed a non-brokered private placement financing of 279,932 common shares of the Company at a price of \$4.75 per share for aggregate gross proceeds of \$1,329,677.
- (h) In December 2017, the Company issued 10,176 common shares at a price of \$4.75 per share for settlement of debt totaling \$48,336.

#### **10. Segmented information:**

The management of the Company is responsible for the Company's sales and considers the business to have a single operating segment.

The Company has a single reportable geographic segment, Canada, and all of the Company's assets are located in Canada.

The internal reporting provided to management of the Company's assets, liabilities, and performance is prepared on a consistent basis with the measurement and recognition principles of IFRS. There were no changes in the reportable segments during the year ended December 31, 2017 and the period from incorporation (November 9, 2016) to December 31, 2016.

#### **11. Management of capital:**

The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may borrow from its shareholders or raise additional funds. The Company considers its capital to include total equity which amounts to \$1,569,076 on December 31, 2017 (2016 – deficit of \$40,963). The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can provide returns for shareholders.

The Company's objectives when managing capital are:

- (a) to ensure that the Company maintains the level of capital necessary to meet its working capital;
- (b) to give shareholders sustained growth in shareholder value by increasing shareholders' equity; and

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## **GOLDSPOT DISCOVERIES INC.**

### **Notes to the Financial Statements**

**December 31, 2017 and 2016**

**(Prepared in Canadian dollars)**

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#### **10. Management of capital (continued):**

- (c) to maintain a flexible capital structure that optimizes the cost of capital at acceptable levels of risk.

The Company maintains or adjusts its capital level to enable it to meet its objectives by:

- (a) maintaining a pipeline of customer orders; and
- (b) raising capital through share or debt financings.

There were no changes in the Company's approach to capital management during the year ended December 31, 2017. Since inception, the Company has not declared any cash dividends to its shareholders as part of its capital management program.

#### **12. Financial instruments and financial risk management:**

##### *Financial instruments*

The Company classifies its cash as fair value through profit or loss and is categorized as level 1 in the fair value hierarchy. Accounts receivable and net input sales receivable are recognized as other financial assets, and accounts payable and accrued liabilities and advances from related party as other financial liabilities.

The carrying amounts of accounts receivable, net input sales tax receivable, and accounts payable and accrued liabilities, and advances from related party approximate their fair value due to their short periods to maturity.

##### *Financial risk management*

The Company has exposure to credit risk, liquidity risk, and currency risk associated with its financial assets and liabilities.

There were no significant or material changes to the Company's risk management during the year ended December 31, 2017 and from incorporation (November 9, 2016) to December 31, 2016. A discussion of the Company's use of financial instruments and other associated risks is as follows.

- (a) Credit risk:

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company.

Financial instruments which potentially subject the Company to concentrations of credit risk consist of cash, accounts receivable and sales tax recoverable. All funds in cash are held in financial institutions that have a credit rating above AA and the Company believes the risk of loss to be remote.

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**GOLDSPOT DISCOVERIES INC.****Notes to the Financial Statements****December 31, 2017 and 2016****(Prepared in Canadian dollars)**

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**12. Financial instruments and financial risk management (continued):**

Sales tax recoverable is due from the Quebec government. Sales tax credits are subject to review by the Quebec Ministry of Revenue and by Canada Revenue Agency ("CRA") and any adjustments that may result could reduce the sales tax recoverable as recorded.

The Company has accounts receivable from mining and exploration companies. The Company's credit risk arises from the possibility that a counterparty which owes the Company money is unable or unwilling to meet its obligations in accordance with the terms and conditions in the contracts with the Company, which would result in a financial loss to the Company. These specific mining and exploration companies may be affected by economic factors and government factors which may impact accounts receivable. Management does not believe that a single industry or geographic region represents significant credit risk. This risk is mitigated through established credit management techniques, including monitoring counterparty creditworthiness, setting exposure limits and monitoring exposure against these customer credit limits.

The maximum exposure to credit risk is the carrying amount of the Company's cash, accounts receivable, and sales tax recoverable which total \$1,663,421 as at December 31, 2017 (2016 - \$975).

An aging of accounts receivable as at December 31, 2017 and 2016 is as follows:

	Accounts receivable due by period				
	0-30 days	31-60 days	61-90 days	91+ days	Total
<b>2017</b>	<b>\$ 64,993</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 50,180</b>	<b>\$ 115,173</b>
2016	\$ -	\$ -	\$ -	\$ -	\$ -

The allowance for doubtful accounts and bad debts expense are \$Nil for the year ended December 31, 2017 and the period from incorporation (November 9, 2016) to December 31, 2016. The Company does not have collateral to any of its receivable balances. See note 12(d) for concentration of credit risk.

(b) Liquidity risk:

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they become due. The Company's management is responsible for reviewing liquidity resources to ensure funds are available to meet financial obligations as they become due, as well as ensuring funds exist to support business strategies and operating growth.

There were no changes to the way that the Company manages liquidity risk during the year ended December 31 2017. The Company manages liquidity risk by reviewing the amount of cash available on a weekly basis and managing its cash flow.

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## **GOLDSPOT DISCOVERIES INC.**

### **Notes to the Financial Statements**

**December 31, 2017 and 2016**

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#### **12. Financial instruments and financial risk management (continued):**

The Company's accounts payable and accrued liabilities and advances from related party are due within less than 1 year as at December 31, 2017 and 2016.

The Company's cash balance is sufficient to meet the Company's current liabilities.

(c) Currency risk:

Currency risk is the risk of loss from the Canadian dollar depreciating when it fluctuates against other foreign currencies. The Company presently holds funds in Canadian dollars but some of its receivables are denominated in U.S. dollars. The Company does not engage in any hedging activities to mitigate its foreign exchange risk. A change in the foreign exchange rate of the Canadian dollar versus another currency may increase or decrease the value of the Company's financial instruments.

As at December 31, 2017, the Company had \$50,180 (US\$40,000) in accounts receivable and had the Canadian dollar strengthened or declined by 5% in relation to the U.S. dollar, with all other variables held constant, net loss and comprehensive loss for the year would have decreased or increased, respectively, by approximately \$2,000. In practice, the actual results may differ from this sensitivity analysis and the difference could be material.

(d) Economic dependence:

*Revenue*

For the year ended December 31, 2017, the Company earned revenue from 4 contracts from mining and exploration companies. The Company's consulting revenue are usually short term in nature and consulting agreements are between 3-6 months terms. Some of the Company's revenue are earned from related parties (Note 8(c)).

*Concentration of credit risk*

As at December 31, 2017, the accounts receivable were from 3 mining and exploration companies. As at December 31, 2017, the Company had no reason to believe that the accounts receivable will not be fully collected.

#### **13. Future accounting changes:**

As at the date of authorization of these financial statements, the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee has issued the following new and revised Standards and Interpretations that are not yet effective for the relevant reporting periods and the Company has not early adopted these standards, amendments and interpretations. However, the Company is currently assessing what impact the application of these standards or amendments will have on the financial statements of the Company.

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## **GOLDSPOT DISCOVERIES INC.**

### **Notes to the Financial Statements**

**December 31, 2017 and 2016**

**(Prepared in Canadian dollars)**

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#### **13. Future accounting changes (continued):**

The Company intends to adopt these standards, if applicable, when the standards become effective:

- (a) In July 2014, the IASB issued the final version of IFRS 9, *Financial Instruments* ("IFRS 9") bringing together the classification and measurement, impairment and hedge accounting phases of the IASB's project to replace IAS 39 *Financial Instruments: Recognition and Measurement* and all previous versions of IFRS 9. IFRS 9 introduces a logical, single classification and measurement approach for financial assets that reflects the business model in which they are managed and their cash flow characteristics. Built upon this is a forward-looking expected credit loss model that will result in more timely recognition of loan losses and is a single model that is applicable to all financial instruments subject to impairment accounting.

In addition, IFRS 9 also removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value, such that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognized in profit or loss. IFRS 9 also includes an improved hedge accounting model to better link the economics of risk management with its accounting treatment. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company has not yet assessed the impact of the adoption of IFRS 9 on its financial performance or its financial position.

- (b) IFRS 15, *Revenue from Contracts with Customers* ("IFRS 15"), was issued in May 2014, which replaced IAS 11, *Construction Contracts*, IAS 18, *Revenue Recognition*, IFRIC 13, *Customer Loyalty Programmes*, IFRIC 15, *Agreements for the Construction of Real Estate*, IFRIC 18, *Transfers of Assets from Customers*, and SIC-31, *Revenue – Barter Transactions Involving Advertising Services*. IFRS 15 provides a single, principles based five step model that will apply to all contracts with customers with limited exceptions, including, but not limited to, leases within the scope of IAS 17; financial instruments and other contractual rights or obligations within the scope of IFRS 9, IFRS 10, *Consolidated Financial Statements* and IFRS 11, *Joint Arrangements*.

In addition to the five-step model, the standard specifies how to account for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. The incremental costs of obtaining a contract must be recognized as an asset if the entity expects to recover these costs.

The standard's requirements will also apply to the recognition and measurement of gains and losses on the sale of some non-financial assets that are not an output of the entity's ordinary activities. IFRS 15 is required for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted. The Company is in the process of assessing the impact of IFRS 15 on its financial statements.

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## **GOLDSPOT DISCOVERIES INC.**

### **Notes to the Financial Statements**

**December 31, 2017 and 2016**

**(Prepared in Canadian dollars)**

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#### **13. Future accounting changes (continued):**

- (c) IFRS 16, *Leases* ("IFRS 16") was issued in January 2016 to improve the accounting for leases, generally by eliminating a lessee's classification of leases and introducing a single lessee accounting model. The most significant effect of the new standard will be the lessee's recognition of the initial present value of unavoidable future lease payments as lease assets and lease liabilities on the statement of financial position. Leases with durations of 12 months or less and leases for low value assets are both exempted. The measurement of the total lease expense over the term of a lease will be unaffected by the new standard. However, the new standard will result in the timing of lease expense recognition being accelerated for leases which would be currently accounted for as operating leases.

The presentation on the statement of income and other comprehensive income required by the new standard will result in most lease expenses being presented as amortization of lease assets and financing costs arising from lease liabilities rather than as being a part of goods and services purchased. The standard is effective for annual periods beginning on or after January 1, 2019 and will supersede IAS 17 Leases. The Company has not completed the process of assessing the impact that the amended standards will have on its interim financial statements.

- (d) IFRS 2, *Share-based payments* ("IFRS 2") - In June 2016, the IASB issued final amendments to IFRS 2, which clarifies how to account for certain types of share-based payment transactions. The amendments provide requirements on the accounting for: (i) the effect of vesting and non-vesting conditions on the measurement of cash-settled share-based payments; (ii) share-based payment transactions with a net settlement feature for withholding tax obligations; and (iii) a modification to the terms and conditions of a share-based payment that changes the classifications of the transaction from cash-settled to equity-settled. The amendments are effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company does not have a share-based payment plan and as a result does not expect that the amended standard will have any impact on its financial statements.

#### **14. Subsequent events:**

- (a) Subsequent to December 31, 2017, the Company granted 95,000 options to officers (as to 45,000 options) and consultants (as to 50,000 options) of the Company at an exercise price of \$10.00 per share which vest annually over 5 years and expire on February 1, 2025.
- (b) Subsequent to December 31, 2017, the Company completed a non-brokered private placement financing in two tranches raising total gross proceeds of \$1,561,000 through the issuance and sale of 156,100 shares at a price of \$10.00 per share.
- (c) On January 14, 2018, pursuant to the consulting agreement as described in Note 9(f), the Company issued the second tranche of 1,255 common shares and recorded consulting fee expense at a value of \$4.75 per share, totaling \$5,961 and on April 14, 2018, the Company issued the third tranche of 1,255 shares and recorded consulting fees expense at a value of \$10.00 per share, totaling \$12,550.

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## **GOLDSPOT DISCOVERIES INC.**

### **Notes to the Financial Statements**

**December 31, 2017 and 2016**

**(Prepared in Canadian dollars)**

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#### **14. Subsequent events (continued):**

The consultant resigned on June 14, 2018 and as result, all future share issuances (21,335 shares) in accordance with the consulting agreement are cancelled. In addition, the 5,000 options granted to the consultant on February 1, 2018, with an exercise price of \$10.00 per share and expiring on February 1, 2025, have been cancelled.

- (d) Subsequent to December 31, 2017, the Company entered into an amalgamation agreement (the "Amalgamation Agreement") with Duckworth Capital Corp. (TSXV: "DUKE.P") ("Duckworth"), an arm's length party, and 2639781 Ontario Inc., a wholly owned subsidiary of Duckworth ("Subco"), whereby Duckworth would acquire all of the Company's common shares. Pursuant to the Amalgamation Agreement, Goldspot will amalgamate with Subco and all of the outstanding common shares of Goldspot (the "Goldspot Shares") will be exchanged for common shares of Duckworth (the "Duckworth Shares") on the basis of 82.73481801 Duckworth Shares for each one Goldspot Share held (the "Transaction"). As a result, approximately 138,950,893 Duckworth Shares will be issued to former Goldspot shareholders on a pre-consolidated basis and not including any Duckworth Shares or Goldspot Shares issuable pursuant to the Offering (particulars of which are set out below). There are no finder's fees payable in connection with the completion of the Transaction. In connection with the Transaction, Duckworth is proposing to consolidate all of the outstanding Duckworth Shares by changing each two Duckworth Shares into one Duckworth Share.

Prior to completion of the Transaction, either Goldspot or Duckworth, as determined by the parties, intend to complete a private placement of (the "Offering") subscription receipts (the "Subscription Receipts") for gross proceeds of not less than \$4,850,000 at a price per Subscription Receipt of not less than \$16.25, in the event the Offering is completed by Goldspot or \$0.20 in the event the Offering is completed by Duckworth, or such other amount and price as the parties shall agree. There is no assurance that the Offering will be completed on the terms set out above or at all. Upon completion of the Transaction, former Goldspot and Duckworth shareholders will continue as shareholders of the Resulting Issuer. The Resulting Issuer will have 151,000,893 issued and outstanding common shares (the "Resulting Issuer Shares"), after giving effect to the Offering on a pre-consolidation non-diluted basis (75,500,446 Resulting Issuer Shares on a post-consolidation non-diluted basis). Prior to the Duckworth Share Consolidation, 138,950,893 Resulting Issuer Shares will be held by former Goldspot shareholders and 12,050,000 Resulting Issuer Shares will be held by former Duckworth shareholders which represents ownership of the Resulting Issuer of approximately 92% by former Goldspot shareholders and approximately 8% by former Duckworth shareholders, on an undiluted basis.

Completion of the Transaction will be subject to certain standard conditions including, without limitation: (a) receipt of all necessary consents, waivers, permits, exemptions, orders and approvals, including the approval of the TSXV for the listing of the Resulting Issuer Shares to be issued pursuant to the Transaction; (b) receipt of shareholder approval by Goldspot shareholders to the Transaction; (c) completion of the Offering; and (f) each of the current directors and officers of Duckworth shall have tendered their resignations and provided releases. There can be no assurance that the transaction will be completed as proposed or at all.

**SCHEDULE "D"**

**MANAGEMENT DISCUSSION AND ANALYSIS OF GOLDSLOT DISCOVERIES INC.**

See attached.



DISCOVERIES INC.

**GOLDSPOT DISCOVERIES INC./  
DÉCOUVERTES GOLDSPOT INC.  
Management's Discussion and Analysis**

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**For the quarter ended: June 30, 2018**

**Date of report: August 29, 2018**

This management's discussion and analysis of the financial condition and results of operation ("MD&A") of Goldspot Discoveries Inc./Découvertes Goldspot Inc. ("Goldspot" or the "Company") should be read in conjunction with Goldspot's unaudited interim condensed financial statements ("interim financial statements") and notes thereto as at and for the six months ended June 30, 2018 and the annual financial statements as at and for the year ended December 31, 2017. The same accounting policies and methods of computation were followed in the preparation of the interim financial statements as were followed in the preparation and described in note 3 of the annual financial statements as at and for the year ended December 31, 2017, except those adopted on January 1, 2018 as follows. The implementation of the new policies had no impact to the Company's interim financial statements for the six months ended June 30, 2018.

- (i) IFRS 9 – Financial Instruments ("IFRS 9") was issued by the IASB as a complete standard in July 2014 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018.
- (ii) IFRS 15 - Revenue From Contracts With Customers ("IFRS 15") proposes to replace IAS 18 - Revenue, IAS 11 - Construction contracts, and some revenue-related interpretations. The standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. IFRS 15 is effective for annual periods beginning on or after January 1, 2018.
- (iii) IFRIC 22 – Foreign Currency Transactions and Advance Consideration ("IFRIC 22") was issued in December 2017 and addresses foreign currency transactions or parts of transactions where there is consideration that is denominated in a foreign currency; a prepaid asset or deferred income

liability is recognised in respect of that consideration, in advance of the recognition of the related asset, expense or income; and the prepaid asset or deferred income liability is non-monetary. The interpretation committee concluded that the date of the transaction, for purposes of determining the exchange rate, is the date of initial recognition of the non-monetary prepaid asset or deferred income liability. IFRIC 22 is effective for annual periods beginning on or after January 1, 2018.

- (iv) IFRS 2, Share-based payments ("IFRS 2") - In June 2016, the IASB issued final amendments to IFRS 2, which clarifies how to account for certain types of share-based payment transactions. The amendments provide requirements on the accounting for: (i) the effect of vesting and non-vesting conditions on the measurement of cash-settled share-based payments; (ii) share-based payment transactions with a net settlement feature for withholding tax obligations; and (iii) a modification to the terms and conditions of a share-based payment that changes the classifications of the transaction from cash-settled to equity-settled. The amendments are effective for annual periods beginning on or after January 1, 2018, with early adoption permitted.
- (v) Capital assets, net:

Property, plant and equipment are recorded at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is provided at rates designed to amortize the cost of the assets over their estimated useful lives as follows:

	<b>Rate</b>	<b>Basis</b>
Furniture and equipment	20%	Declining balance
Computer equipment	30%	Declining balance

The carrying values of property, plant and equipment are assessed for impairment when indicators of such impairment exist, or when annual impairment testing for an asset is required.

If any indication of impairment exists, an estimate of the asset's recoverable amount is calculated. The recoverable amount is determined as the higher of the fair value less costs to sell for the asset and the asset's value in use.

If the carrying amount of the asset exceeds its recoverable amount, the asset is deemed impaired and an impairment loss is charged to the statements of loss and comprehensive loss. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceeds the carrying amount that would have been determined, net of amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statements of loss and comprehensive income (loss).

Unless indicated otherwise, all financial data in this MD&A has been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). All dollar amounts in this MD&A are reported in Canadian dollars unless otherwise indicated.

## Caution Regarding Forward-Looking Information:

Certain information contained in this MD&A constitutes forward-looking information, which is information relating to future events or the Company's future performance and which is inherently uncertain. All information other than statements of historical fact may be forward-looking information. Forward-looking information is often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words or phrases (including negative variations) suggesting future outcomes or statements regarding an outlook. Forward-looking information contained in this MD&A includes, but is not limited to the Company's anticipated investment activities and results and financing activities, the Company's future working capital requirements, the impact of changes in accounting policies and other factors on the Company's operating results, and the performance of global capital markets and interest rates, the exposure of its financial instruments to various risks and its ability to manage those risks, and the Company's ability to use tax resource pools and loss carry-forwards.

Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. The Company believes the expectations reflected in the forward-looking information are reasonable but no assurance can be given that these expectations will prove to be correct and readers are cautioned not to place undue reliance on forward-looking information contained in this MD&A. Some of the risks and other factors which could cause results to differ materially from those expressed in the forward-looking information contained in this MD&A include, but are not limited to: risks relating to the Company's ability to raise capital in order to fund obligations as they become due, the Company's ability to generate taxable income from operations, the strength of the Canadian, U.S. and other economies, foreign exchange fluctuations, political and economic conditions in the countries in which the Company's customers are located, and other risks included elsewhere in this MD&A under the heading "Other Risks".

Readers are cautioned that the foregoing lists of factors are not exhaustive. Although the Company has attempted to identify important factors that could cause actual events and results to differ materially from those described in the forward-looking information, there may be other factors that cause events or results to differ from those intended, anticipated or estimated. The forward-looking information contained in this MD&A are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as otherwise required by law. All of the forward-looking information contained in this MD&A is expressly qualified by this cautionary statement.

## Overview of Business

### Nature of the Business:

Goldspot Discoveries Inc. ("Goldspot" or the "Company"), a privately-owned company, was incorporated on November 9, 2016 under the *Business Corporations Act* (Quebec) and on May 8, 2018, continued under the *Business Corporations Act* (Ontario), with its registered and head office at 69 Yonge Street, Suite 1010, Toronto, ON, M5E 1K3. The Company leverages machine learning to reduce capital risk, while working to increase efficiencies and success rates in resource exploration and investment. The Company combines proprietary technology with traditional domain expertise, offering a front-to-back service solution to its partners. Goldspot's solutions target big data problems, making full use of historically unutilized data to gain deeper understanding of resource property potential.

Goldspot has developed a monetization strategy into multiple verticals of the mining and investment industry, including service offerings, staking and royalty acquisition, and the development of its own artificial-intelligence driven investment platform.

Going Concern:

The interim financial statements have been prepared on a going concern basis. The going concern basis of presentation assumes that the Company will continue operations for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of operations.

The Company has operating losses since incorporation on November 9, 2016, has incurred a loss for the six months ended June 30, 2018 of \$476,319 and has an accumulated deficit of \$1,011,112. The Company is a start-up firm and is subject to risks and challenges similar to other companies in a comparable stage. These risks include, but are not limited to, dependence on key individuals, investment risks, market risks, the ability to maintain adequate cash flows, exchange rate fluctuations and continuing as a going concern. Cash on hand is currently adequate to cover expected expenditures for the 12 months period ending June 30, 2019, however, whether or when the Company can attain consistent positive cash flows from operations and the challenges of securing requisite funding beyond June 30, 2019 and the cumulative operating losses indicate the existence of an uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern.

These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts or classification of liabilities that might be necessary should the Company not be able to continue as a going concern or be unable to realize its assets and discharge its liabilities in the normal course of business. Such adjustments can be material.

Principal Business:

The Company is in the growth and establishment stage of the business lifecycle, and is subject to various risks and challenges including but not limited to, dependence on key individuals, successful execution, ability to secure adequate financing to meet the minimum capital required to successfully complete its objectives, and competitive risks associated with the emergence of other potential domain experts in the machine learning and resource space. The Company is focused on three main divisions as follows:

1. Consulting Services Division

Goldspot's intellectual property comes from the conglomeration of skill sets and experience of seasoned experts (geologists, geophysicists, data scientists, etc.) in generating a modular, multi-disciplinary workflow that allows for data optimization and integrated targeting for the purpose of resource exploration. This workflow bridges modern technology with conventional exploration methodology, enabling us to leverage modern data science and other technologies to determine patterns and correlations that may be forever concealed through conventional means.

Goldspot's workflow consists of multiple phases that include data cleaning, reprocessing, and further utilizing data science to find patterns. Firstly, before processing the data the Company verifies the quality of the dataset with experienced domain experts. Secondly, using a multi-disciplinary approach, Goldspot reprocess, remodel, and reinterpret the data, generating new cohesive data layers. Thirdly, Goldspot combines the layers and generate composite models further applying data science (machine learning) to identify patterns that are then sequenced and weighted through a unique process that is

kept within the investing division at Goldspot. Finally, the final product (targets) are verified with control points and ready to be tested by the clients' exploration teams.

## 2. Investment Platform (Resource Quantamental)

Goldspot is developing a *quantamental* platform for resource investing applications. Goldspot is utilizing data science (machine learning, neural networks) to analyze all relevant geological, fundamental, quantitative, and all available market data dating back to the inception of the TSX Venture. The objective of Resource Quantamental is to generate optimal candidacies for partnership opportunities, including but not limited to servicing, direct investments, and royalty arrangements.

Quantamental analysis is an integration of quantitative and fundamental investment strategies. *Quantitative* analysis refers to the financial analysis that looks to predict the behavior of stocks through the use of mathematical modelling and research. Quantitative analysis generally uses large computer systems, complex machine learning algorithms and large amounts of current and historical data to predict future stocks prices by looking at historically recurring patterns that look similar to current ones.

*Fundamental* analysis refers to the analysis a stock by attempting to calculate its intrinsic value, done so by examining economic, financial and other qualitative and quantitative factors. Fundamental investors study anything that can affect a stock's value, typically using a bottom-up approach. This includes, company-specific data, management, sector conditions, and the overall economy. The end goal of fundamental analysis is to calculate a value that can be compared to a stock's current price indicating whether it is undervalued or overvalued.

## 3. Exploration and Evaluation Division

Goldspot has exploration and evaluation assets focused on gold and base metals exploration. Using the Company's machine learning algorithm, the Company has determined areas of interest for exploration.

As at June 30, 2018, the Company held 303 claims (14,718 hectares) at a cost of \$23,285.

### **Summary:**

- In March/April 2018, the Company completed two tranches of a non-brokered private placement financing raising gross proceeds of \$1,561,000 through the issuance and sale of 156,100 Shares at a price of \$10.00 per Share.
- As at June 30, 2018, the Company has working capital of \$2,813,650 as compared to working capital of \$1,545,791 as at December 31, 2017, an increase of 82%, primarily due to the non-brokered private placement financing that close in March/April 2018 for \$1,561,000.

### **Intent to go public:**

In June 2018, the Company entered into an amalgamation agreement (the "Amalgamation Agreement") with Duckworth Capital Corp. (TSXV: "DUKE.P") ("Duckworth"), an arm's length party, and 2639781 Ontario Inc., a wholly owned subsidiary of Duckworth ("Subco"), whereby Duckworth would acquire all of the Company's common shares. Pursuant to the Amalgamation Agreement, Goldspot will

amalgamate with Subco and all of the outstanding common shares of Goldspot (the "Goldspot Shares") will be exchanged for common shares of Duckworth (the "Duckworth Shares") on the basis of 82.73481801 Duckworth Shares for each one Goldspot Share held (the "Transaction"). As a result, approximately 138,950,893 Duckworth Shares will be issued to former Goldspot shareholders on a pre-consolidated basis and not including any Duckworth Shares or Goldspot Shares issuable pursuant to the Offering (particulars of which are set out below). There are no finder's fees payable in connection with the completion of the Transaction. In connection with the Transaction, Duckworth is proposing to consolidate all of the outstanding Duckworth Shares by changing each two Duckworth Shares into one Duckworth Share.

Prior to completion of the Transaction, either Goldspot or Duckworth, as determined by the parties, intend to complete a private placement of (the "Offering") subscription receipts (the "Subscription Receipts") for gross proceeds of up to \$6,000,000 at a price per Subscription Receipt of not less than \$16.25, in the event the Offering is completed by Goldspot or \$0.20 in the event the Offering is completed by Duckworth, or such other amount and price as the parties shall agree. There is no assurance that the Offering will be completed on the terms set out above or at all.

Upon completion of the Transaction, former Goldspot and Duckworth shareholders will continue as shareholders of the Resulting Issuer. The Resulting Issuer will have 151,000,893 issued and outstanding common shares (the "Resulting Issuer Shares"), after giving effect to the Offering on a pre-consolidation non-diluted basis (75,500,446 Resulting Issuer Shares on a post-consolidation non-diluted basis). Prior to the Duckworth Share Consolidation, 138,950,893 Resulting Issuer Shares will be held by former Goldspot shareholders and 12,050,000 Resulting Issuer Shares will be held by former Duckworth shareholders which represents ownership of the Resulting Issuer of approximately 92% by former Goldspot shareholders and approximately 8% by former Duckworth shareholders, on an undiluted basis.

Completion of the Transaction will be subject to certain standard conditions including, without limitation: (a) receipt of all necessary consents, waivers, permits, exemptions, orders and approvals, including the approval of the TSXV for the listing of the Resulting Issuer Shares to be issued pursuant to the Transaction; (b) receipt of shareholder approval by Goldspot shareholders to the Transaction; (c) completion of the Offering; and (f) each of the current directors and officers of Duckworth shall have tendered their resignations and provided releases. There can be no assurance that the transaction will be completed as proposed or at all.

### **Exploration and evaluation assets:**

Since inception on November 9, 2016, the Company has acquired 303 claims (14,718 hectares) in the Abitibi area (Quebec) for a total cost of \$23,285.

The Company is required to spend \$209,495 (due dates between November 15, 2018 to January 20, 2020) to keep the claims in good standing, of which \$85,215 is required to be spent by November 29, 2018. The Company intends to spend approximately \$220,000 on exploration work during the 2018 fiscal year to meet all of its requirements until 2020.

## Results of Operations

The Company's selected quarterly results for the most recently completed interim financial periods are as follows:

	Quarter ended			
	June 30, 2018	March 31, 2018	December 31, 2017	September 30, 2017
Consulting income	\$ 219,600	\$ 379,200	\$ 194,417	\$ 248,091
Consulting fees expense	(382,570)	(315,362)	(203,358)	(154,186)
Stock-based compensation	(80,968)	(128,216)	-	-
Other expenses	(99,652)	(68,351)	(41,795)	(57,286)
Net income (loss) and comprehensive income (loss) for the period	(314,867)	(132,729)	(50,736)	36,619
Earnings (loss) per common share based on net income (loss) for the period – basic and diluted	(0.19)	(0.09)	(0.04)	0.03
	June 30, 2017	March 31, 2017	From incorporation (November 9, 2016) to December 31, 2016	
Consulting income	\$ 10,000	\$ -	\$ -	
Consulting fees expense	(146,365)	(153,671)	(34,008)	
Development costs	-	(118,500)	-	
Other expenses	(14,914)	(56,162)	(7,056)	
Net loss and comprehensive loss for the period	(151,279)	(328,333)	(41,064)	
Loss per common share based on net loss for the period – basic and diluted	(0.12)	(0.37)	(0.08)	

No dividends were declared by the Company during any of the periods indicated.

### Three months ended June 30, 2018 and 2017:

The Company did not formally commence consulting services activities until August 2017. For the three months ended June 30, 2018, the Company recorded consulting income of \$219,600 as compared to \$10,000 for the three months ended June 30, 2017. For the three months ended June 30, 2018, the Company earned consulting income from 3 contracts from mining and exploration companies. Of the total consulting income for the current period, \$144,600 were earned from a related party (a company in which a director of the Company is an officer).

For the three months ended June 30, 2018, the Company had total expenses of \$534,467 as compared to \$161,279 for the three months ended June 30, 2017. In the current year period, the total expenses were primarily from consulting fees (\$382,570) and stock-based compensation expense of \$80,968. In the prior year period, the total expenses were primarily from consulting fees of \$146,365. The increase in consulting fees expense was due to the personnel ramp-up in both research and development, and the Consulting Services Division to take on more servicing contracts. Stock-based compensation expense will vary from period to period depending upon the number of options granted

and vested during a period and the fair value of the options calculated as at the grant date. Stock options are accounted for in accordance with the fair value method of accounting for stock-based compensation. The fair value of these options is estimated at the date of grant using the Black-Scholes option pricing model, and expensed over the vesting periods based on the graded method. Unvested forfeited stock options are not expensed during the period.

Net loss and comprehensive loss for the three months ended June 30, 2018 was \$314,867 (\$0.19 per share) as compared to \$151,279 (\$0.12 per share) for the three months June 30, 2017.

### **Six months ended June 30, 2018 and 2017:**

The Company did not formally commence consulting services activities until August 2017. For the six months ended June 30, 2018, the Company recorded consulting income of \$598,800 as compared to \$10,000 for the six months ended June 30, 2017. For the six months ended June 30, 2018, the Company earned consulting income from 3 contracts from mining and exploration companies. Of the total consulting income for the current period, \$388,800 were earned from related parties (customers who had a director or officer who is also a director or officer of the Company).

For the six months ended June 30, 2018, the Company had total expenses of \$1,075,119 as compared to \$489,612 for the six months ended June 30, 2017. In the current year period, the total expenses were primarily from consulting fees (\$697,932) and stock-based compensation expense of \$209,184. In the prior year period, the total expenses were primarily from consulting fees of \$300,036 and development costs of \$118,500, of which a \$100,000 and \$118,500, respectively, were paid in common shares of the Company. The increase in consulting fees expense was due to the personnel ramp-up in both research and development, and the Consulting Services Division to take on more servicing contracts. Development costs was a one-time cost for the acquisition of the Data Miners, the core technical team within Goldspot. Consulting fees will continue to increase due to the Company's requirement to seek out and retain highly skilled technical personnel, to operate successfully and manage its potential future growth. Stock-based compensation expense will vary from period to period depending upon the number of options granted and vested during a period and the fair value of the options calculated as at the grant date. Stock options are accounted for in accordance with the fair value method of accounting for stock-based compensation. The fair value of these options is estimated at the date of grant using the Black-Scholes option pricing model, and expensed over the vesting periods based on the graded method. Unvested forfeited stock options are not expensed during the period.

Net loss and comprehensive loss for the six months ended June 30, 2018 was \$476,319 (\$0.30 per share) as compared to \$479,612 (\$0.45 per share) for the six months June 30, 2017. The Company's decrease in net loss was a result of the consulting income generated in the current year period.

### **Cash Flows**

#### **Six months ended June 30, 2018 and 2017:**

During the six months end June 30, 2018, the Company used cash of \$582,323 in operating activities as compared to \$251,020 for the six months ended June 30, 2017. For the six months ended June 30, 2018, the Company had non-cash items relating to stock-based compensation expense of \$209,184 and the issuance of shares for services of \$18,511 as compared to the six months ended June 30, 2017 which the issuance of shares for services of \$100,00 and the issuance of shares valued at \$118,500 upon an assignment of intellectual property. For the six months ended June 30, 2018, accounts receivable increased by \$76,403 and sales tax recoverable increased by \$79,955. The increases were

a result of the Company's continued active operating activities derived from its consulting services division.

During the six months ended June 30, 2018, the Company generated net cash of \$1,561,000 in financing activities as compared to \$455,530 during the six months ended June 30, 2017. During the six months ended June 30, 2018, the Company completed a non-brokered private placement financing in two tranches totalling \$1,561,000 from the issuance of 156,100 shares at \$10.00 per share. During the six months ended June 30, 2017, the Company completed a rights offering of \$456,000 and a non-brokered private placement financing of \$50,000 both at a \$1.00 per share. In the prior year quarter, the Company had a repayment of \$50,470 advanced from a related party in 2016 (for incorporation and initial operating costs).

During the six months ended June 30, 2018, cash used in investing activities was \$49,985 as compared to \$5,846 during the six months ended June 30, 2017. During the six months ended June 30, 2018, the Company purchased capital assets (furniture and fixtures and computer equipment for its new offices in Montreal, Quebec). The cash used in the prior year period was for the purchase of exploration and evaluation assets which comprised of mining claims in Quebec (see Exploration and Evaluation section).

For the six months June 30, 2018, the Company had a net increase in cash of \$928,692 as compared to \$198,664 for the six months ended June 30, 2017. As a result, the Company had a cash balance of \$2,357,015 as at June 30, 2018 as compared to \$199,639 as at June 30, 2017.

### Segmented information:

Reportable segments are defined as components of an enterprise about which separate financial information is available, that are evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance.

The Company has a single reportable geographic segment, Canada, and all of the Company's property and equipment are located in Canada.

The internal reporting provided to management of the Company's assets, liabilities, and performance is prepared on a consistent basis with the measurement and recognition principles of IFRS. There were no changes in the reportable segments during the three months ended June 30, 2018.

### Liquidity and capital resources:

<b>Statement of financial position highlights</b>	<b>June 30, 2018</b>	<b>December 31, 2017</b>
Cash	\$ 2,357,015	\$ 1,428,323
Accounts receivable	191,576	115,173
Sales tax recoverable	140,080	60,125
Exploration and evaluation assets	23,285	23,285
Total assets	2,887,717	1,626,906
Total liabilities	6,265	57,830
Share capital and contributed surplus	3,892,564	2,103,869
Deficit	(1,011,112)	(534,793)
Working capital	2,813,650	1,545,791

As at June 30, 2018, the Company's cash position increased to \$2,357,015 as compared to \$1,428,323 as at December 31, 2017. Working capital increased by 82% to \$2,813,650 as compared to \$1,545,791 as at December 31, 2017. As at June 30, 2018 total liabilities decreased by \$51,565 to \$6,265 as compared to \$57,830 as at December 31, 2017.

The Company's cash as at June 30, 2018 is sufficient to meet the Company's current liabilities. The Company continues to have no long-term debt and is well position to meet its operating expenditure obligations as they become due. The Company expects to raise additional funds through its amalgamation agreement transaction, the proceeds will be primarily used to fund its investing division and for general working capital purposes.

In February 2018, the Company signed a lease for new premises in Montreal, Quebec, which started on March 1, 2018 for annual payments of approximately \$96,000 in the first year; \$98,400 in the second year; \$100,860 in the third year; \$103,380 in the fourth year; and \$105,960 in the fifth year, plus applicable taxes until February 28, 2023.

In August 2018, the Company was assessed by Revenue Quebec for its sales tax filings (QST and GST) for 2017 and received the full refund as filed.

### Related party transactions:

All transactions with related parties have occurred in the normal course of operations.

- (a) Key management personnel are defined as those individuals having authority and responsibility for planning, directing, and controlling the activities of the Company. Goldspot considers Denis Laviolette, its President and Chief Executive Officer ("CEO"), Binh Quach, its Chief Financial Officer ("CFO"), Cejay Kim, its Vice-President Corporate Development ("VP") (effective February 1, 2018) and Vincent Dube-Bourgeois, its Chief Operating Officer ("COO") to be its key management personnel. Compensation of key management is included in the statements of comprehensive loss as follows for the three and six months ended June 30:

Type of expense	Three months ended June 30,		Six months ended June 30,	
	2018	2017	2018	2017
Salaries and consulting fees	\$ 99,000	\$ 36,000	\$ 188,000	\$ 108,000
Stock-based compensation expense (c)	40,484	-	101,218	-
Development costs	-	-	-	35,550
	\$ 139,484	\$ 36,000	\$ 289,218	\$ 143,550

- (b) The Company may have directors and officers who are directors and/or officers of the Company's clients. During the six months ended June 30, 2018, the Company recorded consulting revenue of \$388,800 (June 30, 2017 – \$10,000) from customers who had a director or officer who is also a director or officer of the Company.
- (c) On February 1, 2018, the Company granted 45,000 options to directors and officers of the Company, exercisable at \$10.00 per share, vesting annually gradually over 5 years and expiring on February 1, 2025.

- (d) As at December 31, 2017, included in accounts payable and accrued liabilities is \$6,772 owing to the COO relating to reimbursement of travel expenses.
- (e) A company who has an officer who is also a director of Goldspot subscribed for 15,600 shares of the Company for gross proceeds of \$156,000 pursuant to the Company's private placement in March 2018.
- (f) A company who has an officer/director who is also a director of Goldspot subscribed for 7,500 shares of the Company for gross proceeds of \$75,000 pursuant to the Company's private placement in April 2018.

### **Off-Balance Sheet arrangements:**

In July 2017, the Company entered into a consulting agreement with a researcher/developer which included a payment of 1,255 shares of the Company to be issued to the consultant every three months beginning on October 14, 2017 and ending on July 14, 2022, for a total of 25,100 shares. As at June 30, 2018, the Company had issued 3,765 shares in accordance with the consulting agreement. The consultant resigned on June 14, 2018 and as result, all future share issuances (21,335 shares) in accordance with the consulting agreement were cancelled.

As at June 30, 2018, there were no other off-balance sheet arrangements that have, or are reasonable likely to have, a current or future effect on the results of operations or financial condition of Goldspot.

### **Management of capital:**

There were no changes in the Company's approach to capital management during the three months ended June 30, 2018. The Company's capital includes all components of equity which amounts to \$2,881,452 as at June 30, 2018 (December 31, 2017 - \$1,569,076). To date, the Company has not declared any cash dividends to its shareholders as part of its capital management program. The Company's current capital resources are sufficient to discharge its current liabilities as at June 30, 2018.

### **Financial instruments and financial risk management:**

#### *Financial instruments*

The Company classifies its cash as fair value through profit or loss and is categorized as level 1 in the fair value hierarchy. Accounts receivable and net input sales receivable are recognized as other financial assets, and accounts payable and accrued liabilities and advances from related party as other financial liabilities.

The carrying amounts of accounts receivable, net input sales tax receivable, and accounts payable and accrued liabilities, and advances from related party approximate their fair value due to their short periods to maturity.

*Financial risk management*

The Company has exposure to credit risk, liquidity risk, and currency risk associated with its financial assets and liabilities. There were no significant or material changes to the Company's risk management during the three months ended March 31, 2018. A discussion of the Company's use of financial instruments and other associated risks is as follows.

(a) Credit risk:

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company. Financial instruments which potentially subject the Company to concentrations of credit risk consist of cash, accounts receivable and sales tax recoverable. All funds in cash are held in financial institutions that have a credit rating above AA and the Company believes the risk of loss to be remote.

Sales tax recoverable is due from the Quebec government. Sales tax credits are subject to review by the Quebec Ministry of Revenue and by Canada Revenue Agency ("CRA") and any adjustments that may result could reduce the sales tax recoverable as recorded.

The Company has accounts receivable from mining and exploration companies. The Company's credit risk arises from the possibility that a counterparty which owes the Company money is unable or unwilling to meet its obligations in accordance with the terms and conditions in the contracts with the Company, which would result in a financial loss to the Company. These specific mining and exploration companies may be affected by economic factors and government factors which may impact accounts receivable. Management does not believe that a single industry or geographic region represents significant credit risk. This risk is mitigated through established credit management techniques, including monitoring counterparty creditworthiness, setting exposure limits and monitoring exposure against these customer credit limits.

The maximum exposure to credit risk is the carrying amount of the Company's cash, restricted cash, accounts receivable, and sales tax recoverable which total \$2,703,672 as at June 30, 2018 (December 31, 2017 - \$1,603,621).

An aging of accounts receivable as at June 30, 2018 and December 31, 2017 is as follows:

	Accounts receivable due by period				
	0-30 days	31-60 days	61-90 days	91+ days	Total
<b>June 30, 2018</b>	<b>\$ 59,800</b>	<b>\$ -</b>	<b>\$ 131,776</b>	<b>\$ -</b>	<b>\$ 191,576</b>
December 31, 2017	\$ 64,993	\$ -	\$ -	\$ 50,180	\$ 115,173

The allowance for doubtful accounts and bad debts expense are \$nil for the six months ended June 30, 2018 (December 31, 2017 – \$nil). The Company does not have collateral to any of its receivable balances.

(b) Liquidity risk:

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they become due. The Company's management is responsible for reviewing liquidity resources to ensure funds are available to meet financial obligations as they

become due, as well as ensuring funds exist to support business strategies and operating growth. There were no changes to the way that the Company manages liquidity risk during the three months ended March 31, 2018. The Company manages liquidity risk by reviewing the amount of cash available on a weekly basis and managing its cash flow.

The Company's accounts payable and accrued liabilities and advances from related party are due within less than 1 year as at June 30, 2018 and December 31, 2017.

The Company's cash balance is sufficient to meet the Company's current liabilities.

(c) Economic dependence:

*Revenue*

For the six months ended June 30, 2018, the Company earned revenue from 4 contracts (December 31, 2017 – 3 contracts) from mining and exploration companies. The Company's consulting revenue are usually short term in nature and consulting agreements are between 3-6 months terms. Some of the Company's revenue are earned from related parties.

*Concentration of credit risk*

As at June 30, 2018, the accounts receivable were from 3 mining and exploration companies (December 31, 2017 – 3 companies). As at June 30, 2018, the Company had no reason to believe that the accounts receivable will not be fully collected.

**Other Risks:**

The Company's financial condition, results of operation and business are subject to certain risks, which may negatively affect them. Certain of these risks are described below in addition to elsewhere in this MD&A.

(a) Cash flows from consulting income:

The Company currently generates revenue and cash flows from its consulting services. The availability of these sources of funds and the Company's ability to maintain a network and attract additional customers will depend on a number of factors, many of which are outside of the Company's control. A significant portion of the Company's revenues have come from four customers in short-term contracts. The Company's contracts are generally short-term and the Company is actively seeking to diversify its customer base with longer-term contracts, the loss of any one of its customers or the inability to attract additional customers will result in a material adverse effect on the business and may adversely affect revenues going forward.

(b) Dependence on management and key personnel:

Goldspot's future growth and its ability to develop, depend, to a significant extent, on its ability to attract and retain highly qualified personnel. Goldspot relies on a limited number of key employees, consultants and members of senior management, and there is no assurance that the Company will be able to retain such personnel. The loss of one or more key employees, consultants or members of senior management, if such persons are not replaced, could have a material adverse effect on Goldspot's business, financial condition and prospects. To operate

successfully and manage its potential future growth, Goldspot must attract and retain highly qualified engineering, managerial and financial personnel. Competition for its personnel can be intense, and the Company cannot ensure that it will be able to bring in and retain highly skilled technical and management personnel in the future. In addition, the Company may be obligated to increase the compensation paid to current or new personnel, which could substantially increase operating expenses.

(c) Technological changes:

The Company's consulting services and investing divisions operates in business segments that are entirely dependent on technology and the internet. As such, technological change will impact the ability of the Company to expand and grow its business and will also affect the costs and expenses incurred by the Company, including capital requirements. The Company's products and services rely heavily on third-party software. There is a risk that new technologies and standards may render the Company's software applications obsolete. The Company may be required to invest significant capital in new technology and software development to remain competitive.

(d) Investment risks:

Through its investing division (Resource Quantamentals), the Company will acquire securities of public and private companies from time to time, which are primarily junior or small-cap companies. Poor investment performance within Resource Quantamentals could impair revenues and growth. The market values of the securities can experience significant fluctuations in the short and long term due to factors beyond the Company's control. Market value can be reflective of the actual or anticipated operating results of the companies and/or the general market conditions in a specific sector as a whole, such as fluctuations in commodity prices and global political and economical conditions. The Company's investments will be carried at fair value, and unrealized gains/losses on the securities and realized losses on the securities sold could have a material adverse impact on the Company's operating results. There is no assurance that Goldspot will be able to achieve or maintain any particular level investment return, which may have a material negative impact on its ability to attract investors. Furthermore, the junior mining space tends to be more volatile than general market indices. This volatility combined with negative or poor performance could combine to lead to a reduction in investor interest.

(e) Exploration risk:

The exploration and evaluation division is dependent on its exploration and evaluation programs. The exploration and evaluation of mineral deposits involves significant financial risks over a prolonged period of time, which may not be eliminated even through a combination of careful evaluation, experience and knowledge. Few properties that are explored are ultimately developed into economically viable operating mines. It is impossible to ensure that the current or proposed exploration programmes on any of the properties in which Goldspot has exploration rights, will result in any profitable commercial mining operations. Goldspot cannot give any assurance that its current and future exploration activities will result in a discovery of mineral deposits containing mineral reserves.

### **Future accounting changes:**

IFRS accounting standards, interpretations and amendments to existing IFRS accounting standards that were not yet effective as at December 31, 2017, are described in Note 13 to the annual financial statements as at and for the year ended December 31, 2017, some of which have been adopted as previously discussed elsewhere in this MD&A. The Company is currently assessing what impact the application of those standards or amendments (which have not been adopted) will have on the financial statements of the Company. The Company intends to adopt the standards, if applicable, when the standards become effective. There have been no other changes to existing IFRS accounting standards and interpretations since December 31, 2017 that are expected to have a material effect on the Company's interim financial statements.

### **Critical accounting estimates:**

The preparation of the financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Critical accounting estimates used in the preparation of the Company's financial statements include the Company's allowance for doubtful accounts, estimate of recoverable fair value on exploration and evaluation assets, and the valuation related to the Company's deferred tax assets ("DTA").

#### Allowance of doubtful accounts:

The Company's carrying value of accounts receivable as at June 30, 2018 was \$191,576 (December 31, 2017 – \$115,173), net of allowances for doubtful accounts of nil (December 31, 2017 – nil). Management is required to make judgment whether a receivable balance is collectable based on their relationship with the client and knowledge of the client's financial position. These judgments will affect the reported amounts of accounts receivable and bad debts expense. If the financial conditions of the debtors of the Company were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

#### Exploration and evaluation expenditures:

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment to determine whether future economic benefits are likely, from future either exploitation or sale, or whether activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The determination of reserves and resources is itself an estimation process that requires varying degrees of uncertainty depending on how the resources are classified.

These estimates directly impact when the Company defers exploration and evaluation expenditures. The deferral policy requires management to make certain estimates and assumptions about future events and circumstances, in particular, whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after the expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the relevant capitalized amount is written off in the statement of loss and comprehensive loss in the period when the new information becomes available.

At each reporting period, the Company's management reviews the status of all of its exploration properties, taking into account all of the factors noted above, in order to make an estimate of the recoverable value of each property. When management believes that the value of a property has been impaired, the Company will write down the value of the property to management's estimate of its recoverable value. As well, if the Company determines that an exploration project is not viable due to the risks described above or to unsatisfactory drill results, the Company will write-off the carrying value of the property. The Company's exploration and evaluation assets have recently been purchased and therefore, there were no impairments on its exploration and evaluation assets.

#### Deferred tax assets:

Deferred tax is provided using the statement of financial position method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

DTL are recognized for all taxable temporary differences and DTA are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses. The Company does not record DTA to the extent that it considers it is not more likely than not that deductible temporary differences, the carry forward of unused tax credits and unused tax losses can be utilized.

Management determined, based upon expectations for future taxable income that it believes that it is not more likely than not it will realize the tax benefits of the DTA during the next several years.

#### **Outstanding Share Data:**

As at the date of this MD&A, the number of common shares of the Company outstanding and the number of common shares issuable pursuant to other outstanding securities of Goldspot are as follows:

<b>Common shares</b>	<b>Number</b>
Outstanding	<b>1,679,473</b>
Issuable under the exercise of options	<b>90,000</b>
<b>Total diluted common shares</b>	<b>1,769,473</b>

Refer to Note 6 of the Notes to the interim financial statements as at and for the six months ended June 30, 2018 for details of the Company's share capital as at June 30, 2018.

#### **Additional Information:**

Additional information relating to Goldspot may be found on the Company's website at [www.goldspot.ca](http://www.goldspot.ca).



DISCOVERIES INC.

**GOLDSPOT DISCOVERIES INC./  
DÉCOUVERTES GOLDSPOT INC.  
Management's Discussion and Analysis**

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**For the year ended: December 31, 2017**

**Date of report: June 27, 2018**

This management's discussion and analysis of the financial condition and results of operation ("MD&A") of Goldspot Discoveries Inc./Découvertes Goldspot Inc. ("Goldspot" or the "Company") should be read in conjunction with Goldspot's annual audited financial statements and notes thereto as at and for the year ended December 31, 2017 and from incorporation (November 30, 2016) to December 31, 2016 (the "Financial Statements").

Unless indicated otherwise, all financial data in this MD&A has been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). All dollar amounts in this MD&A are reported in Canadian dollars unless otherwise indicated.

**Caution Regarding Forward-Looking Information:**

Certain information contained in this MD&A constitutes forward-looking information, which is information relating to future events or the Company's future performance and which is inherently uncertain. All information other than statements of historical fact may be forward-looking information. Forward-looking information is often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words or phrases (including negative variations) suggesting future outcomes or statements regarding an outlook. Forward-looking information contained in this MD&A includes, but is not limited to the Company's anticipated investment activities and results and financing activities, the Company's future working capital requirements, the impact of changes in accounting policies and other factors on the Company's operating results, and the performance of global capital markets and interest rates, the exposure of its financial instruments to various risks and its ability to manage those risks, and the Company's ability to use tax resource pools and loss carry-forwards.

Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. The Company believes the expectations reflected in the forward-looking information are reasonable but no assurance can be given that these expectations will prove to be correct and readers are cautioned not to place undue reliance on forward-looking information contained in this MD&A. Some of the risks and other factors which could cause results to differ materially from those expressed in the forward-looking information contained in this MD&A include, but are not limited to: risks relating to the Company's ability to raise capital in order to fund obligations as they become due, the Company's

ability to generate taxable income from operations, the strength of the Canadian, U.S. and other economies, foreign exchange fluctuations, political and economic conditions in the countries in which the Company's customers are located, and other risks included elsewhere in this MD&A under the heading "Other Risks".

Readers are cautioned that the foregoing lists of factors are not exhaustive. Although the Company has attempted to identify important factors that could cause actual events and results to differ materially from those described in the forward-looking information, there may be other factors that cause events or results to differ from those intended, anticipated or estimated. The forward-looking information contained in this MD&A are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as otherwise required by law. All of the forward-looking information contained in this MD&A is expressly qualified by this cautionary statement.

## **Overview of Business**

### Nature of the Business:

Goldspot Discoveries Inc. ("Goldspot" or the "Company"), a privately-owned company, was incorporated on November 9, 2016 under the *Business Corporations Act* (Quebec) and on May 8, 2018, continued under the *Business Corporations Act* (Ontario), with its registered and head office at 69 Yonge Street, Suite 1010, Toronto, ON, M5E 1K3. The Company leverages machine learning to reduce capital risk, while working to increase efficiencies and success rates in resource exploration and investment. The Company combines proprietary technology with traditional domain expertise, offering a front-to-back service solution to its partners. Goldspot's solutions target big data problems, making full use of historically unutilized data to gain deeper understanding of resource property potential. Goldspot has developed a monetization strategy into multiple verticals of the mining and investment industry, including service offerings, staking and royalty acquisition, and the development of its own artificial-intelligence driven investment platform.

### Going Concern:

The Financial Statements have been prepared on a going concern basis. The going concern basis of presentation assumes that the Company will continue operations for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of operations.

The Company has operating losses since incorporation on November 9, 2016, has incurred a loss for the year ended December 31, 2017 of \$493,729 (from incorporation on November 9, 2016 to December 31, 2016 - \$41,064) and has an accumulated deficit of \$534,793 (2016 - \$41,064). The Company is a start-up firm and is subject to risks and challenges similar to other companies in a comparable stage. These risks include, but are not limited to, dependence on key individuals, investment risks, market risks, illiquid securities and the ability to maintain adequate cash flows, exchange rate fluctuations and continuing as a going concern. Cash on hand is currently adequate to cover expected expenditures for the 12 month period ended December 31, 2018, but not adequate for planned growth initiatives, and therefore the Company will be required to secure additional funding.

These challenges and the continued cumulative operating losses indicate material uncertainties that cast significant doubt on the Company's ability to continue as a going concern. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts or classification of liabilities that might be necessary should the Company not be

able to continue as a going concern or be unable to realize its assets and discharge its liabilities in the normal course of business. Such adjustments can be material.

### Principal Business:

The Company is in the growth and establishment stage of the business lifecycle, and is subject to various risks and challenges including but not limited to, dependence on key individuals, successful execution, ability to secure adequate financing to meet the minimum capital required to successfully complete its objectives, and competitive risks associated with the emergence of other potential domain experts in the machine learning and resource space. The Company is focused on three main divisions as follows:

#### 1. Consulting Services Division

Goldspot's intellectual property comes from the conglomeration of skill sets and experience of seasoned experts (geologists, geophysicists, data scientists, etc.) in generating a modular, multi-disciplinary workflow that allows for data optimization and integrated targeting for the purpose of resource exploration. This workflow bridges modern technology with conventional exploration methodology, enabling us to leverage modern data science and other technologies to determine patterns and correlations that may be forever concealed through conventional means.

Goldspot's workflow consists of multiple phases that include data cleaning, reprocessing, and further utilizing data science to find patterns. Firstly, before processing the data the Company verifies the quality of the dataset with experienced domain experts. Secondly, using a multi-disciplinary approach, Goldspot reprocess, remodel, and reinterpret the data, generating new cohesive data layers. Thirdly, Goldspot combines the layers and generate composite models further applying data science (machine learning) to identify patterns that are then sequenced and weighted through a unique process that is kept within the investing division at Goldspot. Finally, the final product (targets) are verified with control points and ready to be tested by the clients' exploration teams.

#### 2. Investment Platform (Resource Quantamental)

Goldspot is developing a *quantamental* platform for resource investing applications. Goldspot is utilizing data science (machine learning, neural networks) to analyze all relevant geological, fundamental, quantitative, and all available market data dating back to the inception of the TSX Venture. The objective of Resource Quantamental is to generate optimal candidacies for partnership opportunities, including but not limited to servicing, direct investments, and royalty arrangements.

Quantamental analysis is an integration of quantitative and fundamental investment strategies. *Quantitative* analysis refers to the financial analysis that looks to predict the behavior of stocks through the use of mathematical modelling and research. Quantitative analysis generally uses large computer systems, complex machine learning algorithms and large amounts of current and historical data to predict future stocks prices by looking at historically recurring patterns that look similar to current ones.

*Fundamental* analysis refers to the analysis a stock by attempting to calculate its intrinsic value, done so by examining economic, financial and other qualitative and quantitative factors. Fundamental investors study anything that can affect a stock's value, typically using a bottom-up approach. This includes, company-specific data, management, sector conditions, and the overall economy. The end goal of fundamental analysis is to calculate a value that can be compared to a stock's current price indicating whether it is undervalued or overvalued.

### 3. Exploration and Evaluation Division

Goldspot has exploration and evaluation assets focused on gold and base metals exploration. Using the Company's machine learning algorithm, the Company has determined areas of interest for exploration.

During the year ended December 31, 2017 and the period from inception (November 9, 2016) to December 31, 2016, the Company acquired exploration claims in the Abitibi area (Quebec).

As at December 31, 2017, the Company holds 303 claims (14,718 hectares) at a cost of \$23,285.

#### **Summary:**

- Subsequent to the initial incorporation, the Company raised gross proceeds of \$456,000 through a rights offering. Each common share (each a "Share") holder were entitled to one right exercisable for one Share at a \$1.00 per Share.
- In February 2017, the Company issued 100,000 Shares for services valued at \$1.00 per Share for a total of \$100,000.
- In February 2017, the Company issued 118,500 shares in exchange for assignment of their consultants' intellectual property related to the Goldspot algorithm. Development costs expense of \$1.00 per share, totaling \$118,500 was recorded for the assignment of the intellectual property.
- In December 2017, the Company completed a significant private placement financing raising gross proceeds of \$1,329,677 through the issuance and sale of 279,932 Shares of the Company (each a "Share") at a price of \$4.75 per Share.
- In March/April 2018, the Company completed two tranches of a private placement financing raising gross proceeds of \$1,561,000 through the issuance and sale of 156,100 Shares at a price of \$10.00 per Share.

#### **Intent to go public:**

In June 2018, the Company entered into an amalgamation agreement (the "Amalgamation Agreement") with Duckworth Capital Corp. (TSXV: "DUKE.P") ("Duckworth"), an arm's length party, and 2639781 Ontario Inc., a wholly owned subsidiary of Duckworth ("Subco"), whereby Duckworth would acquire all of the Company's common shares. Pursuant to the Amalgamation Agreement, Goldspot will amalgamate with Subco and all of the outstanding common shares of Goldspot (the "Goldspot Shares") will be exchanged for common shares of Duckworth (the "Duckworth Shares") on the basis of 82.73481801 Duckworth Shares for each one Goldspot Share held (the "Transaction"). As a result, approximately 138,950,893 Duckworth Shares will be issued to former Goldspot shareholders on a pre-consolidated basis and not including any Duckworth Shares or Goldspot Shares issuable pursuant to the Offering (particulars of which are set out below). There are no finder's fees payable in connection with the completion of the Transaction. In connection with the Transaction, Duckworth is proposing to consolidate all of the outstanding Duckworth Shares by changing each two Duckworth Shares into one Duckworth Share.

Prior to completion of the Transaction, either Goldspot or Duckworth, as determined by the parties, intend to complete a private placement of (the "Offering") subscription receipts (the "Subscription Receipts") for gross proceeds of not less than \$4,850,000 at a price per Subscription Receipt of not less than \$16.25, in the event the Offering is completed by Goldspot or \$0.20 in the event the Offering is completed by Duckworth, or such other amount and price as the parties shall agree. There is no assurance that the Offering will be completed on the terms set out above or at all.

Upon completion of the Transaction, former Goldspot and Duckworth shareholders will continue as shareholders of the Resulting Issuer. The Resulting Issuer will have 151,000,893 issued and outstanding common shares (the "Resulting Issuer Shares"), after giving effect to the Offering on a pre-consolidation non-diluted basis (75,500,446 Resulting Issuer Shares on a post-consolidation non-diluted basis). Prior to the Duckworth Share Consolidation, 138,950,893 Resulting Issuer Shares will be held by former Goldspot shareholders and 12,050,000 Resulting Issuer Shares will be held by former Duckworth shareholders which represents ownership of the Resulting Issuer of approximately 92% by former Goldspot shareholders and approximately 8% by former Duckworth shareholders, on an undiluted basis.

Completion of the Transaction will be subject to certain standard conditions including, without limitation: (a) receipt of all necessary consents, waivers, permits, exemptions, orders and approvals, including the approval of the TSXV for the listing of the Resulting Issuer Shares to be issued pursuant to the Transaction; (b) receipt of shareholder approval by Goldspot shareholders to the Transaction; (c) completion of the Offering; and (f) each of the current directors and officers of Duckworth shall have tendered their resignations and provided releases. There can be no assurance that the transaction will be completed as proposed or at all.

#### **Exploration and evaluation assets:**

During the year ended December 31, 2017, the Company spent \$5,847 (2016 - \$17,438) on exploration and evaluation assets. As at December 31, 2017, the Company holds 303 claims (14,718 hectares) in the Abitibi area (Quebec).

The Company is required to spend \$209,495 (due dates between November 15, 2018 to January 20, 2020) to keep the claims in good standing, of which \$85,215 is required to be spent by November 29, 2018. The Company intends to spend approximately \$220,000 on exploration work during the 2018 fiscal year to meet all of its requirements until 2020.

## Results of Operations

Selected financial information for the Company for its most recently completed financial years as at inception (November 9, 2016) and for the periods ending December 31 is provided below:

	Year ended December 31, 2017	From incorporation (November 9, 2016) to December 31, 2016
Consulting income <sup>1</sup>	\$ 452,508	\$ -
Consulting fees expense <sup>2</sup>	(657,580)	(34,008)
Development costs <sup>3</sup>	(118,500)	-
Other expenses	(170,157)	(7,056)
Net loss and comprehensive loss for the period	(493,729)	(41,064)
Loss per common share based on net loss for the period – basic and diluted	(0.43)	(0.08)
	<b>As at December 31, 2017</b>	<b>As at December 31, 2016</b>
Cash	\$ 1,428,323	\$ 975
Exploration and evaluation assets	23,285	17,439
Total assets	1,626,906	18,414
Total liabilities	57,830	59,377
Equity (deficit)	1,569,076	(40,963)

<sup>1</sup> Consulting income – The Company did not formally commence consulting activities until August 2017. The majority of revenue was generated from August to year-end December 31, 2017.

<sup>2</sup> Consulting fees expense – Personnel ramp-up for increased research and development and servicing band-width.

<sup>3</sup> Development costs – One time cost for the acquisition of the Data Miners, the core technical team within Goldspot.

No dividends were declared by the Company during any of the periods indicated.

The Company's selected quarterly results for the most recently completed interim financial periods are as follows:

	Quarter ended			
	December 31, 2017	September 30, 2017	June 30, 2017	March 31, 2017
Consulting income	\$ 194,417	\$ 248,091	\$ 10,000	\$ -
Consulting fees expense	(203,358)	(154,186)	(146,365)	(153,671)
Development costs	-	-	-	(118,500)
Other expenses	(41,795)	(57,286)	(14,914)	(56,162)
Net income (loss) and comprehensive income (loss) for the period	(50,736)	36,619	(151,279)	(328,333)
Earnings (loss) per common share based on net income (loss) for the period – basic and diluted	(0.04)	0.03	(0.12)	(0.37)

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	From incorporation (November 9, 2016) to December 31, 2016
Consulting income	\$ -
Consulting fees expense	(34,008)
Other expenses	(7,056)
Net loss and comprehensive loss for the period	(41,064)
Loss per common share based on net loss for the period – basic and diluted	(0.08)

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No dividends were declared by the Company during any of the periods indicated.

**For the three months and year ended December 31, 2017 as compared to from incorporation (November 9, 2016) to December 31, 2016:**

Goldspot was incorporated on November 9, 2016 and had minimal activities until January 2017.

For the year ended December 31, 2017, the Company recorded consulting income of \$452,508 (three months ended December 31, 2017 - \$194,417) as compared to \$nil from incorporation (November 9, 2016) to December 31, 2016. For the year ended December 31, 2017, the Company earned consulting income from 4 contracts from mining and exploration companies. Of the total consulting income, \$307,691 were earned from related parties (Hochschild Mining plc and Northern Sphere Mining Corp.) who had a director or officer who is also a director or officer of the Company. The Company did not formally commence consulting services activities until August 2017.

For the year ended December 31, 2017, the Company's total expenses were \$946,237 (three months ended December 31, 2017 - \$245,153) as compared to \$41,064 from incorporation (November 9, 2016) to December 31, 2016. In the current year, the total expenses were primarily from consulting fees (\$657,580) and development costs (\$118,500) of which a \$101,255 and \$118,500, respectively, were paid in common shares of the Company. In the period from incorporation (November 9, 2016) to December 31, 2016, total expenses included consulting fees of \$34,008 and office, general and administrative expenses of \$7,056. The increase in consulting fees expense was due to the personnel ramp-up in both research and development, and the Consulting Services Division to take on more servicing contracts. Development costs was a one time cost for the acquisition of the Data Miners, the core technical team within Goldspot.

Net loss and comprehensive loss for the year ended December 31, 2017 was \$493,729 (\$0.43 per share); Net loss and comprehensive loss for the three months ended December 31, 2017 was \$50,736 (\$0.04 per share); and Net loss and comprehensive loss for the period from incorporation (November 9, 2016) to December 31, 2016 was \$41,064 (\$0.08 per share).

## **Cash Flows**

### **Year ended December 31, 2017 and since inception (November 9, 2016) to December 31, 2016:**

During the year ended December 31, 2017, the Company used cash of \$352,013 in operating activities as compared to \$32,157 for the period since inception (November 9, 2016) to December 31, 2016. For the year ended December 31, 2017, the Company had non-cash payments of \$101,255 relating to the issuance of Shares for services and the issuance of Shares valued at \$118,500 upon assignment of intellectual property, as previously discussed. Accounts receivable increased by \$115,173, sales tax recoverable increased by \$60,125 and accounts payable and accrued expenses increased by \$48,923. The increases were a result of the Company's commencement of operating activities derived from its consulting services division.

During the year ended December 31, 2017, the Company generated net cash of \$1,785,207 (inception (November 9, 2016 to December 31, 2016 – \$50,571) in financing activities from non-brokered private placement financings of \$1,379,677 and a rights offering of \$456,000 offset by a repayment of \$50,470 advanced from a related party in 2016 (for incorporation and initial operating costs).

During the year ended December 31, 2017, cash used in investing activities was \$5,846 as compared to \$17,439 during the period from incorporation (November 9, 2016) to December 31, 2016. The cash used in the current and prior year periods was for the purchase of exploration and evaluation assets which comprised of mining claims in Quebec (see Exploration and Evaluation section).

For the year ended December 31, 2017, the Company had a net increase in cash of \$1,427,348 as compared to \$975 the period from incorporation (November 9, 2016) to December 31, 2016. As a result, the Company had a cash balance of \$1,428,323 as at December 31, 2017 as compared to \$975 as at December 31, 2016.

### **Segmented information:**

Reportable segments are defined as components of an enterprise about which separate financial information is available, that are evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance.

The Company has a single reportable geographic segment, Canada, and all of the Company's property and equipment are located in Canada.

The internal reporting provided to management of the Company's assets, liabilities, and performance is prepared on a consistent basis with the measurement and recognition principles of IFRS. There were no changes in the reportable segments during the year ended December 31, 2017 and the period from incorporation (November 9, 2016) to December 31, 2016.

## Liquidity and capital resources:

<b>Statement of financial position highlights</b>	<b>December 31, 2017</b>	<b>December 31, 2016</b>
Cash	\$ 1,428,323	\$ 975
Accounts receivable	115,173	-
Sales tax recoverable	60,125	-
Exploration and evaluation assets	23,285	17,439
Total assets	1,626,906	18,414
Total liabilities	57,830	59,377
Share capital	2,103,869	101
Deficit	(534,793)	(41,064)

As at December 31, 2017, total liabilities decreased by \$1,547 to \$57,830 as compared to \$59,377 as at December 31, 2016. In the current year, total liabilities consisted of accounts payable and accrued liabilities while in the prior year \$50,470 were advances from a related party.

The Company's cash as at December 31, 2017 would be sufficient to meet the Company's current liabilities.

The Company continues to have no long-term debt. In order to meet its operating expenditure obligations as they become due, the Company may have to rely on external sources of capital. The Company expects to have to raise additional funds through debt and/or equity financings to meet its expenditure needs. The Company's ability to access the debt and equity markets when required will depend upon factors beyond its control, such as economic and political conditions that may affect the capital markets generally. The Company's inability to raise sufficient capital to fund its operations and growth may result in its ability to continue as a going concern.

Subsequent to December 31, 2017, the Company signed a lease for new premises in Montreal, Quebec, which started on March 1, 2018 for annual payments of approximately \$96,000 in the first year; \$98,400 in the second year; \$100,860 in the third year; \$103,380 in the fourth year; and \$105,960 in the fifth year, plus applicable taxes until February 28, 2023.

**Related party transactions:**

All transactions with related parties have occurred in the normal course of operations.

- (a) As at December 31, 2016, the Company had advances from a related party (New Found Gold Corp., a private company with similar officers and directors) of \$50,470. During the year ended December 31, 2017, the Company also received fees of \$40,000 from New Found Gold Corp. for consulting services. For the year ended December 31, 2017, these fees were included in consulting revenue.
- (b) During the year ended December 31, 2017, Key management personnel are defined as those individuals having authority and responsibility for planning, directing, and controlling the activities of the Company. Goldspot considers Denis Laviolette, its President and Chief Executive Officer ("CEO"), Binh Quach, its Chief Financial Officer/Corporate Secretary ("CFO") and Vincent Dube-Bourgeois, its Chief Operating Officer ("COO") to be its key management personnel. Compensation of key management is included in the statements of comprehensive loss as follows:

	2017	2016
Consulting fees	\$ 203,000	\$ 16,667
Development costs (e(iii))	35,550	-
	<b>\$ 238,550</b>	<b>\$ 16,667</b>

- (c) The Company may have directors and officers who are directors and/or officers of the Company's clients. During the year ended December 31, 2017, the Company recorded consulting revenue of \$307,691 from customers who had a director or officer who is also a director or officer of the Company.
- (d) As at December 31, 2017, included in accounts payable and accrued liabilities is \$6,772 owing to the COO relating to reimbursement of travel expenses.
- (e) During the year ended December 31, 2017, the Company completed several share capital transactions. Related parties participated in the share capital transactions as follows:
- (i) In January 2017, a director (Collin Kettell as to 36,000 common shares) and insiders (+10% share owners, Palisade Global Investments Ltd. as to 175,000 common shares and ThreeD Capital Inc. as to 135,000 common shares) of the Company participated in a rights offering by subscribing for a total of 346,000 common shares of the Company for total proceeds of \$346,000.
- (ii) In February 2017, a director (Cejay Kim as to 25,000 common shares), officers (CEO as to 40,000 common shares and CFO as to 10,000 common shares), and insiders (Palisade Global Investments Ltd. as to 10,000 common shares) received 85,000 common shares of the Company for services at a deemed value of \$1.00 share for a total of \$85,000.
- (iii) In February 2017, the COO received 35,550 common shares of the Company in exchange for the assignment of intellectual property at a deemed value of \$1.00 share for a total of \$35,550.
- (iv) In February 2017, the COO subscribed for 10,000 common shares of the Company for gross proceeds of \$10,000.

- (v) In December 2017, the COO received 5,088 common shares of the Company for payment of debt totaling \$24,168.

### **Off-Balance Sheet arrangements:**

In July 2017, the Company entered into a consulting agreement with a researcher/developer which included a payment of 1,255 shares of the Company to be issued to the consultant every three months beginning on October 14, 2017 and ending on July 14, 2022, for a total of 25,100 shares. On October 14, 2017, pursuant to the consulting agreement, the Company issued 1,255 common shares and recorded consulting fee expense at a value of \$1.00 per share, totaling \$1,255. As at December 31, 2017, the Company is committed to issuing 23,845 shares to the consultant at the fair value of the shares at the time of issuance. (See "Outstanding Share Data" section elsewhere in this MD&A)

As at December 31, 2017, there were no other off-balance sheet arrangements that have, or are reasonable likely to have, a current or future effect on the results of operations or financial condition of Goldspot.

### **Management of capital:**

The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may borrow from its shareholders or raise additional funds. The Company considers its capital to include total equity which amounts to \$1,569,076 on December 31, 2017 (2016 – deficit of \$40,963). The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can provide returns for shareholders.

The Company's objectives when managing capital are:

- (a) to ensure that the Company maintains the level of capital necessary to meet its working capital;
- (b) to give shareholders sustained growth in shareholder value by increasing shareholders' equity; and
- (c) to maintain a flexible capital structure that optimizes the cost of capital at acceptable levels of risk.

The Company maintains or adjusts its capital level to enable it to meet its objectives by:

- (a) maintaining a pipeline of customer orders; and
- (b) raising capital through share or debt financings.

There were no changes in the Company's approach to capital management during the year ended December 31, 2017. Since inception, the Company has not declared any cash dividends to its shareholders as part of its capital management program.

Subsequent to December 31, 2017, the Company completed a non-brokered private placement financing in two tranches raising total gross proceeds of \$1,561,000 through the issuance and sale of 156,100 shares at a price of \$10.00 per share.

## **Financial instruments and financial risk management:**

### *Financial instruments*

The Company classifies its cash as fair value through profit or loss and is categorized as level 1 in the fair value hierarchy. Accounts receivable and net input sales receivable are recognized as other financial assets, and accounts payable and accrued liabilities and advances from related party as other financial liabilities.

The carrying amounts of accounts receivable, net input sales tax receivable, and accounts payable and accrued liabilities, and advances from related party approximate their fair value due to their short periods to maturity.

### *Financial risk management*

The Company has exposure to credit risk, liquidity risk, and currency risk associated with its financial assets and liabilities.

There were no significant or material changes to the Company's risk management during the year ended December 31, 2017 and from incorporation (November 9, 2016) to December 31, 2016. A discussion of the Company's use of financial instruments and other associated risks is as follows.

#### (a) Credit risk:

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company.

Financial instruments which potentially subject the Company to concentrations of credit risk consist of cash, accounts receivable and sales tax recoverable. All funds in cash are held in financial institutions that have a credit rating above AA and the Company believes the risk of loss to be remote.

Sales tax recoverable is due from the Quebec government. Sales tax credits are subject to review by the Quebec Ministry of Revenue and by Canada Revenue Agency ("CRA") and any adjustments that may result could reduce the sales tax recoverable as recorded.

The Company has accounts receivable from mining and exploration companies. The Company's credit risk arises from the possibility that a counterparty which owes the Company money is unable or unwilling to meet its obligations in accordance with the terms and conditions in the contracts with the Company, which would result in a financial loss to the Company. These specific mining and exploration companies may be affected by economic factors and government factors which may impact accounts receivable. Management does not believe that a single industry or geographic region represents significant credit risk. This risk is mitigated through established credit management techniques, including monitoring counterparty creditworthiness, setting exposure limits and monitoring exposure against these customer credit limits.

The maximum exposure to credit risk is the carrying amount of the Company's cash, accounts receivable, and sales tax recoverable which total \$1,663,421 as at December 31, 2017 (2016 - \$975).

An aging of accounts receivable as at December 31, 2017 and 2016 is as follows:

	Accounts receivable due by period				Total
	0-30 days	31-60 days	61-90 days	91+ days	
<b>2017</b>	<b>\$ 64,993</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 50,180</b>	<b>\$ 115,173</b>
2016	\$ -	\$ -	\$ -	\$ -	\$ -

The allowance for doubtful accounts and bad debts expense are \$Nil for the year ended December 31, 2017 and the period from incorporation (November 9, 2016) to December 31, 2016. The Company does not have collateral to any of its receivable balances.

(b) Liquidity risk:

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they become due. The Company's management is responsible for reviewing liquidity resources to ensure funds are available to meet financial obligations as they become due, as well as ensuring funds exist to support business strategies and operating growth.

There were no changes to the way that the Company manages liquidity risk during the year ended December 31 2017. The Company manages liquidity risk by reviewing the amount of cash available on a weekly basis and managing its cash flow.

The Company's accounts payable and accrued liabilities and advances from related party are due within less than 1 year as at December 31, 2017 and 2016.

The Company's cash balance is sufficient to meet the Company's current liabilities.

(d) Currency risk:

Currency risk is the risk of loss from the Canadian dollar depreciating when it fluctuates against other foreign currencies. The Company presently holds funds in Canadian dollars but some of its receivables are denominated in U.S. dollars. The Company does not engage in any hedging activities to mitigate its foreign exchange risk. A change in the foreign exchange rate of the Canadian dollar versus another currency may increase or decrease the value of the Company's financial instruments.

As at December 31, 2017, the Company had \$50,180 (US\$40,000) in accounts receivable and had the Canadian dollar strengthened or declined by 5% in relation to the U.S. dollar, with all other variables held constant, net loss and comprehensive loss for the year would have decreased or increased, respectively, by approximately \$2,000. In practice, the actual results may differ from this sensitivity analysis and the difference could be material.

(e) Economic dependence:

*Revenue*

For the year ended December 31, 2017, the Company earned revenue from 4 contracts from mining and exploration companies. The Company's consulting revenue are usually short term in nature and consulting agreements are between 3-6 months terms. Some of the Company's revenue are earned from related parties.

*Concentration of credit risk*

As at December 31, 2017, the accounts receivable were from 3 mining and exploration companies. As at December 31, 2017, the Company had no reason to believe that the accounts receivable will not be fully collected.

**Other Risks:**

The Company's financial condition, results of operation and business are subject to certain risks, which may negatively affect them. Certain of these risks are described below in addition to elsewhere in this MD&A.

(a) Cash flows from consulting income:

The Company currently generates revenue and cash flows from its consulting services. The availability of these sources of funds and the Company's ability to maintain a network and attract additional customers will depend on a number of factors, many of which are outside of the Company's control. A significant portion of the Company's revenues have come from four customers in short-term contracts. The Company's contracts are generally short-term and the Company is actively seeking to diversify its customer base with longer-term contracts, the loss of any one of its customers or the inability to attract additional customers will result in a material adverse effect on the business and may adversely affect revenues going forward.

(b) Dependence on management and key personnel:

Goldspot's future growth and its ability to develop, depend, to a significant extent, on its ability to attract and retain highly qualified personnel. Goldspot relies on a limited number of key employees, consultants and members of senior management, and there is no assurance that the Company will be able to retain such personnel. The loss of one or more key employees, consultants or members of senior management, if such persons are not replaced, could have a material adverse effect on Goldspot's business, financial condition and prospects. To operate successfully and manage its potential future growth, Goldspot must attract and retain highly qualified engineering, managerial and financial personnel. Competition for its personnel can be intense, and the Company cannot ensure that it will be able to bring in and retain highly skilled technical and management personnel in the future. In addition, the Company may be obligated to increase the compensation paid to current or new personnel, which could substantially increase operating expenses.

(c) Technological changes:

The Company's consulting services and investing divisions operates in business segments that are entirely dependent on technology and the internet. As such, technological change will impact the ability of the Company to expand and grow its business and will also affect the costs and expenses incurred by the Company, including capital requirements. The Company's products and services rely heavily on third-party software. There is a risk that new technologies and standards may render the Company's software applications obsolete. The Company may be required to invest significant capital in new technology and software development to remain competitive.

(d) Investment risks:

Through its investing division (Resource Quantamentals), the Company will acquire securities of public and private companies from time to time, which are primarily junior or small-cap companies. Poor investment performance within Resource Quantamentals could impair revenues and growth. The market values of the securities can experience significant fluctuations in the short and long term due to factors beyond the Company's control. Market value can be reflective of the actual or anticipated operating results of the companies and/or the general market conditions in a specific sector as a whole, such as fluctuations in commodity prices and global political and economical conditions. The Company's investments will be carried at fair value, and unrealized gains/losses on the securities and realized losses on the securities sold could have a material adverse impact on the Company's operating results. There is no assurance that Goldspot will be able to achieve or maintain any particular level investment return, which may have a material negative impact on its ability to attract investors. Furthermore, the junior mining space tends to be more volatile than general market indices. This volatility combined with negative or poor performance could combine to lead to a reduction in investor interest.

(e) Exploration risk:

The exploration and evaluation division is dependent on its exploration and evaluation programs. The exploration and evaluation of mineral deposits involves significant financial risks over a prolonged period of time, which may not be eliminated even through a combination of careful evaluation, experience and knowledge. Few properties that are explored are ultimately developed into economically viable operating mines. It is impossible to ensure that the current or proposed exploration programmes on any of the properties in which Goldspot has exploration rights, will result in any profitable commercial mining operations. Goldspot cannot give any assurance that its current and future exploration activities will result in a discovery of mineral deposits containing mineral reserves.

## Significant Accounting Policies:

Refer to Note 2 of the Notes to the financial statements as at and for the year ended December 31, 2017 for details of the Company's basis of preparation of the financial statements.

Refer to Note 3 of the Notes to the financial statements as at and for the year ended December 31, 2017 for details of the Company's accounting policies. Some significant accounting policies used in the presentation of the financial statements are as follows.

(a) Financial instruments:

(i) Financial assets at fair value:

Financial assets that are managed to collect contractual cash flows made up of principal and interest on specified dates are classified as subsequently measured at amortized cost. All other financial assets are designated as at fair value through profit or loss. All financial assets are recognized initially at fair value plus, in the case of financial assets classified as subsequently measured at amortized cost, directly attributable transaction costs.

Financial assets at amortized cost are measured at initial cost plus interest calculated using the effective interest rate method less cumulative repayments and cumulative impairment losses.

A financial asset is derecognized when the rights to receive cash flows from the asset have expired or the Company has transferred substantially all the risks and rewards of the asset. The Company assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. For amounts deemed to be impaired, the impairment provision is based upon the expected loss.

(ii) Financial liabilities at fair value:

Financial liabilities are presented at amortized cost and are recognized initially at fair value net of directly attributable transaction costs except for those designated at fair value through profit or loss. Financial liabilities at fair value through profit or loss are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of income and comprehensive income. Other financial liabilities are subsequently recognized at amortized cost using the effective interest method with interest expense recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period.

(iii) Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(iv) Fair value hierarchy:

The fair value measurements use a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The level in the hierarchy within which the fair value measurement is categorized is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. The fair value hierarchy has the following levels:

- (1) Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- (2) Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- (3) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

(c) Non-monetary transactions:

Transactions in which shares or other non-cash consideration are exchanged for assets or services are valued at the fair value of the assets or services involved.

(d) Revenue recognition:

The Company earns revenue by providing consulting services to various mining and exploration companies by utilizing machine learning to target exploration on a regional and localized scale. Revenue is measured at the fair value of the consideration received or receivable for the rendering of services in the ordinary course of the Company's activities and which are generally met once the services are rendered. Revenue is recognized on a monthly contractual basis.

(e) Exploration and evaluation assets:

Amounts included under exploration and evaluation assets relate to properties that are in preproduction and are undergoing exploration and evaluation. All acquisition costs incurred in connection with the Company's exploration and evaluation assets are capitalized less accumulated impairment losses. The Company expenses all exploration expenditures, including geological and geophysical expenditures and overhead expenses directly related to exploration and development activities, as incurred. Once a project has been established as commercially viable and technically feasible, related development expenditures are capitalized. This includes costs incurred in preparing the site for mining operations.

Capitalized exploration and evaluation assets are assessed to determine whether it is likely such net costs may be recovered in the future. Assets that are unlikely to be recovered are written down to their recoverable amount. Impairment reviews take place where there is an indication of impairment or when an exploration and evaluation asset has been transferred into mineral properties.

(j) Earnings (loss) per common share:

Basic earnings (loss) per common share is determined by dividing net income (loss) attributable to common shareholders by the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per common share is calculated in accordance with the treasury

stock method and based on the weighted average number of common shares and dilutive common share equivalents outstanding.

(k) Research and development:

Expenditures on research activities are recognized in comprehensive income (loss) as incurred. Development expenditures are capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, they are recognized in comprehensive income (loss) as incurred. Subsequent to initial recognition, capitalized development expenditures are measured at cost less accumulated amortization and any accumulated impairment losses.

**Future changes in accounting policies:**

As at the date of authorization of these financial statements, the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee has issued the following new and revised Standards and Interpretations that are not yet effective for the relevant reporting periods and the Company has not early adopted these standards, amendments and interpretations. However, the Company is currently assessing what impact the application of these standards or amendments will have on the financial statements of the Company.

The Company intends to adopt these standards, if applicable, when the standards become effective:

- (a) In July 2014, the IASB issued the final version of IFRS 9, *Financial Instruments* ("IFRS 9") bringing together the classification and measurement, impairment and hedge accounting phases of the IASB's project to replace IAS 39 *Financial Instruments: Recognition and Measurement* and all previous versions of IFRS 9. IFRS 9 introduces a logical, single classification and measurement approach for financial assets that reflects the business model in which they are managed and their cash flow characteristics. Built upon this is a forward-looking expected credit loss model that will result in more timely recognition of loan losses and is a single model that is applicable to all financial instruments subject to impairment accounting.

In addition, IFRS 9 also removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value, such that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognized in profit or loss. IFRS 9 also includes an improved hedge accounting model to better link the economics of risk management with its accounting treatment. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company has not yet assessed the impact of the adoption of IFRS 9 on its financial performance or its financial position.

- (b) IFRS 15, *Revenue from Contracts with Customers* ("IFRS 15"), was issued in May 2014, which replaced IAS 11, *Construction Contracts*, IAS 18, *Revenue Recognition*, IFRIC 13, *Customer Loyalty Programmes*, IFRIC 15, *Agreements for the Construction of Real Estate*, IFRIC 18, *Transfers of Assets from Customers*, and SIC-31, *Revenue – Barter Transactions Involving Advertising Services*. IFRS 15 provides a single, principles based five step model that will apply to all contracts with customers with limited exceptions, including, but not limited to, leases within the scope of IAS 17; financial instruments and other contractual rights or obligations within the scope of IFRS 9, IFRS 10, *Consolidated Financial Statements* and IFRS 11, *Joint Arrangements*.

In addition to the five-step model, the standard specifies how to account for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. The incremental costs of obtaining a contract must be recognized as an asset if the entity expects to recover these costs.

The standard's requirements will also apply to the recognition and measurement of gains and losses on the sale of some non-financial assets that are not an output of the entity's ordinary activities. IFRS 15 is required for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted. The Company is in the process of assessing the impact of IFRS 15 on its financial statements.

- (c) IFRS 16, *Leases* ("IFRS 16") was issued in January 2016 to improve the accounting for leases, generally by eliminating a lessee's classification of leases and introducing a single lessee accounting model. The most significant effect of the new standard will be the lessee's recognition of the initial present value of unavoidable future lease payments as lease assets and lease liabilities on the statement of financial position. Leases with durations of 12 months or less and leases for low value assets are both exempted. The measurement of the total lease expense over the term of a lease will be unaffected by the new standard. However, the new standard will result in the timing of lease expense recognition being accelerated for leases which would be currently accounted for as operating leases.

The presentation on the statement of income and other comprehensive income required by the new standard will result in most lease expenses being presented as amortization of lease assets and financing costs arising from lease liabilities rather than as being a part of goods and services purchased. The standard is effective for annual periods beginning on or after January 1, 2019 and will supersede IAS 17 Leases. The Company has not completed the process of assessing the impact that the amended standards will have on its interim financial statements.

- (d) IFRS 2, *Share-based payments* ("IFRS 2") - In June 2016, the IASB issued final amendments to IFRS 2, which clarifies how to account for certain types of share-based payment transactions. The amendments provide requirements on the accounting for: (i) the effect of vesting and non-vesting conditions on the measurement of cash-settled share-based payments; (ii) share-based payment transactions with a net settlement feature for withholding tax obligations; and (iii) a modification to the terms and conditions of a share-based payment that changes the classifications of the transaction from cash-settled to equity-settled. The amendments are effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company does not have a share-based payment plan and as a result does not expect that the amended standard will have any impact on its financial statements.

### **Critical accounting estimates:**

The preparation of the financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Critical accounting estimates used in the preparation of the Company's financial statements include the Company's allowance for doubtful accounts, estimate of recoverable fair value on exploration and evaluation assets, and the valuation related to the Company's deferred tax assets ("DTA").

Allowance of doubtful accounts:

The Company's carrying value of accounts receivable as at December 31, 2017 was \$115,173 (December 31, 2016 – nil), net of allowances for doubtful accounts of nil (December 31, 2016 – nil). Management is required to make judgment whether a receivable balance is collectable based on their relationship with the client and knowledge of the client's financial position. These judgments will affect the reported amounts of accounts receivable and bad debts expense. If the financial conditions of the debtors of the Company were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

Exploration and evaluation expenditures:

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment to determine whether future economic benefits are likely, from future either exploitation or sale, or whether activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The determination of reserves and resources is itself an estimation process that requires varying degrees of uncertainty depending on how the resources are classified.

These estimates directly impact when the Company defers exploration and evaluation expenditures. The deferral policy requires management to make certain estimates and assumptions about future events and circumstances, in particular, whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after the expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the relevant capitalized amount is written off in the statement of loss and comprehensive loss in the period when the new information becomes available.

At each reporting period, the Company's management reviews the status of all of its exploration properties, taking into account all of the factors noted above, in order to make an estimate of the recoverable value of each property. When management believes that the value of a property has been impaired, the Company will write down the value of the property to management's estimate of its recoverable value. As well, if the Company determines that an exploration project is not viable due to the risks described above or to unsatisfactory drill results, the Company will write-off the carrying value of the property. The Company's exploration and evaluation assets have recently been purchased and therefore, there were no impairments on its exploration and evaluation assets.

Deferred tax assets:

Deferred tax is provided using the statement of financial position method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

DTL are recognized for all taxable temporary differences and DTA are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses. The Company does not record DTA to the extent that it considers it is not more likely than not that deductible temporary differences, the carry forward of unused tax credits and unused tax losses can be utilized.

Management determined, based upon expectations for future taxable income that it believes that it is not more likely than not it will realize the tax benefits of the DTA during the next several years.

### Outstanding Share Data:

Subsequent to December 31, 2017, the Company granted 95,000 options to officers (as to 45,000 options) and consultants (as to 50,000 options) of the Company at an exercise price of \$10.00 per share which vest annually over 5 years and expire on February 1, 2025.

Subsequent to December 31, 2017, the Company completed a non-brokered private placement financing in two tranches raising total gross proceeds of \$1,561,000 through the issuance and sale of 156,100 shares at a price of \$10.00 per share.

On January 14, 2018, pursuant to the consulting agreement as described under "Off-Balance Sheet arrangements", the Company issued the second tranche of 1,255 common shares and recorded consulting fee expense at a value of \$4.75 per share, totaling \$5,961 and on April 14, 2018, the Company issued the third tranche of 1,255 shares and recorded consulting fees expense at a value of \$10.00 per share, totaling \$12,550. The consultant resigned on June 14, 2018 and as result, all future share issuances (21,335 shares) in accordance with the consulting agreement are cancelled. In addition, the 5,000 options granted to the consultant on February 1, 2018, with an exercise price of \$10.00 per share and expiring on February 1, 2025, have been cancelled.

As at the date of this MD&A, the number of common shares of the Company outstanding and the number of common shares issuable pursuant to other outstanding securities of Goldspot are as follows:

<b>Common shares</b>	<b>Number</b>
Outstanding	<b>1,679,473</b>
Issuable under the exercise of options	<b>90,000</b>
<b>Total diluted common shares</b>	<b>1,769,473</b>

Refer to Note 9 of the Notes to the financial statements as at and for the year ended December 31, 2017 for details of the Company's share capital as at December 31, 2017.

### Additional Information:

Additional information relating to Goldspot may be found on the Company's website at [www.goldspot.ca](http://www.goldspot.ca).

**SCHEDULE "E"**

**PRO FORMA FINANCIAL STATEMENT OF THE RESULTING ISSUER**

See attached.

**Pro Forma Consolidated Statement of Financial Position**

**DUCKWORTH CAPITAL CORP.**

**As at May 31, 2018**

**(Unaudited - prepared in Canadian dollars)**

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**DUCKWORTH CAPITAL CORP.**  
**Pro Forma Consolidated Statement Of Financial Position**  
**As at May 31, 2018**  
**(Unaudited - Prepared in Canadian dollars)**

<b>Assets</b>	<b>Goldspot</b>	<b>Duckworth</b>	<b>Pro Forma Adjustments and Elimination Entries</b>	<b>Notes</b>	<b>Pro Forma Consolidated</b>
<b>Current</b>					
Cash	\$ 2,357,015	\$ 640,339	\$ 6,900,009 (742,001)	4(a) 4(b)	\$ 9,155,362
Restricted cash	15,000	-	-		15,000
Accounts receivable	191,576	-	-		191,576
Sales tax recoverable	140,080	-	-		140,080
Prepays	116,244	3,488	-		119,732
	<u>2,819,915</u>	<u>643,827</u>	<u>6,158,008</u>		<u>9,621,750</u>
<b>Exploration and evaluation assets</b>	23,285	-	-		23,285
<b>Capital assets, net</b>	44,517	-	-		44,517
	<u>\$ 2,887,717</u>	<u>\$ 643,827</u>	<u>\$ 6,158,008</u>		<u>\$ 9,689,552</u>
<b>Liabilities and Shareholders' Equity</b>					
<b>Current</b>					
Accounts payable and accrued liabilities	\$ 6,265	\$ 32,867	\$ 548,998	4(e)	\$ 588,130
	<u>6,265</u>	<u>32,867</u>	<u>548,998</u>		<u>588,130</u>
<b>Equity</b>					
Share capital	3,683,380	684,182	(684,182) 2,410,000 6,900,009 (742,001) (289,747) (63,764)	4(d) 3 4(a) 4(b) 4(c) 4(e)	11,897,877
Contributed surplus	209,184	-	-		209,184
Warrants	-	21,059	(21,059) 50,000 289,747	4(d) 3 4(c)	339,747
Deficit	(1,011,112)	(94,281)	94,281 (1,849,040) (485,234)	4(d) 3 4(e)	(3,345,386)
	<u>2,881,452</u>	<u>610,960</u>	<u>5,609,010</u>		<u>9,101,422</u>
	<u>\$ 2,887,717</u>	<u>\$ 643,827</u>	<u>\$ 6,158,008</u>		<u>\$ 9,689,552</u>

See accompanying notes to the pro forma consolidated statement of financial position

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**DUCKWORTH CAPITAL CORP.****Notes to Pro Forma Consolidated Statement of Financial Position****May 31, 2018****(Unaudited – Prepared in Canadian dollars)**

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**1. Basis of preparation:**

The unaudited pro forma consolidated statement of financial position has been prepared by management of Goldspot Discoveries Inc. (Goldspot") for inclusion in the Filing Statement of Duckworth Capital Corp. ("Duckworth") dated October 30, 2018 after giving effect to the combination of Duckworth and Goldspot and the related transactions on the basis of the assumptions described in Note 2 below. The pro forma consolidated statement of financial position of Goldspot have been compiled from the following:

- the audited financial statements of Duckworth as at May 31, 2018; and
- the unaudited interim financial statements of Goldspot as at June 30, 2018.

This pro forma consolidated statement of financial position should be read in conjunction with the financial statements of Duckworth and Goldspot for the applicable periods noted, including the notes thereto and the related Filing Statement of October 30, 2018. Accounting policies used in the preparation of the pro forma consolidated statement of financial position are in accordance with those disclosed in the audited financial statements of the companies mentioned above which were all prepared in accordance with International Financial Reporting Standards ("IFRS").

In the opinion of the management of Goldspot, this unaudited pro forma consolidated statement of financial position includes all adjustments necessary for a fair presentation of the transactions described in Note 2 below. The unaudited pro forma consolidated statement of financial position is not necessarily indicative of the results that would have been achieved if the transactions reflected therein had been completed on the dates indicated or the results which may be obtained in the future. In preparing this unaudited pro forma consolidated statement of financial position, no adjustments have been made to reflect transactions which have occurred since the dates indicated. Furthermore, the pro forma consolidated statement of financial position is not necessarily indicative of the financial position and results that may be achieved in the future. The pro forma consolidated statement of financial position gives effect to the proposed transaction described above as if it occurred on June 30, 2018. Duckworth and Goldspot have fiscal year ends of May 31, and December 31, respectively. For purposes of the pro forma financial statements, it is assumed that the period end is June 30, 2018.

**2. Transaction:**

Duckworth has proposed an acquisition of Goldspot to be completed under a plan of acquisition by amalgamating Goldspot with Duckworth's wholly-owned subsidiary, 2639781 Ontario Inc. (which was incorporated solely for the purposes of the amalgamation). Under the proposed amalgamation, existing common shares of Goldspot would be exchanged for common shares of Duckworth on the basis of 82.73481801 ("Exchange Ratio") Duckworth common shares for every one Goldspot common share.

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**DUCKWORTH CAPITAL CORP.****Notes to Pro Forma Consolidated Statement of Financial Position****May 31, 2018****(Unaudited – Prepared in Canadian dollars)**

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**2. Transaction (continued):**

Duckworth has also agreed to issue stock options to replace the existing Goldspot stock options. Each Goldspot stock option will allow the holder to purchase the number of common shares and for an exercise price at the Exchange Ratio with an expiry date and vesting provisions identical to those of the previously outstanding Goldspot stock options.

Duckworth will acquire all of the issued and outstanding shares of Goldspot for a deemed aggregate consideration of \$25,000,000 by issuing 138,950,892 common shares of Duckworth.

The resulting issuer will change its name to "Goldspot Discoveries Corp.", or such other name as the parties may agree. The acquisition by Duckworth of Goldspot is subject to, among other things, regulatory and shareholder approvals of both companies.

**3. Reverse take over:**

The transaction has been accounted for in accordance with IFRS 2, *Share-based payments*. The transaction is considered to be a reverse takeover of Duckworth by Goldspot. A reverse takeover transaction involving a non-public operating entity and a non-operating public company is in substance a shared based transaction rather than a business combination. The Transaction is equivalent to the issuance of common shares by the non-public operating entity, Goldspot, for the net assets and the listing status of the non-operating public company, Duckworth. The fair value of the common shares issued was determined based on the fair value of the common shares issued by Duckworth. For financial reporting purposes, the Company is considered a continuation of Goldspot, the legal subsidiary, except with regard to authorized and issued share capital, which is that of Duckworth, the legal parent.

**Purchase Price**

Fair value of common shares	\$ 2,410,000
Fair value of broker warrants	<u>50,000</u>
<b>Total purchase price</b>	<b><u>2,460,000</u></b>

**Net Assets Acquired**

Cash	640,339
Prepays	3,488
Accounts payable and accrued liabilities	<u>(32,867)</u>
<b>Net assets acquired</b>	<b><u>610,960</u></b>

**Listing expense**

	<u>\$ 1,849,040</u>
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**DUCKWORTH CAPITAL CORP.****Notes to Pro Forma Consolidated Statement of Financial Position****May 31, 2018****(Unaudited – Prepared in Canadian dollars)**

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**3. Reverse take over (continued):****Fair Value of Duckworth Shares**

Number of pre-consolidation Duckworth shares	<b>12,050,000</b>
Consolidation of Duckworth shares	<b>2</b>
Number of post-consolidation Duckworth shares	<b>6,025,000</b>
Share value as determined	<b>\$ 0.40</b>
Value of Goldspot shares that would have been issued to obtain the same ownership percentage	<b>\$ 2,410,000</b>

The Duckworth broker warrants were assigned a grant date value of \$50,000 as estimated by using the Black-Scholes valuation model with the following assumptions: exercise price of \$0.20, share price of \$0.40, expected dividend yield of 0%, expected volatility of 100%, risk-free rate of return of 1.88%, and an expected maturity of 1.25 years.

The excess of fair value of net assets assumed over purchase price is considered an expense of acquiring a public listing and as a result the listing fee expense is \$1,849,040.

The fair value of the net assets of Duckworth deemed to be acquired will ultimately be determined at the date of closing of the transaction and the actual costs of acquisition may vary from those estimates. Therefore, the allocation of the consideration among the assets and liabilities of Duckworth may vary from those shown above and such differences may be material.

**4. Pro forma assumptions and adjustments:**

This unaudited pro forma consolidated statement of financial position gives effect to the following assumptions and adjustments as if they had occurred on June 30, 2018.

The following adjustments were made with respect to the pro forma consolidated statement of financial position:

- (a) In connection with the amalgamation, Goldspot intends to complete a concurrent brokered financing whereby it will issue up to 17,246,859 subscription receipts at a price per receipt of not less than \$0.40 for gross proceeds of \$6,900,009.
- (b) In connection with the closing of the concurrent financing, Goldspot has agreed to pay the broker a cash commission of 8% of the gross proceeds and to issue broker warrants equal to 8% of the number of common shares to be issued under the financing, at an exercise price of \$0.40 per share. Broker cash commissions and legal fees are estimated to total \$742,001.

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**DUCKWORTH CAPITAL CORP.****Notes to Pro Forma Consolidated Statement of Financial Position****May 31, 2018****(Unaudited – Prepared in Canadian dollars)**

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**4. Pro forma assumptions and adjustments (continued):**

Each subscription receipt and broker warrant will be exchanged for common shares of the amalgamated company on the basis of one to one.

- (c) Broker warrants issued under the concurrent financing are valued using the Black-Scholes option pricing model with the following assumptions: volatility of 100%; expected life of 2 years; exercise price of \$0.40; market value of \$0.40; risk free rate of 1.88%; and dividend rate of 0%. The warrants have been recorded at a value of \$0.21 per warrant, totaling \$289,747 in the aggregate.
- (d) Book values of Duckworth's share capital, warrants, and deficit are eliminated upon closing.
- (e) The accrual of the estimated share issuance costs of \$548,998 related to the issue of the new Duckworth shares on the TSX Venture Exchange and legal fees.
- (f) The tax provision does not take into account the tax consequences of the amalgamation and is therefore the same as the provision when the companies were accounted for as separate entities. The pro forma effective statutory income tax rate of the combined companies will be 26.5%.

The unaudited pro forma consolidated financial statements incorporate pro forma assumptions as follows:

- (i) Completion of the transactions contemplated in the definitive agreement between Duckworth, Goldspot and 2639781 Ontario Inc. dated June 18, 2018;
- (ii) Exchange of each of the issued and outstanding shares of Goldspot for 82.73481801 shares of Duckworth;
- (iii) Implementation by the directors of Duckworth of the consolidation of Duckworth common shares on the basis of 1 new common share for every 2 existing common shares; and
- (iv) Approval of the transactions by regulatory authorities and shareholders of Duckworth and Goldspot.

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**DUCKWORTH CAPITAL CORP.****Notes to Pro Forma Consolidated Statement of Financial Position****May 31, 2018****(Unaudited – Prepared in Canadian dollars)**

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**5. Pro forma share capital:**

The following table summarizes the pro-forma share capital:

	<b>Number of shares</b>	<b>Amount</b>
<b>Common Shares:</b>		
Duckworth shares, balance at June 30, 2018	12,050,000	\$ 684,182
Shares issued to Goldspot shareholders	138,950,892	3,683,380
Share issuance costs (4(e))	-	(63,764)
Elimination of Duckworth share capital upon RTO (4(d))	-	(684,182)
Fair value of Duckworth shares assumed (3)	-	2,410,000
<b>Common shares before reverse split</b>	<u>151,000,892</u>	<u>6,029,616</u>
Reverse split (2:1) (accounting for rounding) (4(iii))	75,500,458	-
Concurrent financing (4(a))	17,246,859	6,900,009
Share issuance costs on concurrent financing (4(b))	-	(742,001)
Warrants issued on concurrent financing (4(c))	-	(289,747)
<b>Balance after giving effect to pro forma adjustments</b>	<u>92,747,317</u>	<u>\$ 11,897,877</u>