

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

*A copy of this preliminary short form base shelf prospectus has been filed with the securities regulatory authorities in each of the provinces of Canada except Québec but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary short form base shelf prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the short form base shelf prospectus is obtained from the securities regulatory authorities.*

*This short form base shelf prospectus has been filed under legislation in each of the provinces of Canada except Québec that permits certain information about these securities to be determined after this short form base shelf prospectus has become final and that permits the omission from this short form base shelf prospectus of that information. The legislation requires the delivery to purchasers of a shelf prospectus supplement containing the omitted information within a specified period of time after agreeing to purchase any of these securities.*

***Information has been incorporated by reference in this Prospectus from documents filed with securities commissions or similar authorities in each of the provinces of Canada except Québec. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of Callinex Mines Inc. at 1100 – 1199 West Hastings Street, Vancouver, BC, Canada, V6E 3T5, telephone: (604) 605-0885, and are also available electronically on Callinex Mines Inc.'s profile at [www.sedarplus.ca](http://www.sedarplus.ca).***

***The securities offered have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws and may not be offered or sold within the "United States" or, if applicable, to, or for the account or benefit of, "U.S. persons" (as such terms are defined in Regulation S under the U.S. Securities Act) except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable state laws. This short form Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of these securities within the United States. See "Plan of Distribution."***

## **PRELIMINARY SHORT FORM BASE SHELF PROSPECTUS**

**New Issue**

**December 22 , 2023**



**CALLINEX MINES INC.**

**\$30,000,000**

**Common Shares  
Debt Securities  
Subscription Receipts  
Units  
Warrants**

Callinex Mines Inc. (the "**Company**") may offer and issue, from time to time, any (i) common shares in the capital of the Company (the "**Common Shares**"), (ii) bonds, debentures, notes or other evidences of indebtedness of any kind, nature or description (collectively, "**Debt Securities**"), (iii) warrants to purchase Common Shares and warrants to purchase Debt Securities (collectively, the "**Warrants**"), (iv) units comprised of one or more of the other securities

described herein (“Units”), and (v) subscription receipts that entitle the holder to receive upon satisfaction of certain release conditions, and for no additional consideration, Common Shares, Debt Securities, Warrants, or Units (“Subscription Receipts”, and together with the Common Shares, Debt Securities, Warrants and Units, the “Securities”) for aggregate gross proceeds up to of up to \$30,000,000 (or the equivalent thereof in one or more foreign currencies or composite currencies, including United States dollars) during the 25-month period that this short form base shelf prospectus (the “Prospectus”), including any amendments thereto, is valid. Securities may be offered separately or together, in amounts, at prices and on terms to be determined based on market conditions at the time of sale, and set forth in an accompanying shelf prospectus supplement (a “Prospectus Supplement”).

The specific terms of the Securities with respect to a particular offering will be set out in the applicable Prospectus Supplement and may include, where applicable (i) in the case of Common Shares, the number of Common Shares offered and the offering price; (ii) in the case of Debt Securities, the specific designation, aggregate principal amount, the currency or the currency unit for which the Debt Securities may be purchased, the maturity, interest provisions, authorized denominations, the offering price, covenants, events of default, any terms for redemption or retraction, any exchange or conversion terms, whether the debt is senior or subordinated and any other specific terms of the Debt Securities being offered; (iii) in the case of Warrants, the designation, number and terms of the Common Shares or Debt Securities purchasable upon exercise of the Warrants, any procedures that will result in the adjustment of these numbers, the exercise price, dates and periods of exercise, the currency in which the Warrants are issued and any other specific terms of the Warrants being offered; (iv) in the case of Units, the designation and terms of the Units and of the Securities comprising the Units and any other specific terms of the Units being offered; and (v) in the case of Subscription Receipts, the number of Subscription Receipts, the offering price (or the manner of determination thereof if offered on a non-fixed price basis), the procedures for the exchange of Subscription Receipts, the amount and type of securities that holders thereof will receive upon exchange thereof and any other specific terms of the Subscription Receipts being offered. Where required by statute, regulation or policy, and where Securities are offered in currencies other than Canadian dollars, appropriate disclosure of foreign exchange rates applicable to such Securities will be included in the applicable Prospectus Supplement describing such Securities. See “Plan of Distribution”.

All information permitted under applicable securities laws to be omitted from this Prospectus will be contained in one or more Prospectus Supplements that will be delivered to purchasers together with this Prospectus. Applicable securities legislation requires the delivery to purchasers of a Prospectus Supplement containing the omitted information within a specified period of time after agreeing to purchase any of these Securities, except in cases where an exemption from such delivery requirement is available. Each Prospectus Supplement will be deemed to be incorporated by reference into this Prospectus as of the date of the Prospectus Supplement and only for the purposes of the distribution of the Securities to which the Prospectus Supplement pertains.

The Common Shares are listed for trading on the TSX Venture Exchange (the “TSX-V”) under the trading symbol “CNX” and on the OTC Markets Platform under the symbol “CLLXF”. On December 21, 2023, being the last trading day prior to the date hereof, the closing price of the Common Shares on the TSX-V was \$1.78 and on the OTC Markets Platform was US\$1.34. **Unless otherwise specified in an applicable Prospectus Supplement, the Debt Securities, Subscription Receipts, Units, Warrants and the securities, other than Common Shares, comprised or issuable upon exercise or conversion thereof will not be listed on any securities or stock exchange or on any automated dealer quotation system. There is currently no market through which these securities, other than the Common Shares, may be sold and purchasers may not be able to resell such securities purchased under this Prospectus and any Prospectus Supplement. This may affect the pricing of the Securities, other than the Common Shares, in the secondary market, the transparency and availability of trading prices, the liquidity of these Securities and the extent of issuer regulation. See “Risk Factors”.**

**No underwriter or agent has been involved in the preparation of this Prospectus or performed any review of the contents of this Prospectus.**

Prospective investors should read this Prospectus and any applicable Prospectus Supplement carefully before they invest in any Securities issued pursuant to this Prospectus. The Securities may be sold pursuant to this Prospectus through underwriters or dealers or directly or through agents designated from time to time at amounts and prices and other terms determined by the Company from time to time, or by the Company directly pursuant to applicable statutory exemptions. In connection with any underwritten offering of the Securities, the underwriters may over-allot or effect transactions which stabilize or maintain the market price of the Securities offered. Such transactions, if commenced, may discontinue

at any time. See “*Plan of Distribution*”. A Prospectus Supplement will set out the names of any underwriters, dealers or agents involved in the sale of Securities, the amounts, if any, to be purchased by underwriters, the plan of distribution for such Securities, including the anticipated net proceeds to the Company from the sale of such Securities, the amounts and prices at which such Securities are sold and, if applicable, the compensation of such underwriters, dealers or agents.

**Investment in the Securities being offered is highly speculative and involves significant risks that prospective investors should consider before purchasing such Securities. Prospective investors should carefully review the risks outlined in this Prospectus (including any Prospectus Supplement) and in the documents incorporated by reference as well as the information under the heading “*Cautionary Statement Regarding Forward-Looking Statements*” and consider such risks and information in connection with an investment in the securities. See “*Risk Factors*”.**

The Company’s head office is located at 1100 – 1199 West Hastings Street, Vancouver, BC, Canada, V6E 3T5 and its registered office is located at Suite 704, 595 Howe Street, Vancouver, BC V6C 2T5.

This Prospectus constitutes a public offering of the Securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such Securities. The Company may offer and sell Securities to or through underwriters or dealers and also may offer and sell certain Securities directly to other purchasers or through agents. A Prospectus Supplement relating to each issue of Securities offered thereby will set forth the names of any underwriters, dealers or agents involved in the sale of such Securities and the compensation of any such underwriters, dealers or agents.

Investors should rely only on the information contained in or incorporated by reference into this Prospectus and any applicable Prospectus Supplement. The Company has not authorized anyone to provide investors with different or additional information. Information contained on the Company’s website shall not be deemed to be a part of this Prospectus (including any applicable Prospectus Supplement) or incorporated by reference and should not be relied upon by prospective investors for the purpose of determining whether to invest in the Securities. The Company will not make an offer of the Securities in any jurisdiction where the offer or sale is not permitted. Investors should not assume that the information contained in this Prospectus is accurate as of any date other than the date on the face page of this Prospectus, the date of any applicable Prospectus Supplement, or the date of any documents incorporated by reference herein.

The following directors reside outside of Canada. The directors named below have appointed the following agent for service of process:

<b>Name of Person</b>	<b>Name and Address of Agent</b>
Nico Civelli	O’Neill Law LLP

Purchasers are advised that it may be possible for investors to enforce judgments obtained in Canada against any person who resides outside of Canada, even if the party has appointed an agent for service of process.

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## ABOUT THIS PROSPECTUS

Prospective investors should rely only on the information contained or incorporated by reference in this Prospectus or any applicable Prospectus Supplement. The Company has not authorized anyone to provide anyone with different or additional information. If anyone provides any different or additional information, prospective investors should not rely on it. The Company is not making an offer to sell or seeking an offer to buy the Securities offered pursuant to this Prospectus in any jurisdiction where the offer or sale is not permitted. Prospective investors should assume that the information contained in this Prospectus or any applicable Prospectus Supplement is accurate only as of the date on the front of such document and that information contained in any document incorporated by reference is accurate only as of the date of such document, regardless of the time of delivery of this Prospectus or any applicable Prospectus Supplement or of any sale of the Securities pursuant thereto. The Company's business, financial condition, results of operations and prospects may have changed since those dates.

In this Prospectus and any Prospectus Supplement, unless otherwise indicated, all dollar amounts and references to "\$" are to Canadian dollars and references to "US\$" are to U.S. dollars.

In this Prospectus and in any Prospectus Supplement, unless the context otherwise requires, references to the "Company", refer to Callinex Mines Inc.

## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Prospectus contains forward looking statements and information about the Company which reflect management's expectations regarding the Company's future growth, results of operations, operational and financial performance and business prospects and opportunities. In addition, the Company may make or approve certain statements or information in future filings with securities regulatory authorities, in news releases, or in oral or written presentations by representatives of the Company that are not statements of historical fact and may also constitute forward looking statements or forward looking information. All statements and information, other than statements or information of historical fact, made by the Company that address activities, events or developments that the Company expects or anticipates will or may occur in the future are forward-looking statements and information, including, but not limited to statements and information preceded by, followed by, or that include words such as "may", "would", "could", "will", "likely", "expect", "anticipate", "believe", "intends", "plan", "forecast", "budget", "schedule", "project", "estimate", "outlook", or the negative or grammatical variations of those words or other similar or comparable words.

Forward looking statements and information involve significant risks, assumptions, uncertainties and other factors that may cause actual future performance, achievement or other realities to differ materially from those expressed or implied in any forward-looking statements or information and, accordingly, should not be read as guarantees of future performance, achievement or realities. Although the forward-looking statements and information contained in this Prospectus reflect management's current beliefs based upon information currently available to management and based upon what management believes to be reasonable assumptions, the Company cannot be certain that actual results will be consistent with these forward-looking statements and information. A number of risks and factors could cause actual results, performance, or achievements to differ materially from the results expressed or implied in the forward-looking statements and information. Such risks and factors include, but are not limited to, the following:

- Negative cash flow from operating activities
- No production history
- Limited operating history
- Potential profitability depends upon factors beyond the control of the Company
- Exploration, mining and operational risks
- Grant of licenses and permits to the Company's mining claims
- First Nations rights with respect to the land that the Company has mining rights on
- Assurance of title
- The Company may face competition
- Conflicts of interests of the Company's directors and officers
- The Company is reliant on key personnel
- Environmental risks
- Uninsured risks

- Health and safety risks
- Additional requirements for capital
- The Company is dependent on management
- The Company is unlikely to pay any dividends in the near future
- The Company may be subject to litigation
- The Company may be subject to regulatory action
- The Company's operations may be negatively affected by global financial and geopolitical conditions
- Cyber risks
- Reliance on third party contractors
- Volatility of commodity prices
- Volatile share price
- There might not be a liquid market for the securities of the Company.
- The equity interests of the Company's shareholders might be diluted with issuance of additional securities
- Future sales or issuances of debt or equity securities could decrease the value of any existing Common Shares of the Company, dilute investors' voting power, reduce earnings per share and make future sales of the Company's securities more difficult
- The Company will have broad discretion over the use of the net proceeds of the Company's prospectus and private placement offerings and it may not use these proceeds in a manner desired by its shareholders

Although the Company has attempted to identify important risks and factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements or information, there may be other factors and risks that cause actions, events or results not to be as anticipated, estimated or intended. Further, any forward-looking statements and information contained herein are made as of the date of this Prospectus and, other than as required by applicable securities laws, the Company assumes no obligation to update or revise them to reflect new events or circumstances. New factors emerge from time to time, and it is not possible for management to predict all of such factors and to assess in advance the impact of each such factor on the Company's business or the extent to which any factor, or combination of factors, may cause actual realities to differ materially from those contained in any forward-looking statement or information. Accordingly, readers should not place undue reliance on forward looking statements and information contained in this Prospectus and the documents incorporated by reference herein. All forward-looking statements and information disclosed in this Prospectus are qualified by this cautionary statement.

#### **DOCUMENTS INCORPORATED BY REFERENCE**

**Information has been incorporated by reference in this Prospectus from documents filed with the securities commissions or similar authorities in all of the provinces of Canada, except Québec.**

Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of the Company at 1100 – 1199 West Hastings Street, Vancouver, BC, Canada, V6E 3T5, telephone: (604) 605-0885 or by accessing the disclosure documents through the Internet on the Company's profile on the Canadian System for Electronic Document Analysis and Retrieval ("**SEDAR+**"), at [www.sedarplus.ca](http://www.sedarplus.ca).

The following documents of the Company, filed with the securities commissions or similar regulatory authorities in all provinces of Canada, except Québec, are specifically incorporated by reference into, and form an integral part of, this Prospectus:

- (1) The audited annual financial statements of the Company for the financial years ended September 30, 2023 and 2022, together with the notes thereto and the independent auditor's report thereon;
- (2) The management discussion and analysis of the Company for the financial years ended September 30, 2023;
- (3) The management information circular of the Company dated November 14, 2023;
- (4) The Company's Technical Report dated August 25, 2023; and
- (5) The Company's AIF dated December 21, 2023.

Any documents of the type described in Section 11.1 of Form 44-101F1 – *Short Form Prospectus Distributions* filed by the Company with a securities commission or similar authority in any province of Canada subsequent to the date of this Prospectus and prior to the expiry of this Prospectus, or the completion of the issuance of Securities pursuant hereto, will be deemed to be incorporated by reference into this Prospectus.

A Prospectus Supplement containing the specific terms of any offering of the Securities will be delivered to purchasers of the Securities together with this Prospectus and will be deemed to be incorporated by reference in this Prospectus as of the date of the Prospectus Supplement and only for the purposes of the offering of the Securities to which that Prospectus Supplement pertains.

**Any statement contained in this Prospectus or in a document incorporated or deemed to be incorporated by reference in this Prospectus will be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein, in any Prospectus Supplement hereto or in any other subsequently filed document that also is or is deemed to be incorporated by reference herein, modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document or statement that it modifies or supersedes. The making of a modifying or superseding statement is not to be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of material fact or an omission to state a material fact that is required to be stated or is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.**

Upon the Company's filing of a new annual information form and the related annual financial statements and management's discussion and analysis with applicable securities regulatory authorities during the duration of this Prospectus, the previous annual information form, the previous annual financial statements and management's discussion and analysis and all interim financial statements, material change reports and information circulars, other than an information circular prepared in connection with an annual general meeting if the Company has filed and incorporated by reference an information circular for a subsequent annual general meeting, filed prior to the commencement of the Company's financial year in which the new annual information form is filed will be deemed no longer to be incorporated into this Prospectus for purposes of future offers and sales of the Securities under this Prospectus. Upon interim financial statements and the accompanying management's discussion and analysis and material change report being filed by us with the applicable securities regulatory authorities during the duration of this Prospectus, all interim financial statements and the accompanying management's discussion and analysis filed prior to the new interim financial statements shall be deemed no longer to be incorporated into this Prospectus for purposes of future offers and sales of securities under this Prospectus.

References to the Company's website in any documents that are incorporated by reference into this Prospectus do not incorporate by reference the information on such website into this Prospectus, and the Company disclaims any such incorporation by reference.

Any "template version" of any "marketing materials" (as such terms are defined in National Instrument 41-101 – *General Prospectus Requirements*) filed after the date of a Prospectus Supplement and before the termination of the distribution of the Securities offered pursuant to such Prospectus Supplement (together with this Prospectus) is deemed to be incorporated by reference in such Prospectus Supplement.

## **SUMMARY DESCRIPTION OF BUSINESS**

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

The Company was incorporated on April 21, 2011, under the Business Corporations Act (British Columbia). On May 5, 2011, the Company changed its name from "0908805 B.C. Ltd." to "Callinex Mines Inc."

The address of the Company's head office is 1100 – 1199 West Hastings Street, Vancouver, BC, Canada, V6E 3T5. The registered and records offices of the Company are located at Suite 704, 595 Howe Street, Vancouver, BC V6C 2T5.

The Company has no subsidiaries.

## Overview

### *General*

The Company is focused on acquiring, exploring and developing mineral properties, and is advancing its portfolio of base and precious metal rich deposits located in established Canadian mining jurisdictions.

The focus of the project portfolio is the Company's Pine Bay Project located within the Flin Flon Mining District, Manitoba (the "**Pine Bay Project**"). On July 10, 2023, the Company announced an indicated mineral resource on the Rainbow Deposit of 3.44 Mt grading 3.59% CuEq for 272.4 Mlb CuEq (238.3 Mlb Cu, 56.9 Mlb Zn, 37.6 koz Au, 692.8 koz Ag, 2.3 Mlb Pb), an inferred mineral resource on the Rainbow Deposit of 1.28 Mt grading 2.95% CuEq containing 83.4 Mlb CuEq (72.1 Mlb Cu, 19.5 Mlb Zn, 11.1 koz Au, 222.2 koz Ag, 0.8 Mlb Pb) and an inferred mineral resource at the Pine Bay deposit of 1.0 Mt grading 2.62% Cu containing 58.1 Mlb Cu (see news release dated July 10, 2023).

The second asset in the portfolio is the Nash Creek and Superjack Project located in the Bathurst Mining District of New Brunswick (the "**Nash Creek and Superjack Project**"). A 2018 PEA on the Nash Creek and Superjack Project set out a pre-tax IRR of 34.1% (25.2% post-tax) and NPV8% of \$230 million (\$128 million post-tax) at \$1.25 Zn (see news release dated May 14, 2018).

The third asset is the Point Leamington Project located in Buchans Mining District of Newfoundland (the "**Point Leamington Project**"). The Company prepared a pit constrained indicated mineral resource of 5.0 Mt grading 2.5 g/t AuEq for 402 koz AuEq (145.7 koz Au, 60.0 Mlb Cu, 153.5 Mlb Zn, 2.0 Moz Ag, 1.5 Mlb Pb), a pit constrained inferred mineral resource of 13.7 Mt grading 2.24 g/t AuEq for 986.5 koz AuEq (354.8 koz Au, 110.2 Mlb Cu, 527.3 Mlb Zn, 6.2 Moz Ag, 7.0 Mlb Pb) and an out-of-pit inferred mineral resource of 1.7 Mt grading 3.06 g/t AuEq for 168.5 koz AuEq (65.4 koz Au, 13.3 Mlb Cu, 102.9 Mlb Zn, 1.4Moz Ag, 2.6 Mlb Pb) (see news release dated October 25, 2021).

The Company's Common Shares trade on the TSX-V under the symbol "CNX" and OTC Markets Platform under the symbol "CLLXF".

### *March 2023 Financing*

On March 6, 2023, the Company announced that it has closed a brokered private placement offering (the "March 2023 Financing") for gross proceeds of approximately \$9.4 million, including the partial exercise of the over-allotment. In connection with the March 2023 Financing, the Company issued: (i) 1,120,366 units of the Company (the "2023 HD Units") at a price of \$3.15 per 2023 HD Unit. Each 2023 HD Unit consisted of one Common Share and one-half of one Common Share purchase warrant (each whole warrant, a "2023 Warrant"); and (ii) 1,036,900 flow-through units of the Company (the "2023 FT Units") at a price of \$5.67 per 2023 FT Unit. Each 2023 FT Unit consisted of one Common Share that will qualify as "flow-through shares" within the meaning of subsection 66(15) of the Income Tax Act (Canada) and one-half of one 2023 Warrant. Each 2023 Warrant entitled the holder to purchase one Common Share (a "2023 Warrant Share") at an exercise price of \$4.05 per 2023 Warrant Share at any time up to two (2) years following the closing date.

The March 2023 Financing was conducted by Research Capital Corporation as lead agent and sole bookrunner, on behalf of a syndicate of agents (collectively, the "Agents"). The Agents received an aggregate cash fee of \$372,278 and were granted 93,418 non-transferable compensation warrants (the "Compensation Warrants"). Each Compensation Warrant entitled the holder to purchase one Common Share at an exercise price of \$4.05 per Common Share for a period of two (2) years following the closing of the March 2023 Financing. In addition, the Agents received an aggregate advisory fee of \$84,000 and 16,930 advisory broker warrants on the same terms as the Compensation Warrants.

The gross proceeds of the 2023 FT Units are being used as Qualifying Expenditures on the Pine Bay Project and the net proceeds of the 2023 HD Units are being used for working capital and general corporate purposes.

The following table sets out the anticipated use of net proceeds and the actual use of net proceeds as of the date hereof:

<b>Business Objective</b>	<b>Disclosed Anticipated Expenditure</b>	<b>Actual Expenditure</b>
Exploration and Drilling Program	\$5,879,223	\$5,391,400

General Corporate Purposes (Including Additional Exploration)	\$3,072,875	\$2,388,600
Agent's Cash Fee and Advisory Fee	\$456,278	\$456,278
Use of Remaining Net Proceeds	N/A	\$1,172,098

For additional information with respect to the Company's business, operations and financial condition, refer to the Company's annual information form dated December 21, 2023 (the "AIF"), the Company's audited financial statements for the financial years ended September 30, 2023 and 2022, together with the notes thereto and the independent auditor's reports thereon, the management discussion and analysis of the Company for the financial years ended September 30, 2023 and 2022 and the other documents incorporated by reference into this short form base shelf prospectus available on SEDAR+ at www.sedarplus.ca. See "Documents Incorporated by Reference".

### CONSOLIDATED CAPITALIZATION

The following table sets forth the consolidated capitalization of the Company as at September 30, 2023, being the date of the most recently filed financial statements, and as at the date hereof. This table should be read in conjunction with the financial statements of the Company and for the fiscal year ended September 30, 2023 and the related notes and management's discussion and analysis of financial condition and results of operations in respect of those statements that are incorporated by reference in this Prospectus.

	As at September 30, 2023 (Audited)	As at the date of this Prospectus (Unaudited)
Common Shares	17,220,185	17,220,185
Warrants	2,718,929	2,718,929
Stock Options	1,462,667	1,469,667

The applicable Prospectus Supplement will describe any material change, and the effect of such material change, on the share and loan capitalization of the Company that will result from the issuance of Securities pursuant to such Prospectus Supplement.

### USE OF PROCEEDS

Unless the Company otherwise indicates in a prospectus supplement relating to a particular offering, the Company currently intend to use the net proceeds from the sale of the Company's securities to advance the Company's Pine Bay Project, including an extensive diamond drilling program and preliminary economic assessment, and for general corporate and working capital requirements, including to fund ongoing operations and/or working capital requirements, to repay indebtedness outstanding from time to time, or for other corporate purposes as set forth in the prospectus supplement relating to the offering of the securities.

As at November 30, 2023, the Company has working capital of approximately \$840,616.59 (being current assets less current liabilities). Accordingly, the Company has sufficient funds to carry out the existing business objectives that include additional drilling activities on the Pine Bay Project as well as meet its ongoing general and administrative expenses.

#### **Business Objectives with Net Proceeds from the Issuance of Securities under this Prospectus**

The Company's business objectives with the net proceeds of the issuance of Securities under this Prospectus include the following:

- Complete additional diamond drilling to potentially increase the size of the Rainbow and Alchemist deposits at the Pine Bay Project;
- Complete additional diamond drilling on new high-priority targets at the Pine Bay Project;
- Complete metallurgical test work at the Pine Bay Project;
- Complete a preliminary economic assessment for the Pine Bay Project.

The anticipated expenditures of these business objectives are set out in the section below.

## **Use of Net Proceeds from the Issuance of Securities under this Prospectus**

Unless the Company otherwise indicates in the applicable Prospectus Supplement, the Company currently intends to use the net proceeds from the sale of the Securities under this Prospectus for the advancement of the business objectives outlined below.

<b><u>Business Objective</u></b>	<b><u>Anticipated Expenditure</u></b>
Diamond drilling to extend Rainbow and Alchemist Deposits <sup>(1)</sup>	Approximately \$20,000,000
Diamond drilling on high-priority targets	Approximately \$2,000,000
Metallurgical test work <sup>(2)</sup>	Approximately \$4,000,000
Preliminary Economic Assessment <sup>(3)</sup>	Approximately \$750,000
Unallocated Working Capital	Approximately \$3,250,000

**Notes:**

- (1) The Company plans to carry out drilling as follows: approximately 30,000m in the next 12 months and another 30,000m in the next 24 months at the Rainbow and Alchemist Deposits, at an anticipated cost of \$325/m.
- (2) The Company anticipates that the Metallurgical test work will take approximately 12 months to complete.
- (3) The Company anticipates that the Preliminary Economic Assessment will take approximately 18 months to complete.

The Company will continue to be solvent and meet its near-term ongoing expenditures, regardless of the amount of net proceeds it receives from the sale of Securities under this Prospectus. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company. These factors, when also considering that the Company does not generate revenues, has primarily incurred losses since inception and expects to incur further losses in the development of its business, give rise to material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business.

The Company will have discretion to use the net proceeds differently than as described above, if the Company believes it is in its best interests to do so. The amounts and timing of the Company's actual expenditures will depend on numerous factors, including the results of its drill programs, metallurgical studies and any unforeseen cash needs. There may be circumstances where, for sound business reasons, a reallocation of funds may be necessary. See "*Risk Factors – Discretion on Use of Proceeds*".

As the Company does not earn any revenues, it has a negative operating cash flow. The Company will use its existing working capital and, if necessary, unallocated working capital from the offering(s) of Securities under this Prospectus to satisfy its negative operating cash flow and general and administrative expenses. The Company anticipates that the foregoing expenditures and commitments will not have an effect on the Company's anticipated use of the net proceeds from the offering(s) of Securities under this Prospectus, other than that the Company may designate certain of its unallocated working capital towards such expenditures and commitments. As the Company does not earn any revenues, the Company may be required to raise additional funds through the issuance of additional securities in order to meet its obligations and to finance future growth opportunities, which may not be available on terms acceptable to the Company or at all. See "*Risk Factors - Negative Cash Flow from Operating Activities*".

In order to raise additional funds to finance future growth opportunities, the Company may, from time to time, issue Securities (including Debt Securities). More detailed information regarding the use of proceeds from the sale of Securities, including any determinable milestones at the applicable time, will be described in a Prospectus Supplement. The Company may also, from time to time, issue securities otherwise than pursuant to a Prospectus Supplement to this Prospectus.

## **PLAN OF DISTRIBUTION**

The Company may sell Securities offered by this Prospectus for cash: (i) to or through underwriters, dealers, placement agents or other intermediaries; (ii) directly to one or more purchasers; or (iii) in connection with acquisitions of assets or shares or another entity or company.

Each Prospectus Supplement with respect to the Securities being offered will set forth the terms of the offering, including:

- the person offering the securities (the Company);
- the name or names of any underwriters, dealers or other placement agents;
- the number and the purchase price of, and form of consideration for, the securities;
- the proceeds to the Company from such sale; and
- any commissions, fees, discounts and other items constituting underwriters', dealers' or agents' compensation.

The Securities may be sold, from time to time, in one or more transactions at a fixed price or prices which may be changed or at market prices prevailing at the time of sale, at prices related to such prevailing market price or at negotiated prices. The prices at which the Securities may be offered may vary as between purchasers and during the period of distribution. If, in connection with an offering of the Securities at a fixed price or prices, the underwriters have made a *bona fide* effort to sell all of the Securities at the initial offering price fixed in the applicable Prospectus Supplement, the public offering price for such offering may be decreased and thereafter further changed, from time to time, to an amount not greater than the initial offering price fixed in such Prospectus Supplement, in which case the compensation realized by the underwriters will be decreased by the amount that the aggregate price paid by purchasers for the securities is less than the gross proceeds paid by the underwriters to the Company.

Only underwriters, dealers or agents named in the Prospectus Supplement are deemed to be underwriters, dealers or agents in connection with the Securities offered by that Prospectus Supplement.

The Company may agree to pay the underwriters or agents a commission for various services relating to the issue and sale of any Securities offered hereby. Where the Company pays such commission, it will be paid out of the general corporate funds of the Company.

Under agreements which may be entered into by the Company, underwriters, dealers and agents who participate in the distribution of the Securities may be entitled to indemnification by us against certain liabilities, including liabilities under applicable securities legislation, or to contribution with respect to payments which such underwriters, dealers or agents may be required to make in respect thereof. The underwriters, dealers and agents with whom the Company enters into agreements may be customers of, engage in transactions with, or perform services for, the Company in the ordinary course of business.

In connection with any offering of the Securities, the underwriters, dealers or agents may over-allot or effect transactions which stabilize or maintain the market price of the Securities offered at a level above that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

The Securities have not been and will not be registered under the U.S. Securities Act or any state securities laws and may not be offered, sold or delivered to, or for the account or benefit of, a person in the "United States" or, as applicable, a "U.S. person" (as such terms are defined in Regulation S under the U.S. Securities Act), except in certain transactions exempt from the registration requirements of the U.S. Securities Act and applicable state laws. Each underwriter or agent for any offering of the Securities pursuant to this Prospectus will agree that it will not offer, sell or deliver such securities to, or for the account or benefit of, a person in the United States, or, as applicable, a U.S. person except in certain transactions exempt from the registration requirements of the U.S. Securities Act and in compliance with applicable state securities laws.

### **EARNINGS COVERAGE RATIOS**

If the Company offers Debt Securities having a term to maturity in excess of one year under this Prospectus and any applicable Prospectus Supplement, the applicable Prospectus Supplement will include earnings coverage ratios giving effect to the issuance of such Debt Securities.

### **DESCRIPTION OF COMMON SHARES**

As of the date of this Prospectus, the authorized capital of the Company consisted of an unlimited number of Common Shares without par value. As of the date of this Prospectus, 17,220,185 Common Shares are issued and outstanding.

Registered holders of Common Shares are entitled to receive notice of and attend all meetings of shareholders of the Company, and are entitled to one vote for each Common Share, in person or by proxy, held at a meeting of shareholders

other than meetings at which only the holders of any other class or series of shares of the Company may be issued or outstanding from time to time or are entitled to vote as a separate class or series. In addition, holders of Common Shares are entitled to receive on a *pro rata* basis dividends if, as and when declared by the Board and, upon liquidation, dissolution or winding-up of the Company, are entitled to receive on a *pro rata* basis the net assets of the Company after payment of debts and other liabilities, in each case subject to the rights, privileges, restrictions and conditions attaching to any other series or class of shares, including preferred shares, ranking in priority to, or equal with, the holders of the Common Shares.

## DESCRIPTION OF DEBT SECURITIES

The following description of the terms of Debt Securities sets forth certain general terms and provisions of Debt Securities in respect of which a Prospectus Supplement may be filed. The particular terms and provisions of Debt Securities offered by any Prospectus Supplement, and the extent to which the general terms and provisions described below may apply thereto, will be described in the Prospectus Supplement filed in respect of such Debt Securities. Prospective investors should rely on information in the applicable Prospectus Supplement if it is different from the following information.

Debt securities may be offered separately or in combination with one or more other securities of the Company. The Company may, from time to time, issue Debt Securities and incur additional indebtedness other than through the issue of Debt Securities pursuant to this Prospectus.

The Debt Securities will be issued under one or more indentures (each, a “**Trust Indenture**”), in each case between the Company and a financial institution or trust company organized under the laws of Canada or any province thereof and authorized to carry on business as a trustee (each, a “**Trustee**”).

The following description sets forth certain general terms and provisions of the Debt Securities and is not intended to be complete. The particular terms and provisions of the Debt Securities and a description of how the general terms and provisions described below may apply to the Debt Securities will be included in the applicable Prospectus Supplement. The following description is subject to the detailed provisions of the applicable Trust Indenture. Accordingly, reference should also be made to the applicable Trust Indenture, a copy of which will be filed by the Company with the securities commissions or similar regulatory authorities in applicable Canadian offering jurisdictions, after it has been entered into, and will be available electronically at [www.sedarplus.ca](http://www.sedarplus.ca).

### **General**

The applicable Trust Indenture will not limit the aggregate principal amount of Debt Securities that may be issued under such Trust Indenture and will not limit the amount of other indebtedness that the Company may incur. The applicable Trust Indenture will provide that the Company may issue Debt Securities from time to time in one or more series and may be denominated and payable in Canadian dollars, U.S. dollars, or any foreign currency. Unless otherwise indicated in the applicable Prospectus Supplement, the Debt Securities will be unsecured obligations of the Company.

The Company may specify a maximum aggregate principal amount for the Debt Securities of any series and, unless otherwise provided in the applicable Prospectus Supplement, a series of Debt Securities may be reopened for issuance of additional Debt Securities of such series. The applicable Trust Indenture will also permit the Company to increase the principal amount of any series of the Debt Securities previously issued and to issue that increased principal amount.

Any Prospectus Supplement for Debt Securities supplementing this Prospectus will contain the specific terms and other information with respect to the Debt Securities being offered thereby, including, but not limited to, the following:

- the designation, aggregate principal amount and authorized denominations of such Debt Securities;
- the percentage of principal amount at which the Debt Securities will be issued;
- whether payment on the Debt Securities will be senior or subordinated to other liabilities or obligations of the Company;
- whether the payment of the Debt Securities will be guaranteed by any other person;
- the date or dates, or the methods by which such dates will be determined or extended, on which the Company may issue the Debt Securities and the date or dates, or the methods by which such dates will be determined or extended, on which the Company will pay the principal and any premium on the Debt Securities and the

portion (if less than the principal amount) of Debt Securities to be payable upon a declaration of acceleration of maturity;

- whether the Debt Securities will bear interest, the interest rate (whether fixed or variable) or the method of determining the interest rate, the date from which interest will accrue, the dates on which the Company will pay interest and the record dates for interest payments, or the methods by which such dates will be determined or extended;
- the place or places the Company will pay principal, premium, if any, and interest, if any, and the place or places where Debt Securities can be presented for registration of transfer or exchange;
- whether and under what circumstances the Company will be required to pay any additional amounts for withholding or deduction for Canadian taxes with respect to the Debt Securities, and whether and on what terms the Company will have the option to redeem the Debt Securities rather than pay the additional amounts;
- whether the Company will be obligated to redeem or repurchase the Debt Securities pursuant to any sinking or purchase fund or other provisions, or at the option of a holder, and the terms and conditions of such redemption;
- whether the Company may redeem the Debt Securities at its option and the terms and conditions of any such redemption;
- the denominations in which the Company will issue any registered and unregistered Debt Securities;
- the currency or currency units for which Debt Securities may be purchased and the currency or currency units in which the principal and any interest is payable (in either case, if other than Canadian dollars) or if payments on the Debt Securities will be made by delivery of Common Shares or other property;
- whether payments on the Debt Securities will be payable with reference to any index or formula;
- if applicable, the ability of the Company to satisfy all or a portion of any redemption of the Debt Securities, any payment of any interest on such Debt Securities or any repayment of the principal owing upon the maturity of such Debt Securities through the issuance of securities of the Company or of any other entity, and any restriction(s) on the persons to whom such securities may be issued;
- whether the Debt Securities will be issued as Global Securities (defined below) and, if so, the identity of the depository for the Global Securities;
- whether the Debt Securities will be issued as unregistered securities (with or without coupons), registered securities or both;
- the periods within which and the terms and conditions, if any, upon which the Company may redeem the Debt Securities prior to maturity and the price or prices of which, and the currency or currency units in which, the Debt Securities are payable;
- any events of default or covenants applicable to the Debt Securities;
- any terms under which Debt Securities may be defeased, whether at or prior to maturity;
- whether the holders of any series of Debt Securities have special rights if specified events occur;
- any mandatory or optional redemption or sinking fund or analogous provisions;
- the terms, if any, for any conversion or exchange of the Debt Securities for any other securities;
- rights, if any, on a change of control;
- provisions as to modification, amendment or variation of any rights or terms attaching to the Debt Securities;
- the Trustee under the Trust Indenture pursuant to which the Debt Securities are to be issued;
- whether the Company will undertake to list the Debt Securities of the series on any securities exchange or automated interdealer quotation system; and
- any other terms, conditions, rights and preferences (or limitations on such rights and preferences) including covenants and events of default which apply solely to a particular series of the Debt Securities being offered which do not apply generally to other Debt Securities, or any covenants or events of default generally applicable to the Debt Securities which do not apply to a particular series of the Debt Securities.

The Company reserves the right to include in a Prospectus Supplement specific terms pertaining to the Debt Securities which are not within the options and parameters set forth in this Prospectus. In addition, to the extent that any particular terms of the Debt Securities described in a Prospectus Supplement differ from any of the terms described in this Prospectus, the description of such terms set forth in this Prospectus shall be deemed to have been superseded by the description of such differing terms set forth in such Prospectus Supplement with respect to such Debt Securities.

Unless stated otherwise in the applicable Prospectus Supplement, no holder of Debt Securities will have the right to require the Company to repurchase the Debt Securities and there will be no increase in the interest rate if the Company becomes involved in a highly leveraged transaction or has a change of control.

The Company may issue Debt Securities bearing no interest or interest at a rate below the prevailing market rate at the time of issuance, and offer and sell these securities at a discount below their stated principal amount. The Company may also sell any of the Debt Securities for a foreign currency or currency unit, and payments on the Debt Securities may be payable in a foreign currency or currency unit. In any of these cases, the Company will describe certain Canadian federal income tax consequences and other special considerations in the applicable Prospectus Supplement.

Unless otherwise indicated in the applicable Prospectus Supplement, the Company may issue Debt Securities with terms different from those of Debt Securities previously issued and, without the consent of the holders thereof, reopen a previous issue of a series of Debt Securities and issue additional Debt Securities of such series.

### **Ranking and Other Indebtedness**

Unless otherwise indicated in an applicable Prospectus Supplement, the Debt Securities will be direct unsecured obligations of the Company. The Debt Securities will be senior or subordinated indebtedness of the Company as described in the applicable Prospectus Supplement. If the Debt Securities are senior indebtedness, they will rank equally and rateably with all other unsecured indebtedness of the Company from time to time issued and outstanding which is not subordinated. If the Debt Securities are subordinated indebtedness, they will be subordinated to senior indebtedness of the Company as described in the applicable Prospectus Supplement, and they will rank equally and rateably with other subordinated indebtedness of the Company from time to time issued and outstanding as described in the applicable Prospectus Supplement. The Company reserves the right to specify in a Prospectus Supplement whether a particular series of subordinated Debt Securities is subordinated to any other series of subordinated Debt Securities.

The Board may establish the extent and manner, if any, to which payment on or in respect of a series of Debt Securities will be senior or will be subordinated to the prior payment of the Company's other liabilities and obligations and whether the payment of principal, premium, if any, and interest, if any, will be guaranteed by any other person and the nature and priority of any security.

### **Registration of Debt Securities**

#### ***Debt Securities in Book Entry Form***

Unless otherwise indicated in an applicable Prospectus Supplement, Debt Securities of any series may be issued in whole or in part in the form of one or more global securities ("**Global Securities**") registered in the name of a designated clearing agency (a "**Depository**") or its nominee and held by or on behalf of the Depository in accordance with the terms of the applicable Trust Indenture. The specific terms of the depository arrangement with respect to any portion of a series of Debt Securities to be represented by a Global Security will, to the extent not described herein, be described in the Prospectus Supplement relating to such series. The Company anticipates that the provisions described in this section will apply to all depository arrangements.

Upon the issuance of a Global Security, the Depository or its nominee will credit, in its book-entry and registration system, the respective principal amounts of the Debt Securities represented by the Global Security to the accounts of such participants that have accounts with the Depository or its nominee ("**Participants**"). Such accounts are typically designated by the underwriters, dealers or agents participating in the distribution of the Debt Securities or by the Company if such Debt Securities are offered and sold directly by the Company. Ownership of beneficial interests in a Global Security will be limited to Participants or persons that may hold beneficial interests through Participants. With respect to the interests of Participants, ownership of beneficial interests in a Global Security will be shown on, and the transfer of that ownership will be effected only through records maintained by the Depository or its nominee. With respect to the interests of persons other than Participants, ownership of beneficial interests in a Global Security will be shown on, and the transfer of that ownership will be effected only through records maintained by Participants or persons that hold through Participants.

So long as the Depository for a Global Security, or its nominee, is the registered owner of such Global Security, such Depository or such nominee, as the case may be, will be considered the sole owner or holder of the Debt Securities represented by such Global Security for all purposes under the applicable Trust Indenture and payments of principal, premium, if any, and interest, if any, on the Debt Securities represented by a Global Security will be made by the Company to the Depository or its nominee. The Company expects that the Depository or its nominee, upon receipt of

any payment of principal, premium, if any, or interest, if any, will credit the Participants' accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of the Global Security as shown on the records of such Depository or its nominee. The Company also expects that payments by Participants to owners of beneficial interests in a Global Security held through such Participants will be governed by standing instructions and customary practices and will be the responsibility of such Participants. Conveyance of notices and other communications by the Depository to direct Participants, by direct Participants to indirect Participants and by direct and indirect Participants to beneficial owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial owners of Debt Securities may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Debt Securities, such as redemptions, tenders, defaults and proposed amendments to the Trust Indenture.

Owners of beneficial interests in a Global Security will not be entitled to have the Debt Securities represented by such Global Security registered in their names, will not receive or be entitled to receive physical delivery of such Debt Securities in certificated non-book-entry form, and will not be considered the owners or holders thereof under the applicable Trust Indenture, and the ability of a holder to pledge a Debt Security or otherwise take action with respect to such holder's interest in a Debt Security (other than through a Participant) may be limited due to the lack of a physical certificate.

No Global Security may be exchanged in whole or in part for Debt Securities registered, and no transfer of a Global Security in whole or in part may be registered, in the name of any person other than the Depository for such Global Security or any nominee of such Depository unless: (i) the Depository is no longer willing or able to discharge properly its responsibilities as depository and the Company is unable to locate a qualified successor; (ii) the Company at its option elects, or is required by law, to terminate the book-entry system through the Depository or the book-entry system ceases to exist; or (iii) if provided for in the Trust Indenture, after the occurrence of an event of default thereunder (provided the Trustee has not waived the event of default in accordance with the terms of the Trust Indenture), Participants acting on behalf of beneficial holders representing, in aggregate, a threshold percentage of the aggregate principal amount of the Debt Securities then outstanding advise the Depository in writing that the continuation of a book-entry system through the Depository is no longer in their best interest.

If one of the foregoing events occurs, such Global Security shall be exchanged for certificated non-book-entry Debt Securities of the same series in an aggregate principal amount equal to the principal amount of such Global Security and registered in such names and denominations as the Depository may direct.

The Company, any underwriters, dealers or agents and any Trustee identified in an accompanying Prospectus Supplement, as applicable, will not have any liability or responsibility for (i) records maintained by the Depository relating to beneficial ownership interests in the Debt Securities held by the Depository or the book-entry accounts maintained by the Depository, (ii) maintaining, supervising or reviewing any records relating to any such beneficial ownership interests, or (iii) any advice or representation made by or with respect to the Depository and contained in this Prospectus or in any Prospectus Supplement or Trust Indenture with respect to the rules and regulations of the Depository or at the direction of Depository Participants.

Unless otherwise stated in the applicable Prospectus Supplement, CDS Clearing and Depository Services Inc. or its successor will act as Depository for any Debt Securities represented by a Global Security.

### ***Debt Securities in Certificated Form***

A series of the Debt Securities may be issued in definitive form, solely as registered securities, solely as unregistered securities or as both registered securities and unregistered securities. Unless otherwise indicated in the applicable Prospectus Supplement, unregistered securities will have interest coupons attached.

In the event that the Debt Securities are issued in certificated non-book-entry form, and unless otherwise indicated in the applicable Prospectus Supplement, payment of principal, premium, if any, and interest, if any, on the Debt Securities (other than a Global Security) will be made at the office or agency of the Trustee or, at the option of the Company, by the Company by way of cheque mailed or delivered to the address of the person entitled at the address appearing in the security register of the Trustee or electronic funds wire or other transmission to an account of the person entitled to receive such payments. Unless otherwise indicated in the applicable Prospectus Supplement, payment of interest, if any,

will be made to the persons in whose name the Debt Securities are registered at the close of business on the day or days specified by the Company.

At the option of the holder of Debt Securities, registered securities of any series will be exchangeable for other registered securities of the same series, of any authorized denomination and of a like aggregate principal amount and tenor. If, but only if, provided in an applicable Prospectus Supplement, unregistered securities (with all unmatured coupons, except as provided below, and all matured coupons in default) of any series may be exchanged for registered securities of the same series, of any authorized denominations and of a like aggregate principal amount and tenor. In such event, unregistered securities surrendered in a permitted exchange for registered securities between a regular record date or a special record date and the relevant date for payment of interest shall be surrendered without the coupon relating to such date for payment of interest, and interest will not be payable on such date for payment of interest in respect of the registered security issued in exchange for such unregistered security, but will be payable only to the holder of such coupon when due in accordance with the terms of the Trust Indenture. Unless otherwise specified in an applicable Prospectus Supplement, unregistered securities will not be issued in exchange for registered securities.

The applicable Prospectus Supplement may indicate the places to register a transfer of the Debt Securities in definitive form. Except for certain restrictions to be set forth in the Trust Indenture, no service charge will be payable by the holder for any registration of transfer or exchange of the Debt Securities in definitive form, but the Company may, in certain instances, require a sum sufficient to cover any tax or other governmental charges payable in connection with these transactions.

## DESCRIPTION OF WARRANTS

### General

This section describes the general terms that will apply to any Warrants for the purchase of Common Shares, or equity Warrants, or for the purchase of Debt Securities, or debt Warrants.

Warrants may be issued independently or together with other securities, and Warrants sold with other securities may be attached to or separate from the other securities. Warrants will be issued under one or more warrant indentures or warrant agency agreements to be entered into by the Company and with one or more financial institutions or trust companies acting as warrant agent.

The Company will deliver an undertaking to the securities regulatory authority in each of the provinces of Canada, except Québec, that it will not distribute Warrants that, according to the aforementioned terms as described in the applicable Prospectus Supplement for Warrants supplementing this Prospectus, are “novel” specified derivatives within the meaning of Canadian securities legislation, separately to any member of the public in Canada, unless such Prospectus Supplement containing the specific terms of the Warrants to be distributed separately is first approved by or on behalf of the securities commissions or similar regulatory authorities in each of the provinces of Canada where the warrants will be distributed.

This summary of some of the provisions of the Warrants is not complete. The statements made in this Prospectus relating to any warrant agreement and Warrants to be issued under this Prospectus are summaries of certain anticipated provisions thereof and do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all provisions of the applicable warrant agreement. Prospective Investors should refer to the warrant indenture or warrant agency agreement relating to the specific Warrants being offered for the complete terms of the Warrants. A copy of any warrant indenture or warrant agency agreement relating to an offering of Warrants will be filed by the Company with the securities commissions or similar regulatory authorities in applicable Canadian offering jurisdictions, after it has been entered into, and will be available electronically through the Company’s profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

The applicable Prospectus Supplement relating to any Warrants that the Company offers will describe the particular terms of those Warrants and include specific terms relating to such offering.

Original purchasers of Warrants (if offered separately) will have a contractual right of rescission against the Company in respect of the exercise of such Warrant. The contractual right of rescission will entitle such original purchasers to receive, upon surrender of the underlying securities acquired upon exercise of the Warrant, the total of the amount paid on original purchase of the Warrant and the amount paid upon exercise, in the event that this Prospectus (as supplemented or amended) contains a misrepresentation, provided that: (i) the exercise takes place within 180 days of the date of the

purchase of the Warrant under the applicable Prospectus Supplement; and (ii) the right of rescission is exercised within 180 days of the date of purchase of the Warrant under the applicable Prospectus Supplement. This contractual right of rescission will be consistent with the statutory right of rescission described under section 131 of the *Securities Act* (British Columbia), and is in addition to any other right or remedy available to original purchasers under section 131 of the *Securities Act* (British Columbia) or otherwise at law.

In an offering of Warrants, or other convertible securities, original purchasers are cautioned that the statutory right of action for damages for a misrepresentation contained in this Prospectus is limited, in certain provincial and territorial securities legislation, to the price at which the Warrants, or other convertible securities, are offered to the public pursuant to a particular offering of Securities under this Prospectus. This means that, under the securities legislation of certain provinces, if the purchaser pays additional amounts upon conversion, exchange or exercise of such securities, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights, or consult with a legal advisor.

### **Equity Warrants**

The particular terms of each issue of equity Warrants will be described in the applicable Prospectus Supplement. This description will include, where applicable:

- the designation and aggregate number of equity Warrants;
- the price at which the equity Warrants will be offered;
- the currency or currencies in which the equity Warrants will be offered;
- the date on which the right to exercise the equity Warrants will commence and the date on which the right will expire;
- the number of Common Shares that may be purchased upon exercise of each equity Warrant and the price at which and currency or currencies in which the Common Shares may be purchased upon exercise of each equity Warrant;
- the terms of any provisions allowing or providing for adjustments in (i) the number and/or class of Common Shares that may be purchased, (ii) the exercise price per Common Share or (iii) the expiry of the equity Warrants;
- whether the Company will issue fractional Common Shares;
- whether the Company has applied to list the equity Warrants or the underlying shares on a securities exchange or automated interdealer quotation system;
- the designation and terms of any securities with which the equity Warrants will be offered, if any, and the number of the equity Warrants that will be offered with each security;
- the date or dates, if any, on or after which the equity Warrants and the related securities will be transferable separately;
- whether the equity Warrants will be subject to redemption or call and, if so, the terms of such redemption or call provisions;
- material Canadian federal income tax consequences of owning the equity Warrants; and
- any other material terms or conditions of the equity Warrants.

### **Debt Warrants**

The particular terms of each issue of debt Warrants will be described in the related Prospectus Supplement. This description will include, where applicable:

- the designation and aggregate number of debt Warrants;
- the price at which the debt Warrants will be offered;
- the currency or currencies in which the debt Warrants will be offered;
- the designation and terms of any securities with which the debt Warrants are being offered, if any, and the number of the debt Warrants that will be offered with each security;
- the date or dates, if any, on or after which the debt Warrants and the related securities will be transferable separately;

- the principal amount of Debt Securities that may be purchased upon exercise of each debt Warrant and the price at which and currency or currencies in which that principal amount of Debt Securities may be purchased upon exercise of each debt Warrant;
- the date on which the right to exercise the debt Warrants will commence and the date on which the right will expire;
- the minimum or maximum amount of debt Warrants that may be exercised at any one time;
- whether the debt Warrants will be subject to redemption or call, and, if so, the terms of such redemption or call provisions;
- material Canadian federal income tax consequences of owning the debt Warrants; and
- any other material terms or conditions of the debt Warrants.

Prior to the exercise of their Warrants, holders of Warrants will not have any of the rights of holders of the securities subject to the Warrants.

### **DESCRIPTION OF UNITS**

The Company may issue Units, which may consist of one or more Common Shares, Warrants or any combination of Securities as is specified in the relevant Prospectus Supplement. In addition, the relevant Prospectus Supplement relating to an offering of Units will describe all material terms of any Units offered, including, as applicable:

- the designation and aggregate number of Units being offered;
- the price at which the Units will be offered;
- the designation, number and terms of the securities comprising the Units and any agreement governing the Units;
- the date or dates, if any, on or after which the securities comprising the Units will be transferable separately;
- whether the Company will apply to list the Units on a securities exchange or automated interdealer quotation system;
- material Canadian federal income tax consequences of owning the Units, including how the purchase price paid for the Units will be allocated among the securities comprising the Units; and
- any other material terms or conditions of the Units.

### **DESCRIPTION OF SUBSCRIPTION RECEIPTS**

The Company may issue Subscription Receipts separately or in combination with one or more other Securities. The Subscription Receipts will entitle holders thereof to receive, upon satisfaction of certain release conditions and for no additional consideration, Common Shares, Warrants, Debt Securities, Units or any combination thereof. Subscription Receipts will be issued pursuant to one or more subscription receipt agreements (each, a “**Subscription Receipt Agreement**”), each to be entered into between the Company and an escrow agent (the “**Escrow Agent**”) that will be named in the relevant Prospectus Supplement. Each Escrow Agent will be a financial institution organized under the laws of Canada or a province thereof and authorized to carry on business as a trustee. If underwriters or agents are used in the sale of any Subscription Receipts, one or more of such underwriters or agents may also be a party to the Subscription Receipt Agreement governing the Subscription Receipts sold to or through such underwriter or agent.

The following description sets forth certain general terms and provisions of Subscription Receipts that may be issued hereunder and is not intended to be complete. The statements made in this Prospectus relating to any Subscription Receipt Agreement and Subscription Receipts to be issued thereunder are summaries of certain anticipated provisions thereof and are subject to, and are qualified in their entirety by reference to, all provisions of the applicable Subscription Receipt Agreement. Prospective investors should refer to the Subscription Receipt Agreement relating to the specific Subscription Receipts being offered for the complete terms of the Subscription Receipts. The Company will file a copy of any Subscription Receipt Agreement relating to an offering of Subscription Receipts with the securities commissions or similar regulatory authorities in applicable Canadian offering jurisdictions, after it has been entered into, and such Subscription Receipt Agreement will be available electronically through the Company’s profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

## General

The Prospectus Supplement and the Subscription Receipt Agreement for any Subscription Receipts that the Company may offer will describe the specific terms of the Subscription Receipts offered. This description may include, but may not be limited to, any of the following, if applicable:

- the designation and aggregate number of Subscription Receipts being offered;
- the price at which the Subscription Receipts will be offered;
- the designation, number and terms of the Common Shares, Warrants, Debt Securities, Units or a combination thereof to be received by the holders of Subscription Receipts upon satisfaction of the release conditions, and any procedures that will result in the adjustment of those numbers;
- the conditions (the “**Release Conditions**”) that must be met in order for holders of subscription receipts to receive, for no additional consideration, the Common Shares, Warrants, Debt Securities, Units or a combination thereof;
- the procedures for the issuance and delivery of the Common Shares, Warrants, Debt Securities, Units or a combination thereof to holders of Subscription Receipts upon satisfaction of the Release Conditions;
- whether any payments will be made to holders of Subscription Receipts upon delivery of the Common Shares, Warrants, Debt Securities, Units or a combination thereof upon satisfaction of the Release Conditions;
- the identity of the Escrow Agent;
- the terms and conditions under which the Escrow Agent will hold all or a portion of the gross proceeds from the sale of Subscription Receipts, together with interest and income earned thereon (collectively, the “**Escrowed Funds**”), pending satisfaction of the Release Conditions;
- the terms and conditions pursuant to which the Escrow Agent will hold Common Shares, Warrants, Debt Securities, Units or a combination thereof pending satisfaction of the Release Conditions;
- the terms and conditions under which the Escrow Agent will release all or a portion of the Escrowed Funds to the Company upon satisfaction of the Release Conditions;
- if the Subscription Receipts are sold to or through underwriters or agents, the terms and conditions under which the Escrow Agent will release a portion of the Escrowed Funds to such underwriters or agents in payment of all or a portion of their fees or commissions in connection with the sale of the Subscription Receipts;
- procedures for the refund by the Escrow Agent to holders of Subscription Receipts of all or a portion of the subscription price of their Subscription Receipts, plus any pro rata entitlement to interest earned or income generated on such amount, if the Release Conditions are not satisfied;
- any contractual right of rescission to be granted to initial purchasers of Subscription Receipts in the event that this Prospectus, the Prospectus Supplement(s) under which Subscription Receipts are issued or any amendment hereto or thereto contains a misrepresentation;
- any entitlement of the Company to purchase the Subscription Receipts in the open market by private agreement or otherwise;
- whether the Company will issue the Subscription Receipts as Global Securities and, if so, the identity of the depository for the Global Securities;
- whether the Company will issue the Subscription Receipts as bearer securities, as registered securities or both;
- provisions as to modification, amendment or variation of the Subscription Receipt Agreement or any rights or terms of the Subscription Receipts, including upon any subdivision, consolidation, reclassification or other material change of the Common Shares or other the Company securities, any other reorganization, amalgamation, merger or sale of all or substantially all of the Company’s assets or any distribution of property or rights to all or substantially all of the holders of Common Shares;
- whether the Company will apply to list the Subscription Receipts on a securities exchange or automated interdealer quotation system;
- material Canadian federal income tax consequences of owning the Subscription Receipts; and
- any other material terms or conditions of the Subscription Receipts.

Original purchasers of Subscription Receipts will have a contractual right of rescission against the Company in respect of the conversion of the Subscription Receipt. The contractual right of rescission will entitle such original purchasers to receive the amount paid on original purchase of the Subscription Receipt upon surrender of the underlying securities gained thereby, in the event that this Prospectus (as supplemented or amended) contains a misrepresentation, provided that: (i) the conversion takes place within 180 days of the date of the purchase of the Subscription Receipt under this

Prospectus; and (ii) the right of rescission is exercised within 180 days of the date of purchase of the Subscription Receipt under this Prospectus. This contractual right of rescission will be consistent with the statutory right of rescission described under section 131 of the *Securities Act* (British Columbia) and is in addition to any other right or remedy available to original purchasers under section 131 of the *Securities Act* (British Columbia) or otherwise at law.

### **Rights of Holders of Subscription Receipts Prior to Satisfaction of Release Conditions**

The holders of Subscription Receipts will not be, and will not have the rights of, shareholders of the Company. Holders of Subscription Receipts are entitled only to receive Common Shares, Warrants, Debt Securities or a combination thereof on exchange of their Subscription Receipts, plus any cash payments, all as provided for under the Subscription Receipt Agreement and only once the Release Conditions have been satisfied. If the Release Conditions are not satisfied, holders of Subscription Receipts shall be entitled to a refund of all or a portion of the subscription price thereof and all or a portion of the pro rata share of interest earned or income generated thereon, as provided in the Subscription Receipt Agreement.

### **Escrow**

The Subscription Receipt Agreement will provide that the Escrowed Funds will be held in escrow by the Escrow Agent, and such Escrowed Funds will be released to the Company (and, if the Subscription Receipts are sold to or through underwriters or agents, a portion of the Escrowed Funds may be released to such underwriters or agents in payment of all or a portion of their fees in connection with the sale of the Subscription Receipts) at the time and under the terms specified by the Subscription Receipt Agreement. If the Release Conditions are not satisfied, holders of Subscription Receipts will receive a refund of all or a portion of the subscription price for their Subscription Receipts, plus their pro rata entitlement to interest earned or income generated on such amount, if provided for in the Subscription Receipt Agreement, in accordance with the terms of the Subscription Receipt Agreement. Common Shares, Warrants, Debt Securities, Units or any combination thereof may be held in escrow by the Escrow Agent and will be released to the holders of Subscription Receipts following satisfaction of the Release Conditions at the time and under the terms specified in the Subscription Receipt Agreement.

### **Modifications**

The Subscription Receipt Agreement will specify the terms upon which modifications and alterations to the Subscription Receipts issued thereunder may be made by way of a resolution of holders of Subscription Receipts at a meeting of such holders or consent in writing from such holders. The number of holders of Subscription Receipts required to pass such a resolution or execute such a written consent will be specified in the Subscription Receipt Agreement.

The Subscription Receipt Agreement will also specify that the Company may amend any Subscription Receipt Agreement and the Subscription Receipts, without the consent of the holders of the Subscription Receipts, to cure any ambiguity, to cure, correct or supplement any defective or inconsistent provision, or in any other manner that will not materially and adversely affect the interests of the holders of outstanding Subscription Receipts or as otherwise specified in the Subscription Receipt Agreement.

**The foregoing summary of certain of the principal provisions of the securities is a summary of anticipated terms and conditions only and is qualified in its entirety by the description in the applicable Prospectus Supplement under which any Securities are being offered.**

## **PRIOR SALES**

### **Prior Sales**

During the 12-month period before the date of this Prospectus, the Company completed the following issuances of securities:

<b>Date of Sale or Grant</b>	<b>Issue Price</b>	<b>Security</b>	<b>Number</b>
March 6, 2023	\$3.15	Units	1,120,366 <sup>(2)</sup>
March 6, 2023	\$5.67	Units	1,036,900 <sup>(2)</sup>
March 6, 2023	-	Warrants	110,348 <sup>(3)</sup>

<b>Date of Sale or Grant</b>	<b>Issue Price</b>	<b>Security</b>	<b>Number</b>
March 27, 2023	-	Stock Options	280,000 <sup>(4)</sup>
April 12, 2023	\$0.50	Common Shares	58,334 <sup>(1)</sup>
May 29, 2023	-	Stock Options	10,000 <sup>(5)</sup>

Notes:

- (1) Common Shares issued upon exercise of Stock Options.
- (2) The Units were issued pursuant to a brokered private placement that was completed on March 6, 2023. Each Unit comprised of one Common Share and one-half of one (1/2) Warrant, with each Warrant exercisable at \$4.05 per Common Share, expiring on March 6, 2025.
- (3) Each Warrant is exercisable at \$4.05 per Common Share, expiring on March 6, 2025.
- (4) Each Stock Option is exercisable at \$3.15 per Common Share, expiring March 27, 2028.
- (5) Each Stock Option is exercisable at \$3.00 per Common Share, expiring May 29, 2028.

### **Trading Price and Volume**

The Common Shares are listed and posted for trading on the TSX-V under the symbol “CNX”. Trading price and volume of the Company’s securities will be provided as required for all of the Common Shares, as applicable, in each Prospectus Supplement to this Prospectus.

### **MINERAL PROPERTY**

For information relating to the Company’s Mineral Properties, refer to the Company’s AIF and the Company’s Technical Report titled “NI 43-101 Technical Report – Pine Bay Project – Flin Flon, Manitoba” dated August 25, 2023 (the “**Technical Report**”).

### **RECENTLY COMPLETED AND PROBABLE ACQUISITIONS**

The Company has not completed nor proposes to complete a significant acquisition for the purposes of Part 8 of National Instrument 51-102 – *Continuous Disclosure Obligations*.

### **INTERESTS OF EXPERTS**

Certain legal matters related to the Securities offered by this Prospectus will be passed upon on the Company’s behalf by O’Neill Law LLP, with respect to matters of Canadian law. The partners and associates of O’Neill Law LLP beneficially own, directly or indirectly, less than 1% of the outstanding securities of the Company.

None of the designated professionals of Kirkham Geosystems Ltd., independent qualified person (as such term is defined in National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*) of the Company, have any registered or beneficial interests, direct or indirect, in any of the Company’s securities or other property or of the Company’s associates or affiliates either at the time they prepared the statements, reports or valuations prepared by it, at any time thereafter or to be received by them.

The Company’s independent auditors are PricewaterhouseCoopers LLP, Chartered Professional Accountants, who have prepared an independent auditor’s report dated December 20, 2023 in respect of the Company’s financial statements as at September 30, 2023 and 2022 and for years then ended. PricewaterhouseCoopers LLP has advised that they are independent with respect to the Company within the meaning of the Chartered Professional Accountants of British Columbia Code of Professional Conduct.

### **RISK FACTORS**

*Investing in the Securities involves a high degree of risk. In addition to the other information included, or incorporated by reference in this Prospectus or any applicable Prospectus Supplement (and in particular, the risk factors under the heading “Risk Factors” in the AIF), prospective investors should carefully consider the risks described below or incorporated by reference before purchasing the Securities. If any of the following risks or the risk incorporated by reference actually occur, the Company’s business, financial condition and results of operations could be materially and adversely affected. As a result, the trading price of the Securities, including but not limited to the Common Shares, could decline, and prospective investors might lose all or part of their investment. The risks set out below and incorporated by reference are not the only risks the Company faces; risks and uncertainties not currently known to the Company or that it currently deems to be immaterial may also materially and adversely affect the Company’s business, financial condition*

*and results of operations. Prospective Investors should also refer to the other information set forth or incorporated by reference in this Prospectus or any applicable Prospectus Supplement, including the AIF and financial statements and related notes thereto.*

## **Risks Related to the Company's Current Business**

### ***Negative Cash Flow from Operating Activities***

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

### ***No Production History***

None of the Company's mineral properties are producing properties and the ultimate success of the Company will depend on its ability to generate cash flow from producing properties in the future. The Company has not generated any revenue to date and there is no assurance that it will do so in the future.

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

### ***Limited Operating History***

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

### ***Potential Profitability Depends Upon Factors Beyond the Control of the Company***

The potential profitability of mineral properties is dependent upon many factors beyond the Company's control. For instance, world prices of and markets for gold and other minerals are unpredictable, highly volatile, potentially subject to governmental fixing, pegging and/or controls and respond to changes in domestic, international, political, social and economic environments. Another factor is that rates of recovery of mined ore may vary from the rate experienced in tests and a reduction in the recovery rate will adversely affect profitability and, possibly, the economic viability of a property. Profitability also depends on the costs of operations, including costs of labour, equipment, electricity, water environmental compliance or other production inputs. Such costs will fluctuate in ways the Company cannot predict and are beyond the Company's control, and such fluctuations will impact on profitability and may eliminate profitability altogether. Additionally, due to worldwide economic uncertainty, the availability and cost of funds for development and other costs have become increasingly difficult, if not impossible, to project. These changes and events may materially affect the financial performance of the Company.

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

The Company does not have an interest in any mineral property that presently contains any commercial ore. The business of exploring for and mining minerals involves a high degree of risk. Few properties that are explored are ultimately developed into mines.

The Company's operations are subject to all the hazard and risks normally associated with the exploration, development and mining of minerals, any of which could result in risk to life, to property, or to the environment. The Company's operations may be subject to disruptions caused by unusual or unexpected formations, formation pressures, fires, power failures and labour disputes, flooding, explosions, cave-ins, landslides, the inability to obtain suitable or adequate

equipment, machinery, labour or adverse weather conditions. The availability of insurance for such hazards and risks is extremely limited or uneconomical at this time.

The decision as to whether a property contains a commercial mineral deposit and should be brought into production will depend upon the results of exploration programs and/or feasibility studies, and the recommendations of duly qualified engineers and/or geologists, all of which involves significant expense. This decision will involve consideration and evaluation of several significant factors including, but not limited to: (1) costs of bringing a property into production, including exploration and development work, preparation of production feasibility studies and construction of production facilities; (2) availability and costs of financing; (3) ongoing costs of production; (4) market prices for the minerals to be produced; (5) environmental compliance regulations and restraints (including potential environmental liabilities associated with historical exploration activities); and (6) political climate and/or governmental regulation and control.

In addition, the grade of material ultimately mined may differ from that indicated by drilling results. Short term factors relating to mineral resources or mineral reserves, such as the need for orderly development of ore bodies or the processing of new or different grades, may also have an adverse effect on mining operations and on the results of operations.

There can be no assurance that metal recoveries in small-scale laboratory tests will be duplicated in larger scale tests under on-site conditions or in production scale process applications. Material changes in mineral resources or reserves, grades, stripping ratios or recovery rates may affect the economic viability of any project.

The ability of the Company to sell, and profit from the sale of any eventual production from any property in which the Company has an interest will be subject to the prevailing conditions in the marketplace at the time of sale. Many of these factors are beyond the control of the Company and therefore represent a market risk which could impact the long-term viability of the Company and its operations.

Mining exploration requires ready access to mining equipment such as drills, and crews to operate that equipment. There can be no assurance that such resources will be available to the Company on a timely basis or at a reasonable cost. Failure to obtain these resources when needed may result in delays in the Company's exploration programs. There may be other factors that result in delays to the Company's exploration programs, including adverse weather.

### ***Mining Claims***

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

### ***First Nations Land Claims***

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

### ***Assurance of Title***

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

### ***Competition***

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

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

Directors and officers of the Company may serve as directors of, or have shareholdings in, other reporting or private entities. To the extent that such other companies or entities may participate in ventures in which the Company may participate, the directors or officers of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. The laws of Canada, applicable to the Company, provide that the directors and officers of the Company must act honestly, in good faith, and in the best interests of the Company in resolving any conflicts that may arise, and all directors and officers of the Company are aware of these fiduciary responsibilities. In determining whether or not the Company will participate in a particular venture, the directors and officers will primarily consider the degree of risk to which the Company may be exposed, its financial position at that time and, depending on the magnitude of the venture and the absence of any disinterested directors, whether or not to subject any ventures in question to the shareholders of the Company for their approval.

### ***Personnel***

The Company has a small management team and the loss of any key individual could affect the Company's business. Any inability to secure and/or retain appropriate personnel may have a materially adverse impact on the business and operations of the Company.

### ***Environmental Risks***

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

### ***Uninsured Risks***

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

### ***Health and Safety Risks***

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

### ***Additional Requirements for Capital***

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

### ***Dependence on Management***

The Company is dependent on a relatively small number of key employees, including the Chief Executive Officer, the Chief Financial Officer and the Board, the loss of any of whom could have a significant and material adverse effect on the Company.

### ***Dividends Unlikely***

The Company has not declared or paid any dividends on the Common Shares over the three most recent financial years. The Company intends to retain future earnings, if any, to finance the growth and development of its business and does not intend to pay cash dividends on the Common Shares in the foreseeable future. Any return on an investment in the Common Shares will come from the appreciation, if any, in the value of the Common Shares. The payment of future cash dividends, if any, will be reviewed periodically by the Board and will depend upon, among other things, conditions then existing, including earnings, financial condition and capital requirements, restrictions in financing agreements, business opportunities and conditions and other factors.

### ***Litigation***

The Company and/or its directors may be subject to a variety of civil or other legal proceedings, with or without merit. Given the speculative and unpredictable nature of litigation, the outcome of such disputes could have a material adverse effect on the Company.

### ***Regulatory and Statutory Compliance***

The current and future operations of the Company, from exploration through development activities and commercial production, if any, are and will be governed by laws and regulations governing mineral concession acquisition, prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. Companies engaged in exploration activities and in the development and operation of mines and related facilities may experience increased costs and delays in production and other schedules as a result of the need to comply with applicable laws, regulations and permits. Permits are subject to the discretion of government authorities and there can be no assurance that the Company will be successful in obtaining all required permits. Further, there can be no assurance that all permits which the Company may require for future exploration, construction of mining facilities and conduct of mining operations, if any, will be obtainable on reasonable terms or on a timely basis, or that such laws and regulations would not have an adverse effect on any project which the Company may undertake.

Failure to comply with applicable laws, regulations and permits may result in enforcement actions there under, including the forfeiture of claims, orders issued by regulatory or judicial authorities requiring operations to cease or be curtailed,

and may include corrective measures requiring capital expenditures, installation of additional equipment or costly remedial actions. The Company may be required to compensate those suffering loss or damage by reason of its exploration activities and may have civil or criminal fines or penalties imposed for violations of such laws, regulations and permits. The Company is not currently covered by any form of environmental liability insurance.

Existing and possible future laws, regulations and permits governing operations and activities of exploration companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or require abandonment or delays in exploration.

***The Company's operations may be negatively affected by global financial and geopolitical conditions.***

Global financial conditions continue to be characterized as volatile. In recent years, global markets have been adversely impacted by various credit crises and significant fluctuations in prices, availability and delivery of fuel and energy, metals, and critical components, including as a result of the COVID-19 pandemic and due to significant fluctuations in commodity prices as a result of the ongoing military conflict between Ukraine and Russia and the economic sanctions imposed on Russia in connection therewith. Many industries have been impacted by these market conditions. Global financial conditions remain subject to sudden and rapid destabilizations in response to international events, as government authorities may have limited resources to respond to future crises. A continued or worsened slowdown in the financial markets or other economic conditions, including but not limited to consumer spending, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates and tax rates, may adversely affect a particular offering of Securities under this Prospectus, the Company's prospects, cash flows, results of operations, investments or financial condition or the value of the Common Shares. Future crises may be precipitated by any number of causes, including natural disasters, geopolitical instability (such as the Russian invasion of Ukraine), changes to energy prices or sovereign defaults. If increased levels of volatility continue or in the event of a rapid destabilization of global economic conditions, it may result in a material adverse effect on prices, demand, availability of credit, investor confidence, and general financial market liquidity, all of which may adversely affect the a particular offering of Securities under this Prospectus, the Company's prospects, cash flows, results of operations, investments or financial condition or the value of the Common Shares.

The Company has experienced significant volatility in its share price as a result, in part, of dramatic changes in global financial conditions including but not limited to substantial increases in interest rates, and a wide-ranging sell off in equity markets. The Company expects these conditions to remain in place for the foreseeable future and as such cautions investors that equity financing may not be available as a result, either at all or under terms that would generally be perceived as normal or reasonable.

***Cyber Security***

Companies in all industries, including the mining and exploration industry, are susceptible to cyber risk. The Company's primary operational exposure to cyber risk is with respect to proprietary geological, geochemical and exploration data and related models. The Company, similar to companies in all industries, is exposed, including through its third party contractors, to common place cyber risks such as, but not necessarily limited to, phishing, spam, fraudulent attacks, denial of service attacks, data loss, data theft, data corruption. While the Company has inherent risk, similar to other entities, to cyber risk, the Company manages its risks by outsourcing its IT management to IT professionals who implement industry standard controls to safeguard the Company's data.

***Reliance on Third Party Contractors***

The Company is reliant on third party contractors to carry out services, and if the Company is unable to retain them in a timely manner, there is a risk that the Company will be unable to carry out the work on the projects as planned or at all.

**Risks Related to the Securities of the Company**

***Volatility of Commodity Prices***

The market prices of commodities, including copper and gold, are volatile and are affected by numerous factors which are beyond the Company's control. These factors include international supply and demand, consumer product demand,

international economic trends, currency exchange rate fluctuations, interest rates, inflation, global or regional political events, as well as a range of other market forces. Sustained downward movements in commodity prices, including copper or gold, could render less economic, or uneconomic, some or all of the exploration activities to be undertaken by the Company.

### ***Smaller Companies***

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

### ***TSX-V, OTCQX and the Liquidity of the Common Shares***

Even though the Common Shares of the Company are listed on the TSX-V and quoted on the OTCQX, this should not be taken as implying that there will be a liquid market for the Common Shares. Thus an investment in the Common Shares may be difficult to realise. Investors should be aware that the value of the Common Shares may be volatile. Investors may, on disposing of Common Shares, realise less than their original investment, or may lose their entire investment. The Common Shares, therefore, may not be suitable as a short-term investment.

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

### ***Dilution***

The Company may sell additional equity securities in subsequent offerings (including through the sale of securities convertible into equity securities) and may issue additional equity securities to finance operations, acquisitions or other projects. The Company cannot predict the size of future issuances of equity securities or the size and terms of future issuances of debt instruments or other securities convertible into equity securities or the effect, if any, that future issuances and sales of its securities will have on the market price of its Common Shares. Any transaction involving the issuance of previously authorized but unissued Common Shares, or securities convertible into Common Shares, would result in dilution, possibly substantial, to securityholders. Exercises of presently outstanding share options may also result in dilution to securityholders.

The Board has the authority to authorize certain offers and sales of additional securities without the vote of, or prior notice to, its shareholders. Based on the need for additional capital to fund expected expenditures and growth, it is likely that the Company will issue additional securities to provide such capital. Such additional issuances may involve the issuance of a significant number of its Common Shares at prices less than the current market price for the Common Shares.

Sales of substantial amounts of our securities, or the availability of such securities for sale, could adversely affect the prevailing market prices for our securities and dilute investors' earnings per share. A decline in the market prices of our securities could impair our ability to raise additional capital through the sale of securities should the Company desire to do so. Sales of the Common Shares by shareholders might also make it more difficult for us to sell equity securities at a time and price that the Company deem appropriate.

### ***Discretion on Use of Proceeds.***

While detailed information regarding the use of proceeds from the sale of its securities will be set out in the offering documents, the Company will have broad discretion over the use of the net proceeds from its offering. Because of the number and variability of factors that will determine the Company's use of such proceeds, the Company's ultimate use might vary substantially from its planned use. Prospective investors may not agree with how the Company allocates or spends the proceeds from an offering. The Company may pursue acquisitions, collaborations or other opportunities that

do not result in an increase in the market value of its securities, including the market value of its Common Shares, and that may increase its losses.

The risks noted above do not necessarily comprise all those potentially faced by the Company.

#### **OTHER MATERIAL FACTS**

There are no other material facts about the Securities being distributed pursuant to this Prospectus that are not disclosed in this Prospectus or in the documents incorporated by reference into this Prospectus and are necessary in order for this Prospectus to contain full, true and plain disclosure of all material facts relating to the Securities to be distributed.

#### **WHERE MORE INFORMATION CAN BE FOUND**

The Company is required to file with the securities commission or authority in each of the provinces of Canada, except Québec, annual and quarterly reports, material change reports and other information.

Prospective investors may read any document the Company files with or furnishes to the securities commission or authority in each of the provinces of Canada, except Québec, through the Company's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

#### **STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION**

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

In an offering of Warrants, Subscription Receipts or other convertible, exchangeable or exercisable securities, investors are cautioned that the statutory right of action for damages for a misrepresentation contained in the Prospectus is limited, in certain provincial securities legislation, to the price at which the Warrants, Subscription Receipts or other convertible, exchangeable or exercisable securities, are offered to the public pursuant to a particular offering of Securities under this Prospectus. This means that, under the securities legislation of certain provinces, if the purchaser pays additional amounts upon conversion, exchange or exercise of such securities, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of this right of action for damages, or consult with a legal adviser.

This right may only be exercised within two business days after receipt or deemed receipt of a Prospectus and any amendment, irrespective of the determination at a later date of the purchase price of the securities distributed.

**CERTIFICATE OF THE ISSUER**

Dated: December 22, 2023

This Prospectus, together with the documents incorporated in this Prospectus by reference, will, as of the date of the last Prospectus Supplement to this Prospectus relating to the securities offered by this Prospectus and the Prospectus Supplement(s), constitute full, true and plain disclosure of all material facts relating to the Securities offered by this Prospectus and the Prospectus Supplement(s) as required by the securities legislation of each of the provinces of Canada except Québec.

*“Max Porterfield”*

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Max Porterfield  
Chief Executive Officer

*“Killian Ruby”*

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Killian Ruby  
Chief Financial Officer

**ON BEHALF OF THE BOARD OF DIRECTORS**

*“Michael Louie”*

\_\_\_\_\_  
Michael Louie  
Director

*“Keith Minty”*

\_\_\_\_\_  
Keith Minty  
Director