

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

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

*This preliminary prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. The securities offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended, and, subject to certain exceptions, may not be offered, sold or delivered, directly or indirectly in the United States of America, its territories or possessions. See “Plan of Distribution”.*

## PRELIMINARY PROSPECTUS

INITIAL PUBLIC OFFERING

August 1, 2018

# SKARB EXPLORATION CORP.

## OFFERING:

1,401,500 Common Shares on Exercise of 1,401,500 Outstanding Special Warrants

This prospectus (the “**Prospectus**”) qualifies the distribution of 1,401,500 common shares (each, a “**Special Warrant Share**”) of Skarb Exploration Corp (the “**Company**”) to be distributed, without additional payment, upon the exercise or deemed exercise of 1,401,500 issued and outstanding special warrants (each, a “**Special Warrant**”) of the Company.

**The Special Warrants are not available for purchase pursuant to this Prospectus and no additional funds are to be received by the Company from the distribution of the securities under this Prospectus upon the exercise or deemed exercise of the Special Warrants.**

The Special Warrants were issued by the Company on a private placement basis (the “**Special Warrant Private Placement**”) on July 30, 2018 (the “**Closing Date**”). The Company received gross proceeds of \$140,150 from the sale of the Special Warrants. Each Special Warrant entitles the holder to acquire, without further payment, one common share of the Company (each, a “**Common Share**”) and will automatically convert on the earlier of: (a) the third business day following the day on which a receipt for a (final) prospectus has been issued; and (b) four months and a day from the Closing Date. Upon exercise or deemed exercise of the Special Warrants, and without additional payment therefor, the Company will issue 1,401,500 Special Warrant Shares.

	Price	Net Proceeds to the Company <sup>(1)</sup>
Per Special Warrant	\$0.10	\$140,150
<b>Total</b>	<b>\$0.10</b>	<b>\$140,150</b>

### Notes

(1) Before deducting the legal, accounting and administrative expenses of the Company in connection with the Special Warrant Private Placement, estimated at approximately \$32,500.

As at the date of this Prospectus, the Company does not have any of its securities listed or quoted on any stock exchange or quotation service. Concurrently with the filing of this Prospectus, the Company intends to apply to list its issued and outstanding Common Shares, the Special Warrant Shares qualified under this Prospectus and all other Common Shares issuable as described in this Prospectus on the Canadian Securities Exchange (the “**Exchange**”). Listing will be subject to the Company fulfilling all the requirements of the Exchange, including minimum public distribution requirements. See “Plan of Distribution”.

**There is currently no market through which any of the securities being distributed under this Prospectus, may be sold, and purchasers may not be able to resell such securities acquired hereunder. This may affect the pricing of such securities in the secondary market, the transparency and availability of trading prices, the liquidity of such securities and the extent of issuer regulation. See “Risk Factors” and “Cautionary Note Regarding Forward-Looking Information”.**

**An investment in securities of the Company involves a high degree of risk and must be considered speculative due to the nature of the Company’s business and the present stage of exploration of its mineral property. The risks outlined in this Prospectus and in the documents incorporated by reference herein should be carefully reviewed and considered by investors in connection with an investment in the Company’s securities. See “Risk Factors”.**

**No underwriter has been involved in the preparation of the Prospectus or performed any review or independent due diligence of the contents of the Prospectus.**

Notwithstanding that this Prospectus is being filed to qualify the distribution of all securities issuable upon the exercise or deemed exercise of the Special Warrants, in the event that a holder of Special Warrants exercises such securities prior to the date that the Receipt is received by the Company, the securities issued upon exercise of such Special Warrants will be subject to statutory hold periods under applicable securities legislation and shall bear such legends as required by applicable securities laws.

Investors should rely only on the information contained in this Prospectus and the documents incorporated by reference herein. The Company has not authorized anyone to provide investors with information different from that contained in this Prospectus. The information contained in the Prospectus is accurate only as of the date of this Prospectus.

The Company’s head and registered office is located at 4 Brule Gardens, Toronto, Ontario M6S 4J2.

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## GLOSSARY

The following is a glossary of certain terms used in this Prospectus. Terms and abbreviations used in the financial statements of the Company may be defined separately and the terms defined below may not be used therein.

“**Author**” means Abby Peterson, B.Sc., P.Geo., the author of the Technical Report;

“**Board**” means the Board of Directors of the Company;

“**Closing Date**” means July 30, 2018;

“**Common Shares**” means the common shares in the capital of the Company and “**Common Share**” means any one of them;

“**Company**” means Skarb Exploration Corp.;

“**Doctors**” means Doctors Investment Group Ltd.;

“**Escrow Agreements**” means the escrow agreements required pursuant to NP 46-201 among the Company and various Principals and shareholders of the Company;

“**Exchange**” means the Canadian Securities Exchange;

“**Listing Date**” means the date on which the Common Shares of the Company are listed for trading on the Exchange;

“**NI 41-101**” means National Instrument 41-101 *General Prospectus Requirements* of the Canadian Securities Administrators;

“**NI 43-101**” means National Instrument 43-101 *Standards of Disclosure for Mineral Properties* of the Canadian Securities Administrators;

“**NI 52-110**” means National Instrument 52-110 *Audit Committees* of the Canadian Securities Administrators;

“**NI 58-101**” means National Instrument 58-101 *Disclosure of Corporate Governance Practices* of the Canadian Securities Administrators;

“**NP 46-201**” means National Policy 46-201 *Escrow for Initial Public Offerings* of the Canadian Securities Administrators;

“**NP 58-201**” means National Policy 58-201 *Corporate Governance Guidelines* of the Canadian Securities Administrators;

“**Offering**” means the offering of 1,401,500 Special Warrant Shares of the Company as described in this Prospectus;

“**Options**” means options to purchase Common Shares issued pursuant to the Option Plan.

“**Option Agreement**” means the option agreement entered into on March 14, 2018 with Doctors;

“**Option Plan**” means the Company’s share option plan adopted on July 5, 2018 by the Board, and providing for the granting of incentive options to the Company’s directors, officers, employees and consultants in accordance with the rules and policies of the Exchange;

“**Principal**” of an issuer means:

- (a) a person or company who acted as a promoter of the issuer within two years before the prospectus;

- (b) a director or senior officer of the issuer or any of its material operating subsidiaries at the time of the prospectus;
- (c) a person or company that holds securities carrying more than 20% of the voting rights attached to the issuer's outstanding securities immediately before and immediately after the issuer's initial public offering; or
- (d) a person or company that:
  - (i) holds securities carrying more than 10% of the voting rights attached to the issuer's outstanding securities immediately before and immediately after the issuer's initial public offering, and
  - (ii) has elected or appointed, or has the right to elect or appoint, one or more directors or senior officers of the issuer or any of its material operating subsidiaries;

**"Property"** means the RDR Gold Project located in the Province of Quebec, consisting of 16 mineral claims, and all mining leases and other mining interests derived from any such claims, including any mineral leases or other interests into which such mineral claim may have been converted, which the Company has a right to acquire a 100% interest;

**"Private Placements"** means the non-brokered private placement financings by the Company conducted in March 2018, May 2018 and June 2018 and consisting, respectively, of an aggregate of: 5,400,000 Common Shares at a price of \$0.005 per Common Share; 14,650,000 Common Shares at a price of \$0.02 per Common Share; 1,300,000 Common Shares at a price of \$0.05 per Common Share; and the Special Warrant Private Placement;

**"Prospectus"** means this preliminary prospectus dated August 1, 2018;

**"Qualified Person"** has the meaning given to it in NI 43-101;

**"Special Warrant"** means a special warrant issued by the Company entitling the holder the right to acquire, without additional payment, one Common Share for each special warrant held, the issuance of which Common Shares are qualified under this Prospectus;

**"Special Warrant Private Placement"** means the Company's private placement of 1,401,500 Special Warrants at a price of \$0.10 per Special Warrant for total gross proceeds of \$140,150, each of which entitles the holder to acquire, without further payment, one Common Share as described in this Prospectus;

**"Special Warrant Shares"** means the 1,401,500 Common Shares of the Company issued on exercise or deemed exercise of the Special Warrants, qualified under this Prospectus; and

**"Technical Report"** means the report on the Property prepared for the Company by the Author, in accordance with NI 43-101.

## CURRENCY

In this Prospectus, unless otherwise indicated, all dollar amounts are expressed in Canadian dollars and references to \$ are to Canadian dollars.

## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Except for statements of historical fact relating to the Company, certain statements in this Prospectus may constitute forward-looking information, future oriented financial information, or financial outlooks (collectively, **"forward looking information"**) within the meaning of Canadian securities laws. Forward-looking information may relate to this Prospectus, the Company's future outlook and anticipated events or results and, in some cases, can be identified by terminology such as "may", "could", "should", "expect", "plan", "anticipate", "believe", "intend", "estimate", "projects", "predict", "potential", "targeted", "possible", "continue" or other similar expressions concerning matters

that are not historical facts and include, but are not limited in any manner to, those with respect to commodity prices, mineral resources, mineral reserves, realization of mineral reserves, existence or realization of mineral resource estimates, the timing and amount of future production, the timing of construction of any proposed mine and process facilities, capital and operating expenditures, the timing of receipt of permits, rights and authorizations, and any and all other timing, development, operational, financial, economic, legal, regulatory and political factors that may influence future events or conditions, as such matters may be applicable. In particular, this Prospectus contains forward-looking statements pertaining to the following:

- Proposed expenditures for exploration work, and general and administrative expenses (see “Property Description and Location” and “Use of Proceeds” for further details);
- Expectations generally regarding completion of this Offering and the ability to raise further capital for corporate purposes; and
- Treatment under applicable governmental regimes for permitting and approvals (see “Risk Factors”).

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

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

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

## PROSPECTUS SUMMARY

*The following is a summary of the principal features of this distribution and should be read together with the more detailed information and financial data and statements contained elsewhere in this Prospectus. You should read this entire prospectus carefully, especially the “Risk Factors” section of this prospectus.*

- Principal Business of the Company:** The Company is currently engaged in the business of exploration of mineral properties in Canada. The Company holds an option to acquire a 100% right, title and interest in and to the Property, as described herein. The Company’s objective is to explore and, if warranted, develop the Property. Should the Property not be deemed viable, the Company shall explore other financially viable business opportunities. See “Description of the Business”.
- Management, Directors & Officers:**
- |                    |   |
|--------------------|---|
| Craig Parry        | Chief Executive Officer and Director      |
| Ota Hally          | Chief Financial Officer and Director      |
| Marco Jacuta       | Director                                  |
| Louis Archambeault | Director and Chair of the Audit Committee |
- See “Directors and Executive Officers”.
- The Property:** The Property is an exploration stage property that consists of 16 mineral claims located in Quebec. See “Property Description and Location”.
- Special Warrants:** This Prospectus is being filed to qualify the distribution in Ontario, British Columbia, Alberta and Manitoba of 1,401,500 Common Shares issuable to the holders of a total of 1,401,500 issued Special Warrants, upon the automatic exercise of the Special Warrants giving each holder thereof the right to acquire, without additional payment, one Common Share for each Special Warrant held by them. The Special Warrants will automatically convert on the earlier of: (a) the third business day following the day on which a receipt for a final prospectus has been issued; and (b) four months and a day from the Closing Date. Each Special Warrant was acquired by the holder for \$0.10 per Special Warrant for net proceeds of \$140,150 consisting of cash, and there will be no proceeds to the Company from the exercise of the Special Warrants. See “Description of Securities Distributed”.
- Listing:** Concurrently with the filing of this Prospectus, the Company intends to apply to list its issued and outstanding Common Shares, the Special Warrant Shares qualified under this Prospectus and all other Common Shares issuable as described in this Prospectus on the Exchange. Listing will be subject to the Company fulfilling all the requirements of the Exchange, including minimum public distribution requirements. See “Plan of Distribution”.
- Risk Factors:** An investment in the Company’s Special Warrants involves a degree of risk. Any of the factors set forth under “Risk Factors” may limit the Company’s ability to successfully execute its business strategy. You should carefully consider all of the information set forth in this prospectus and, in particular, should evaluate the specific factors set forth under “Risk Factors” in deciding whether to invest in the Company’s Special Warrants.
- Use of Proceeds:** The Company is not raising any funds in conjunction with this Prospectus. Accordingly, there are no proceeds.
- The Company anticipates that total funds available to the Company, consisting of an estimated working capital of \$299,244 as at June 30, 2018, and the proceeds from the Special Warrant Private Placement of \$140,150 will be used towards the Phase I exploration program and for unallocated working capital. See “Use of Proceeds” The

total available funds shall be used as follows:

To pay for certain aspects of the Phase I exploration program expenditures on the Property <sup>(1)</sup>	<b>\$244,725</b>
To pay for option payments and additional exploration expenditures on the Property beyond Phase I	\$NIL
To pay for general and administrative costs for next 12 months as well the closing costs of the Private Placement	\$150,000
Unallocated working capital	<u>\$44,669</u>
<b>TOTAL:</b>	<b>\$439,394</b>

**Notes:**

(1) See "Property Description and Location – Exploration and Development".

**Statement of Operations, Comprehensive Loss and Deficit Data**

	<b>Period from Incorporation until June 30, 2018 (\$)</b>
Revenue	NIL
Total Expenses	53,256
Net income (loss) for the period	(53,256)
Income (loss) per share (basic and diluted)	NIL or 0.00 per share

**Balance Sheet Data**

	<b>As at June 30, 2018 (\$)</b>
Current Assets	352,344
Total Assets	384,844
Current Liabilities	53,100
Long Term Debt	NIL
Shareholders' Equity	331,744

See "Selected Financial Information" and "Management's Discussion and Analysis".

## **CORPORATE STRUCTURE**

### **Name and Incorporation**

Skarb Exploration Corp. was incorporated under the *Business Corporations Act* (Ontario) on March 6, 2018. The Company's head and registered office is located at 4 Brule Gardens, Toronto, Ontario M6S 4J2.

### **Inter-corporate Relationships**

The Company has no subsidiaries.

## **DESCRIPTION OF THE BUSINESS**

The Company is engaged in the business of mineral exploration in Canada and its objective is to locate and, if warranted, develop economic mineral properties.

The Company holds the sole and exclusive right and option to acquire a 100% right, title and interest in and to the RDR Gold Project which is located in the Province of Quebec and consists of 16 mining claims, comprising the Property pursuant to the Option Agreement entered into on March 14, 2018 with Doctors. The Option Agreement is an arm's length transaction. Under the terms of the Option Agreement, the Company has an option to acquire 100% right, title and interest in and to the Property. See "Property Description and Location".

### **Stated Business Objectives**

The Company's Property is in the exploration stage. The Company intends to use the net proceeds raised under the Special Warrant Private Placement to carry out the Phase I exploration program for the Property, which is budgeted for \$244,725. See "Property Description and Location" and "Use of Proceeds".

The exploration, and if warranted, development of the Property may depend on specialized skills and knowledge possessed by directors and officers of the Company that are applicable to the mining industry. As at the most recent financial year, the Company did not have any employees. Craig Parry, the Company's Chief Executive Officer, Ota Hally, the Company's Chief Financial Officer, Marco Jacuta and Louis Archambeault are directors of the Company. The mineral exploration and development industry is very competitive. As an emerging issuer, the Company is subject to numerous competitive conditions such as need for additional capital and commercial viability of the Property.

## **THREE-YEAR HISTORY**

Following incorporation, the Company was capitalized by completing the four Private Placement financings. The first financing raised \$27,000, the second financing raised \$293,000, the third financing raised \$65,000 and the fourth financing, which was the Special Warrant Private Placement, raised \$140,150. The funds raised through the Private Placements will be used to carry out the initial aspects of Phase 1, and for anticipated administrative costs and general working capital.

## **PROPERTY DESCRIPTION AND LOCATION**

### **The RDR Gold Project**

The information in this Prospectus with respect to the Property is derived from a NI 43-101 compliant report entitled "Technical Report on the RDR Gold Project" prepared by Abby Peterson, B.Sc., P.Geo., dated April 10, 2018. Abby Peterson is an independent and "Qualified Person" for purposes of National Instrument 43-101. The full text of the Technical Report is available for review at the registered office of the Company at 4 Brule Gardens, Toronto, ON M6S 4J2 and may also be accessed online, under the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com).

The Property is located within the Abitibi Greenstone Belt (Northwestern Québec, Canada) in the Township of Gand, approximately 264km north-east of Val-d'Or and 10 km south-east of the town of Waswanipi. It lies within



Year 1:

- Paying \$25,000 in cash within five (5) business days of the execution of the Option Agreement (paid);
- Issuing 300,000 Common Shares within five (5) business days of the Listing Date; and

Year 2:

- Issuing 500,000 Common Shares on the date that is fourteen (14) months after the Listing Date;
- Incurring \$250,000 in qualified exploration expenditures on the Property on the date that is fourteen (14) months after the Listing Date; and

Year 3:

- Paying \$25,000 in cash on the date that is twenty-eight (28) months after the Listing Date;
- Issuing 750,000 Common Shares on the date that is twenty-eight (28) months after the Listing Date;
- Incurring \$750,000 in qualified exploration expenditures on the Property on the date that is twenty-eight (28) months after the Listing Date.

There are no land claim issues, ownership disputes pending on the property or environmental concerns/liabilities. The claims have not been surveyed by the Optionor while in their possession. The claims give the company the rights to explore and identify resources below the bedrock, but do not include surface rights.

The claims must be renewed every two years on their expiration date, at which time renewal fees must be paid to maintain ownership. Each claim also requires a minimum number of dollars spent on exploration work over the two-year period, with a report describing the works performed due sixty (60) days before the renewal date of said claims. If works are not performed, the owner may pay an amount varying between 100-200% of the amount required to be spent on the claims to be able to renew the claims. If an excess of money has been spent on claims, the amount can be credited forward (over a maximum of six (6) renewal cycles) and/or can be applied to any other claims still requiring expenditures, as long as those claims are within a 4.5km radius of the claim posting an excess in spending.

The total renewal fees for the sixteen claims on the Property amount to \$1,025.44 and the work expenditures required total \$12,480. The total excess of work credits for the Property equal \$0.

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

There are no formally registered land owners on the claims and no current commercial logging in the area, therefore there are no known restrictions to land-use on the claims. However, as per Québec law, notice must be provided to the local community 30 days prior to performing any exploration work on.

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

Management is not aware of any environmental liabilities, which may have effect on the Company. The Company intends to fully comply with all environmental regulations.

## History

The bulk of the historical work in the area was completed during the operational years of the Lac Shortt underground mine, which was operational from 1984 to 1992. During this period of operation, the Lac Shortt deposit was controlled by Falconbridge Nickel, which was later purchased by Minnova in 1986. The mine continued to operate under the ownership of Inmet Mining Corporation and then finally Metall, which terminated production in 1992. At the time of decommission, the Lac Shortt Archean deposit had produced over 2, 600 000 tons at an average grade of 4.7 g/t Au.

The first geological survey in the claims area was conducted in 1927 consisting of mapping and prospecting around the region of Opawika Lake and extending northward to the east shore of Lichen lake. The survey, which was conducted both from land and via the air by A. F. Bigham and Company, identified several local and regional structures transecting the mapping area.

Mining exploration activity in the area first took place in 1950 by MC Watters Gold Mines LTS, who sampled a magnetic anomaly in search for a nickel deposit. This magnetic anomaly, which in future, developed into the Lac Shortt shear zone deposit, had assay results as high as 8.6g/t Au over 4.25 m.

In the winter of 1960, geophysical surveys of the area were completed on behalf of Asarco Exploration Co, the mag and gravimeter data from which suggested a plunging anticlinal fold and the possibility of massive sulphide mineralization. That summer, Asarco followed up with a 4 person mapping survey which found rhyolites and silicified volcanics (favourable hosts for sulphide mineralization), and an encouraging lack of sedimentary rocks (GM10217).

In 1966, Canadian Aero Mineral Surveys, on behalf of Merrill Island Mining Corp Ltd, flew an airborne mag and EM survey over an area which includes the present day easternmost claims (GM18177). The report states that no good sulphide prospects appeared to be found in the area; however, weak EM anomalies corresponding with small mag anomalies were deemed to be “worthy of exploration”. From the report: ““it is certainly possible to have commercial quantities [of sulphides]...which yield poor EM anomalies”. Merrill Island Mining Corp returned to the area the following year to complete a ground mag survey but stayed directly to the south of the RDR claims.

In 1974, Silverstack mines Ltd issued a report on their claims, which included the westernmost part of the RDR claims, and found the Opawika area favourable to gold mineralization, recommending further work in the area.

With interest increasing in the area J. Betz, in conjunction with Campbell Chibougamau Mines LTD, initiated a horizontal loop electromagnetic survey, which was conducted in the fall of 1974 to delineate and clean up possible bedrock conduction indicated by previous VLF-EM surveys conducted in the area. This survey was done at a coil separation of 300 ft. and both in-phase and out-of-phase readings were taken. The profile for this survey showed no indication of bedrock conductors beneath the area surveyed and did not recommend further study.

In 1975, Kerr Addison Mines completed ground work on a property which included the seven westernmost RDR claims. Work performed included line cutting/chaining, a mag survey (47.6 miles), an EM survey (47.6 miles), and one diamond drill hole (305.0 feet). The drill hole was reportedly to investigate a mag high of up to 4000 gammas above background; however, this hole was not on the RDR property. Further work was recommended for the area (GM31280). Kerr Addison followed up with a geological survey later that year, and the next year, found rhyolite horizons favourable for gold mineralization. They recommended drilling on conductors, though all targets outlined were off-property (GM31813, GM31814). The 1975 report claimed that prospectors had been active in the area since 1936 but no records pertaining to this have been located by the author of this report.

In May of 1978, Shell Canada Resources Ltd commissioned an aerial electromagnetic survey that overlapped with all but the two northernmost RDR claims. 45.97 line km were surveyed and suspected graphite and serpenitized peridotite anomalies were identified. The report suggests further ground surveys, but the author could not locate any record of a followup (GM34539).

During the operating years of the Lac Shortt Mine, the majority of the work done on the RDR Property was conducted by Falconbridge Limited. Beginning in 1980, geophysical work conducted by J. M. Hubert and D. Caron surveyed a total of 189.10 km by electromagnetic VLF. A horizontal electromagnetic verification was conducted on

identified VLF anomalies. This survey identified anomalies such as contacts, swarm discontinuities, massive sulfide concentrations and shear zones. In addition to these surveys, a magnetometer survey was carried out along 185.5 km of land located north and east of Lac Shortt.

Targets acquired during the geophysical exploration resulted in a total of ten (10) diamond drill holes within the claims boundaries. These drill programs, documented in GM38546 in 1981 and GM42229 and GM42587 in 1984 and 1985, respectively, were conducted by Falconbridge. The results of these drill programs did not return any significant results, with the exception of hole 020-03, which generated 1.8 grams per tonne over 1.15 m of quartz veining with Cl alteration. Trace Au levels of less than .5 grams per tonne were found in magnetic gabbro with Cl alteration and large lapilli tuff were found throughout the three drill programs.

## **Geological Setting**

### *Regional Geology*

The Property is located within the internal zone of the Abitibi sub-province of the Superior Province of the Canadian Shield. The internal zone is also referred to as the monocyclic volcanic segment (MVS) of the Northern Volcanic Zone (NVZ). The MVS is predominantly composed of massive, pillowed and brecciated tholeiitic basalts with small to large felsic layers throughout. Iron formations can be found as local intercalations in some places. All but a few of the volcanic rocks were erupted as subaqueous flows, with smaller felsic edifices being covered by pillowed basalts. Sedimentary rocks are inter-fingered with and overly the volcanic rocks and are predominantly Bouma-cycle turbidites inter-mixed with conglomerates, shale, banded iron-formation and chert. Large layered mafic intrusives are a distinguishing feature of the NVZ and are the magmatic equivalents of MORB-type basalts. The rocks of the NVZ were intruded by felsic batholiths and plutons that were syn-volcanic (diorite, tonalite and leucotonalite), syn-tectonic (monzodiorite, tonalite and granodiorite) and post-tectonic (granodiorite suite and Syenite-carbonatite suite). All the rocks in the RDR region are of Archean age, except for the Diabase dykes, which are of Proterozoic age. Deformation of the Abitibi Belt was rather heterogeneous, resulting in alternating zones of high and low strain. Areas of low strain show distinct fold patterns while areas of high strain are associated with regional faults and contact-strain aureoles. The deformation events in the NVZ have been interpreted as pulses related to a single deformation event rather than representing different orogenic phases. Metamorphism in the region is mainly at greenschist facies, however, on a more local scale, metamorphism can attain amphibolite facies along contact aureoles with intrusions.

### *Local Geology*

The Property is located within the Abitibi Greenstone Belt, within a band of volcanic rocks and one ultramafic intrusive complex; the Complexe d'Esturgeon. The area is composed of Archean volcanic rocks, divided into two broad lithostratigraphic units: the Formation d'Obatogamau overlain by the Formation du Ruisseau Dalime. The Obatogamau Formation consists of a suite of rocks several kilometers thick, composed of massive, pillowed and brecciated basalt with plagioclase feldspar porphyries. The Obatogamau also includes a unit of Rhyodacite in addition to the Wachigabau Member which consists of intermediate to felsic pyroclastic rocks and rhyolites, less than 1km thick. The Formation du Ruisseau Dalime, which overlies the Obatogamau, consists of felsic to intermediate pyroclastic rocks as well as sedimentary rocks of volcanic origin. Several Archean and Proterozoic intrusives can be found in the area. The most prominent are the anorthositic complex of the Opawica River and the mafic to ultramafic complex of the Chutes de l'Esturgeon. The latter is a complex of at least 1350m in thickness and is formed by several differentiated layered intrusions that grade from pyroxenites or peridotites to quartz gabbros at the top.

The rocks of the region were affected by the Kenoran Orogeny which metamorphosed the rocks to greenschist facies, with the exception of rocks adjacent to massive plutons which can reach amphibolite facies.

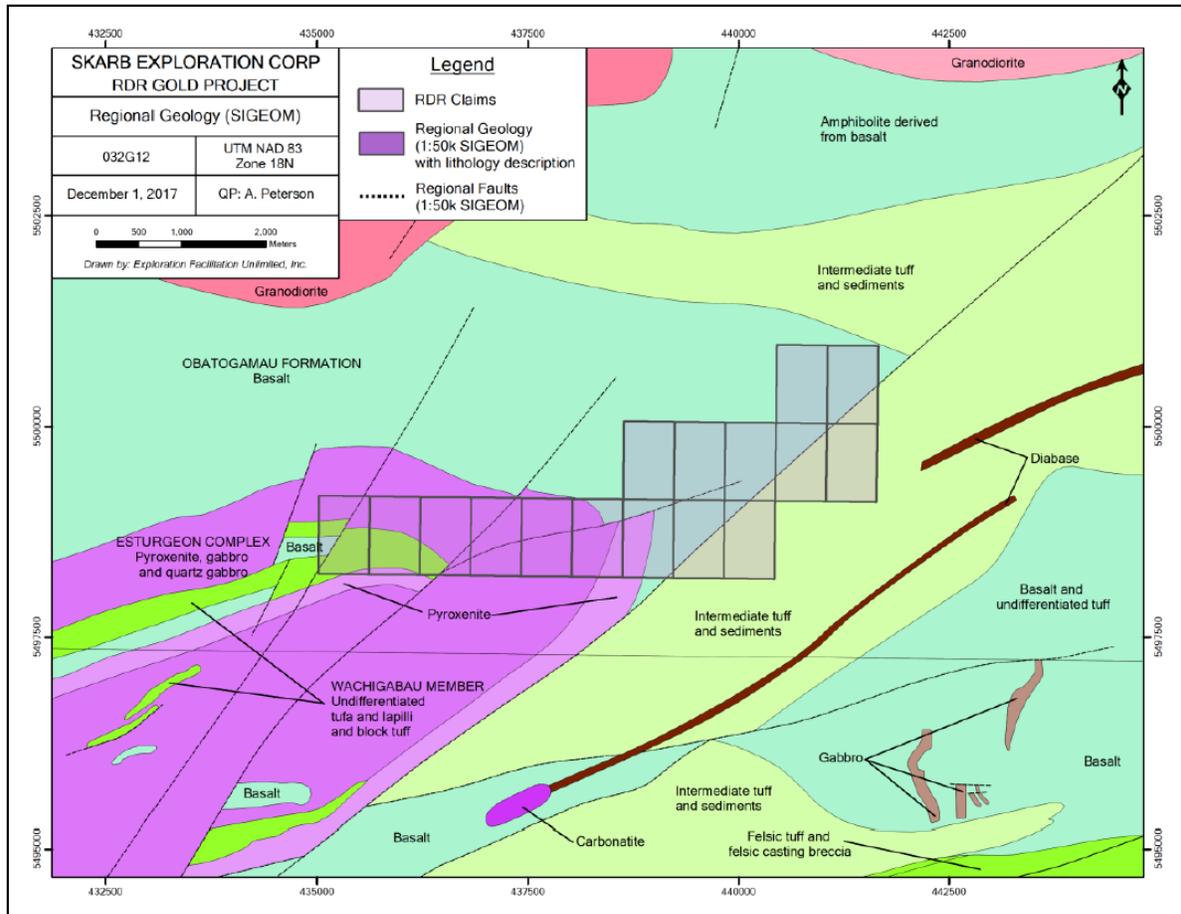


FIGURE 2: REGIONAL GEOLOGY AND STRUCTURE

### *Property Geology*

The Property includes rocks from the Complexe d'Esturgeon, the Obatogamau Formation, the Wachigabau Member and the Formation du Ruisseau Dalime. The Complexe d'Esturgeon covers the bulk of the western claims with a suite of ultramafic rocks including: pyroxenite, peridotite, dunite, hornblendite and serpentinite with carbonatite and sills of ultramafic and mafic rocks. Locally, the ultramafics are overlain by a band of tuffs belonging to the Wachigabau Member. The boundary between the Complexe d'Esturgeon to the west and the Formation du Ruisseau Dalime to the east is the Lamarck Fault, a sinistral fault that can be traced over dozens of kilometers. At RDR, the Formation du Ruisseau Dalime is composed of intermediate tuffs and volcanic sediments. To the northeast of the ultramafic intrusive complex, but west of the Lamarck fault, the claims overlies rocks of the Obatogamau Formation. Here, in contact with the ultramafic, are a series of mafic to intermediate rocks including basalt, amphibolite and tuff.

The claims are transected by four regional-scale faults, three of which are poorly defined. The fourth is the large-scale Lamarck Fault which cuts through the eastern portion of the claims. Adjacent to this fault is the Ruisseau Dalime-Route showing, described in section 23.

### *Mineralization*

The RDR Gold Project is located in a region with only two known deposits and a multitude of showings, indicating a strong potential for metal enrichment in the area and more specifically at RDR. Several mineralized showings have been associated with chlorite alteration, lithological contacts between the gabbro and tuffs as well as with magnetic bodies, including replacement textures in deformation zones.

The Ruisseau Dalime-Route showing occurs on the property, adjacent to the Lamarck Fault in the northeast corner of the claim block. Discovered in 1985 during drilling (GM43317) in hole 020-14, the showing is defined by two anomalous intervals grading 1gpt Au over 1.3m and 1.4gpt Au over 0.6m. The host rock is a feldspar porphyry with trace disseminated Pyrite and mineralization is associated with quartz-chlorite veins and veinlets.

## **Exploration**

From July 26th to August 4th 2017, Exploration Facilitation Unlimited Inc. (EFU Inc.) and Canexplor Management Ltd., on behalf of Doctors Investment Group Ltd., conducted an exploration program designed to test areas on the claims that were identified as favourable targets for exploration such as geophysical anomalies and structures. Work performed included soil sampling, prospecting and mapping, backpack diamond drilling, and a Beep Mat geophysics survey. A camp was established for the duration of the project off of a spur road near the southern boundary of the property. The crew consisted of seven people with one in camp on a daily rotation.

Target zones for prospecting and beep mat surveys were previously identified and delineated using the aeromag high-res vertical gradient, compilation outcrop, faults, and mineral potential map layers in the SIGÉOM (Système d'information géominère of Québec) Interactive Web map at <http://sigeom.mines.gouv.qc.ca>. Base map GIS data and Google Earth were also used to focus the prospecting and beep mat surveys in areas of higher elevation where exposure and shallow overburden were more likely to be encountered.

While the work described in this section was not performed on behalf of the issuer, Skarb Exploration Corp., the results of the 2017 exploration program are included below.

## **Geophysics**

A Beep Mat BM4+ was rented from GDD Instrumentation Inc. for this program. 70 Beep Mat anomalies including the “250 Zone” were detected over approximately 20 line km of 100m NS lines within the target areas (Figures 3 and 4). The rental Beep Mat stopped operating correctly on July 31st, at which time the Beep Mat operator joined the backpack drill team.

The Beep Mat geophysical unit is an electromagnetic instrument designed to detect conductive and/or magnetic minerals at a shallow depth. The Beep Mat consists of a short sled enclosing a probe and a reading unit attached to the operator. The operator pulls the sled over the ground to be explored with the reading unit taking continuous readings. When the probe encounters conductive and/or magnetic mineralization, the reading unit produces a series of continuous beeps alerting the operator to the presence of an anomaly. The operator can determine the extent and trend of the anomaly by making multiple passes over the anomalous area from different directions. The reading unit displays the intensity and nature of the conductive or magnetic body, and the reading can then be recorded by the operator. A handheld GPS is used to record the location of the anomaly.

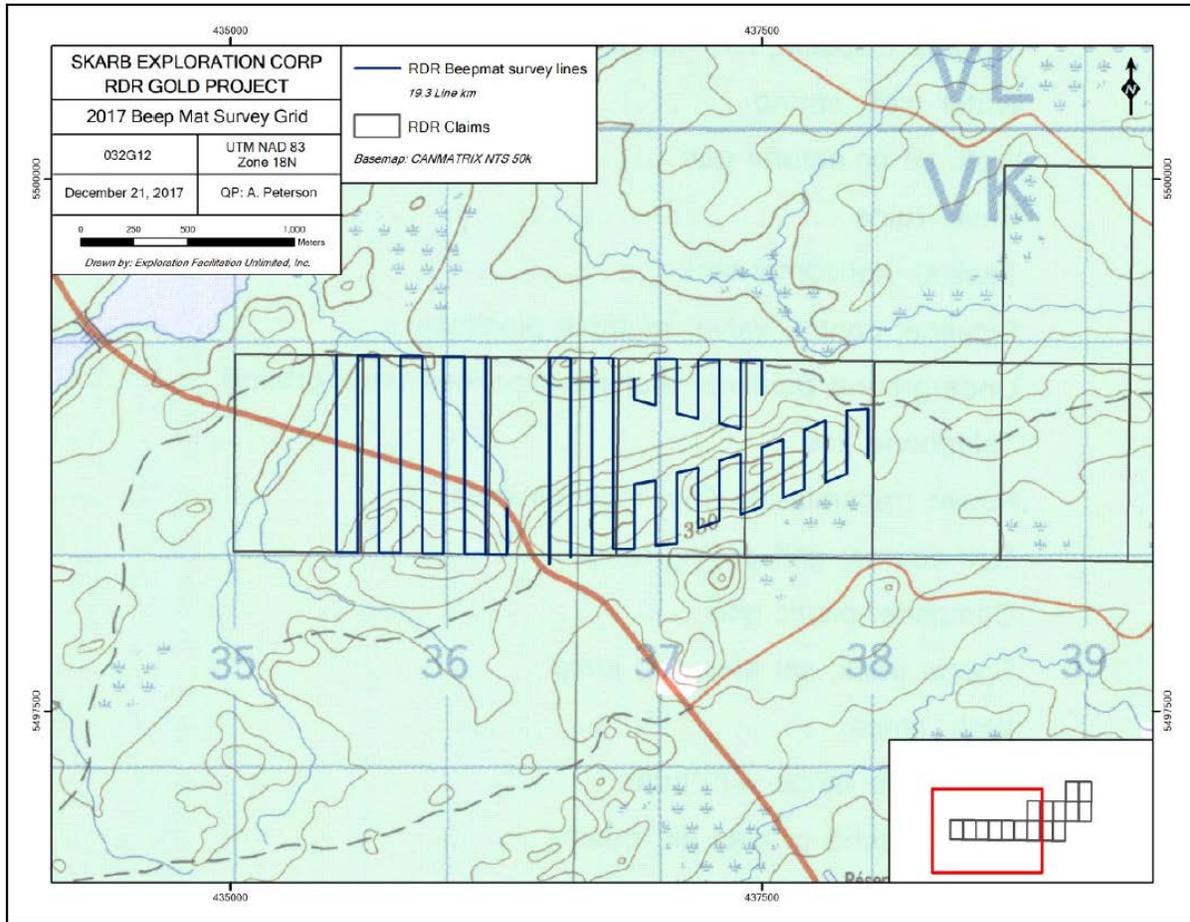


FIGURE 3: LOCATION OF BEEP MAT SURVEY LINES

A BEEP MAT reading comprises High Frequency (“HFR”) and Low Frequency (“LFR”) responses that represent relative conductivity. The conductive reading strength is proportional to the HFR/LFR response. Relative susceptibility is influenced by the presence of magnetite, and increases as magnetite content increases. The Ratio Value (“RT”) is unaffected by the amount of conductive material and shows conductor quality as a percentage, 0% for a poor conductor up to 100% for an excellent conductor. The effective depth of overburden penetration for conductive and magnetic outcrops or boulders is approximately 10 feet (3 meters).

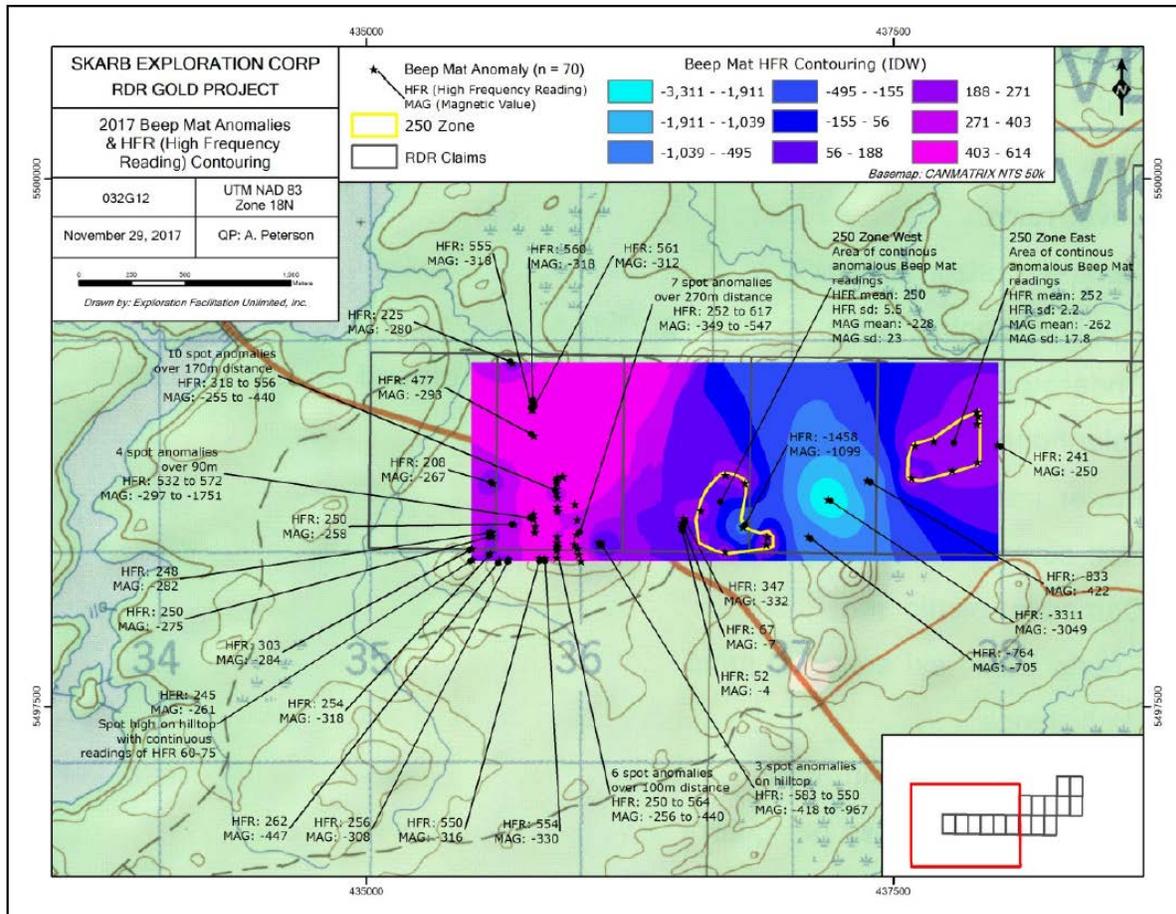


FIGURE 4: CONTOURING OF BEEP MAT ANOMALIES AND HFR.

## Drilling

### Backpack Diamond Drill Samples

Small-diameter (AQ) diamond drilling was conducted during the program using a backpack drill. The Shaw Backpack Drill is a near-surface prospecting tool that can reliably drill up to 8-10m depth and can serve as an alternative to trenching, an effective means of mapping structure underground, and for immediately following up on near-surface conductors and magnetic anomalies.

A backpack diamond drill was used for 9 of 10 days throughout the western part of the claims, consistently encountering sulphide mineralization at surface and to depths of 2.55m (8.4 feet). A total of 32.17 m were drilled over 28 drill holes. All drill holes targeted either potentially mineralized rocks discovered during field mapping or magnetic anomalies identified during the Beep Mat survey. A map showing drill hole locations and assay values of note can be found in Figure 5.

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

From the 28 drill holes a total of 36 core samples were collected and sent to the lab for assay.

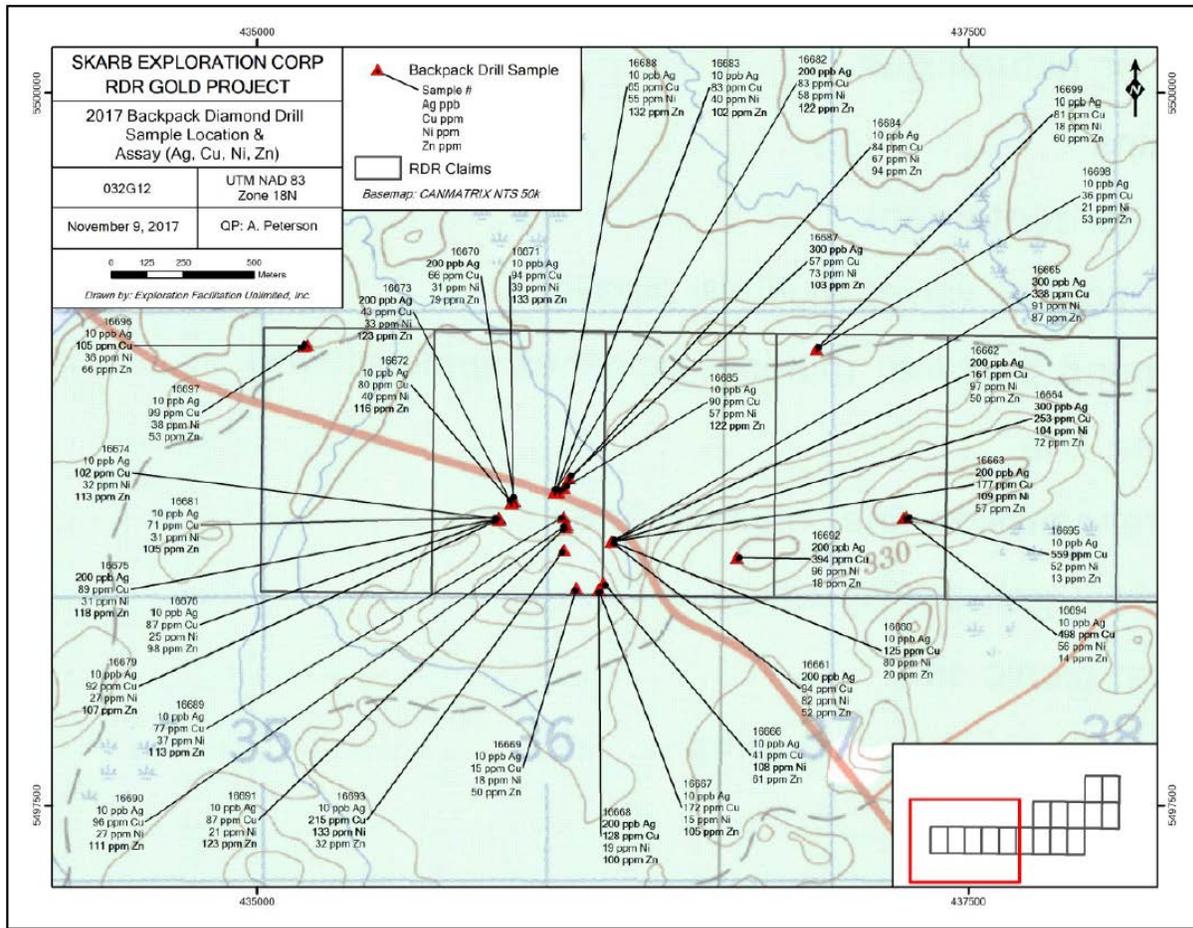


FIGURE 5: LOCATION OF BACKPACK DIAMOND DRILL HOLES WITH ASSAYS FOR AG, CU, NI AND ZN

## Sampling & Analysis

### Soil Sampling

168 soil samples were collected throughout the property on a 200m x 200m grid (Figure 6). Sample locations were pre-planned using topographic maps in a GIS. A 200 m sampling grid was selected to provide a first-pass reconnaissance of the property in its entirety. In the field, actual sampling points were selected as close as possible to the planned points, taking into account local site conditions. New coordinates for actual sample points were recorded using handheld GPS receivers.

Samples were collected using hand augers from between 0.15 m to 1.25 m depth. The majority of samples were collected from the B-horizon except for those sites with shallow soils or overlain with peat organics. Pebbles and organic material such as roots were removed from soil samples prior to bagging. Samples consisted of roughly 500g of soil, enough to fill the Kraft geochemical sample envelopes used to store field samples. Sample envelopes were sealed using cable ties and marked with the Sample ID for identification.

At each sample location a log book entry was recorded that included the sample ID, GPS coordinates, depth (m), date, sample description based on color and silt/clay/sand composition, and any other notes. Each sample location was marked with a tied length of flagging tape with the sample number hand-written on it.

All sampling equipment that came into contact with soils was cleaned after every sample.

Figure 6 shows the location and assay results for the soil sampling program with Au, Ag and Zn values listed. Figures 7, 8 and 9 show the assay results for the soils, contoured to highlight areas of anomalous values. These samples have been highlighted due to their elevated values compared to known background concentrations of these metals in various rock types. We know that the property geology includes mafic to intermediate volcanics and intrusives. These rocks are known to naturally carry, on average, 10 to 100ppm Zn, 0.1 ppm Ag and less than 5ppb Au.

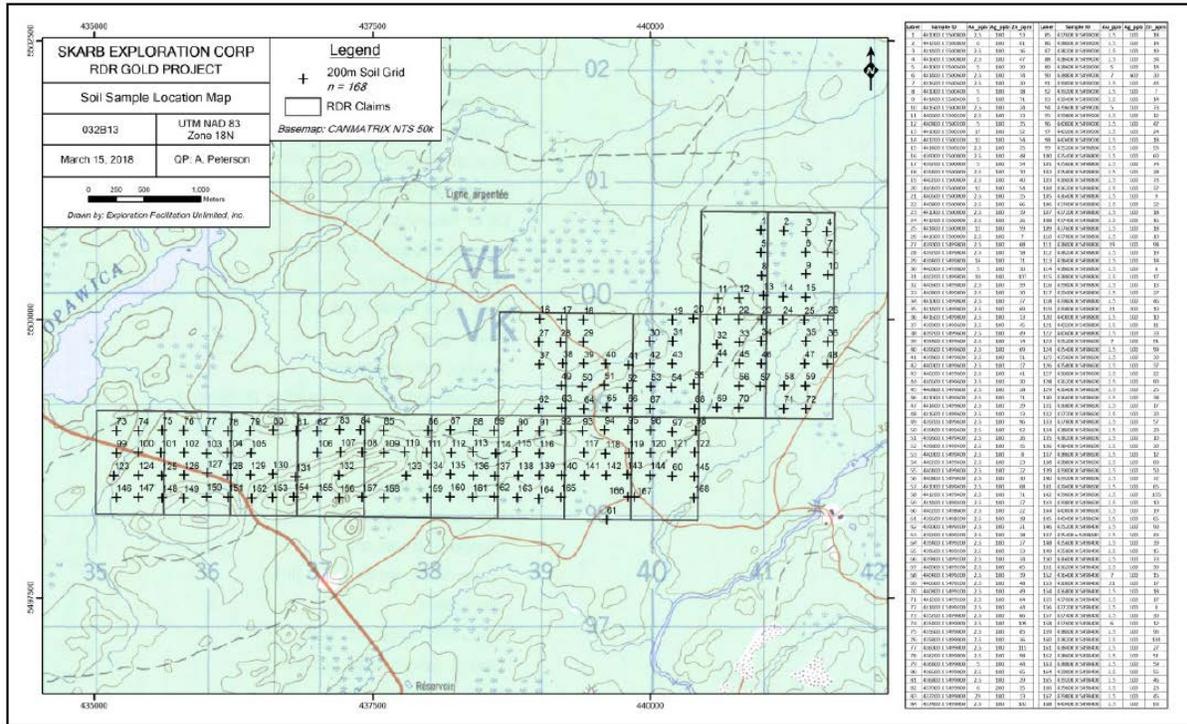


FIGURE 6: SOIL SAMPLE RESULTS WITH ASSAYS FOR AU, AG AND ZN.

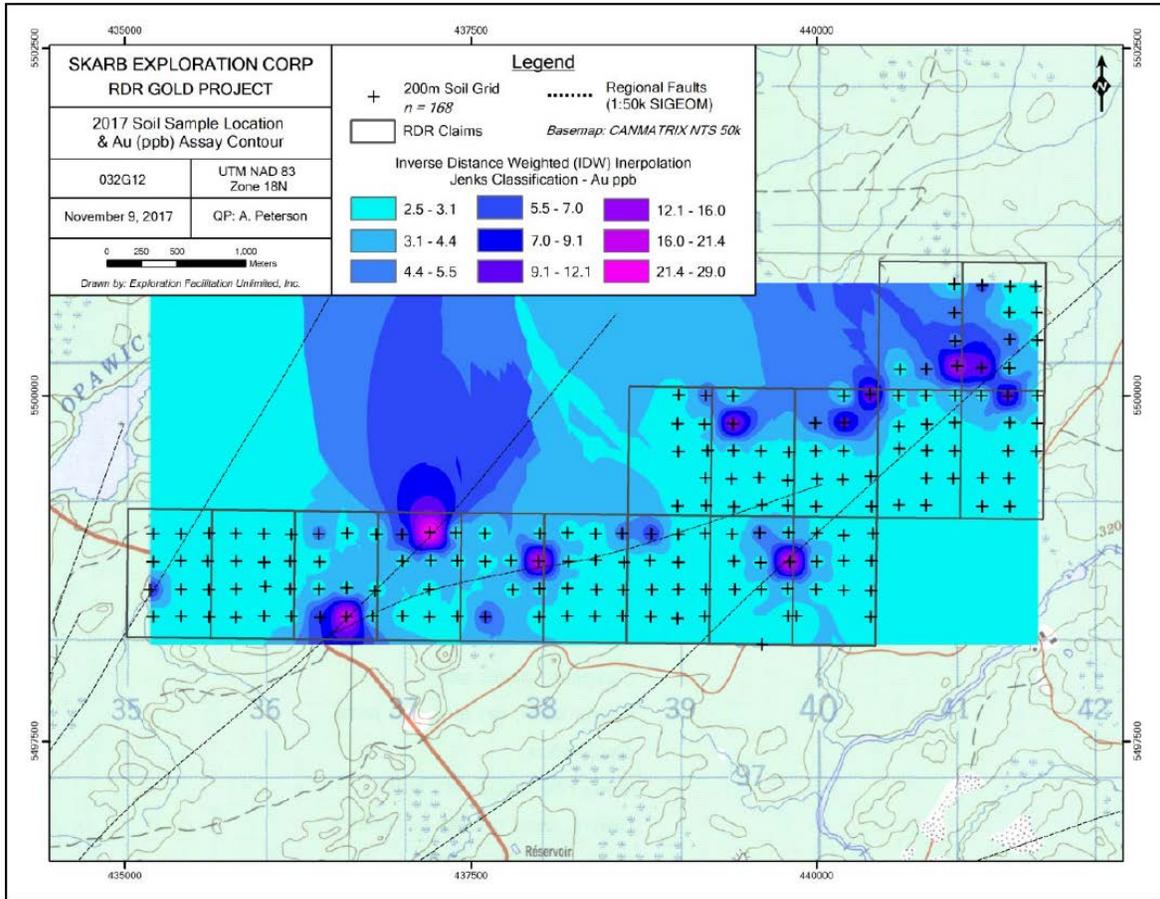


FIGURE 7: SOIL SAMPLE RESULTS CONTOURED AU.

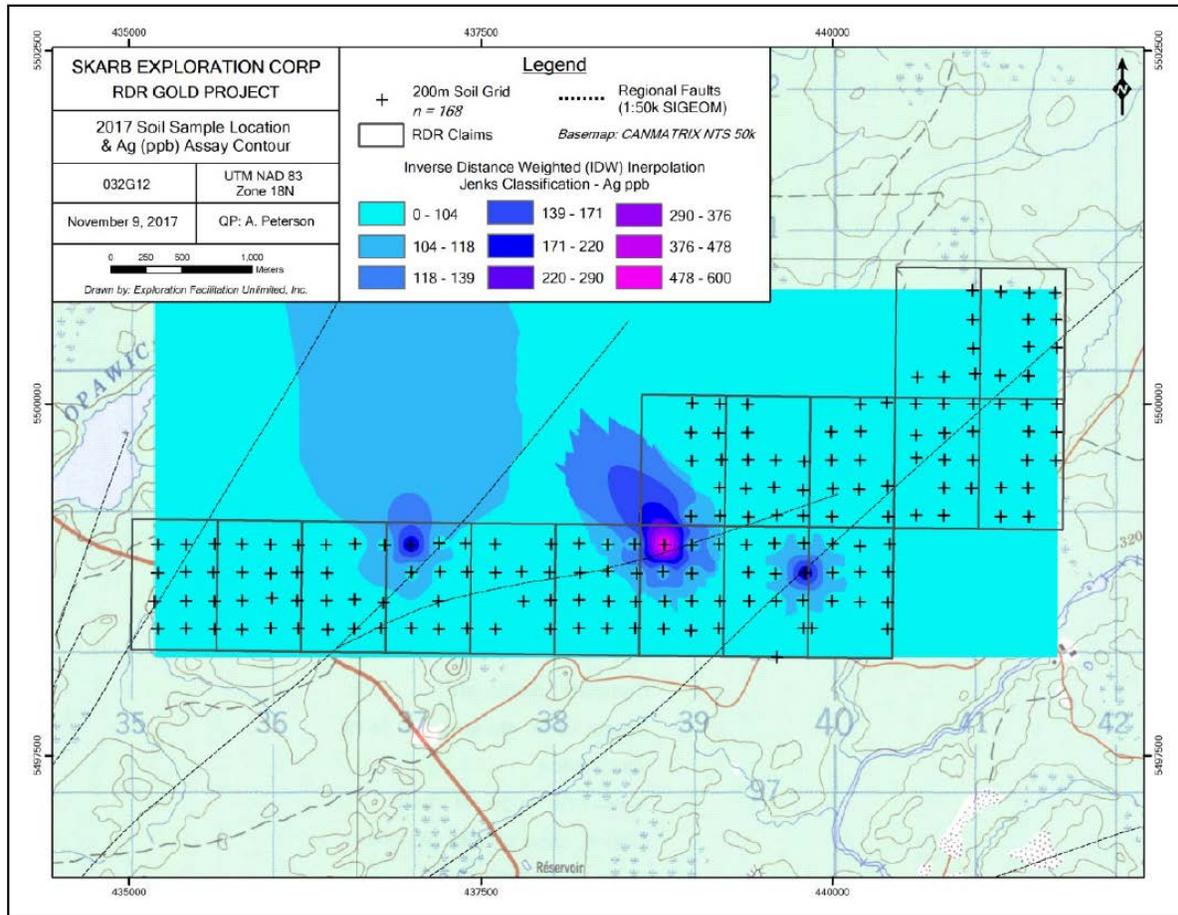


FIGURE 8: SOIL SAMPLE RESULTS CONTOURED AG.

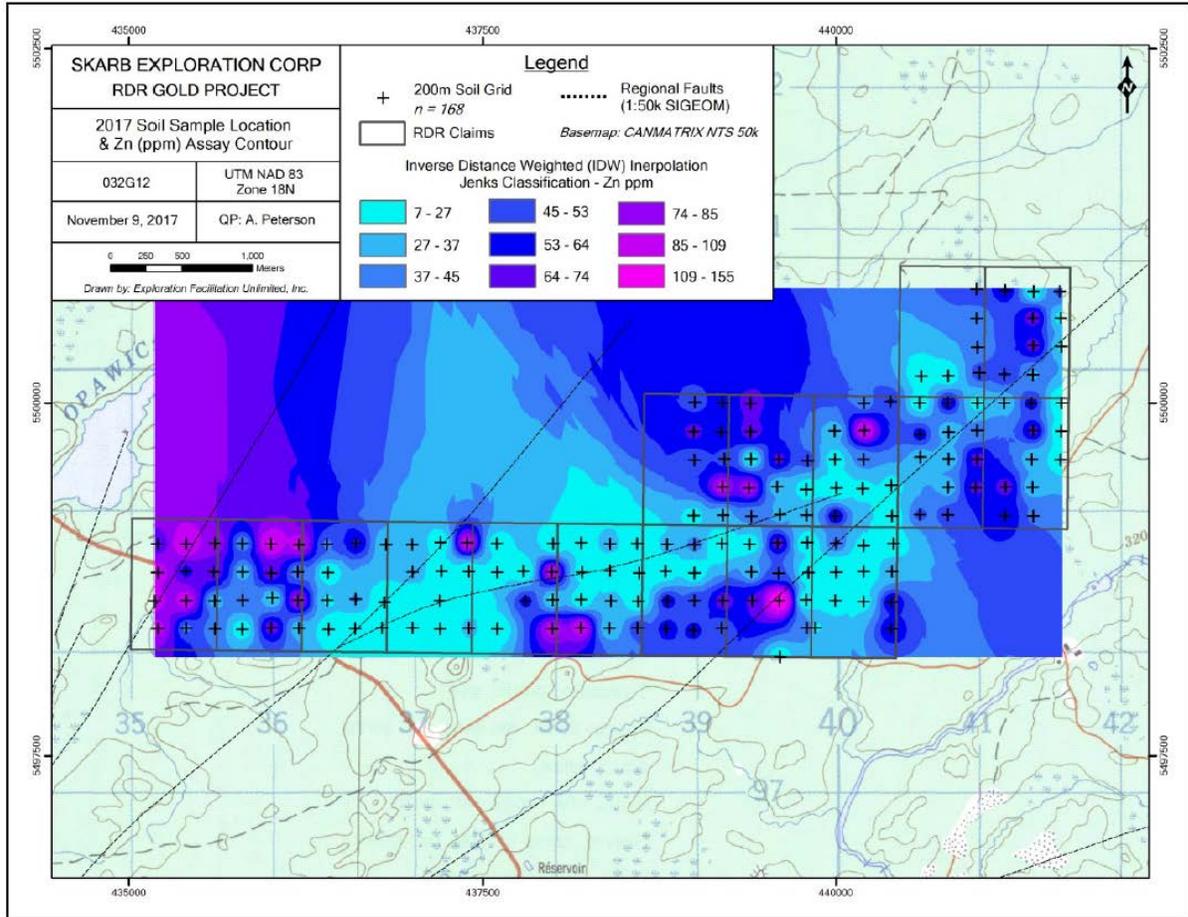


FIGURE 9: SOIL SAMPLE RESULTS CONTOURED ZN.

*Field Mapping and Prospecting*

Field mapping was conducted in the western area of the claims. Map notes were collected while both prospecting and logging backpack drill core. A detailed, hand-drawn geology map was produced covering the mineralized western portion of the claims. This map was subsequently scanned and then digitized using a GIS (Figure 10 below).

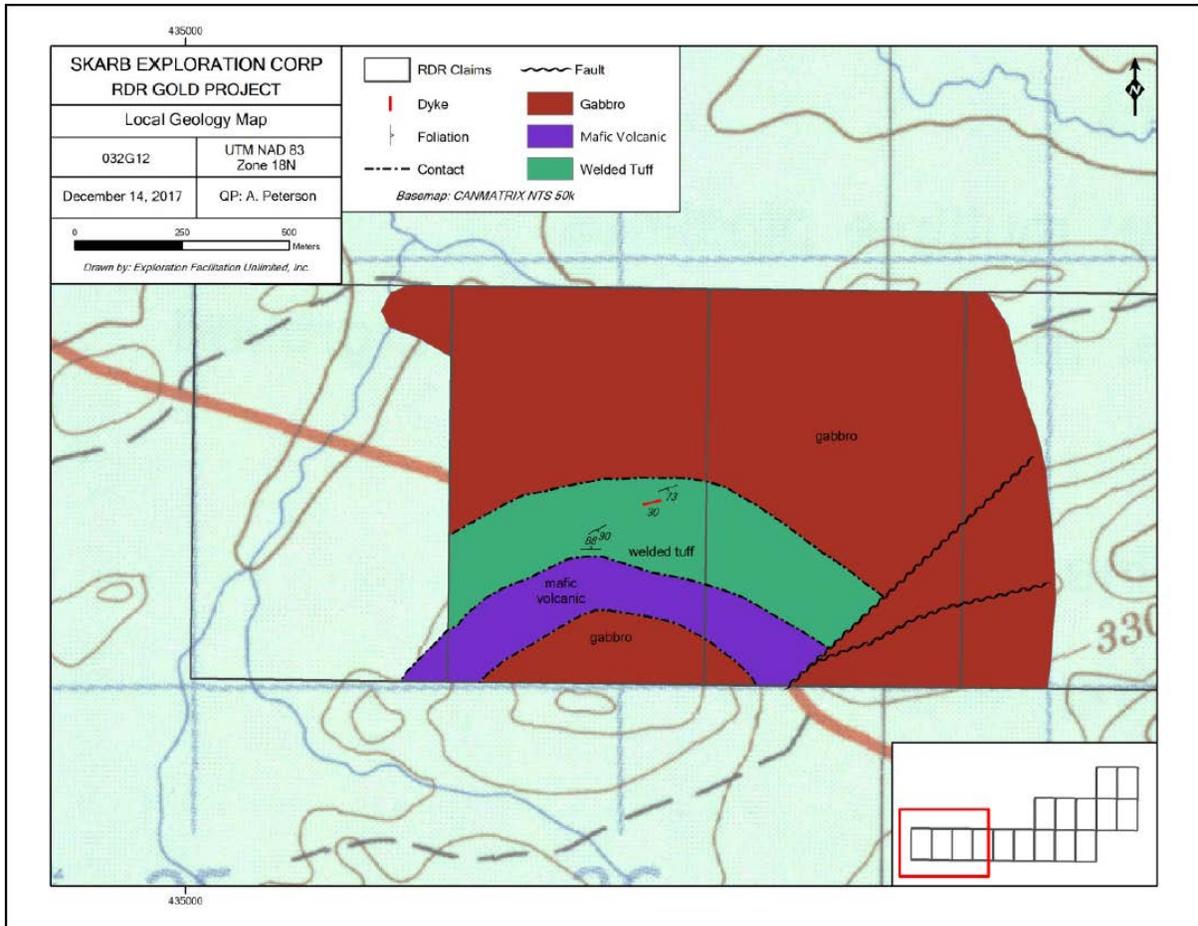


FIGURE 10: GEOLOGICAL MAPPING OF MINERALIZED WESTERN PORTION OF CLAIMS.

### Grab Samples

A total of 42 grab samples were collected throughout the property while prospecting, all of which were obtained from outcrop with the exception of one subcrop sample (Figure 11). Grab samples were obtained from outcrop using rock hammers, and chisels where necessary. A brief description of the sample location, GPS coordinates, date, and rock and mineral features and attributes were recorded in a log book by the sampler. Rock samples were immediately stored in clear plastic sample bags with the corresponding tear-off stub from a sample card book. Sample bags were then secured with a plastic cable tie, labeled with the sample number using a permanent marker, and photographed. Back up records of the GPS coordinates, date, and sampler initials were recorded in the sample card book for each sample. Sample locations were marked in the field by flagging tape labeled with the sample number.

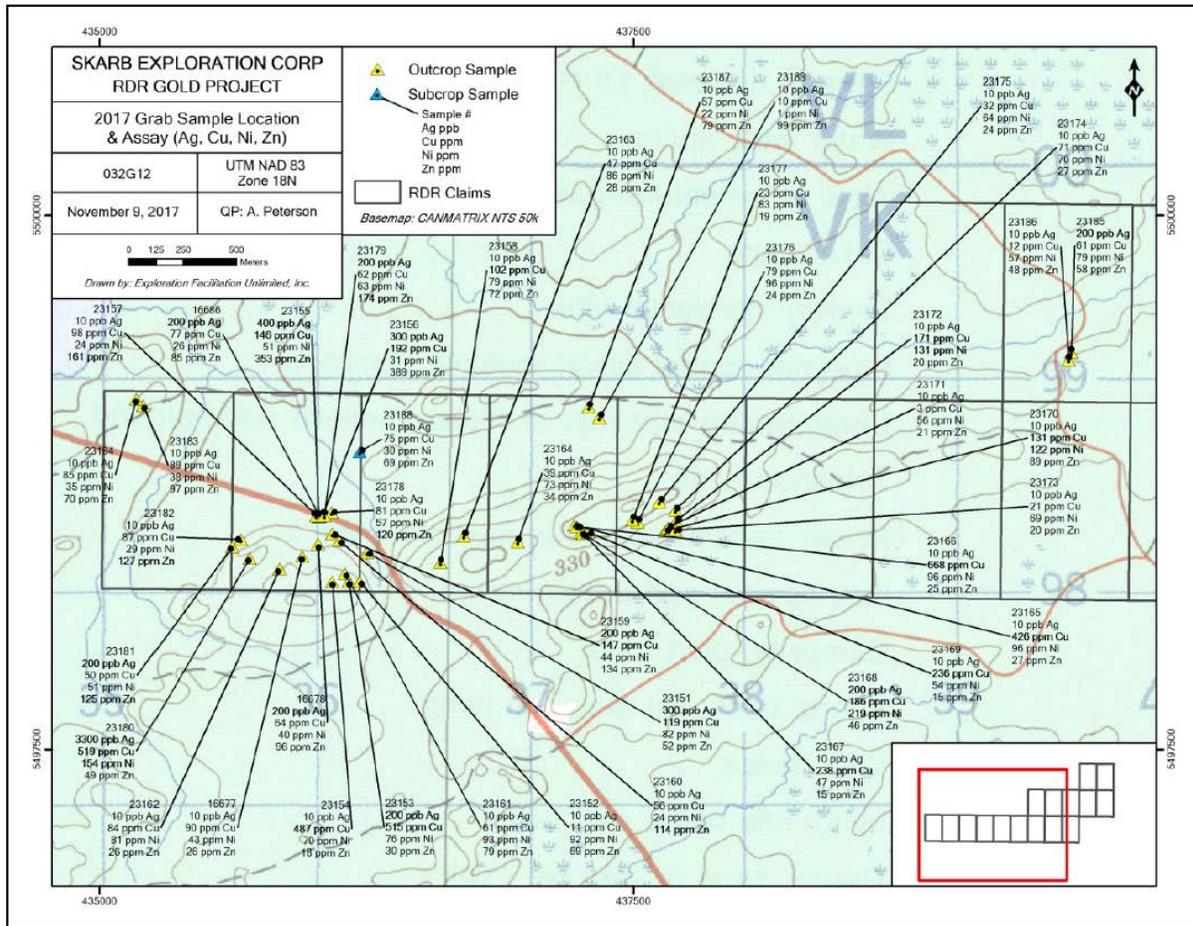


FIGURE 11: LOCATION OF GRAB SAMPLES WITH ASSAY VALUES FOR AG, CU, NI AND ZN DISPLAYED.

### Quality Control

Due to the early stage of exploration on the Property, no formal Quality Assurance/Quality Control (QA/QC) protocol has been established. For the 2017 program, samples collected in the field were described in detail before being sealed into plastic (grabs) or paper (soils) sample bags. UTM co-ordinates and a brief description were also recorded for each individual sample. Samples were placed into sample bags with a sample tag inserted into the bag and the corresponding number written in black permanent marker on the outside of the bag. Sample bags were then sealed using plastic zip ties before being removed from the field. All samples collected during the exploration program were stored in the dry tent in camp until samples were ready for transport to the lab. Samples were reviewed a second time to ensure all samples were properly identified prior to transport. Samples were then transported by EFU employees from camp to the EFU facilities in London, Ontario. Here, the soil samples were dried before being submitted to ALS Laboratories in Sudbury, Ontario. At no time were the samples in the possession of a third party. The author has deemed the sample preparation and security procedures employed by EFU employees to be adequate.

Once at the lab, results were prepped according to sample type and then analyzed using two methods: Fire assay with an AA finish for Au and multi-element analysis using aqua regia and ICP-MS. Grab and core samples were crushed to 70% passing <2mm before being split with a riffle splitter. The split was then pulverized to 85% passing <75µm before analysis. Soils were screened -180µm before analysis. The multi-element assays analyzed for Ag, Al, As, B, Ba, Be, Bl, Ca, Cd, Co, Cr, Cu, Fe, Ga, Hg, K, La, Mg, Mn, Mo, Na, Ni, P, Pb, S, Sb, Sc, Sr, Th, Ti, Tl, U, V, W and Zn. Results of the 2017 exploration program were verified using the assay certificates. Blanks, standards and

duplicates inserted by the laboratory were found to be within the acceptable ranges of values indicating no contamination between samples during analysis. 168 soils, 42 grabs and 36 drill core samples were sent to the lab. For the multi-element analysis, an additional 24 (soils), 8 (grabs) and 8 (core) QA/QC samples were inserted into the sample stream. For the fire assay, 25 (soils), 20 (grabs) and 10 (core) QA/QC samples were inserted into the sample stream. This exceeds the industry average of one QA/QC sample for every 10 samples submitted.

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

The laboratory employs comprehensive quality control programs to monitor sample preparation and analysis. Quality control measures include the use of barren material to clean sample equipment in between batches. Analytical accuracy and precision are monitored by the analysis of reagent blanks, reference materials, and replicate samples. Bar coding and scanning technology provide complete chain of custody records for sample preparation and analytical process. To augment the QA/QC procedures employed by the lab, it is recommended that EFU initiate its own QA/QC procedures moving forward, primarily by inserting blanks and standards into their sample stream before submitting them to the lab. This will allow the company to verify the lab results independently.

ALS is considered by the author to have adequate sample preparation, security, and analytical procedures, and to operate at industry standards. Doctors Investment Group Ltd. and Skarb Exploration Corp. have no relationship with Actlabs other than as clients.

### **Exploration, Development and Production**

The RDR Gold Project is located within a favorable environment for gold and VMS-type base metal deposits. A large ultramafic complex underlies the western claims while four large regional-scale structures cross the Property. In addition to this, tuffaceous units known to host gold and base metal showings (such as the Gull Island-Nord) also occur on the property. The observation of sulfides both as disseminated and, more importantly, associated with quartz veining within the mafic volcanics is very encouraging. These are prime conditions for the formation of various types of precious and base metal deposits. Anomalous assay values in soil samples graded as high as 29ppb Au, 112ppm Cu, 600ppb Ag and 155ppm Zn. Not only are these anomalous results distributed throughout the property, but contouring shows anomalous zones associated with samples taken directly above several of the structures that cross the property. This confirms the potential for metallic deposits on the Property.

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

The RDR claims are currently at various stages of exploration, with the most advanced works completed in several of the western half of the claims. The Beep Mat and soil sampling programs identified several anomalies that appear associated with large- to regional-scale structures. These areas merit further investigation in order to assess their economic importance in addition to their structural and/or lithological controls.

The anomalous soil assays are associated with magnetic anomalies that in turn coincide with mapped structures that have apparent-strike lengths of several hundreds of meters. At the time of the 2017 program, VLF-EM and Mag were not completed due to the thickness of the foliage/bush. It is recommended that the anomalous beep mat conductors and soil anomalies be further investigated by completing a VLF-EM/Mag survey in conjunction with IP. Due to the density of the cover, line-cutting will be required in order to ensure proper communication between the units in the field and the station in Cutler Maine (for VLF) and base stations. The recommended survey would total approximately 35.4km of survey lines and 5km for the base line.

The geophysics program would necessitate the clearing of access trails and grid lines which require a permit and the payment of associated stumpage fees, estimated at \$500. The program would be run by one project geologist, assisted by a field crew clearing survey lines and performing the geophysical surveys. The all-in costs for the surveys are indicated below, with costs broken down by stage of the program. The surveys would be somewhat costlier than expected due to the difficult nature in accessing portions of the property with equipment, resulting in long walks in and out each day. The program would require 40.4km of line-cutting, and 35.4km of both VLF-EM/Mag and IP. The budget included calculates personnel costs based on each separate program, since each requires a different amount of days and people to complete. Line cutting would take approximately 16 days, VLF-EM/Mag would take 9 days while the Induced Polarization would take 24 days. The contingency has been calculated to allow for delays in cutting/surveying, equipment malfunctions or any other issues that would cause the program to run longer than expected.

BUDGET – Phase 1

Project Preparation	\$5,000
Mobe/Demobe (including transportation and wages) <sup>1</sup>	\$included
Forestry Technician Consultation/stumpage fees	\$ 850
Consumables and Supplies	\$1,000

<b>Line Cutting:</b>	<b>Rate</b>	<b>Days</b>	<b>Totals</b>	
Wages (6 people)	2,900	16	46,400	
Food, Travel, Lodging	720	16	10,520	
Truck Rental	300	16	4,800	
Fuel	130	16	2,080	\$63,800

<b>VLF-EM/Mag:</b>	<b>Rate</b>	<b>Days</b>	<b>Totals</b>	
Wages (2 people)	1,100	9	9,900	
Food, Travel, Lodging	240	9	2,160	
Truck Rental	135	9	1,215	
Fuel	100	9	900	\$14,175

<b>Induced Polarization:</b>	<b>Rate</b>	<b>Days</b>	<b>Totals</b>	
Wages (8 people)	3,750	24	90,000	

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<sup>1</sup> Mobe and Demobe costs included in wages quoted for each survey/phase of program.

<b>Induced Polarization:</b>	<b>Rate</b>	<b>Days</b>	<b>Totals</b>	
Food, Travel, Lodging	940	24	22,560	
Truck Rental	235	24	5,640	
Fuel	95	24	2,280	\$120,480
Assessment Report			3,750	
Technical Report			3,750	
			<b>Grand Total:</b>	<b>\$212,805</b>

All numbers in the budget above are quoted in Canadian dollars (\$CAD). The work would take approximately 40 days to complete and the estimated cost for the program including the option payments and other expenditures made to date is \$244,725. Crews would be based out of Lebel-sur-Quévillon.

### **USE OF PROCEEDS**

The Company is not raising any funds in conjunction with this Prospectus. Accordingly, there are no proceeds. However, the Company continues to have negative operating cash flow. For the year ended June 30, 2018, the Company sustained net losses from operations and had negative cash flow from operating activities of \$531. All funds available to the Company will be used to fund future and anticipated negative cash flow from its operating activities.

### **Funds Available and Principal Purposes**

As the Company had working capital of \$299,244 as at June 30, 2018, the Company anticipates there will be total available funds of approximately \$439,394 after the Offering. The proceeds from the Special Warrant Private Placement will be used towards the Phase I exploration program and for unallocated working capital. The Company expects to use the total funds available set forth above for the purposes described below:

<b>Use of Funds</b>	<b>(\$)</b>
Complete recommended Phase 1 exploration program on the Property(1)	\$244,725
Option payments and additional exploration expenditures on the Property	NIL
General and administrative costs for next 12 months(2)	\$150,000
Unallocated working capital	\$44,669
<b>TOTAL:</b>	<b>\$439,394</b>

**Notes:**

- (1) See "Property Description and Location – Exploration and Development."
- (2) See the table below for a description of the estimated administrative costs of the Company for the next 12 month period.

Upon completion of the Offering, the Company estimates that its working capital will be sufficient to meet its administrative costs and exploration expenditures for the 12 month period following the Listing Date. Administrative costs for the 12 month period following the Listing Date are comprised of the following:

<b>General and Administrative Costs for 12 Month Period Following the Listing Date</b>	<b>(\$)</b>
Transfer Agent, Listing, Filing and Legal Fees	\$105,000
Accounting and Auditing	\$20,000
Office and Miscellaneous	\$22,500

<b>General and Administrative Costs for 12 Month Period Following the Listing Date</b>	<b>(\$)</b>
Travel	\$2,500
Management Compensation	NIL
<b>TOTAL:</b>	<b>\$150,000</b>

### **Business Objectives and Milestones**

The Company's sole intended business objective and milestone following the Offering is to complete the Phase 1 exploration program on the Property, as described herein. Based upon the recommendations of the Author in the Technical Report, the Company intends to carry out the initial aspects of Phase 1. The Company intends to complete the foregoing business objective in the forthcoming 12 month period.

The Company intends to spend a significant portion of the funds available to it for the Property, as stated in this Prospectus. There may be circumstances however, where, for sound business reasons, a reallocation of funds may be necessary. The Company intends to complete Phase 1 exploration program by the end of the fiscal year.

### **DIVIDENDS OR DISTRIBUTIONS**

#### **Dividends**

The Company has neither declared nor paid any dividends on its Common Shares. The Company intends to retain its earnings to finance growth and expand its operations and does not anticipate paying any dividends on its Common Shares in the foreseeable future.

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

The following discussion of the operating results and financial position of the Company should be read in conjunction with the financial statements and related notes as at and for the period ended June 30, 2018 forming part of this Prospectus. The Company's financial statements have been prepared in accordance with International Financial Reporting Standards. The information below is as at June 30, 2018 (unless otherwise specified below).

#### **Overview**

The Company is engaged in the business of mineral exploration in Canada and its objective is to locate and, if warranted, develop economic mineral properties. The Company holds a right to acquire a 100% right, title and interest in and to the Property located in Quebec. The Property consists of 16 claims.

#### **Overall Performance**

Following incorporation on March 6, 2018, the Company capitalized itself through the issuance of securities on a private placement basis. The Company raised an aggregate of \$525,150 through the issuance of its securities including the Special Warrants Private Placement and incurred approximately \$32,500 in expenditures with respect to the Property. The Company holds the sole and exclusive option to acquire a 100% right, title, and interest on the Property, an exploration stage property, and has not generated revenues to date. Management anticipates that it will incur considerably more expenses following the listing of the Common Shares on the Exchange. These funds will include increased professional fees necessary to comply with applicable securities rules and increased exploration costs as the Company carries out expenditures on the Property.

#### **Selected Financial Information**

The following table sets out selected financial information for the Company for the fiscal period ended June 30, 2018. The selected financial information should only be read in conjunction with the Company's financial statements, including the notes thereto, included elsewhere in this Prospectus.

*Statement of Operations, Comprehensive Loss and Deficit Data*

	<b>Period from Incorporation until June 30, 2018 (\$)</b>
Revenue	NIL
Total Expenses	53,256
Net income (loss) for the period	(53,256)
Income (loss) per share (basic and diluted)	NIL

*Balance Sheet Data*

	<b>As at June 30, 2018 (\$)</b>
Current Assets	352,344
Total Assets	384,844
Current Liabilities	53,100
Long Term Debt	NIL
Shareholders' Equity	331,744

As an exploration stage company, the Company has not generated revenue from its property interest and does not anticipate it will do so for the foreseeable future. The Company currently only owns the sole and exclusive option to acquire a 100% right, title and interest in and to a mineral property. Management anticipates that expenses related to mineral exploration and administration of the Company will materially increase following closing of the Offering. Management anticipates that such expenses will include increased exploration expenditures with respect to the Property and increased professional fees, and other costs associated with compliance with applicable securities laws following closing of the Offering, as well the costs of the Special Private Placement estimated at \$32,500.

**Results of Operations**

*For period from incorporation (March 6, 2018) to June 30, 2018*

During the period from incorporation (March 6, 2018) to June 30, 2018, the Company generated no revenues and incurred minimal expenses of \$53,256. Management anticipates that expenses will materially increase following the Listing Date including mineral exploration costs, administration costs and professional fees. Following the Listing Date, the Company intends to carry out the Phase 1 exploration program as set out in the Technical Report, incur increased administrative costs as set out in the heading "Use of Proceeds" and incur increased professional fees as the Company complies with applicable securities laws.

*Fiscal Year Ended June 30, 2018*

**Liquidity**

As at June 30, 2018, the Company has working capital of \$299,244, including cash of \$351,969 and current liabilities of \$53,100.

At August 1, 2018, there were 21,350,000 issued and fully paid Common Shares.

On March 6, 2018, the Company issued 5,400,000 Common Shares at \$0.005 per Common Share for proceeds of \$27,000.

Between May 10, 2018 and May 25 2018, the Company issued 14,650,000 Common Shares at \$0.02 per Common Share for proceeds of \$293,000.

On June 29, 2018, the Company issued 1,300,000 Common Shares at \$0.05 per Common Share for proceeds of \$65,000.

On July 30, 2018, the Company issued 1,401,500 Special Warrants pursuant to a private placement for proceeds of \$140,150. Each Special warrant entitles the holder to acquire one Common Share of the Company.

The Special Warrants will automatically convert to Common Shares on the earlier of: (a) the third business day following the day on which a receipt for a (final) prospectus has been issued; and (b) four months and a day from the Closing Date.

As the Company will not generate funds from operations for the foreseeable future, the Company is primarily reliant upon the sale of equity securities in order to fund operations. Since inception, the Company has funded limited operations through the issuance of equity securities on a private placement basis. This has permitted the Company to carry out limited exploration on its Property and address preliminary costs associated with the Offering. The Company anticipates that its total of working capital of \$439,394 following the Offering will be sufficient to satisfy the Company's cash requirements during the next 12 month period.

### **Capital Resources**

As set out under the heading "Use of Proceeds", the Company anticipates spending \$244,725 to carry out certain aspects the Phase 1 exploration program on the Property, \$150,000 to cover anticipated administrative costs for the next 12 month period, and approximately \$44,669 for unallocated general working capital. The Company cannot offer any assurance that expenses will not exceed management's expectations. The Company will require additional funds and will be dependent upon its ability to secure equity and/or debt financing, the availability of which cannot be assured.

Although the Company currently has limited capital resources, management currently believes that, the Company will not have to rely upon the sale of its equity and/or debt securities for cash required to fund operations for the next 12 month period, other than as disclosed in this Prospectus. The Company is required to incur exploration expenditures on or prior to the one-year anniversary of the Listing Date in order to keep its claims in good standing, which have been included in the budget of \$244,725 described previously.

### **Off-Balance Sheet Arrangements**

The Company does not have any off-balance sheet arrangements.

### **Transactions with Related Parties**

The following amounts due to related parties are included in trade payables and accrued liabilities, and have arisen from the unpaid portion of certain fees disclosed below as well as amounts owing for expense reimbursements. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

	<b>June 30, 2018</b>
Directors and officers of the Company	\$0

The Company has issued 175,000 Options to directors and officers of the Company pursuant to the Option Plan. The Company has not entered into any transactions for services or contributions with Directors of the Company that are not charged to the Company.

## **Significant Accounting Policies**

A detailed summary of all of the Company's significant accounting policies is included in Note 2 to the financial statements included in and forming part of this Prospectus.

## **Future Changes in Accounting Standards**

### *Standards, Amendments, and Interpretations Not Yet in Effect*

The International Accounting Standards Board has issued new and amended standards and interpretations which have not yet been adopted by the Company. The Company has not yet begun the process of assessing the impact that the new and amended standards and interpretations will have on its financial statements or whether to early adopt any of the new requirements. The following is a brief summary of the new and amended standards and interpretations:

#### *IFRS 16 - Leases*

The standard was issued in January 2016. It will result in almost all leases being recognised on the balance sheet by lessees, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The mandatory adoption date of the standard is January 1, 2019. The Company does not currently expect the standard to have a material impact on its financial statements.

#### *Accounting Estimates and Assumptions*

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income or loss in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

The areas in which the Company has exercised critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed below.

## **Exploration and Evaluation Expenditures**

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Exploration and evaluation assets are assessed for impairment when facts or circumstances suggest that the carrying value of an exploration and evaluation asset may exceed its recoverable amount. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The estimated recoverable amount is determined on an asset by asset basis, except where such assets do not generate cash flows independent of other assets, in which case the recoverable amount is estimated at the cash generating unit level. When facts and circumstances suggest that the carrying amount exceeds the recoverable amount, the Company will measure, present and disclose any resulting impairment loss.

## **Income Taxes**

The Company recognizes deferred tax assets relating to tax losses carried forward to the extent there are probable sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

## **Financial Instruments and Other Instruments**

Financial instruments of the Company consist of cash and accounts payable. Unless otherwise noted, management believes that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The carrying amounts of cash and accounts payable and accrued liabilities approximate their fair values due to the short-term nature of these instruments.

## **Disclosure of Outstanding Security Data**

### *Common Shares*

As at June 30, 2018 and the date of this Prospectus, the Company had 21,350,000 Common Shares issued and outstanding.

### *Share Options*

The Company has granted 175,000 Options as at the date of this Prospectus.

## **Title to Mineral Property Interests**

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

## **Additional Disclosure for Junior Issuers**

The Company anticipates that its estimated working capital of \$299,244 as at June 30, 2018, and proceeds of the Special Warrant Private Placement of \$140,150 will fund operations and payments for the next 12-month period. The operating costs necessary for the Company to achieve its stated business objectives consist of \$244,725 to carry out aspects of the Phase 1 exploration program on the Property and \$150,000 to cover anticipated administrative costs for the next 12-month period. Other than the costs stated above the Company does not anticipate incurring any other material capital expenditures during the next 12-month period.

## **DESCRIPTION OF SECURITIES DISTRIBUTED**

### **Common Shares**

The Company's authorized capital consists of an unlimited number of Common Shares, of which 21,350,000 are issued and outstanding as at the date of this Prospectus as fully paid and non-assessable. Holders of the Common Shares are entitled to vote at all meetings of the holders of the Common Shares, to receive any dividend declared by the Company and, subject to the rights of holders of any shares ranking in priority to or on a parity with the Common Shares, to participate rateably in any distribution of our property or assets upon liquidation or wind-up.

The Board is authorized to issue additional Common Shares on such terms and conditions and for such consideration as the Board may deem appropriate without further security holder action.

### **Special Warrants**

On July 30, 2018, the Company closed the Special Warrant Private Placement and issued 1,401,500 Special Warrants.

The Company has provided to each Special Warrant holder a contractual right of rescission of the prospectus exempt transaction under which the Special Warrant was initially acquired. The contractual right of rescission provides that if a Special Warrant holder who acquires another of our securities on exercise of the Special Warrant as provided for in this Prospectus is, or becomes, entitled under the securities legislation of a jurisdiction to the remedy of rescission because of the Prospectus or an amendment to the Prospectus containing a misrepresentation, then:

- (a) the holder is entitled to rescission of both the holder's exercise of its Special Warrant and the private placement transaction under which the Special Warrant was initially acquired,
- (b) the holder is entitled in connection with the rescission to a full refund of all consideration paid to the underwriter or issuer, as the case may be, on the acquisition of the Special Warrant, and
- (c) if the holder is a permitted assignee of the interest of the original Special Warrant subscriber, the holder is entitled to exercise the rights of rescission and refund as if the holder was the original subscriber.

Upon conversion of the Special Warrants into Common Shares, holders of the Common Shares shall be entitled to vote at all meetings of the holders of our Common Shares and, subject to the rights of holders of any shares ranking in priority to or on a parity with the Common Shares, to participate ratably in any distribution of the Company's property or assets upon liquidation or winding-up.

### Options

The Board has approved an Option Plan, designed for our selected employees, officers, directors, consultants and contractors, to incentivize such individuals to contribute toward our long-term goals, and to encourage such individuals to acquire Common Shares as long-term investments. Our Option Plan is administered by the Board and authorizes the issuance of Options may not to exceed 2,135,000 Common Shares. The terms of any award are determined by the Board, provided that no options may be granted at less than the fair market value of Common Shares as of the date of the grant. As of the date of this Prospectus, there are 175,000 outstanding options to purchase Common Shares under the Option Plan. See "*Options to Purchase Securities*".

### CONSOLIDATED CAPITALIZATION

The following table sets out the share capitalization of the Company as at the dates specified below.

Description	Authorized	Outstanding as at June 30, 2018	Outstanding as at the date of this Prospectus <sup>(1)(2)</sup>
Common Shares	Unlimited	21,350,000	21,350,000
Long Term Debt	Nil	Nil	Nil

**Notes:**

- (1) See "Prior Sales".
- (2) On an undiluted basis.

### Fully Diluted Share Capitalization

Common Shares	Amount of Securities	Percentage of Total
Issued and outstanding as at the date of this Prospectus	21,350,000	93.12%
Common Shares reserved for issuance upon the exercise of the Special Warrants	1,401,500	6.11%
Common Shares reserved for issuance upon exercise of Options	175,000	0.76%
<b>Total Fully Diluted Share Capitalization after the Offering</b>	<b>22,926,500</b>	<b>100%</b>

## OPTIONS TO PURCHASE SECURITIES

### Outstanding Options

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

Name of Optionee	Designation of Securities under Option	Number of Common Shares under Option	Exercise Price	Expiry Date
All executive officers and past executive officers as a group (2 persons)	Common Shares	100,000	\$0.10	July 9, 2028
All directors and past directors who are not also executive officers as a group (2 persons)	Common Shares	75,000	\$0.10	July 9, 2028

### Option Plan

The Option Plan was adopted by the Company's board of directors on July 5, 2018. The purpose of the Option Plan is to advance the interests of the Company and its shareholders by attracting, retaining and motivating the performance of selected directors, officers, employees or consultants of the Company of high caliber and potential and to encourage and enable such persons to acquire and retain a proprietary interest in the Company by ownership of its shares. The Option Plan provides that, subject to the requirements of the Exchange, the aggregate number of securities reserved for issuance, set aside and made available for issuance under the Option Plan may not exceed 2,135,000 Common Shares of the Company.

The Option Plan will be administered by the Board or a committee of the Board, either of which will have full and final authority with respect to the granting of all Options thereunder. Options may be granted under the Option Plan to such directors, officers, employees or consultants of the Company, as the board of directors may from time to time designate.

The exercise price of any Options granted under the Option Plan shall be determined by the Board, but may not be less than the market price of the Common Shares on the Exchange on the date of the grant (less any discount permissible under Exchange rules). The term of any Options granted under the Option Plan shall be determined by the Board at the time of grant but, subject to earlier termination in the event of termination or in the event of death, the term of any Options granted under the Option Plan may not exceed ten years. Options granted under the Option Plan are not to be transferable or assignable. Subject to certain exceptions, in the event that a director or officer ceases to hold office, options granted to such director or officer under the Option Plan will expire 60 days after such director or officer ceases to hold office. Subject to certain exceptions, in the event that an employee, or consultant ceases to act in that capacity in relation to the Company, Options granted to such employee, consultant or management company employee under the Option Plan will expire 60 days after such individual or entity ceases to act in that capacity in relation to the Company.

### PRIOR SALES

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

Date of Issue	Price per Security	Number of Securities
March 6, 2018	\$0.005	5,400,000 Common Shares
Between May 10, 2018 and May 25, 2018	\$0.02	14,650,000 Common Shares

Date of Issue	Price per Security	Number of Securities
June 29, 2018	\$0.05	1,300,000 Common Shares
July 30, 2018	\$0.10	1,401,500 Special Warrants <sup>(1)</sup>

**Notes:**

(1) Comprised the Special Warrant Private Placement.

### ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

As at the date of this Prospectus, the Common Shares subject to contractual restriction and escrow are as shown in the following table:

Designation of class	Number of securities held in escrow or that are subject to a contractual restriction on transfer	Percentage of class
Common Shares	19,075,000 <sup>(1)</sup>	89.34% <sup>(2)</sup>
Options	175,000 <sup>(3)</sup>	100% <sup>(4)</sup>

**Notes:**

- (1) These Common Shares are held under the Escrow Agreements in accordance with NP 46-201. The escrow agent is ●
- (2) Based on 21,350,000 Common Shares issued and outstanding as at the date of this Prospectus.
- (3) These Options are held under the Escrow Agreements in accordance with NP 46-201. The escrow agent is ●
- (4) Based on 175,000 Options issued and outstanding as at the date of this Prospectus.

#### Escrow Agreements

NP 46-201 provides that all shares of an issuer owned or controlled by its Principals will be escrowed at the time of the issuer's initial public offering. At the time of its initial public offering, an issuer will be classified for the purposes of escrow as either an "exempt issuer", an "established issuer" or an "emerging issuer" as those terms are defined in NP 46-201.

Uniform terms of automatic timed release escrow apply to Principals of exchange listed issuers, differing only according to the classification of the issuer. As the Company anticipates that its Common Shares will be listed on the Exchange, it will be classified as an "**emerging issuer**". As such, the following automatic timed releases will apply to the securities held by its Principals:

Date of Automatic Timed Release	Amount of Escrowed Securities Released
On the Listing Date	1/10 of the escrowed securities
6 months after the Listing Date	1/6 of the remaining escrowed securities
12 months after the Listing Date	1/5 of the remaining escrowed securities
18 months after the Listing Date	1/4 of the remaining escrowed securities
24 months after the Listing Date	1/3 of the remaining escrowed securities
30 months after the Listing Date	1/2 of the remaining escrowed securities
36 months after the Listing Date	The remaining escrowed securities

Assuming there are no changes to the escrowed securities initially deposited and no additional escrowed securities are deposited, automatic timed release escrow applicable to the Company will result in a 10% release on the Listing Date, with the remaining escrowed securities being released in 15% tranches every six months thereafter.

The automatic timed release provisions under NP 46-201 pertaining to "established issuers" provide that 25% of each Principal's and shareholder's escrowed securities are released on the Listing Date, with an additional 25%

being released in equal tranches at six month intervals over eighteen months. If, within eighteen months of the Listing Date, the Company meets the “established issuer” criteria as set out in NP 46-201, the escrowed securities will be eligible for accelerated release available for established issuers. In such a scenario, that number of escrowed securities that would have been eligible for release from escrow if the Company had been an “established issuer” on the Listing Date will be immediately released from escrow. The remaining escrowed securities would be released in accordance with the timed release provisions for established issuers, with all escrowed securities being released eighteen months from the Listing Date.

Pursuant to the terms of the Escrow Agreements 19,075,000 Common Shares and 175,000 Options will be held in escrow on the Listing Date.

### PRINCIPAL SECURITYHOLDERS

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

Name	Number of Common Shares Held and Type of Ownership	Percentage of Common Shares Held <sup>(1)</sup>
Craig Parry	8,100,000 Common Shares (Direct)	35.33%
Christina Dykun	10,100,000 Common Shares (Direct)	44.05%

**Notes:**

(1) Percentage is based on 22,926,500 Common Shares issued and outstanding as of the date of this Prospectus on a fully-diluted basis. See “Options to Purchase Securities”.

### DIRECTORS AND EXECUTIVE OFFICERS

#### Name, Occupation and Security Holdings

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

Name and Municipality of Residence and Position with the Company	Director/Officer Since	Principal Occupation	Number and Percentage of Common Shares Beneficially Owned or Controlled, Directly or Indirectly <sup>(1)</sup>
Craig Parry Vancouver, British Columbia <i>Chief Executive Officer and Director</i>	March 6, 2018	Executive of mining company, director of companies <sup>(2)</sup>	8,100,000 Common Shares (Direct) 35.33%
Ota Hally <sup>(3)</sup> Whistler, British Columbia <i>Chief Financial Officer and Director</i>	July 9, 2018	Consultant	200,000 Common Shares (Direct) 0.87%

<b>Name and Municipality of Residence and Position with the Company</b>	<b>Director/Officer Since</b>	<b>Principal Occupation</b>	<b>Number and Percentage of Common Shares Beneficially Owned or Controlled, Directly or Indirectly<sup>(1)</sup></b>
Marco Jacuta <sup>(3)(4)</sup> Toronto, Ontario <i>Director</i>	July 9, 2018	Lawyer	175,000 Common Shares (Direct) 0.76%
Louis Archambeault <sup>(3)(4)</sup> Vancouver, British Columbia <i>Director and Chair of Audit Committee</i>	July 9, 2018	Consultant	500,000 Common Shares (Direct) 2.18%

**Notes:**

- (1) Percentage is based on 22,926,500 Common Shares issued and outstanding as of the date of this Prospectus on a fully-diluted basis. See "Options to Purchase Securities".
- (2) Mr. Parry's principal occupation is President and Chief Executive Officer of IsoEnergy Ltd., a uranium exploration and development company.
- (3) Denotes a member of the Audit Committee of the Company.
- (4) Denotes an independent director.

The term of office of the directors expires annually at the time of the Company's next annual general meeting. As at the date of this Prospectus, the directors and executive officers of the Company as a group beneficially own, directly or indirectly, or exercised control or discretion over an aggregate of 8,975,000 Common Shares of the Company, which is equal to 39.15% of the Common Shares issued and outstanding as at the date hereof on a fully-diluted basis.

**Background**

The following is a brief description of each of the directors and executive officers of the Company, including their names, positions and responsibilities with the Company, relevant educational background, principal occupations or employment during the five years preceding the date hereof, experience in the Company's industry and the amount of time intended to be devoted to the affairs of the Company:

*Craig Parry – Director and Chief Executive Officer, 45 years old.*

Mr. Parry is a geologist, an experienced executive, and a member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr. Parry has over fifteen years of mineral exploration experience in gold, petroleum, diamonds, iron ore, copper, coal and uranium, having worked in roles ranging from exploration geologist to senior project geologist to principal geologist. He has over six years of managerial experience as an executive for mineral exploration firms, and has served as a director and as a CEO for a number of public and private companies in Canada, Australia and the US, including Tigers Realm Coal Ltd. and IsoEnergy Ltd. Mr. Parry holds a Honours Degree in Applied Geology from the University of New South Wales.

As the Chief Executive Officer of the Company, Mr. Parry is responsible for the day-to-day operations, outside contractors and service providers, acquisitions and project development, and of the financial operations of the Company in conjunction with the Chief Financial Officer and with outside accounting, tax and auditing firms. Mr. Parry anticipates devoting approximately 20% of his working time for the benefit of the Company.

*Ota Hally – Director and Chief Financial Officer, 51 years old.*

Mr. Hally is a Chartered Accountant and a Chartered Financial Analyst with broad experience in executive level financial management positions across multiple industries. He has worked for a number of large public practice firms and corporations, including KPMG, Meridian Gold, Yamana Gold, Pan American Silver and Endeavour Mining. Mr. Hally has also previously served as a corporate and financial controller, director of finance and as a

CFO for Canadian public companies. Since late 2016, Mr. Hally has served as an independent mining consultant, providing executive and financial management advice to public companies. Mr. Hally is a graduate of the British Columbia Institute of Technology, with a diploma in Finance and Accounting, and also holds a B.Comm in Entrepreneurial Management from Royal Roads University. Mr Hally obtained his Chartered Accountant designation in 2006, and his Chartered Financial Analyst Designation in 2014.

As the Chief Financial Officer of the Company, Mr. Hally is responsible for coordination of the financial operations of the Company in conjunction with the President and with outside accounting, tax and auditing firms. Mr. Hally anticipates devoting approximately 25% of his working time for the benefit of the Company.

*Marco Jacuta – Director, 30 years old.*

Mr. Jacuta is a lawyer licensed with the Law Society of Ontario and the Law Society of Alberta. Mr. Jacuta holds a Bachelor of Laws from the University of Leicester, in addition to a Master of Laws from Osgoode Hall Law School with a focus in Corporate, Energy and Mining Law. Mr. Jacuta has worked for a variety of public practice law firms and energy companies, including Williams & Price, Pacific Exploration & Production Corp., Irwin Lowy LLP, Hull & Hull LLP, Frontera Energy Corporation, CGX Energy Inc., Cambridge LLP, De Lage Landen Financial Services Canada Inc. and Caribbean Resources Corp. Mr. Jacuta anticipates devoting approximately 15% of his working time for the benefit of the Company.

*Louis Archambeault – Director, 38 years old.*

Mr. Archambeault is an engineer by profession, having earned a B.Eng in Mining and Mineral Engineering and an M.Eng in Mineral Economics and Artificial Intelligence, both from McGill University. Mr. Archambeault also has over 12 years of experience in the financial markets, including experience in the mineral exploration sector. He joined CIBC World Markets as an analyst in 2007, eventually rising to the role of director. After his time at CIBC, Mr. Archambeault went on to serve as Director, Corporate Development at Goldcorp and Head of North America at Appian Capital. Mr. Archambeault is currently Vice President Corporate Development at Orezone Gold Corporation. As Director and Chair of the Audit Committee, Mr. Archambeault anticipates devoting approximately 15% of his working time for the benefit of the Company.

### **Corporate Cease Trade Orders or Bankruptcies**

Other than as disclosed below, no director or executive officer of the Company is, as at the date of this Prospectus, or was within ten years before the date hereof, a director, Chief Executive Officer or Chief Financial Officer of any company, including the Company, that:

- (a) was subject to a cease trade order, an order similar to cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period for more than 30 consecutive days, that was issued while the director or executive officer was acting in the capacity as director, Chief Executive Officer or Chief Financial Officer; or
- (b) was subject to an a cease trade order, an order similar to cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period for more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, Chief Executive Officer or Chief Financial Officer and which resulted from an event that occurred while that person was acting in the capacity as director, Chief Executive Officer or Chief Financial Officer.

### **Penalties or Sanctions**

No director or executive officer of the Company or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement with a regulatory authority; or

- (b) any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor in making an investment decision.

### **Bankruptcies**

Other than as disclosed below, no director or executive officer of the Company or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

- (a) is, as at the date of this Prospectus, or has been within the ten years before the date hereof, a director or executive officer of any company, including the Company, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within the ten years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

### **Conflicts of Interest**

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

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

The directors and officers of the Company will not be devoting all of their time to the affairs of the Company. Some of the directors and officers of the Company are directors and officers of other companies, some of which are in the same business as the Company. In particular, Craig Parry will be devoting approximately 20% of his time to the affairs of the Company and Ota Hally will be devoting 25% of his time to the affairs of the Company. The directors and officers of the Company are required by law to act in the best interests of the Company. They have the same obligations to the other companies in respect of which they act as directors and officers. Discharge by the directors and officers of their obligations to the Company may result in a breach of their obligations to the other companies, and in certain circumstances this could expose the Company to liability to those companies. Similarly, discharge by the directors and officers of their obligations to the other companies could result in a breach of their obligations to act in the best interests of the Company. Such conflicting legal obligations may expose the Company to liability to others and impair its ability to achieve its business objectives.

### **EXECUTIVE COMPENSATION**

The Company was not a reporting issuer at any time during the fiscal year ended June 30, 2018, the Company's most recently completed financial year. Accordingly, and in accordance with Form 51-102F6 *Statement of Executive Compensation* ("**Form 51-102F6**"), the following is a discussion of all significant elements of compensation to be awarded to, earned by, paid to or payable to Named Executive Officers of the Company, once the Company becomes a reporting issuer, to the extent this compensation has been determined.

For the purposes hereof, the term Named Executive Officer, or NEO, means each Chief Executive Officer, each Chief Financial Officer and each of the Company's three most highly compensated executive officers, other than the Chief Executive Officer and the Chief Financial Officer, who were serving as executive officers as at the end of the

Corporation's most recently completed financial year ended June 30, 2018 and whose total salary and bonus exceeds \$150,000 and any additional individuals for whom disclosure would have been provided except that the individual was not serving as an officer of the Company at the end of the Company's most recently completed financial year.

### **Compensation Discussion and Analysis**

At its present stage of development, the Company does not have any formal objectives, criteria and analysis for determining the compensation of its Named Executive Officers and primarily relies on the discussions and determinations of the board of directors. With a view to minimizing its cash expenditures not directed at the exploration of the Property, the emphasis in compensating the Named Executive Officers shall be the grant of incentive Options under the Option Plan set forth below. The type and amount of future compensation to be paid to NEOs and directors has not been determined and the Board has not considered the implications of the risks associated with the compensation policies and practices. The Company has not considered the implications of the risks associated with the Company's compensation policies and practices. Neither NEOs nor directors are permitted to purchase financial instruments that are designed to hedge or offset a decrease in the market value of equity securities offered as compensation.

As of the date of this Prospectus, the Company's Board of Directors has not established any benchmark or performance goals to be achieved or met by Named Executive Officers, however, such Named Executive Officers are expected to carry out their duties in an effective and efficient manner so as to advance the business objectives of the Issuer. The satisfactory discharge of such duties is subject to ongoing monitoring by the Issuer's directors.

### **Option Based Awards**

On July 5, 2018, the Company implemented the Option Plan in order to provide effective incentives to directors, officers, senior management personnel and employees of the Company and to enable the Company to attract and retain experienced and qualified individuals in those positions by permitting such individuals to directly participate in an increase in per share value created for the Company's shareholders. The Company has no equity incentive plans other than the Option Plan. The size of Option grants is dependent on each officer's level of responsibility, authority and importance to the Company and the degree to which such officer's long-term contribution to the Company will be key to its long-term success.

During the fiscal year ended June 30, 2018, the Company granted 175,000 Options to directors and officers of the Company.

### **Defined Benefit Plans**

The Company does not have any defined benefit or actuarial plan.

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

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

### **Director Compensation**

The Company does not have any arrangements, standard or otherwise, pursuant to which directors are compensated by the Company for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as consultants or experts. As with the Named Executive Officers, the Board intends to compensate directors primarily through the grant of Options and reimbursement of expenses incurred by such persons acting as directors of the Company.

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

### Aggregate Indebtedness

Other than as disclosed herein and other than routine indebtedness, as that term is defined in paragraph 10.3(c) of Form 51-102F5 Information Circular (“**Form 51-102F5**”), no directors, executive officers and employees and no former directors, executive officers and employees of the Company are or were indebted to the Company in connection with a purchase of securities and all other indebtedness as at the date of this Prospectus.

### Indebtedness of Directors and Executive Officers under Securities Purchase and Other Programs

Other than as disclosed herein, or other than routine indebtedness, as that term is defined in paragraph 10.3(c) of Form 51-102F5, no directors or executive officers of the Company, and associates of such directors or executive officers are or were indebted to the Company as at the date of this Prospectus.

## AUDIT COMMITTEE AND CORPORATE GOVERNANCE

### Audit Committee

The Audit Committee’s role is to act in an objective, independent capacity as a liaison between the auditors, management and the Board and to ensure the auditors have a facility to consider and discuss governance and audit issues with parties not directly responsible for operations. NI 52-110, NI 41-101 and Form 52-110F2 require the Company, as an IPO venture issuer, to disclose certain information relating to the Company’s audit committee and its relationship with the Company’s independent auditors. Louis Archambeault is the chair of the audit committee.

### Audit Committee Charter

The text of the Audit Committee’s charter is attached as Schedule “B” to this Prospectus.

### Composition of Audit Committee

The members of the Company’s Audit Committee are:

Louis Archambeault, Chair	Independent <sup>(1)</sup>	Financially literate <sup>(2)</sup>
Ota Hally	Not Independent <sup>(1)</sup>	Financially literate <sup>(2)</sup>
Marco Jacuta	Independent <sup>(1)</sup>	Financially literate <sup>(2)</sup>

#### Notes:

- (1) A member of an audit committee is independent if the member has no direct or indirect material relationship with the Company, which could, in the view of the Board, reasonably interfere with the exercise of a member’s independent judgment. Mr. Hally is not independent, as Mr. Hally is Chief Financial Officer of the Company.
- (2) An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements.

### Relevant Education and Experience

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

- (a) an understanding of the accounting principles used by the Company to prepare its financial statements and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- (b) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and

complexity of issues that can reasonably be expected to be raised by the Company's financial statements or experience actively supervising individuals engaged in such activities; and

- (c) an understanding of internal controls and procedures for financial reporting. See "Directors and Executive Officers" for further details.

### **Audit Committee Oversight**

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

### **Reliance on Certain Exemptions**

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in from NI 52-110, in whole or in part.

### **Pre-Approval Policies and Procedures**

The Audit Committee is authorized by the Board to review the performance of the Company's external auditors and approve in advance provision of services other than auditing and to consider the independence of the external auditors, including a review of the range of services provided in the context of all consulting services bought by the Company. The Audit Committee is authorized to approve in writing any non-audit services or additional work which the Chairman of the Audit Committee deems is necessary, and the Chairman will notify the other members of the Audit Committee of such non-audit or additional work and the reasons for such non-audit work for the Committee's consideration, and if thought fit, approval in writing.

### **External Auditor Service Fees**

The Company's external audit fees for the period ended June 30, 2018 were \$7,500. In connection with the preparation of this Prospectus and the Offering, the Company's external auditor's fees are expected to be \$2,500.

### **Exemption**

The Company has relied upon the exemption provided by section 6.1 of NI 52-110, which states that the Company, as an IPO Venture Issuer, is not required to comply with Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations).

## **CORPORATE GOVERNANCE**

### **General**

The Board believes that good corporate governance improves corporate performance and benefits all shareholders. NP 58-201 provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Company. In addition, NI 58-101 prescribes certain disclosure by the Company of its corporate governance practices. This disclosure is presented below.

### **Board of Directors**

The Board facilitates its exercise of independent supervision over the Company's management through frequent meetings of the Board. The Board is comprised of four directors: Craig Parry, Ota Hally, Marco Jacuta and Louis Archambeault. As the size of the Board is small, the Board has no formal procedures designed to facilitate the exercise of independent supervision over management, relying instead on the integrity of the individual members of its management team to act in the best interests of the Company.

Craig Parry is not independent as he is the Chief Executive Officer. Ota Hally is not independent as he is the Chief Financial Officer of the Company.

## **Directorships**

Currently, the following directors are also directors of the following other reporting issuers:

Craig Parry      NexGen Energy Ltd., IsoEnergy Ltd. and Skeena Resources Ltd.

## **Orientation and Continuing Education**

New Board members receive an orientation package which includes reports on operations and results, and any public disclosure filings by the Company, as may be applicable. Board meetings are sometimes held at the Company's offices and, from time to time, are combined with presentations by the Company's management to give the directors additional insight into the Company's business. In addition, management of the Company makes itself available for discussion with all Board members.

## **Ethical Business Conduct**

The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

## **Nomination of Directors**

The Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of view and experience.

The Board does not have a nominating committee, and these functions are currently performed by the Board as a whole. However, if there is a change in the number of directors required by the Company, this policy will be reviewed.

## **Compensation**

The Board is responsible for determining compensation for the directors of the Company to ensure it reflects the responsibilities and risks of being a director of a public company.

## **Other Board Committees**

The Board has no committees, other than the Audit Committee.

## **Assessments**

Due to the minimal size of the Board, no formal policy has been established to monitor the effectiveness of the directors, the Board and its committees.

## **PLAN OF DISTRIBUTION**

This Prospectus qualifies the distribution of 1,401,500 Special Warrant Shares to be distributed, without additional payment, upon the exercise or deemed exercise of 1,401,500 Special Warrants.

Pursuant to the Special Warrant Private Placement, the Company sold the Special Warrants at a price of \$0.10 per Special Warrant. The Special Warrant Price was determined by negotiation between the Company and the investors. The Company completed the Special Warrant Private Placement on the Closing Date pursuant to exemptions from the prospectus requirements of applicable securities laws in accordance with subscription agreements between the Company and the purchasers of the Special Warrant. The gross proceeds of the Special Warrant Private Placement were \$140,150. Each Special Warrant entitles the holder to acquire, without further payment, one Common Share

and will automatically convert on the earlier of: (a) the third business day following the day on which a receipt for a (final) prospectus has been issued; and (b) four months and a day from the Closing Date.

This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities qualified for distribution hereunder within the United States or to U.S. persons (as such terms are defined in Regulation S under the United States Securities Act of 1933, as amended).

The securities offered under this Prospectus have not been, and will not be, registered under the U.S. Securities Act, or any state securities laws, and except pursuant to an exemption from registration under the U.S. Securities Act and applicable state securities laws, may not be offered or sold, directly or indirectly, within the United States or to, or for the account or benefit of, a U.S. Person. This Prospectus does not constitute an offer to sell or solicitation of an offer to buy any of the securities offered hereby within the United States.

### **Listing of Common Shares**

Concurrently with the filing of this Prospectus, the Company intends to apply to list its issued and outstanding Common Shares, the Special Warrant Shares qualified under this Prospectus and all other Common Shares issuable as described in this Prospectus on the Exchange. Listing will be subject to the Company fulfilling all the requirements of the Exchange, including minimum public distribution requirements. See “Plan of Distribution”.

### **IPO Venture Issuer**

As at the date of the Prospectus, the Company does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, a U.S. marketplace, or a marketplace outside of Canada and the United States of America. See “Risk Factors”.

## **RISK FACTORS**

### **General**

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

### **Limited Operating History**

The Company has no history of earnings. There are no known commercial quantities of mineral reserves on any properties optioned by the Company. The purpose of the Offering is to raise funds to carry out exploration and, if thought appropriate, development with the objective of establishing economic quantities of mineral reserves. There is no guarantee that economic quantities of mineral reserves will be discovered on any properties optioned by the Company in the near future or at all. If the Company does not generate revenue, it may be unable to sustain its operations in which case it may become insolvent and you may lose your investment.

### **Speculative Nature of Mineral Exploration**

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

other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection, the combination of which factors may result in the Company not receiving an adequate return of investment capital. There is no assurance that the Company's mineral exploration activities will result in any discoveries of commercial bodies of ore. The long-term profitability of the Company's operations will in part be directly related to the costs and success of its exploration programs, which may be affected by a number of factors. Substantial expenditures are required to establish reserves through drilling and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis.

### **Acquisition of Additional Mineral Properties**

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

### **Commercial Ore Deposits**

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

### **Uninsurable Risks**

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

### **Permits and Government Regulations**

The future operations of the Company may require permits from various federal, provincial and local governmental authorities and will be governed by laws and regulations governing prospecting, development, mining, production, export, taxes, labour standards, occupational health, waste disposal, land use, environmental protections, mine safety and other matters. There can be no guarantee that the Company will be able to obtain all necessary permits and approvals that may be required to undertake exploration activity or commence construction or operation of mine facilities on the Property.

### **Environmental and Safety Regulations and Risks**

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

environmental standards. There is a risk that environmental laws and regulations may become more onerous, making the Company's operations more expensive.

### **Key Person Insurance**

The Company does not maintain key person insurance on any of its directors or officers, and as result the Company would bear the full loss and expense of hiring and replacing any director or officer in the event the loss of any such persons by their resignation, retirement, incapacity, or death, as well as any loss of business opportunity or other costs suffered by the Company from such loss of any director or officer.

### **Mineral Titles**

The Company is satisfied that evidence of title to the Property is adequate and acceptable by prevailing industry standards with respect to the current stage of exploration on the Property. The Company may face challenges to the title the Property or subsequent properties it may acquire, which may prove to be costly to defend or could impair the advancement of the Company's business plan.

### **Loss of Interest in Properties**

The Company's ability to maintain an interest in the properties optioned or owned by the Company will be dependent on its ability to raise additional funds by equity financing. Failure to obtain additional financing may result in the Issuer being unable to make the periodic payments required to keep the Property in good standing and could result in the delay or postponement of further exploration and or the partial or total loss of the Issuer's interest in the properties transferred to or optioned by the Issuer.

Failure to obtain additional financing may result in the Company being unable to complete the required work required to keep the Property interests in good standing and could result in the delay or postponement of further exploration and or the partial or total loss of the Company's interest in the Property.

### **Aboriginal Title**

The Property or other properties owned or optioned by the Company may in the future be the subject of First Nations land claims. The legal nature of aboriginal land claims is a matter of considerable complexity. The impact of any such claim on the Company's ownership interest in the properties optioned or owned by the Company 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 properties optioned or purchased by the Company are 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 First Nations in order to facilitate exploration and development work on the properties optioned or owned by the Company.

### **Fluctuating Mineral Prices**

The Company's revenues in the future, if any, are expected to be in large part derived from the extraction and sale of precious and base minerals and metals, which in turn depend on the results of the Company's exploration on these properties and whether development will be commercially viable or even possible. Factors beyond the control of the Company may affect the marketability of metals discovered, if any. Metal prices have fluctuated widely, particularly in recent years. Consequently, the economic viability of any of the Company's exploration projects cannot be accurately predicted and may be adversely affected by fluctuations in mineral prices.

### **Competition**

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

## **Management**

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

## **Financing Risks**

The Company has no history of significant earnings and, due to the nature of its business, there can be no assurance that the Company will be profitable. The Company has paid no dividends on its shares since incorporation and does not anticipate doing so in the foreseeable future. The only present source of funds available to the Company is through the sale of its securities. Even if the results of exploration are encouraging, the Company may not have sufficient funds to conduct the further exploration that may be necessary to determine whether or not a commercially mineable deposit exists on the properties owned by the Company. While the Company may generate additional working capital through further equity offerings or through the sale or possible syndication of the property owned by the Company, there is no assurance that any such funds will be available. If available, future equity financing may result in substantial dilution to purchasers under the Offering. At present it is impossible to determine what amounts of additional funds, if any, may be required.

## **Negative Cash Flows From Operations**

For the year ended June 30, 2018, the Company sustained net losses from operations and had negative cash flow from operating activities of \$531. The Company continues to have negative operating cash flow. It is highly likely the Company may have negative cash flow in any future period and as a result, the Company will need to use available cash, including proceeds to fund any such negative cash flow.

## **Resale of Common Shares**

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

## **Price Volatility of Publicly Traded Securities**

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

## **Conflicts of Interest**

Some of the directors and officers are engaged and will continue to be engaged in the search for additional business opportunities on behalf of other corporations, and situations may arise where these directors and officers will be in direct competition with the Company. Conflicts, if any, will be dealt with in accordance with the relevant provisions of the *Business Corporations Act* (Ontario). Some of the directors and officers of the Company are or may become directors or officers of other companies engaged in other business ventures. In order to avoid the possible conflict of

interest which may arise between the directors' duties to the Company and their duties to the other companies on whose boards they serve, the directors and officers of the Company have agreed to the following:

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

### **Tax Issues**

Income tax consequences in relation to the Common Shares will vary according to circumstances of each investor. Prospective investors should seek independent advice from their own tax and legal advisers prior to investing in Common Shares of the Company.

### **Dividends**

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

### **PROMOTER**

Craig Parry, the Company's Chief Executive Officer, may be considered to be a Promoter of the Company in that he took the initiative in organizing the business of the Company. Mr. Parry is the registered and beneficial owner of 8,100,000 Common Shares of the Company, which is equal to 35.33% of the Common Shares issued and outstanding as at the date hereof on a fully-diluted basis.

Other than as disclosed above, no person who was a Promoter of the Company:

1. received anything of value directly or indirectly from the Company;
2. sold or otherwise transferred any asset to the Company within the last 2 years;
3. is at of the date hereof, or was within 10 years before the date hereof, a director, CEO or CFO of any person or company that was the subject of a cease trade order or similar order or an order that denied the relevant person or company access to any statutory exemptions for a period of more than 30 consecutive days while that person was acting in the capacity as director, CEO or CFO;
4. is at of the date hereof, or was within 10 years before the date hereof, a director, CEO or CFO of any person or company that was the subject of a cease trade order or similar order or an order that denied the relevant person or company access to any statutory exemptions for a period of more than 30 consecutive days that was issued after the person ceased to be a director, CEO or CFO and which resulted from an event that occurred while the person was acting in the capacity as director, CEO or CFO;
5. is at of the date hereof, or was within 10 years before the date hereof, a director or executive officer of any person or company that, while the person was acting in that capacity, or within a year of that person ceasing to act in the capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver or receiver manager or trustee appointed to hold its assets;
6. has, within 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any

proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the person;

7. has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority;
8. has been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision; or
9. has within the past 10 years become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver or receiver manager or trustee appointed to hold its assets.

## **LEGAL PROCEEDINGS**

### **Legal Proceedings**

The Company is not currently a party to any legal proceedings, nor is the Company currently contemplating any legal proceedings, which are material to its business. Management of the Company is not currently aware of any legal proceedings contemplated against the Company.

### **Regulatory Actions**

From incorporation to the date of this Prospectus, management knows of no:

- (a) penalties or sanctions imposed against the Company by a court relating to provincial and territorial securities legislation or by a securities regulatory authority;
- (b) other penalties or sanctions imposed by a court or regulatory body against the Company necessary for the Prospectus to contain full, true and plain disclosure of all material facts relating to the securities being distributed; and
- (c) settlement agreements the Company entered into before a court relating to provincial and territorial securities legislation or with a securities regulatory authority.

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

Except as noted in this Prospectus, from incorporation on March 6, 2018 to the date of this Prospectus, none of the following persons or companies has had any material interest, direct or indirect, in any transaction which has materially affected or is reasonably expected to materially affect the Company:

- (a) any director or executive officer of the Company;
- (b) any person or company that is the direct or indirect beneficial owner of, or who exercises control or direction over, more than 10% of any class or series of the Company's outstanding voting securities; and
- (c) any associate or affiliate of any of the persons or companies referred to in paragraphs (a) or (b).

## **AUDITORS**

The auditors of the Company are PricewaterhouseCoopers LLP, having an address at PwC Tower, 18 York Street, Suite 2600, Toronto, Ontario M5J 0B2. Such firm is independent of the Company within the meaning of the Chartered Professional Accountants of Ontario CPA Code of Professional Conduct.

## **REGISTRAR AND TRANSFER AGENT**

The registrar and transfer agent of the Company is ● at ●.

## **MATERIAL CONTRACTS**

Except for contracts made in the ordinary course of business, the Option Agreement is the only material contract entered into by the Company from its incorporation to the date of this Prospectus.

## **EXPERTS**

### **Experts**

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

PricewaterhouseCoopers LLP, Chartered Accountants, auditor of the Company, who prepared the independent auditor's report on the Company's financial statements included in and forming part of this Prospectus, and have informed the Company that it is independent of the Company within the meaning of the Chartered Professional Accountants of Ontario CPA Code of Professional Conduct.

The Technical Report was prepared by Abby Peterson, B.Sc., P.Geo. Ms. Peterson has no interest in the Company, the Company's securities or the Property and has not held, received or is to receive any registered or beneficial interests, direct or indirect, in any securities or other property of the Company or of its associates or affiliates when the Technical Report was prepared or thereafter.

## **OTHER MATERIAL FACTS**

Other than as disclosed in this Prospectus, there are no other material facts about the securities being distributed pursuant to this Offering that are not disclosed under any other items and are necessary in order for this Prospectus to contain full, true and plain disclosure of all material facts relating to the Common Shares to be distributed.

## **RIGHTS OF WITHDRAWAL AND RESCISSION**

Securities legislation in the Provinces of Ontario, British Columbia, Alberta and Manitoba provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In some provinces, the securities legislation further provides a purchaser with remedies for rescission, revisions of the price, or damages if this Prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions 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.

## **FINANCIAL STATEMENTS**

Financial statements of the Company for the period ended June 30, 2018, are included in this Prospectus as Schedule "A".

**SCHEDULE “A”**  
**FINANCIAL STATEMENTS**  
**SKARB EXPLORATION CORP.**  
**June 30, 2018**  
**(Expressed in Canadian Dollars)**

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**SKARB EXPLORATION CORP.**

**FINANCIAL STATEMENTS**

**FOR THE PERIOD**

***MARCH 6, 2018***  
*(Date of Incorporation)*

**to**

***JUNE 30, 2018***

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August @@, 2018

## **Independent Auditor's Report**

### **To the Stockholders of Skarb Exploration Corp.**

We have audited the accompanying financial statements of Skarb Exploration Corp., which comprise the statement of financial position as at June 30, 2018 and the statements of loss and comprehensive loss, changes in equity and cash flows for the period from March 6, 2018 (date of incorporation) to June 30, 2018, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

#### **Management's responsibility for the financial statements**

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

#### **Auditor's responsibility**

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

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

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

**Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of Skarb Exploration Corp. as at as at June 30, 2018 and the results of its financial performance and its cash flows for the period from March 6, 2018 (date of incorporation) to June 30, 2018 in accordance with International Financial Reporting Standards.

**Chartered Professional Accountants, Licensed Public Accountants**

**SKARB EXPLORATION CORP.**  
**STATEMENT OF FINANCIAL POSITION**  
(Expressed in Canadian Dollars)

	Note	As at June 30, 2018
<b>ASSETS</b>		
Current		
Cash		351,969
GST Receivable		375
		<b>352,344</b>
Non-Current		
Exploration & evaluation assets	4	32,500
<b>TOTAL ASSETS</b>		<b>384,844</b>
<b>LIABILITIES</b>		
Current		
Accounts payable and accrued liabilities		\$53,100
<b>TOTAL LIABILITIES</b>		<b>\$53,100</b>
<b>EQUITY</b>		
Share capital	5	385,000
Deficit		(53,256)
<b>TOTAL EQUITY</b>		<b>331,744</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>384,844</b>

These financial statements were authorized for issue by the Board of Directors on August ●, 2018

/s/ "Craig Parry"

**CRAIG PARRY, Chief Executive Officer**

/s/ "Ota Hally"

**OTA HALLY, Chief Financial Officer**

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

**SKARB EXPLORATION CORP.**

**STATEMENT OF LOSS AND COMPREHENSIVE LOSS**

(Expressed in Canadian Dollars)

	Note	From March 6, 2018 (Date of Incorporation) to June 30, 2018
<hr/>		
<b>Expenses</b>		
Bank Fees		\$ 156
Professional Fees		53,100
<hr/>		
<b>Loss and comprehensive loss</b>		<b>\$ 53,256</b>
<hr/>		
Loss per common share – basic and diluted		\$ (0.00)
<hr/>		
Weighted average number of common shares outstanding – basic and diluted		10,850,000
<hr/>		

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

**SKARB EXPLORATION CORP.**  
**STATEMENT OF CHANGES IN EQUITY**  
(Expressed in Canadian Dollars)

	Note	Number of Common Shares	Share Capital	Deficit	Total
<b>Balance as at March 6, 2018 (date of incorporation)</b>		-	-	-	\$ -
Shares issued	5	21,350,000	\$ 385,000	-	385,000
Loss for the period		-	-	(53,256)	(53,256)
<b>Balance as at June 30, 2018</b>		<b>21,350,000</b>	<b>\$ 385,000</b>	<b>(53,256)</b>	<b>331,744</b>

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

**SKARB EXPLORATION CORP.**  
**STATEMENT OF CASH FLOWS**  
(Expressed in Canadian Dollars)

**From March 6, 2018**  
**(Date of Incorporation)**  
**to June 30, 2018**

<b>Cash flows from (used in) operating activities</b>		
Net loss for the period	\$	(53,256)
Changes in non-cash working capital		
GST Receivable		(375)
Accounts payable and accrued liabilities		53,100
	\$	(531)
<b>Cash flows used in investing activities</b>		
Additions of exploration and evaluation asset Note 4	\$	(32,500)
	\$	(32,500)
<b>Cash flows provided by financing activities</b>		
Issuance of common shares Note 5	\$	385,000
	\$	385,000
<b>Change in cash</b>	<b>\$</b>	<b>351,969</b>
Cash, beginning of period		-
<b>Cash, end of period</b>	<b>\$</b>	<b>351,969</b>

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

**SKARB EXPLORATION CORP.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
(Expressed in Canadian Dollars)

**1. NATURE OF OPERATIONS**

Skarb Exploration Corp. (“Skarb” or the “Company”) was incorporated pursuant to the provisions of the Business Corporations Act of Ontario on March 6, 2018. The Company’s registered and records office is located at: 4 Brule Gardens, Toronto, ON M6S 4J2.

The Company’s principal business activities include the acquisition and exploration of mineral property assets. On March 14, 2018, the Company entered into an Option Agreement to obtain the sole and exclusive right and option to acquire a 100% right, title and interest in the RDR Gold Property located in the Province of Quebec. Please refer to Note 4 for details on RDR Gold Property.

The Company had a deficit of \$53,256 as at June 30, 2018, which has been funded by the issuance of equity. The Company’s ability to continue its operations and exploration is dependent upon obtaining additional financing.

**2. SIGNIFICANT ACCOUNTING POLICIES**

a) **Basis of Preparation**

The accounting policies followed by the Company as set out below have been consistently followed in the preparation of these financial statements.

b) **Statement of Compliance**

These financial statements for the period ended June 30, 2018 have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee.

c) **Basis of Presentation**

These financial statements have been prepared on a historical cost basis. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information. All monetary references expressed in these notes are references to Canadian dollar amounts (“\$”).

d) **Functional and Presentation Currency**

These financial statements have been prepared in Canadian dollars, which is the Company’s functional and presentation currency.

e) **Cash**

Cash includes cash on hand with a Canadian chartered bank.

f) **Exploration and evaluation assets**

All costs related to the acquisition, exploration and evaluation of mineral properties are capitalized as incurred and deferred until management establishes technical feasibility and economic feasibility of a property. When technical feasibility and commercial viability of a property is demonstrated, exploration and evaluation assets will be reclassified into property.

The recoverability of mineral properties and exploration and development costs is dependent on the existence of economically recoverable reserves, the ability to obtain the necessary financing to complete the development of the reserves, and the profitability of future operations. The Company has not yet determined whether or not any of its future mineral properties contain economically recoverable reserves. Amounts capitalized to mineral properties as exploration costs do not necessarily reflect present or future values.

**SKARB EXPLORATION CORP.**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
(Expressed in Canadian Dollars)

When properties are sold, proceeds are credited to the cost of the property. If no future capital expenditure is required and proceeds exceed costs, the excess proceeds are reported as a gain.

Exploration and evaluation assets are assessed for impairment when facts or circumstances suggest that the carrying value of an exploration and evaluation asset may exceed its recoverable amount. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The estimated recoverable amount is determined on an asset by asset basis, except where such assets do not generate cash flows independent of other assets, in which case the recoverable amount is estimated at the cash generating unit level. When facts and circumstances suggest that the carrying amount exceeds the recoverable amount, the Company will measure, present and disclose any resulting impairment loss.

g) **Share-based payment transaction**

Equity-settled share-based payments are measured at fair value at the relevant grant date. The fair value of share options granted to employees and others providing similar services is recognized as an expense over the vesting period with a corresponding increase in equity. The Company measures the goods or services provided, and the corresponding increase in equity, directly, at the fair value of the goods or services received, unless the fair value cannot be estimated reliably, in which case, the Company measures their value and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted. The fair value of the options granted is measured using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

h) **Loss per Share**

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. Diluted loss per share, where applicable, is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all warrants and options outstanding that may add to the total number of common shares.

i) **Financial Assets**

All financial instruments are classified in the following categories on initial recognition: amortised cost, fair value through other comprehensive income or fair value through profit or loss (“FVTPL”). Cash is classified and measured at amortised cost.

j) **Financial liabilities**

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or amortised cost.

Financial liabilities classified as amortised cost are initially recognized at fair value less directly attributable transaction costs. After initial recognition, they are subsequently measured at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Company’s accounts payable are classified as amortized cost.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

**SKARB EXPLORATION CORP.**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
(Expressed in Canadian Dollars)

k) **Income taxes**

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted at the period end date, and any adjustment to tax payable in respect of previous year.

Deferred income taxes are recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the tax rates and tax laws that have been enacted or substantively enacted by the statement of financial position date. Deferred tax is not recognized for temporary differences which arise on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting, nor taxable profit or loss.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. As at June 30, 2018, no deferred tax asset has been recognized, as it is not considered probable that future taxable profit will be generated.

l) **Provisions**

Provisions are only recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

m) **Future Accounting Pronouncements**

The following standard have not been adopted by the Company and are being evaluated:

**IFRS 16 – Leases**

The standard was issued in January 2016. It will result in almost all leases being recognised on the balance sheet by lessees, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The mandatory adoption date of the standard is January 1, 2019. The Company does not currently expect the standard to have a material impact on its financial statements.

**3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS**

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

**SKARB EXPLORATION CORP.**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
(Expressed in Canadian Dollars)

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

*Significant accounting judgments*

- i. the consideration of whether impairment indicators exist for exploration and evaluation assets; and
- ii. the determination tax losses are currently not probable to be utilized against taxable profit.

**4. EXPLORATION AND EVALUATION ASSET**

	Acquisition Costs	Exploration Costs	Total
	\$	\$	\$
Opening balance	-	-	-
Acquisition and exploration costs	25,000	7,500	32,500
<b>Balance, June 30, 2018</b>	<b>25,000</b>	<b>7,500</b>	<b>32,500</b>

**RDR Gold Property**

Pursuant to an option agreement (the “Agreement”) dated March 14, 2018 (the “Effective Date”), the Company was granted an option to acquire a 100% right, title and interest in and to the RDR Gold Property (the “Property”) located in the Province of Quebec.

In accordance with the Agreement, the Company has the option to acquire a 100% right, title and interest in and to the Property by issuing a total of 1,550,000 common shares of the Company to the Optionors, making cash payments totaling \$50,000, and incurring a total of \$1,000,000 in exploration expenditures as follows:

	Common Shares	Cash	Exploration Expenditures
		\$	\$
Upon execution of the Agreement (paid)	-	25,000	-
Upon listing of the Company’s common shares on the Canadian Securities Exchange (the “Listing”)	300,000	-	-
On or before 14 months after the Effective Date	500,000	-	250,000
On or before 28 months after the Effective Date	750,000	25,000	750,000
<b>Balance, June 30, 2018</b>	<b>1,550,000</b>	<b>50,000</b>	<b>1,000,000</b>

The optionor retains a 1% Gross Overriding Royalty (“GORR”) on the Property. The Company has the right to purchase the first ½% of the GORR for \$1,000,000 at any time.

**5. SHARE CAPITAL**

**Authorized Capital:** Unlimited number of common shares with no par value.

**SKARB EXPLORATION CORP.**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
(Expressed in Canadian Dollars)

**Issued:**

	Number of common shares	Nominal value of common shares \$
March 6, 2018 (date of incorporation) at \$0.005 per share	5,400,000	27,000
May 10, 2018 at \$0.02 per share	6,900,000	138,000
May 25, 2018 at \$0.02 per share	7,750,000	155,000
June 29, 2018 at \$0.05 per share	1,300,000	65,000
<b>Balance, June 30, 2018</b>	<b>21,350,000</b>	<b>385,000</b>

**6. RELATED PARTY TRANSACTIONS**

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of executive and non-executive members of the Company's Board of Directors and corporate officers.

During the period ended June 30, 2018, 19,075,000 common shares were issued to related parties (Note 5).

Remuneration attributed to key management personnel for the period ended June 30, 2018 was \$Nil. On July 9, 2018, the Company implemented a share option plan (Note 10) and granted share options to an officer and a director of the Company.

**7. CAPITAL MANAGEMENT**

The Company's capital consists of share capital. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support exploration. The Board of Directors does not impose quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain the future development of the business.

In the management of capital, the Company considers all types equity and is dependent on third party financing, whether through debt, equity, or other means. Although the Company has been successful in raising funds to date, there is no assurance that the Company will be successful in obtaining required financing in the future or that such financing will be available on terms acceptable to the Company.

Management reviews its capital management approach on an on-going basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital requirements.

**8. FINANCIAL INSTRUMENTS**

a) **Fair Value**

The fair value of the Company's financial instruments approximates their carrying value as at June 30, 2018 because of the demand nature or short-term maturity of these instruments.

b) **Financial Risk Management Objectives and Policies**

The Company's financial instruments consist of cash and accounts payable. The risks associated with these financial instruments and the policies on how the Company mitigates these risks are set out below.

**SKARB EXPLORATION CORP.**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
(Expressed in Canadian Dollars)

Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

i) **Credit Risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. As at June 30, 2018, the Company has cash on deposit with a large Canadian bank. Management believes the risk of loss to be remote.

ii) **Liquidity Risk**

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet its obligations under financial instruments. The Company manages liquidity risk by maintaining sufficient cash balances. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital to meet short-term obligations. As at June 30, 2018, the Company had a working capital of \$299,244 (including GST receivable), including cash of \$351,969.

iii) **Market Risk**

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and commodity and equity prices. The Company does not expect exchange rates, and commodity and equity prices to have a material impact to the Company.

iv) **Rate Risk**

Interest rate risk is the risk that the future cash flows from a financial instrument will fluctuate due to changes in market interest rates. The Company holds its cash in bank accounts that earn variable interest rates. Due to the short-term nature of these financial instruments, fluctuations in market rates do not have a significant impact on the estimated fair value of the Company's cash and cash equivalent balances as of June 30, 2018.

**9. COMMITMENTS**

The Company has no capital or operating commitments as at June 30, 2018. Note 4 summarizes the terms of the Company's option agreement for the Property.

**10. SUBSEQUENT EVENTS**

On July 9, 2018, the Company implemented a share option plan (the "Plan") and granted (a) 100,000 options to acquire Common Shares to an Officer of the Company and (b) 75,000 options to acquire Common Shares to a director of the Company. The options granted have an exercise price of \$0.10 and expire 10 years from the grant date.

On July 30, 2018, the Company closed an offering of 1,401,500 special warrants (each, a "Special Warrant") for a net proceeds of \$140,150. 2,000 Special Warrants were purchased by persons who are considered related parties of the Company. The Company's directors passed a resolution on July 12, 2018 for the Company to complete an Initial Public Offering on the Canadian Securities Exchange. On August 1, 2018, the Company filed a preliminary long form prospectus (the "Prospectus") for purposes of completing an initial public offering (the "Offering") of 1,401,500 Common Shares upon the automatic conversion of the Special Warrants of the Company. In accordance with the terms of the Special Warrants, each Special Warrant will automatically convert into a Common Share on the earlier of: (a) the third business day following the day on which a receipt for a final prospectus filed in connection with the Offering has been issued; and (b) four months and a day from July 30, 2018. The Company's directors' and officers' shares will be held in escrow under the terms of an escrow agreement to be entered into following the closing of the Offering. These shares will be released through automatic timed release, in accordance with the Canadian Securities Exchange policies.

## **SCHEDULE “B”**

### **AUDIT COMMITTEE CHARTER**

The following Audit Committee Charter was adopted by the Audit Committee of the Board of Directors and the Board of Directors of Skarb Exploration Corp. (the “**Company**”)

#### ***Mandate***

The primary function of the audit committee (the “**Committee**”) is to assist the Company’s Board of Directors in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company’s systems of internal controls regarding finance and accounting and the Company’s auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Company’s policies, procedures and practices at all levels. The Committee’s primary duties and responsibilities are to:

- serve as an independent and objective party to monitor the Company’s financial reporting and internal control system and review the Company’s financial statements;
- review and appraise the performance of the Company’s external auditors; and
- provide an open avenue of communication among the Company’s auditors, financial and senior management and the Board of Directors.

#### ***Composition***

The Committee shall be comprised of a minimum three directors as determined by the Board of Directors. If the Company ceases to be a “venture issuer” (as that term is defined in National Instrument 51-102), then all of the members of the Committee shall be free from any relationship that, in the opinion of the Board of Directors, would interfere with the exercise of his or her independent judgment as a member of the Committee.

If the Company ceases to be a “venture issuer” (as that term is defined in National Instrument 51-102), then all members of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Company’s Audit Committee Charter, the definition of “financially literate” is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company’s financial statements.

The members of the Committee shall be elected by the Board of Directors at its first meeting following the annual shareholders’ meeting. Unless a Chair is elected by the full Board of Directors, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

#### ***Meetings***

The Committee shall meet a least twice annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually with the Chief Financial Officer and the external auditors in separate sessions.

## ***Responsibilities and Duties***

To fulfill its responsibilities and duties, the Committee shall:

### *Documents/Reports Review*

- review and update this Audit Committee Charter annually; and
- review the Company's financial statements, MD&A and any annual and interim earnings press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.

### *External Auditors*

- review annually, the performance of the external auditors who shall be ultimately accountable to the Company's Board of Directors and the Committee as representatives of the shareholders of the Company;
- obtain annually, a formal written statement of external auditors setting forth all relationships between the external auditors and the Company, consistent with Independence Standards Board Standard 1;
- review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors;
- take, or recommend that the Company's full Board of Directors take appropriate action to oversee the independence of the external auditors, including the resolution of disagreements between management and the external auditor regarding financial reporting;
- recommend to the Company's Board of Directors the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval;
- recommend to the Company's Board of Directors the compensation to be paid to the external auditors;
- at each meeting, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements;
- review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company;
- review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements; and
- review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:
  - the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of revenues paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided,
  - such services were not recognized by the Company at the time of the engagement to be non-audit services, and

- such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board of Directors to whom authority to grant such approvals has been delegated by the Committee.

Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval such authority may be delegated by the Committee to one or more independent members of the Committee.

#### *Financial Reporting Processes*

- in consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external;
- consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting;
- consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management;
- review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments;
- following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information;
- review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements;
- review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented;
- review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters;
- review certification process;
- establish a procedure for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
- establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

#### *Other*

- review any related-party transactions;
- engage independent counsel and other advisors as it determines necessary to carry out its duties; and
- to set and pay compensation for any independent counsel and other advisors employed by the Committee.

**CERTIFICATE OF THE COMPANY AND PROMOTER**

Date: August 1, 2018

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

"Craig Parry"  
Craig Parry  
Chief Executive Officer and Director

"Ota Hally"  
Ota Hally  
Chief Financial Officer and Director

**ON BEHALF OF THE BOARD OF DIRECTORS**

"Louis Archambeault"  
Louis Archambeault  
Director

"Marco Jacuta"  
Marco Jacuta  
Director

**PROMOTERS**

"Craig Parry"  
Craig Parry