

# **Outback Goldfields Corp.**

**(formerly Skarb Exploration Corp.)**

**Form 2A**

## **LISTING STATEMENT**

**Dated: December 14, 2020**

## 1. GLOSSARY OF TERMS

*The following is a glossary of certain terms used in this Listing Statement and in certain documents attached as schedules hereto.*

“**Asset Purchase Agreement**” means that agreement dated October 9, 2020 between the Company and Petratherm, whereby the Company will purchase from Petratherm 100% of the right, title and interest in the Victorian Gold Projects in exchange for the Consideration Shares.

“**Auditors**” means D&H Group LLP, Chartered Professional Accountants, the auditors of the Company.

“**Ballarat West Project**” means the project located in the state of Victoria, Australia, and consisting of of Exploration License Application #7280.

“**BCBCA**” means the *Business Corporations Act* (British Columbia) including the regulations thereunder, as amended.

“**Board**” means the board of directors of the Company, as it may be comprised from time to time.

“**British Columbia Property**” means, collectively, the Gossan and SBS properties, located in the Spences Gold Belt in British Columbia.

“**CEO**” means an individual who acted as the chief executive officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year.

“**CFO**” means an individual who acted as the chief financial officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year.

“**Closing Date**” means the date of closing the Transaction.

“**Consideration Shares**” means the 100,000,000 pre-Consolidation Common Shares (33,333,333 on a post-Consolidation basis) to be issued by the Company to Petratherm at the deemed price of \$0.19 per Consideration Share (\$0.57 on a post-Consolidation basis).

“**Consolidation**” means the consolidation of the Common Shares at a rate of three pre-Consolidation Common Shares for one post-Consolidation Common Share.

“**Common Shares**” means common shares without par value in the capital of the Company.

“**Company**”, “**Issuer**”, “**Outback Goldfields**”, “**we**”, “**us**”, or “**our**” means Outback Goldfields Corp.

“**CSE**” means the Canadian Securities Exchange.

“**Date of Final CSE Approval**” means that date upon which the CSE issues a bulletin to the effect that the Company, having closed a fundamental change, has been approved for the resumption of trading on the CSE.

“**Escrow Agreement**” means the escrow agreement dated February 19, 2019 between the Company, Odyssey Trust Company and holders of Escrowed Securities.

“**Escrowed Securities**” means the Common Shares held by the directors, officers and insiders that have

been deposited into escrow pursuant to the Escrow Agreement.

“**Finder Warrant**” means a whole Common Share purchase warrant, issued to finders in connection with the Financing, entitling the holder to acquire one Common Share at \$0.50 (\$1.50 on a post-Consolidation basis) for a period of two years from the date of issue.

“**Financing**” means the non-brokered private placement for gross proceeds of \$11,406,000, through the issuance of 57,030,000 Units (19,010,000 on a post-Consolidation basis) at a price of \$0.20 per Unit (\$0.60 on a post-Consolidation basis), which closed on November 16, 2020.

“**Glenfine Agreement**” means the Mining Farm-In and Joint Venture Agreement dated July 7, 2020 between Petratherm and the Glenfine Owners.

“**Glenfine Owners**” means, collectively Cape Clear Minerals Pty Ltd (ACN 149 104 950) and Predictive Discovery Limited (ACN 127 171 877).

“**Glenfine Project**” means the tenements located in the state of Victoria, Australia, which are the subject of the Glenfine Agreement, those being Exploration License #5434, Exploration License #5537, and Exploration License #5344.

“**IFRS**” means the International Financial Reporting Standards as issued by the International Accounting Standards Board.

“**Listing Statement**” means this CSE Form 2A Listing Statement.

“**NI 41-101**” means National Instrument 41-101 *General Prospectus Requirements*.

“**Named Executive Officers**” means Chris Donaldson (our Chief Executive Officer and President) and Ota Hally (our Chief Financial Officer).

“**NI 43-101**” means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*.

“**NI 52-110**” means National Instrument 52-110 – *Audit Committees*.

“**NI 58-101**” means National Instrument 58-101 – *Disclosure of Corporate Governance Practices*.

“**OBCA**” means the *Business Corporations Act* (Ontario) including the regulations thereunder, as amended.

“**Petratherm**” means Petratherm Ltd., a public company listed on the Australian Stock Exchange under the symbol “PTR”.

“**Related Person**” has the meaning as described thereto in CSE Policy 1.

“**RDR 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 claims may have been converted.

“**SEDAR**” means the System for Electronic Document Analysis and Retrieval, at [www.sedar.com](http://www.sedar.com).

“**Silver Spoon Project**” means the project located in the state of Victoria, Australia, and consisting of Exploration License Application #6951.

“**Stock Option Plan**” or “**Plan**” means the incentive stock option plan of the Company as approved by the shareholders of the Company on November 19, 2020 which allows for the granting of incentive stock options to purchase Common Shares to directors, officers, employees and consultants of the Company or its subsidiaries.

“**Subsidiary**” means Outback Goldfields Australia Pty Ltd., a wholly-owned direct subsidiary of the Company formed for the purpose of holding the Company’s interest in the Victorian Gold Projects.

“**Technical Report**” means the technical report on the Yuengroon Project entitled “NI 43-101 Technical Report Yuengroon Exploration project (EL006897) State of Victoria, Australia” dated November 10, 2020, prepared by the Technical Report Author.

“**Technical Report Author**” means Matthew Hernan, BAppSc (Geol) on behalf of Goldfields Geological Services.

“**Transaction**” means the acquisition of the Victorian Gold Projects from Petrathern pursuant to the Asset Purchase Agreement.

“**Unit**” means a unit in the capital of the Company sold pursuant to the Financing, each Unit consisting of one Common Share and one-half of one Warrant.

“**Victorian Gold Projects**” means, collectively:

- (a) the Yuengroon Project;
- (b) the Silver Spoon Project;
- (c) the Ballarat West Project; and
- (d) Petrathern’s right, title and interest in the Glenfine Agreement.

“**Yuengroon Project**” means the project located in the state of Victoria, Australia, consisting of Exploration License #6897 and Exploration License Application #7280.

“**Warrant**” means a whole Common Share purchase warrant, forming part of a Unit sold under the Financing, entitling the holder to acquire one Common Share at \$0.50 (\$1.50 on a post-Consolidation basis) for a period of two years from the date of issue.

### **Forward-Looking Statements**

Certain statements in this Listing Statement may constitute “forward-looking” statements involving known and unknown risks, uncertainties and other factors regarding the Company’s intentions, beliefs, expectations and future results as they pertain to the Company and its proposed business. This may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. This forward-looking information also includes information regarding the financial condition and business of the Company, as they exist at the date of this Listing Statement and as they are expected to be after the Financing.

Forward-looking statements may include, but are not limited to, statements regarding the Company’s opportunities, strategies, competition, expected activities and expenditures as the Company pursues its

business plan, the adequacy of the Company's available cash resources and other statements about future events or results. In particular, and without limiting the generality of the foregoing, this Listing Statement contains forward-looking information concerning:

- the Company's exploration of the Victorian Gold Projects, which information has been based on exploration on the Victorian Gold Projects to date and the recommended work program set forth in the Technical Report;
- general market conditions;
- the availability of financing for proposed programs on reasonable terms;
- the ability to contract outside service providers and the reliability of those outside service providers in delivering services in a satisfactory and timely manner;
- expectations with respect to the exploration activities of the Company;
- the use of the net proceeds of the Financing;
- the performance of the Company's business and operations;
- the Company's expectations regarding expenses and anticipated cash needs;
- the intention to grow the Company's business and operations;
- the competitive conditions of the industry in which the Company operates;
- the legal system of Australia and changes thereto;
- the regulatory and permitting process in Australia;
- the expected timing and completion of the Company's near-term objectives;
- laws and any amendments thereto applicable to the Company;
- the competitive advantages and business strategies of the Company;
- the Company's plans with respect to the payment of dividends;
- the identity of the NEOs of the Company and the expected compensation payable to them; and
- corporate governance matters, including the adoption of Board committee mandates, the membership of such committees and the adoption of various corporate policies.

The Company's forward-looking information is based on the beliefs, expectations and opinions of management of the Company on the date the information is provided. Investors should not place undue reliance on forward-looking information.

In certain cases, forward-looking statements can be identified by the use of such words as "may", "would", "could", "will", "intend", "expect", "believe", "plan", "anticipate", "estimate", "seek", "project", "should",

“strategy”, “future”, “consider” and other similar terminology. These statements reflect the Company’s current expectations regarding future events and operating performance and speak only as of the date of this Listing Statement.

Forward-looking statements in this Listing Statement include statements regarding:

- compliance with regulatory requirements relating to Company’s business;
- changes in laws, regulations and guidelines relating to Company’s business;
- limited operating history;
- reliance on management;
- competition in Company’s industry;
- market price volatility of commodities Company is targeting;
- inherent risks associated with the mining business;
- conflicts of interest of the Company’s officers and directors;
- compliance with environmental regulations relating to the Company’s business;
- volatility in the market price for the securities of the Company;
- no dividends for the foreseeable future;
- future sales of Common Shares or other securities by existing shareholders causing the market price for the securities to fall; and
- the issuance of Common Shares or other securities in the future causing dilution.

With respect to forward-looking statements and forward-looking information contained in this Listing Statement, assumptions have been made regarding, among other things:

- future minerals prices;
- the Company’s ability to obtain qualified staff and equipment in a timely and cost-efficient manner;
- the regulatory framework governing royalties, taxes and environmental matters in the jurisdictions in which the Company conducts its business and any other jurisdictions in which the Company may conduct its business in the future;
- future expenses and capital expenditures to be made by the Company;
- future sources of funding for the Company’s business;
- the geology of the areas in which the Company is conducting exploration and development activities;

- the intentions of the Board with respect to the executive compensation plans and corporate governance programs described herein;
- the impact of competition on the Company; and
- the Company's ability to obtain financing on acceptable terms.

Actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and included elsewhere in this Listing Statement, including:

- general economic, market and business conditions;
- uncertainties surrounding the local, national and global impact of the COVID-19 pandemic;
- uncertainties surrounding the regulatory framework being applied to the Victorian Gold Projects and the Company's ability to be, and remain, in compliance;
- volatility in market prices for mineral resources;
- potential conflicts of interest;
- risks related to the exploration for minerals;
- current global financial conditions, including fluctuations in interest rates, foreign exchange rates and stock market volatility;
- the Company's status and stage of development;
- geological, technical, drilling and processing problems, including the availability of equipment and access to the Victorian Gold Projects;
- failure by counterparties to make payments or perform their operational or other obligations to the Company in compliance with the terms of contractual arrangements between the Company and such counterparties;
- risks related to the timing of completion of the Company's work programs;
- competition for, among other things, capital and skilled personnel;
- operational hazards;
- actions by governmental authorities, including changes in government regulation and taxation;
- environmental risks and hazards;
- risks inherent in the exploration for minerals which may create liabilities to the Company in excess of the Company's insurance coverage;
- failure to accurately estimate abandonment and reclamation costs;

- failure of third parties' reviews, reports and projections to be accurate;
- the availability of capital on acceptable terms;
- political risks;
- changes to royalty or tax regimes;
- the failure of the Company to maintain its mineral property options in good standing;
- competing claims made in respect of the Company's properties or assets;
- operating and capital costs;
- unforeseen title defects;
- risks arising from future acquisition activities;
- the potential for management estimates and assumptions to be inaccurate;
- risks associated with establishing and maintaining systems of internal controls;
- volatility in the market price of the Common Shares;
- the effect that the issuance of additional securities by the Company could have on the market price of the Common Shares;
- failure to engage or retain key personnel;
- discretion in the use of proceeds of the Financing; and
- the other factors discussed under "*Risk Factors*".

Although the forward-looking statements contained in this Listing Statement are based upon what management of the Company believes are reasonable assumptions, the Company cannot assure investors that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this Listing Statement and are expressly qualified in their entirety by this cautionary statement.

### **Currency Data**

All currency amounts in this Listing Statement are expressed in Canadian dollars, unless otherwise indicated. References to "\$" are to Canadian dollars. References to "AUS\$" are to Australian dollars.

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Schedule “A” – Annual Financial Statements and MD&A for the year ended June 30, 2020

Schedule “B” – Interim Financial Statements and MD&A for the period ended September 30, 2020

Schedule “C” – Pro Forma Financial Statements

## **2. CORPORATE STRUCTURE**

### **2.1 Corporate Name and Head and Registered Office**

The full corporate name of the Company is Outback Goldfields Corp. (the “**Company**” or “**Outback Goldfields**”). The Company’s head office is located at 1090 W. Georgia Street, Suite 700, Vancouver, British Columbia, V6E 3V7 and its registered office is located at Suite 1050, 400 Burrard Street, Vancouver, British Columbia, V6C 3A6.

### **2.2 Jurisdiction of Incorporation**

The Company was incorporated pursuant to the OBCA on March 6, 2018 under the name “Skarb Exploration Corp.”. The Company was registered extra-provincially in British Columbia on October 22, 2018.

On December 9, 2020, the Company:

- Changed its name from “Skarb Exploration Corp.” to “Outback Goldfields Corp.”; and
- Completed the Consolidation.

The Company is a reporting issuer in each of British Columbia and Ontario.

### **2.3 Intercorporate Relationships**

The Subsidiary is a wholly-owned direct subsidiary of the Company and was formed for the purpose of holding the Company’s interest in the Victorian Gold Projects. The Subsidiary is governed by the laws of Australia.

The Company has no subsidiaries other than the Subsidiary.

### **2.4 Fundamental Change**

On August 25, 2020 the Company announced the Transaction, which constitutes a “fundamental change” as defined in CSE policies. The Company subsequently announced the Asset Purchase Agreement on October 9, 2020.

The Company’s corporate structure will not change after completion of the Transaction.

Fundamental changes require CSE listed issuers to obtain both the approval of the shareholders of the Company (which will be obtained by way of consent resolution) and the CSE (conditional approval obtained December 3, 2020). This Listing Statement is filed in connection with CSE approval for the fundamental change.

### **2.5 Non-Corporate Issuers**

Not applicable. The Company is incorporated under the BCBCA.

## **3. GENERAL DEVELOPMENT OF THE BUSINESS**

### **3.1 Three Year History**

The Company's principal business purpose since incorporation has been the identification, acquisition, evaluation and exploration of mineral properties. The Company had a right to earn up to a 100% interest in the RDR Property pursuant to an option agreement. On March 24, 2020, the Company terminated the option agreement following evaluation of initial exploration results and a review of the allocation of Company capital.

On October 21, 2019, the Company acquired a 100% interest in the British Columbia Property. Minimal exploration work was completed on the British Columbia Property in the summer of 2020.

On November 16, 2020, the Company closed the Financing for gross proceeds of \$11,406,000, through the issuance of 57,030,000 Units (19,010,000 on a post-Consolidation basis) at a price of \$0.20 per Unit (\$0.60 on a post-Consolidation basis). Each Unit consisted of one Common Share and one-half of one Warrant. In connection with the Financing, the Company paid aggregate finder's fees of \$447,810 and issued 751,150 Finder's Warrants to arm's length finders.

In connection with the Transaction, the Company will acquire the Victorian Gold Projects, as more particularly described under section 2.4 – *Fundamental Change* in this Listing Statement.

The Company was originally listed and began trading on the CSE on February 15, 2019 under the symbol "SKRB". A copy of the Company's prospectus, dated January 25, 2019, is available for review on SEDAR. In that regard, the Company also prepared and filed a Listing Statement dated February 11, 2019, a copy of which can be found on SEDAR (filed February 14, 2019).

### **3.2 Significant Acquisitions and Dispositions**

The Company has not completed any significant acquisition, and there is no significant probable acquisition proposed by the Issuer, for which financial statements would be required under NI 41-101 if this Listing Statement were a prospectus. The Company's view is that the Transaction does not constitute the acquisition of a business as that term is used in NI 41-101.

The Company has not completed any significant disposition during the most recently completed financial year or the current financial year for which *pro forma* financial statements would be required under NI 41-101 if this Listing Statement were a prospectus.

### **3.3 Trends, Commitments, Events or Uncertainties**

Following completion of the Transaction, Outback Goldfields' main focus will be the exploration and development of the Victorian Gold Projects. The Company's immediate focus will be exploration and development of the Yuengroon Project in accordance with the Phase 1 work program outlined under the Technical Report.

The Company may exercise its option under the Glenfine Agreement and commit capital, if available, to the Glenfine Project to satisfy certain requirements required under the Glenfine Agreement. In accordance with the Glenfine Agreement, the Company may earn and acquire a 51% legal and beneficial interest in the Glenfine Project by spending a total of AU\$1,000,000 in exploration expenditures within a period of 36 months commencing on the effective date of the Glenfine Agreement (of which at least AU\$100,000 must be spent within the first 12 months) (the "**First Option Payment**"). The Company may elect to earn a further 29% interest (for a total 80% interest) in the Glenfine Project by spending a further AU\$2,000,000 in exploration expenditures within a further 30 months (the "**Second Option Payment**" and, together with the Stage One Commitment, the "**Glenfine Option Payments**"). The Company may need to raise further capital in order to satisfy the Glenfine Option Payments.

Pursuant to the Glenfine Agreement, the Glenfine Owners had an option (the “**Pre-Emption Right**”), exercisable within 15 business days after receiving a formal disposal notice from Petratherm, to acquire Petratherm’s interest in the Glenfine Agreement upon the same terms as the Transaction. The Glenfine Owners waived the Pre-Emption right on November 3, 2020.

In addition, subject to the Company having sufficient available funds and if the Board determines it is in Company’s best interests, the Company may acquire additional mineral properties. Also, depending upon the Company’s ability to continue to obtain necessary funding to conduct exploration and development activities on its mineral properties and upon the results from such exploration activities, the Company may consider “optioning”, disposing or abandoning any or a portion of its mineral properties. The financing, exploration and development of the Victorian Gold Projects and, if applicable, the Glenfine Project, and any other properties the Company may propose to acquire, will be subject to a number of factors including, the availability of capital, the price of gold or other minerals, applicable laws and regulations, political conditions, currency fluctuations, the hiring of qualified people and obtaining necessary services in jurisdictions where the Company operates. The current trends relating to these factors could change at any time and negatively affect the Company’s operations and business. See Section 17 - *Risk Factors* for risk factors affecting the Company.

#### **COVID-19 Global Pandemic**

COVID-19 is an infectious disease caused by severe acute respiratory syndrome coronavirus 2 (“SARS-CoV-2”). Since December 31, 2019, the outbreak of COVID-19 has led governments worldwide to enact emergency measures to combat the spread of the virus. These measures, which include, among other things, the implementation of travel bans, self-imposed quarantine periods and social distancing, have cause material disruption to businesses globally, resulting in an economic slowdown. Such events may result in a period of business disruption, and in reduced operations, any of which could have a material adverse impact on the Company’s result of operations, financial condition and the market and trading price of the Company’s securities.

As of the date of this Listing Statement, the duration and immediate and eventual impact of the COVID-19 pandemic remains unknown. In particular, it is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company. While the outbreak of COVID-19 has not caused disruptions to the Company’s business, it may yet cause disruptions to the Company’s business and operations plans. Such disruptions may result from (i) restrictions that governments and communities impose to address the COVID-19 global pandemic; (ii) restrictions that the Company and its contractors and subcontractors impose to ensure the safety of employees and others; (iii) shortages of employees and/or unavailability of contractors and subcontractors; (iv) interruption of supplies from third-parties upon which the Company relies; and/or (v) inability to raise capital due to the economic uncertainty caused by COVID-19. Further, it is presently not possible to predict the extent or durations of these disruptions. These disruptions may have a material adverse effect on the Company’s business, financial condition and results of operations, which could be rapid and unexpected. These disruptions may severely impact the Company’s ability to carry out its business plans.

#### **4. NARRATIVE DESCRIPTION OF THE BUSINESS**

Outback Goldfields is a junior exploration company governed by the laws of British Columbia. The Company’s principal business is the exploration for minerals and the development of gold projects. It is the intention of the Company to remain in the mineral exploration business and should the British Columbia Property or the Victorian Gold Projects be deemed not viable, the Company will explore opportunities to acquire interests in other properties.

### **British Columbia Property**

The British Columbia Property consists of the Gossan property and the SBS property.

The Gossan property, which is approximately a 902ha property, is located approximately 7 km north-west of Princeton, British Columbia, is characterized by widespread gossanous argillic alteration near a past producing pyrophyllite mine and historical placer gold workings.

The SBS property, which is approximately a 1,411ha property, is located approximately 27 km southeast of Princeton, British Columbia, and in particular is located at the southern-end of the SBGB and is characterized by a regional stream sediment silver anomaly, a major mapped fault system and extensive glacial till cover.

The Company holds a 100% interest in the British Columbia Property.

### **Victorian Gold Projects**

The Victorian Gold Projects consist of the Yuengroon Project, the Silver Spoon Project, the Ballarat West Project, and Petratherm's right, title and interest in the Glenfine Agreement.

On completion of the Transaction, the Yuengroon Project will be the Company's only material property.

The Company intends to explore the Victorian Gold Projects for the purposes of identifying mineral resource deposits thereon, as the Board may determine. As of the date of this Listing Statement, Petratherm has spent approximately AU\$105,000 in exploration expenditures on the Yuengroon Project in the last three years.

### **Asset Purchase Agreement**

The Transaction will be effected in accordance with the Asset Purchase Agreement, a copy of which has been filed by Outback Goldfields on SEDAR as a material contract. The Asset Purchase Agreement contains certain representations and warranties made by each of Petratherm and Outback Goldfields in respect of the assets, liabilities, capital, financial position and operations of Petratherm and Outback Goldfields, respectively. In addition, each of Petratherm and Outback Goldfields provide covenants which govern the conduct of their operations and affairs prior to the completion of the Transaction. The Asset Purchase Agreement contains a number of conditions precedent to the obligations of the parties thereunder. Unless all of such conditions are satisfied or waived by the party or parties for whose benefit such conditions exist, to the extent they may be capable of waiver, the Transaction will not proceed. There is no assurance that the conditions will be satisfied or waived on a timely basis, or at all.

### **Purchase and Sale**

Subject to the terms and conditions set out in the Asset Purchase Agreement, the Company agreed to purchase from Petratherm 100% of the right, title and interest in the Victorian Gold Projects, free and clear of any encumbrances in exchange for the Consideration Shares.

### **Distribution**

Petratherm has agreed to distribute the Consideration Shares to its shareholders on a *pro rata* basis by way of dividend, reduction of stated capital or other type of distribution in specie on or before the date that is 125 days after the Closing Date.

See "Principal Securityholders".

### Covenants of Petratherm

Petratherm has given the Company usual and customary covenants in respect of the Transaction until the Closing Date, including among other things that it will:

- (a) maintain its interest in the Victorian Gold Projects in good standing under applicable laws, perform all work required to be performed, pay all taxes, royalties, rentals, fees, expenditures and other payments required to be paid in respect thereof and make any necessary tax, governmental and other filings and payments and perform such other related and applicable obligations in respect of the Victorian Gold Projects in a timely fashion;
- (b) take reasonable care to protect and safeguard the Victorian Gold Projects;
- (c) continue to comply with and perform all obligations it has in respect to the Glenfine Agreement;
- (d) use its commercially reasonable efforts to obtain an assignment of the Glenfine Agreement;
- (e) not sell or dispose of or transfer possession of all or any portion of the Victorian Gold Projects;
- (f) not grant or permit to exist any encumbrances on its rights to the Victorian Gold Projects;
- (g) promptly advise the Company with the full particulars of certain events;
- (h) perform all obligations required or desirable to be performed by it under the Asset Purchase Agreement and do all such other acts and things as may be necessary or desirable in order to consummate the Transaction; and
- (i) provide the Purchaser and its affiliates and agents (as applicable) with access and assistance as set out in the Asset Purchase Agreement.

### Covenants of Outback Goldfields

The Company has given Petratherm usual and customary covenants in respect of the Transaction until the Closing Date, including among other things that it will:

- (a) promptly advise Petratherm with the full particulars of certain events; and
- (b) perform all obligations required or desirable to be performed by it under the Asset Purchase Agreement and do all such other acts and things as may be necessary or desirable in order to consummate the Transaction.

### Conditions to the Transaction

The respective obligations of the parties to complete the transactions contemplated by the Asset Purchase Agreement are subject to a number of conditions which must be satisfied or waived in order for the Transaction to be completed. There is no assurance that these conditions will be satisfied or waived on a timely basis or at all. The following significant conditions, in addition to other customary conditions, are contained in the Asset Purchase Agreement:

- (a) Petratherm will have received the required approval of its shareholders and all other approvals required by it in connection with the Transaction;

- (b) the Company will have received approval of the CSE and its shareholders; and
- (c) the Financing will have been completed.

Representations and Warranties

The Asset Purchase Agreement contains representations and warranties made by each of Petratherm and Outback Goldfields. The assertions embodied in those representations and warranties are solely for the purposes of the Asset Purchase Agreement. Certain representations and warranties may not be accurate or complete as of any specified date because they are subject to a standard of materiality or are otherwise qualified. Therefore, the representations and warranties in the Asset Purchase Agreement should not be relied on as statements of factual information.

The Asset Purchase Agreement contains representations and warranties of Petratherm and Outback Goldfields relating to certain matters including, among other things: organization; subsidiaries and other interests; capitalization; authority; consents; director approval; contracts; waivers; absence of defaults; absence of changes; employment agreements; financial statements; books and records; litigation; assets; the Glenfine Agreement; insurance; tax matters; compliance with applicable laws; its assets and conduct of operations; reporting issuer and listing status; and matters related to the Transaction.

Termination of Asset Purchase Agreement

The Asset Purchase Agreement may be terminated (i) by mutual agreement of Petratherm and Outback Goldfields, (ii) by either Petratherm or Outback Goldfields, if the Transaction has not been completed by January 31, 2021, (iii) by either of the Petratherm or Outback Goldfields, if the other party has breached or is in default of a material term of the Asset Purchase Agreement such that the closing conditions are incapable of being satisfied, or (iv) by either party, there has been a material adverse change.

Business Objectives and Milestones

The overall business objective of Outback Goldfields focuses on identifying, evaluating, acquiring and exploring mineral properties for the purposes of identifying a mineral resource deposit on the Victorian Gold Projects (or any other properties acquired by the Company) for the development of a mine or for corporate transactions that are value-accretive to shareholders.

Following consultation with its geologists, management has established the below exploration objectives. The Company cautions that these objectives are subject to change based on the results of ongoing exploration, the availability of resources, permitting, weather and other factors within or outside the control of management. Refer to “Risk Factors” for a complete description of risks affecting the Company’s exploration plans.

The Company anticipates that the estimated time period when the business objectives will be achieved are as follows:

<b>Financial Quarter</b>	<b>Business Objectives</b>	<b>Estimated Cost</b>
Ended March 31, 2021	Complete Phase 1 work program at the Yuengroon Project and publish results.	AUS\$819,000 <sup>(1)</sup>

<b>Financial Quarter</b>	<b>Business Objectives</b>	<b>Estimated Cost</b>
Ended September 30, 2021	Complete Phase 2 work program at the Yuengroon Project and publish results.	AUS\$1,355,000 <sup>(2)</sup>

Notes:

(1) Equal to approximately \$786,240 based on an exchange rate of AUS\$1 = \$0.96 as of December 11, 2020.

(2) Equal to approximately \$1,300,800 based on an exchange rate of AUS\$1 = \$0.96 as of December 11, 2020.

Outback Goldfields expects to conduct the Phase 1 work program and the Phase 2 work program in an effort to define the mineral potential of the Yuengroon Project. The Company may, from time to time, make acquisitions of additional resource properties, assets or businesses, enter into joint-ventures, dispose, abandon or grant options or other rights in its properties as opportunities arise and as the Board determines to be in the best interest of the Company's shareholders.

### **Use of Available Funds**

As at November 30, 2020, the Company had an estimated working capital in the amount of approximately \$10,257,700. As at the date of this Listing Statement, the Company had an estimated working capital in the amount of approximately \$10,260,465.

The following table summarizes the Company's principal purposes, with approximate amounts, for which the available funds as of the date of this Listing Statement will be used by the Company:

<b>Use of Funds</b>	<b>Amount</b>
Completion of Transaction including Australian taxes and fees	\$500,000
Complete Phase 1 work program at the Yuengroon Project	\$786,240 <sup>(1)</sup>
Complete Phase 2 work program at the Yuengroon Project	\$1,300,800 <sup>(1)</sup>
Exploration work at the Silver Spoon Project, the Ballarat West Project and the Glenfine Project	\$200,000
Estimated annual corporate and administrative expenses	\$1,774,937 <sup>(1)</sup>
Estimated unallocated working capital	\$5,698,488
<b>Total</b>	<b>\$10,260,465</b>

Notes:

(1) Based on an exchange rate of AUS\$1 = \$0.96 as of December 11, 2020.

(2) Estimated annual corporate and administrative expenses consist of: accounting and audit (\$177,500), general

*and administrative (\$93,000), regulatory and legal (\$133,312), investor relations and shareholder costs (\$653,000), salaries and board fees (\$718,125).*

The Company expects to have enough working capital to complete the Phase 1 work program and the Phase 2 work program outlined under the Technical Report and the additional exploration programs planned and to satisfy the corporate and administrative expenses for the next twelve months. In order to earn an 80% interest in the Glenfine Project by satisfying both the Glenfine Option Payments, the Company will be required to raise an additional financing. There is no certainty that the Company will be successful in obtaining such financing. The Company cannot guarantee that any such additional financing will be available on favourable terms or at all. See “Risk Factors”.

During the fiscal year ended June 30, 2020 and the three-month period ended September 30, 2020, the Company had negative cash flow from operating activities. The Company anticipates it will continue to have negative cash flow from operating activities in future periods until profitable commercial production is achieved at one of its mineral projects. As a result, the Company may need to allocate a portion of its existing working capital to fund any such negative cash flow from operating activities in future periods.

### **Specialized Skill and Knowledge**

All aspects of the Company’s business require specialized skills and knowledge. Such skills and knowledge include the areas of geology and mining. See “Directors and Officers” for details as to the specific skills and knowledge of the Company’s directors and management.

### **Employees**

As of the date hereof, the Company has no employees. The Company has retained certain geological consultants to assist in execution of exploration of the Victorian Gold Projects. The Company will rely on consultants to conduct the necessary geological and financial work required.

On an ongoing basis, the Board expects to evaluate the required expertise and skills necessary to execute the strategy described herein and will seek to attract and retain individuals required to meeting the Company’s objectives. The Company believes its success is dependent on the performance of its management and key individuals, many of whom have specialized skills in exploration in Canada and Australia, and the gold industry.

The Company believes it has adequate personnel with the specialized skills required to carry out its operations and anticipates making ongoing efforts to match its workforce capabilities with its business strategy for the Victorian Gold Projects as circumstances evolve. See “17. Risk Factors”.

### **Competitive Conditions**

The mineral exploration and development industry is competitive in all phases of exploration, development and production. There is a high degree of competition faced by the Company in Quebec and Australia for skilled employees, suitable contractors for drilling operations, technical and engineering resources, and necessary exploration and mining equipment. Many competitor companies have greater financial resources, operational expertise, and/or more advanced properties than the Company. Additionally, the Company’s operations are in a relatively remote location where skilled resources and support services are more limited than those closer to major urban centres. The Company has in place experienced management personnel and continues to evaluate the required expertise and skills to carry out its operations. As a result of this competition, the Company may be unable to achieve its exploration and development in the future on terms it considers acceptable or at all. See “Risk Factors”.

## **Mineral Properties**

### **Technical Report**

The disclosure of a scientific or technical nature contained in this Listing Statement regarding the Yuengroon Project is based on the Technical Report prepared for the Company by the Technical Report Author, who is an “independent qualified person” for the purposes of National Instrument 43-101 – Standards of Disclosure for Mineral Projects, adopted by the Canadian Securities Administrators (“**NI 43-101**”).

The Technical Report has been filed with certain Canadian securities regulatory authorities pursuant to NI 43-101 and is available for review on SEDAR. A copy of the Technical Report may be inspected during normal business hours at the offices of the Company, located at 1090 W. Georgia Street, Suite 700, Vancouver, British Columbia V6E 3V7, during ordinary business hours for a period of 30 days after the date of this Listing Statement.

The following summary of the Yuengroon Project has been prepared with the consent of the Technical Report Author and, in many cases, is a direct extract from the Technical Report, with conforming changes as the context requires.

The Yuengroon Project consist of one exploration license (the “**EL**”) and one exploration license application. The Technical Report was written in respect of the EL.

### **Property Description and Location**

#### *Location*

The Yuengroon Project is situated in the state of Victoria, Australia approximately 75 km north west of the city of Bendigo and approximately 200 km northwest of the state’s capital Melbourne (See Figure 4-1 in the Technical Report).

#### *Tenure*

The Yuengroon Project is held by Petratherm. The EL covers an area of 680.382 km<sup>2</sup> and was first granted on October 3, 2019 for a period of 5 years (See Table 4.1 in the Technical Report).

The legal status of Victorian mining and exploration tenements is readily available via the Victorian Government’s GIS website Geovic. This website was accessed on the November 4, 2020 to verify the details in Table 4.1 of the Technical Report and generate the tenement location map shown in Figure 4-2 of the Technical Report.

#### *Native Title*

The Native Title Act came into effect in Australia on January 1, 1994 and defines native title to mean, “the communal, group or individual rights and interests of Aboriginal peoples or Torres Strait Islanders in relation to land or waters, where: (a) the rights and interests are possessed under the traditional laws acknowledged, and the traditional customs observed, by the Aboriginal peoples or Torres Strait Islanders; (b) the Aboriginal peoples or Torres Strait Islanders, by those laws and customs, have a connection with the land or waters; and (c) the rights and interests are recognized by the common law of Australia.”

All Crown land is potentially subject to a native title, provided that a previous act of the Government has not extinguished native title. Accordingly, native title may exist in an area where, in accordance with their laws

and customs, indigenous people have maintained their connection with the area, and their title over that land has not been extinguished by an act of government (Department of Earth Resources 2020).

The granting of an exploration licence, a retention licence, a prospecting licence or a mining licence on Crown land (or waters) subject to native title is dependent upon the applicant achieving one of the following options:

- undertake the “right to negotiate” (RTN) process with the native title party;
- reach an agreement by an “Indigenous land use agreement” (ILUA) with the native title party;
- excise all Crown land from their application except those areas where native title has been extinguished (such as roads and road reserves).

The Yuengroon Project area falls within the Dja Dja Wurrung Recognition and settlement area (See Figure 4-3 in the Technical Report). The Dja Dja Wurrung Clans Aboriginal Corporation reached a land use agreement with the state of Victoria in 2013 (Department of Justice 2020). Petratherm, the registered holder of the EL, has signed onto this ILUA, which stipulates the conditions and fees payable to the Dja Dja Wurrung Clans Aboriginal Corporation for any exploration activities carried out on crown land within the license area.

#### *Victorian Mining Regulation*

The Department of Jobs, Precincts and Regions (DJPR) regulates minerals exploration in Victoria via its Earth Resources division under the Mineral Resources (Sustainable Development) Act 1990 (MRSDA). In general the licensing system regulates Mineral Explorers and Miners within the state of Victoria and is designed to enable companies to advance projects from exploration through to mining as summarized in Figure 4-4 in the Technical Report.

#### *License Conditions and Obligations*

During the life of an exploration license, the area covered by the licence must be reduced by:

- At least 25% on the second anniversary of granting the licence; and
- At least a further 35% of the area as originally granted, on the fourth anniversary; and
- At least a further 20% of the area as originally granted, on the seventh anniversary; and
- At least a further 10% of the area as originally granted, on the tenth anniversary.

Upon granting of the EL to Petratherm, the department of Earth Resources stipulated an annual expenditure schedule as outlined in Table 4.2 of the Technical Report. The licence holder is required to report on its annual expenditure on the June 30th of each year. A review of exploration expenditure by the licence holder to date indicates that the company is currently on track to meet its minimum annual expenditure commitments.

The land within the Yuengroon Project is comprised of both freehold and crown land. Earth Resources regulation requires licence holders to negotiate with landowners and gain their written consent before any work can be undertaken on their property. The ease with which this process is achieved is dependent upon both the landowner’s willingness to allow exploration activities on their property and the licence holders

approach to negotiating land access and compensation agreements with the landowner. The state's Mining Warden has processes in place to facilitate negotiations between landowners and Exploration Licence holders if required.

Access to Crown land requires negotiation with the relevant government agency which manages the crown land. In the case of the Yeungroon project area there are a number of agencies managing crown land as outlined in Figure 4-5 of the Technical Report. This includes Parks Victoria for the Nature conservation reserves and for road-side reserves the Buloke and Loddon Shire councils.

### *Royalties*

From January 1, 2020, gold produced under a mining licence in Victoria will be subject to a 2.75 per cent royalty payable to the Victorian State Government. The royalty will only apply to gold produced in a financial year in-excess of 2,500 ounces. To the knowledge of the Technical Report Author, the Yuengroon Project is not subject to any royalties, back-in rights, payments, or other agreements and encumbrances.

### *Environmental Liabilities*

To the knowledge of the Technical Report Author, the Yuengroon Project is not subject to any environmental liabilities.

### *Permitting Required to Undertake Exploration Activities*

The level of permitting required to undertake exploration activities in Victoria is dependent upon the type of exploration work carried out. If the work is considered "Low Impact Exploration" as defined in Schedule 4A of the MRSDA, then work can proceed without the need for a "Work Plan" Approved by the department of Earth Resources.

The Earth Resources Code of Practice for Mineral Exploration 2014 states that low impact exploration activities have low social and environmental impacts and may include the drilling for core samples, the construction of tracks, and the limited removal of certain native vegetation. License holders wishing to conduct low impact exploration must ensure that the required public liability insurance, bond and land owner consents are in place. On private land, consent to undertake low impact exploration activities requires the licensee to obtain written consent of the owners and/or occupiers of the affected land (Department of Earth Resources 2014). For exploration activities which have the potential to have greater social and environmental impacts such as the excavation of costeans, trenches and pits for example, then a Work Plan must be developed and approved by the department of Earth Resources.

Petratherm has an established community consultation plan in place and have negotiated access to properties previously for the purposes of Soil geochemistry and field reconnaissance purposes.

It is the Technical Report Author's opinion that there are no foreseeable impediments for Low Impact Exploration to continue in the future within license area. To the knowledge of the Technical Report Author, there are no approved work plans for work in the license area.

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

The Yuengroon Project is located in gently undulating to hilly terrain with elevations ranging from 120m to 250m above sea level. It is accessed by sealed bitumen roads from Melbourne and has numerable unsealed all weather roads and tracks throughout the licence area.

The EL area has areas for water and tailings storage in the various dry valleys as well as sites suitable for mine buildings or processing facilities. Being in a temperate environment water is available and storage facilities could be built subject to government permitting. There is an established stock and domestic water pipeline network through much of the licence area managed by Grampians Wimmera Mallee Water. It is not known if there is significant ground water that could be used. The area has an accessible, well maintained Electricity network which currently provides power to the towns and businesses in the area.

The majority of the licence area is comprised of open broadacre farming land, with some relatively small areas of scrubby woodland in the eastern portion of the tenement, north of the township of Wedderburn. (See Figure 5-1 in the Technical Report) The Licence area is readily serviced by the local towns of Charlton (Population 1,050) and Wedderburn (Population 941) (Australian Bureau of Statistics 2020)

### *Climate*

Yeungroon has a temperate climate with a mean maximum temperature of 23.1oc and a median annual rainfall of 332.2mm (See Figure 5-2 in the Technical Report). While the project area is relatively accessible all year round, traditionally explorers in Northern Victoria tend to carry out their field work between January and May. This corresponds with the fallow period between harvest and sowing for cereal crops (the main agricultural pursuit in the region) and also avoids the wetter months when paddocks can become wet and boggy.

### History

Gold was discovered at Korong (Wedderburn) in May 1852, and since that time the Wedderburn district has reportedly produced about 150,000 ounces (4,650kg) of gold (Whitehouse 2010).

The Golden Jacket Mine is recorded as the most substantial historic working within the licence area and was mapped by a government geologist in 1937 (See Figure 6-1 in the Technical Report) and while the ore lode was noted to be quite narrow, it was high grade (259 g/t).

### *Prior Ownership*

Petratherm has carried out a review of past company exploration using the GEOVIC database. A summary of the companies who previously held ground covered by the current tenement is presented in Table 6.1 of the Technical Report.

### *Historical Estimates*

The Technical Report Author was unable to find any historic estimates relevant to the Yuengroon Project.

### *Production History*

Over 50 historic workings are recorded on the Geovic database with only two of the records also containing production amounts. Some historic research has been carried out which has provided additional detail to that contained on the Earth Resources Geovic database. A summary of production for the three mines for which production records could be found is given in Table 6.2 of the Technical Report.

### Geological Setting and Mineralization

The EL straddles two regional-scale structural zones; The Stawell Zone to the west of the north-south trending Avoca fault, and The Bendigo Zone to the east (See Figure 7-1 of the Technical Report).

The majority of the EL is in the Stawell structural zone of western Victoria. The western boundary of the zone is the east dipping Moyston Fault, which separates rocks to the west, deformed in the Ordovician Delamerian deformation, from rocks to the east deformed in the Silurian. It is thought to be a major crustal suture, representing the boundary between the Delamerian craton and the Lachlan Fold Belt.

The eastern boundary of the Stawell Zone is the Avoca Fault, a major west-dipping fault which can be seen in the magnetic data to continue to the north, under the Murray Basin cover. The Stawell Zone consists of three distinct units:

- complexly faulted, folded and locally polydeformed Cambrian tholeiitic basalts, overlain by
- volcanoclastic and pelagic marine sedimentary rocks, which grade into
- turbidites of the Saint Arnaud Group, that have been folded and faulted during the Silurian deformation.

The earliest deformation in the Stawell Zone produced a pronounced planar fabric (S1), partially defined by bedding-parallel sheet silicates. Between Ararat and Moyston this fabric is associated with occasional small-scale folds and boudinaged thin quartz veins, but elsewhere it is seen only in thin section. During later regional folding, this early cleavage was overprinted by numerous mesoscopic tight folds (F2) with a strong axial plane cleavage (S2). These folds are parasitic to regional scale fold hinges, like the Beaufort Anticlinorium. The regional enveloping surface for the F2 folds is sub horizontal, except where it is disrupted by major west-dipping thrust faults, such as the Landsborough and Percydale faults, which breach regional scale anticlinoria.

The faults have intensely cleaved sediments and tight asymmetric folds in the hanging walls, consistent with internal deformation in the basal parts of an emergent thrust sheet. The folded and faulted sequence in the Stawell Zone was intruded by high-level granitic rocks in the Early Devonian; many plutons stitch the earlier faults. The Palaeozoic sequence is concealed to the north under the Murray Basin, which developed in the early Tertiary. The Murray Basin is related to a series of marine incursions and regressions with sedimentation dominated in turn by marine, alluvial and aeolian processes. The sediments are approximately 100 m thick in the north of Charlton.

The Bendigo Zone, lies between the west dipping Avoca and Heathcote thrust faults, and is composed of a thick imbricated pile of Cambrian to Ordovician (490 to 440 Ma) quartz-mica turbiditic rocks deposited into a deep marine environment along the eastern edge of the Australian craton composed of detritus eroded from the exposed Delamerian orogen to the west. These rocks overlie a thicker suite of similarly imbricated Cambrian tholeiitic volcanic rocks. The latter, as interpreted from deep seismic reflection data, are underlain by Proterozoic rocks of the continental margin below the Moyston thrust fault on its western margin, and by similarly aged rocks of the Selwyn Block below the Heathcote thrust fault on its eastern margin. In the central section, the Cambrian mafic volcanic rocks are indicated to directly overlie the Moho.

The Selwyn Block, which geophysical data suggest is the northern tip of VanDieland, is unconformably overlain by sporadic accumulations of volcanic rocks, which include the Cambrian calc-alkaline Licola and Jamieson Volcanics, that are equivalent to the Mount Read Volcanics in Tasmania. This Proterozoic terrane is interpreted to be an exotic microcontinent created during the break-up of Rodinia on the trailing edge of the section of Rodinia (probably North America) that separated from the Australian craton and migrated eastward in the late Neoproterozoic. By 450 Ma, the sequence that had been accumulating in the Bendigo Zone began to be deformed as the Selwyn Block moved westward, with the shortening accommodated by thrusting on the Moyston, Avoca, Heathcote and numerous other faults, and extensive imbrication of the sequence within the Stawell and Bendigo zones. As these two zones were elevated by deformation, they shed

detritus eastward to form the condensed Ordovician to Devonian cover sequence of the Murrindindi Supergroup in the Melbourne Zone which is underlain by the Selwyn Block. Deposition ceased during the Middle Devonian Tabberabberan deformation

## Exploration Information

### *Geophysics and Remote Sensing*

Petratherm carried out a program of work re-processing open file Geophysics Magnetic and Gravity data. The intent of the work was to identify trends which may be controlling the placement of zones of mineralisation. Figure 9-1 of the Technical Report shows a re-processed reduced to pole (RTP) magnetic image of open file 25m line spaced company aeromagnetic data over the North Wedderburn Area and historic mine locations. Subtle NE and NW trending structures have been interpreted from this data which may influence the localisation of many mine occurrences.

### *Geochemistry*

The most significant exploration program carried out on the EL to date is a soil geochemistry and rock chip sampling program completed by Petratherm (See Figure 9-2 in the Technical Report).

Soil sampling was carried out using a Niton XL3t GOLDD+ portable XRF with sample locations determined using a hand-held Garmin GPSMAP 60CSx. Soil samples were collected from the top of the B-Horizon clay interface then analysed for Arsenic using a portable XRF unit and results reported out as a digital text file.

The program aimed to test for extensions to the historical Golden Jacket, Nine Mile and Moondyne reef workings, as well as potential new discoveries along the Golden Jacket Fault, between Nine Mile and Golden Jacket. Arsenic anomalism was used as the key pathfinder element with the XRF sample readings to locate potential gold anomalous zones. A total 290 XRF sample readings were made over these western areas. Early results in the areas proximal to Golden Jacket and Nine Mile yielded no significant arsenic anomalism. It is postulated that the depth of cover in these regions is masking bedrock response.

Field reconnaissance North of Wedderburn township, resulted in the discovery of several deep workings, running north-south along strike. The largest group of workings was identified as being the Lincoln-Solway reef system. Initial XRF testing around these workings indicated significant arsenic anomalism (>50 ppm), and that testing for extensions of this system would be beneficial. A total of 1,248 XRF sample readings were taken in the Wedderburn North Area.

It was observed through early field reconnaissance that areas of higher topographic relief in the most part returned higher arsenic values, most likely due to thinner cover and that many of the quartz reef systems formed topographic highs due to silicic alteration making it more resistant to erosion. The results of geochemical testing in the North Wedderburn area are shown in (See Figure 9-3 in the Technical Report).

The north eastern portion of the survey area has identified three prominent Arsenic trends and a fourth zone to the South which is a likely extension of this trend (Shellback Extended). The northern prospects trend up to 1 kilometre in length, with strong anomalies at the northern and southern end separated by a saddle (Mosquito Creek) which may be masking the arsenic trend through this middle area. South of these anomalies, the Shellback Extended trend to the south has been identified and records a peak arsenic value of 3089 ppm and may link up to the northern areas through the cover of an unnamed creek.

On the western side of the survey area two prominent arsenic targets have been identified and have been termed the Peep O'Day and Lincoln Reef Extension Prospects. The Lincoln/Peep O'Day trend is 1.4

kilometres long. South of this trend the historic Lincoln Reef, line of workings which extend approximately 600 metres in length occur and comprise a series of shallow shafts sunk to the water table, at about 20 metres depth (D'Urso, 2020).

In addition to the Soil Geochemistry program, 58 surface rock chip samples were taken and assayed from old workings sites and areas of outcrop. The results of these yielded no noteworthy results apart from sample WB01 which returned 3.44 g/t Au. This sample comprised heavily veined and pocked shale/quartz from an old mine spoil dump associated with the Lincoln Reef.

### Drilling

A variety of drill holes are recorded on the Geovic database as being drilled on EL, ranging from shallow hand auger to reverse circulation drillholes. However, the Technical Report Author was unable to identify any with anomalous results.

The amount of drilling carried out historically is relatively minimal and in many cases the holes which have been drilled do not adequately test the deposit types currently being sought. For example, a series of drillholes is evident near the Moondyne prospect, which upon investigation were discovered to be targeting mineral sands. These holes were stopped once they reached consolidated stone, and so did not adequately test the area for Orogenic gold under cover.

It is the opinion of the Technical Report Author that the drilling carried out to date on the EL is extremely sparse and none of the prospects within the lease have had sufficient drilling carried out to determine the nature and extent of mineralisation.

### Sample Preparation, Analyses and Security

#### *Soil Geochemistry*

Soil samples were collected from the top of the B-Horizon clay interface then analysed for Arsenic using a portable XRF unit and results reported out as a digital text file. The analysis of soil was carried out using a Niton L3t GOLDD+ portable XRF. No duplicate samples were collected or analysed during the pXRF program. The sampling program was overseen by senior company geologists at Petratherm.

#### *Rock Chip Sampling*

Rock chip sampling was carried out on an ad-hoc basis from sites of interest such as mullock heaps and outcrop near old workings. Samples with a nominal weight of 2KG were collected and analysed at the Gekko Assay Laboratory in Ballarat. Samples were collected in the field by Petratherm geologists and delivered by hand to the Gekko Assay Laboratory.

No Certified Reference Materials or blanks were recorded as submitted with these samples, the Gekko Assay Laboratory is NATA Accredited and submits internal blanks and standards with all assay batches. The analytical certificate for the rock chip samples submitted reported that all blanks and standards returned results within expected ranges.

### Mineral Resources and Mineral Reserves

Not applicable.

### Mining Operations

Not applicable.

### Exploration and Development

There is a significant amount of historic information available for the Yuengroon Project area. Generating geological interpretations based on historic observations and registering these and the historic workings in 3D space is recommended to assist with understanding local geological trends and targeting.

Two Phases of exploration are recommended in the Technical Report. The first phase could be described as “range-finding” and will build on the exploration work carried out to date. The purpose of the first phase is to identify multiple drill targets which can be prioritized for drill testing in the second phase.

#### *Exploration Phase One*

Phase one includes expanded soil Geochemistry programs at the Wedderburn Nth project area followed later by 4,000m of RAB drilling over eight targets based on arsenic anomalies (dependent upon work plan approvals where required). At the Golden Jacket and Moondyne projects 3D modelling of historic workings and geology is recommended followed by 4,000m of targeted RAB drilling to search for extensions of mineralization undercover. A broader campaign encompassing 4,000m of regional roadside RAB traverse drilling should also be undertaken in the western areas to locate potentially other blind gold accumulations under cover. At the completion of Phase one, the Company should review the results of the program to determine if proceeding to phase two is worthwhile. The total cost of phase one is estimated to be AUSS\$819,000 as outlined below.

<b>Item</b>	<b>Cost (AUSS)</b>
Exploration and Tenement Management	\$15,000
Historic Research and 3D modelling	\$4,000
Soil sampling program	\$50,000
RAB Drill Testing Wedderburn Nth	\$250,000
Western Exploration RAB drilling and Regional Mag	\$250,000
Western area blind roadside RAB drilling	\$250,000
Total	\$819,000 <sup>(1)</sup>

*Note:*

*(1) Equal to approximately \$786,240 based on an exchange rate of AU\$1 = \$0.96 as of December 11, 2020.*

#### *Exploration Phase Two*

If the drilling completed in the Phase one exploration program delivers positive results then the Company should consider proceeding with the second phase of exploration. Phase two is comprised of follow up RC drilling (5,500m) and diamond drilling (4,000m). The total cost of phase two is estimated to be AUSS\$1,355,000 as outlined below.

Item	Cost (AU\$)
Exploration and Tenement Management	\$25,000
RC Drilling below RAB intersections	\$450,000
Diamond Drilling below RAB intersections	\$880,000
Total	\$1,355,000 <sup>(1)</sup>

Note:

(1) Equal to approximately \$1,300,800 based on an exchange rate of AU\$1 = \$0.96 as of December 11, 2020.

## 5. SELECTED CONSOLIDATED FINANCIAL INFORMATION

### 5.1 Annual Information

The Company's audited financial statements for the fiscal years ended June 30, 2020, are attached hereto as Schedule A and are available on SEDAR.

The following financial data summarizes selected financial data for the Company prepared in accordance with IFRS and is derived from the Company's audited annual financial statements for the years ended June 30, 2020, 2019 and 2018. The information set forth below should be read in conjunction with the Company's annual financial statements and the related notes thereto attached hereto as Schedule A and available on SEDAR.

Item	Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018
Revenues	\$Nil	\$Nil	\$Nil
Income from continuing operations	\$Nil	\$Nil	\$Nil
Net loss	\$310,838	\$204,273	\$53,256
Exploration and evaluation assets	\$7,656	\$104,708	\$32,500
Total assets	\$148,490	\$335,494	\$384,844
Total long-term financial liabilities	\$Nil	\$Nil	\$Nil
Cash dividends	\$Nil	\$Nil	\$Nil

### 5.2 Quarterly Information

The results for each of the eight most recently completed quarters ending at the end of the most recently completed financial year, namely September 30, 2020, are summarized below:

Item	Sep 30, 2020	Jun 30, 2020	Mar 31, 2020	Dec 31, 2019	Sep 30, 2019	Jun 30, 2019	Mar 31, 2019	Dec 31, 2018
Revenues	\$Nil							
Income	\$Nil							
Net loss	\$55,254	\$20,823	\$127,406	\$145,926	\$16,683	\$48,863	\$101,829	\$25,119

### 5.3 Dividends

The Company has not declared or paid any dividends since its incorporation and management of the Company does not foresee paying any dividends in the foreseeable future, since available funds will be used primarily to conduct exploration activities. Any future payment of dividends will be at the discretion of the Board and will depend on the financial condition, business environment, operating results, capital requirements, any contractual restrictions on the payment of distributions and any other factors that the Board deems relevant. The Company is not bound or limited in any way to pay dividends in the event that the Board determines that a dividend was in the best interest of the Company's shareholders

### 5.4 Foreign GAAP

The financial statements included in this Listing Statement have been, and the future financial statements of the Company are expected to be, prepared in accordance with IFRS.

The financial statements included in this Listing Statement are not prepared or presented on the basis of foreign GAAP.

## 6. MANAGEMENT'S DISCUSSION AND ANALYSIS

The Company's MD&A for the period ended September 30, 2020 is attached to this Listing Statement as Schedule A.

## 7. MARKET FOR SECURITIES

The Common Shares are currently listed for trading on the CSE under the symbol "OZ".

The Company's Shares were listed on the CSE effective February 15, 2019 under the symbol "SKRB". Trading of the Company's Shares was halted October 9, 2020 upon announcing the Asset Purchase Agreement.

## 8. CONSOLIDATED CAPITALIZATION

The Company's authorized share capital consists of an unlimited number of Common Shares without par value. As at June 30, 2020 and as at the date of this Listing Statement, the outstanding capital of the Company consists of the following, after giving effect to the Financing (but before giving effect to the Transaction):

Designation of	Number	Amount	Amount Outstanding at	Amount Outstanding at
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Security	Authorized	Outstanding at June 30, 2020	the date of this Listing Statement	the date of this Listing Statement Assuming Completion of Transaction
Common Shares <sup>(1)</sup>	Unlimited	5,883,833	24,967,167 <sup>(2)(3)(4)</sup>	58,300,500
Warrants	N/A	-	9,505,000	9,505,000
Finder Warrants	N/A	-	751,150	751,150
Stock Options	10%	581,667 <sup>(3)</sup>	515,000	5,830,050 <sup>(5)</sup>

Notes:

- (1) On December 9, 2020, the Company completed the Consolidation.
- (2) On September 8, 2020, 6,667 shares were issued.
- (3) On November 9, 2020, 66,667 stock options were exercised.
- (4) On November 16, 2020, 19,010,000 Common Shares were issued in connection with the Financing.
- (5) On December 15, 2020, 5,315,050 stock options will be issued at \$0.60.

## 9. OPTIONS TO PURCHASE SECURITIES

The Company has established a Stock Option Plan under which the Company is authorized to grant stock options from time to time. As at the date of this Listing Statement, there are 515,000 options granted under the Plan. The Company intends to grant a further 5,315,050 options at a price of \$0.60 upon completion of Transaction.

### Summary of Stock Option Plan

The Stock Option Plan was adopted by the Company's board of directors on October 20, 2020 and approved by the shareholders on November 19, 2020. The purpose of the Stock 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 material terms of the Stock Option Plan are as follows:

- (a) the maximum aggregate number of Common Shares that can be issued pursuant to the exercise of options granted under the Plan, the Stock Option Plan or otherwise, is 10% of the Company's current issued and outstanding share capital (on a non-diluted basis);
- (b) stock options granted under the Stock Option Plan will have an expiry date not to exceed ten years from the date of grant;

(c) any stock options granted that expire or terminate for any reason without having been exercised will again be available under the Stock Option Plan;

(d) stock options will vest as required by the CSE, or such other stock exchange which the Company's Common Shares may be listed, and as may be determined by the administrator of the Stock Option Plan, or in the absence of such body, the Board;

(e) the minimum exercise price of any stock options issued under the Stock Option Plan will be determined by the Board at the time of grant, subject to the requirements of the CSE or such other stock exchange which the Company's Common Shares may be listed;

(f) stock options granted will expire 90 days after an optionee ceases to be involved with the Company, or for any options granted to an individual providing investor relations services, 30 days after the optionee ceases to be involved with the Company;

(i) the Company cannot grant options to any one consultant in any 12 month period which could, when exercised, result in the issuance of shares exceeding 2% of the issued and outstanding Common Shares of the Company;

(j) the Company cannot grant options in any 12 month period to persons employed or engaged by the Company to perform investor relations activities which could, when exercised, result in the issuance of Common Shares exceeding, in aggregate, 2% of the issued and outstanding shares of the Company and options issued to consultants performing investor relations activities must vest in stages over 12 months with no more than 1/4 of the options vested in any three month period;

(k) in connection with the exercise of an option, as a condition to such exercise the Company may require the optionee to pay to the Company an amount as necessary so as to ensure that the Company is in compliance with the applicable provisions of any federal, provincial or local laws relating to the withholding of tax or other required deductions relating to the exercise of such Option; and

(l) if a change of control, as described in the Stock Option Plan, occurs, all unvested options shall immediately become vested and may thereon be exercised in whole or in part by the option holder, subject to any required approval by the CSE, or such other stock exchange which the Company's Common Shares may be listed.

<b>Position of Holder with the Company</b>	<b>Number of Options</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
Current and Past Executive Officers (3 persons)	33,333	\$0.30	July 9, 2028
	310,000	\$0.30	October 24, 2024
	2,986,288	\$0.60	December 15, 2025
Current and Past Directors (2 persons)	25,000	\$0.30	July 9, 2028
	140,000	\$0.30	October 24, 2024
	1,000,000	\$0.60	December 15, 2025

Consultants (2persons)	6,667	\$0.30	October 24, 2024
	1,328,762	\$0.60	December 15, 2025
<b>Total</b>	<b>5,830,050</b>		

**10. DESCRIPTION OF THE SECURITIES**

**Description of the Company’s Securities**

The authorized capital of the Company consists of an unlimited number of Common Shares without par value. As at the date of this Listing Statement, 58,300,500 Common Shares are issued and outstanding (24,967,167 prior to completion of the Transaction).

**Common Shares**

Each holder of Common Shares shall be entitled to receive notice of and to attend all meetings of shareholders of the Company and at all such meetings shall be entitled to one vote in respect of each Common Share held by such holder.

The holders of Common Shares shall be entitled to receive dividends if and when declared by the Board.

In the event of any liquidation, dissolution or winding-up of the Company or other distribution of the assets of the Company among its shareholders for the purpose of winding-up its affairs, the holders of Common Shares shall be entitled, subject to the rights of holders of shares of any class ranking prior to the common shares, to receive the remaining property or assets of the Company.

**Miscellaneous Securities Provisions**

The Company has no debt securities outstanding as of the date of this Listing Statement and the Company is not intending to list any debt securities.

Except for the Common Shares, the Company is not proposing to list any securities on the CSE.

The rights of holders of common shares may not be modified otherwise than in accordance with the BCBCA and the articles of the Company.

As of the date of this Listing Statement, the rights attaching to the Common Shares are not materially limited or qualified by the rights of any other class of securities and no other class of securities ranks ahead of or equally with the Common Shares.

**Prior Sales**

The following table summarizes details of the Common Shares issued by the Company during the 12 month period prior to the date of this Listing Statement.

<b>Date</b>	<b>Number and Type of Securities<sup>(2)</sup></b>	<b>Issue/Exercise Price Per</b>	<b>Nature of Consideration</b>
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		<b>Security<sup>(2)</sup></b>	<b>Received</b>
September 8, 2020	6,667 Common Shares	\$0.30	Cash
November 9, 2020	66,667 Common Shares <sup>(1)</sup>	\$0.30	Cash
November 16, 2020	19,010,000 Units	\$0.60	Cash

Notes:

- (1) Issued in connection with the exercise of stock options.
- (2) On a post-Consolidation basis. Issued in connection with the Financing.

On closing of the Transaction, the Company will issue the Consideration Shares to Petratherm.

### **Stock Exchange Price**

The Company's Shares were listed on the CSE effective February 15, 2019 under the symbol "SKRB". Trading of the Company's Shares was halted October 9, 2020 upon announcing the Asset Purchase Agreement. The following summarizes the trading of the Company's Shares on the CSE during the 12 months preceding the date of this Listing Statement:

<b>Period</b>	<b>High<sup>(1)</sup> (\$)</b>	<b>Low<sup>(1)</sup> (\$)</b>	<b>Volume<sup>(1)</sup></b>
October 1-9, 2020	0.315	0.25	35,925
September 2020	1.00	0.27	10,011
August 2020	1.00	0.12	33,792
July 2020	0.12	0.08	52,500
June 2020	0.08	0.08	-
May 2020	0.08	0.08	-
April 2020	0.08	0.08	-
March 2020	0.08	0.08	-
February 2020	0.08	0.08	-
January 2020	0.08	0.08	-
December 2019	0.08	0.08	-
November 2019	0.08	0.08	-
October 2019	0.08	0.08	-

Note:

1. Presented on a pre-Consolidation basis.

## 11. ESCROWED SECURITIES AND SECURITIES SUBJECT TO RESALE RESTRICTIONS

### Escrowed Securities

Odyssey Trust Company is the escrow agent under the Escrow Agreement for the Escrowed Securities.

Designation or Class	Number of Securities Currently Held in Escrow	Percentage of Class
Common Shares	683,750	12.91%

Based on the provisions of National Policy 46-201, the Escrowed Securities are subject to the following release schedule:

Release Date	% of Total Escrowed Securities to be Released
Listing Date	10% (released)
6 months following Listing Date	15% (released)
12 months following Listing Date	15% (released)
18 months following Listing Date	15% (released)
24 months following Listing Date	15%
30 months following Listing Date	15%
36 months following Listing Date	15%

### Securities Subject to Resale Restrictions

A total of 19,010,000 Common Shares, 9,505,000 Warrants and 751,150 Finder's Warrants issued under the Financing are subject to a statutory hold period of four months and a day from the date of issue.

The Consideration Shares are also subject to a statutory hold period of four months and a day from the date of issue.

## 12. PRINCIPAL SHAREHOLDERS

To the knowledge of our directors and officers no person will beneficially own, directly or indirectly, or exercise control or direction over, more than 10% of our Shares.

On the Closing Date, the Company will issue the Consideration Shares to Petratherm. Petratherm has agreed to distribute the Consideration Shares to its shareholders on a *pro rata* basis by way of dividend, reduction of stated capital or other type of distribution in specie (the "**Distribution**") on or before the date that is 125 days after the Closing Date (the "**Distribution Deadline**").

Pursuant to the Asset Purchase Agreement, Petratherm further acknowledged, declared and agreed that:

- On the Closing Date, it will be the registered owner of a 100% interest in the Consideration Shares;
- During the period between the Closing Date and the Distribution Deadline (the “**Distribution Wait Period**”), it will hold a 100% beneficial interest in the Consideration Shares (the “**Beneficial Interest**”) in trust for the Petratherm shareholders; and
- It holds the Beneficial Interest as a bare trustee for the Petratherm shareholders.

During the Distribution Wait Period, Petratherm has agreed that it will not have any rights as a shareholder with respect to the Consideration Shares. Without limiting the generality of the foregoing, Petratherm has agreed that:

- Petratherm will not have any right to receive notice of, attend or vote at a meeting of shareholders of the Company;
- Petratherm will not have any right to receive any dividends declared by the board of directors of the Company in its discretion; and
- Petratherm will not be entitled to participate in any distribution of the property or assets of the Company.

The Company has been advised by Petratherm that, following completion of the Distribution, no former shareholder of Petratherm will beneficially own, directly or indirectly, or exercise control or direction over, more than 10% of the Common Shares.

## 13. DIRECTORS AND OFFICERS

### 13.1-13.5 Name, Address, Occupation and Security Holding

The name, province or state and country of residence, and position with the Company, of each of our directors and executive officers are set out in the table below. Details of their principal business or occupation in which they have been engaged during the immediately preceding five years are as set out under “Management of the Company” following the table.

Name and Municipality of Residence and Position with the Company	Principal Occupation or Employment for the Past Five Years	Dated Elected or Appointed (mm/dd/yy)	Number and Percentage of Common Shares Beneficially Owned or Controlled, Directly or Indirectly <sup>(1)</sup>
Craig Parry <sup>(2)</sup> British Columbia, Canada  <i>Director and Chairman</i>	Mr. Parry is currently the President and Chief Executive Officer of IsoEnergy Ltd., a 53%-owned subsidiary of NexGen Energy Ltd. IsoEnergy Ltd. is a uranium exploration and development company. Mr. Parry was Chief Executive Officer of Tigers Realm Coal Limited in 2012 and	March 6, 2018	1,861,667 (Direct) 3.19%  500 (Indirect) <1%

	acted in that capacity until 2015.		
Chris Donaldson British Columbia, Canada  <i>Chief Executive Officer and Director</i>	Mr. Donaldson is currently Chief Executive Officer and a Director of the Corporation. Previous to that he was Director and Corporate Development of Western Copper and Gold as well as Director, Corporate Development and Community with Casino Mining Corporation.	October 1, 2020	124,333 (Direct) 0.21%  46,667 (Indirect) 0.08%
Ota Hally British Columbia, Canada  <i>Chief Financial Officer and Director</i>	Mr. Hally serves as an independent mining consultant, providing executive and financial management advice to companies. Previous to that he worked for a number of large public practice firms and corporations, including KPMG, Meridian Gold, Yamana Gold, Pan American Silver, Endeavour Mining, Leagold Mining and Equinox Gold.	July 9, 2018	100,000 (Direct) 0.17%  167 (Indirect) <1%
Jennifer Hanson British Columbia, Canada  <i>Corporate Secretary</i>	Ms. Hanson has been involved with the Company since its inception in early 2018 and has over 20 years of corporate finance, accounting and regulatory experience in several industries.	November 19, 2020	167 (Direct) <1%
Louis Archambeault <sup>(2)</sup> British Columbia, Canada  <i>Director</i>	Mr. Archambeault is currently Vice President Corporate Development at Orezone Gold Corporation, a Canada-based gold mining company mainly engaged in the exploration and evaluation and development of gold. Previous to that, he served as Director, Corporate Development of Goldcorp, Head of North America at Appian Capital and Director of CIBC World Markets.	July 9, 2018	208,333 (Direct) 0.36%
Eric Zaunscherb <sup>(2)</sup> Ontario, Canada  <i>Director</i>	Mr. Zaunscherb is a Canadian geologist with over thirty-four years of experience as a mining analyst. He currently sits on the Boards of Directors and committees of several Canadian-listed public companies. He most recently served as Managing Director, Research – Metals & Mining Analyst at Canaccord Genuity where he coordinated the firm's global mining equity research team.	November 19, 2020	Nil

Notes:

1. Based on 58,300,500 Shares outstanding (24,967,167 prior to completion of the Transaction).
2. Member of the audit committee.

The term of office for our directors and members of our committees expires at each annual general meeting. The Board, after each such meeting, appoints our committees for the ensuing year. We currently have one

Board committee, being an audit committee, which presently consists of Louis Archambeault, Craig Parry and Eric Zaunscherb.

As of the date hereof, our directors and executive officers, including spouses and associates, as a group beneficially own, directly or indirectly, or exercise control or direction over 2,341,834 Shares representing 4.02% of the Company's 58,300,500 issued and outstanding Shares (24,967,167 prior to completion of the Transaction).

### **13.6 Cease Trade Orders**

None of our directors or executive officers or a shareholder holding sufficient securities of the Issuer to materially affect the control of the Issuer are, as at the date of this Listing Statement, or have been within 10 years before the date of this Listing Statement, 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 a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, 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 a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, 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;

### **13.7 Penalties and Sanctions**

None of our directors, executive officers or any shareholder holding a sufficient number of our securities to materially affect control of the Company:

- (a) is, as at the date of this Listing Statement, or has been within the 10 years before the date of this Listing Statement, 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;
- (b) has, within the 10 years before the date of this Listing Statement, 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;
- (c) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (d) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

### **13.8 Bankruptcies**

No director or officer of the Issuer, or a shareholder holding sufficient securities of the Issuer to materially affect the control of the Issuer, or a personal holding company of any such persons has, within the 10 years before the date of the Listing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director or officer.

### **13.9 Conflicts of Interest**

Our directors are required 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. However, our directors and officers may serve on the boards and/or as officers of other companies which may compete in the same industry as the Company, giving rise to potential conflicts of interest. To the extent that such other companies may participate in ventures in which we may participate, they may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such conflicts of interest arise at a meeting of our directors, such conflicts of interest must be declared, and the declaring parties must abstain from voting for or against the approval of such participation. The remaining directors will determine whether or not we will participate in any such project or opportunity.

Our directors and officers are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosures by directors of conflicts of interest, and we will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors or officers. Such directors or officers in accordance with the *Business Corporations Act* (BC) will disclose all such conflicts and they will govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law.

### **13.10 Management**

Further information on the business experience and professional qualifications of our directors, officers and promoters is set forth below:

#### ***Chris Donaldson, CEO and Director – Age 46***

Mr. Donaldson holds a Bachelor of Arts (Economics) and is an experienced executive with a 25-year track record of raising funds and building out new investment channels for both public and private companies. Mr. Donaldson has taken the Canadian Securities Course and the Investor Relations program at Ivey Business School. He is the founding director and former Chairman of the Society of Investor Relations in Mining (SIREM), has been active within the Yukon Mining Alliance, the boards of the Yukon Chamber of Commerce, the Yukon Chamber of Mines and served for many years as a Director of the Pacific Salmon Foundation.

Mr. Donaldson is a consultant of the Company, and, in his capacity as CEO, will dedicate a minimum of 75% of his time to the affairs of the Company. Mr. Donaldson is not currently subject to any written non-competition agreement with the Company but has entered into a standard confidentiality agreement.

#### ***Ota Hally, CFO and Director – Age 54***

Mr. Hally is a Chartered Professional 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 Professional Accountant designation in 2006, and his Chartered Financial Analyst Designation in 2014.

Mr. Hally is a consultant of the Company, and, in his capacity as CFO, Corporate Secretary and a Director, will dedicate a minimum of 25% of his time to the affairs of the Company. Mr. Hally is not currently subject to any written non-competition agreement with the Company but has entered into a standard confidentiality agreement.

***Jennifer Hanson, Corporate Secretary – Age 46***

Ms. Hanson has over 20 years of corporate finance, accounting and regulatory experience in several industries. She currently is Corporate Secretary for a number of Canadian-listed public companies.

Ms. Hanson is not an employee of the Company. Ms. Hanson is not subject to any written non-competition or confidentiality agreement with the Company.

***Craig Parry, Director – Age 46***

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.

Mr. Parry is not an employee of the Company, and, in his capacity as a director will dedicate a minimum of 20% of his time to the affairs of the Company. Mr. Parry is not currently subject to any written non-competition agreement with the Company but has entered into a standard confidentiality agreement.

***Louis Archambeault, Director – Age 40***

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 is not an employee of the Company. He is a director and member of the Audit Committee. Mr. Archambeault is not currently subject to any written non-competition agreement with the Company but has entered into a standard confidentiality agreement.

***Eric Zaunscherb, Director – Age 58***

Mr. Zaunscherb is a Canadian geologist with over thirty-four years of experience as a mining analyst. He

currently sits on the Boards of Directors and committees of several Canadian-listed public companies. He most recently served as Managing Director, Research – Metals & Mining Analyst at Canaccord Genuity where he co-ordinated the firm’s global mining equity research team. He has enjoyed working in Toronto, Vancouver, and London, experiencing best practices in capital markets at several leading firms and conducting hundreds of exploration, development, and mining project site visits globally.

Mr. Zaunscherb is not an employee of the Company. He is a director and member of the Audit Committee. Mr. Zaunscherb is not currently subject to any written non-competition agreement with the Company but has entered into a standard confidentiality agreement.

### **Audit Committee**

Pursuant to Exchange Policies and National Instrument 52-110 - *Audit Committees* (“NI 52-110”), we are required to have an audit committee comprised of at least three directors. Outback is a “venture issuer” as defined in NI 52-110 and as such will be relying on the exemption set out in section 6.1 thereof which allows for the majority of the committee members to be independent (rather than all members of the Audit Committee being independent). Our audit committee will be comprised of Louis Archambeault (Chair), Craig Parry and Eric Zaunscherb. Mr. Archambeault and Mr. Zaunscherb are independent members. The following is a summary of the relevant education and experience of each audit committee member:

*Louis Archambeault* – Mr. Archambeault’s has over 12 years of experience in the financial markets, including experience in the mineral exploration sector. He earned both his B.Eng in Mining and Mineral Engineering with a minor in Finance and an M.Eng in Mineral Economics and Artificial Intelligence from McGill University, and has attained his CFA Level One. Mr. Archambeault joined CIBC World Markets as an analyst in 2007, eventually rising to the role of director, accumulating over six years of investment banking experience. 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, and is currently Vice President Corporate Development at Orezon Gold Corporation. Mr. Archambeault is independent and financially literate within the meaning of NI 52-110.

*Craig Parry* – Mr. Parry has served as a director and as a CEO for a number of public and private companies in Canada, Australia and the US. He has been involved in strategic development, mergers, acquisitions and geology. Mr. Parry is not independent and financially literate within the meaning of NI 52-110.

*Eric Zaunscherb* – Mr. Zaunscherb is an experience executive with a 34-year track record as a mining analyst. He currently sits on the Board of Directors and committees of several Canadian-listed public companies. Mr. Zaunscherb is independent and financially literate within the meaning of NI 52-110.

### **AUDIT COMMITTEE CHARTER**

The Company’s audit committee must operate pursuant to the provisions of a written charter, which sets out its duties and responsibilities. The following is a summary of such charter:

The primary function of the audit 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. The committee is 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. The committee reviews and appraises the performance of the Company’s external auditors and provides an open avenue of communication among the Company’s auditors, financial and senior management and the Board

of Directors.

The committee is comprised of a minimum of three directors as determined by the Board of Directors. The committee shall meet at least twice annually or more frequently as circumstances dictate and will meet at least annually with the Chief Financial Officer.

## **CORPORATE GOVERNANCE**

Corporate governance relates to the activities of the Board of Directors, the members of which are elected by and are accountable to the shareholders and takes into account the role of the individual members of management who are appointed by the Board of Directors and who are charged with day-to-day management of the Company. National Instrument 58-201 *Corporate Governance Guidelines* establishes corporate governance guidelines to be used by issuers in developing their own corporate governance practices. The Board of Directors is committed to sound corporate governance practices, which are both in the interest of its shareholders and contribute to effective and efficient decision making.

In accordance with National Instrument 58-101 *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) our corporate governance practices are summarized below. The Board of Directors will continue to monitor such practices on an ongoing basis and when necessary implement such additional practices as it deems appropriate.

### **Board of Directors**

The Company’s Board of Directors (the “**Board**”) is currently composed of five directors – Craig Parry, Chris Donaldson, Ota Hally, Louis Archambeault and Eric Zaunscherb.

NI 58-101 suggests, but does not mandate, that the board of directors of a public company should be constituted with a majority of individuals who qualify as “independent” directors. An “independent” director is a director who is independent of management and is free from any interest and any business or other relationship which could or could reasonably be perceived to materially interfere with the director’s ability to act with a view to the best interests of the Company, other than interests and relationships arising from shareholding. In addition, where a company has a significant shareholder, NI 58-101 suggests that the board of directors should include a number of directors who do not have interests in either the company or the significant shareholder. The independent directors would exercise their responsibilities for independent oversight of management and meet independently of management whenever deemed necessary. At present, the majority of the Company’s directors are not independent. Louis Archambeault and Eric Zaunscherb can be considered to be “independent” within the meaning of NI 58-101. Chris Donaldson, by reason of being CEO, Ota Hally, by reason of being CFO, and Craig Parry, by reason of being former CEO, cannot be considered to be “independent” within the meaning of NI 58-101.

The independent directors will meet separately from the non-independent directors, as determined necessary from time to time, in order to facilitate open and candid discussion among the independent directors. No separate meetings of the independent directors have been held to date. Louis Archambeault, a non-independent director, acts as the chairman with respect to the conduct of Board meetings. Given the Company’s relatively small size and start-up nature, the Board is satisfied as to the extent of independence of its members. The Board is satisfied that it is not constrained in its access to information, in its deliberations, or in its ability to satisfy the mandate established by law to supervise the business and affairs of the Company, and that there are sufficient systems and procedures in place to allow the Board to have a reasonable degree of independence from day-to-day management.

### **Board Mandate**

The Board adopted a Board Mandate on July 26, 2019. The Board considers that management is effectively supervised by the independent directors on an informal basis as the independent directors have regular and full access to management. Further supervision is performed through the Company's audit committee which is composed of a majority of independent directors who meet with the Company's auditors without management being in attendance.

### **Position Descriptions**

The Board has not developed written position descriptions for the chairman with respect to the conduct of Board meetings, or for the chair of any committees. The chairman's role and responsibilities in each instance include reviewing notices of meetings, overseeing meeting agendas, conducting and chairing meetings in accordance with good practices, and reviewing minutes of meetings.

The CEO's general roles and responsibilities are commensurate with the position of CEO of a resource company comparable in size to the Company. They include overseeing all operations of the Company and developing and devising the means to implement general strategies for the direction and growth of the Company as instructed by the Board.

### *Directorships*

The following directors of the Company also serve as directors of other reporting issuers:

<b>Name</b>	<b>Name of Reporting Issuer</b>	<b>Position Held</b>	<b>Dates</b>
Craig Parry	Skeena Resources Limited	Director	December 15, 2016
	Vizsla Resources Corp.	Director	December 21, 2018
	IsoEnergy Ltd.	CEO	October 12, 2016
	GPM Metals Inc.	Director	April 9, 2019
	Gold Bull Resources Corp.	Director	June 29, 2020
	Surge Copper Corp.	Director	September 29, 2020
Eric Zaunscherb	Critical Elements Lithium Corporation	Director	March 19, 2020
	GR Silver Mining Ltd.	Director	April 16, 2020

### **Orientation and Continuing Education**

Each new director is given an outline of the nature of the Company's business, its corporate strategy, and current issues within the Company. New directors are encouraged to review the Company's public disclosure records and are also required to meet with management of the Company to discuss and better understand the Company's business and are given the opportunity to meet with counsel to the Company to discuss their legal obligations as directors of the Company.

In addition, management of the Company will take steps to ensure that its directors and officers are continually updated as to the latest corporate and securities policies which may affect the directors, officers and committee members of the Company as a whole. The Company's legal counsel continually reviews the latest securities rules and policies and is on the mailing list of the Exchange to receive updates to any of those policies. Any such changes or new requirements are then brought to the attention of the Company's directors and management.

## **Ethical Business Conduct**

The Board has not established a Corporate Governance Committee but plans to do so in the future. As some of our directors also serve as directors and officers of other companies engaged in similar business activities, our directors must comply with the conflict of interest provisions of applicable corporate law, as well as the relevant securities regulatory instruments, in order to ensure that they exercise independent judgment in considering transactions and agreements in respect of which they may have a material interest. Any interested director would be required to declare the nature and extent of his interest and would not be entitled to vote at meetings of directors which evoke any such conflict.

The Board plans to establish a code of ethical conduct policy pursuant to the requirements of National Policy 58-201. The full text of this policy will be posted for review under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com) on or soon after the Listing Date and may be obtained free of charge upon request to the Company by mail to 1090 W. Georgia Street, Suite 700, Vancouver, British Columbia, V6E 3V7 (telephone: 604-499-4493).

## **Nomination of Directors**

The Company's management is continually in contact with individuals involved with public sector issuers. From these sources management has made numerous contacts and in the event that the Company requires any new directors, such individuals will be brought to the attention of the Board. The Company conducts due diligence, reference and background checks on any suitable candidate. New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the time required, integrity of character and a willingness to serve.

## **Compensation**

The Board of Directors formed a Compensation Committee on November 19, 2020 to monitor and review the salary and benefits of its executive officers. The members of the Compensation Committee are Louis Archambeault, Eric Zaunscherb and Craig Parry. The Committee shall assist the Board in discharging the Board's oversight responsibilities relating to the attraction, compensation, evaluation and retention of key senior management employees, and in particular the Chief Executive Officer with the skills and expertise needed to enable the Company to achieve its goals and strategies at fair and competitive compensation and appropriate performance incentives.

## **Other Board Committees**

The Board established a Corporate Social Responsibility committee on November 19, 2020. This committee was established to assist the Board in overseeing the Company's environmental, safety, health and corporate responsibility including good community relations, and human rights programs, policies and performance and the corporate culture in support of same.

## **Assessments**

Neither the Company nor the Board of Directors has determined formal means or methods to regularly assess the Board, its committees or the individual directors with respect to their effectiveness and contributions. Effectiveness is subjectively measured by comparing actual corporate results with stated objectives. The contributions of an individual director are informally monitored by the other Board members, having in mind the business and other strengths of the individual and the purpose of originally nominating the individual to the Board.

## 14. CAPITALIZATION

### 14.1 Issued Capital

#### Public Float

	Number of Securities (non-diluted)	Number of Securities (fully-diluted)	% of Issued (non-diluted)	% of Issued (fully diluted)
Total outstanding (A)	58,300,500	74,386,700	100%	100%
Held by Related Persons or employees of the Issuer or Related Person of the Issuer, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer upon exercise or conversion of other securities held) (B)	2,341,834	8,196,884	4.02%	11.02%
Total Public Float (A-B)	55,958,666	66,189,816	95.98%	88.98%
<b>Freely-Tradeable Float</b>				
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	53,027,083	68,429,533	90.95%	91.99%
Total Tradeable Float (A-C)	5,273,417	5,957,167	9.05%	8.01%

#### Public Securityholders (Registered & Beneficial)

<i>Class of Security</i> Size of Holding	Number of holders	Total number of securities <sup>(1)</sup>
1 – 99 securities	Nil	Nil
100 – 499 securities	116	21,449
500 – 999 securities	9	5,000
1,000 – 1,999 securities	7	11,000
2,000 – 2,999 securities	1	2,000
3,000 – 3,999 securities	8	26,667
4,000 – 4,999 securities	Nil	Nil
5,000 or more securities	136	55,893,550
<b>TOTAL:</b>	<b>276</b>	<b>55,958,666</b>

(1) The above information obtained from the transfer agent's registered shareholders' list as at November 16, 2020.

#### Non-Public Securityholders (Registered)

<i>Class of Security</i> Size of Holding	Number of holders	Total number of securities
1 – 99 securities	2	334
100 – 499 securities	Nil	Nil
500 – 999 securities	Nil	Nil
1,000 – 1,999 securities	Nil	Nil
2,000 – 2,999 securities	Nil	Nil
3,000 – 3,999 securities	Nil	Nil
4,000 – 4,999 securities	Nil	Nil
5,000 or more securities	4	2,341,500
<b>TOTAL:</b>	<b>6</b>	<b>2,341,834</b>

## 14.2 Convertible Securities

The following table details securities convertible or exchangeable into Shares.

Description of Security	Date of Expiry	Exercise Price	Number of convertible/ exchangeable securities outstanding	Number of listed securities issuable upon conversion/exercise
Options	July 9, 2028	\$0.30	58,333 <sup>(1)</sup>	58,333 <sup>(1)</sup>
Options	October 21, 2024	\$0.30	456,667 <sup>(1)</sup>	456,667 <sup>(1)</sup>
Options	December 15, 2025	\$0.60	5,315,050	5,315,050 <sup>(1)(2)</sup>
Warrants	November 16, 2022	\$1.50	9,505,000 <sup>(1)</sup>	9,505,000 <sup>(1)</sup>
Broker Warrants	November 16, 2022	\$1.50	751,150 <sup>(1)</sup>	751,150 <sup>(1)</sup>

(1) These are post consolidation numbers.

(2) The Company intends to issue these options upon completion of Transaction.

## 14.3 Listed securities reserved for issuance not included in item 14.2

There are no other Common Shares reserved for issuance that are not included in section 14.2.

## 15. EXECUTIVE COMPENSATION

For purposes hereof, “Named Executive Officer” or “NEO” means each of the following individuals:

- (a) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief executive officer, including an individual performing functions similar to a chief executive officer;
- (b) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief financial officer, including an individual performing functions similar to a chief financial officer;
- (c) in respect of the Company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000;
- (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the Company, and was not acting in a similar capacity, at the end of that financial year.

At the date of this Listing statement the Company had two NEO’s – Chris Donaldson, the CEO of the Company, and Ota Hally, CFO of the Company.

**Table of compensation excluding compensation securities**

Name and position	Year <sup>(1)</sup>	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Chris Donaldson <sup>(1)</sup> <i>Chief Executive Officer &amp; Director</i>	2020	41,666	46,875	N/A	N/A	N/A	N/A
	2019	N/A	N/A	N/A	N/A	N/A	N/A
	2018	N/A	N/A	N/A	N/A	N/A	N/A
Ota Hally <i>Chief Financial Officer &amp; Director</i>	2020	16,666	12,500	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
	2018	Nil	Nil	Nil	Nil	Nil	Nil

Note:

- (1) Mr. Donaldson was appointed as CEO on October 1, 2020.

**Securities Authorized for Issuance under Equity Compensation Plans**

The only equity compensation plan which the Company has in place is the Company’s share incentive stock option plan the material terms of which are set forth above.

The following table sets out equity compensation plan information as at the date of this Listing Statement.

	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans as approved by security holders	5,830,050	\$0.49	Nil
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
<b>Total</b>	<b>5,830,050</b>		<b>Nil</b>

**Executive Consulting Agreements**

Chris Donaldson

On October 1, 2020, the Company entered into an Executive Consulting Agreement with Mr. Donaldson’s company, Donaldson Capital Corporation for an indefinite term. Mr. Donaldson will receive \$250,000 annually for consulting fees (the “Fee”) and he will receive performance bonuses with a target of 75% of the Fee per year (the “**Bonus Pool**”). For the initial period from October 1, 2020 to December 31, 2020, the Bonus Pool target will be \$234,275. After the initial period, the Bonus Pool will be paid out on or before January 31 of the following year in accordance with milestones to be determined by the Compensation

Committee or Chairman.

If the Company terminates, Mr. Donaldson will receive an amount equal to its then-current annual Fee payable (the “**Termination Fee**”) and he will be eligible for any bonuses not yet paid. If the Company gives notice of termination within 12 months of a Change of Control, then Mr. Donaldson will be entitled to an amount equal to three times the Termination Fee plus two times the average of the bonus paid to Mr. Donaldson during the two years prior to date of termination. Mr. Donaldson may elect to take the compensation to be paid in a lump sum payment or in instalments over any period as it may specify. If Mr. Donaldson gives notice within 12 months of a Change of Control in which the Change of Control Threshold is equal to or greater than 50%, he will be entitled to the Change of Control Payment.

The Company may terminate Mr. Donaldson for just cause if there are any material or persistent breaches by Mr. Donaldson of the terms of this Agreement or if a conviction of Chris Donaldson or his company of a felony or of any crime involving moral turpitude, fraud or misrepresentation, or money or property to the Company or any affiliate of the Company, or there is a wilful failure or refusal by Mr. Donaldson to satisfy his obligations to the Company under this Agreement including without limitation, specific lawful directives, of the Board, or there is any grossly negligent or wilful conduct of Mr. Donaldson or his company that directly results in substantial loss or injury to the Company.

#### Ota Hally

On October 1, 2020, the Company entered into an Executive Consulting Agreement with Mr. Hally for an indefinite term. Mr. Hally will receive \$100,000 annually for consulting fees (the “**Fee**”) and he will receive performance bonuses with a target of 50% of the Fee per year (the “**Bonus Pool**”). For the initial period from October 1, 2020 to December 31, 2020, the Bonus Pool target will be \$62,500. After the initial period, the Bonus Pool will be paid out on or before January 31 of the following year in accordance with milestones to be determined by the Compensation Committee or Chairman.

If the Company terminates, Mr. Hally will receive an amount equal to its then-current annual Fee payable (the “**Termination Fee**”) and he will be eligible for any bonuses not yet paid. If the Company gives notice of termination within 12 months of a Change of Control, then Mr. Hally will be entitled to an amount equal to three times the Termination Fee plus two times the average of the bonus paid to Mr. Hally during the two years prior to date of termination. Mr. Hally may elect to take the compensation to be paid in a lump sum payment or in instalments over any period as it may specify. If Mr. Hally gives notice within 12 months of a Change of Control in which the Change of Control Threshold is equal to or greater than 50%, he will be entitled to the Change of Control Payment.

The Company may terminate Mr. Hally for just cause if there are any material or persistent breaches by Mr. Hally of the terms of this Agreement or if a conviction of Ota Hally of a felony or of any crime involving moral turpitude, fraud or misrepresentation, or money or property to the Company or any affiliate of the Company, or there is a wilful failure or refusal by Mr. Hally to satisfy his obligations to the Company under this Agreement including without limitation, specific lawful directives, of the Board, or there is any grossly negligent or wilful conduct of Mr. Hally or his company that directly results in substantial loss or injury to the Company.

## **16. INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

No officer, director, employee or former officer, director or employee of the Issuer (i) has been indebted to the Issuer at any time during the most recently completed financial year or is currently indebted to the Issuer for any purpose, or (ii) is the subject of a guarantee, support agreement (including, but is not limited

to, an agreement to provide assistance in the maintenance or servicing of any indebtedness and an agreement to provide compensation for the purpose of maintaining or servicing any indebtedness of the borrower), letter of credit or other similar arrangement or understanding.

## **17. RISK FACTORS**

*Investing in the Common Shares is speculative and involves a high degree of risk due to the nature of the Company's business. An investment in the Common Shares should only be made by persons who can afford the total loss of their investment. The following risks, as well as risks currently unknown to the Company, could adversely affect the Company's current or future business, properties, operations, results, cash flows, financial condition and prospects and could cause future results, cash flows, financial condition, prospects, events or circumstances to differ materially from those currently expected, including the estimates contained in this Listing Statement. Investors should carefully consider the risks described below and elsewhere in this Listing Statement. The risks described below and elsewhere in this Listing Statement do not purport to be an exhaustive summary of the risks affecting the Company and additional risks and uncertainties not currently known to the Company or not currently perceived as being material may have an adverse effect on the Company.*

The following are certain risk factors relating to the Company that prospective investors should carefully consider. The risks and uncertainties below are not the only risks facing the Company. Additional risks and uncertainties not presently known to the Company or that the Company currently considers immaterial may also impair the business and operations of the Company. If any of the following risks actually occur, the Company's business may be harmed and the financial condition and results of the operation may suffer significantly. Prospective investors should review the risks with their legal and financial advisors and should consider, in addition to the matters set forth elsewhere in this Listing Statement, the following risks:

### **Early Stage Status and Nature of Exploration**

Except for the mineral resource estimates described in above this Listing Statement, any reference to potential quantities and/or grade is conceptual in nature, as there has been insufficient exploration to define any mineral resource and it is uncertain if further exploration will result in the determination of any mineral resource. Any information, including quantities and/or grade, described in this Listing Statement should not be interpreted as assurances of a potential resource or reserve, or of potential future mine life or of the viability or profitability of future operations.

Few properties that are explored are ultimately developed into producing mines. Substantial expenditures are required to establish ore reserves through drilling, to develop metallurgical processes to extract the metal from the ore and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining.

The economics of exploring and developing mineral properties is affected by many factors including the cost of operations, variations in the grade of ore mined, fluctuations in metal markets, costs of mining 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. Major expenses may be required to establish reserves by drilling and to construct mining and processing facilities at a particular site. It is impossible to ensure that the current planned exploration and development programs of the Company will result in economically viable or profitable commercial mining operations. The profitability of the Company's operations will be, in part, directly related to the costs and success of its exploration and development programs, which may be affected by a number of factors. Substantial expenditures are required to establish mineral reserves that are sufficient to support commercial mining operations and to construct, complete and install mining and processing facilities on those properties that are

actually developed.

No assurance can be given that any particular level of recovery of minerals will be realized or that any potential quantities and/or grade will ever qualify as a mineral resource, or that any such mineral resource will ever qualify as a commercially viable (or mineable) deposit which can be legally and economically exploited. Where expenditures on a property have not led to the discovery of mineral reserves, incurred expenditures will generally not be recoverable.

### **Risks Related to Transfer and Issuance of Exploration Licenses**

The Yuengroon Project is an exploration license, while the Silver Spoon Project and Ballarat West Project consist of exploration license applications.

Transfer of the Yuengroon Project to the Company is subject to approval of the Minister of Resources of Australia. While an application for such transfer will be lodged prior to the Closing Date, the Yuengroon Project will likely not be transferred to the Company until after the Closing Date. While Petratherm is in ongoing discussion with the relevant authorities and anticipates that the transfer will be completed in due course, there can be no assurance that the process will be successfully completed on a timely basis, or at all.

There can be no assurance that exploration licenses will ultimately be granted with respect to the Silver Spoon Project and Ballarat West Project on a timely basis, or at all. If exploration licenses are ultimately granted to Petratherm, their transfer to the Company will be subject to approval of the Minister of Resources of Australia.

### **The Company will incur losses and experience negative operating cash flow for the foreseeable future**

For the financial year ended June 30, 2020, the Company had a net loss of approximately \$310,838. The Company has incurred various expenses in recent periods and plans to incur further expenses as cash flows allow. The planned increases in expenses may result in larger losses in future periods.

The exploration, development and operation of the Victorian Gold Projects will require the commitment of substantial financial resources that may not be available. The amount and timing of expenditures will depend on a number of factors, including the progress of ongoing exploration and development, the results of consultants' analyses and recommendations, the rate at which operating losses are incurred, the execution of any joint venture agreements with strategic partners and the acquisition of additional property interests, some of which are beyond the Company's control. The Company's business strategies may not be successful, and it may not be profitable in any future period. The Company's operating results have varied in the past and they may continue to fluctuate in the future. In addition, the Company's operating results may not follow any past trends.

The Company currently has no source of operating cash flow and will continue to remain cash flow negative for the foreseeable future. The Company's failure to achieve future profitability and positive operating cash flows would have a material adverse effect on its financial condition and results of operations. If the Company sustains losses over an extended period of time, it may be unable to continue its business. Further exploration, development and maintenance of claims for the Victorian Gold Projects will require the commitment of substantial financial resources. It may be several years before the Company will generate any revenues from operations, if at all. There can be no assurance that the Company will realize revenue or achieve profitability.

### **The Company may not be able to obtain sufficient financing to pursue all of its intended exploration activities or continue on a going concern basis**

The Company's primary source of capital is the issuance of securities. The Company will continuously monitor its capital structure and, based on changes in operations and economic conditions, may adjust the structure by issuing new securities as necessary. In the long term, the Company's ability to continue as a going concern is dependent upon continued access to capital markets. The recoverability of the carrying values of the Company's assets is dependent upon the ability of the Company to obtain the necessary financing to complete its exploration activities, achieve mineral discoveries, and advance their development toward potential production.

### **COVID-19 Global Pandemic**

COVID-19 is an infectious disease caused by severe acute respiratory syndrome coronavirus 2 ("SARS-CoV-2"). Since December 31, 2019, the outbreak of COVID-19 has led governments worldwide to enact emergency measures to combat the spread of the virus. These measures, which include, among other things, the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally, resulting in an economic slowdown. Such events may result in a period of business disruption, and in reduced operations, any of which could have a material adverse impact on the Company's result of operations, financial condition and the market and trading price of the Company's securities.

As of the date of this Listing Statement, the duration and immediate and eventual impact of the COVID-19 pandemic remains unknown. In particular, it is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company. While the outbreak of COVID-19 has not caused disruptions to the Company's business, it may yet cause disruptions to the Company's business and operations plans. Such disruptions may result from (i) restrictions that governments and communities impose to address the COVID-19 global pandemic; (ii) restrictions that the Company and its contractors and subcontractors impose to ensure the safety of employees and others; (iii) shortages of employees and/or unavailability of contractors and subcontractors; (iv) interruption of supplies from third parties upon which the Company relies; and/or (v) inability to raise capital due to the economic uncertainty caused by COVID-19. Further, it is presently not possible to predict the extent or durations of these disruptions. These disruptions may have a material adverse effect on the Company's business, financial condition and results of operations, which could be rapid and unexpected. These disruptions may severely impact the Company's ability to carry out its business plans.

### **Limited operating history**

Most mining exploration does not have positive results. The Company is an early stage company and the Victorian Gold Projects are exploration stage properties. As such, the Company will be subject to all of the business risks and uncertainties associated with any new business enterprise, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenues. The current early stage exploration stage of the Victorian Gold Projects means it will require significant additional expenditures before any cash flow may, if ever, be generated. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success of the Company must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any business. There is little probability of dividends ever being paid on the Common Shares.

### **The successful exploration and development of the Victorian Gold Projects depends on the skills of the Company's management and teams**

The Company's business is dependent on retaining the services of its key management personnel with a variety of skills and experience, including in relation to the exploration and development of mineral projects.

The success of the Company is, and will continue to be, dependent to a significant extent on the expertise and experience of its directors and senior management. Failure to retain, or loss of, one or more of these people could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects. The Company's success will also depend to a significant degree upon the contributions of qualified technical personnel and the Company's ability to attract and retain highly skilled personnel. Competition for such personnel is intense, and the Company may not be successful in attracting and retaining qualified personnel, or in obtaining the necessary work permits to hire qualified expatriates. The Company's inability to attract and retain these people could have a material adverse effect on its business, financial condition, results of operations, cash flows or prospects.

### **Resource exploration and development is a speculative business**

Resource exploration and development is a speculative business and involves a high degree of risk, including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but from finding mineralized zones which, though present, are insufficient in size, grade or other factors to return a profit from production. The economic viability of any mineralization discovered by the Company will be affected by numerous factors beyond the control of the Company. These factors include market fluctuations, the proximity and capacity of natural resource markets, and government regulations, including regulations relating to prices, taxes, royalties, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital. The great majority of exploration projects do not result in the discovery of commercially mineable deposits of ore.

### **Base metal prices are volatile and may be lower than expected**

The Company's business and its ability to sustain operations are dependent on, amongst other things, the market price of various base metals, particularly nickel. Metal prices realized by the Company will affect future development decisions, production levels, earnings, cash flows, the financial condition and prospects of the Company. If the world market prices of base metals were to drop and the prices realized by the Company on metal sales were to decrease significantly and remain at such level for any substantial period, the Company's business, financial condition, results of operations, cash flows and prospects would be negatively affected.

Some factors that affect the price of base metals, particularly nickel, include: industrial demand; forward or short sales by producers and speculators; future levels of production; and rapid short term changes in supply and demand due to speculative or hedging activities by producers, individuals or funds. Metal prices are also affected by macroeconomic factors including: confidence in the global economy; expectations of the future rate of inflation; the availability and attractiveness of alternative investment vehicles; the strength of, and confidence in, the US dollar, the currency in which the price of metals is generally quoted, and other major currencies; global political or economic events; and costs of production of other metal producing companies. All of the above factors can, through their interaction, affect the price of metals by increasing or decreasing demand or supply.

The prices of metals have fluctuated widely in recent years, and future material price declines could cause commercial production from the Victorian Gold Projects or the development of, and commercial production from, the Victorian Gold Projects to be less profitable than expected and could render such the property uneconomic. Conducting mining in a low metal price environment would have a material adverse effect on the Company's business, financial condition, results of operations, cash flows and prospects. Depending on the current and expected price of metals, projected cash flows from future mining operations may not be sufficient to warrant commencing mining, and the Company could be forced to discontinue exploration or development. The Company may be forced to sell one or more portions of the Victorian Gold Projects to

generate cash. Future production from the Victorian Gold Projects will be dependent upon metal prices that are adequate to make a deposit economically viable. Furthermore, future mine plans using significantly lower metal prices could result in material write-downs of the Company's investment in the Victorian Gold Projects, and in reductions in mineral reserve and mineral resource estimates. The occurrence of any of the foregoing could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows and prospects.

A declining or sustained low price of metals could negatively impact the profitability of the Victorian Gold Projects and could affect the Company's ability to finance the exploration and development of other properties in the future. In addition, a declining or sustained low price of metals could require a reassessment of the feasibility of the Victorian Gold Projects. Although the price of metals is only one of the several factors that the Company will consider in making a development and production decision on the Victorian Gold Projects, if the Company determines from a reassessment that the Victorian Gold Projects is not economically viable in whole or in part, then operations may cease or be curtailed and the Victorian Gold Projects may never be fully developed or developed at all. The occurrence of any of the foregoing could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows and prospects.

#### **The future price of the Common Shares will vary depending on factors unrelated to the Company's performance or intrinsic fair value**

The market price of a publicly-traded stock is affected by many variables not directly related to the corporate performance of the Company, including the market in which it is traded, the strength of the economy generally, the availability of the attractiveness of alternative investments, and the breadth of the public market for the stock. The effect of these and other factors on the market price of the Common Shares on the Exchange in the future cannot be predicted.

#### **The Company's ability to discover commercial quantities of ore is unlikely**

Exploration for base metals is a highly speculative venture necessarily involving substantial risk. The programs proposed by the Company are exploratory in nature. There is no certainty that the planned exploration expenditures to be made by the Company described herein will result in discoveries of new zones of mineralization and, potentially, commercial quantities of ore. The Victorian Gold Projects do not presently contain any known bodies of commercial ore.

#### **Uninsured and Uninsurable Risk**

The Company's business is subject to a wide array of risks and hazards (as further described in this Listing Statement). The Company does not carry insurance against such risks as it is either not possible to obtain, or the cost of doing so would be prohibitive. The Company may therefore become subject to liability for pollution or other hazards which it is not currently insured against and/or in the future may not insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs which could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

#### **Uncertainty of mineral reserve and mineral resource estimates**

There are numerous uncertainties inherent in estimating quantities of mineral resources and reserves and grades of mineralization, including many factors beyond the Company's control. In making determinations about whether to advance any projects to development, the Company must rely upon estimates as to the mineral resources, reserves and grades of mineralization on the Company's properties. Until ore is actually

mined and processed, mineral reserves and grades of mineralization must be considered as estimates only. These estimates are imprecise and depend upon geological interpretation and statistical inferences drawn from drilling and sampling which may prove to be unreliable. There is no assurance that mineral reserves, resources or other mineralization estimates will be accurate, or that mineralization can be mined or processed profitably. Any material changes in mineral reserves estimates and grades of mineralization will affect the economic viability of placing a property into production and a property's return on capital. The estimates of mineral reserves and mineral resources are determined and valued based on various assumptions including future prices, cut-off grades and operating costs and various geological and lithographical interpretations that may prove to be inaccurate.

### **Reliance on a Limited Number of Properties**

The Company currently only holds rights to the British Columbia Property, and after the Closing Date will have an interest in the Victorian Gold Projects. As a result, unless the Company acquires additional property interests, any adverse developments affecting the Victorian Gold Projects or the merit in exercising the option to acquire the Glenfine Project is likely have an adverse effect upon the Company and would adversely affect the potential mineral resource development, profitability, financial performance and condition and results of the Company and its strategies and plans. While the Company may seek to acquire additional mineral properties that are consistent with its business objectives, there can be no assurance that the Company will be able to identify suitable additional mineral properties or, if it does identify suitable properties, that it will have sufficient financial resources to acquire such properties or that such properties will be available on terms acceptable to the Company or at all.

### **Potential exposure to foreign currency exchange rate fluctuations**

Revenues and operating expenses outside of Canada are often denominated in local currencies. Additionally, as we expand our international operations, we repost our financial results in Canadian dollars. Therefore, fluctuations in the value of the Canadian dollar and foreign currencies may affect our results of operations when translated into Canadian dollars. We do not currently engage in currency hedging activities to limit the risk of exchange rate fluctuations. In the future, we may use derivative instruments, such as foreign currency forward and option contracts, to hedge certain exposures to fluctuations in foreign currency exchange rates. The use of such hedging activities may not offset any or more than a portion of the adverse financial effects of unfavorable movements in foreign exchange rates over the limited time the hedges are in place. Moreover, the use of hedging instruments may introduce additional risks if we are unable to structure effective hedges with such instruments.

### **Operations during mining cycle peaks are more expensive**

During times of increased demand for metals and minerals, price increases may encourage expanded mining exploration, development and construction activities. These increased activities may result in escalating demand for and cost of contract exploration, development and construction services and equipment. Increased demand for and cost of services and equipment could cause exploration, development and construction costs to increase materially, resulting in delays if services or equipment cannot be obtained in a timely manner due to inadequate availability, and increased potential for scheduling difficulties and cost increases due to the need to coordinate the availability of services or equipment, any of which could materially increase project exploration, development or construction costs, result in project delays, or increase operating costs.

### **Title to the Victorian Gold Projects may be disputed**

There is no guarantee that title to the Victorian Gold Projects will not be challenged or impugned. The Company's claims may be subject to prior unregistered agreements or transfers and title may be affected by unidentified or unknown defects. The Company has conducted an investigation on the title of properties that it has acquired and is yet to acquire to confirm that there are no claims or agreements that could affect its title to its mineral tenure or surface rights. There is no guarantee that such title will not be challenged or impaired. If title to the Company's properties is disputed, it may result in the Company paying substantial costs to settle the dispute or clear title and could result in the loss of the property, which events may affect the economic viability of the Company. Title insurance generally is not available for mineral tenure or surface rights and the Company's ability to ensure that it has obtained secure claim to title may be constrained.

## **Land Claims**

Native title rights may be claimed on crown land or other types of tenure with respect to which mining rights have been conferred. In Australia, the *Native Title Act 1993* (Australia) (the "NTA") provides that any acts that may affect native title rights, such as a the grant of a mineral tenement, after December 23, 1996 must comply with certain requirements to be valid under the NTA. These requirements typically require either: the right to negotiate, an Indigenous land use agreement ("ILUA") or an expedited procedure to negotiate. As all of the Company's granted mineral tenements are within the external boundaries of native title claims, native title determinations and ILUAs, the Company will need to comply with these native title requirements. The failure to comply with these requirements could adversely effect the Company's mineral tenements and its exploration and mining activities thereon.

## **The Company may fail to comply with the law or may fail to obtain or renew necessary permits and licences**

The Company's operations are subject to extensive laws and regulations governing, among other things, such matters as environmental protection, management and use of toxic substances and explosives, health, exploration and development of mines, commercial production and sale of byproducts, ongoing and post-closure reclamation, construction and operation of tailings dams, safety and labour, taxation and royalties, maintenance of mineral tenure, and expropriation of property. The activities of the Company require licenses and permits from various governmental authorities.

The costs associated with compliance with these laws and regulations and of obtaining licenses and permits are substantial, and possible future laws and regulations, changes to existing laws and regulations and more stringent enforcement of current laws and regulations by governmental authorities, could cause additional expenses, capital expenditures, restrictions on or suspensions of the Company's operations and delays in the development of its properties. There is no assurance that future changes in such laws and regulations, if any, will not adversely affect the Company's operations. Moreover, these laws and regulations may allow governmental authorities and private parties to bring lawsuits based upon damages to property and injury to persons resulting from the environmental, health and safety practices of the Company's past and current operations, or possibly even the actions of former property owners, and could lead to the imposition of substantial fines, penalties or other civil or criminal sanctions. The Company may fail to comply with current or future laws and regulations. Such non-compliance can lead to financial restatements, civil or criminal fines, penalties, and other material negative impacts on the Company.

The Company is required to obtain or renew further government permits and licenses for its current and contemplated operations. Obtaining, amending or renewing the necessary governmental permits and licenses can be a time-consuming process potentially involving a number of regulatory agencies, involving public hearings and costly undertakings on the Company's part. The duration and success of the Company's efforts to obtain, amend and renew permits and licenses are contingent upon many variables not within its control, including the interpretation of applicable requirements implemented by the relevant permitting or licensing

authority. The Company may not be able to obtain, amend or renew permits or licenses that are necessary to its operations, or the cost to obtain, amend or renew permits or licenses may exceed what the Company believes it can ultimately recover from a given property once in production. Any unexpected delays or costs associated with the permitting and licensing process could impede ongoing operations at the Victorian Gold Projects. To the extent necessary permits or licenses are not obtained, amended or renewed, or are subsequently suspended or revoked, the Company may be curtailed or prohibited from proceeding with planned development, commercialization, operation and exploration activities. Such curtailment or prohibition may result in a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

### **Compliance with environmental regulations can be costly**

The Company's exploration operations at the Victorian Gold Projects are subject to environmental regulation. Regulations cover, among other things, water quality standards, land reclamation, the generation, transportation, storage and disposal of hazardous waste, the construction and operation of tailings dams, and general health and safety matters. There is no assurance that the Company has been or will at all times be in full compliance with all environmental laws and regulations or hold, and be in full compliance with, all required environmental and health and safety approvals and permits. The potential costs and delays associated with compliance with such laws, regulations, approvals and permits could prevent the Company from economically operating or proceeding with the further exploration of the Victorian Gold Projects, and any non-compliance with such laws, regulations, approvals and permits could result in a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

Environmental approvals and permits are currently, and may in the future be, required in connection with the Company's current and planned operations. To the extent such environmental approvals and permits are required and not obtained, the Company's plans and the operation of mines may be curtailed or it may be prohibited from proceeding with planned exploration or development of additional mineral properties. Failure to comply with applicable environmental laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions.

There is no assurance that any future changes in environmental regulations will not adversely affect the Company's operations. Changes in government regulations have the potential to significantly increase compliance costs and thus reduce the profitability of current or future operations.

Environmental hazards may also exist on the properties on which the Company holds interests that are unknown to the Company at present and that have been caused by previous or existing owners or operators of the properties and for which the Company may be liable for remediation. Parties engaged in mining operations, including the Company, may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable environmental laws or regulations, regardless of whether the Company actually caused the loss or damage. The costs of such compensation, fines or penalties could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

### **Social and environmental activism can negatively impact exploration, development and mining activities**

There is an increasing level of public concern relating to the effects of mining on the natural landscape, on communities and on the environment. Certain non-governmental organizations, public interest groups and reporting organizations ("NGOs") who oppose resource development can be vocal critics of the mining

industry. In addition, there have been many instances in which local community groups have opposed resource extraction activities, which have resulted in disruption and delays to the relevant operation. While the Company seeks to operate in a socially responsible manner and believes it has good relationships with local communities in the regions in which it operates, NGOs or local community organizations could direct adverse publicity against and/or disrupt the operations of the Company in respect of one or more of its properties, regardless of its successful compliance with social and environmental best practices, due to political factors, activities of unrelated third parties on lands in which the Company has an interest or the Company's operations specifically. Any such actions and the resulting media coverage could have an adverse effect on the reputation and financial condition of the Company or its relationships with the communities in which it operates, which could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

### **The mining industry is intensely competitive**

The mining industry is intensely competitive. The Company competes with other mining companies, many of which have greater resources and experience. Competition in the mining industry is primarily for: (i) properties which can be developed and can produce economically; (ii) the technical expertise to find, develop, and operate such properties; (iii) labour to operate such properties; and (iv) capital to fund such properties. Such competition may result in the Company being unable to acquire desired properties, to recruit or retain qualified employees and consultants or to acquire the capital necessary to fund its operations and develop its properties. The Company's inability to compete with other mining companies for these resources could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

Many competitors not only explore for and mine minerals, but conduct refining and marketing operations on a worldwide basis. In the future, the Company may also compete with such mining companies in refining and marketing its products to international markets. Any inability to compete with established competitors could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

### **The directors and officers may have conflicts of interest with the Company**

Certain directors and officers of the Company are or may become associated with other mining and/or mineral exploration and development companies which may give rise to conflicts of interest. Directors who have a material interest in any person who is a party to a material contract or a proposed material contract with the Company are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve such a contract. In addition, directors and officers are required to act honestly and in good faith with a view to the best interests of the Company. Some of the directors and officers of the Company have either other full-time employment or other business or time restrictions placed on them and accordingly, the Company will not be the only business enterprise of these directors and officers. Further, any failure of the directors or officers of the Company to address these conflicts in an appropriate manner or to allocate opportunities that they become aware of to the Company could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

### **Failures of information systems or information security threats can be costly**

The Company utilizes hardware, software, telecommunications and other information technology ("IT") hardware and services in connection with its operations. Such operations depend, in part, on how well the Company and its suppliers protect networks, equipment, IT systems and software against damage from a number of threats, including, but not limited to, cable cuts, damage to physical plants, natural disasters, terrorism, fire, power loss, hacking, computer viruses, vandalism and theft. The Company's operations also

depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays and/or increase in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Company's reputation, results of operations, cash flows and financial condition.

Although to date the Company has not experienced any material losses relating to cyber-attacks or other information security breaches, there can be no assurance that it will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access remain a priority. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities. Any of these factors could have a material adverse effect on the Company's results of operations, cash flows and financial position.

#### **The Company may be subject to costly legal proceedings**

The Company may be subject to regulatory investigations, civil claims, lawsuits and other proceedings in the ordinary course of its business. The results of these legal proceedings cannot be predicted with certainty due to the uncertainty inherent in regulatory actions and litigation, the difficulty of predicting decisions of regulators, judges and juries and the possibility that decisions may be reversed on appeal. Defense and settlement costs of legal disputes can be substantial, even with claims that have no merit. Management is committed to conducting business in an ethical and responsible manner, which it believes will reduce the risk of legal disputes. However, if the Company is subject to legal disputes, there can be no assurances that these matters will not have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

#### **The Company incurs increased costs as a result of complying with the reporting requirements, rules and regulations affecting public issuers**

As a public issuer, the Company is subject to the reporting requirements and rules and regulations under the applicable Canadian securities laws and rules of any stock exchange on which the Company's securities may be listed from time to time. Additional or new regulatory requirements may be adopted in the future. The requirements of existing and potential future rules and regulations will increase the Company's legal, accounting and financial compliance costs, make some activities more difficult, time-consuming or costly and may also place undue strain on its personnel, systems and resources, which could adversely affect its business and financial condition.

#### **The Company's ability to develop commercially marketable ore depends on variables that are unknown at this time**

The grade of any ore ultimately mined from a mineral deposit may differ from that produced from drilling results. Production volumes and costs can be affected by such factors as the proximity and capacity of processing facilities, permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. Short-term factors relating to ore reserves, such as the need for orderly development of ore bodies or the processing of new or different grades, may also have an adverse effect on the results of operations. Moreover, there can be no assurance that mineral recoveries achieved in small scale laboratory tests will be replicated under production scale conditions. Although precautions to minimize risks will be taken, processing operations are subject to hazards such as equipment failure or failure of tailings impoundment facilities, which may result

in environmental pollution and consequent liability.

### **Changes in climate conditions may affect the Company's operations**

A number of governments have introduced or are moving to introduce climate change legislation and treaties at the international, national, state/provincial and local levels. Regulation relating to emission levels (such as carbon taxes) and energy efficiency is becoming more stringent. If the current regulatory trend continues, this may result in increased costs for the Company's operations.

In addition, the physical risks of climate change may also have an adverse effect on the Company's operations. These risks include the following:

- extreme weather events (such as prolonged drought) have the potential to disrupt operations at the Victorian Gold Projects and may require the Company to make additional expenditures to mitigate the impact of such events; and
- the Company's facilities depend on regular supplies of consumables (diesel, tires, reagents, etc.) to operate efficiently. In the event that the effects of climate change or extreme weather events cause prolonged disruption to the delivery of essential commodities, productivity at the Company's operations may be reduced.

There can be no assurance that efforts to mitigate the risks of climate change will be effective and that the physical risks of climate change will not have an adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

### **Regulatory requirements**

Even if the Victorian Gold Projects proves to host economic reserves of precious or base metals, factors such as governmental expropriation or regulation may prevent or restrict mining of any such deposits. Exploration and mining activities may be affected in varying degrees by government policies and regulations relating to the mining industry. Any changes in regulations or shifts in political conditions are beyond the control of the Company and may adversely affect its business.

Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, income taxes, expropriation of the Victorian Gold Projects, environmental legislation and mine safety.

### **Contractual Risk**

The Company's exploration activities are carried out by contractors who may not perform their work in a timely, cost-effective and efficient manner, resulting in program delays or negative program outcomes. Any delays or cost-overruns related to the Company's work program, or a negative program outcome, could have a materially adverse consequence on the economic viability of placing a property into production and a property's return on capital.

### **Infrastructure**

Exploration, development and processing activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supplies are important elements of infrastructure, which affect access, capital and operating costs. The lack of availability on acceptable terms or the delay in the availability of any one or more of these could prevent or delay exploration or development

of the Victorian Gold Projects. If adequate infrastructure is not available in a timely manner, there can be no assurance that the exploration or development of the Victorian Gold Projects will be commenced or completed on a timely basis, if at all. Furthermore, unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of necessary infrastructure could adversely affect our operations.

### **Risks associated with acquisitions**

If appropriate opportunities present themselves, the Company may acquire mineral claims, material interests in other mineral claims, and companies that the Company believes are strategic. Other than the option to acquire the Glenfine Project, the Company currently has no understandings, commitments or agreements with respect to any other material acquisition and no other material acquisition is currently being pursued. There can be no assurance that the Company will be able to identify, negotiate or finance future acquisitions successfully, or to integrate such acquisitions with its current business. The process of integrating an acquired company or mineral claims into the Company may result in unforeseen operating difficulties and expenditures and may absorb significant management attention that would otherwise be available for ongoing development of the Company's business. Future acquisitions could result in potentially dilutive issuances of equity securities, the incurrence of debt, contingent liabilities and/or amortization expenses related to goodwill and other intangible assets, which could materially adversely affect the Company's business, results of operations and financial condition.

### **Management**

The success of the Company will be dependent upon the performance of its management and key employees. The loss of any key executive or manager of the Company may have an adverse effect on the future of the Company's business. The number of persons skilled in acquisition, exploration and development of mining properties is limited and competition for such persons is intense. As the Company's business activity grows, it will require additional key financial, administrative, geologic and mining personnel as well as additional operations staff. There is no assurance that it will be successful in attracting, training and retaining qualified personnel as competition for persons with these skill sets increases. If the Company is not successful in attracting, training and retaining qualified personnel, the efficiency of its operations could be impaired, which could have an adverse impact on its future cash flows, earnings, results of operations and financial condition.

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.

### **The Company is subject to legal and political risks**

Mineral exploration and mining activities may be affected in varying degrees by political instability, economic conditions, and changes in government regulations such as investment laws, tax laws, business laws, environmental laws and mining laws, affecting the Company's business. Government limitations, restrictions or requirements may be implemented. There can be no assurance that other countries' or provinces' political and economic policies in relation to Victoria, Australia, as applicable, will not have adverse economic effects on the exploration, and potentially, the development of the Company's assets, including with respect to ability to access power, transportation, access construction labour, supplies and materials, and market conditions more generally.

The Company may be subject to claims or legal proceedings covering a wide range of matters that arise in the ordinary course of business activities, including relating to former employees. These matters may give

rise to legal uncertainties or have unfavourable results. The Company may carry liability insurance coverage and mitigate risks that can be reasonably estimated; however, there is a risk that insurance may not be adequate to cover all possible risks arising from the Company's operations. In addition, the Company may be involved in disputes with other parties in the future that may result in litigation or unfavourable resolution which could materially adversely impact the Company's financial position, cash flow, results of operations, and reputation, regardless of the specific outcome.

### **Force Majeure**

The Company's projects now or in the future may be adversely affected by risks outside the control of the Company, including the price of metals on world markets, labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

### **Influence of Third-Party Stakeholders**

Some of the lands in which the Company holds an interest, or the exploration equipment and roads or other means of access which the Company intends to utilize in carrying out its work programs or general business activities, may be subject to interests or claims by third party individuals, groups or companies. In the event that such third parties assert any claims or do not consent to the Company carrying on activities on lands subject to their interests or claims, the Company's work programs may be delayed or prevented, even if such claims are not meritorious. Such claims or delays may result in significant financial loss and loss of opportunity for the Company.

The Company may need to enter into negotiations with landowners and other groups in local communities in Ontario in order to conduct further exploration and development work on its properties. There is no assurance that future discussions and negotiations will result in agreements with landowners and other local community groups in Ontario or if such agreements will be on terms acceptable to the Company so that the Company may continue to conduct exploration and development activities on these properties.

### **Management of Growth**

The Company may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Company to manage growth effectively will require it to continue to implement and improve its operations and financial systems and to expand, train and manage its employee base. The inability of the Company to deal with this growth could have a material adverse impact on its business, plans, operations and prospects.

### **Dilution**

Financing the development of a mineral property through to production, should feasibility studies show it is recommended, would be expensive and the Company would require additional monies to fund development and exploration programs and potential acquisitions. The Company cannot predict the size of future issuances of the Company Common Shares or the issuance of debt instruments or other securities convertible into Common Shares. Likewise, the Company cannot predict the effect, if any, that future issuances and sales of the Company's securities will have on the market and market price of the Common Shares. If the Company raises additional funds by issuing additional equity securities, such financing may substantially dilute the interests of existing shareholders. Sales of substantial numbers of the Company securities, or the availability of such the Company securities for sale, could adversely affect the market, liquidity and any prevailing market prices for the Company's securities.

### **Dividend Policy**

No dividends on Common Shares have been paid by the Company to date. Payment of any future dividends will be at the discretion of the Board after taking into account many factors, including the Company's operating results, financial condition and current and anticipated cash needs. At this time, the Company has no source of cash flow and anticipates using all available cash resources towards its stated business objectives and retaining all earnings, if any, to finance its business activities.

### **Risk of Litigation**

The Company may become involved in disputes with other parties in the future which may result in litigation or other legal proceedings. The results of legal proceedings cannot be predicted with certainty. If the Company is unable to resolve these disputes favourably, it may have a material adverse impact on the ability of the Company to carry out its business plan.

### **Internal Controls**

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, and not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation.

## **18. PROMOTERS**

Craig Parry, the Company's Chairman, 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 1,861,667 Common Shares (and 500 Common Shares indirectly) of the Company, which is equal to approximately 3% 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:

- (a) received anything of value directly or indirectly from the Company;
- (b) sold or otherwise transferred any asset to the Company within the last 2 years;
- (c) 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;
- (d) 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;
- (e) 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;

- (f) 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;
- (g) 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;
- (h) 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
- (i) 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.

## **19. LEGAL PROCEEDINGS**

### **19.1 – 19.2 Material Legal Proceedings and Regulatory Actions**

As of the date of this Listing Statement, Outback is not a party to any legal proceedings or any regulatory actions. No legal proceedings are contemplated by Outback, and Outback is not aware of any material legal proceedings being contemplated against it.

The Company has not been subject to any penalties or sanctions imposed against it by a court relating to provincial and territorial securities legislation or by a securities regulatory authority within the three years immediately preceding the date of this Listing Statement.

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

For purposes of this Listing Statement, “informed person” means:

- (a) any director or executive officer of the Company;
- (b) a person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the Company’s outstanding Shares; and
- (c) any associate or affiliate of any of the foregoing persons.

No informed person has had any material interest, direct or indirect, in any material transaction with the Company since its incorporation that has materially affected or is reasonably expected to materially affect the Company.

## **21. AUDITORS, TRANSFER AGENTS AND REGISTRARS**

## **Auditor**

Our auditor is D&H Group LLP, Chartered Professional Accountants, with offices at 333 W Broadway #10, Vancouver, British Columbia V6H 4C1.

## **Transfer Agent and Registrar**

Our registrar and transfer agent is Odyssey Trust Company with offices at 323 – 409 Granville Street Vancouver British Columbia V6C 1T2.

## **22. MATERIAL CONTRACTS**

Except for contracts made in the ordinary course of business, the Asset Purchase Agreement is the only material contract entered into by us, or which affect us, since our incorporation.

The material contract described above may be inspected without further charge at the offices of Forooghian & Company Law Corporation, solicitors for the Company, located at 400 Burrard Street, Suite 1050, Vancouver, British Columbia, V6C 3A6, by appointment during ordinary business hours for a period of 30 days after the date of this Listing Statement, and are available on SEDAR.

The Company had previously entered into an option agreement pursuant to which it had a right to earn up to a 100% interest in the RDR Property. On March 24, 2020, the Company terminated the option agreement.

## **14. INTEREST OF EXPERTS**

No person or company whose profession or business gives authority to a statement made by the person or company and who is named as having prepared or certified a part of this Listing Statement or prepared or certified a report or valuation described in the Listing Statement:

- (a) has received or will receive any direct or indirect interest in the property of the Company or of an associate, affiliate or Related Person of the Company;
- (b) has beneficial ownership, direct or indirect, in any securities or property of the Company or of an associate, affiliate or Related Person of the Company; or
- (c) is expected to be elected, appointed or employed as a director, officer or employee of the Company or of any associate, affiliate or Related Person of the Company, nor is a director, officer or employee of a person or company referred to in this item, expected to be elected, appointed or employed as a director, officer or employee of the Company or of any associate, affiliate or Related Person of the Company.

## **15. OTHER MATERIAL FACTS**

There are no other material facts that are not disclosed under the preceding items and that are necessary in order for this Listing Statement to contain full, true and plain disclosure of all material facts relating to the Issuer and its securities.

## **16. FINANCIAL STATEMENTS**

The audited financial statements for the fiscal years ended June 30, 2020, 2019 and 2018 are attached as

Schedule A, and the unaudited financial statements for the interim period ended September 30, 2020 are attached as Schedule B.

The unaudited pro forma financial statements for the year ended June 30, 2020 and the three months ended September 30, 2020 are attached as Schedule C.

Additional historical financial statements for the Issuer can be found under the Issuer's profile on SEDAR.

## CERTIFICATE OF THE ISSUER

Pursuant to a resolution duly passed by its Board of Directors, Outback Goldfields Corp. (the “Issuer”) hereby applies for the listing of its common shares on the CSE. The foregoing contains full, true and plain disclosure of all material information relating to the Issuer. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Vancouver, B.C., this 14th day of December, 2020.

*Signed: “Chris Donaldson”*  
\_\_\_\_\_  
Chris Donaldson  
Chief Executive Officer

*Signed: “Ota Hally”*  
\_\_\_\_\_  
Ota Hally  
Chief Financial Officer

*Signed: “Craig Parry”*  
\_\_\_\_\_  
Craig Parry  
Director

*Signed: “Louis Archambault”*  
\_\_\_\_\_  
Louis Archambeault  
Director

*Signed: “Craig Parry”*  
\_\_\_\_\_  
Craig Parry  
Promoter

**Schedule "A"**  
**Annual Financial Statements and MD&A for the year ended June 30, 2020**

[Attached]



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**SKARB EXPLORATION CORP.**

**FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED**

***JUNE 30, 2020 and 2019***

(Expressed in Canadian Dollars)

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## Independent Auditor's Report

To the Shareholders of Skarb Exploration Corp.

### Opinion

We have audited the financial statements of Skarb Exploration Corp. (the "Company"), which comprise the statements of financial position as at June 30, 2020 and June 30, 2019, and the statements of loss and comprehensive loss, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2020 and June 30, 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

### Basis for Opinion

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

### Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Company has an accumulated deficit of \$ 568,367 and a working capital of \$ 121,470. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

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

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

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

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

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



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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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

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

***"D&H Group LLP"***

Vancouver, B.C.  
September 25, 2020

**Chartered Professional Accountants**

**SKARB EXPLORATION CORP.**  
**Statements of Financial Position**  
As at June 30, 2020 and 2019  
(Expressed in Canadian Dollars)

	Note	2020	2019
<b>ASSETS</b>			
Current			
Cash		\$ 130,980	\$ 214,871
Amounts receivable		3,764	795
Prepays		6,090	15,120
		\$ 140,834	\$ 230,786
Non-Current			
Exploration & evaluation asset	4	7,656	104,708
<b>TOTAL ASSETS</b>		<b>\$ 148,490</b>	<b>\$ 335,494</b>
<b>LIABILITIES</b>			
Current			
Accounts payable and accrued liabilities		\$ 13,274	\$ 29,329
Promissory notes	5	27,000	27,000
<b>TOTAL LIABILITIES</b>		<b>\$ 40,274</b>	<b>\$ 56,329</b>
<b>EQUITY</b>			
Share capital	6	\$ 528,150	\$ 528,150
Option reserve	6	148,433	8,544
Deficit		(568,367)	(257,529)
<b>TOTAL EQUITY</b>		<b>\$ 108,216</b>	<b>\$ 279,165</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>\$ 148,490</b>	<b>\$ 335,494</b>

Nature of operations and going concern (Note 1)

These financial statements were authorized for issue by the Board of Directors on September 25, 2020

*/s/ "Craig Parry"*

**CRAIG PARRY, Chairman**

*/s/ "Ota Hally"*

**OTA HALLY, Chief Financial Officer**

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

**SKARB EXPLORATION CORP.****Statements of Loss and Comprehensive Loss**

For the year ended June 30, 2020 and 2019

(Expressed in Canadian Dollars)

	Note	2020	2019
<b>Expenses</b>			
Accounting and audit fees		\$ 15,929	\$ 39,150
Bank Fees		129	757
Dues and Subscriptions		500	-
Exploration costs' write-off		116,362	-
Office and administrative		636	63
Transfer agent & filing fees		10,707	23,507
Insurance		10,830	4,680
Listing fees		8,300	23,504
Meals and entertainment		490	1,772
Professional fees		7,066	102,296
Share-based compensation	6	139,889	8,544
<b>Loss and comprehensive loss</b>		<b>\$ 310,838</b>	<b>\$ 204,273</b>
Loss per common share – basic and diluted	2	\$ (0.02)	\$ (0.01)
Weighted average number of common shares outstanding - basic and diluted		17,651,500	19,268,405

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

**SKARB EXPLORATION CORP.**  
**Statements of Changes in Equity**  
(Expressed in Canadian Dollars)

	Note	Number of Common Shares	Number of Special Warrants	Share Capital	Special Warrants	Option Reserve	Deficit	Total
<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>
Special Warrants		-	1,401,500	-	140,150	-	-	140,150
Special Warrants converted to shares		1,401,500	(1,401,500)	140,150	(140,150)	-	-	-
Repurchase of shares		(5,400,000)	-	(27,000)	-	-	-	(27,000)
Shares issued		300,000	-	30,000	-	-	-	30,000
Share-based compensation		-	-	-	-	8,544	-	8,544
Net Loss for the year		-	-	-	-	-	(204,273)	(204,273)
<b>Balance as at June 30, 2019</b>		<b>17,651,500</b>	-	<b>\$ 528,150</b>	-	<b>\$ 8,544</b>	<b>\$ (257,529)</b>	<b>\$ 279,165</b>
Share-based compensation		-	-	-	-	139,889	-	139,889
Net Loss for the year		-	-	-	-	-	(310,838)	(310,838)
<b>Balance as at June 30, 2020</b>		<b>17,651,500</b>	-	<b>\$ 528,150</b>	-	<b>\$ 148,433</b>	<b>\$ (568,367)</b>	<b>\$ 108,216</b>

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

**SKARB EXPLORATION CORP.****Statements of Cash Flows**

For the year ended June 30, 2020 and 2019

(Expressed in Canadian Dollars)

	Note	2020	2019
<b>Cash flows from (used in) operating activities</b>			
Net loss for the year		\$ (310,838)	\$ (204,273)
Adjustments for items that do not represent changes in cash and cash equivalents			
Stock based compensation	6	139,889	8,544
Write off of exploration asset	4	116,362	-
Changes in non-cash working capital			
Amounts receivable		(2,969)	(420)
Prepays		9,030	(15,120)
Accounts payable and accrued liabilities		(16,055)	(23,771)
Net cash generated (used) in operating activities		\$ (64,581)	\$ (235,040)
<b>Cash flows used in investing activity</b>			
Additions of exploration and evaluation asset	4	\$ (19,310)	\$ (42,208)
Net cash (used) in investing activity		\$ (19,310)	\$ (42,208)
<b>Cash flows provided by (used in) financing activity</b>			
Issuance of special warrants		-	140,150
Net cash provided (used) by financing activity		\$ -	\$ 140,150
<b>Change in cash</b>		\$ (83,891)	\$ (137,098)
Cash, beginning of year		214,871	351,969
<b>Cash, end of year</b>		\$ 130,980	214,871

Supplemental cash flow information (Note 11)

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

## **SKARB EXPLORATION CORP.**

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

For the year ended June 30, 2020 and 2019

(Expressed in Canadian Dollars)

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#### **1. NATURE OF OPERATIONS AND GOING CONCERN**

##### **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 head office is located at Suite 970 – 1055 West Hastings St., Vancouver, British Columbia.

On February 13, 2019, the Company’s common shares were listed on the Canadian Securities Exchange under the symbol “SKRB”.

The Company’s principal business activities include the acquisition and exploration of mineral property assets. On October 21, 2019, the Company acquired 100% interests in the Gossan and SBS properties, located in the Spences Gold Belt in British Columbia. The company terminated its option agreement to acquire the RDR Project in Quebec. Please refer to Note 4 for details on the properties.

##### **Going Concern**

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at June 30, 2020, the Company had working capital of \$ 121,470, incurred accumulated losses of \$ 568,367, and expects to incur further losses in the development of its business. The Company’s ability to continue as a going concern is dependent upon its ability to complete or develop a business, generate future profitable operations and/or obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. There is material uncertainty about whether the Company will be able to obtain the required financing and complete or develop a business. This material uncertainty casts significant doubt about the Company’s ability to continue as a going concern. These financial statements do not give effect to adjustments that would be necessary to their reported carrying values and classifications of assets and liabilities should the Company be unable to continue as a going concern.

In respect to the COVID-19 crisis, it has had little to no impact on the Company and material impact in the future is not anticipated.

#### **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 years ended June 30, 2020 and 2019 have been prepared in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

##### **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 (“\$”).

**SKARB EXPLORATION CORP.**  
**Notes to the Financial Statements**

For the year ended June 30, 2020 and 2019  
(Expressed in Canadian Dollars)

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**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**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 and development costs do not necessarily reflect present or future values.

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 payments**

The fair value of share options granted is recognized as an expense over the vesting period with a corresponding increase in equity. The fair value is measured at the grant date and recognized over the period during which the options vest. 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.

## SKARB EXPLORATION CORP.

### Notes to the Financial Statements

For the year ended June 30, 2020 and 2019

(Expressed in Canadian Dollars)

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### i) Income Taxes

Deferred income taxes are provided in full, using the liability method, on temporary differences arising between the income tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income taxes are determined using income tax rates and income tax laws that have been enacted at the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred income tax assets are recognized to the extent that it is probable that future taxable income will be available against which the temporary differences can be utilized.

### j) Financial Assets

All financial instruments are classified and subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss ("FVTPL"). Cash is measured at amortised cost.

### k) Financial liabilities

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

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized 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 other financial liabilities. A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

### l) New Accounting Pronouncements

The IFRS 16 standard was adopted as of January 1, 2019. The Company does not currently have any leases.

## 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 interim financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

#### *Significant accounting judgments*

- i. the consideration of whether impairment indicators exist for exploration and evaluation assets;
- ii. the determination tax losses are currently not probable to be utilized against taxable profit; and
- iii. assumptions and expectations utilized in the calculation of stock-based compensation expense which includes the valuation of stock options.

**SKARB EXPLORATION CORP.**  
**Notes to the Financial Statements**

For the year ended June 30, 2020 and 2019  
(Expressed in Canadian Dollars)

**4. EXPLORATION AND EVALUATION ASSET**

	2020 \$	2019 \$
RDR Gold property:		
Balance forward	104,708	-
Acquisition Costs	(80,000)	80,000
Exploration Costs	(24,708)	24,708
	<u>-</u>	<u>104,708</u>
Gossan property:		
Balance forward	-	-
Acquisition Costs	1,579	-
Exploration Costs	1,804	-
	<u>3,383</u>	<u>-</u>
SBS property:		
Balance forward	-	-
Acquisition Costs	2,469	-
Exploration Costs	1,804	-
	<u>4,273</u>	<u>-</u>
Total acquisition and exploration	<u>7,656</u>	<u>104,708</u>

As at June 30, 2020, exploration costs were as follows:

	\$
Geology and consulting	<u>3,608</u>
Total	<u>3,608</u>

As at June 30, 2019, exploration costs were as follows:

	\$
Geology and consulting	<u>24,708</u>
Total	<u>24,708</u>

**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.

## **SKARB EXPLORATION CORP.**

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

For the year ended June 30, 2020 and 2019

(Expressed in Canadian Dollars)

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#### **4. EXPLORATION AND EVALUATION ASSET (continued)**

##### **RDR Gold Property (continued)**

In accordance with the Agreement, the Company had 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 optionor, making cash payments totaling \$50,000, and incurring a total of \$1,000,000 in exploration expenditures.

On March 24, 2020, the Company terminated the Option Agreement due to results from the most recent exploration work that was completed. The total acquisition and exploration cost of \$116,362 was expensed.

##### **Gossan Property**

The Gossan property ("Gossan"), which is approximately a 902 ha property, is located approximately 7 km north-west of Princeton, British Columbia. The Company acquired 100% interest and was only required to pay the staking claim fees.

##### **SBS Property**

The SBS property ("SBS"), which is approximately a 1,411 ha property, is located approximately 27 km south-east of Princeton, British Columbia. The Company acquired 100% interest and was only required to pay the staking claim fees.

#### **5. PROMISSORY NOTES**

On December 10, 2018, the Company repurchased 5,400,000 common shares from related parties in exchange for the issuance of two promissory notes. Each promissory note has a principal amount equal to \$13,500 (the original subscription price for the Common Shares), payable on demand with interest calculated at the rate of 3% per annum. The Company also has the right to repay any portion of the notes payable at its discretion.

#### **6. SHARE CAPITAL**

##### **a) Authorized Capital:**

Unlimited number of common shares with no par value.

##### **b) Shares**

Upon incorporation on March 6, 2018 the Company issued 5,400,000 common shares at a value of \$0.005.

On May 10, 2018, the Company issued 6,900,000 common shares at a value of \$0.02.

On May 25, 2018, the Company issued 7,750,000 common shares at a value of \$0.02.

On June 29, 2018, the Company issued 1,300,000 common shares at a value of \$0.05.

On December 10, 2018, the Company repurchased 5,400,000 Common Shares, which were issued on March 6, 2018, from related parties of the Company in exchange for the issuance of two promissory notes (Note 5).

On February 13, 2019, 300,000 shares were issued for the RDR Gold Property (Note 4).

**SKARB EXPLORATION CORP.**  
**Notes to the Financial Statements**

For the year ended June 30, 2020 and 2019  
(Expressed in Canadian Dollars)

**6. SHARE CAPITAL** (continued)

c) **Stock options**

On July 5, 2018, the Company implemented a share option plan (the “**Plan**”). The purposes of the Plan are to (a) support the achievement of the Company’s performance objectives and (b) ensure that interests of key persons are aligned with the success of the Company.

On July 9, 2018, the Company granted 175,000 stock options. The options granted have an exercise price of \$0.10 and expire 10 years from the grant date and vest annually in four equal tranches starting on the first anniversary from the grant date. The stock options were accounted for at their fair value determined by the Black-Scholes option pricing model based on the vesting period and on the assumption that follow: Average expected life, 7.5 years; Forfeiture rate, NIL; Volatility, 131%, and risk-free rate, 2.13%. The full grant value of \$16,285 is expensed over the expected life of the options.

On October 21, 2019, the Company granted 1,570,000 stock options. The options granted have an exercise price of \$0.10 and expire 5 years from the grant date and were all vested immediately. The stock options were accounted for at their fair value determined by the Black-Scholes option pricing model based on the assumption that follow:

Average expected life, 5 years; Forfeiture rate, NIL; Volatility, 131%, and risk-free rate, 2.13%. The full grant value of \$135,488 is expensed immediately.

At June 30, 2020, the Company had granted 1,745,000 stock options. As of June 30, 2019 1,613,750 options were vested. During the year ended June 30, 2020, the Company recognized \$139,889 of stock-based compensation expense.

A summary of the Company’s share options at June 30, 2020 and 2019, and the changes for the years ended on those dates, is as follows:

	2020		2019	
		\$		\$
	Number of options outstanding	Weighted average exercise price	Number of options outstanding	Weighted average exercise price
Balance, beginning of year	175,000	0.10	175,000	0.10
Awarded	1,570,000	0.10	-	-
Balance, end of year	1,745,000	0.10	175,000	0.10

The following is a summary of share options outstanding and exercisable at June 30, 2020:

Expiry date	Number exercisable	Number outstanding	Exercise price \$
October 21, 2024	1,570,000	1,570,000	0.10
July 9, 2028	43,750	175,000	0.10
Balance	1,613,750	1,745,000	0.10

The fair value of share options awarded to directors and share purchase warrants issued were estimated on the dates of issue using the Black-Scholes option price model with the following assumptions:

The average fair value of share options awarded during the year ended June 30, 2020 was \$0.0862 per option.

## **SKARB EXPLORATION CORP.**

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

For the year ended June 30, 2020 and 2019

(Expressed in Canadian Dollars)

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#### **7. RELATED PARTY DISCLOSURES**

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 year ended June 30, 2020, no common shares were issued to related parties of the Company.

The Company implemented a share option plan and granted share options to officers, director and consultants of the Company (see Note 6), such remuneration totaling \$124,894 attributable to key management personnel for the year ended June 30, 2020 classified as share-based compensation.

#### **8. CAPITAL MANAGEMENT**

The Company's capital consists of share capital, promissory notes and option reserve. 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.

#### **9. FINANCIAL INSTRUMENTS**

##### **a) Fair Value**

The fair value of the Company's financial instruments approximates their carrying value as at June 30, 2020 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, accounts payable and accrued liabilities, and promissory notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. 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, 2020, 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, 2020, the Company had a working capital of \$121,470 (including amounts receivable), including cash of \$130,980.

**SKARB EXPLORATION CORP.**  
**Notes to the Financial Statements**

For the year ended June 30, 2020 and 2019  
(Expressed in Canadian Dollars)

**9. FINANCIAL INSTRUMENTS** (continued)

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

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, 2020.

**10. INCOME TAXES**

The provision for income taxes differs from the amount that would have been obtained by applying the statutory income tax rate of 27% (2019 - 27%) to the Company's net loss. The difference results from the following items:

	2020 \$	2019 \$
Expected income tax expense (recovery)	(84,000)	(55,200)
Permanent differences	69,400	2,600
Unrecognized benefits of loss carryforwards	14,600	52,600
Provision for income taxes (recovery)	-	-

The income tax effects of temporary differences that give rise to significant components of deferred income tax assets and liabilities are as follows:

	2020 \$	2019 \$
Deferred income tax assets and liabilities are as follows:		
<i>Deferred income tax assets</i>		
Non-capital loss carry-forwards	81,600	67,000
Valuation allowance	(81,600)	(67,000)
	-	-

The Company has non-capital losses for income tax purposes of approximately \$ 302,000 (2019 - \$ 248,000) available to reduce future years' taxable income. The benefit of these non-capital losses has not been recognized in the Company's accounts as it is not probable such benefit will be realized. The non-capital losses expire between the 2038 and 2040 fiscal years.

## SKARB EXPLORATION CORP.

### Notes to the Financial Statements

For the year ended June 30, 2020 and 2019

(Expressed in Canadian Dollars)

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#### 11. SUPPLEMENTAL CASH FLOW INFORMATION

During the year-ended June 30, 2020, \$116,362 for an exploration asset was expensed.

#### 12. SUBSEQUENT EVENTS

The Company entered into a Letter of Intent with Petratherm Ltd. ("**Petratherm**") on August 23, 2020 to acquire four gold projects located in Australia.

Under the terms of the LOI, upon completion of the Transaction, Skarb will issue 100,000,000 common shares to Petratherm on closing in consideration for the Projects. Within 125 days of completion of the Transaction, Petratherm will distribute the Consideration Shares in specie to its shareholders pro rata in accordance with their shareholdings in Petratherm.

The Transaction is an arm's length transaction. Pursuant to the terms of the LOI, it is anticipated that the definitive agreement (the "**Definitive Agreement**") in respect of the Transaction will be signed on or before October 15, 2020, at which time the Company will issue a comprehensive news release in respect of the Transaction.

Completion of the Transaction is subject to a number of conditions, including but not limited to the following key conditions:

- completion by the Company of a private placement for gross proceeds of not less than \$4,000,000;
- execution of the Definitive Agreement;
- completion of mutually satisfactory due diligence; and
- receipt of all required regulatory, corporate and third party approvals, including the approval of the CSE and the shareholders of the Company and the fulfillment of all applicable regulatory requirements and conditions necessary to complete the Transaction.

Pursuant to the policies of the CSE, it is anticipated that the Company will call a special meeting of its shareholders for the purpose of approving, among other matters, the Transaction.



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**SKARB EXPLORATION CORP.**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FOR THE YEAR ENDED**

***JUNE 30, 2020***

(Expressed in Canadian Dollars)

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## **SKARB EXPLORATION CORP.**

### **Management's Discussion and Analysis**

For the years ended June 30, 2020 and 2019

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#### **INTRODUCTION**

The following is management's discussion and analysis ("MD&A"), prepared as of September 25, 2020. This MD&A should be read in conjunction with the Skarb Exploration Corp.'s (the "Company" or "Skarb") audited Financial Statements and the accompanying notes for the years ended June 30, 2020 and 2019. The Company's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are stated in Canadian dollars unless otherwise indicated.

This report includes certain statements that may be deemed "forward-looking statements" within the meaning of applicable securities legislation. All statements, other than statements of historical facts that address such matters as future events or developments that the Company expects, are forward looking statements and, as such, are subject to risks, uncertainties, assumptions and other factors of which are beyond the reasonable control of the Company. You can identify these statements by forward-looking words such as "expects", "does not expect", "plans", "anticipates", "does not anticipate", "believes", "intends", "estimated", "projects", "potential", "scheduled", "forecast", "budget", and similar expressions, or that events or conditions "will", "would", "may", "could", "should" or "might" occur and similar words. Such statements give the Company's current expectations or forecasts of future events and are not guarantees of future performance and actual results or developments may differ materially from those expressed in, or implied by, this forward-looking information. With respect to forward-looking statements and information contained herein, we have made numerous assumptions including among other things anticipated costs and expenditures and the Company's ability to achieve its goals. Although management believes that the assumptions made, and the expectations represented by such statements or information are reasonable, there can be no assurance that a forward-looking statement or information herein will prove to be accurate. Forward-looking statements and information by their nature are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or information. Factors that could cause actual results to differ materially from those in forward-looking statements include, for example, such matters as continued availability of capital and financing and general economic, market or business conditions. Although we have attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in the forward-looking statements or information, there may be other factors that cause actual results, performances, achievements or events not to be anticipated, estimated or intended. Accordingly, readers should not place undue reliance on forward-looking statements or information. Any forward-looking statements are expressly qualified in their entirety by this cautionary statement. The information contained herein is stated as of the current date and subject to change after that date and the Company does not undertake any obligation to update publicly or to revise any of the forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

Additional information related to the Company is available for view on SEDAR at [www.sedar.com](http://www.sedar.com).

#### **Overview**

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. On October 21, 2019, the Company acquired 100% interest in the Gossan and SBS properties, located in the Spences Gold Belt in British Columbia. On March 24, 2020, the option agreement for the RDR Gold Property was terminated.

The Company's common shares are listed on the Canadian Securities Exchange under the symbol "SKRB".

#### **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 a net aggregate of \$498,150 through the issuance of its securities including the Special Warrants Private Placement and incurred approximately \$121,018 in expenditures with respect

## SKARB EXPLORATION CORP.

### Management's Discussion and Analysis

For the years ended June 30, 2020 and 2019

to the RDR Property. The Company terminated the option to acquire a 100% right, title, and interest on the Property effective March 24, 2020 due to results from the exploration program.

The Company acquired 100% interest in the Gossan Property and the SBS Property on October 21, 2019. The properties are in the exploration stage and have not generated revenues to date.

On February 13, 2019, the Company was listed on the Canadian Securities Exchange ("CSE") under the symbol "SKRB".

As an exploration stage company, Skarb does not have revenues and is expected to generate operating losses. As at June 30, 2020, the Company had cash of \$130,980, an accumulated deficit of \$568,367 and working capital (defined as cash plus GST expected less accounts payable) of \$121,470.

#### Industry and Economic Factors that May Affect the Company's Performance

The exploration for and development of minerals involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. Few properties which are explored are ultimately developed into producing mines. There can be no guarantee that the estimates of quantities and qualities of minerals disclosed will be economically recoverable. With all mining operations there is uncertainty and, therefore, risk associated with operating parameters and costs resulting from the scaling up of extraction methods tested in pilot conditions. Mineral exploration is speculative in nature and there can be no assurance that any minerals discovered will result in an increase in the Company's resource base.

In particular, the Company does not generate revenue, as a result, Skarb continues to be dependent on third party financing to continue exploration activities on the company's properties. Accordingly, the Company's future performance will be most affected by its access to financing, whether debt, equity or other means. Access to such financing, in turn, is affected by general economic conditions, exploration risks and the other factors described in the section entitled "risk factors" included below.

In respect to the COVID-19 crisis, it has had little to no impact on the Company and we don't anticipate any material impact in the future.

#### SELECTED FINANCIAL INFORMATION

The following table sets out selected financial information for the Company for the years ended June 30, 2020 and 2019. The selected financial information should only be read in conjunction with the Company's financial statements, including the notes thereto, for the same periods as well the most recent audited financial statements filed on [SEDAR](#).

##### *Statements of Operations, Comprehensive Loss and Deficit Data, and Cash Flows*

	June 30, 2020	June 30, 2019
	(\$)	(\$)
Revenue	-	-
<i>Accounting and audit fees</i>	15,929	39,150
<i>Exploration write-off</i>	116,362	-
<i>General and administrative</i>	12,585	7,272
<i>Transfer agent, filing and listing fees</i>	19,007	47,011
<i>Stock based compensation</i>	139,889	8,544
<i>Professional fees</i>	7,066	102,296
Total Expenses	310,838	204,273

**SKARB EXPLORATION CORP.**  
**Management's Discussion and Analysis**

For the years ended June 30, 2020 and 2019

	June 30, 2020	June 30, 2019
	(\$)	(\$)
Net loss for the period	(310,838)	(204,273)
Loss per share (basic and diluted)	(0.01)	(0.01)
Net cash used in operating activities	(64,581)	(235,040)
Change in cash	(83,891)	(137,098)

*Balance Sheet Data*

	June 30, 2020	June 30, 2019
	(\$)	(\$)
Current Assets	140,834	230,786
Other Assets	7,656	104,708
<b>Total Assets</b>	<b>148,490</b>	<b>335,494</b>
Current Liabilities	40,274	56,329
Long Term Debt	-	-
Shareholders' Equity	108,216	279,165
<b>Total Liabilities and Equity</b>	<b>148,490</b>	<b>335,494</b>

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 owns 100% interest in two properties located in British Columbia. Management anticipates that expenses related to mineral exploration and administration of the Company to materially increase. Such expenses will include increased exploration expenditures with respect to the properties and increased professional fees, and other costs associated with compliance with applicable securities laws.

**RESULTS OF OPERATIONS**

*The following discussion addresses the operating results and financial condition of the Company for the year ended June 30, 2020 compared to the year ended June 30, 2019. The MD&A should be read in conjunction with the Company's audited financial statements and the accompanying notes for the years ended June 30, 2020 & 2019.*

During the year ended June 30, 2020, the Company generated no revenues and expenses of \$310,838 compared to no revenues and expenses of \$204,273 June 30, 2019.

*Accounting and Audit Fees*

For the year ended June 30, 2020, \$15,929 in fees were incurred due to quarterly accounting fees and year end audit fees compared to \$39,150 June 30, 2019 which included quarterly accounting fees and additional accounting and audit fees for listing with the CSE.

*Exploration*

For the year ended June 30, 2020, \$116,362 in expenses were incurred due to terminating the option agreement on the RDR Gold Property effective March 24, 2020. The acquisition and exploration costs classified as assets were expensed. For the year ended June 30, 2019 the Company had \$Nil costs.

**SKARB EXPLORATION CORP.**  
**Management's Discussion and Analysis**

For the years ended June 30, 2020 and 2019

*General and Administrative*

The expenses incurred for the year ended June 30, 2020 included D&O insurance, bank fees, meals and entertainment and miscellaneous office expenses totaling \$12,585. For the year ended June 30, 2019, \$7,272 was incurred for bank fees, meals and entertainment and D&O insurance starting in January 2019.

*Transfer Agent, Listing and Filing Fees*

For year ended June 30, 2020, \$19,007 in fees were incurred due to monthly fees paid to the Canadian Securities Exchange ("CSE"). For the year ended June 30, 2019, we incurred \$47,011 for listing expense and monthly fees paid to the CSE. The Company was listed on the CSE on February 13, 2019.

*Stock Based Compensation*

The Company granted 175,000 stock options to a director and officer of the company in July 2018. On October 21, 2019, the Company granted 1,570,000 stock options to directors, officers and consultants. The stock-based compensation incurred for the year ended June 30, 2020 was \$139,889 compared to \$8,544 June 30, 2019.

*Professional Fees*

For the year ended June 30, 2020, \$7,066 in legal fees were incurred for the termination of the RDR option agreement compared to \$102,296 June 30, 2019. The fees related to the AGM and listing on the CSE.

**SUMMARY OF QUARTERLY RESULTS**

The following information is derived from the Company's interim financial statements prepared in accordance with IFRS applicable to interim financial reporting including IAS 34. The information below should be read in conjunction with the Company's interim financial statements for each of the past four quarters.

Consistent with the preparation and presentation of the Annual Financial Statements, these unaudited quarterly results are presented in Canadian dollars.

	Jun 30, 2020	Mar 31, 2020	Dec 31, 2019	Sep 30, 2019	Jun 30, 2019	Mar 31, 2019	Dec 31, 2018	Sep 30, 2018
	(\$)							
Revenue	-	-	-	-	-	-	-	-
Net loss for the period	(20,823)	(127,406)	(145,926)	(16,683)	(48,863)	(101,829)	(25,119)	(30,770)
Loss per share (basic and diluted)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.01)	(0.00)	(0.00)

Skarb does not derive any revenue from its operations. Its primary focus is the acquisition, exploration and evaluation of mineral properties. As a result, the loss per period has fluctuated depending on the Company's activity level. Therefore, quarterly periods are not comparable.

**LIQUIDITY**

As at June 30, 2020, the Company has working capital of \$121,470 including cash of \$130,980 and current liabilities of \$40,274.

## SKARB EXPLORATION CORP.

### Management's Discussion and Analysis

For the years ended June 30, 2020 and 2019

On July 9, 2018, the Corporation implemented a share option plan. Concurrently with the plan adoption, the Corporation granted a total of 175,000 options to acquire Common Shares to its Chief Financial Officer and director, and to its director and Chair of Audit Committee. The options granted have an exercise price of \$0.10 and expire 10 years from the grant date and vest annually in four equal tranches starting on the first anniversary from the grant date.

On July 30, 2018, the Company issued 1,401,500 Special Warrants pursuant to a private placement at \$0.10 per Special Warrant for proceeds of \$140,150. Each Special warrant entitled the holder to acquire one Common Share of the Company. The Special Warrants automatically converted to Common Shares on December 1, 2018 with no additional cash received by the Company.

On February 13, 2019, 1,367,500 of the original founding escrowed shares were released making them freely tradeable but does not change the shares count of shares issued. On February 20, 2019, 300,000 shares were issued to the RDR property owner as per the option agreement.

On October 21, 2019, the Company granted a total of 1,570,000 options to acquire Common Shares to its directors, officers and consultants. The options granted have an exercise price of \$0.10 and expire 5 years from the grant date and vest immediately.

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 will be sufficient to satisfy the Company's cash requirements during the next 6-month period.

#### CAPITAL RESOURCES

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 9-month period. The Company is required to incur limited exploration expenditures on or prior to the one-year anniversary of its listing in order to keep its claims in good standing.

#### 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.

	June 30, 2020
Directors and officers of the Company	\$0

The Company has issued 1,575,000 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.

**SKARB EXPLORATION CORP.**  
**Management's Discussion and Analysis**

For the years ended June 30, 2020 and 2019

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**FOURTH QUARTER**

During the fourth quarter of 2020, the Company had a loss of \$20,823 compared to \$48,863 June 30, 2019.

*For the period April 1, 2020 to June 30, 2020*

Audit and accounting fees totaled \$11,250 to cover the year end audit fees for 2020. The Company incurred another \$1,020 in legal fees. In January 2020, the Company renewed its D&O insurance for another year and \$2,700 was expensed for the quarter and the rest was put towards prepaids. The transfer agent fees total \$889 for the quarter and the CSE listing fees totaled \$2,250. \$323 was spent on bank fees, office expenses and meals. \$2,201 was expensed for stock-based compensation for options granted in July 2018.

*For the period April 1, 2019 to June 30, 2019*

Audit and accounting fees totaled \$16,912 to cover the year end audit fees for 2019. The Company incurred another \$16,585 in legal fees. In January 2019, we obtained D&O insurance and \$2,700 was expensed in the fourth quarter. The Company is now incurring monthly transfer agent fees which totaled \$2,820 for the quarter. \$287 was spent on Meals and Entertainment and \$6,813 was expensed for stock-based compensation for options granted in July 2018.

**PROPOSED TRANSACTIONS**

The Company entered into a Letter of Intent with Petratherm Ltd. ("Petratherm") on August 23, 2020 to acquire four gold projects located in Australia.

Under the terms of the LOI, upon completion of the transaction, Skarb will issue 100,000,000 common shares to Petratherm on closing in consideration for the projects. Within 125 days of completion of the transaction, Petratherm will distribute the Skarb shares in specie to its shareholders pro rata in accordance with their shareholdings in Petratherm.

The transaction is an arm's length transaction. Pursuant to the terms of the LOI, it is anticipated that the definitive agreement (the "Definitive Agreement") in respect of the transaction will be signed on or before October 15, 2020, at which time the Company will issue a comprehensive news release in respect of the transaction.

Completion of the transaction is subject to a number of conditions, including but not limited to the following key conditions:

- completion by the Company of a private placement for gross proceeds of not less than \$4,000,000;
- execution of the Definitive Agreement;
- completion of mutually satisfactory due diligence; and
- receipt of all required regulatory, corporate and third party approvals, including the approval of the CSE and the shareholders of the Company and the fulfillment of all applicable regulatory requirements and conditions necessary to complete the Transaction.

Pursuant to the policies of the CSE, it is anticipated that the Company will call a special meeting of its shareholders for the purpose of approving, among other matters, the Transaction.

For further details, please visit the Company's profile on [SEDAR](#).

**CRITICAL ACCOUNTING ESTIMATES**

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

**SKARB EXPLORATION CORP.**  
**Management's Discussion and Analysis**

For the years ended June 30, 2020 and 2019

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Information about significant areas of estimation uncertainty considered by management in preparing the Annual Financial Statements is as follows:

*Impairment*

At the end of each financial reporting period the carrying amounts of the Company's non-financial assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss or reversal of previous impairment. Where such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. With respect to exploration and evaluation assets, the Company is required to make estimates and judgments about the future events and circumstances and whether the carrying amount of intangible exploration assets exceeds its recoverable amount. Recoverability depends on various factors, including the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete development and upon future profitable production or proceeds from the disposition of the exploration and evaluation assets themselves. Additionally, there are numerous geological, economic, environmental and regulatory factors and uncertainties that could impact management's assessment as to the overall viability of its properties or its ability to generate future cash flows necessary to cover or exceed the carrying value of the Company's exploration and evaluation assets.

*Share-based payments*

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

**CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION**

*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:

*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.

A detailed summary of all of the Company's accounting estimates and assumptions is included in audited annual financial statements ended June 30, 2020.

**FINANCIAL INSTRUMENTS**

The Company's financial instruments consist of cash, GST receivable, accounts payable and accrued liabilities.

## SKARB EXPLORATION CORP.

### Management's Discussion and Analysis

For the years ended June 30, 2020 and 2019

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The fair values of the Company's financial instruments approximate their carrying value, due to their short-term maturities or liquidity. The Company's cash and amounts receivable are initially recorded at fair value and subsequently at amortized cost with accrued interest recorded in accounts receivable.

#### Financial instrument risk exposure

As at June 30, 2020, the Company's financial instrument risk exposure and impact thereof on the Company's financial instruments is summarized below:

##### *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, 2020, the Company has cash on deposit with a large Canadian bank. Credit risk is concentrated as a significant amount of the Company's cash and cash equivalents is held at one financial institution. Management believes the risk of loss to be remote. The Company's amounts receivable consists of input tax credits receivable from the Government of Canada. Accordingly, the Company does not believe it is subject to significant credit risk.

##### *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, 2020, the Company had a working capital balance of \$121,470, including cash of \$130,980.

##### *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.

##### a) Interest 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, 2020.

##### b) Foreign Currency Risk

The functional currency of the Company is in Canadian Dollars, therefore, it is not exposed to significant foreign currency risk.

##### c) Price Risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact of movements in individual equity prices or general movements in the level of the stock market on the Company's financial performance. Commodity price risk is defined as the potential adverse impact of commodity price movements and volatilities on financial performance and economic value. Future declines in commodity prices may impact the valuation of long-lived assets. The Company closely monitors the commodity prices of uranium, individual equity movements, and the stock market.

**SKARB EXPLORATION CORP.**

**Management's Discussion and Analysis**

For the years ended June 30, 2020 and 2019

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**DISCLOSURE OF OUTSTANDING SECURITY DATA**

*Common Shares*

As at June 30, 2020 and the date of this MD&A, the Company had 17,651,500 Common Shares issued and outstanding.

*Share Options*

The Company has granted 1,745,000 Options as at the date of this MD&A.

**ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE**

The Company anticipates that its working capital of \$121,470 as at June 30, 2020 together with the ability, if needed, to raise additional capital or debt if necessary, will fund operations and payments for the next 6-month period. The operating costs necessary for the Company to achieve its stated business objectives to carry out aspects of the field exploration program on the Gossan and SBS Property during the summer of 2020 and to cover anticipated administrative costs for the next 6-month period are in place. Other than the costs stated above and the activities associated with the proposed Petrathern transaction mentioned previously, the Company does not anticipate incurring any other material capital expenditures during the next 6-month period.

**Schedule “B”**  
**Interim Financial Statements and MD&A for the period ended September 30, 2020**

[Attached]



**SKARB EXPLORATION CORP.**

**UNAUDITED CONDENSED INTERIM  
FINANCIAL STATEMENTS**

**FOR THE THREE-MONTHS ENDED**

***SEPTEMBER 30, 2020 and 2019***

(Expressed in Canadian Dollars)

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**SKARB EXPLORATION CORP.****Condensed Interim Statement of Financial Position**

As at September 30, 2020

(Unaudited - Expressed in Canadian Dollars)

	Note	September 30, 2020	June30, 2020
<b>ASSETS</b>			
Current			
Cash		126,661	\$ 130,980
Amounts receivable		3,166	3,764
Prepays		3,390	6,090
		\$ 133,217	\$ 140,834
Non-Current			
Exploration & evaluation assets	4	7,656	7,656
<b>TOTAL ASSETS</b>		\$ 140,873	\$ 148,490
<b>LIABILITIES</b>			
Current			
Accounts payable and accrued liabilities		\$ 58,324	13,274
Promissory notes	5	27,000	27,000
<b>TOTAL LIABILITIES</b>		\$ 85,324	40,274
<b>EQUITY</b>			
Share capital	6	\$ 530,150	\$ 528,150
Option reserve	6	149,020	148,433
Deficit		(623,621)	(568,367)
<b>TOTAL EQUITY</b>		\$ 55,549	\$ 108,216
<b>TOTAL LIABILITIES AND EQUITY</b>		\$ 140,873	\$ 148,490

Nature of operations and going concern (Note 1)

These condensed interim financial statements were authorized for issue by the Board of Directors on November 23, 2020

/s/ "Craig Parry"**CRAIG PARRY, Chairman**/s/ "Ota Hally"**OTA HALLY, Chief Financial Officer**

The accompanying notes are an integral part of these condensed interim financial statements.

**SKARB EXPLORATION CORP.****Condensed Interim Statements of Loss and Comprehensive Loss**

For the three-months ended September 30, 2020 and 2019

(Unaudited - Expressed in Canadian Dollars)

	Note	For the three-month period ended September 30, 2020	For the three-month period ended September 30, 2019
<b>Expenses</b>			
Accounting and audit fees		\$ 2,425	\$ 3,134
Bank Fees		2	59
Dues and Subscriptions		75	-
Office and administrative		-	856
Transfer agent & filing fees		3,942	4,142
Insurance		2,700	2,700
Listing fees		2,250	1,950
Meals and entertainment		-	242
Professional fees		43,273	2,500
Share-based compensation	6	587	1,100
<b>Loss and comprehensive loss</b>		<b>\$ 55,254</b>	<b>16,683</b>
Loss per common share – basic and diluted	2	\$ (0.01)	(0.00)
Weighted average number of common shares outstanding - basic and diluted		17,671,500	17,671,500

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

**SKARB EXPLORATION CORP.****Condensed Interim Statements of Changes in Equity**

(Unaudited - Expressed in Canadian Dollars)

	Note	Number of Common Shares	Share Capital	Option Reserve	Deficit	Total
<b>Balance as at June 30, 2019</b>		<b>17,651,500</b>	<b>\$ 528,150</b>	<b>\$ 8,544</b>	<b>\$ (257,529)</b>	<b>\$ 279,165</b>
Share-based compensation		-	-	1,100		1,100
Net Loss for the period		-	-	-	(16,683)	(16,673)
<b>Balance as at September 30, 2019</b>		<b>17,651,500</b>	<b>\$ 528,150</b>	<b>\$ 9,644</b>	<b>\$ (274,058)</b>	<b>\$ 263,582</b>
Share-based compensation		-	-	138,789	-	138,789
Net Loss for the period		-	-	-	(294,309)	(294,155)
<b>Balance as at June 30, 2020</b>		<b>17,651,500</b>	<b>\$ 528,150</b>	<b>\$ 148,433</b>	<b>\$ (568,367)</b>	<b>\$ 108,216</b>
Issuance of shares		20,000	2,000			2,000
Share-based compensation		-	-	587	-	587
Net Loss for the period		-	-	-	(55,254)	(55,254)
<b>Balance as at September 30, 2020</b>		<b>17,671,500</b>	<b>\$ 530,150</b>	<b>\$ 149,020</b>	<b>\$ (623,621)</b>	<b>\$ 55,549</b>

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

**SKARB EXPLORATION CORP.****Condensed Interim Statements of Cash Flows**

For the three months ended September 30, 2020 and 2019

(Unaudited - Expressed in Canadian Dollars)

	Note	For the three- months ended September 30, 2020	For the three- months ended September 30, 2019
<b>Cash flows from (used in) operating activities</b>			
Net loss for the period		\$ (55,254)	\$ (16,683)
Adjustments for items that do not represent changes in cash and cash equivalents			
Stock Based Compensation	6	587	1,100
Changes in non-cash working capital			
Amounts receivable		(598)	(1,982)
Prepays		2,700	11,700
Accounts payable and accrued liabilities		45,050	(67)
Net cash generated (used) in operating activities		(6,319)	(5,931)
<b>Cash flows from investing activities</b>			
Additions of exploration and evaluation asset	4	-	(16,310)
Net cash (used) in investing activities		-	(16,310)
<b>Cash flows from financing activities</b>			
Issuance of common shares		2,000	-
Net cash provided by financing activities		2,000	-
<b>Change in cash</b>		<b>(4,319)</b>	<b>(22,241)</b>
Cash, beginning of period		130,980	214,871
<b>Cash, end of period</b>		<b>126,661</b>	<b>192,630</b>

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

## **SKARB EXPLORATION CORP.**

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

For the three months ended September 30, 2020 and 2019

(Unaudited - Expressed in Canadian Dollars)

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#### **1. NATURE OF OPERATIONS AND GOING CONCERN**

##### **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 head office is located at Suite 970 – 1055 West Hastings St., Vancouver, British Columbia.

On February 13, 2019, the Company’s common shares were listed on the Canadian Securities Exchange under the symbol “SKRB”.

The Company’s principal business activities include the acquisition and exploration of mineral property assets. On October 21, 2019, the Company acquired 100% interests in the Gossan and SBS properties, located in the Spences Gold Belt in British Columbia. The company terminated its option agreement to acquire the RDR Project in Quebec. Please refer to Note 4 for details on the properties.

##### **Going Concern**

These interim financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. These financial statements do not give effect to adjustments that would be necessary to their reported carrying values and classifications of assets and liabilities should the Company be unable to continue as a going concern.

As at September 30, 2020, the Company had working capital of \$ 71,504, incurred accumulated losses of \$ 623,621, and expects to incur further losses in the development of its business. The Company’s ability to continue as a going concern is dependent upon its ability to complete or develop a business, generate future profitable operations and/or obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. As described in Note 10, on November 16, 2020, the Company closed a non-brokered private placement issuing 57,030,000 units of one share and one-half warrant at a price of C\$0.20 per Unit for gross proceeds of C\$11,406,000.

In respect to the COVID-19 crisis, it has had little to no impact on the Company and material impact in the future is not anticipated.

#### **2. SIGNIFICANT ACCOUNTING POLICIES**

##### **a) Statement of Compliance**

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting (“IAS 34”), as issued by the International Accounting Standards Board (“IASB”), and its interpretations, using accounting policies consistent with International Financial Reporting Standards (“IFRS”). The condensed interim financial statements should be read in conjunction with the annual financial statements for the years ended June 30, 2020 and June 30, 2019, which have been prepared in accordance with IFRS as issued by the IASB and interpretations of the IFRS Interpretations Committee (“IFRIC”). The accounting policies followed in these condensed interim financial statements are consistent with those applied in the Company’s consolidated financial statements for the years ended June 30, 2020 and June 30, 2019.

##### **b) Basis of Measurement**

The Company’s condensed interim financial statements have been prepared on the historical cost basis except for the revaluation of certain financial assets and financial liabilities to fair value. The condensed interim financial statements are presented in Canadian dollars unless otherwise stated.

**SKARB EXPLORATION CORP.****Notes to the Condensed Interim Financial Statements**

For the three months ended September 30, 2020 and 2019

(Unaudited - Expressed in Canadian Dollars)

**3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS**

The preparation of the interim 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 interim financial statements include estimates which, by their nature, are uncertain.

The impacts of such estimates are pervasive throughout the interim financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

*Significant accounting judgments*

- i. the consideration of whether impairment indicators exist for exploration and evaluation assets;
- ii. the determination tax losses are currently not probable to be utilized against taxable profit; and
- iii. assumptions and expectations utilized in the calculation of stock-based compensation expense which includes the valuation of stock options.

**4. EXPLORATION AND EVALUATION ASSETS**

	For the three-months ended September 30, 2020 \$	For the year ended June 30, 2020 \$	For the year ended June 30, 2019 \$
RDR Gold property:			
Balance forward	-	104,708	-
Acquisition Costs	-	(80,000)	80,000
Exploration Costs	-	(24,708)	24,708
	-	-	104,708
Gossan property:			
Balance forward	3,383	-	-
Acquisition Costs	-	1,579	-
Exploration Costs	-	1,804	-
	3,383	3,383	-
SBS property:			
Balance forward	4,273	-	-
Acquisition Costs	-	2,469	-
Exploration Costs	-	1,804	-
	4,273	4,273	-
Total acquisition and exploration	7,656	7,656	104,708

**SKARB EXPLORATION CORP.****Notes to the Condensed Interim Financial Statements**

For the three months ended September 30, 2020 and 2019

(Unaudited - Expressed in Canadian Dollars)

**4. EXPLORATION AND EVALUATION ASSETS (continued)**

Total exploration costs are as follows:

	For the three-months ended September 30, 2020 \$	For the year ended June 30, 2020 \$	For the year ended June 30, 2019 \$
Geology and consulting	-	3,608	24,708
Total	-	3,608	24,708

For the year ended June 30, 2019, a total of \$24,708 was spent for exploration of the RDR property.

For the year ended June 30, 2020, \$1,804 was spent for exploration of the Gossan property and \$1,804 was spent for exploration of the SBS property.

**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 had 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 optionor, making cash payments totaling \$50,000, and incurring a total of \$1,000,000 in exploration expenditures. On March 24, 2020, the Company terminated the Option Agreement due to results from the most recent exploration work that was completed. The total acquisition and exploration cost of \$116,362 was expensed.

**Gossan Property**

The Gossan property ("Gossan"), which is approximately a 902 ha property, is located approximately 7 km north-west of Princeton, British Columbia. The Company acquired 100% interest and was only required to pay the staking claim fees.

**SBS Property**

The SBS property ("SBS"), which is approximately a 1,411 ha property, is located approximately 27 km south-east of Princeton, British Columbia. The Company acquired 100% interest and was only required to pay the staking claim fees.

**5. PROMISSORY NOTES**

On December 10, 2018, the Company repurchased 5,400,000 common shares from related parties in exchange for the issuance of two promissory notes. Each promissory note has a principal amount equal to \$13,500 (the original subscription price for the Common Shares), payable on demand with interest calculated at the rate of 3% per annum. The Company also has the right to repay any portion of the notes payable at its discretion.

## SKARB EXPLORATION CORP.

### Notes to the Condensed Interim Financial Statements

For the three months ended September 30, 2020 and 2019

(Unaudited - Expressed in Canadian Dollars)

#### 6. SHARE CAPITAL

a) **Authorized Capital:**

Unlimited number of common shares with no par value.

b) **Shares**

Upon incorporation on March 6, 2018 the Company issued 5,400,000 common shares at a value of \$0.005.

In May 2018, the Company issued a total of 14,650,000 common shares at a value of \$0.02.

On June 29, 2018, the Company issued 1,300,000 common shares at a value of \$0.05.

On December 10, 2018, the Company repurchased 5,400,000 Common Shares, which were issued on March 6, 2018, from related parties of the Company in exchange for the issuance of two promissory notes (Note 5).

On February 13, 2019, 300,000 shares were issued for the RDR Gold Property (Note 4).

On September 8, 2020, the Company issued 20,000 common shares at a value of \$0.10 in connection with the Special Warrant exercise in December 2018.

c) **Stock options**

On July 5, 2018, the Company implemented a share option plan (the "**Plan**"). The purposes of the Plan are to (a) support the achievement of the Company's performance objectives and (b) ensure that interests of key persons are aligned with the success of the Company.

On July 9, 2018, the Company granted 175,000 stock options. The options granted have an exercise price of \$0.10 and expire 10 years from the grant date and vest annually in four equal tranches starting on the first anniversary from the grant date. The stock options were accounted for at their fair value determined by the Black-Scholes option pricing model based on the vesting period and on the assumption that follow: Average expected life, 7.5 years; Forfeiture rate, NIL; Volatility, 131%, and risk-free rate, 2.13%. The full grant value of \$16,285 is expensed over the expected life of the options.

On October 21, 2019, the Company granted 1,570,000 stock options. The options granted have an exercise price of \$0.10 and expire 5 years from the grant date and were all vested immediately. The stock options were accounted for at their fair value determined by the Black-Scholes option pricing model based on the assumption that follow: Average expected life, 5 years; Forfeiture rate, NIL; Volatility, 131%, and risk-free rate, 2.13%. The full grant value of \$135,488 is expensed immediately.

A summary of the Company's share options is as follows:

	Number of options outstanding	Weighted average exercise price
As at June 30, 2019	175,000	\$ 0.10
Granted	1,570,000	0.10
Exercised	-	-
Cancelled	-	-
As at June 30, 2020	1,745,000	0.10
Granted	-	-
Exercised	-	-
Cancelled	-	-
<b>As at September 30, 2020</b>	<b>1,745,000</b>	<b>0.10</b>

## SKARB EXPLORATION CORP.

### Notes to the Condensed Interim Financial Statements

For the three months ended September 30, 2020 and 2019

(Unaudited - Expressed in Canadian Dollars)

#### 6. SHARE CAPITAL (continued)

##### c) Stock options (continued)

The following is a summary of share options outstanding and exercisable at September 30, 2020:

Expiry date	Number exercisable	Number outstanding	Exercise price \$
October 21, 2024	1,570,000	1,570,000	0.10
July 9, 2028	87,500	175,000	0.10
<b>Balance</b>	<b>1,657,500</b>	<b>1,745,000</b>	<b>0.10</b>

The fair value of share options awarded to directors and share purchase warrants issued were estimated on the dates of issue using the Black-Scholes option price model with the following assumptions:

The average fair value of share options awarded during the year ended September 30, 2020 was \$0.09 per option.

#### 7. RELATED PARTY DISCLOSURES

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 year ended September 30, 2020, no common shares were issued to related parties of the Company.

The Company implemented a share option plan and granted share options to officers, director and consultants of the Company (see Note 6), such remuneration totaling \$128,970 attributable to key management personnel for the year ended September 30, 2020 classified as share-based compensation.

#### 8. CAPITAL MANAGEMENT

The Company's capital consists of share capital, promissory notes and option reserve. 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.

#### 9. FINANCIAL INSTRUMENTS

##### a) Fair Value

The fair value of the Company's financial instruments approximates their carrying value as at September 30, 2020 because of the demand nature or short-term maturity of these instruments.

## SKARB EXPLORATION CORP.

### Notes to the Condensed Interim Financial Statements

For the three months ended September 30, 2020 and 2019

(Unaudited - Expressed in Canadian Dollars)

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## 9. FINANCIAL INSTRUMENTS (continued)

### b) Financial Risk Management Objectives and Policies

The Company's financial instruments consist of cash, accounts payable and accrued liabilities and promissory notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. 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 September 30, 2020, 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 September 30, 2020, the Company had a working capital of \$71,504 (including amounts receivable), including cash of \$126,661.

#### 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 September 30, 2020.

## 10. SUBSEQUENT EVENTS

On November 16, 2020, the Company closed a non-brokered private placement issuing 57,030,000 units (the "Units") at a price of C\$0.20 per Unit for gross proceeds of C\$11,406,000. Each Unit consists of one common share (a "Share") of the Company and a half of one warrant (each whole warrant, a "Warrant"). Each full Warrant entitles the holder to acquire one common share of the Company for a period of two years at a price of \$0.50, subject to an accelerated expiry if the volume weighted average trading price of the Company's shares is greater than \$0.75 per share for a period of 10 consecutive trading days (the "Acceleration Event"). The Company may give notice to the holders of the Acceleration Event and the Warrants will expire 30 days thereafter. The Company paid finders' fees on a portion of the Private Placement in the form of cash for a total of \$447,810 and issued 2,253,450 broker warrants exercisable at \$0.50 for a period of 24 months from closing.

On October 9, 2020, the Company entered into a Definitive Asset Purchase Agreement (the "Asset Purchase Agreement") with Petratherm Ltd. ("Petratherm") to acquire certain gold projects located in Victoria, Australia (the "Transaction").

**SKARB EXPLORATION CORP.****Notes to the Condensed Interim Financial Statements**

For the three months ended September 30, 2020 and 2019

(Unaudited - Expressed in Canadian Dollars)

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Pursuant to the Asset Purchase Agreement, the Company will acquire the Projects in exchange for the issuance of an aggregate 100,000,000 common shares of the Company (each, a "Consideration Share"). Pursuant to the policies of the Exchange, the Transaction requires approval of the shareholders of the Company (the "Shareholder Approval"). The Company intends to obtain the Shareholder Approval by way of written consent of the holders of the majority of the common shares in the capital of the Company.

Completion of the proposed Transaction is subject to a number of conditions precedent, including, but not limited to, (i) acceptance by the Exchange and receipt of other applicable regulatory approvals; (ii) receipt of the Shareholder Approval; (iii) receipt of consent of the JV Owners (which, pursuant to the JV Agreement, may not be unreasonably withheld or delayed), and (iv) completion by Outback of a private placement for gross proceeds of at least \$4,000,000. There can be no assurance that the Transaction will be completed as proposed or at all.



**SKARB EXPLORATION CORP.  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE THREE MONTHS ENDED**

***SEPTEMBER 30, 2020 and 2019***

(Expressed in Canadian Dollars)

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## SKARB EXPLORATION CORP.

### Management's Discussion and Analysis

For the three months ended September 30, 2020 and 2019

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#### INTRODUCTION

The following is management's discussion and analysis ("MD&A"), prepared as of November 23, 2020. This MD&A should be read in conjunction with the Skarb Exploration Corp.'s (the "**Company**" or "**Skarb**") unaudited Financial Statements and the accompanying notes for the three months ended September 30, 2020 and 2019. The Company's financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**"). All amounts are stated in Canadian dollars unless otherwise indicated.

This report includes certain statements that may be deemed "forward-looking statements" within the meaning of applicable securities legislation. All statements, other than statements of historical facts that address such matters as future events or developments that the Company expects, are forward looking statements and, as such, are subject to risks, uncertainties, assumptions and other factors of which are beyond the reasonable control of the Company. You can identify these statements by forward-looking words such as "expects", "does not expect", "plans", "anticipates", "does not anticipate", "believes", "intends", "estimated", "projects", "potential", "scheduled", "forecast", "budget", and similar expressions, or that events or conditions "will", "would", "may", "could", "should" or "might" occur and similar words. Such statements give the Company's current expectations or forecasts of future events and are not guarantees of future performance and actual results or developments may differ materially from those expressed in, or implied by, this forward-looking information. With respect to forward-looking statements and information contained herein, we have made numerous assumptions including among other things anticipated costs and expenditures and the Company's ability to achieve its goals. Although management believes that the assumptions made, and the expectations represented by such statements or information are reasonable, there can be no assurance that a forward-looking statement or information herein will prove to be accurate. Forward-looking statements and information by their nature are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or information. Factors that could cause actual results to differ materially from those in forward-looking statements include, for example, such matters as continued availability of capital and financing and general economic, market or business conditions. Although we have attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in the forward-looking statements or information, there may be other factors that cause actual results, performances, achievements or events not to be anticipated, estimated or intended. Accordingly, readers should not place undue reliance on forward-looking statements or information. Any forward-looking statements are expressly qualified in their entirety by this cautionary statement. The information contained herein is stated as of the current date and subject to change after that date and the Company does not undertake any obligation to update publicly or to revise any of the forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

Additional information related to the Company is available for view on SEDAR at [www.sedar.com](http://www.sedar.com).

#### OVERVIEW AND HIGHLIGHTS OF THE CURRENT QUARTER

The Company's principal business activities include the acquisition and exploration of mineral property assets.

On October 21, 2019, the Company acquired 100% interest in the Gossan and SBS properties, located in the Spences Gold Belt in British Columbia. On March 24, 2020, a 2018 option agreement held by the Company for the RDR Gold Property in Quebec was terminated following evaluation of initial exploration results and a review of the allocation of Company capital.

In the current quarter the Company advanced significantly its efforts to acquire up to four gold projects in Victoria, Australia, signing a letter of intent for the transaction in August and entering into a definitive agreement on October 9, 2020 as detailed below in Proposed Transactions. On October 15, 2020 the Company announced its intent to raise \$6 million of capital to fund exploration programs amongst other uses of capital associated with this transaction and completed the capital raise on November 16, 2020 with gross proceeds of \$11,406,000, further described in Subsequent Events below.

## **SKARB EXPLORATION CORP.**

### **Management's Discussion and Analysis**

For the three months ended September 30, 2020 and 2019

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#### **ABOUT SKARB EXPLORATION CORP.**

Following incorporation on March 6, 2018, the Company capitalized itself through the issuance of securities on a private placement basis. The Company raised a net aggregate of \$498,150 through the issuance of its securities including the Special Warrants Private Placement and incurred approximately \$121,018 in expenditures with respect to the RDR Property. The Company terminated the option to acquire a 100% right, title, and interest on the Property effective March 24, 2020 due to results from the exploration program.

The Company acquired 100% interest in the Gossan Property and the SBS Property on October 21, 2019. The properties are in the exploration stage and have not generated revenues to date.

On February 13, 2019, the Company was listed on the Canadian Securities Exchange ("CSE") under the symbol "SKRB".

In response to the Proposed Transaction described below, the Company will be renamed Outback Goldfields Corp. as soon as practical following the approval of this initiative at the November 20, 2020 Annual General Meeting.

#### **OVERALL PERFORMANCE**

As an exploration stage company, Skarb does not have revenues and is expected to generate operating losses. As at September 30, 2020, the Company had cash of \$126,661, an accumulated deficit of \$623,621 and working capital (defined as cash plus GST expected less accounts payable) of \$71,504.

#### **Industry and Economic Factors that May Affect the Company's Performance**

The exploration for and development of minerals involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. Few properties which are explored are ultimately developed into producing mines. There can be no guarantee that the estimates of quantities and qualities of minerals disclosed will be economically recoverable. With all exploration and mining operations there is uncertainty and, therefore, risk associated with exploration and operating parameters and costs resulting from the scaling up of extraction methods tested in pilot conditions. Mineral exploration is speculative in nature and there can be no assurance that any minerals discovered will result in a resource base.

In particular, the Company does not generate revenue, as a result, Skarb continues to be dependent on third party financing to continue exploration activities on the company's properties. Accordingly, the Company's future performance will be most affected by its access to financing, whether debt, equity or other means. Access to such financing, in turn, is affected by general economic conditions, exploration risks and the other factors described in the section entitled "risk factors" included below.

In respect to the COVID-19 crisis, it has had little to no impact on the Company and we don't anticipate any material impact in the future.

#### **SELECTED FINANCIAL INFORMATION**

The following table sets out selected financial information for the Company for the three months ended June 30, 2020 and 2019, as well as at September 30, 2020 and June 30, 2020. The selected financial information should only be read in conjunction with the Company's financial statements, including the notes thereto, for the same periods as well the most recent audited financial statements filed on [SEDAR](#).

**SKARB EXPLORATION CORP.****Management's Discussion and Analysis**

For the three months ended September 30, 2020 and 2019

*Statements of Operations, Comprehensive Loss and Deficit Data, and Cash Flows*

	<b>September 30, 2020</b>	September 30, 2019
	(\$)	(\$)
Revenue	-	-
<i>Accounting and audit fees</i>	2,425	3,134
<i>General and administrative</i>	2,777	3,857
<i>Transfer agent, filing and listing fees</i>	6,192	6,092
<i>Stock based compensation</i>	587	1,100
<i>Professional fees</i>	43,273	2,500
<b>Total Expenses</b>	<b>55,254</b>	<b>16,683</b>
Net loss for the period	(55,254)	(16,683)
Loss per share (basic and diluted)	(0.01)	(0.00)
Net cash used in operating activities	(6,319)	(5,931)
Change in cash	(4,319)	(22,241)

*Balance Sheet Data*

	<b>September 30, 2020</b>	June 30, 2020
	(\$)	(\$)
Current Assets	133,217	140,834
Other Assets	7,656	7,656
<b>Total Assets</b>	<b>140,873</b>	<b>148,490</b>
Current Liabilities	85,324	40,274
Long Term Debt	-	-
Shareholders' Equity	55,549	108,216
<b>Total Liabilities and Equity</b>	<b>140,873</b>	<b>148,490</b>

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 owns 100% interest in two properties located in British Columbia. Management anticipates that expenses related to mineral exploration and administration of the Company to materially increase. Such expenses will include increased exploration expenditures with respect to the properties and increased professional fees, and other costs associated with compliance with applicable securities laws.

**RESULTS OF OPERATIONS**

*The following discussion addresses the operating results and financial condition of the Company for the three months ended September 30, 2020 compared to the three months ended September 30, 2019. The MD&A should be read in conjunction with the Company's audited financial statements and the accompanying notes for the years ended June 30, 2020 & 2019.*

During the three months ended September 30, 2020, the Company generated no revenues and expenses of \$55,254 compared to no revenues and expenses of \$16,683 September 30, 2019.

## SKARB EXPLORATION CORP.

### Management's Discussion and Analysis

For the three months ended September 30, 2020 and 2019

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#### *Accounting and Audit Fees*

For the three months ended September 30, 2020, \$2,425 in fees were incurred due to quarterly accounting fees compared to \$3,134 September 30, 2019.

#### *General and Administrative*

The expenses incurred for the three months ended September 30, 2020 compared to \$3,857 September 30, 2019. For both years, the expenses included D&O insurance, bank fees and miscellaneous office expenses.

#### *Transfer Agent, Listing and Filing Fees*

For three months ended September 30, 2020, \$6,192 in fees compared to \$6,092 September 30, 2019. These expenses were incurred due to monthly fees paid to the Canadian Securities Exchange ("CSE").

#### *Stock Based Compensation*

The Company granted 175,000 stock options to a director and officer of the company in July 2018. On October 21, 2019, the Company granted 1,570,000 stock options to directors, officers and consultants. The stock-based compensation incurred for the three months ended September 30, 2020 was \$587 compared to \$1,100 September 30, 2019.

#### *Professional Fees*

For the three months ended September 30, 2020, \$43,273 in legal fees were incurred for work regarding the transaction with Petratherm Limited announced on August 25, 2020. Additional fees for the three months ended September 30, 2019 include costs related to the AGM.

### SUMMARY OF QUARTERLY RESULTS

The following information is derived from the Company's interim financial statements prepared in accordance with IFRS applicable to interim financial reporting including IAS 34. The information below should be read in conjunction with the Company's interim financial statements for each of the past four quarters.

Consistent with the preparation and presentation of the Annual Financial Statements, these unaudited quarterly results are presented in Canadian dollars.

	Sep 30, 2020	Jun 30, 2020	Mar 31, 2020	Dec 31, 2019	Sep 30, 2019	Jun 30, 2019	Mar 31, 2019	Dec 31, 2018
	(\$)							
Revenue	-	-	-	-	-	-	-	-
Net loss for the period	(55,254)	(127,406)	(145,926)	(16,683)	(48,863)	(101,829)	(25,119)	(30,770)
Loss per share (basic and diluted)	(0.01)	(0.00)	(0.00)	(0.00)	(0.00)	(0.01)	(0.00)	(0.00)

Skarb does not derive any revenue from its operations. Its primary focus is the acquisition, exploration and evaluation of mineral properties. As a result, the loss per period has fluctuated depending on the Company's activity level. Therefore, quarterly periods are not comparable.

## **SKARB EXPLORATION CORP.**

### **Management's Discussion and Analysis**

For the three months ended September 30, 2020 and 2019

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#### **LIQUIDITY**

As at September 30, 2020, the Company has working capital of \$47,893 including cash of \$126,661 and current liabilities of \$85,324. This position has changed substantially as of the date of this MD&A as described earlier in this MD&A and in the Subsequent Events section below.

#### **SHARE CAPITAL**

On July 9, 2018, the Corporation implemented a share option plan. Concurrently with the plan adoption, the Corporation granted a total of 175,000 options to acquire Common Shares to its Chief Financial Officer and director, and to its director and Chair of Audit Committee. The options granted have an exercise price of \$0.10 and expire 10 years from the grant date and vest annually in four equal tranches starting on the first anniversary from the grant date.

On July 30, 2018, the Company issued 1,401,500 Special Warrants pursuant to a private placement at \$0.10 per Special Warrant for proceeds of \$140,150. Each Special warrant entitled the holder to acquire one Common Share of the Company. The Special Warrants automatically converted to Common Shares on December 1, 2018 with no additional cash received by the Company.

On February 13, 2019, 1,367,500 of the original founding escrowed shares were released making them freely tradeable but does not change the shares count of shares issued. On February 20, 2019, 300,000 shares were issued to the RDR property owner as per the option agreement.

On October 21, 2019, the Company granted a total of 1,570,000 options to acquire Common Shares to its directors, officers and consultants. The options granted have an exercise price of \$0.10 and expire 5 years from the grant date and vest immediately.

On August 15, 2020, 2,051,250 of the original founding escrowed shares were released making them freely tradeable but does not change the shares count of shares issued.

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 will be sufficient to satisfy the Company's cash requirements during the next 6-month period.

#### **CAPITAL RESOURCES**

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 9-month period. The Company is required to incur limited exploration expenditures on or prior to the one-year anniversary of its listing in order to keep its claims in good standing.

#### **OFF-BALANCE SHEET ARRANGEMENTS**

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

## SKARB EXPLORATION CORP.

### Management's Discussion and Analysis

For the three months ended September 30, 2020 and 2019

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#### 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.

	September 30, 2020
Directors and officers of the Company	\$0

The Company has issued 1,575,000 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.

#### PROPOSED TRANSACTIONS

On October 9, 2020, the Company entered into a Definitive Asset Purchase Agreement (the "Asset Purchase Agreement") with Petratherm Ltd. ("Petratherm") to acquire certain gold projects located in Victoria, Australia (the "Transaction").

Pursuant to the Asset Purchase Agreement, the Company will acquire the Projects in exchange for the issuance of an aggregate 100,000,000 common shares of the Company (each, a "Consideration Share"). Pursuant to the policies of the Exchange, the Transaction requires approval of the shareholders of the Company (the "Shareholder Approval"). The Company intends to obtain the Shareholder Approval by way of written consent of the holders of the majority of the common shares in the capital of the Company.

Completion of the proposed Transaction is subject to a number of conditions precedent, including, but not limited to, (i) acceptance by the Exchange and receipt of other applicable regulatory approvals; (ii) receipt of the Shareholder Approval; (iii) receipt of consent of the JV Owners (which, pursuant to the JV Agreement, may not be unreasonably withheld or delayed), and (iv) completion by Skarb of a private placement for gross proceeds of at least \$4,000,000. There can be no assurance that the Transaction will be completed as proposed or at all.

#### CRITICAL ACCOUNTING ESTIMATES

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

Information about significant areas of estimation uncertainty considered by management in preparing the Annual Financial Statements is as follows:

##### *Impairment*

At the end of each financial reporting period the carrying amounts of the Company's non-financial assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss or reversal of previous impairment. Where such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. With respect to exploration and evaluation assets, the Company is required to make estimates and judgments about the future events and circumstances and whether the carrying amount of intangible exploration assets exceeds its recoverable amount. Recoverability depends on various factors, including the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete development and upon future profitable production or proceeds from the disposition of the exploration and

## **SKARB EXPLORATION CORP.**

### **Management's Discussion and Analysis**

For the three months ended September 30, 2020 and 2019

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evaluation assets themselves. Additionally, there are numerous geological, economic, environmental and regulatory factors and uncertainties that could impact management's assessment as to the overall viability of its properties or its ability to generate future cash flows necessary to cover or exceed the carrying value of the Company's exploration and evaluation assets.

#### *Share-based payments*

The Company uses the Black-Scholes option pricing model to determine the fair value of options in order to calculate share-based payment expenses. The Black-Scholes model involves six key inputs to determine fair value of an option: risk-free interest rate, exercise price, market price at date of issue, expected dividend yield, expected life, and expected

volatility. Certain of the inputs are estimates that involve considerable judgment and are, or could be, affected by significant factors that are out of the Company's control. The Company is also required to estimate the future forfeiture rate of options based on historical information in its calculation of share-based payment expenses.

### **CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION**

#### *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:

#### *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.

A detailed summary of all of the Company's accounting estimates and assumptions is included in audited annual financial statements ended June 30, 2020 filed on SEDAR.

### **FINANCIAL INSTRUMENTS**

The Company's financial instruments consist of cash, GST receivable, accounts payable and accrued liabilities.

The fair values of the Company's financial instruments approximate their carrying value, due to their short-term maturities or liquidity. The Company's cash and amounts receivable are initially recorded at fair value and subsequently at amortized cost with accrued interest recorded in accounts receivable.

#### **Financial instrument risk exposure**

As at September 30, 2020, the Company's financial instrument risk exposure and impact thereof on the Company's financial instruments is summarized below:

## **SKARB EXPLORATION CORP.**

### **Management's Discussion and Analysis**

For the three months ended September 30, 2020 and 2019

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#### *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 September 30, 2020, the Company has cash on deposit with a large Canadian bank. Credit risk is concentrated as a significant amount of the Company's cash and cash equivalents is held at one financial institution. Management believes the risk of loss to be remote. The Company's amounts receivable consists of input tax credits receivable from the Government of Canada. Accordingly, the Company does not believe it is subject to significant credit risk.

#### *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 September 30, 2020, the Company had a working capital balance of \$71,504, including cash of \$126,661.

#### *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.

a) **Interest 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 September 30, 2020.

b) **Foreign Currency Risk**

The functional currency of the Company is in Canadian Dollars; therefore, it is not exposed to significant foreign currency risk.

c) **Price Risk**

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact of movements in individual equity prices or general movements in the level of the stock market on the Company's financial performance. Commodity price risk is defined as the potential adverse impact of commodity price movements and volatilities on financial performance and economic value. Future declines in commodity prices may impact the valuation of long-lived assets. The Company closely monitors the commodity prices of uranium, individual equity movements, and the stock market.

## **DISCLOSURE OF OUTSTANDING SECURITY DATA**

#### *Common Shares*

As at September 30, 2020 and the date of this MD&A, the Company had 17,671,500 and 74,901,500 Common Shares issued and outstanding, respectively.

#### *Share Options*

The Company has outstanding 1,545,000 Options as at the date of this MD&A.

## **SKARB EXPLORATION CORP.**

### **Management's Discussion and Analysis**

For the three months ended September 30, 2020 and 2019

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#### *Warrants*

The Company has outstanding 30,768,450 Warrants as at the date of this MD&A.

#### **SUBSEQUENT EVENTS**

On November 16, 2020, the Company closed a non-brokered private placement issuing 57,030,000 units (the "Units") at a price of C\$0.20 per Unit for gross proceeds of C\$11,406,000. Each Unit consists of one common share (a "Share") of the Company and a half of one warrant (each whole warrant, a "Warrant"). Each full Warrant entitles the holder to acquire one common share of the Company for a period of two years at a price of \$0.50, subject to an accelerated expiry if the volume weighted average trading price of the Company's shares is greater than \$0.75 per share for a period of 10 consecutive trading days (the "Acceleration Event"). The Company may give notice to the holders of the Acceleration Event and the Warrants will expire 30 days thereafter.

The Company is well-funded for drilling and exploration on the four key Fosterville goldfield properties that the Company intends to acquire shortly. These funds will also cover general operating expenses over the next year.

#### **ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE**

The Company anticipates that its working capital of \$71,504 as at September 30, 2020 together with the capital raise completed as of the date of this MD&A, will fund all exploration programs, operations and payments for the next 12-month period. The funds necessary for the Company to achieve its stated business objectives to carry out its exploration programs and to cover anticipated administrative costs for the next 12-month period are in place. Other than the costs stated above, and the activities associated with the proposed Petrathern transaction mentioned previously, the Company does not anticipate incurring any other material operating or capital expenditures during the next 12-month period.

**Schedule “C”  
Pro Forma Financial Statements**

[Attached]

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**OUTBACK GOLDFIELDS CORP.**

**Formerly SKARB EXPLORATION CORP.**

**Unaudited Pro Forma Financial Statements**

**For the three months ended September 30, 2020  
and  
for the year ended June 30, 2020**

(Expressed in Canadian Dollars)

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**OUTBACK GOLDFIELDS CORP. (formerly Skarb Exploration Corp.)****Pro Forma Statements of Financial Position**

As at September 30, 2020

(Unaudited - Expressed in Canadian Dollars)

	Outback Goldfields Corp.	Note	Pro Forma Adjustments	Pro Forma Consolidated
<b>ASSETS</b>				
Current				
Cash	\$ 126,661	4b 4c	\$ 10,958,190 (500,000)	\$ 10,584,851
Amounts receivable	3,166		-	3,166
Prepays	3,390		-	3,390
	\$ 133,217		\$ 10,458,190	\$ 10,591,407
Non-Current				
Acquisition	-	4a	19,000,000	19,000,000
Exploration & evaluation asset	7,656		-	7,656
<b>TOTAL ASSETS</b>	<b>\$ 140,873</b>		<b>\$ 29,458,190</b>	<b>\$ 29,599,063</b>
<b>LIABILITIES</b>				
Current				
Accounts payable and accrued liabilities	\$ 58,324		\$ -	\$ 58,324
Promissory notes	27,000		-	27,000
<b>TOTAL LIABILITIES</b>	<b>\$ 85,324</b>		<b>\$ -</b>	<b>\$ 85,324</b>
<b>EQUITY</b>				
Share capital	\$ 530,150	4b 7 7 4a 4b	\$ 11,406,000 (597,919) (570,300) 19,000,000 (447,810)	\$ 29,320,121
Warrant reserve	-	7	570,300 597,919	1,168,219
Option reserve	149,020		-	149,020
Deficit	(623,621)		(500,000)	(1,123,621)
<b>TOTAL EQUITY</b>	<b>\$ 140,873</b>		<b>29,458,190</b>	<b>\$ 29,513,739</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 140,873</b>		<b>\$ 29,458,190</b>	<b>\$ 29,599,063</b>

See accompanying notes to these unaudited pro forma interim financial statements

**OUTBACK GOLDFIELDS CORP. (formerly Skarb Exploration Corp.)****Pro Forma Interim Statement of Loss and Comprehensive Loss**

For the three months ended September 30, 2020

(Unaudited - Expressed in Canadian Dollars)

	Note	Outback Goldfields Corp.	Pro Forma Adjustments	Pro Forma Consolidated
<b>Expenses</b>				
Accounting and audit fees	\$	2,425	\$ -	<b>2,425</b>
Bank Fees		2	-	<b>2</b>
Dues and Subscriptions		75	-	<b>75</b>
Office and administrative		-	-	-
Transfer agent & filing fees		3,942	-	<b>3,942</b>
Insurance		2,700	-	<b>2,700</b>
Listing fees		2,250	-	<b>2,250</b>
Meals and entertainment		-	-	-
Professional fees		43,273	-	<b>43,273</b>
Share-based compensation		587	-	<b>587</b>
<b>Loss and comprehensive loss</b>	\$	<b>55,254</b>	-	<b>55,254</b>
Loss per common share – basic and diluted	\$	(0.00)	-	<b>(0.00)</b>
Weighted average number of common shares outstanding - basic and diluted		147,671,500	3:1	<b>49,223,833</b>

See accompanying notes to these unaudited pro forma interim financial statements

The outstanding securities of the Company were consolidated at 3:1 on November [X], 2020

**OUTBACK GOLDFIELDS CORP. (formerly Skarb Exploration Corp.)****Pro Forma Interim Statement of Loss and Comprehensive Loss**

For the year ended June 30, 2020

(Unaudited - Expressed in Canadian Dollars)

	Note	Skarb Exploration corp.	Pro Forma Adjustments	Pro Forma Consolidated
<b>Expenses</b>				
Accounting and audit fees	\$	15,929	\$ -	<b>90,929</b>
Bank Fees		129	-	<b>2,629</b>
Consulting fees		-	-	<b>259,000</b>
Transaction costs		-	500,000	<b>500,000</b>
Dues and Subscriptions		500	-	<b>500</b>
Exploration costs' write-off		116,362	-	<b>116,362</b>
Office and administrative		636	-	<b>36,636</b>
Transfer agent & filing fees		10,707	-	<b>53,207</b>
Insurance		10,830	-	<b>20,830</b>
Listing fees		8,300	-	<b>8,300</b>
Meals and entertainment		490	-	<b>5,490</b>
Marketing		-	-	<b>30,000</b>
Travel		-	-	<b>10,000</b>
Professional fees		7,066	-	<b>37,066</b>
Share-based compensation		139,889	-	<b>139,889</b>
<b>Loss and comprehensive loss</b>	\$	<b>310,838</b>	<b>500,000</b>	<b>810,838</b>
Loss per common share – basic and diluted	\$	(0.01)		<b>(0.02)</b>
Weighted average number of common shares outstanding - basic and diluted		147,651,500 3:1	130,000,000 3:1	<b>49,217,167</b>

See accompanying notes to these unaudited pro forma interim financial statements

The outstanding securities of the Company were consolidated at 3:1 on November [X], 2020

# OUTBACK GOLDFIELDS CORP. (formerly Skarb Exploration Corp.)

## Notes to the Pro Forma Financial Statements

(Unaudited - Expressed in Canadian Dollars)

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### 1. DESCRIPTION OF REPORTING ENTITY, TRANSACTION AND OFFERING

#### Description of reporting entity

Outback Goldfields Corp., formerly Skarb Exploration Corp. (the “Company”) was incorporated pursuant to the provisions of the Business Corporations Act of Ontario on March 6, 2018 and in November 19, 2020 was approved and continued into British Columbia. The Company’s head office is located at Suite 970 – 1055 West Hastings St., Vancouver, British Columbia.

On February 13, 2019, the Company’s common shares were listed on the Canadian Securities Exchange under the symbol “SKRB”.

The Company’s principal business activities include the acquisition and exploration of mineral property assets. On October 21, 2019, the Company acquired 100% interests in the Gossan and SBS properties, located in the Spences Gold Belt in British Columbia. The company terminated its option agreement to acquire the RDR Project in Quebec.

#### Transaction

On October 9, 2020, the Company entered into a Definitive Asset Purchase Agreement (the “**Asset Purchase Agreement**”) with Petratherm Ltd. (“**Petratherm**”) to acquire certain gold projects located in Victoria, Australia (the “**Transaction**”).

Pursuant to the Asset Purchase Agreement, the Company will acquire the Projects in exchange for the issuance of an aggregate 100,000,000 (all share counts are pre-consolidation share counts) common shares of the Company (each, a “**Consideration Share**”) at a deemed price of \$0.18 per share. If a pre-emption right is exercised by the Glenfine Project JV Owners, one of four projects proposed to be acquired, the Company will only acquire the three Petratherm Tenements and the number of Consideration Shares will be reduced to 50,000,000. At the date of this document the JV Owners have granted a waiver of their pre-emption right. Pursuant to the policies of the Exchange, the Transaction requires approval of the shareholders of the Company (the “Shareholder Approval”). The Company intends to obtain the Shareholder Approval by way of written consent of the holders of the majority of the common shares in the capital of the Company.

Completion of the proposed Transaction is subject to a number of conditions precedent, including, but not limited to, (i) acceptance by the Exchange and receipt of other applicable regulatory approvals; (ii) receipt of the Shareholder Approval; (iii) receipt of consent of the JV Owners (which, pursuant to the JV Agreement, may not be unreasonably withheld or delayed), and (iv) completion by Outback of a private placement for gross proceeds of at least \$4,000,000. There can be no assurance that the Transaction will be completed as proposed or at all.

#### Offering

On November 16, 2020, the Company closed a non-brokered private placement (the “**Private Placement**”) of 57,030,000 units (the “**Units**”) at a price of C\$0.20 per Unit for gross proceeds of C\$11,406,000. Each Unit consists of one common share (a “Share”) of the Company and a half of one warrant (each whole warrant, a “**Warrant**”). Each Warrant entitles the holder to purchase one additional Share at a price of C\$0.50 for a period of 24 months from the date of issuance. The Warrants are subject to an accelerated expiry at the Company’s discretion if the volume weighted average trading price of the Company’s shares is greater than C\$0.75 per share per a period of 10 consecutive trading days (the “**Acceleration Event**”). If the Company gives notice to the holders of the Acceleration Event, the Warrants will expire 30 days thereafter. 2,253,450 Broker Warrants at \$0.50 were also issued with the Offering and a total of C\$447,810 was paid out in finders’ fees raising net proceeds of C\$10,958,190.

All securities issued pursuant to the Private Placement are subject to a four-month hold period under applicable Canadian securities laws. Finders’ fees paid in connection with the Private Placement are in accordance with the policies of the Canadian Securities Exchange.

#### Share consolidation

The outstanding securities of the Company were consolidated at 3:1 on November [X], 2020. All outstanding options,

## OUTBACK GOLDFIELDS CORP. (formerly Skarb Exploration Corp.)

### Notes to the Pro Forma Financial Statements

(Unaudited - Expressed in Canadian Dollars)

warrants and the amounts to be issued in the Transaction will be adjusted with a 3:1 consolidation ratio.

#### 2. BASIS OF PRESENTATION

The unaudited pro forma financial statements have been prepared by management for illustrative purposes only to show the effect of the Transaction, Offering, and Share Consolidation described in Note 1. The unaudited pro forma financial statements have been prepared as if the Transaction, Offering and Share Consolidation had occurred on July 1, 2019 for the purposes unaudited pro forma consolidated statement of loss and comprehensive loss for the year ended June 30, 2020, and the unaudited pro forma consolidated interim statement of loss and comprehensive loss for the three months ended September 30, 2020. The unaudited pro forma statement of financial position as at September 30, 2020 has also been prepared as if the Transaction, Offering, and Share Consolidation had occurred as of July 1, 2019.

The unaudited pro forma financial statements are based on Outbacks's (formerly Skarb's) historical financial statements, as adjusted to give effect to the Transaction and Offering described in Note 1.

The unaudited pro forma financial statements of Outback have been prepared by management in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board for inclusion in a Listing Statement dated November \*\*, 2020. In the opinion of management, the pro forma consolidated financial statements include all adjustments necessary for fair presentation of the Transaction, Offering, and Share Consolidation described in Note 1.

#### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The unaudited pro forma financial statements have been compiled using the significant accounting policies as set out in the audited financial statement of the Company for the year ended June 30, 2020.

Asset acquisitions – in cases where the company acquires assets that do not meet the IFRS definition and combination of substantive inputs, processes, and outputs, the acquisition is considered one of assets as opposed to a business combination.

#### 4. PRO FORMA ASSUMPTIONS AND ADJUSTMENTS

The following assumptions and adjustments have been recorded in the pro forma financial statements to reflect the pro forma effects had the above described events occurred on July 1, 2019.

- a) The completion of the acquisition of the tenements in accordance with the Definitive Asset Purchase Agreement. The Transaction is considered an acquisition of assets as defined by IFRS. The unaudited pro forma financial information includes various assumptions, including those related to the pro forma purchase price of the shares issued. The final purchase price allocation may vary based on the final valuations and analyses of the fair value of the acquired assets. Accordingly, the unaudited pro forma adjustments are preliminary and have been made solely for illustrative purposes.

The following represents the effect of the purchase accounting based on the fair value of the consideration shares to be issued, which is based on the \$0.20 per unit value as part of the Offering, where 1 unit included 1 share and ½ warrant. As such, for proforma purposes the consideration shares without the ½ warrant are estimated to have a fair value of \$0.19 per share.

	<b>Fair Values</b>
<b>Fair value of identifiable assets:</b>	
Mineral properties	\$ 19,000,000
<b>Consideration issued and its fair value:</b>	
100,000,000 pre-consolidation Outback shares	\$ 19,000,000

- b) The completion of the Offering resulting in gross proceeds of \$11,406,000, issuing a total of 57,030,000 common shares. The finders' fee cash commission was C\$447,810 for net proceeds of C\$10,958,190.
- c) The estimated remaining transaction costs related to the Transaction are \$500,000 which consist of legal costs, transfer agent costs and filing fees.

**OUTBACK GOLDFIELDS CORP. (formerly Skarb Exploration Corp.)****Notes to the Pro Forma Financial Statements**

(Unaudited - Expressed in Canadian Dollars)

**5. PRO FORMA SHARE CAPITAL**

The pro forma share capital as at September 30, 2020 in the unaudited pro forma statement of financial position is comprised of the following:

	Number of common shares		Stated capital
Common shares outstanding of Outback (as reported)	17,651,500	\$	530,150
Consolidate shares at 3:1	(11,767,666)		
Consolidated shares outstanding of Outback	5,883,834	\$	530,150
Adjusted for:			
Issuance of common shares pursuant to the Transaction	33,333,333		19,000,000
Issuance of common shares pursuant to the Offering	19,010,000		11,406,000
<b>Common shares outstanding (pro forma)</b>	<b>58,227,167</b>		<b>30,936,150</b>

All securities of the Company were consolidated 3:1.

**6. STOCK OPTIONS**

The Company had the following stock options outstanding as at September 30, 2020, unaffected by either the Transaction or the Offering:

Expiry date	Number exercisable	Number outstanding	Exercise price \$	Weighted average exercise price
October 21, 2024	1,570,000	1,570,000	0.10	0.10
July 9, 2028	43,750	175,000	0.10	0.10
Balance at September 30, 2020	1,613,750	1,745,000	0.10	0.10
Consolidate options at 3:1	(1,075,833)	(1,163,333)		
Balance of consolidated options at September 30, 2020	537,917	581,667		

**7. WARRANTS**

The following table shows the warrants issued associated with the Offering. The black-scholes valuation method was utilized in arriving at fair values of the Broker warrants of \$0.6 million due to their nature of being a compensation instrument under IFRS. Assumptions included volatility of 100%, up to 2 year life, and 2.1% risk-free rate. The Unit warrants were assigned a nominal value under IFRS of \$0.02 per whole warrant as a fair value proportion of the \$0.20 Unit price which included one common share and one-half warrant.

Issuance date	Expiry date	Number outstanding	Exercise price \$	Weighted average exercise price	Aggregate Fair Value
November 16, 2020 – Unit warrants	November 16, 2022	28,515,000	0.50	0.50	\$ 570,300
November 16, 2020 – Broker warrants	November 16, 2022	2,253,450	0.50	0.50	\$ 597,919
Balance at November 30, 2020		30,768,450	0.50	0.50	\$ 1,168,219
Consolidate warrants at 3:1		(20,512,300)	0.50	0.50	\$ 1,168,219

**OUTBACK GOLDFIELDS CORP. (formerly Skarb Exploration Corp.)****Notes to the Pro Forma Financial Statements**

(Unaudited - Expressed in Canadian Dollars)

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Balance of consolidated warrants at September 30, 2020	10,256,150	0.50	0.50	\$ 1,168,219
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**8. PRO FORMA NET LOSS PER SHARE**

	Twelve months ended June 30, 2020		Three months ended September 30, 2020	
Pro forma net loss and comprehensive loss	\$	<b>810,838</b>	\$	<b>55,254</b>
Basic and diluted weighted average of Outback common shares outstanding (as reported)		17,651,500 3:1		147,671,500 3:1
Adjusted for:				
Issuance of common shares pursuant to the Transaction		33,333,333		
Issuance of common shares pursuant to the Offering		19,010,000		
<b>Basic and diluted weighted average of Outback common shares (pro forma)</b>		<b>58,227,167</b>		<b>49,223,833</b>
<b>Pro forma net loss and comprehensive loss per share, basic and diluted</b>	\$	<b>(0.01)</b>	\$	<b>(0.00)</b>

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