

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

*No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.*

*These securities have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), or the securities laws of any state of the United States and may not be offered, sold or delivered, directly or indirectly, in the United States (as such term is defined in Regulation S under the U.S. Securities Act) (the “United States”), except pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of these securities in the United States.*

## PRELIMINARY PROSPECTUS

Initial Public Offering

Date: June 13, 2023

### MOGOTES METALS INC.



● Units, \$●

Price: \$● per Unit

This prospectus (this “**Prospectus**”) qualifies the distribution by Mogotes Metals Inc. (the “**Company**”) of ● units of the Company (“**Units**”) at a price of \$● per Unit (the “**Offering Price**”) for aggregate gross proceeds of \$● (the “**Offering**”). The Units are being offered for sale, on a best efforts agency basis, without underwriter liability, to purchasers resident in each of the provinces of Canada except Quebec, pursuant to an agency agreement (the “**Agency Agreement**”) to be entered into among the Company, Canaccord Genuity Inc. (“**Canaccord**”), BMO Nesbitt Burns Inc. (“**BMO**” and collectively with Canaccord, the “**Co-Lead Agents**”), as co-lead agents and joint bookrunners, ● and ● (collectively, together with the Co-Lead Agents, the “**Agents**”). The terms of the Offering, including the Offering Price, will be determined by arm’s length negotiation between the Company and the Co-Lead Agents, on behalf of the Agents, in the context of the market.

Each Unit is comprised of one common share of the Company (each a “**Unit Share**”) and one warrant to purchase a common share of the Company (each a “**Warrant**”). Each Warrant is exercisable to acquire one common share of the Company (each a “**Warrant Share**”) at a price of \$● per Warrant Share for a period of ● months after the Closing Date (as hereinafter defined). The Warrants will be transferable and will be issued pursuant to the terms of the Warrant Indenture (as hereinafter defined) to be entered into between the Company and Computershare Trust Company of Canada as warrant agent. This Prospectus qualifies the distribution of, among other securities, the Unit Shares and the Warrants.

	Price to the Public <sup>(1)</sup>	Agents’ Commission <sup>(2)(3)</sup>	Net Proceeds to the Company <sup>(4)</sup>
Per Unit	\$●	\$●	\$●
Total Offering	\$●	\$●	\$●

Notes:

- (1) The price to the public was determined by arm’s length negotiation between the Company and the Co-Lead Agents on behalf of the Agents.
- (2) Pursuant to the terms and conditions of the Agency Agreement and in consideration for the services to be rendered by the Agents in connection with the Offering, the Agents will receive a cash commission (the “**Agents’ Commission**”) equal to 6% of the gross proceeds from the sale of Units under the Offering, including gross proceeds from the sale of Additional Securities (as hereinafter defined) under the Over-Allotment Option (as hereinafter defined), provided that the Agents’ Commission will be reduced to 3% in respect of sales of Units to purchasers designated by the Company to the Agents for gross proceeds of up to a maximum of \$4,000,000 (the “**President’s List Purchasers**”). In addition, the Agents will be granted such number of warrants to purchase common shares of the Company (the “**Agents’ Warrants**”) equal to 6% of the number of Units sold under the Offering, including Units sold under the Over-Allotment Option,

- to purchasers other than President's List Purchasers, and 3% of the total number of Units sold under the Offering to the President's List Purchasers. Each Agents' Warrant will entitle the Agents to acquire one common share of the Company (an "Agents' Warrant Share") at the Offering Price for a period of 24 months after the Closing Date. This Prospectus also qualifies the distribution of the Agents' Warrants. The Company will also pay the Agents' expenses, including legal fees and disbursements. See "Plan of Distribution".
- (3) The Agents' Commission set forth in this table reflects the Agents' Commission assuming (i) no sales to President's List Purchasers and (ii) no exercise of the Over-Allotment Option.
- (4) After deducting the Agents' Commission, but before deducting expenses of the Offering which are estimated to be \$● and will be paid from the proceeds of the Offering. See "Plan of Distribution".
- (5) The Company has granted to the Agents an option (the "**Over-Allotment Option**"), exercisable in whole or in part in the sole discretion of the Agents at any time until the date which is 30 days after the Closing Date, to sell up to 15% of the number of Units sold on the Closing Date, at the Offering Price, solely to cover over-allotments, if any, and for market stabilization purposes. The Over-Allotment Option may be exercised to sell: (a) up to ● additional Units (the "**Additional Units**") at the Offering Price per Additional Unit, (b) up to ● additional common shares of the Company ("**Additional Unit Shares**") at \$● per Additional Unit Share; (c) up to ● additional Warrants ("**Additional Warrants**") at \$● per Additional Warrant; or (d) any combination of Additional Units, Additional Unit Shares and/or Additional Warrants (collectively "**Additional Securities**"), provided that (i) the number of Additional Units does not exceed ●, (ii) the number of Additional Unit Shares does not exceed ●, and (iii) the number of Additional Warrants does not exceed ●. If the Over-Allotment Option is exercised in full, and assuming no sales to President's List Purchasers, the total "Price to the Public", the "Agents' Commission" and the "Net Proceeds to the Company" (before deducting expenses of the Offering) will be \$●, \$●, and \$●, respectively. This Prospectus also qualifies the grant of the Over-Allotment Option and the distribution of the Additional Securities upon exercise of the Over-Allotment Option. Any purchaser who acquires Additional Securities forming part of the over-allotment position of the Agents pursuant to the Over-Allotment Option acquires such securities under this Prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. See "Plan of Distribution".

Unless the context otherwise requires, when used in this Prospectus, all references to the "Offering", "Units", "Unit Shares", "Warrants", "Warrant Shares", "Agents' Warrants" and "Agents' Warrant Shares" include all securities issuable pursuant to the exercise of the Over-Allotment Option.

The following table sets out the maximum number of securities that may be issuable by the Company to the Agents:

Agents' Position	Maximum size or number of securities available	Exercise period or acquisition date	Exercise price or average acquisition price
Over-Allotment Option	<ul style="list-style-type: none"> <li>● Additional Units</li> <li>● Additional Unit Shares</li> <li>● Additional Warrants</li> </ul>	Up to 30 days after the Closing Date	<ul style="list-style-type: none"> <li>\$● per Additional Unit</li> <li>\$● per Additional Unit Share</li> <li>\$● per Additional Warrant</li> </ul>
Agents' Warrants	● Agents' Warrants <sup>(1)</sup>	Up to 24 months after the Closing Date	\$● per Agents' Warrant Share

Notes:

- (1) Assuming the exercise of the Over-Allotment Option in full and no President's List Purchasers.

The Offering is subject to the receipt by the Agents of subscriptions for the Units in the amount of \$● (the "**Minimum Subscription Amount**"). Subscriptions for the Units will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. The Co-Lead Agents will hold all funds received from subscriptions in trust until the Minimum Subscription Amount has been raised. If the Minimum Subscription Amount is not raised within the distribution period, the Co-Lead Agents must return the funds to the subscribers without any deductions.

Closing of the Offering is expected to take place on or about ●, 2023 or such other date as may be agreed between the Company and the Co-Lead Agents on behalf of the Agents (the "**Closing Date**"), but in any event, within 90 days after the issue of a receipt for the Final Prospectus (as hereinafter defined) or such later date as may be permitted under securities legislation. See "Plan of Distribution".

**There is no market through which these securities may be sold and purchasers may not be able to resell securities purchased under the Prospectus. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation. See "Risk Factors".**

The Company has applied to list the common shares of the Company (the “**Common Shares**”), including the Unit Shares and the Warrant Shares, and the Warrants on the TSX Venture Exchange (the “**TSXV**”). Listing will be subject to the Company fulfilling all of the listing requirements of the TSXV. Closing of the Offering is conditional on, among other things, the Common Shares (including the Unit Shares and the Warrant Shares) and the Warrants being conditionally approved for listing on the TSXV. See “*Risk Factors*” and “*Plan of Distribution*”.

As at the date of this Prospectus, the Company does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, Aequis NEO Exchange Inc., a U.S. marketplace, or a marketplace outside Canada and the United States of America other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by the PLUS Markets Group plc.

Certain legal matters relating to the securities offered hereby will be passed upon on behalf of the Company by Irwin Lowy LLP, and on behalf of the Agents by Cassels Brock & Blackwell LLP. No person is authorized by the Company to provide any information or to make any representation other than those contained in this Prospectus in connection with this issue and the sale of the securities offered by the Company under this Prospectus.

The securities of the Company are highly speculative due to the nature of the Company’s business and its present stage of development. At present, the Company’s properties have no known mineral resources or reserves and the proposed work programs are to explore for mineralized material. An investment in natural resource issuers involves a significant degree of risk. The degree of risk increases substantially where the properties are in the exploration as opposed to the development stage, as in the present instance. An investment in the Units involves a high degree of risk and should only be considered by those investors who can afford to lose their entire investment. See *Risk Factors*.

Unless otherwise noted, all currency amounts in this Prospectus are stated in Canadian dollars.

This Offering is not underwritten or guaranteed by any person or agent. The Agents, as agents, conditionally offer the Units qualified hereunder on a best efforts agency basis, if, as and when issued by the Company and accepted by the Agents in accordance with the conditions contained in the Agency Agreement. Subscriptions will be received, subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time. See section entitled “*Plan of Distribution*” in this Prospectus.

Subject to applicable laws, the Agents may, in connection with the Offering, over-allot or effect transactions which are intended to stabilize or maintain the market price of the Common Shares at levels other than those which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time. See “*Plan of Distribution*”.

It is expected that the Units will be delivered under the book-based system through CDS Clearing and Depository Services Inc. (“**CDS**”) or its nominee and deposited in electronic form. A purchaser of Units will receive only a customer confirmation from the registered dealer from or through which the Units comprised of Unit Shares and Warrants are purchased and who is a CDS depository service participant. No definitive certificates for the Unit Shares or the Warrants will be issued unless specifically requested or required.

The Company’s registered and head office is located at Suite 401, 217 Queen Street West, Toronto, Ontario M5V 0R2.

**Each of Allen Sabet, Anees Sabet, Peter Mullens and Stephen Nano, directors and/or officers of the Company, are resident outside of Canada. Each such person has appointed Irwin Lowy LLP at Suite 401, 217 Queen Street West, Toronto, Ontario M5V 0R2 as their agent for service of process in Canada. Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for the service of process. See “*Enforcement of Judgments Against Foreign Persons*” and “*Risk Factors*”.**

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## GLOSSARY OF TERMS

“**Accredited Investors**” has the meaning ascribed thereto in the section entitled “*Plan of Distribution*” in this Prospectus.

“**Additional Securities**” has the meaning ascribed thereto on the cover page of this Prospectus.

“**Additional Unit Shares**” has the meaning ascribed thereto on the cover page of this Prospectus.

“**Additional Units**” has the meaning ascribed thereto on the cover page of this Prospectus.

“**Additional Warrants**” has the meaning ascribed thereto on the cover page of this Prospectus.

“**affiliate**” has the meaning ascribed thereto under the OBCA.

“**Agency Agreement**” has the meaning ascribed thereto on the cover page of this Prospectus.

“**Agents**” has the meaning ascribed thereto on the cover page of this Prospectus.

“**Agents’ Commission**” has the meaning ascribed thereto on the cover page of this Prospectus.

“**Agents’ Warrant Shares**” has the meaning ascribed thereto on the cover page of this Prospectus.

“**Agents’ Warrants**” has the meaning ascribed thereto on the cover page of this Prospectus.

“**allowable capital loss**” has the meaning ascribed thereto in the section entitled “*Certain Canadian Federal Income Tax Considerations – Capital Gains and Capital Losses*” in this Prospectus.

“**Amera**” means Amera Resources Corporation.

“**Anglo American**” means Anglo American plc.

“**Argentina Properties**” means the Golden Argentina Properties and the Mogotes 10 Property collectively.

“**Argentine Mining Code**” means Código de Minería de la Nación passed by law 1919/86.

“**Audit Committee**” means the audit committee of the Board comprised of Peter Mullens, Philip Williams and Allen Sabet.

“**Awards**” means Options, PSUs and RSUs.

“**BCRA**” has the meaning ascribed thereto in the section entitled “*Risk Factors – Regulatory Mining Environment in Argentina*” in this Prospectus.

“**BMO**” has the meaning ascribed thereto on the cover page of this Prospectus.

“**Board**” means the board of directors of the Company.

“**Canaccord**” has the meaning ascribed thereto on the cover page of this Prospectus.

“**CDS**” has the meaning ascribed thereto on the cover page of this Prospectus.

“**CEO**” means Chief Executive Officer.

“**CFO**” means Chief Financial Officer.

“**Chile Properties**” has the meaning ascribed thereto in the section entitled “*Material Property – Property Description and Location – Property Location*” in this Prospectus.

“**Chilean Mining Code**” means the Chilean Mining Code (Codigo de Minería), Law Nr 18.248 published October 14, 1983.

“**Closing**” means the closing of the Offering.

“**Closing Date**” has the meaning ascribed thereto on the cover page of this Prospectus.

“**Co-Lead Agents**” has the meaning ascribed thereto on the cover page of this Prospectus.

“**Code of Business Ethics and Conduct**” has the meaning ascribed thereto in the section entitled “*Description of the Business – Social and Environmental Policies*” in this Prospectus.

“**Common Shares**” has the meaning ascribed thereto on the cover page of this Prospectus.

“**Company**” means Mogotes Metals Inc., a corporation existing under the laws of the Province of Ontario.

“**CRA**” means the Canada Revenue Agency.

“**Draft Shareholders Agreement**” has the meaning ascribed thereto in the section entitled “*Description of the Business – Corporate History – Filo Sur Project – Golden Argentina Properties – Filo Sur Option Agreement*” in this Prospectus.

“**Effective Date**” means the date on which the receipt for the Final Prospectus is issued by the OSC and deemed to be issued by the securities commission of each of the other Qualifying Jurisdictions.

“**Escrow Agent**” means the escrow agent of the Company, being Computershare Trust Company of Canada.

“**Escrow Agreement**” has the meaning ascribed thereto in the section entitled “*Escrowed Securities and Securities Subject to Contractual Restrictions on Transfer*” in this Prospectus.

“**Escrow Securities**” has the meaning ascribed thereto in the section entitled “*Escrowed Securities and Securities Subject to Contractual Restrictions on Transfer*” in this Prospectus.

“**Escrowed Holders**” has the meaning ascribed thereto in the section entitled “*Escrowed Securities and Securities Subject to Contractual Restrictions on Transfer*” in this Prospectus.

“**FHSA**” means a first home savings account.

“**Filo Sur Project**” means the Argentina Properties and the Chile Properties, collectively, as more particularly described in the Technical Report.

“**Filo Sur Expenditures**” has the meaning ascribed thereto in the section entitled “*Description of the Business – Corporate History – Filo Sur Project – Golden Argentina Properties – Filo Sur Option Agreement*” in this Prospectus.

“**Filo Sur Option**” has the meaning ascribed thereto in the section entitled “*Description of the Business – Corporate History – Filo Sur Project – Golden Argentina Properties – Background*” in this Prospectus.

“**Filo Sur Option Agreement**” has the meaning ascribed thereto in the section entitled “*Description of the Business – Corporate History – Filo Sur Project – Golden Argentina Properties – Background*” in this Prospectus.

“**Filo Sur Option Payments**” has the meaning ascribed thereto in the section entitled “*Description of the Business – Corporate History – Filo Sur Project – Golden Argentina Properties – Filo Sur Option Agreement*” in this Prospectus.

“**Filo Sur Option Period**” has the meaning ascribed thereto in the section entitled “*Description of the Business – Corporate History – Filo Sur Project – Golden Argentina Properties – Filo Sur Option Agreement*” in this Prospectus.

“**Final Prospectus**” means the final prospectus to be filed by the Company in connection with the Offering.

“**Golden Argentina**” means Desarrollo de Recursos S.A., a company existing under the laws of Argentina, a wholly owned subsidiary of New Golden.

“**Golden Argentina Properties**” has the meaning ascribed thereto in the section entitled “*Material Property – Property Description and Location – Property Location*” in this Prospectus.

“**Golden Arrow**” means Golden Arrow Resources Corporation, a British Columbia, Canada, company.

“**Golden-SM Option Agreement**” means the earn-in agreement dated May 4, 2022, as amended on June 24, 2022, as assigned and amended on September 19, 2022 and as further amended on April 14, 2023, between the Golden Entities and the SM Entities relating to the Golden Argentina Properties.

“**Golden Entities**” means Golden Argentina, Golden Arrow and New Golden collectively.

“**Holder**” has the meaning ascribed thereto in the section entitled “*Certain Canadian Federal Income Tax Considerations*” in this Prospectus.

“**IASB**” means the International Accounting Standards Board.

“**IFRS**” means the International Financial Reporting Standards as issued by the IASB and the interpretations thereof by the International Financial Reporting Interpretations Committee and the former Standing Interpretations Committee.

“**IMA**” means Inversiones Mineras Argentinas S.A.

“**Insider**” means an insider as defined in the *Securities Act* (Ontario), which includes the directors and senior officers of the Company or any subsidiaries of the Company and any person that has direct or indirect beneficial ownership of, or control or direction over, securities of the Company carrying more than 10% of the voting rights attached to the Company’s outstanding voting securities.

“**Insider Holders**” has the meaning ascribed thereto in the section entitled “*Principal Shareholders*” in this Prospectus.

“**JVco**” has the meaning ascribed thereto in the section entitled “*Description of the Business – Corporate History – Filo Sur Project – Golden Argentina Properties – Filo Sur Option Agreement*” in this Prospectus.

“**Kopano Cobre**” means Kopano Cobre S.A., a company existing under the laws of Argentina and a wholly-owned subsidiary of the Company.

“**Listing Date**” has the meaning ascribed thereto in the section entitled “*Escrowed Securities and Securities Subject to Contractual Restrictions on Transfer*” in this Prospectus.

“**LTIP**” means the long term incentive plan of the Company dated August 12, 2022.

“**MD&A**” means management discussion and analysis.

“**Mogotes 10 Property**” has the meaning ascribed thereto in the section entitled “*Material Property – Property Description and Location – Property Location*” in this Prospectus.

“**Mogotes Chile**” means Mogotes Metals Chile SpA, a company existing under the laws of Chile and a wholly-owned subsidiary of the Company.

“**MSSI**” has the meaning ascribed thereto in the section entitled “*Executive Compensation – Management Contracts*” in this Prospectus.

“**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 CEO, including an individual performing functions similar to a CEO;
- (b) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as CFO, including an individual performing functions similar to a CFO;
- (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, as determined in accordance with subsection 1.3(5) of Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers*, for that financial year; and
- (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.

“**New Golden**” means New Golden Explorations Inc., a British Columbia, Canada, company, a wholly-owned subsidiary of Golden Arrow.

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

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

“**NI 44-101**” means National Instrument 44-101 – *Short Form Prospectus Distributions*.

“**Non-Resident Holders**” has the meaning ascribed thereto in the section entitled “*Certain Canadian Federal Income Tax Considerations – Taxation of Non-Resident Holders*” in this Prospectus.

“**Notice of Default**” has the meaning ascribed thereto in the section entitled “*Description of the Business – Corporate History – Filo Sur Project – Golden Argentina Properties – Filo Sur Option Agreement*” in this Prospectus.

“**Notice of Exercise**” has the meaning ascribed thereto in the section entitled “*Description of the Business – Corporate History – Filo Sur Project – Golden Argentina Properties – Filo Sur Option Agreement*” in this Prospectus.

“**NP 46-201**” means National Policy 46-201 – *Escrow for Initial Public Offerings*.

“**OBCA**” means the *Business Corporations Act* (Ontario).

“**Offering**” has the meaning ascribed thereto on the cover page of this Prospectus.

“**Offering Price**” has the meaning ascribed thereto on the cover page of this Prospectus.

“**Option Exercise Payment Conditions**” has the meaning ascribed thereto in the section entitled “*Description of the Business – Corporate History – Filo Sur Project – Golden Argentina Properties – Filo Sur Option Agreement*” in this Prospectus.

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

“**Original Beneficial Purchaser**” has the meaning ascribed thereto in the section entitled “*Plan of Distribution*” in this Prospectus.

“**OSC**” means the Ontario Securities Commission.

**“Outstanding Warrants”** means the 6,000,000 warrants to purchase Common Shares issued by the Company on October 7, 2022 on a private placement basis and 8,100,000 warrants to purchase Common Shares issued by the Company on October 12, 2022 on a private placement basis. Each Outstanding Warrant entitles the holder to acquire one Common Share at a price of \$0.10 until October 7, 2027 and October 12, 2024, respectively.

**“Outstanding Broker Warrants”** means the 728,676 warrants to purchase Common Shares issued by the Company on February 17, 2023 on a private placement basis and 70,000 warrants to purchase Common Shares issued by the Company on March 16, 2023 on a private placement basis. Each Outstanding Broker Warrant entitles the holder to acquire one Common Share at a price of \$0.30 until February 17, 2025 and March 16, 2025, respectively.

**“Over-Allotment Option”** has the meaning ascribed thereto on the cover page of this Prospectus.

**“President’s List Purchasers”** has the meaning ascribed thereto on the cover page of this Prospectus.

**“Proposed Amendments”** has the meaning ascribed thereto in the section entitled “*Certain Canadian Federal Income Tax Considerations*” in this Prospectus.

**“Prospectus”** has the meaning ascribed thereto on the cover page of this Prospectus.

**“PSU”** means performance share units issued pursuant to the LTIP.

**“Qualified Institutional Buyers”** has the meaning ascribed thereto in the section entitled “*Plan of Distribution*” in this Prospectus.

**“Qualified Person”** has the meaning ascribed thereto under NI 43-101.

**“Qualifying Jurisdictions”** means each province of Canada except Quebec.

**“RDSP”** means a registered disability savings plan.

**“Regulation D”** has the meaning ascribed thereto in the section entitled “*Plan of Distribution*” in this Prospectus.

**“Regulation S”** means Regulation S promulgated under the United States Securities Act.

**“Resident Holders”** has the meaning ascribed thereto in the section entitled “*Certain Canadian Federal Income Tax Considerations - Taxation of Resident Holders*” in this Prospectus.

**“RESP”** means a registered education savings plan.

**“RRIF”** means a registered retirement income fund.

**“RRSP”** means a registered retirement savings plan.

**“RSU”** means restricted share unit issued pursuant to the LTIP.

**“SEDAR”** means the System for Electronic Document Analysis and Retrieval.

**“Shareholders Agreement”** has the meaning ascribed thereto in the section entitled “*Description of the Business – Corporate History – Filo Sur Project – Golden Argentina Properties – Filo Sur Option Agreement*” in this Prospectus.

**“SJM”** means San Juan Mining S.A, a company existing under the laws of Argentina.

**“SJM Option”** has the meaning ascribed thereto in the section entitled “*Description of the Business – Corporate History – Filo Sur Project – Mogotes 10 Property – SJM Option Agreement*” in this Prospectus.

“**SJM Option Agreement**” has the meaning ascribed thereto in the section entitled “*Description of the Business – Corporate History – Filo Sur Project – Mogotes 10 Property – SJM Option Agreement*” in this Prospectus.

“**SJM Option Period**” has the meaning ascribed thereto in the section entitled “*Description of the Business – Corporate History – Filo Sur Project – Mogotes 10 Property – SJM Option Agreement*” in this Prospectus.

“**SM Entities**” means SM Parent and SM Sub collectively.

“**SM Parent**” means Syndicate Minerals PTY Ltd, a Victoria, Australia, company.

“**SM Sub**” means Syndicate Minerals Mogotes PTY Ltd, a Victoria, Australia, company and a wholly owned subsidiary of SM Parent.

“**taxable capital gain**” has the meaning ascribed thereto in the section entitled “*Certain Canadian Federal Income Tax Considerations – Capital Gains and Capital Losses*” in this Prospectus.

“**Tax Act**” means the *Income Tax Act* (Canada) and the regulations thereunder collectively.

“**Tax Deferred Plans**” has the meaning ascribed thereto in the section entitled “*Eligibility for Investment*” in this Prospectus.

“**Technical Report**” means the technical report with respect to the Filo Sur Project entitled “*NI 43-101 Technical Report on the Filo Sur Project, San Juan Province, Argentina*” prepared for the Company by the Technical Report Author with an effective date of April 30, 2023.

“**Technical Report Author**” means Owen D W Miller, Ph.D. FAusIMM(CP) of Cardo Consultants SAC., the author of the Technical Report.

“**TFSA**” means a tax-free savings account.

“**Transfer Agent**” means the transfer agent of the Company, being Computershare Investor Services Inc.

“**Treaty**” has the meaning ascribed thereto in the section entitled “*Certain Canadian Federal Income Tax Considerations – Receipt of Dividends*” in this Prospectus.

“**TSXV**” has the meaning ascribed thereto on the cover page of this Prospectus.

“**Unit Shares**” has the meaning ascribed thereto on the cover page of this Prospectus.

“**United States Securities Act**” means means the United States Securities Act of 1933, as amended.

“**Units**” has the meaning ascribed thereto on the cover page of this Prospectus.

“**U.S.**” means the United States of America.

“**U.S. Holder**” has the meaning ascribed thereto in the section entitled “*Certain Canadian Federal Income Tax Considerations – Receipt of Dividends*” in this Prospectus.

“**U.S. Person**” means a U.S. person as defined in Rule 902(k) of Regulation S under the United States Securities Act.

“**Vale**” means Vale S.A.

“**Warrant Indenture**” means the warrant indenture to be dated the Closing Date between the Company and the Warrant Trustee governing the Warrants.

“**Warrants**” has the meaning ascribed thereto on the cover page of this Prospectus.

**“Warrant Shares”** means the Common Shares issuable upon the exercise of the Warrants.

**“Warrant Trustee”** means Computershare Trust Company of Canada.

**“Warrants”** means the Outstanding Warrants, the Outstanding Broker Warrants, the Warrants and the Agents’ Warrants collectively as the context permits or requires.

## FORWARD-LOOKING STATEMENTS

This Prospectus contains “forward-looking information” within the meaning of applicable Canadian securities legislation (hereinafter referred to as “**forward-looking statements**”). Forward-looking statements reflect the Company’s current views with respect to possible future events, are based on information currently available to the Company and are subject to certain risks, uncertainties, and assumptions, including those discussed in this Prospectus. Forward-looking statements include, but are not limited to: statements with respect to the principal business carried on and intended to be carried on by the Company; the receipt of all of the permits and licences required to carry on its operations; the budget, completion and timing of exploration activities on the Filo Sur Project; the success of mining exploration work; title disputes or claims; environmental risks; the estimation of mineral reserves and resources and capital expenditures; future financial or operating performance and condition of the Company, and its business, operations and properties; the Company’s ability to make scheduled payments under its existing contracts; the Company’s liquidity and potential need for, and availability of, future sources of financing, including the timing thereof; the size and price of the Offering and the terms and conditions of the Offering; the use of the proceeds of the Offering and the principal business objectives to be accomplished with the proceeds of the Offering; the timing and closing of the Offering, including the receipt for this Prospectus, in a timely manner, of regulatory and other required approvals; the listing of the Company’s securities on the TSXV; the ability and intention of the Company to raise further capital to achieve its business objectives; the Company’s expectations with respect to principal shareholders, including Syndicate Minerals Mogotes Pty Ltd., following completion of the Offering; the number of securities expected to be held by the principals of the Company following completion of the Offering and the terms of the Escrow Agreement; the Company’s expectation that it will be able to continue to locate and retain employees and consultants with required skills and knowledge; the Company’s expectations regarding director compensation.

In certain cases, forward-looking statements can be identified by the use of words such as “intends”, “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved”. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements expressed or implied by the forward-looking statements to differ. Such factors include, among others, risks related to: the limited operating history of the Company; the Company not having any history of earnings; the Company having negative operating cash flows since inception; the Company’s ability to raise necessary capital to finance continued exploration at the Filo Sur Project; results of current exploration activities; the economic viability of exploration at the Filo Sur Project; estimates of mineral deposits; the Company’s dependence on only one project, the Filo Sur Project; requirement of future substantial capital expenditures; the Company’s ability to retain key management and mining personnel necessary to successfully operate the Company’s business strategy; mining rights and hazards; fluctuating commodity prices; deficient or vulnerable title to mining concessions and surface rights; interests of third party stakeholders to the Company’s lands, equipment and means of access; requirement for permits and licences; regulatory mining environment in the countries in which it carries on business; delays in obtaining, or inability to obtain, required governmental approvals; foreign operations risks; compliance with environmental laws; supply delays risks; compliance with anti-corruption and anti-bribery laws; enforcement of legal rights; opposition to mining, including by local communities and non-governmental organizations; compliance with indigenous peoples rights; the inadequacy of insurance; risks relating to carrying on business in emerging markets such as possible government instability, civil disobedience and economic instability; uncertainty in global economic conditions; the effects of the COVID-19 pandemic, the Russian war in Ukraine and inflation risks and the expectation regarding their level of disruption at the Filo Sur Project; climate change; future acquisitions and joint ventures; access to reliable infrastructure; cyber security; potential conflicts of interest for the Company’s directors and officers who are engaged in similar businesses; the potential influence of the Company’s largest shareholder; the potential for litigation; competition in the mining industry, including competition for property acquisitions; fluctuations in currency exchange rates; increased expenses as a result of the Company becoming a reporting issuer after the closing of the Offering; the adequacy of the company’s internal controls over financial reporting; risks relating to the Offering including, but not limited to, the listing of the common Shares and the Warrants, the price volatility of publicly traded securities, the use of proceeds, dilution and future dividends not being guaranteed; as well as other factors discussed under the section entitled “*Risk Factors*” in this Prospectus and in the MD&A included in this Prospectus.

Although the Company has attempted to identify material factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. The Company has made numerous assumptions about the forward-looking statements and information contained herein, including among other things,

assumptions about the Company's anticipated costs and expenditures and its ability to achieve its goals. Even though the Company's management believes that the assumptions made and the expectations represented by such statements or information are reasonable, there can be no assurance that the forward-looking statements will prove to be accurate. Forward-looking statements contained in this Prospectus are made as of the date of this Prospectus. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such forward-looking statements. Accordingly, prospective investors should not place undue reliance on forward-looking statements. Upon the Company becoming a reporting issuer, the Company will update forward-looking statements in its MD&A as published from time to time as required by applicable law.

**The forward-looking statements contained in this Prospectus are expressly qualified by this cautionary statement. Except as required under applicable securities laws, the Company does not undertake or assume any obligation to publicly update or revise any forward-looking statements.**

## NOTE TO INVESTORS

An investor should rely only on the information contained in this Prospectus and should not rely on parts of the information contained in this Prospectus to the exclusion of others. The Company has not, and the Agents have not, authorized anyone to provide investors with additional, different or inconsistent information. If anyone provides investors with additional, different or inconsistent information, including information or statements in media articles about the Company, investors should not rely on it.

The information contained in this Prospectus is accurate only as of the date of this Prospectus or the date indicated, regardless of the time of delivery of this Prospectus or any sale of the Units. The Company's business, financial condition, operating results and prospects may have changed since the date of this Prospectus.

The Company and the Agents are not offering to sell the Units in any jurisdiction where the offer or sale of such securities is not permitted. For investors outside the Qualifying Jurisdictions, neither the Company nor the Agents have done anything that would permit the Offering or possession or distribution of this Prospectus in any jurisdiction where action for that purpose is required, other than in the Qualifying Jurisdictions. Investors are required to inform themselves about, and to observe any restrictions relating to, the Offering and the possession or distribution of this Prospectus.

This Prospectus includes summary descriptions of certain material agreements of the Company. See section entitled "*Material Contracts*" in this Prospectus. The summary descriptions disclose provisions that the Company considers to be material, but are not complete and are qualified by reference to the terms of the material agreements, which will be filed with the Canadian securities regulatory authorities and will be available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com). Investors are encouraged to read the full text of such material agreements.

Unless otherwise indicated or the context otherwise requires, references in this prospectus to the "Company" mean Mogotes Metals Inc. together with its subsidiaries.

## MARKETING MATERIALS

Any "template version" of any "marketing materials" (as such terms are defined in NI 41-101) that are utilized by the Agents in connection with the Offering will be incorporated by reference into the Final Prospectus to which this Prospectus relates. However, any such "template version" of "marketing materials" will not form part of the Final Prospectus to the extent that the contents of the "template version" of "marketing materials" are modified or superseded by a statement contained in the Final Prospectus. Any "template version" of "marketing materials" filed under the Company's profile on SEDAR after the date of the Final Prospectus and before the termination of the distribution under the Offering (including any amendments to, or an amended version of, any "template version" of any "marketing materials") will be deemed to be incorporated into the Final Prospectus.

## SCIENTIFIC AND TECHNICAL INFORMATION

Scientific and technical information relating to the Filo Sur Project contained in this Prospectus is derived, and in some instances is a direct extract, from the Technical Report which was prepared by the Technical Report Author. The Technical Report was prepared in accordance with NI 43-101 and the Technical Report Author is an independent qualified person pursuant to NI 43-101.

Scientific and technical information in this Prospectus has been prepared under the supervision of the Technical Report Author. The Technical Report Author has reviewed and approved the scientific and technical information relating to the Filo Sur Project in this Prospectus. Reference should be made to the full text of the Technical Report which has been filed with Canadian securities regulatory authorities pursuant to NI 43-101 and is available for review under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

The Company is a mineral exploration company and the Filo Sur Project is the only material property of the Company and is in the mineral exploration stage only. An investment in the Units is speculative and involves a high degree of risk and should only be made by persons who can afford the total loss of their investment. Prospective investors should

consider the risk factors in connection with an investment in the Company as set out under the section entitled “*Risk Factors*” in this Prospectus.

### THIRD PARTY INFORMATION

This Prospectus includes third party data which was obtained from various publicly available sources and other sources believed by the Company to be true. Although the Company believes such third party information to be reliable, neither the Company nor the Agents have independently verified any of the information or data from third party sources referred to or included in this Prospectus, or analyzed or verified the underlying reports relied upon or referred to by such sources, and other assumptions relied upon by such sources. The Company believes that such third party data is accurate and that its estimates and assumptions are reasonable, but there can be no assurance as to the accuracy or completeness thereof. The accuracy and completeness of the third party data included in this Prospectus are not guaranteed and the Company and the Agents do not make any representations as to the accuracy or completeness of such information.

### ENFORCEMENT OF JUDGMENTS AGAINST FOREIGN PERSONS

Each of Allen Sabet, Anees Sabet, Peter Mullens and Stephen Nano, directors and/or officers of the Company, are resident outside of Canada. Each such person has appointed Irwin Lowy LLP at Suite 401, 217 Queen Street West, Toronto, Ontario M5V 0R2 as their agent for service of process in Canada. Investors are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person that resides outside of Canada, even if that party has appointed an agent for service of process.

### CURRENCY RATES, METRIC EQUIVALENTS AND ABBREVIATIONS

This Prospectus contains references to Canadian dollars, referred to herein as “\$” and to United States dollars, referred to herein as “US\$”. All financial information with respect to the Company has been presented in Canadian dollars in accordance with generally accepted accounting principles in Canada.

The following table sets forth certain exchange rates based upon the exchange rates published by the Bank of Canada during the respective periods below. The rates are set out as Canadian dollars per US\$1.00.

	<b>For the period from incorporation on August 12, 2022 to November 30, 2022</b>	<b>For the three months ended February 28, 2023</b>
	(\$)	(\$)
<b>Low</b>	1.2783	1.3312
<b>High</b>	1.3856	1.3687
<b>Average</b>	1.3390	1.3487
<b>End</b>	1.3508	1.3609

On ●, 2023, the exchange rate for United States dollars in terms of Canadian dollars, as quoted by the Bank of Canada, was US\$1.00 = \$●.

The following table sets forth certain standard conversions from Standard Imperial Units to the International System of Units (or metric units):

<u>To Convert from Metric</u>	<u>To Imperial</u>	<u>Multiply by</u>
Hectares (ha)	Acres (ac)	2.471
Kilometres (km)	Miles (mi)	0.621
Metres (m)	Feet (ft)	3.281
Millimetres (mm)	Inches (in)	0.039
Tonnes (t)	Short tons (2000 pds)	1.102

## SUMMARY OF PROSPECTUS

*The following is a summary of the principal features of the Offering, does not purport to be complete and is qualified in its entirety by, and should be read together with, the more detailed information and financial data and statements, including the notes thereto, contained elsewhere in this Prospectus. Investors should read this entire Prospectus carefully, especially the “Risk Factors” and the financial statements and related notes appearing elsewhere in this Prospectus before making any investment decision.*

- COMPANY:** Mogotes Metals Inc. was incorporated under the laws of the Province of Ontario on August 12, 2022. The Company’s head office, registered office and records office is located at Suite 401, 217 Queen Street West, Toronto, Ontario M5V 0R2.  
See section entitled “*Corporate Structure*” in this Prospectus.
- BUSINESS OF THE ISSUER:** The Company is an exploration and development stage mining company engaged in the business of acquiring and exploring mineral properties in Argentina and Chile. Currently, the business objective of the Company is to identify a mineral resource deposit at the Filo Sur Project.  
See section entitled “*Description of the Business*” in this Prospectus.
- PRINCIPAL PROPERTY:** The Company’s principal property is the Filo Sur Project. The Filo Sur Project consists of (a) 14 claims totaling 8,118 hectares located on the eastern flank of the Andes Cordillera, 350 kilometres northwest of the city of San Juan, San Juan Province and (b) five licences totalling 121 hectares located in Chile. The Filo Sur Project is adjacent to the international border between Chile and Argentina and the Atacama region in Northern Chile.  
The Technical Report on the Filo Sur Project, dated effective April 30, 2023, was prepared by the Technical Report Author who is a “Qualified Person” as defined in NI 43-101.  
See sections entitled “*Description of the Business*” and “*Material Property*” in this Prospectus.
- LISTING:** There is currently no market through which the Common Shares or Warrants may be sold.  
The Company has applied to list the Common Shares, including the Unit Shares and the Warrant Shares, and the Warrants on the TSXV. Listing will be subject to the Company fulfilling all of the listing requirements of the TSXV. Closing of the Offering is conditional on, among other things, the Common Shares (including the Unit Shares and the Warrant Shares) and the Warrants being conditionally approved for listing on the TSXV.  
See “*Risk Factors*” and “*Plan of Distribution*”.
- DIRECTORS AND OFFICERS:** Allen Sabet, President, CEO and Director  
Eric Myung, CFO  
Chris Irwin, Secretary  
Peter Mullens, Non-Executive Chairman and Director  
Stephen Nano, Director  
Anees Sabet, Director  
Philip Williams, Director  
See section entitled “*Directors and Executive Officers*” in this Prospectus.

**USE OF PROCEEDS AND AVAILABLE FUNDS:**

As at April 30, 2023, the Company had working capital of \$4,248,500.

If the Over-Allotment Option is not exercised and assuming there are no President’s List Purchasers, the Company estimates that the net proceeds from the Offering will be approximately \$●, after deducting the Agents’ Commission of \$● and estimated expenses of the Offering of \$●.

If the Over-Allotment Option is exercised in full and assuming no President’s List Purchasers, the Company estimates that the net proceeds from the Offering will be approximately \$●, after deducting the Agents’ Commission of \$● and estimated expenses of the Offering of \$●.

The Company’s working capital and the net proceeds of the Offering constitute funds available to the Company, and it is the Company’s intention to use these funds as described in the table below:

	No Over-Allotment Option Exercise	Over-Allotment Option Exercised in Full
<b>Gross Proceeds</b>	\$●	\$●
Less: Agents’ Commission <sup>(1)</sup>	(\$●)	(\$●)
Less: Estimated legal, accounting, administrative and regulatory fees and disbursements related to the Offering	(\$550,000)	(\$550,000)
<b>Net Proceeds</b>	\$●	\$●
<b>Working Capital as at April 30, 2023</b>	<b>\$4,248,500</b>	<b>\$4,248,500</b>
<b>Total Available Funds</b>	<b>\$●</b>	<b>\$●</b>
<b>Use of Available Funds</b>		
General and Administrative Expenses <sup>(2)</sup>	(\$●)	(\$●)
Phase 1 work program on the Filo Sur Project <sup>(3)</sup> comprised of:	(\$10,780,675)	(\$10,780,675)
<ul style="list-style-type: none"> <li>● IP Geophysics (Titan) follow up</li> <li>● Surface soil and rock sampling</li> <li>● Complete interpretation of deep IP Geophysics and analysis ranking of targets from surface soil and rock sampling</li> <li>● Diamond Drilling – 5000m</li> </ul>		
Phase 2 work program on the Filo Sur Project <sup>(3)</sup> comprised of:	(\$8,919,124)	(\$8,919,124)
<ul style="list-style-type: none"> <li>● Infill surface soil and rock sampling</li> <li>● Diamond Drilling – 5000m</li> </ul>		
Unallocated Working Capital <sup>(5)</sup>	\$●	\$●
<b>Total Available Funds</b>	<b>\$●</b>	<b>\$●</b>
<i>Notes:</i>		
(1) This figure assumes that there are no President’s List Purchasers.		
(2) This figure is for a forecasted period of 12 months after the Closing Date and is comprised of legal fees of \$●, audit and accounting fees of \$●, filing fees and transfer agent costs of \$●, office rents, supplies, travel, entertainment and accommodations costs of \$●, marketing and shareholder communication costs of \$● and consulting costs of \$●.		
(3) See section entitled “Material Property” in this Prospectus for a description of the Filo Sur Project and the phase 1 and phase 2 work programs recommended in the Technical Report by the Technical Report Author.		
(4) See section entitled “Description of the Business – Corporate History – Filo Sur Project – Filo Sur Option Agreement” in this Prospectus for a description of the Filo Sur Expenditures and the Filo Sur Option Payments.		
(5) Any funds received upon exercise of the Over-Allotment Option will be added to the unallocated working capital.		

See section entitled “Use of Proceeds and Available Funds” in this Prospectus.

The principal business objectives that the Company expects to accomplish with the available funds following closing of the Offering are as follows:

<b>Phase</b>	<b>Event</b>	<b>Anticipated Time Frame</b>
Phase I	IP Geophysics (Titan) follow up	April 2023 – May 2023
	Surface soil and rock sampling	April 2023 – May 2023
	Complete interpretation of deep IP Geophysics and analysis ranking of targets from surface soil and rock sampling	May 2023 – September 2023
	Diamond Drilling – 5000m	October 2023 – May 2024
Phase II	Infill surface soil and rock sampling	June 2024 – September 2025
	Diamond Drilling – 5000m	June 2024 – May 2025

While the Company intends to spend the available funds, including the net proceeds from the Offering, as stated above, there may be circumstances where, for sound business reasons, funds may be re-allocated at the discretion of the Board or management. See sections entitled “*Use of Proceeds and Available Funds*” and “*Risk Factors – Use of Proceeds*” in this Prospectus.

The Company had negative cash flows from operating activities since incorporation and negative cash flows from operating activities in the amount of \$512,260 for the period from incorporation on August 12, 2022 to November 30, 2022. The Company anticipates that, as a junior mineral exploration company, it will continue to have negative operating cash flow in the future and the amounts allocated to the recommended exploration program in the use of funds table above will be used to fund such negative operating cash flow. See section entitled “*Risk Factors – No History of Earnings*” in this Prospectus.

#### **SELECTED FINANCIAL STATEMENTS:**

The following table sets forth selected financial information of the Company, which information has been derived from the financial statements and notes thereto included in this Prospectus. Investors should read the following information in conjunction with those financial statements and related notes thereto, along with the MD&A for complete financial information relating to the Company. The audited consolidated financial information is as at, and for the period from incorporation on August 12, 2022 to November 30, 2022 and is presented in accordance with IFRS. The unaudited condensed interim financial information is as at, and for the three months ended February 28, 2023 and is presented in accordance with IFRS. See section entitled “*Financial Statements*” in this Prospectus.

	<b>For the period from incorporation on August 12, 2022 to November 30, 2022 (audited)</b>	<b>For the three months ended February 28, 2023 (unaudited)</b>
<b>Operations</b>		
Total Revenue	nil	nil
Net Loss	(\$508,071)	(\$1,994,772)
Net Loss and Comprehensive Loss	(\$512,260)	(\$2,010,168)
Net Loss per share (basic and diluted)	(\$0.01)	(\$0.02)
<b>Balance Sheet</b>		
Total Assets	\$3,429,600	\$5,231,000
Total Liabilities	\$225,364	\$836,320
Deficit	(\$508,071)	(\$2,502,843)
Total Shareholders’ Equity	\$3,204,236	4,394,680
Total Common Shares	90,737,500	102,263,832

## RISK FACTORS:

**An investment in the Units should be considered highly speculative due to the nature of the Company's business and the present stage of its development. An investment in the Units should not constitute a major portion of an individual's investment portfolio and should only be made by persons who can afford and are willing to lose the entirety of their investment. Prospective investors should consult with their professional advisors to assess the income tax, legal and other aspects of an investment in the Units.**

**In evaluating the Company and its business, prospective investors should carefully consider, in addition to the other information contained in this Prospectus, the following risk factors, many of which are beyond the control of the Company. These risk factors are not an exhaustive list of all risk factors associated with an investment in the Company or in connection with the Company's operations. There may be other risks and uncertainties that are not known to the Company or that the Company currently believes are not material, but which also may have a material adverse effect on its business, financial condition, operating results or prospects. In that case, the trading price of the Common Shares could decline substantially, and investors may lose all or part of the value of the securities held by them.**

The following is a summary of certain of the risk factors that may affect the Company's operations. For a more detailed description of the risk factors and their potential impact on the Company see section entitled "*Risk Factors*" in this Prospectus.

The Company has a limited operating history and no ongoing operations. The Company has no history of earnings and the Filo Sur Project has no operating history upon which to base estimates of future cash flows. Since inception, the Company has had negative operating cash flow and the Company cannot predict when it will reach positive operating cash flow, if at all. If the current exploration programs at the Filo Sur Project are successful, additional funds will be required to further the Filo Sur Project and to place it into commercial production. The Company may need to raise further funds to carry out further work at the Filo Sur Project. The only sources of future funds presently available to the Company are the sale of equity capital, debt, or offering of interests in the Filo Sur Project to be earned by another party or parties by carrying out development work. There is no assurance the Company will be able to raise additional funds on terms acceptable to the Company. At present, there are no mineral resources or mineral reserves on the Filo Sur Project and there is no assurance that the Company's mineral exploration and development activities will result in any discoveries of commercial bodies of ore. Even if the Filo Sur Project advances to development, the grade of any ore ultimately mined from a mineral deposit may differ from that produced from drilling results. There can be no assurance that any estimates of mineral resources or mineral reserves will materialize or that any identified mineralization will be developed into a coherent mineral deposit, or that such deposit will even qualify as a commercially viable mineral reserve that can be legally and economically exploited. The Company's only mineral property interest is in the Filo Sur Project, and its current business activities are focused on the exploration and development of the Filo Sur Project, which has no current mineral resource or mineral reserve estimate. As a result, the Company's success will be dependent to a significant degree on the successful exploration and development of one project, the Filo Sur Project. The capital costs required to take the Filo Sur Project into future commercial production may be significantly higher than anticipated. The Company will be dependent on the efforts and abilities of a relatively small number of key personnel, the loss of whom could have an adverse effect on the Company and will be highly dependent upon contractors and third parties in the performance of the exploration and development activities of the Company. The business of mineral exploration involves a high degree of risk. The

Company's business will be subject to various risks and hazards typical of companies engaged in the mining industry, including, but not limited to, industrial accidents, unusual or unexpected rock formations, structural cave-ins or slides and pitfall, fire, flooding and earthquakes, rock bursts, periodic interruptions due to inclement or hazardous weather conditions, environmental hazards, discharge of pollutants or hazardous materials, failure of processing and mechanical equipment and other performance problems, geotechnical risks, unanticipated variations in grade and other geological problems, water, surface or underground conditions, labor disputes or slowdowns, work force health issues, force majeure events, or other unfavorable operating conditions. The mining industry is heavily dependent upon the market price of the applicable metals or minerals being mined or explored for and any changes in the market prices of copper, gold and other commodities, which in the past have fluctuated widely, will affect the Company's ability to finance the exploration and development of the Filo Sur Project and its operations generally. Acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. Although the Company has investigated title to the Filo Sur Project and the Company is satisfied with its review of the tile to the Filo Sur Project, the Company cannot give an assurance that title to the Filo Sur Project will not be challenged or impugned. The Company does not, and following the exercise of the Filo Sur Option it will not, own the surface rights to the Filo Sur Project. There can be no guarantee that the Company will be able to obtain all required licences and permits to carry on its operations at the Filo Sur Project. The regulatory environment in Argentina and Chile can be a challenging cost environment. The Company's future exploration and development activities are subject to extensive federal, state, provincial, territorial and local laws and regulations governing various matters. Failure to comply with applicable laws and regulations may result in civil or criminal fines or penalties or enforcement actions, including orders issued by regulatory or judicial authorities enjoining or curtailing operations or requiring corrective measures, installation of additional equipment or remedial actions. The Company's business might be affected by community groups and indigenous people's rights. Although the Company maintains insurance to protect against certain risks, the Company may not be able to obtain insurance against all of the potential risks associated with the Company's operations. There are risks relating to an uncertain or unpredictable political and economic environment related to foreign operations and civil disobedience in Argentina. Unfavorable global economic conditions, the COVID-19 pandemic, the Russian war in Ukraine, inflation and other factors which continue to impact global markets and cause general economic uncertainty may negatively impact the Company's operations. Climate change could materially disrupt the Company's operations, particularly if they affect the Company's sites, impact local infrastructure or threaten the health and safety of the Company's employees and contractors. The Company may be unable to acquire additional meritorious mineral properties or establish joint ventures on terms it considers acceptable. The Company's operations sites may lack adequate infrastructure to support exploration and development activities. Directors and officers of the Company may, from time to time, serve as directors or officers of, or participate in ventures with, other companies involved in natural resource exploration or development, which could lead to conflicts of interest. There is no assurance that the interests of SM Sub, the largest shareholder of the Company which may be in a position to affect the governance and operations of the Company, will align with the interests of the Company or the other shareholders of the Company. The Company and/or its directors may be subject, with or without merit, to a variety of civil or other legal proceedings. Currency fluctuations can have a material effect on operations as the Company transacts business in a number of currencies including, but not limited to, the US dollar, the Argentine peso and the Chilean peso, and the Company

raises its capital in Canadian dollars and uses Canadian dollars in its financial statements.

There is presently no active market for the Common Shares. The future trading price of the Common Shares may be volatile and subject to wide price fluctuations in response to various factors, many of which are beyond the Company's control. A positive return on an investment in the Units is not guaranteed. There is uncertainty as to whether the Company will use the net proceeds raised from the Offering as anticipated. If the Company issues any additional equity, the percentage ownership of existing shareholders will be reduced and diluted and the price of the Common Shares could decline. The Company does not anticipate declaring any cash dividends in the foreseeable future.

## THE OFFERING

- Offering:** ● Units.
- Offering Price:** \$● per Unit.
- Offering Size:** \$● (\$● if the Over-Allotment Option is exercised in full).
- Over-Allotment Option:** The Company has granted to the Agents the Over-Allotment Option exercisable in whole or in part in the sole discretion of the Agents at any time until the date which is 30 days after the Closing Date to purchase 15% of the number of Units sold on the Closing Date, at a price equal to the Offering Price, solely to cover over-allotments, if any, and for market stabilization purposes. The Over-Allotment Option may be exercised to purchase: (a) up to ● Additional Units at the Offering Price per Additional Unit, (b) up to ● Additional Unit Shares at \$● per Additional Unit Share; (c) up to ● Additional Warrants at \$● per Additional Warrant; or (d) any combination of Additional Securities, provided that (i) the number of Additional Units does not exceed ●, (ii) the number of Additional Unit Shares does not exceed ●, and (iii) the number of Additional Warrants does not exceed ●.
- Shares Outstanding:** Upon completion of the Offering and assuming no exercise of the Over-Allotment Option, ● Common Shares will be issued and outstanding. If the Over-Allotment Option is exercised in full, upon completion of the Offering, ● Common Shares will be issued and outstanding.
- Agents:** Canaccord Genuity Corp. and BMO Nesbitt Burns Inc., as co-lead agents and joint bookrunners, together with ● and ●.
- Agents' Compensation:** Agents' Commission equal to 6.0% of the gross proceeds from the sale of Units under the Offering, reduced to 3% in respect of Units sold to President's List Purchasers.
- Such number of Agents' Warrants equal to 6% of the number of Units sold under the Offering, reduced to 3% in respect of Units sold to President's List Purchasers.
- Offering Jurisdictions:** The Offering will be made in each of the provinces of Canada except Quebec and in the United States to eligible investors pursuant to available exemptions from the registration requirements of the United States Securities Act of 1933, as amended and applicable State securities laws.
- Closing:** Closing of the Offering is expected to take place on or about ●, 2023 or such other date as may be agreed between the Company and the Co-Lead Agents, on behalf of the Agents.

## CORPORATE STRUCTURE

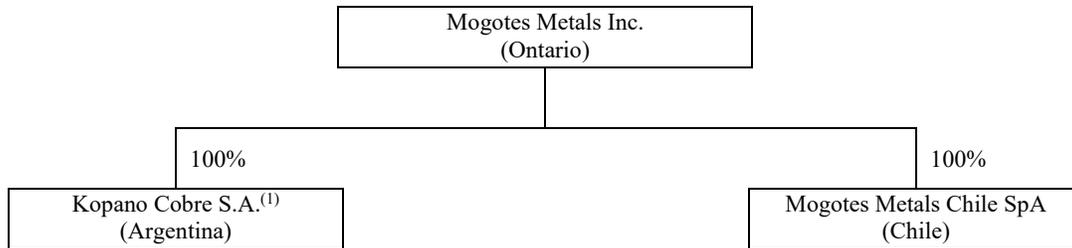
### Name, Address and Incorporation

The Company was incorporated on August 12, 2022 as “Mogotes Metals Inc.” pursuant to the OBCA.

The Company’s head office, registered office and records office is located at Suite 401, 217 Queen Street West, Toronto, Ontario M5V 0R2.

### Intercorporate Relationships

The Company has the following subsidiaries:



#### Notes

(1) Owned as to 99% by the Company and as to 1% by Julio Pulisich in trust for the Company in accordance with applicable Argentinian law. Mr. Pulisich is one of the directors of Torre Pulisich, an accounting and business management firm that provides services and assists with the administrative affairs of Kopano Cobre in Argentina.

## DESCRIPTION OF THE BUSINESS

The Company is an exploration and development stage mining company engaged in the business of acquiring and exploring mineral properties in Argentina and Chile. The principal property interest of the Company is the Filo Sur Project.

Currently, the business objective of the Company is to identify a mineral resource at the Filo Sur Project. In the long term, the business objective of the Company is to identify, evaluate, acquire and explore additional mineral properties for the purposes of identifying additional mineral resources.

### Corporate History

#### *Overview*

The Company was incorporated to acquire its interest in the Filo Sur Project. The Company has put together an experienced board of directors and management team to lead it through the planned exploration of the Filo Sur Project. The Company has been successful in raising sufficient capital to set up a field camp and complete initial exploration and analysis on the Filo Sur Project and to complete a technical report on the Filo Sur Project and commence a preliminary exploration program on the Filo Sur Project. In addition to its planned exploration programs, the Company will continue to seek additional acquisition opportunities.

The Company is not currently a reporting issuer in any jurisdiction and no securities of the Company are listed or posted for trading on any stock exchange.

## ***Filo Sur Project***

### ***Golden Argentina Properties***

#### ***Background***

Golden Argentina holds a 100% interest in the copper-gold Golden Argentina Properties, which includes over 8,000 hectares of property in the northwest area of the San Juan province in Argentina, subject to a 0.5% net smelter royalty that is capped at US\$500,000 in the aggregate. On May 4, 2022, pursuant to the Golden-SM Option Agreement, SM Sub acquired an option to earn into the Golden Argentina Properties and provided Golden Arrow, pursuant to the terms of the Golden-SM Option Agreement, a payment of \$150,000 on the date of the entering into of the Golden-SM Option Agreement. Subsequently, SM Sub agreed to assign and transfer to the Company all of its rights and interests in the Golden-SM Option Agreement and, on September 19, 2022, the Golden Entities, the SM Entities and the Company entered into an assignment and amendment of earn-in agreement (the “**Filo Sur Option Agreement**”) pursuant to which the Company acquired the option to earn an 85% interest in the Golden Argentina Properties (the “**Filo Sur Option**”).

#### ***Filo Sur Option Agreement***

Pursuant to the terms of the Filo Sur Option Agreement, in order to earn an 80% interest in the Golden Argentina Properties, the Company is required to (i) make the following expenditures on the Golden Argentina Properties (“**Filo Sur Expenditures**”) and (ii) make the following payments, in cash or Common Shares, to Golden Arrow (the “**Filo Sur Option Payments**”) and together with the Filo Sur Expenditures, the “**Option Exercise Payment Conditions**”) over a period of five years that commenced on May 4, 2022 (the “**Filo Sur Option Period**”); provided that, the Company may, at any time during the Filo Sur Option Period, accelerate the payment of any or all of the Filo Sur Expenditures and/or the Filo Sur Option Payments:

<b>Expenditures<sup>(1)</sup> (\$)</b>	<b>Expenditure Completion Date and Status</b>	<b>Option Payments (\$)</b>	<b>Option Payment Completion Date and Status</b>
300,000	on or before May 4, 2023 completed	150,000 <sup>(2)</sup>	on or before May 4, 2023 completed
500,000	on or before May 4, 2024 completed	250,000 <sup>(2)</sup>	on or before May 4, 2024 completed
1,000,000	on or before May 4, 2025 completed	350,000 <sup>(2)</sup>	on or before May 4, 2025 completed
1,500,000	on or before May 4, 2026 completed	450,000 <sup>(2)</sup>	on or before May 4, 2026 completed
1,700,000	on or before May 4, 2027 completed	550,000	on or before by May 4, 2027 pending

#### ***Notes***

- (1) *As at the date of this Prospectus, the Company has incurred all of the Filo Sur Expenditures.*
- (2) *On April 19, 2023, the Company issued 4,000,000 Common Shares to Golden Arrow to satisfy the Filo Sur Option Payments due on or before May 4, 2023, 2024, 2025 and 2026. Accordingly, the only Filo Sur Option Payment outstanding is payable on or before May 4, 2027.*

As at the date of this Prospectus, the Company has incurred sufficient Filo Sur Expenditures to satisfy all of the Filo Sur Expenditures required to be made under the Filo Sur Option Agreement. Golden Arrow exercised its discretion under the Filo Sur Option Agreement and elected to receive certain Filo Sur Option Payments in Common Shares. On April 19, 2023, the Company issued 4,000,000 Common Shares at a price of \$0.30 per Common Share to Golden Arrow in satisfaction of the Filo Sur Option Payments due on or before May 4, 2023, 2024, 2025 and 2026. The final Filo Sur Option Payment of \$550,000 must be paid by the Company on or before by May 4, 2027 in cash.

Once the final Filo Sur Option Payment has been made, the Company may provide notice to Golden Arrow of its election to exercise the Filo Sur Option (the “**Notice of Exercise**”), immediately following which the Company will be deemed to hold an 80% beneficial interest in the Golden Argentina Properties.

Upon the Company exercising the Filo Sur Option, a joint venture company (“**JVco**”) will be incorporated, with 80% of the JVco shares held by the Company and the remaining 20% to be held by the Golden Entities, in accordance with the terms of a shareholders agreement to be entered into between the Company and New Gold (the “**Shareholders Agreement**”) in the form attached as a schedule to the Filo Sur Option Agreement.

As contemplated by the Shareholders Agreement, the Company may increase its interest in the Golden Argentina Properties to 85%, through the issue of additional shares of JVco to the Company at no cost to the Company, in the event that the board of directors of JVco determines to commence the development of a mine on the Golden Argentina Properties in accordance with a feasibility study in respect of the Golden Argentina Properties.

If the Company fails to make the final Filo Sur Option Payment on or before May 4, 2027, Golden Arrow must provide written notice of the alleged default to the Company (a “**Notice of Default**”) and the Company will have 30 business days from receipt of such Notice of Default to remedy the alleged default without penalty.

Golden Arrow may unilaterally terminate the Filo Sur Option and the Filo Sur Option Agreement if the Company fails to make the final Filo Sur Option Payments within 30 business days after the Company receives a Notice of Default from Golden Arrow or fails to provide the Notice of Exercise to Golden Arrow on or before July 3, 2027.

The Company may unilaterally terminate the Filo Sur Option and the Filo Sur Option Agreement, subject to certain conditions, at any time by providing Golden Arrow with 30 days’ written notice of termination.

Under the Filo Sur Option Agreement, SM Parent, which has a controlling interest in the Company, has agreed to be jointly and severally liable, with the Company as principal obligor, for the due and punctual payment of all of the Company’s covenants, duties and obligations payable under or relating to the Filo Sur Option Agreement (the “**SM Parent Guaranteed Obligations**”), provided that: (a) the maximum aggregate liability of SM Parent may not exceed an aggregate amount equal to \$100,000 (the “**Maximum Liability Guarantee**”); (b) if SM Parent transfers, directly or indirectly, its controlling interest in the Company, (i) the transferee will be required to agree, by providing an executed counterpart of the Filo Sur Option Agreement (the “**Transferee Agreement**”), to be bound by the contractual terms applicable to SM Parent under the Filo Sur Option Agreement, including to assume the SM Parent Guaranteed Obligations, provided that the Maximum Liability Guarantee will not apply and such transferee will be required to assume the SM Parent Guaranteed Obligations in full, (ii) SM Parent will be released and discharged from any and all obligations and liabilities arising from or in connection with the Filo Sur Option Agreement, and (iii) if such transferee does not deliver the Transferee Agreement within 90 days of such transfer, the Filo Sur Option terminates; and (c) on the Closing Date of the Offering, (i) the Company will become bound by the contractual terms applicable to SM Parent under the Filo Sur Option Agreement, including the assumption of the SM Parent Guaranteed Obligations, provided that the Maximum Liability Guarantee will not apply and the Company will be required to assume the SM Parent Guaranteed Obligations in full, and (ii) SM Parent will be released and discharged from any and all obligations and liabilities arising from or in connection with the Filo Sur Option Agreement.

### *Mogotes 10 Property*

#### *SJM Option Agreement*

SJM has a 100% interest in the Mogotes 10 Property. On February 2, 2023, Kopano Cobre and SJM entered into an option agreement (the “**SJM Option Agreement**”) pursuant to which Kopano Cobre was granted by SJM an option to acquire a 100% interest in the Mogotes 10 Property (the “**SJM Option**”) for a period of five years following the date of the SJM Option Agreement (the “**SJM Option Period**”).

Pursuant to the terms of the SJM Option Agreement, in order to exercise the SJM Option, Kopano Cobre is required to (i) make an aggregate payment of US\$45,000, US\$15,000 of which has been made, and the remaining US\$30,000 of which is payable at the time of exercise of the SJM Option within the SJM Option Period; and (ii) incur exploration expenses in the amount of US\$100,000, inclusive of expenses required in order to keep the Mogotes 10 Property in

good standing. SJM will retain a 1.5% net smelter royalty from production from the Mogotes 10 Property, provided that such net smelter royalty may not exceed US\$200,000.

Kopano Cobre may terminate the SJM Option Agreement unilaterally at any time before the end of the SJM Option Period by providing SJM with six months' prior notice. In addition, either SJM or Kopano Cobre may terminate the SJM Option Agreement if the other party breaches their obligations under the SJM Option Agreement by providing written notice to the defaulting party setting out in reasonable details the alleged default. The defaulting party has 30 days from receipt of such notice of default to remedy the alleged default without penalty.

### Chile Properties

On May 8, 2023, Mogotes Chile acquired four of the Chile Properties, which form part of the Filo Sur Project, for consideration of US\$401,897 in cash, pursuant to a court-run public auction. As at the date of this Prospectus, the court is in the process of registering such Chile Properties in the name of Mogotes Chile.

On October 22, 2022, three additional Chile Properties, which form part of the Filo Sur Project, were acquired by Mogotes Chile in accordance with applicable legal mining procedures for consideration of US\$14,600 in cash. As at the date of this Prospectus, these properties are being held in trust on behalf of Mogotes Chile pending registration.

### **Specialized Skill and Knowledge**

Various aspects of the Company's business require specialized skills and knowledge. Such skills and knowledge include areas of exploration and development, geology, drilling, permitting, metallurgy, logistical planning, accommodation and implementation of exploration programs, as well as legal compliance, finance and accounting. The Company expects to rely upon consultants, contractors and others with specialized knowledge of exploration and development in Argentina, Chile and local community relations. While competitive conditions exist in the industry, the Company has been able to locate and retain consultants with such skills to date and does not anticipate any difficulties in locating competent employees and consultants in such fields in the future. See sections entitled "*Risk Factors – Dependence on Key Management*" and "*Risk Factors – Dependence on Outside Contractors*" in this Prospectus.

### **Competitive Conditions**

The mineral exploration and mining industry is competitive in all phases of exploration, development and production. The Company competes with a number of other entities and individuals in the search for and the acquisition of attractive mineral properties as well as for the recruitment and retention of qualified employees. As a result of this competition, the majority of which is with companies with greater financial resources and technical facilities than the Company, the Company may not be able to acquire attractive properties in the future on terms it considers acceptable. Finally, the Company competes for investment capital with other resource companies, many of whom have greater financial resources and/or more advanced properties that are better able to attract equity investment and other capital. The ability of the Company to acquire attractive mineral properties in the future depends not only on its success in exploring and developing the Filo Sur Project, but also on its ability to select, acquire and bring to production suitable properties or prospects for exploration, mining and development. Factors beyond the control of the Company may affect the marketability of minerals mined or discovered by the Company. See section entitled "*Risk Factors – Competition*" in this Prospectus.

### **Environmental Protection**

All aspects of the Company's field operations will be subject to environmental regulations and generally will require approval by appropriate regulatory authorities prior to commencement. Regulation governing development of mining operations with the potential to affect glaciers continues to evolve in both Chile and Argentina. The Argentine Congress has passed legislation designed to protect the country's glaciers. This law would restrict development on and around glaciers and could affect the Company's ability to develop parts of the Company's properties in Argentina, including the Filo Sur Project. Any failure to comply could result in fines and penalties. The Company's policy is to conduct its business in a way that safeguards public health and the environment. Environmental requirements will be adhered to and monitored on an ongoing basis. The Company believes that its operations are conducted in material compliance with applicable environmental laws and regulations. Since its incorporation, the Company has not had

any environmental incidents or non-compliance with any applicable environmental laws or regulations. It is not expected that the financial and operational effects of environmental protection requirements will have a significant impact on capital expenditures, profit or loss or the competitive position of the Company in the near future. Should the Filo Sur Project advance to the production stage, then more time and money would be involved in satisfying environmental protection requirements. See sections entitled “*Material Property – Property Description and Location – Environmental Regulation*” and “*Risk Factors – Environmental Risks*” in this Prospectus.

## **Employees**

As of the date of this Prospectus, the Company does not have any employees; however, Allen Sabet and Eric Myung, are both independent contractors of the Company. Field work and drilling services are provided by contractors on a seasonal and as-needed basis. The Company also relies on and engages consultants on a contract basis to assist the Company in carrying on its administrative and exploration activities.

Upon completion of the Offering, the management team of the Company is expected to consist of those individuals identified under the section entitled “*Directors and Executive Officers*” below.

## **Foreign Operations**

Mineral exploration and mining activities in Argentina and Chile may be affected in varying degrees by political instability and government regulations relating to the mining industry. Any changes in regulations or shifts in political conditions may adversely affect the Company’s business. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, foreign exchange controls, income taxes, expropriation of property, environmental legislation, royalty charges, additional provincial contributions and mine safety.

### ***Argentina***

The following is a general overview of the national and provincial legal framework that regulates mining activities in Argentina and in particular in the Province of San Juan where the Filo Sur Project is located.

#### **Federal Legal Framework**

According to the Argentine Political State Organization, all mines belong to the provinces of Argentina, which grant exploration and exploitation rights to applicants. The Argentinian federal government has enacted the National Mining Code (“**Argentine Mining Code**”) which is applicable to the whole country. The provinces of Argentina have the power to regulate the procedural aspects of the Argentine Mining Code through each Provincial Mining Procedure Code (“**Mining Provincial Code**”) and to organize its local authorities.

The Province of San Juan has an administrative system where the relevant mining authority is the San Juan Ministry of Mines which grants the mining rights and controls the obligations settled in the Argentine Mining Code and in the local Mining Provincial Code.

Under the Argentine Mining Code, a mining concession allows its holder to carry out exploration and exploitation activities within the area defined in the respective concession title, provided that prior to the beginning of any mining activity, such concession title is granted by the local mining authority.

According to the Argentine Mining Code, there are two types of mining rights, being exploration and exploitation rights, both of which are exclusive, as described below:

#### ***Exploration Permit (“cateo”)***

The holder of an exploration permit can explore the area during the period granted. Where the holder of an exploration permit discovers mineable minerals, the holder will have an exclusive right to apply for an exploitation permit in respect of that area.

The time period granted under an exploration permit, depends on the extent of the area applied. The maximum area allowed is 10,000 hectares which is divided into units of measurements of 500 hectares each. For the first unit granted, the valid period is 150 days and for the following units of measurements, 50 days are added for each unit. A relinquishment must be made after the first 300 days, and a second one, after 700 days have elapsed. The applicant must pay a fee (“**Canon**”), submit a minimum working plan to be performed, and hand in an environmental impact assessment. Exploration permits are granted for a fixed period of time, based on the extension of the area applied for and there are no renewal or extensions of the term originally granted. Moreover, the permit holder cannot apply again for the same area until a year has elapsed. Therefore, the next step in the process, provided that mineable minerals are discovered in the exploration area, is to apply for exploitation rights.

#### *Exploitation Permit (“manifestation of discovery”)*

An exploitation permit has no time limit provided the holder complies with the requirements of law, which are basically to pay the annual payment of a Canon, the compliance with a submitted working and investment plan, and the submission of an environmental impact assessment survey that must be updated every two years. Within the administrative/judicial process, the holder obtains final title to the concession once the manifestation of discovery is registered by the applicable mining authority. The right to mine is reached once the working and investment plan, and the environmental impact assessment survey, are duly approved, the exploitation right is thereby granted and the final title of the mine is issued. Before this stage, it is called “manifestation of discovery” and is treated as an application in process.

There are three different ways of acquiring an exploitation permit:

- By discovering a mine as a consequence of an exploration process as described above.
- When a mine is discovered by “chance”, meaning, without an exploration process.
- When an exploitation right has been declared and posted in the register as “vacant” due to a non-compliance with the requirements settled by law.

#### *Obligations of the Holder of and Exploration Permit*

The holder of an exploration permit must perform a series of obligations to maintain the exploration permit in good standing, as described below. The failure to comply with these obligations could result in the revocation of the exploration permit.

- Field delimitation task: Once the exploration permit has been issued, the titleholder has 30 days to delimit the land to the relevant exploratory area.
- Working Plan: A minimum working plan must be filed setting out basic data related to the exploration activity.
- Canon: The Canon must be made together with the presentation of the application permit and is only to be paid once. If an overlap exists, and the concession cannot be issued, then the applicant will receive a reimbursement of the monies paid. According to the Argentine Mining Code, the amount to be paid as Canon is \$ 9,680 per unit of exploration, where a unit of exploration is 500 hectares.
- Environmental Impact Assessment (“EIA”): The EIA is for the proposed exploration works only. The requirements for an EIA are related to the exploration works proposed and are outlined in regulations. This presentation of an EIA is required before starting any field work.

#### *Obligations of the Holder of and Exploitation Permit*

The holder of an exploitation permit must perform a series of obligations to maintain the exploitation permit in good standing, as described below. The failure to comply with these obligations could result in the revocation of the exploitation permit.

- Canon: The Canon must be paid twice a year (June 30 and December 31). If the Canon is not paid, it will result in the revocation of the exploitation permit, unless the titleholder pays the Canon within the 45 following days plus a 20% penalty amount (fine). According to the Argentine Mining Code, the amount to be paid is \$19,000 annually per unit of disseminated tenement (pertenencia) for minerals of first category. The area or unit of each tenement for disseminated minerals is 100 hectares. For minerals of first category non disseminated, the amount is \$1,900 annually per unit. If a mine is discovered, there is a three-year period in which no Canon payments are required to be made.
- Legal Labour and Legal Survey: A legal labour to establish the limits of the mineable area must be performed within 100 days after the date of registration of the mining right. The legal labour consists of the digging of a trench, well, gallery or drilling of at least of 10 meters in length as evidence of the veracity of the discovery. Within 30 days after compliance with the legal labour requirement, a filing requesting the legal survey must be done. The local mining authority has to set a date and the professional that will carry out the survey. Once the latter is completed and approved, the final title of the mine is granted.
- Working and Investment Plan: A working and investment plan must be lodged which outlines the titleholder's plan to achieve a minimum production equivalent to 300 times the annual Canon paid within a period of five years following the year in which the application of the legal survey is submitted. During each of the first two years, the titleholder must invest a minimum of 20% of the total investment in the concession and the remaining 80% may be freely distributed during the remaining three years. Every year, an affidavit describing the investment made should be submitted to the local mining authority. If the affidavit is not submitted or does not correspond with real investment, the license expires and the mine is declared vacant, unless the holder amends the mistake or omission within the following 30 days after receipt by the holder of the notification of non-compliance from the local mining authority. When the mine remains without activity for a period of four years, the local mining authority can require the titleholder to present a reactivation plan. The reactivation plan must be provided to the local mining authority within six months otherwise the mine is declared vacant. The titleholder should comply with each stage as described in the work and investment plan, which cannot contemplate a period in excess of five years.
- Environmental Impact Assessment: An EIA must be filed prior to initiating the field work and is required to be updated every two years.

#### *Surface Rights and Easements*

Under the Argentine Mining Code, holders of exploration/exploitation permits do not hold surface rights and agreements must be entered into with the surface owners and/or holders of mining easements.

#### *Environmental Regime*

Protection of the environment and preservation of natural and cultural heritage within the scope of mining activity in Argentina are subject to:

- specific regulations of the Argentine Mining Code – as amended by National Law N° 24,585 of Environmental Protection for mining activity,
- federal laws and regulations enacted by the federal government relating to activities susceptible to making an environmental impact, including, but not limited to, the protection of glaciers and peri-glacier geoforms by restricting the activities that can take place in glacier and peri-glacier areas, including mining, and
- all relevant provincial laws and/or regulations in force in the jurisdiction where the mining properties are located.

The Argentine Mining Code requires titleholders, prior to the initiation of field activities, to prepare an EIA with respect to the mining project and lodge the EIA with the local mining authority where the mining tenement is located. The EIA is analysed from a technical, environmental, scientific and legal point of view. If the EIA is approved, the

local mining authority issues an environmental impact declaration (“DIA”) setting out the conditions for developing the mining project. The DIA is required to be updated every two years.

The Argentine Mining Code and the federal environmental laws establish a joint liability regime which is applicable to all persons involved in environmental damage caused on the tenement land, or a breach of regulations, whether the damage is caused directly by the titleholder or by its employees, contractors or subcontractors. Mitigation and rehabilitation of the environmental damage is mandatory.

### Provincial Legal Framework

#### *General*

The San Juan Mining Provincial Code sets out the procedures to be followed for the application and maintenance in good standing of exploration and exploitation mining rights and the compliance with the obligations of holders of exploration and exploitation permits set out under the Argentine Mining Code for conducting mining activities in the Province of San Juan.

#### *Environmental*

The EIAs in the Province of San Juan are regulated under Provincial Law No 6,571 which settles the requirements for conducting an environmental impact assessment and sets out the environmental criteria, standards, and methodologies to be considered during the assessment process.

Glaciers in the Province of San Juan are considered to be provincial public property. The protection of glacier and peri-glacier areas is regulated under Provincial Law No 8,144 (“**San Juan Glacier Protection Law**”) with the aim of preserving such areas’ functions as strategic reserves of water resources and as water suppliers to hydrographic basins.

The San Juan Glacier Protection Law bans activities that involve destruction or relocation of glaciers included in the inventory, or interfere with its advance, degrading its functions, which shall be determined by the respective EIA. In addition, the San Juan Glacier Protection Law provides that all planned activities on glaciers included in the inventory, prior to authorization and execution, will be subject to an EIA.

EIAs concerning glaciers protected by the San Juan Glacier Protection Law must contain at least: (a) the individualization and characterization of the glacier according to the following details: (i) hydrographic basin to which it belongs, (ii) location, with specification of latitude, longitude, altitude and coordinates, (iii) dimensions, with details of length, width, depth, surface and volume, (iv) geomorphologic classification, (v) specific geology of location, indicating stratigraphy, tectonics, seismology, volcanism, mineralogy and petrology, (vi) climatic parameters that indicate radiation, temperature, rainfall, winds, atmospheric pressure and evaporation, (vii) surface and underground hydrologic parameters, indicating the difference between flow, surface runoff and infiltration, (viii) water quality, concerning dissolved and suspended components, (ix) characteristic flora and fauna, and (x) other behaviors of anomalous characteristics such as “surges”, risk assessment of geological processes associated to advance and withdrawal of each glacier; (b) identification of the impact that the planned works or activities could generate on the glaciers, including the distances to them; and (c) if applicable, description of the environmental management plan.

#### *Chile*

The following is a general overview of the legal framework that regulates mining activities in Chile.

The Chilean mining regime is based on a civil legal system and is regulated in three fundamental statutes: (a) the Political Constitution of the Republic of Chile (*Constitución Política de la República de Chile*), which establishes the overall legislation for the mining activity and states that the Chilean State is the absolute, exclusive and permanent owner of all mines, (b) the Constitutional Organic Law on Mining Concessions (*Ley Organica Constitucional sobre Concesiones Mineras*), which describes the characteristics and features of mining concessions granted by the Chilean State to whomever complies with the requirements connected to their acquirement, along with all rights and obligations attached to those concessions, including their duration and expiration, and the rights and obligations of titleholders, and (c) the Chilean Mining Code (*Código de Minería*), which addresses topics covered in the Organic

Constitutional Law on Mining Concessions, setting out the procedure for obtaining exploration and exploitation concessions, the granting procedure of mining concessions, the rights and obligations attached to mining concessionaires, the protection of such concessions; and contracts and agreements related to mining operations, the mining concession protection regime and the standard agreements associated with them.

In addition to the above, there are legislation that complement and regulate the mining activity, comprised by the Mining Code Regulation (*Reglamento del Código de Minería*) complements the Chilean Mining Code and explain the different requirements needed to exercise the rights and comply with the duties states in the Code and detail each procedure's phases. The Mining Safety Regulations (*Reglamento de Seguridad Minera*), whose objective is to protect the life and physical integrity of those who work in and are related to the mining industry and protect facilities and infrastructure that allow mining operations and their continuance; and the General Environmental Law (*Ley de Bases Generales del Medio Ambiente*), The Regulation on the System of Environmental Impact Assessment (*Reglamento del Sistema de Evaluación Ambiental*) and some provisions of the Water Code (*Código de Aguas*), Health Code (*Código Sanitario*) and Labor Code (*Código del Trabajo*) are also applicable to mining operations.

### Nature of Mineral Rights

Mining concessions are real property rights, different from, and independent of, the title to surface property. Therefore, there is an absolute distinction between ownership over surface land and ownership over the mining concession, even though the right is exercised over the same area of land. The Chilean Constitution states that surface property is subject to the obligations and limitations established by law to facilitate mining exploration and exploitation, in addition to mineral processing, but that the surface rights owners must be indemnified beforehand.

Concessions can be mortgaged or transferred, and the holder has the exclusive powers to explore the concessional mineral substances that exist within its limits, if it is of exploration (pedimentos), and those to explore and exploit such substances and become owner of those that it extracts, if it is of exploitation (mensuras). In addition, the concession holder has the right to defend ownership of the concession against state and third parties. A concession is obtained by a claims filing (a non contentious judicial procedure) and includes all the concessional minerals that may exist within its area.

### Granting of Mineral Rights

The mining concessions are always granted by a judicial resolution issued by the judge of the area in which the concession is or will be located. The procedure of granting must be duly complied with, otherwise the rights arising from these concessions may be subject to cancellation. The judicial resolution declaring the granting of a concession must be registered in the corresponding Mining Registry. Once such registration is completed, any transfer or granting of any *in rem* right over the concession must be executed by means of a public deed.

### Preemptive rights

For a concession holder to enjoy preemptive rights over a given area or portion of the Chilean national territory, the holder of the concession must be recognized as a "discoverer". Such quality is granted under the Chilean mining law to the petitioner who first starts the procedure to incorporate a mining concession in a specific vacated area and who is granted the claimed mining concession rights. Accordingly, starting the procedure in an area which is free of mining concessions is critical in order to be awarded such preemptive rights so as to exercise the powers granted under the concession type.

The Chilean mining regulations allow the initiation of such concession claim procedures even if there are preemptive rights in the requested area. An exploration concession may be obtained over the area where there is an existent exploration and/or exploitation concession belonging to a third party. In this case, the new and overlapped concession holder does not have preemptive rights and the existing holder of the concession, which has preemptive rights, may request the termination of the overlapping concessions. However, Chilean mining law establishes particular cases in which the holder with a pre-emptive right over a mining exploration concession must object during a new exploration concession claim procedure that covers part of its concession in order to maintain its preferential right. In these cases, if the holder with a pre-emptive right does not oppose in due time within the procedure, he loses his exploration concession, with no possibility to demand the termination of the overlapping concession afterwards.

### *Obligations of the mining concessionaire*

Regarding the obligation to protect of the mining concessionaire, as provided by Article 142 of the Chilean Mining Code in force, it consists of the payment of an annual patent, the amount of which will be equivalent to one tenth of a UTM (“Unidad Tributaria Mensual”, tax unit used in Chile which is adjusted in a monthly basis according to inflation) per each hectare, for exploitation concessions and to a fiftieth of a UTM per each hectare, for exploration concessions. In addition, Article 143 of the Chilean Mining Code indicates that the annual patent payment will be advanced and will be made in March of each year, in any bank or institution authorized to collect taxes.

After January 2024, pursuant to the amended Chilean Mining Code, the payment of the annual patent for exploration concessions will be equivalent to 3/50 of UTM per each hectare and, if the concession is for exploitation, proving the start and maintenance of specified mining works, the annual patent payment will be 1/10 UTM. In the event that it does not comply with such requirement (maintenance of specified mining works), a progressive value will be applied to the annual patent payment as follows: (a) 4/10 UTM for the first 5 years of validity, (b) 8/10 UTM from year 6 to year 10, (c) 9/10 UTM from year 11 to year 15, (d) 1,2 UTM from year 16 to year 20, (e) 3 UTM from year 21 to year 25, (f) 6 UTM from year 26 to year 30, and (g) 12 UTM after year 31.

If the mining concessionaire does not make the annual patent payment within the term established by the Chilean Mining Code, a judicial procedure will be initiated to include the concession in a public auction. The highest bidder may acquire the mining concession by paying the value of the unpaid patent payment. The owner of the concession will not be allowed to bid for it but may remove it from the auction until the time of the bidding, by paying double the value owed. If there are no bidders in the auction for that concession, the judge must declare the area on which the concession is located as “free land”.

### *Surface Rights*

In accordance with the provisions of the Chilean Mining Code, the mining concession is a right, distinct and independent from the ownership of the surface property, even if it has the same owner. Therefore, a mining concessionaire must have a property, contractual or legal right to carry out mining activities over surface land, each as further detailed below.

- (a) *Property rights*: where the mining concessionaire owns the superficial property, it can carry out mining activities without the need to obtain authorization from third-party owners.
- (b) *Contractual rights*: the following contracts, among others, are noteworthy:
  - (i) Lease: agreement with the owner of the surface property, which allows the mining concessionaire to carry out mining activities and to appropriate what is extracted.
  - (ii) Land use authorization: agreement with the owner of the surface property, which allows the mining concessionaire to access the property and proceed with prospection and exploration activities.
- (c) *Legal rights, easements*: in accordance with the provisions set forth in the Chilean Mining Code, a titleholder of a mining concession, whether for exploration or exploitation, has the right to constitute easements over the surface land to enable the exploration or exploitation of its concessions. The mining easements can be of traffic, of electric services and of occupation in the terms and scopes of article 120 of the Chilean Mining Code, easements that cannot be imposed in land where permanent constructions exist, or which are covered by plantations of forests, vineyards and fruits. These easements may be:
  - (i) Voluntary: the owner of the surface land agrees to the easement and enters into an easement agreement with the mining concessionaire, regulating, among other things, the location, purpose, and duration of the easement, together with the compensation the mining concessionaire shall pay the surface landowner for the use of his land.

- (ii) Judicial: if the owner of the surface land does not agree to the easement, the mining concessionaire may file a claim to the civil courts. If the mining concessionaire fulfills certain requirements (effective potential for exploration and/or exploitation of mineral substances), the civil courts will grant the easement, indicating the easement's location, purpose, duration, and corresponding compensation.

### Environmental Regime

The main agencies overseeing environmental issues are the Chilean Ministry of Environment (“*Ministerio del Medio Ambiente*” or “**MMA**”), the Environmental Assessment Service (“*Servicio de Evaluación Ambiental*” or “**SEA**”), the Environmental Superintendence (“*Superintendencia del Medio Ambiente*” or “**SMA**”) and the Environmental Courts (“*Tribunales Ambientales*” or “**TA**”).

The main environmental regulation applicable to the development of environmental projects or activities in Chile are Law No. 19.300 of General Basis of the Environment (“**LBGMA**”) and Supreme Decree No. 40/2012 issued by the Ministry of the Environment of Chile (“**RSEIA**”), pursuant to which certain mining projects must be submitted to the Environmental Impact Assessment System (“*Sistema de Evaluación de Impacto Ambiental*” or “**SEIA**”) for an environmental impact evaluation prior to their execution.

As mentioned, according to Chilean environmental regulation, certain projects or activities must be assessed by the SEA. Thus, projects or activities can be environmentally assessed through two types of instruments, depending on the extent or scale of the project's environmental impact:

- (a) an Environmental Impact Statement (“*Declaración de Impacto Ambiental*” or “**DIA**”), for such projects which are expected to cause minor impairment; or
- (b) an Environmental Impact Study (“*Estudio de Impacto Ambiental*” or “**EIA**”), for activities that entail considerable environmental effects.

The EIA or DIA, as applicable, must be submitted to the Environmental Assessment Commission (“**CEA**”) in the case of regional projects, or to the Executive Director of the SEA, if the project is transregional. Through whichever of such documents the project initiates its environmental assessment, it must prove the compliance with environmental regulation.

The environmental assessment process ends with the granting of an environmental authorization, known as Environmental Qualification Resolution (“*Resolución de Calificación Ambiental*” or “**RCA**”). The RCA certifies that the project complies with all the environmental applicable regulations and, in the case of an EIA, can adequately mitigate, restore, or compensate its environmental impacts. By means of the RCA, the CEA or the Executive Direction of the SEA authorizes the execution of the assessed project, and establishes the conditions, requirements or measures that must be complied for its implementation and execution.

The SEIA is an administrative procedure that contains several regulated stages, set out below:

### *Admission to the SEIA*

The general rule is to submit a project to the SEIA through a DIA. However, if a project generates or has the potential to produce a “significant environmental impact” it will be necessary to submit an EIA. A “significant environmental impact” is defined by the LBGMA as any of the following effects, characteristics, or circumstances:

- a. Hazard for human health, due to the amount and quality of the effluents, emissions or residues generated or produced.
- b. Major adverse effects on the quantity and quality of renewable natural resources, including land, water and air.
- c. Resettlement of human communities or a significant alteration of human groups' livelihood and customs.

- d. Proximity to protected populations, resources and areas, priority conservation sites, protected wetlands and glaciers likely to be affected, as well as the environmental value of the territory in which they are intended to be undertaken.
- e. Major alteration, in terms of extension and duration, of the scenic or tourist value of the area.
- f. Alteration of monuments, sites with an anthropological, archeological or historical value and, in general, belonging to the cultural heritage.

As mentioned, the main difference between DIAs and EIAs is that the latter proceeds in the case of a project or activity that triggers significant adverse impact in the environment and for this reason, EIAs are reserved for objectively more complex projects or activities: thus, their processing is more extensive. In addition, a citizen participation phase (“PAC”) is mandatory in the case of an EIA whereas in the DIAs it only proceeds if certain requirements are met.

Finally, as an EIA generates significant environmental impacts, the titleholder of the project must propose the corresponding mitigation, compensation, and remediation measures. The DIA does not include environmental measures and the lack of significant environmental impacts must be certified during the assessment process.

#### *SEIA Process*

The steps of the SEIA process are as follows:

- (a) EIA/DIA submission:

The SEIA process begins with the EIA/DIA submission to SEA. After submitting the respective EIA or DIA, the authority, within five business days after the submission, will conduct an admissibility control. The information that must be included in the EIA/DIA is established by the Environmental Regulation.

The EIA or DIA, as applicable, must be submitted to the Environmental Assessment Commission in the case of regional projects, or to the Executive Director of the SEA, if the project is transregional.

- (b) Opinion of public agencies:

The environmental assessment procedure is characterized by the participation of different State Administration Agencies with Environmental Jurisdiction (“OAECA”). If the EIA or DIA is admissible, the SEA will request opinions from the OAECA, which will have to issue a report with their founded opinion within the scope of their authority, as to whether or not the project complies with the Environmental Regulations, including the sectoral environmental permits, and will request, if necessary, any clarifications, amendments or additions that are deemed relevant to the assessment.

- (c) Early end of the environmental assessment:

The SEA could end the process early if it considers that the project lacks relevant or essential information, whether from the reports submitted by the sectoral agencies or due to their own review.

If the DIA or EIA does not have sufficient information to carry out a proper environmental assessment, an early termination resolution, called “IRE”, will be issued. SEA can only end a process due to the lack of relevant or essential information during the first 40 days after submission in the case of an EIA and during the first 30 days after submission in the case of a DIA.

- (d) ICSARA

Each OAECA will make comments and observations within the scope of its competence and the SEA will consolidate all the consultations, clarifications or rectifications requested by the competent services to the proponent, through a document called Consolidated Report of Clarifications, Rectifications or Expansions (“ICSARA”).

(e) Addendum

In response to the ICSARA, the applicant must submit to the SEA, in a document entitled “Adenda” (“**Addendum**”), the clarifications, corrections or additions to the EIA or DIA, including the answers to the various comments or observations made by the community during the PAC, if applicable. The applicant may request twice an extension for the submission of the Addendum to SEA and all the sectoral public entities involved in the assessment.

The issue of the Addendum can have two outcomes: (i) the document is entirely satisfactory, in which case an Assessment Consolidated Report (“**ICE**”) will be issued; or (ii) if the answers contained in the Addendum are insufficient, the applicant should consider a new round of questions, following the same procedure described herein.

(f) 2<sup>nd</sup> ICSARA and 2<sup>nd</sup> Addendum

The OAECA participating in the assessment process will have to issue a report on the Addendum. If the sectoral public entities require additional clarification, corrections, or additions to make an approval or rejection recommendation on the project under assessment, an additional or complementary ICSARA will be prepared following the same procedure explained above. The applicant must submit to the SEA, in a complementary Addendum, its response to the clarifications, corrections or additions requested. After that, the administrative agencies involved in the assessment process will have to issue a report on the complementary Addendum. This report may refer only to the information provided in the complementary Addendum.

In the DIAs there are only up to two ICSARAS and Addendum. In EIAs, on the other hand, there can be up to three ICSARAS and three Addendum. This last Addendum is sent to the OAECA, but they can no longer make further comments, only express their agreement, agreement with conditions or disagreement.

Once all the OAECA have participated and the proponent has submitted all the respective Addendum, the evaluation stage is concluded.

(g) ICE

The environmental assessment procedure concludes with the issue of a Consolidated Evaluation Report (“*Informe Consolidado de Evaluación*” o “**ICE**”). The ICE compiles the general background of the project or activity, the chronological synthesis of the evaluation stages and reference to the OAECA reports. In the case of the EIA’s, it also provides a summary of the relevant environmental impacts and mitigation, remediation and compensation measures. By means of the ICE, the environmental authority will then recommend the approval or rejection of the project, following which the project will be assessed by the Environmental Assessment Commission.

(h) RCA

The Environmental Assessment Commission based on the ICE’s recommendation will assess the project and decide if it will be authorized, considering all the information that was presented during the process and that has been included in the environmental assessment file. The decision of the Environmental Assessment Commission is explicitly contained in the Environmental Approval Resolution (“*Resolución de Calificación Ambiental*” or “**RCA**”).

The RCA is an administrative act that pronounces on the environmental viability of the project, determining if its environmental impacts comply with current environmental regulations. By means of the RCA, the execution of the assessed project is authorized, and the conditions, requirements or measures that must be complied for its implementation and execution are established. The RCA must also consider the arrangements and discussions concluded in the PAC.

Additionally, each RCA provides the environmental approval for the applicable sectoral environmental permits that have an environmental protection purpose (“*Permisos Ambientales Sectoriales*” or “**PAS**”). There are two types of sectoral environmental permits: (i) sectoral environmental permits with environmental content only and (ii) mixed sectoral environmental permits.

In the case of sectorial environmental permits with only environmental content, it will be sufficient for the project holder to exhibit the RCA before the competent agency to grant the permit without further processing. If the RCA is unfavorable, such bodies will be obliged to deny such permits.

In the case of mixed sectorial environmental permits, the favorable RCA will certify that the environmental requirements of such permits are complied with. In such case, the competent agency competence may not deny the corresponding permits due to the referred requirements, nor impose new conditions or requirements of an environmental nature other than those established in the RCA.

The environmental authorization of a project or activity expires if more than five years have elapsed without the project being started its implementation. The SMA shall verify the aforesaid and require the SEA to declare such forfeiture.

### *Citizen Participation and Indigenous Consultation*

#### (a) Citizen Participation

The SEA process affords the community the right to present their observations to a project assessed under SEIA by means of a citizen participation phase (“**PAC**”). As mentioned, in the EIAs, the PAC is a mandatory proceeding, whereas in the DIAs it only proceeds if certain requirements are met. The importance of the PAC is to make observations of the project from the environmental, normative, and technical perspective. The PAC observers whose observations are declared admissible will have legal standing to, later, present a formal claim against the RCA, if they are not satisfied with its contents. The observations must be incorporated in the ICSARAs and must be responded by the proponent through the Addendum.

#### (b) Indigenous Consultation

Chile ratified the Indigenous and Tribal Peoples Convention of 1989 (the “**ILO Convention 169**”) concerning Indigenous and Tribal People in 2008. In 2014, Decree No 66 was enacted by the Ministry of Social Development for the implementation of the ILO Convention 169. The decree regulates the procedure for consultations regarding legislative and administrative decisions that might affect indigenous people.

Regarding environmental matters, if the project or activity is located on indigenous lands, indigenous development areas or in the vicinity of human groups belonging to indigenous peoples (“**GHPPI**”), the SEA must develop a consultation process known as Indigenous Consultation Process (“**PCPI**”) that contemplates appropriate mechanisms according to the sociocultural characteristics of each people and through their representative institutions.

The SEA shall design and develop a good faith consultation process that includes appropriate mechanisms according to the sociocultural characteristics of each community and through their representative institutions, so that they can participate in an informed manner and have the possibility of influencing the environmental assessment process. The idea is to obtain the consent of the human groups belonging to the affected indigenous community on project impacts and measures.

The PCPI is a parallel and independent procedure from the PAC. In the PAC, any natural or legal person may participate. In the PCPI, on the other hand, only human groups that meet certain characteristics may participate through their representative institutions. In the case of the PCPI, the main objective is to “reach an agreement or obtain the consent” of the communities, and the participation of the different communities does not entitle them to present subsequent claims, unlike the observers.

The objective of the PCPI is to try to reach an agreement with the indigenous people regarding environmental measures. The consultation process ends with a resolution of SEA which includes the efforts made to achieve an agreement with the indigenous people, and the agreements reached, if any. Such agreements will be included in the RCA.

### *Environmental sectoral permits*

Although the RCA authorizes to immediately start the project's construction and operation stages, as long as the environmental obligations established in the environmental authorization have been complied, there are further environmental sectoral permits and other non-environmental sectoral permits known as PAS that must be obtained after the RCA in order to develop a mining project.

Regarding the PAS, the Environmental Regulations establishes the environmental-related requirements that must be presented in the DIA/EIA in order to obtain an authorization during the SEIA process. In this context, only the environmental aspects of the permit are going to be assessed.

If the RCA authorizes the project, it will state that the environmental requirements of the PAS are fulfilled. The project holder must then request the granting of the PAS before the corresponding sectoral authorities.

### *Remedies*

Within 30 working days of the issuance of the RCA, the owner of a project is entitled to file an administrative action ("*recurso de reclamación*"), in the case of an unfavorable RCA or an RCA that imposes conditions or requirements that they deem illegal or arbitrary. Also, individuals and legal entities that had made observations in the PAC have the right to file an action against the RCA in case they believe that their observations were not adequately considered.

The action will be decided by a Committee of Ministers ("*Comité de Ministros*") in case of the EIAs or the National Director of SEA in case of the DIAs.

A judicial action against the decision of the Committee of Ministers or the National Director of SEA can be filed before the corresponding Environmental Court. The ruling of the Environmental Court may be challenged in front of the Chilean Supreme Court.

### *Other Operating Permits*

In addition to the RCA and the PAS, other sectoral permits of a non-environmental nature are required for a project's construction and operation stages. These permits may be requested directly to the corresponding authorities such as the Municipalities, Health Authority, SERNAGEOMIN, General Waters Bureau, among others.

Although the sectoral permits that a mining project requires depend on its characteristics and location, mining projects usually require obtaining an authorization of the exploitation method by SERNAGEOMIN. SERNAGEOMIN is the main authority entitled to issue several permits like the commencement authorization or the approval of the mine closure procedures. In this sense, according to applicable mining safety regulations, prior to starting its operations, the mining company must submit to the SERNAGEOMIN for its approval of the exploitation method (or any major modification to a previously accepted method) for the exploitation of the mine and the treatment of the minerals.

See sections entitled "*Risk Factors – Surface Rights*", "*Risk Factors – Regulatory Mining Environment in Argentina*", "*Risk Factors – Foreign Operations Risks*", "*Risk Factors – Political or Economic Instability in Argentina*" and "*Risk Factors – Civil Disobedience in Argentina*" in this Prospectus.

### **Emerging Market Issuer Disclosure**

The Company has implemented a system of corporate governance, internal controls over financial reporting, and disclosure controls and procedures that apply at all levels of the Company and its subsidiaries. These systems are overseen by the Board and implemented by the Company's senior management. These systems of corporate governance, internal control over financial reporting and disclosure controls and procedures are designed to ensure that, among other things, the Company has access to all material information about its subsidiaries. The relevant features of these systems include:

### ***The Company's Control Over the Subsidiaries***

The Company's corporate structure has been designed to ensure that the Company controls or has a measure of direct oversight over the operations of its subsidiaries. The Company's subsidiaries are owned 100% and 99% and, accordingly, controlled by the Company. As a result, the Company has the power to appointment and dismiss any and all of the directors of its subsidiaries. In turn, the directors of each subsidiary (appointed by the Company) have the power to appoint and dismiss any and all the officers of such subsidiaries at any time, to instruct such officers to pursue business activities, and to require such officers to comply with their fiduciary obligations. As the sole shareholder of its foreign subsidiaries, the Company's approval will be required for any fundamental changes requiring shareholder approval. The Company, as shareholder, can also enforce its rights by way of various shareholder remedies available to it under local laws. As a result, through these relationships, the Company can effectively ensure that the business objectives of the foreign subsidiaries are aligned with its own. As well, budgets, capital investments and exploration programs in respect of the Company's mineral properties are established by the Company.

In addition, the signing officer for each subsidiary's bank accounts is specifically designated by the Company. In accordance with the Company's internal policies, all subsidiaries must notify the Company and its officers of any changes in their local bank accounts including requests for changes to authority over the subsidiaries' foreign bank accounts. Monetary limits are established internally by the Company as well as with the respective banking institution and money is transferred by the Company into the subsidiaries' foreign bank accounts upon request from the applicable subsidiary as approved by senior management of the Company. Funds are transferred by the Company to its subsidiaries by way of wire transfer. Annually, authorizations over bank accounts are reviewed and revised as necessary. Changes are communicated to the banking institution by the Company and the subsidiaries to ensure appropriate individuals are identified as having authority over the bank accounts.

### ***Strategic Direction***

The Board is responsible for the overall stewardship of the Company and, accordingly, supervises the management of the business and affairs of the Company. More specifically, the Board is responsible for reviewing the strategic business plans and corporate objectives, and approving acquisitions, dispositions, investments and other transactions and matters that are material to the Company including those of its subsidiaries. The Board, through its corporate governance practices, regularly receives management and technical updates and progress reports in connection with the foreign subsidiaries, and in so doing, maintains effective oversight of their business and operations.

### ***Internal Control Over Financial Reporting***

The Company prepares its consolidated financial statements and MD&A on a quarterly and annual basis, using IFRS, which require financial information and disclosures from its subsidiaries. The Company implements internal controls over the preparation of its financial statements and other financial disclosures to provide reasonable assurance that its financial reporting is reliable and that the quarterly and annual financial statements and MD&A are being prepared in accordance with IFRS and relevant securities laws. These internal controls include the following:

- (a) The Company receives trial balances, balance sheets, income statements and general ledger details relating to its subsidiaries in order to complete the consolidated financial statements and MD&A. Management of the Company has direct access to relevant financial management of its subsidiaries in order to verify and clarify all information required.
- (b) Upon the Company becoming a reporting issuer, all public documents and statements relating to the Company and its subsidiaries containing material information (including financial information) will be reviewed by senior management, including the President, the CEO, the CFO, and legal counsel before such material information will be disclosed, to make sure that all material information has been considered by management of the Company and properly disclosed.
- (c) Upon the Company becoming a reporting issuer, the Audit Committee will obtain confirmation from the CEO and the CFO as to the matters addressed in the quarterly and annual certifications required under National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings* ("NI 52-109").

- (d) Upon the Company becoming a reporting issuer, the Audit Committee will review and approve the Company's quarterly and annual financial statements and MD&A and will recommend to the Board for its approval of the Company's quarterly and annual financial statements and MD&A, and any other financial information requiring board approval, prior to their publication or release.
- (e) Upon the Company becoming a reporting issuer, the Audit Committee will assess and evaluate the adequacy of the procedures in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements by way of reports from management and its internal and external auditor.
- (f) Although not specifically a management control, the Company expects to engage its external auditor to perform an audit of the annual consolidated financial statements in accordance with IFRS.

### ***Disclosure Controls and Procedures***

The responsibilities of the Audit Committee include oversight of the Company's internal control systems including those systems to identify, monitor and mitigate business risks as well as compliance with legal, ethical and regulatory requirements.

### ***CEO and CFO Certifications***

In order for the Company's CEO and CFO to be in a position to attest to the matters addressed in the quarterly and annual certifications required by NI 52-109 once the Company becomes a reporting issuer, the Company is in the process of developing internal procedures and responsibilities throughout the organization for its regular periodic and special situation reporting. This will be done in order to provide assurances that information that may constitute material information will reach the appropriate individuals who review public documents and statements relating to the Company and its subsidiaries containing material information, is prepared with input from the responsible officers and employees, and is available for review by the CEO and the CFO in a timely manner.

### ***Records Management of the Subsidiaries***

The original minute books, corporate seal and corporate records of the Company's subsidiaries are kept at the applicable subsidiary's registered office.

### ***Legal title to Assets***

#### **Argentina**

The Company is able to satisfy itself as to its ownership of its property interests in its Argentina Properties through: (a) the receipt and review of title opinions regarding the Company's mineral rights to the Argentina Properties provided by the Company's legal counsel Saravia Frías Abogados, a law firm in Argentina recognized as having expertise in mining law matters; (b) correspondence with the Provincial Mining Ministries pursuant to which exploration plans and detailed reports of work performed and geological and technological studies are required to be submitted; (c) payment to the Federal Administration of Public Revenue and Provincial Revenue Agencies in respect of government fees, charges, taxes and annual exploration fees payable on the Filo Sur Project; (d) review, negotiation and execution of the Filo Sur Option Agreement and the SJM Option Agreement; (e) the entering into of easement, lease and /or purchase agreements with certain possessors of surface land covering the majority of the area covered by the Filo Sur Project; and (f) conducting an internal review of its paperwork, registrations and legal requirements.

#### ***Chile***

The Company is able to satisfy itself as to its ownership of its property interests in the Chile Properties through the receipt and review of title opinions regarding the Company's property interests in the Chile Properties provided by the Company's legal counsel, Quinzio & Olivares Abogados, a law firm in Chile recognized as having expertise in mining law matters.

## Social and Environmental Policies

The Board has adopted a written code of business ethics and conduct which provides a framework of guidelines and principles to govern ethical and professional behaviour in conducting the business of the Company (the “**Code of Business Ethics and Conduct**”) and applies to all of the directors, officers and employees of the Company. The objective of the Code of Business Ethics and Conduct is to provide guidelines for maintaining the Company’s, including its subsidiaries, integrity, reputation, honesty, objectivity and impartiality. The Code of Business Ethics and Conduct addresses, among other things,

- fair dealing with shareholders, competitors, contractors and business partners;
- anti-bribery, anti-corruption and anti-money laundering policies and reporting any illegal or unethical behaviour;
- respect of human rights in the locations in which the Company operates, including actively seeking to improve human rights in such locations;
- compliance with laws, including environmental laws, in all jurisdictions in which the Company operates.

See section entitled “*Corporate Governance – Ethical Business Conduct*” in this Prospectus.

## MATERIAL PROPERTY

### Filo Sur Project

The Filo Sur Project is the only material property of the Company. The Filo Sur Project is located in the Province of San Juan, Argentina and in Chile.

The scientific and technical information in this Prospectus with respect to the Filo Sur Project is derived from, and in some instances is an extract from, the Technical Report. Portions of the following information are based on assumptions, qualifications and procedures which are not fully described herein. Reference should be made to the full text of the Technical Report which is available for review at the mailing address of the Company at Suite 401, 217 Queen Street West, Toronto, Ontario M5V 0R2, and may also be accessed online under the Company’s SEDAR profile at [www.sedar.com](http://www.sedar.com).

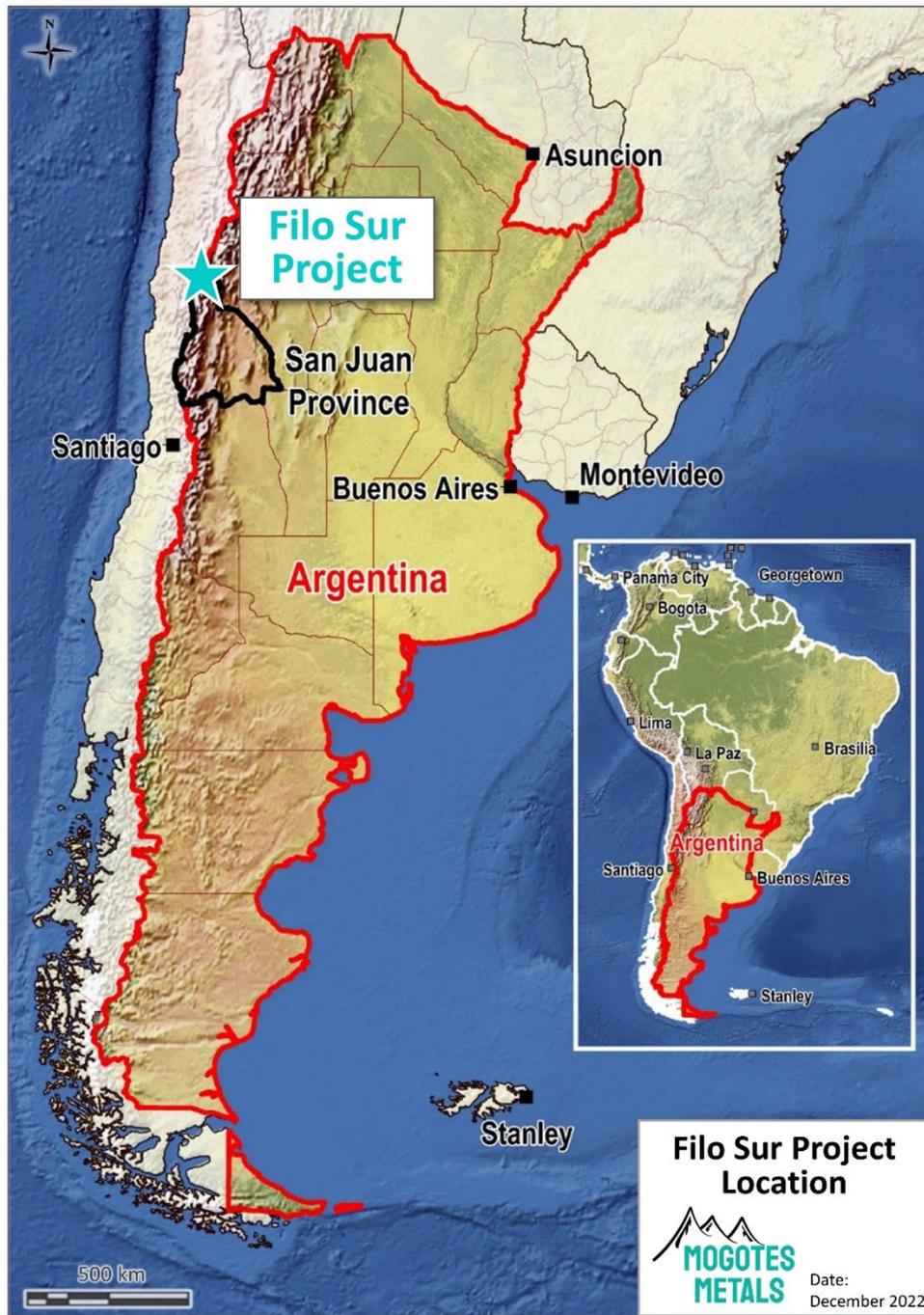
The Technical Report has been prepared in accordance with the requirements of NI 43-101 by the Technical Report Author. Scientific and technical information in this Prospectus has been prepared under the supervision of the Technical Report Author. The Technical Report Author has reviewed and approved the description of the Filo Sur Project in this Prospectus. The Technical Report Author is an independent “Qualified Person” as defined in NI 43-101. The Technical Report Author conducted a site visit at the Filo Sur Project on November 20, 2022 and reviewed drill core from the Filo Sur Project on November 23, 2022.

### Property Description and Location

#### *Property Location*

The Filo Sur Project consists of (a) 13 claims totaling 8,064 hectares (the “**Golden Argentina Properties**”) and one claim covering 54 hectares (the “**Mogotes 10 Property**”), located on the eastern flank of the Andes Cordillera, 350 kilometres northwest of the city of San Juan, San Juan Province, and (b) five licences, that are first ranking, totalling 121 hectares (the “**Chile Properties**”). The Filo Sur Project is adjacent to the international border between Chile and Argentina and the Atacama region in Northern Chile. Geographically the area is known as “Macho Muerto – Rio Mogotes” and is covered by the Argentina 1:100,000 Map Sheet “Cerro El Potro” (IGM No. 2969-8). The approximate centre of the Filo Sur Project lies at Latitude/Longitude: 28o 35’ 30” South, 69o 38’ West.

The following figure illustrates the location of the Filo Sur Project:



### ***Ownership of Mineral Tenure in Argentina***

The Filo Sur Project is located in the Department of Iglesia in the Province of San Juan, Republic of Argentina in the area called “Usos Múltiples”, which is on the margins of the San Guillermo Provincial Reserve where mining activities are fully authorized.

Under the Argentine Mining Code, the following permits can be granted: two types of exploration permits ((i) cateos and (ii) Manifestaciones de Descubrimientos) and exploitation permits (concesiones de explotación or minas). See section entitled “*Description of the Business – Corporate History – Foreign Operations - Argentina*” in this Prospectus.

Approval and registration of the legal survey request by the relevant provincial mining authority constitutes formal title to the exploitation permit. Assuming mining is active, and all other requirements are met, exploitation permits can have an indefinite grant period.

After three years from the date the discovery claim was registered, an annual fee becomes payable. The amount of the annual fee depends on the pertenencia size, and ranges from ARS\$80 for the six hectares pertenencias, to ARS\$800 for the 100 hectares pertenencias.

A further condition is required of a holder, which is to invest, at a minimum, 300 times the value of the annual canon in fixed assets on the exploitation permit over a five-year period. Twenty percent of the required investment must be made each year for the first two years of the designated investment period. For the final three years, the remaining 60% of the investment requirement is at the holder’s discretion as to how it is expended. The exploitation permit can be cancelled if the minimum expenditures are not met in the manner stipulated.

Permits may also be cancelled if mining activity ceases for more than four years and the holder has no plans to reactivate mining within a five-year period.

### ***Argentina Properties Mineral Tenure***

The Company has an interest in 14 concessions in Argentina, described herein as the Argentina Properties. Twelve mine concessions and one cateo exploration permit comprising the Golden Argentina Properties are registered with the Mining Notary in San Juan and are owned by Golden Argentina and are subject to the Filo Sur Option Agreement. An additional mine concession, the Mogotes 10 Property, is owned by San Juan Mining S.A. and is subject to the San Juan Option Agreement. The Argentina Properties cover a total area of approximately 8,118 hectares.

The following table provides details of the claims comprising the Argentina Properties.

<b>Name</b>	<b>File No.</b>	<b>Claim Type</b>	<b>Area (hectares)</b>	<b>Fee (payable every six months) (ARG\$)</b>
Mogote I	338.579-R-92	Exploration Permit (cateo)	2,288	2,293
Mogote II	1124.178-D-19 (before 112-442-I-07)	Manifestacion de Descubrimiento	149	149
Mogote III	1124.179-D-19 (before 112-443-I-07)	Manifestacion de Descubrimiento (granted)	147	165
Adela 1	425.098-A-00	Mine	1,808	24,000
Mogotes Norte	520.0275-V-97	Mine	1,654	24,000
Mogotes Sur	520.0274-V-97	Mine	1,640	24,000
Mogotes 1	156.277-S-76	Mine	54	960
Mogotes 4	156.280-S-76	Mine	54	960
Mogotes 5	156.281-S-76	Mine	54	960
Mogotes 6	156.282-S-76	Mine	54	960
Mogotes 7	156.283-S-76	Mine	54	960
Mogotes 9	156.285-S-76	Mine	54	960
Mogotes 14	156.290-S-76	Mine	54	960
Mogotes 10	156.286-S-76	Mine	54	960

The permits are current and the mining fees are paid up to date. With the exception of Mogote II, they have reported “legal work”. The corresponding measurements and respective cadastral nomenclature are pending.

There are some non-compliances identified in relation to mining investments under Art. 217 of the Argentine Mining Code and activity at the mine under Art. 225 of the Argentine Mining Code on certain of the claims comprising the Filo Sur Project. Further work is required to be done on the ground. Reactivation plans have variously been submitted or are still pending to be submitted to the Argentine Ministry of Mines.

Forming part of the Filo Sur Project there is a current exploration permit in the name of Golden Argentina called Mogote I, recorded by the Graphic Registry. It has to respect the existence within the Filo Sur Project of the Mogotes 6, Mogotes 7, Mogotes 9 claims owned by Golden Argentina and Mogotes 8; and the mine stakes – Files 0800- F18-95 and 0798 –F18-95 which will then be removed from the Graphic Registry. The permit has not yet been granted and the appropriate notifications to the surface owner are pending.

The existence of a royalty contract which provides for additional monetary compensation of a 0.5% net smelter royalty in the event that certain predetermined conditions are fulfilled on the following claims comprising the Filo Sur Project has been reported: Adela 1, Mogotes Norte, Mogotes Sur and Mogote I. The maximum payments under this royalty are US\$500,000 in total.

The international border line between Chile and Argentina has been under dispute. The border presented in the Technical Report is presented based on the Argentina Instituto Geografico Nacional. The various claims comprising the Filo Sur Project will be modified as required to comply with the borders as they are currently defined. This will require changes to the cadastre of mining Graphic Registry of the San Juan Government. The claims comprising the Filo Sur Project described herein as they are currently represented on the Government of San Juan Catastro Minero Digital file, however it is noted in the Technical Report that these boundaries will have to be updated to take into account any changes to the border. In some cases, this will reduce the size of the various claims comprising the Filo Sur Project, while in others it may result in an increase in claim size as the claims along the border are bounded by the international boundary line.

### ***Chile Properties Mineral Tenure***

As at May 8, 2023, the Chile Properties were owned by Mogotes Chile.

The concessions comprising the Chile Properties have both rights and obligations as defined by a Constitutional Organic Law (enacted in 1982). Concessions can be mortgaged or transferred and the holder has full ownership rights and is entitled to obtain the rights of way for exploration (pedimentos) and exploitation (mensuras). In addition, the concession holder has the right to defend ownership of the concession against state and third parties. A concession is obtained by a claims filing and includes all minerals that may exist within its area. Mining rights in Chile are acquired in the following stages:

The Company has an interest in five first ranking concessions in Chile comprising the Chile Properties. Four of the concessions were purchased by the Company in a court-run public auction and one was acquired by the Company. See section entitled “*Description of the Business – Filo Sur Project – Chile Properties*” in this Prospectus.

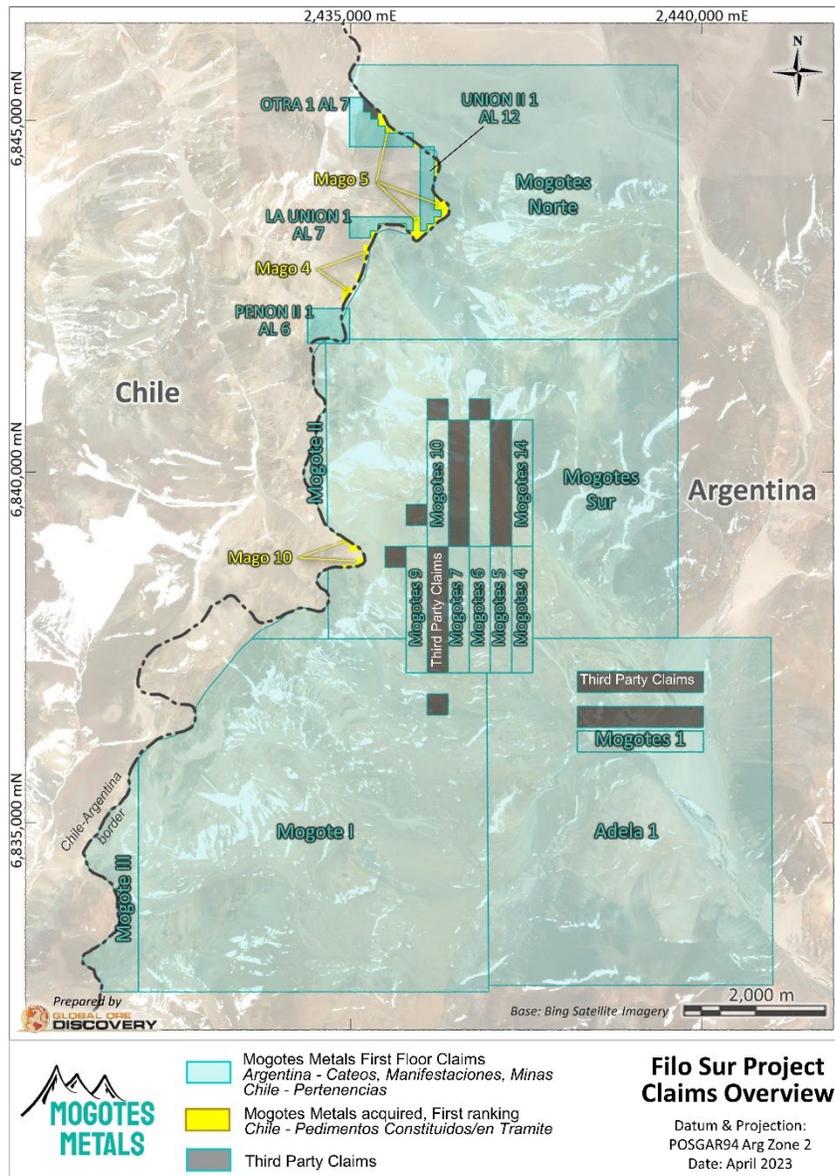
The full concession list of first ranking concessions comprising the Chile Properties is set out in the table below:

<b>Name</b>	<b>Legal Title</b>	<b>File No.</b>	<b>Claim Type</b>	<b>Area (Has)</b>
Otra 1 AL 7	Processing transfer to Mogotes Chile	03203-5852-3	Pertenencia (Exploitation License)	34
Union II 1 AL 12	Processing transfer to Mogotes Chile	03203-5851-5	Pertenencia (Exploitation License)	24
La Union 1 AL 7	Processing transfer to Mogotes Chile	03203-4750-5	Pertenencia (Exploitation License)	17
Penon II 1 AL 6	Processing transfer to Mogotes Chile	03203-5849-3	Pertenencia (Exploitation License)	30
Mago 5	In trust for Mogotes Chile	03203-H442-6	Pedimentos Constituidos (Exploration License Granted)	16

Name	Legal Title	File No.	Claim Type	Area (Has)
Mago 4	In trust for Mogotes Metals Chile SpA	03203-H474-4	Pedimentos en Tramite	5
Mago 10	In trust for Mogotes Metals Chile SpA	03203-H479-5	Pedimentos en Tramite	4

\*Note: area for Mago 4, Mago 5, and Mago 10 are approximate

The following figure illustrates the location of all the claims that comprise the Filo Sur Project:



## ***Surface Rights***

### **Argentina**

Golden Argentina is not the owner of the surface rights (and it does not have knowledge of who the owner is), nor does it have any agreements with the surface owners or with the holders of mining easements in respect of the Golden Argentina Properties.

The Argentine Mining Code sets out rules under which surface rights and easements can be granted for a mining operation, and covers aspects including land occupation, rights-of-way, access routes, transport routes, rail lines, water usage and any other infrastructure needed for operations. In general, compensation must be paid to the affected landowner in proportion to the amount of damage or inconvenience incurred. However, no provisions or regulations have been enacted as to the nature or amount of the compensation payment. In instances where no agreement can be reached with the landowner, the Argentine Mining Code provides the mining right holder with the right to expropriate the required property.

The Company has not experienced any issues related to surface rights at the Filo del Sol Project.

From time to time, a land possessor may dispute the Company's surface access rights and, as a result, the Company may be barred from its legal temporary occupation rights. The Company has been approached by persons claiming to be land owners of the surface rights covering a portion of the Filo Sur Project, however, as at the date of this Prospectus, these persons have been unable to substantiate their ownership of any surface rights. As a result, the Company has posted a bond in lieu of any payment to the persons claiming ownership of surface rights over the Filo Sur Project. Surface access issues have the potential to result in the delay of planned exploration programs, and these delays may be significant. Such delays may have a material adverse effect on the Company. See section entitled *Risk Factors – "Surface Rights – Argentina"* in this Prospectus.

In general, easements outside the perimeter of the concessions are road easements. For their constitution, the corresponding permission or authorization from the authority must be obtained beforehand, and subsequently the corresponding compensation must be paid for the land occupied or the proper bond must be provided. In this case, not only must such permission be sought, but also the legal declaration of public utility must be complemented with a double proof at the concession holder's expense, namely: (i) that the easement in question cannot be constituted within the perimeter of the concession (Art. 151 of the Argentine Mining Code) and (ii) that the work is really beneficial for the mining activities (Art. 13 of the Argentine Mining Code, last paragraph).

A mining road easement application is in process, currently in the name of Golden Argentina. This easement has been requested in order to access the Mogotes Norte, Mogotes Sur and Adela I claims. It consists of six sections, approximately 44,810 metres long and 5 metres wide. The process is at an initial stage, pending the mining authority's graphic record.

### **Chile**

In Chile, work has not yet been undertaken to identify surface ownership as the Chile Properties have been newly acquired.

## ***Environmental Regulations in Argentina***

According to the Argentine Mining Code, individuals or legal entities, both public and private, that develop mining exploration activities must submit an Environmental Impact Report ("**IIA**" in Spanish) to the Enforcement Authority (Mining Ministry of the Province of San Juan) prior to the start of any activity.

The IIA shall be updated at least every two years, and a report shall be submitted containing the results of the environmental protection actions carried out, as well as any new events that may have occurred (art. 256 Argentine Mining Code). The IIA for the exploration stage of Filo Sur Project was processed in File No. 425087-I-2002 and its attached File No. 425399-I-2003 before the Mining Ministry of San Juan.

The Third IIA Update approved through Resolution N° 944 of the Mining Ministry, and notified to Golden Argentina on January 20, 2022, corresponds to the current Environmental Impact Statement (“DIA” in Spanish). The DIA is the valid environmental permit to perform exploration.

To date, the legal obligation to update the IIA every two years has been fulfilled, with the Fourth Biannual Update submitted on February 6, 2020 and the Fifth Biannual Update on March 16, 2022, neither of which has yet been approved.

The DIA has been approved for the Mogotes Norte, Mogotes Sur, Adela 1, Mogotes 1, Mogotes 4, Mogotes 5, Mogotes 6, Mogotes 7, Mogotes 9 and Mogotes 14, with Golden Argentina being the title holder. Mogote I, II and III are not included.

The DIA contains 40 conditions or requirements that must be complied with. Total or partial non-compliance with any of the observations and conditions will result in the application of the penalties provided for in the current legal regime, in addition to the suspension of the DIA.

It should be noted that the Argentina Properties are located in the San Guillermo Provincial and Biosphere Reserve and in an area where glacial and periglacial environment has been mapped, therefore, compliance with current regulations and the San Juan Provincial Glacier Inventory must be ensured.

In the event of any work of greater magnitude and/or changes in the tasks to be performed with respect to those previously communicated, the report must be expanded and the mining environmental authority must be informed of the situation.

### ***Taxation and Government Royalties***

The corporate tax rate in Argentina is 25% and it is assumed for the purposes of the Technical Report that the corporate tax rate will not change if the Filo Sur Project is brought into production.

There is a 3% pithead value royalty payable to the Province of San Juan. The royalty value is defined as the value obtained during the first selling stage, less the direct and/or operating costs necessary for taking the pithead mineral to such stage, except for the direct or indirect costs and/or expenses inherent to the extraction (mining) process. Costs that can be deducted include: transport, freight and insurance costs of concentrate, concentrate selling costs, smelting and refining costs, crushing, milling and beneficiation costs and administration costs. The cost to mine the material cannot be deducted nor depreciated.

### **Accessibility, Climate, Local Resources, Infrastructure & Physiography**

#### ***Accessibility***

The Filo Sur Project is located on the eastern slope of the Andean Cordillera adjacent to the Chile/Argentina border.

The Filo Sur Project can be accessed either from Chile or Argentina but special arrangements need to be made to cross the international border and there are no established crossing points, meaning practical access is from the Argentine side. In Argentina the Filo Sur Project can be accessed from the city of San Juan which is 300 km to the town of Guandacol in La Rioja Province. From there the Filo Sur Project is a further 200 km on graded gravel roads.

#### ***Physiography, Climate and Vegetation***

Elevations on the Filo Sur Project range from 4,300 to 5,200 metres above sea level with, despite the altitude, rolling to locally steep hills with talus covered slopes, barren rock ridges and alluvium/colluvium filled valleys and low-lying areas. The climate is typical of the High Cordillera between Chile and Argentina with temperatures from greater than 20°C to less than -20°C. The Filo Sur Project is snow covered from May to October with permanent snow year-round on the highest peaks and ridges. Field season extends from early/mid-November to late April but access can be problematic even in the summer, when sudden storms can block access roads. Previous operators had a bulldozer on

standby during periods of extended field work. Natural vegetation is non-existent apart from grasses in a few of the sheltered valleys.

## **History**

The Golden Argentina Properties were historically evaluated in the mid 1990s by two Argentinian companies, Minera Macho Muerto and Minas Argentina. The claims comprising the Filo Sur Project were explored by Inversiones Mineras Argentinas S.A. (“**IMA**”) from 2000 to 2003, Amera Resources Corporation (“**Amera**”) from 2003 to 2005, Vale S.A. (“**Vale**”) from 2011 to 2013 and briefly by Anglo American plc (“**Anglo American**”) in 2019.

IMA undertook surface exploration and drilling on the Golden Argentina Properties from 2000 to 2005 for a total of 4,052.4 metres. IMA completed a corporate reorganization and transferred the Golden Argentina Properties to Golden Arrow in connection with the reorganization.

Amera optioned the Golden Argentina Properties in 2003 and completed detailed surface mapping, geophysics, and trenching which confirmed the presence of a mineralized porphyry system below the Filo Este zone.

The Golden Argentina Properties were optioned by Golden Arrow to Vale in 2010. From 2011 to 2013, Vale conducted mapping, sampling, petrography and geophysics and completed a 9-hole drill program of 3,882.1 metres in 2012 and a further 8-hole drill program of 4,466.4 metres in 2013. Vale decided not to exercise its option.

Golden Arrow determined to cease all exploration and development activity on the Golden Argentina Properties in 2018, and has made no expenditures on the Golden Argentina Properties since then (other than costs associated with keeping the concessions and permits in good standing).

## **Geological Setting and Mineralization**

### ***Regional Geology and Mineralization***

The Filo Sur Project is part of a larger district, straddling the Chile/Argentina border at a latitude of approximately 28.5° S. Basement rocks in the region include Late Palaeozoic granites and rhyolites of the Choiyoi Group. These are overlain by Jurassic and Cretaceous sediments. An extensional period in the Palaeocene-Eocene, resulted in faulting, basin development and subsequent infill with terrigenous sediments along with the emplacement of Eocene dioritic intrusive complexes. Several belts of Late Oligocene to Miocene intrusions and associated volcanic rocks are developed in the central Andes and are responsible for the porphyry Cu-Au and epithermal systems of the Maricunga Belt and the high-sulphidation epithermal systems of the El Indio-Pascua-Lama Belt.

Mineralization in the Maricunga Belt is from Late Oligocene to Miocene whereas the more southerly El Indio-Pascua-Lama Belt is of Middle to Late Miocene age. It was realized that the area between these two districts was prospective for similar systems and this has been borne out by discoveries such as the Los Helados, Josemaria and the Filo del Sol deposits which are of Late Oligocene to Late Miocene in age. Intrusive activity in the region, along with associated hydrothermal alteration, has been dated at Mid to Late Miocene and shows similarities to many of the Maricunga-style Cu-Au porphyries.

### ***Local Geology and Mineralization***

The Filo Sur Project has been subjected to multiple volcanic and intrusive events dating from the Middle Miocene back at least as far as the Permo-Triassic. Oligocene to Early – Middle Miocene age volcanic rocks of the Peñas Negras and Doña Ana Groups overly a basement of Permo-Triassic Choiyoi Group sedimentary, volcanic and intrusive rocks. These units are overlain and intruded by Middle to Late Miocene volcanic units that include tuffs, ignimbrites and volcano-clastics of andesitic to rhyolitic composition. These have been intruded and altered by numerous subvolcanic intrusives of dioritic composition. Pleistocene glaciation and erosion has resulted in local development of cover units consisting of a variable thickness moraine and alluvial/colluvial gravel deposits mostly developed at lower altitudes and within.

Structural trends on the Filo Sur Project consist of major NW-SE structures, the most important of these being the Mogotes Fault, while secondary NE-SW structures have played a major role in localizing alteration and mineralization. There are two main alteration and mineralization assemblages on the Filo Sur Project:

- *Porphyry Cu-Au-Ag*: potassic/propylitic alteration associated with porphyry Cu-Au-Ag mineralization is hosted in diorite, micro-diorite and breccias and is a function of quartz vein density. Quartz veins occur as stockworks and sheeted veins with the main hypogene minerals being chalcopyrite, bornite, and pyrite with local hypogene alteration of Cu sulphides to digenite, chalcocite, and covellite. Surface oxidation has resulted in various sulphates, carbonates, and iron oxides. There is weak to moderate overprinting of anhydrite-carbonate veins. There are three main porphyry centres at Filo Este, Filo Central and to a lesser extent Stockwork Hills.
- *High-Sulphidation Au-Ag*: high sulphidation epithermal alteration consists of silica, clay minerals, disseminated pyrite, alunite and quartz veinlets. The geological setting to the south-west of the Mogotes Fault is thought to represent a higher-level alteration assemblage within the volcanic cover. There may be the potential for high-sulphidation precious metal mineralization and stockwork Cu-Au mineralization at depth. The Filo Sur zone is one of the largest untested alteration anomalies in the district.

## Deposit Types

The mineral deposit types on the Filo Sur Project include both high-sulphidation epithermal Au and Cu-Au porphyry systems. Direct comparison can be made to the Filo del Sol Project (as hereinafter defined) located two km to the north of the Filo Sur Project. The Filo Sur Project is situated between the Maricunga Cu-Au porphyry Belt to the north and the El Indio epithermal Au-Ag Belt to the south. The geological setting at Filo Sur Project is prospective for both deposits of both types. Fieldwork undertaken to date indicates that both styles of mineralization are present on Filo Sur Project.

## Exploration

Most of the surface sampling and mapping on the Golden Argentina Properties was undertaken by IMA in the early 2000s with more limited sampling by Vale in 2011-2013 and Anglo American in 2019. This included rockchip/trench, float/grab talus and, of limited effectiveness, sediment sampling. Basic summary of the geochemical information is provided in the tables below:

### *Summary of Rockchip/Trench Sampling*

Filo Sur Rockchip	Au g/t	Ag g/t	Cu ppm	Mo ppm	As ppm
Maximum Value	2.99	29.5	6,700	84	506
Threshold Average	>0.05	>10	>100	>5	>2-5
Average	0.253	24	1,340	16	85
<b>Total Samples</b>	<b>378</b>				

### *Summary of Float/Grab Sampling*

Filo Sur Float/Grab	Au g/t	Ag g/t	Cu ppm	Mo ppm	As ppm
Maximum Value	1.89	196	14,500	874	797
Threshold Average	>0.05	>10	>100	>5	>10
Average	0.305	127	1,007	42	116
<b>Total Samples</b>	<b>155</b>				

### *Summary of Talus Sampling*

Filo Sur Talus	Au g/t	Ag g/t	Cu ppm	Mo ppm	As ppm
Maximum Value	0.708	899	10,000	260	1,290
Threshold Average	>0.05	>10	>100	>5	>10
Average	0.150	34	602	25	86
<b>Total Samples</b>	<b>411</b>				

Gridding of the talus sampling is one of the most useful tools in exploring for Cu-Au porphyry systems in the region and defined broad zones of mineralization based on the >500ppm Cu, the >0.1 g/t Au and >25ppm Mo contours. The main areas outlined by talus sampling are:

- *Filo Este*: defined by a 500 ppm Cu contour that extends 2,000 m east-west by 700 m north-south; a 0.1 g/t Au contour that extends 1,600 m east-west by 800 m north-south. There is no appreciable Mo.
- *Filo Central*: defined by a 500 ppm Cu contour trending north-west/south-east and 3,300 m long by 1,200 m wide; a 0.1 g/t Au contour again trending north-west/south-east and 3,600 m long by 1,000 m wide; a 25 ppm Mo contour extending 1500 m north-south by 1000 m east-west and displaced to the east.
- *Zona Colorida*: a 200ppm Cu anomaly displaced to the east; no appreciable Au; a 25 ppm Mo contour trends north-east/south-west and is 1,700 m long by 700 m wide and displaced to the west.

At Filo Este there is a core of exposed potassic and propylitic alteration with moderate Cu-Au-Ag mineralization hosted in microdiorite, diorite and breccias. There is mention of geophysics undertaken over Filo Este by IMA in 2003 but there are no details in the dataroom. At Filo Central there are two exposed areas of potassic alteration hosted in microdiorite, fine-grained diorite and breccia. There is local moderate to strong sericite pyrite alteration and local high-sulphidation alteration (vuggy silica and alunite). Zona Colorida is located south-west of the Macho Muerto fault and exposes the upper advanced argillic and quartz-sericite-pyrite levels of a possible diorite porphyry mineral system.

In 2011 Vale carried out IP/Resistivity, Ground Magnetics, Radiometrics and DGPS surveys. Magnetic, Radiometrics and DGPS totaled 181.66 Line Kms while IP totaled 23.70 Line Kms.

## Drilling

### Historic Drilling

The Filo Sur Project was drilled by IMA in 2004 and 2005 with 1,475.4 metres of diamond and 2,577 metres of reverse circulation concentrating on Filo Este and Filo Central. The IMA drilling is characterized by long intervals of Cu, Ag and Au mineralization ranging from strongly anomalous to sub-economic. MOG-04-1, MOG-04-1A and MOG-04-2 from Filo Este are three of the better holes and are presented in the table below:

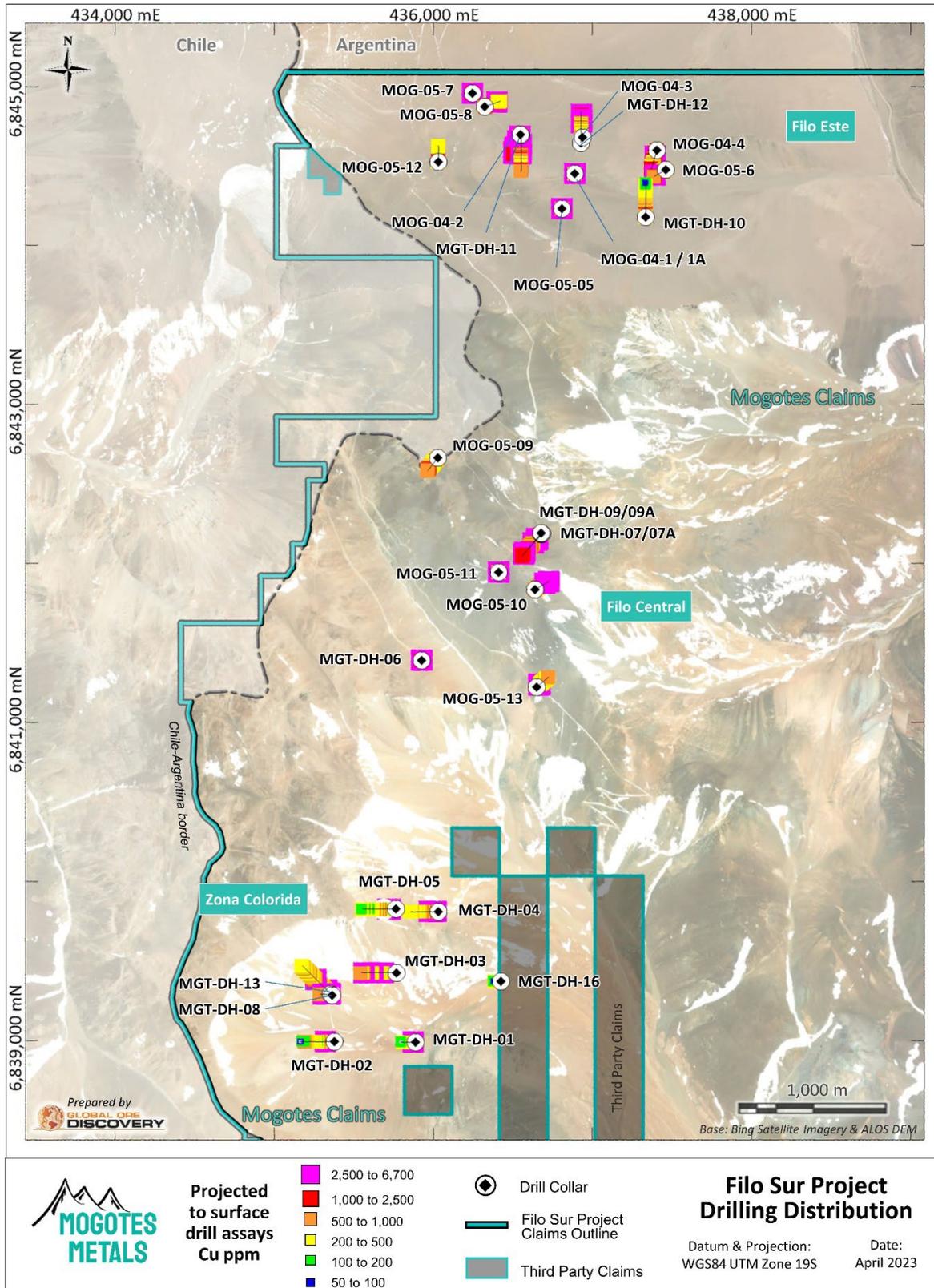
Drillhole	Year	Total Depth	From	To	Interval	Au (g/t)	Ag (g/t)	Cu (%)
		(m)	(m)	(m)	(ms)	(LWA)	(LWA)	(LWA)
MOG-04-1	2004	71.6	2.0	70.0	68.0	0.43	13.9	0.244
MOG-04-1A	2004	495.3	6.0	495.3	489.3	0.23	2.6	0.170
Including			258.0	424.0	166.0	0.19	2.2	0.243
And			308.0	396.0	88.0	0.20	1.9	0.290
MOG-04-2	2004	315.4	2.0	315.4	313.4	0.16	1.9	0.171
Including			196.0	315.4	119.4	0.21	2.8	0.248

Vale carried out a total of 8,348.5 metres of diamond drilling in two campaigns in 2012 and 2013. Their main focus was Filo Central and Zona Colorida. Selected holes from Vale's drilling are presented in the table below:

Drillhole	Year	Total Depth	From	To	Interval	Au (g/t)	Cu (%)
		(m)	(m)	(m)	(m)	(LWA)	(LWA)
MGT-DH-04	2012	502	86	206	120	0.01	0.15
MGT-DH-07A	2012	185	52	185	133	0.06	0.13
MGT-DH-09/9A	2013	547.7	6	547.7	541.7	0.06	0.11
MGT-DH-11	2013	542	2	542	540	0.11	0.11

Results from Vale's drilling are characterized by long runs of Cu mineralization of similar grades to IMA's but with lower Au grades and very isolated Ag mineralization. Results from the drilling confirm porphyry Cu and high sulphidation alteration and mineralization at the Golden Argentina Properties, but the largest alteration zone, south-west of the Mogotes Fault, has yet to be drilled.

The following map shows the locations of all the drillholes with assays projected to surface:



## **2022 Petrogaia Relogging and SWIR Analysis**

### *Relogging*

In July 2022, Petrogaia Consulting (“**Petrogaia**”) carried out selective relogging of eight holes totalling 4,198.40m (MGT-DH-002, MGT-DH-003, MGT-DH004, MGT-DH-005, MGT-DH-008, MGT-DH -013 and MGT-DH-016) on behalf of the Company.

Geological information including lithology, alteration, mineralization, structures, were recorded directly into digital format using Field Manager software that has a series of validated pick list codes for rock/alteration/ mineralization/ structure type and intensity to ensure that information is coded consistently. The percentage of sulphides (e.g., sphalerite, galena, chalcopyrite, pyrite, chalcocite etc.) were also recorded into a numerical field. Comments were also recorded for mineralization and alteration separately in free form character fields.

Data was exported from Field Manager into a series of tables for each of the key elements logged, e.g. alteration, mineralization and lithology that would allow for information to be easily imported and visualized in the majority of 3D software packages.

### *SWIR Analysis*

In September 2022, a total of 1970 short-wave infrared (“**SWIR**”) spectroscopy readings were collected from the historical drill core re-logged in July 2022 (MGT-DH-001, MGT-DH-002, MGT-DH-003, MGT-DH-004, MGT-DH-005, MGT-DH-008, MGT-DH-013 and MGT-DH-016). The spectroscopy study was carried out using an ASD TerraSpec® Halo infrared spectrometer, collecting readings approximately every two metres for a detailed characterization of mineral species that could be used to determine alteration facies and infer temperature and pH of formation. Each of the measured points noted what type of location the spectra was recorded from for example veinlets, vein halo, fractures, breccia matrix, breccia clast, groundmass, etc. The “Rockshade” setting of the Halo instrument was set to “light” and the internal white reference was remeasured every 10 minutes to ensure the machine was correctly calibrated.

Mineral species were determined from the acquired spectra using software based spectral matching algorithms provided in The Spectral Geologist (TSG) version 8.1.0.5. May 2022, version 7.

### *Petrogaia Interpretation*

In five of the eight logged holes (MGT-DH-005, MGT-DH-004, MGT-DH-003, MGT-DH-013 and MGT-DH-008), a multiphase intrusive porphyry breccia complex was identified, comprising a quartz diorite porphyry (QDP), a microdioritic porphyry (MDP) and an intrusive breccia (BXI), which all intrudes a pre-mineral volcano-sedimentary sequence. The evidence suggests that the intrusive breccias of the Filo Sur Project are probably related to domes emplaced in shallow zones of a larger Cu-Au porphyry system.

Alteration assemblages are related to porphyry copper and epithermal systems including potassic, phyllic, advanced argillic and argillic alteration. Mineralization is associated with stockwork, disseminated and breccia styles. Hypogene mineralization sulphidation states range from low sulphidation porphyry mineral assemblage through to intermediate sulphidation base metal mineral assemblages and high sulphidation assemblages. Locally supergene remobilization of mineralization has resulted in secondary enrichment of copper.

Petrogaia interprets that in the five holes clear evidence of a later epithermal event overprinting a porphyry copper system is observed.

## **2023 CEG Relogging**

### *Relogging*

In January 2023, Simon Meldrum of EG Consulting Exploration Geologist (“**CEG**”) was contracted by the Company to relog and interpret the historic diamond drilling undertaken by Amera in 2004-2005 and Vale in 2012-2013.

In total 20 drill holes were relogged totalling 9,509.7m. The diamond drill core relog was conducted using the standard paper-based logging sheet and codes, a methodology that provides considerable scope for recording the complete variety of lithologies and their variations, alteration and mineralization styles and intensities. Data was entered into excel then validated using software routines in Micromine.

The resulting data set lists 660 logged intervals – intervals over which lithologies, alteration facies etc. could effectively be grouped. The raw logged data file includes 18 recognisable lithologies, 28 recognised alteration facies and 26 mineralization styles.

### ***CEG Observations and Interpretation***

The CEG relogging and interpretation support the broad hypothesis of mineralized porphyry centres in the Filo Sur Project and providing considerable additional detail on lithology, alteration and mineralization styles.

The key features of the various target areas, as observed by CEG, are summarised below:

The Filo Este area Au Cu Ag mineralization is observed with potassic altered and mineralised volcanics in close proximity to quartz diorite-dykes. The alteration in Filo Este area is summarised as moderate biotite and K-feldspar potassic alteration overprinted by strong intermediate argillic consisting of illite. Au-Cu mineralization is best developed in the dioritic intrusives. It is interpreted by CEG that the dispersion of hydrothermal fluids from the quartz-diorite into the wall rock has led to vein related mineralization overprinting and enhancing grade in pre-existing, weakly developed, disseminated chalcopyrite mineralization. In comparison to the targets further south, the Filo Este drill holes intersected significantly more intermediate and low sulphidation quartz-adularia veins.

At the Filo Central target erosion has exposed a quartz-diorite porphyry. Mineralization in the intrusions is weaker than noted at Filo Este. Better Au-Cu mineralization clusters towards the south-eastern eroded end of the target area. Elevated molybdenum values occur across the whole target area. This large-scale target has been scout drill tested with wide spaced holes leaving considerable room for a hidden target. Strong to moderate intermediate argillic has been observed to overprints biotite dominant potassic alteration (weak k-feldspar) affecting the volcanics. The mineralization data notes strong magnetite veining focussed on the quartz-diorite and overprinting clotted pyrite in the diorites. Quartz vein intensities noted are weaker than at Filo Este or Zona Colorida, but geochemically the target sheds stronger molybdenum than to the north.

Zona Colorida which broadly straddles the Macho Muerto Fault zone is characterised by a considerably higher proportion of silicic volcanics than the other target areas. Advanced argillic alteration intersected within the initial metres of the holes diminishes significantly below the depth of oxidation. Diorite and quartz-diorite undoubtedly outcrop along the glaciated cirques within this target area where relatively strong quartz veining is noted along with sulphide veins, quartz sulphide veins and gypsum veins and several late intermediate sulphidation veined structures. However, despite the multiple mineralization events, the drilling returned very weak gold and weak copper and silver values - but it is possible that better grades could lie under the crest of the ridge line to the west.

Rock chip sampling in the Stockwork Hills target area located 3.5km to the south and 500m lower than Zona Colorida includes a cluster of >0.2 g/t Au values across an area of approximately 500m x 200m on the flank of one of the ridges in the area. Two holes in the area intersected syenitic and monzonitic intrusions (southern hole) and a dacitic dome shedding weak gold values (northern drill hole) cutting andesitic volcanics. The drill hole assays from the area returned weak gold values for the dacite dome samples, very weak copper or silver and moderately elevated molybdenum.

After reviewing the compiled geochemistry, logging/relogging and spectroscopic analysis from the various drill campaigns the Technical Report Author is satisfied that the results are representative of the alteration and mineralization developed at the Filo Sur Project.

## **Sample Preparation, Analysis and Security**

### ***Sample Preparation and Analysis***

Preparation of samples involved drying, crushing to -10 mesh, split to 1kg which was then crushed to 150 mesh and then split again to two 250g and one 500g sample. Talus and sediments were sieved to 80 mesh, pulverized and split to produce a 250g pulp. All samples, surface and drilling, were analysed by ALS in Mendoza. PDF assay certificates and results spreadsheets are available for some of the samples. Originals are being requested from the relevant original operators.

A total of 980 surface samples were collected during the various campaigns (IMA, Vale and Anglo American) and include rockchip, float/grab, talus fines and sediment. Analytical techniques varied by campaign but were largely similar with 30 or 50g Fire Assay with Atomic Absorption or ICP Finish. Multi-element analysis was carried out with ICP-AES (Inductively Coupled Plasma Atomic Absorption). Digestion was either with Agua Regia or more commonly Four Acid ((HCl-HNO<sub>3</sub>-HF-HClO<sub>4</sub>)).

Drilling was undertaken by IMA in 2004-2005 with 2,068 samples while Vale's drilling in 2012-2013 produced 4,057 samples (these numbers include standards, blanks and duplicates). Analysis was carried out by Fire Assay for Au and Multi-Element by ICP-AES for both companies by ALS in Mendoza.

### ***Security and QA/QC***

The Technical Report Author was not present during the various mapping, sampling and drilling campaigns but, because the Technical Report Author believes that the geologists on the Filo Sur Project were experienced professionals, the Technical Report Author assumed industry standard chain of custody procedures were followed.

QA/QC during the surface sampling conducted by IMA (as outlined in the various reports that were made available to the Technical Report Author) indicates that blanks and duplicates were included and made up 6-8% of the samples sent to the laboratory. Fifteen samples were selected for check assay in 2003 and showed acceptable variation. Standards do not seem to have been included in the surface sampling, but the Technical Report Author believes that this was in keeping with standard practice at the time.

Vale only collected 14 surface samples. No QA/QC was completed.

### ***Drilling***

IMA included 60 standards in the approximately 2,000 drill samples, but there is no mention of blanks or duplicates. The name of the standard is unknown so the Technical Report Author could not comment on the accuracy of the results, but precision seems to be acceptable.

Vale included approximately 300 standards, blanks and duplicates in the first eight holes drilled (approximately 2,300 samples) which the Technical Report Author believes that it is in line with current practices. Values are consistent for blanks and the standard used (CUOX-001), while values for the field duplicates are within ranges expected from natural variation between samples.

## **Data Verification**

### ***Site Visit***

The Technical Report Author visited the Filo Sur Project on November 20, 2022, together with geologist Facundo Flores and operations manager Miguel Claudio Rach.

The objectives of the site visit were to:

- Verify the geology, alteration and mineralization as described.

- Collect samples of mineralization for check assay.
- Verify the locations of drill-collars.

This was carried out to the Technical Report Author's satisfaction. Details are given below:

### Field Samples

Six samples of representative mineralization and alteration were collected during the site visit. Wherever possible samples were collected from previous sample locations, ideally trench or outcrops. The following table sets out field sample check, sample results and results of previous sampling:

Sample No	Au g/t	Ag g/t	Cu ppm	Mo ppm	As ppm
2510 - Trench	0.231	1.4	6,700	34	20
009904	0.08	<0.5	2,647	33	<5
2322 - Trench	0.087	<0.2	1,770	29	9
009906	0.04	<0.5	384	53	15
000136 – Grab	0.241	2	1,470	6	4
009907	0.12	0.7	1,704	12	<5
009908	0.41	<0.5	1,581	12	<5
2259 -Trench	0.504	1.3	1,810	5	3
009909	0.33	<0.5	1,320	11	7
2224 - Trench	0.609	1.7	1,805	12	11
009910	0.4	0.7	2,440	13	<5

Results from the check sampling agree with the previous sample (allowing for natural variation) and the Technical Report Author was satisfied that the results of the previous sampling are representative of the mineralization developed on the Filo Sur Project.

### Drill Collars

Using the coordinates given in the reports that were made available to the Technical Report Author, a total of nine platforms were visited. Information regarding the collars visited by the Technical Report Author, their field coordinates, coordinates as recorded in the drillhole database and difference in metres north-south and east-west is presented in the table below:

HOLE ID	RPT E	RPT N	FLD E	FLD N	DIFF E	DIFF N	TYPE
MOG-04-1A	436889	6844450	436888	6844453	1	-3	DH
MOG-04-03	436938	6844681	436939	6844686	-1	-5	DH
MOG-04-04	437407	6844599	437404	6844601	3	-2	DH
MOG-05-08	436325	6844872	436324	6844881	1	-9	RC
MOG-05-10	436640	6841835	436632	6841832	8	3	RC
MOG-05-11	436411	6841945	436411	6841941	0	4	RC
MOG-05-12	436031	6844524	436033	6844521	-2	3	RC
MOG-05-13	436650	6841221	436650	6841218	0	3	RC
MGT-DH-12	436928	6844645	436928	6844645	0	0	DH

Errors between values in the database and field checking are within acceptable errors for handhelds GPS units but the Technical Report Author recommends that all collars be resurveyed with a differential GPS.

### Core Review and Sampling

The Technical Report Author reviewed selected core intervals at the Company's core store in Mendoza on November 23, 2022. Intervals were selected from six holes that the Technical Report Author thought to be representative of the mineralization from the various previously drilled areas. Five intervals, that corresponded to previous samples, were marked up, photographed and taken to the laboratory of Alex Stewart by the Company's technician where the core was cut again with one quarter going for analysis while the remaining quarter was returned to the core boxes. Drillhole, interval, original sample and check assays from resampled core are presented in the table below:

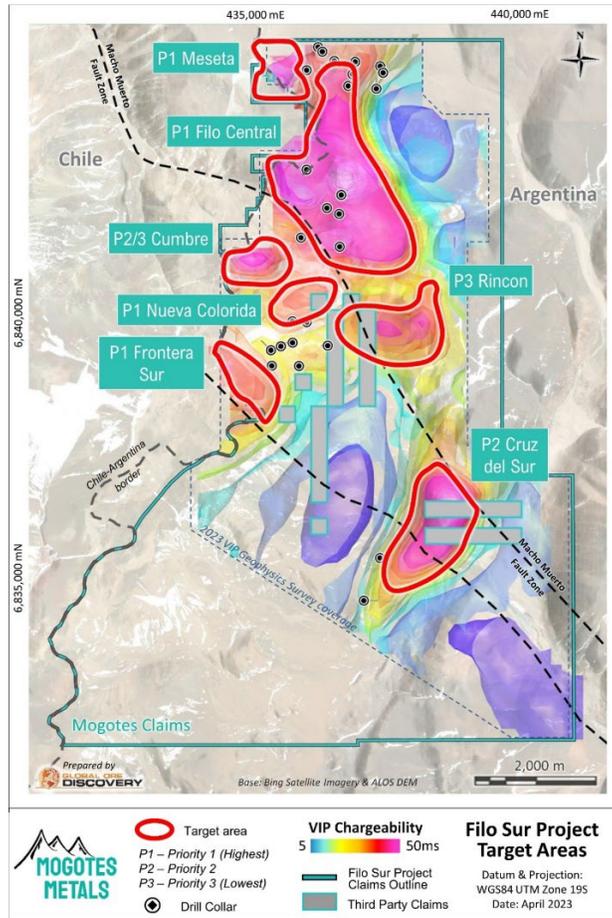
Hole ID	From (m)	To (m)	Sample	Au g/t	Ag g/t	Cu ppm	Mo ppm	As ppm
MOG-04-01	62	64	2631	0.197	5.6	2550	7	177
			009911	0.17	3.5	1,791	9	105
MGT-DH-07A	152	154	MGT7A-089	0.058	0.9	1,210	<2	44
			009912	0.058	<0.5	1,272	59	<5
MOG-04-1A	382	384	2830	0.136	0.9	1,825	8	16
			009913	0.11	1.1	2,286	7	14
MOG-04-02	194	196	2989	0.092	0.8	1,130	4	17
			009914	0.11	<0.5	1,226	12	32
MGT-DH-11	180	182	MGT-11-105	0.097	1.7	2,160	5	15
			009915	0.12	1.8	1,864	7	11

The Technical Report Author considers that the results from the check sampling agree with the previous sample (allowing for natural variation) and the Technical Report Author was satisfied that the results of the previous drilling are representative of the mineralization developed on the Filo Sur Project.

## Current Developments

### *Initial Target Areas for further exploration*

Seven targets have been outlined by Global Ore Discovery Geoscience Consultancy (“**Global Ore**”), an international consulting group based in Brisbane, as focus areas for further exploration at the Filo Sur Project on the basis of an initial integrated analysis of historical talus soils, historic rock chip, historical drillhole geochemistry and the following new data generated from the 2022 – 2023 field program conducted by the Company. The field program conducted by the Company consisted of (i) systematic relogging completed in January, 2023, of 20 core holes that remain from the historical drill testing of the Filo Sur Project conducted by Vale, (ii) systematic mapping of the surface geology, alteration and structure of the Filo Sur Project conducted by the Company and (iii) preliminary 3D modelling of Vector IP surveys completed by the Company between December 9, 2022 and January 30, 2023. The following figure illustrates the Filo Sur Project and the initial exploration target areas:



### Meseta Target – Priority 1

Target Concept: High-sulphidation epithermal (HSE) Cu-Au-Ag tabular oxide and deep feeder pipe mineralization as seen at the adjacent Filo Del Sol Project (as hereinafter defined).

The 2023 geological mapping of the Company shows that the advanced argillic steam heated and quartz – alunite alteration evident on the adjoining Filo Del Sol Project extends into the northwest corner of the Filo Sur Project as a planar plateau. Vuggy quartz-alunite alteration with breccia textures and areas of jarosite – hematite where noted. This zone of alteration represents the upper level in high sulfidation epithermal system of the Miocene age as seen in the adjoining Filo Del Sol Project.

Within the Filo Sur Project the eastern face of the advanced argillic alteration plateau is largely obscured by recent scree cover, however exposure of advanced argillic alteration in Mogotes road cuts and isolated outcrops of vuggy silica ledges exposed through the scree cover suggest this alteration zone may extend to the east within the Filo Sur Project area.

The 2023 Vector IP/MT survey conducted for the Company by Southern Rock Geophysics (“**Southern Rock**”) partially covers the interpreted footprint of the advanced argillic alteration zone, showing an open partially defined chargeability anomaly (+50 msec) extending to depth under the alteration zone.

A deep penetrating IP and MT geophysical survey has been designed to test the Meseta target area to refine the dimensions and depth to anomaly outlined by the Vector IP survey.

There has been no previous soil/rock chip sampled or drilling within the Meseta target area.

The Company has completed a soil grid over the Meseta target area and collected rock chip samples of exposed zones of alteration. Such samples will be presented for geochemical analysis to an ISO certified laboratory at the completion of the field season conducted by the Company which estimated to be late May 2023.

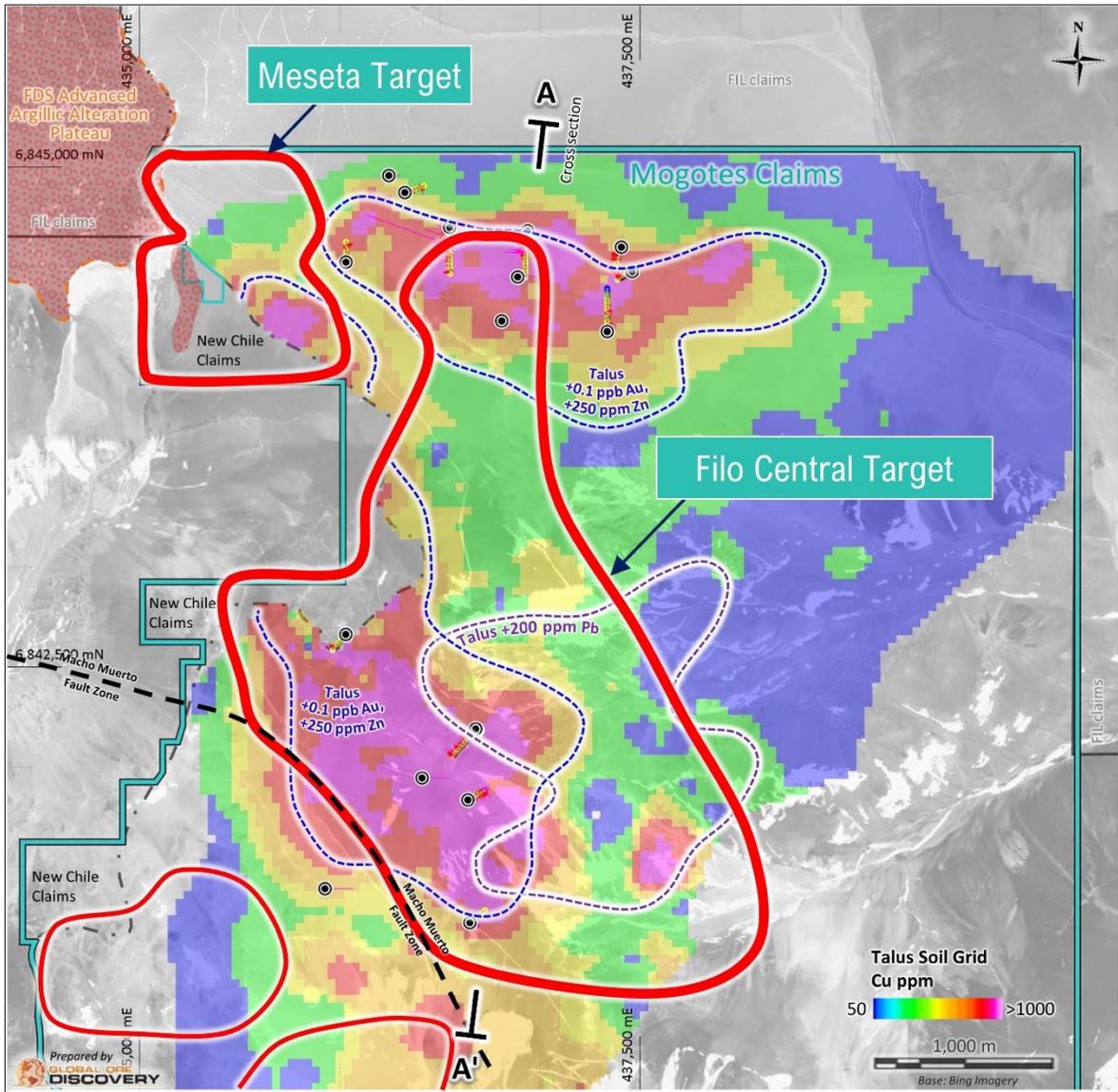
Worldview 3 satellite borne multispectral spectral imagery has been acquired for the Filo Sur Project. Ground based SWIR alteration measurements will be systematically made of all soil and rock chip samples collected and combined with the Worldview 3 alteration processing to map alteration pattern and vector potential drill targeting at the Meseta target area.

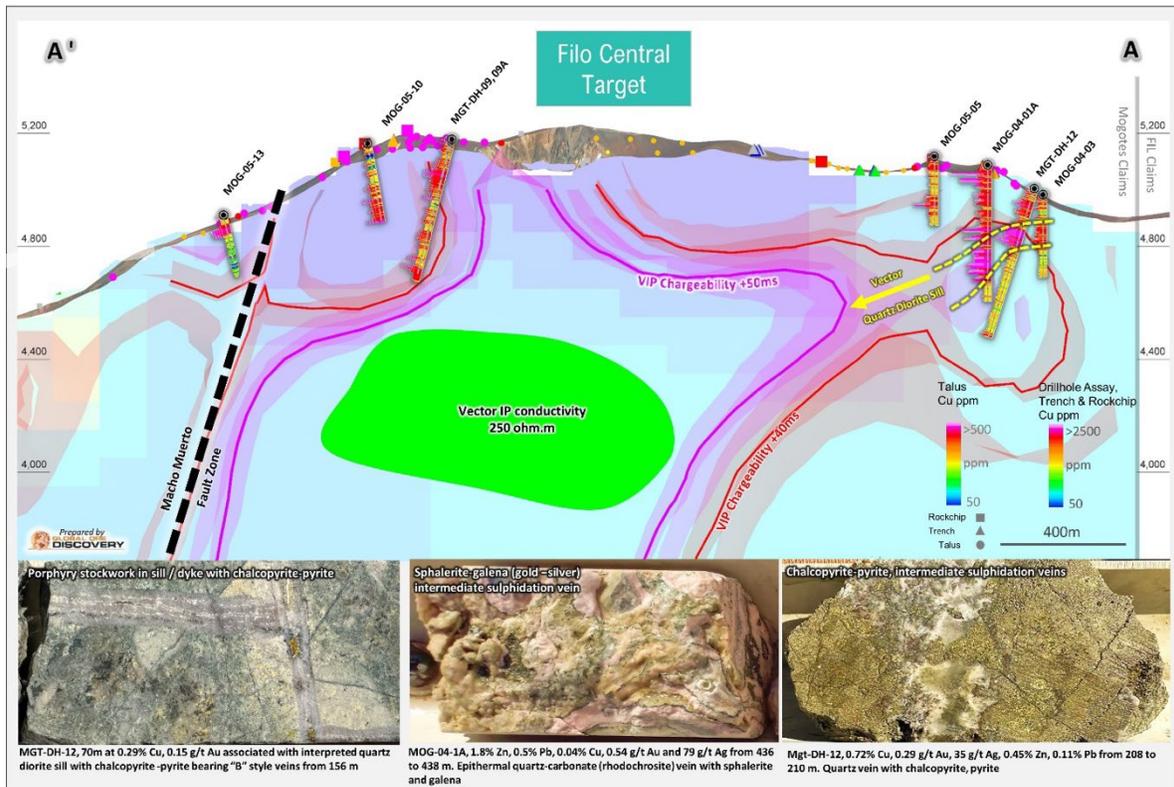
*Filo Central Target – Priority 1*

Target Concept: Concealed Cu-Au-(Mo) porphyry copper mineralization.

Historic talus soil sampling outlines a large (3.3 x 1.8 km) highly anomalous (+100 to > 2000 ppm Cu and 0.03 to > 0.5 ppm Au) Cu-Au-Zn anomalies that are coincident with a mapped areas of biotite – K feldspar potassic alteration and secondary copper occurrences at the Filo Central target and the Filo Este target.

The Vector IP survey has highlighted a large (3.9 x 3.3 km) high order (+40 msec) chargeability anomaly, with long axis aligned to the northwest paralleling the trace of the regional scale Macho Muerto fault zone. A “tongue” of the chargeability anomaly extends to the northeast toward and encompassing the historic drilling at the Filo Central target, as illustrated in the figures below, suggesting a geophysical link between the two targets.





The top of the chargeability anomaly at +50 msec lies at approximately 110 to 425 m below surface in the Filo Central target area. Vector IP also suggests that there may be a conductivity core to the chargeability anomaly. This pattern of a highly chargeable outer zone with a conductive core is a pattern that could be indicative of an outer pyrite shell with inner potentially mineralized core to a porphyry copper deposit.

Analysis of the historic drilling at the Filo Central target highlights broad anomalous intervals of copper – gold mineralization related to porphyry style stockwork veins in the wall rock and diorite intrusive including:

Hole MGT-DH-12, 176 m at 0.19% Cu, 0.12 g/t Au from 48 m

Hole MOG-04-1A, 416 m at 0.19% Cu, 0.25 g/t Au from 6 m

The higher-grade copper-gold intersections in historic drill holes MGT-DH-12 and MOG-04-1A correlate to an interpreted younger sericite (phyllitic) altered quartz-diorite sill/dyke with porphyry style stockwork. The sill/dyke that is spatially coincident with the outer edge of a Vector IP chargeability “tongue”.

Historic drill intersection within the interpreted sill/dyke and immediate wall rock halo include:

Hole MGT-DH-12, 70 m at 0.29% Cu, 0.15 g/t Au from 156 m

Hole MOG-04-1A, 88 m at 0.29% Cu, 0.2 g/t Au from 308 m

These Cu-Au intersections are also spatially associated and often bordered by 1 to 8 m wide zones Zn-Pb-Cu-Ag-Au-Mn mineralization hosted by intermediate to low sulfidation epithermal vein / veinlet zones, typically forming a halo to, but may also overprinting the Cu-Au stockwork.

There are no radiometric age dates of the two types of mineralization to determine the absolute relative ages, however the spatial association suggests a late stage epithermal “halo” is developed around the stock-worked sill and that this introduces an additional pulse of Cu-Au-Ag and Zn -Pb mineralization.

Assay results in the epithermal veining include:

Hole MGT-DH-12, 2 m at 0.72% Cu, 0.454% Zn, 0.11% Pb, 354.8 g/t Ag, and 0.298 g/t Au from 208 m

Hole MOG-04-1A, 6 m at 0.06% Cu, 1% Zn, 0.25% Pb, 47 g/t Ag, and 0.36 g/t Au from 434 m

The majority of historic drilling at the Filo Central target is reverse circulation drilling with only diamond core hole MGT DH 09A surviving to be relogged. This is an inclined hole drilled at -70° toward the SW and was terminated at 547 m down hole to the SW and approximately 105 m above the top of the Vector IP anomaly (at +50 msec). The hole shows quartz-magnetite-chalcopyrite-molybdenite veinlets with sericite alteration halos overprinting an earlier pervasive biotite – magnetite alteration.

Within the last 50 m of the hole increasing intensity of strong pervasive sericite – chlorite alteration with elevated Cu-Mo mineralization, relates to increased amounts of disseminated pyrite-chalcopyrite-molybdenite mineralization and low-density quartz-magnetite-pyrite > chalcopyrite veining, that may suggest a grade and alteration vector to depth toward the vector IP chargeability anomaly.

A deep penetrating IP and MT geophysical survey is in progress at the Filo Central target, designed to refine the dimensions and depth to the Vector IP anomaly to aid exploration drill hole design and potential future drill testing.

While there is no historic drilling to the depths required to adequately test the Filo Central target geophysical anomaly. The Vector IP and new geological interpretation has outlined an intriguing large scale conceptual target. Deep IP/MT lines have been planned over the Filo Central target to better refine the dimensions and depths to target for potential future drill testing.

#### *Nueva Colorida target, Frontera Sur target and Cumbre targets*

Target Concept: Concealed Cu-Mo-(Au) porphyry copper deposits (“PCD”).

The Colorida prospect area is defined by a large (2.9 x 1.9 km) zone of moderate to intense phyllic, intermediate argillic/argillic alteration. Widespread Fe-oxide anomalies evident in ASTER alteration processing over the prospect correlate to zones of jarosite and secondary Fe-oxides giving the target its “Colorida” name. Occurrences of secondary copper minerals have been mapped at the Frontera Sur target and the Nueva Colorida target.

Vector IP results for the Colorida prospect area suggest that the prospect can be subdivided into three targets that have not been previously drill tested, the Nueva Colorida target, the Frontera Sur target and the Cumbre target, that are centered on large Vector IP chargeability +/- conductivity anomalies.

A semi-systematic infill MT survey, with data acquisition sites being governed by access, is being conducted over the broader Colorida prospect area with the objective of defining conductivity and resistivity features at depth that could be related to concealed porphyry copper and high sulfidation mineralization.

The broader Colorida prospect area has been systematically geologically mapped as part of the Company’s 2023 program. Mapping shows the Colorida prospect area is separated from the Filo Central target by the regional scale Macho Muerto fault zone separating potassic, phyllic and propylitic altered, dominantly andesitic and diorite rocks in Filo Central target from strong to intensely phyllic > intermediate argillic/argillic altered sequence of dominantly rhyolitic volcanic flows and pyroclastic intruded by younger diorite to quartz diorite stocks. The host rocks for the Colorida prospect have been assigned in the recent mapping to the Permo-Triassic basement sequence.

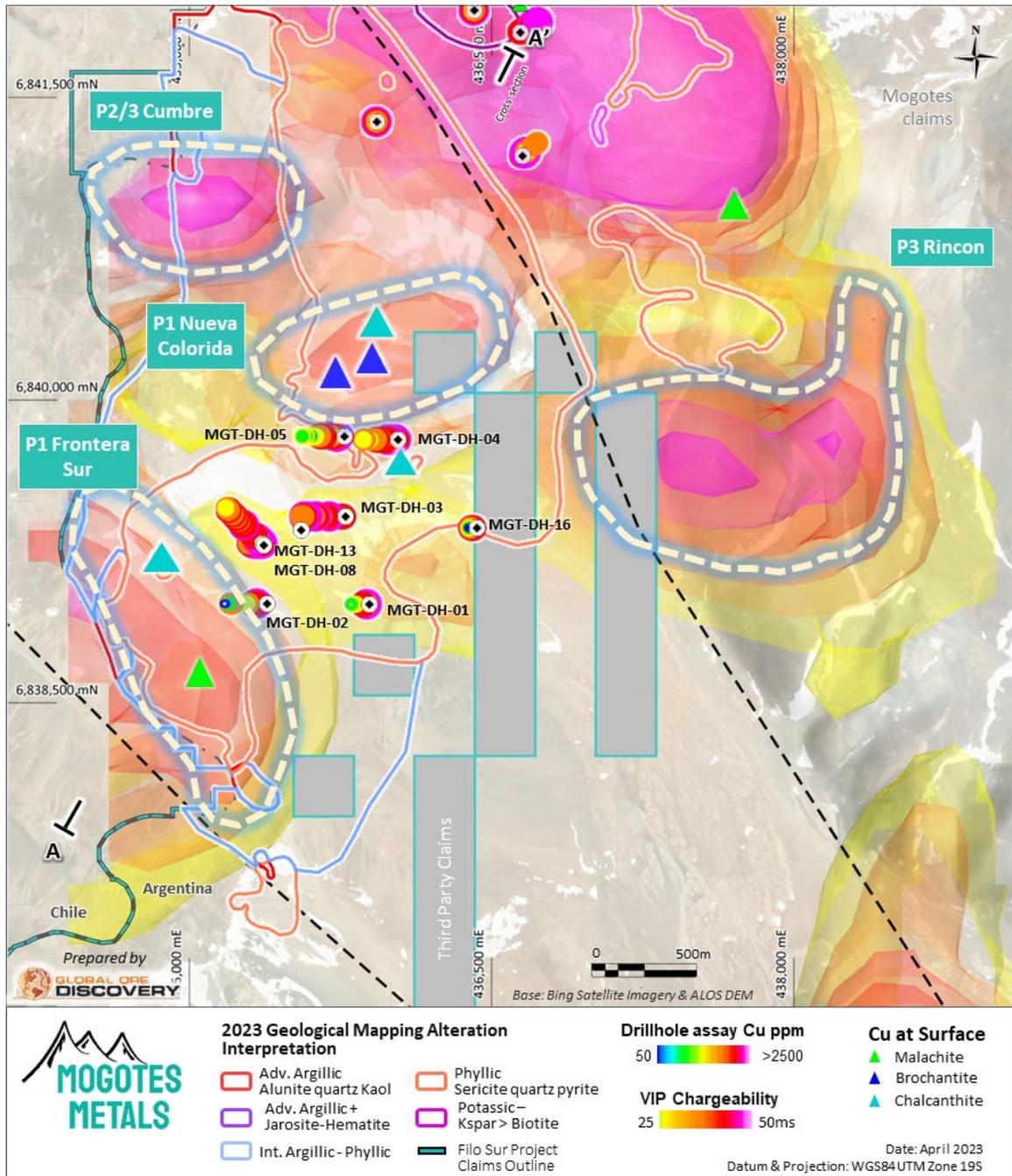
Limited age dating of the Colorida intrusives has returned 17.1 and 15.3 Ma K/Ar dates confirming a mid-Miocene age that overlaps with age of the Tamberas-Filo Del Sol mineralization and intrusive age in the adjoining Filo Del Sol Project.

Patchy historic talus soil coverage of part of the broader Colorida prospect area highlights well developed soil Mo-As +/- Sb and Cu anomalies. The Company has completed a systematic soil sampling grid over the broader Colorida prospect area. Analytical results from the soil program were pending at the date of the Technical Report, however the

Technical Report Author believes that the presence of surficial copper mineralization noted during the mapping program suggest that areas of copper soil anomalies will be identified once geochemical results are obtained.

*Nueva Colorida target – Priority 1*

The Nueva Colorida target is defined by a 0.8 x 1.3 km moderate intensity (40 to 30 ms) Vector IP chargeability anomaly and coincident conductive anomaly, as illustrated in the figure below:



Zones of chalcantinite ( $\text{CuSO}_4 \cdot 5\text{H}_2\text{O}$ ) copper “bloom” have been exposed over tens of metres in new road cuts directly overlying the geophysical anomaly.

Two historic diamond core holes were drilled on the southern edge of the Nueva Colorida target. Holes MGT-DH-04 and 05 both intersected intervals of anomalous Cu-Mo mineralization. Of significant note is that recent relogging has identified zones of hydrothermal breccia with intense white mica +/- pyrophyllite alteration indicative of high level phyllic alteration. The breccia matrix hosts fine to coarse bladed hypogene covellite (CuS) – pyrite – native sulphur +/- molybdenite assemblage indicative of high sulfidation copper bearing mineralization. This type of alteration and mineralization is caused by upwelling hydrothermal fluids above a cooling magmatically driven hydrothermal system and could indicate the presence of a concealed porphyry system at relatively shallow depths below the current drilling at the Nueva Colorida target.

The better intersection of mineralization in the breccia is Hole MGT-DH-04, 122 m at 0.15 % Cu and 13 ppm Mo from 84 m. The presence of anomalous Cu-Mo mineralization with high sulfidation affinities and white mica – pyrophyllite alteration on the margin and overlying the geophysical target highlights the Nueva Colorida target as compelling porphyry Cu-Mo-Au drill target.

#### *Frontera Sur target – Priority 1*

The Frontera Sur target is defined by 1.9 x 0.9 km long, 35 to + 45 ms Vector IP chargeability anomaly that has not been closed off to the southwest. The Vector IP anomaly is partially coincident with an open to the south 30-35 mV/V chargeability anomaly within the historic Vale/Quantec PDP survey.

Surface mapping has observed a strong pervasive phyllic alteration of quartz diorites and dykes roughly coincident with the anomaly. No historic soils have been collected over the Frontera Sur target area.

Three historic holes MTG-DH-03, MGT-DH-08 and MTG-DH-13 are drilled 630, 390, and 350m respectively from the edge of the vector IP chargeability anomaly. All holes intersected porphyry style stockwork veining and with low grade Cu mineralization.

Better intersections are Hole MGT-DH-13 28 m at 0.35 % Cu and 0.04 g/t Au from 22 m from an interpreted supergene enrichment zone and Hole MGT-DH-13 36m at 0.21 % Cu and 0.02 g/t Au from 104 m associated with porphyry style stockwork veining.

Drillhole MTG-DH-03 and MTG-DH-13 both intersected occasional decimeter scale Cu-As-Ag-Sb bearing veins at 226 m, 545 m (hole 3) and 104 m (hole 13) respectively. Logged sulphide minerals in these veins include pyrite with probable tennantite – tetrahedrite and SWIR alteration mineral species indicates an association with moderate to high temperature advanced argillic – advanced argillic alteration assemblage (pyrophyllite – dickite- sericite). Copper grades in these veins typically range between 0.48%-1.78% Cu with other elements of interest included 9.5-33.8 g/t Ag.

The Frontera Sur target is a compelling target for porphyry style mineralization. No previous surface geochemical sampling or drilling has been completed on the Frontera Sur target.

#### *Cumbre target – Priority 2/3*

The Cumbre target is defined by Vector IP chargeability anomaly that is open to the west. Vector IP chargeability anomaly is approximately 400 m x 200 m east-west orientated at 50 ms chargeability. The Vector IP anomaly is semi-coincident with historic chargeability – resistivity anomalies in Vale/Quantec IP.

There has been no previous surface geochemical sampling or drilling at the Cumbre target.

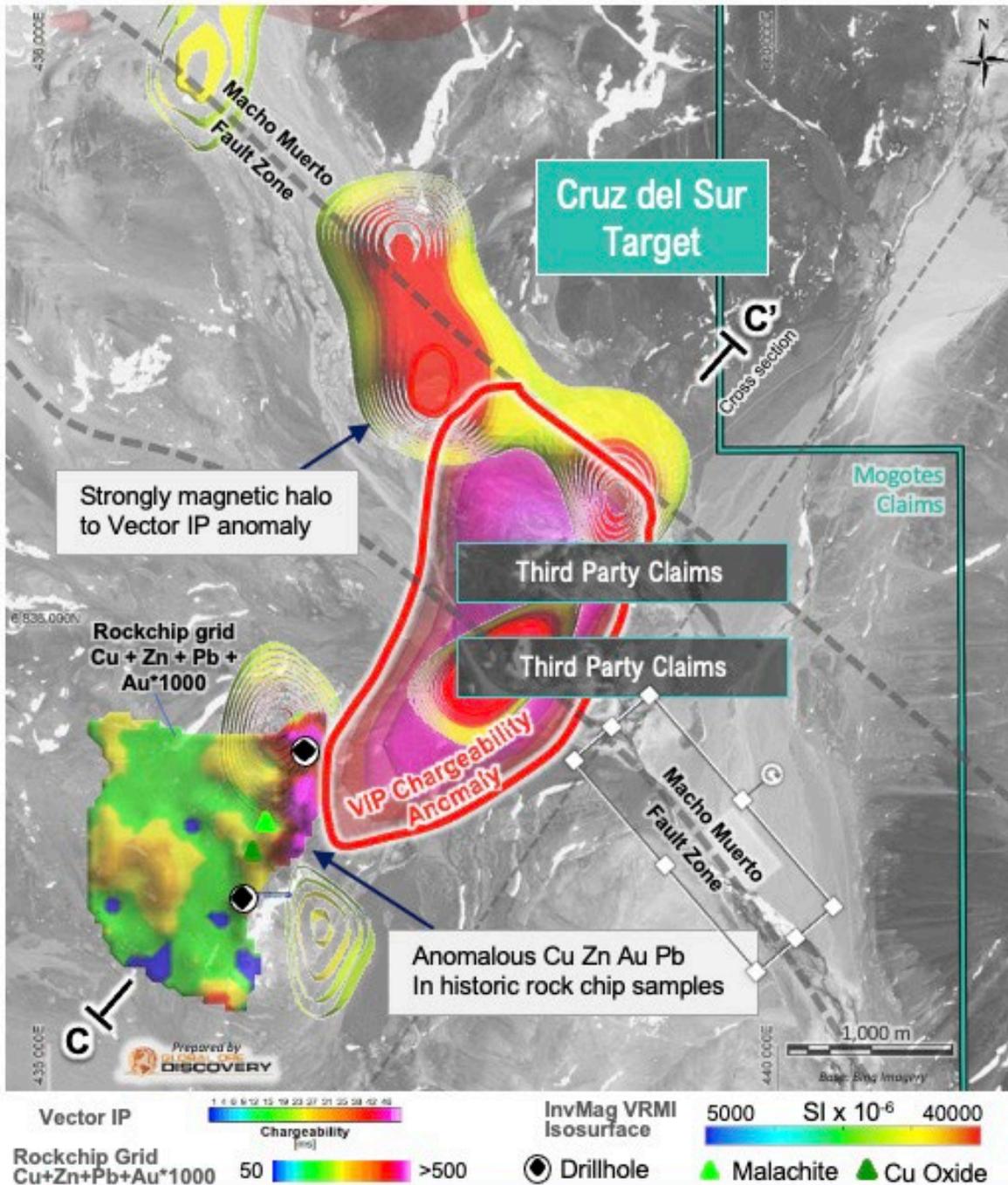
#### *Rincon target – Priority 3*

The Rincon target is a concealed geophysical target consisting of a 1.7 by 0.9 km roughly semicircular south directed Vector IP chargeability anomaly with a halo of conductivity. The Rincon target lies on the northern side of the Mucho Muerto fault at the intersection with a pronounced northeast trending structure. A zone of phyllic alteration has been mapped adjacent to the Rincon target and partially overlapping with the Vector IP conductivity anomaly.

There has been no previous surface geochemical sampling or drilling at the Rincon target.

Cruz del Sur target – Priority 2

The Cruz del Sur target is defined as a 1.5 km long, high order 30-46 msec Vector IP chargeability anomaly that is localized at the intersection of the regional scale Mucho Muerte fault zone and a large northeast trending structure. The Cruz del Sur target is completely concealed by recent colluvium, as illustrated in the figure below. The Cruz del Sur target is completely concealed by recent colluvium, as illustrated in the figure below.



The historic Stockwork Hills prospect is located on the southwest flank of the Cruz del Sur target where a historic rock chip grid sampling has outlined geochemically anomalous Zn-Mo-Sb-Cu-Au assays that suggest an apparent vector toward the chargeability anomaly. Mineralization at stockwork hills is associated with an approximately 150 m long zone of sub cropping sheeted and stockwork veinlets in sericite altered fine grain intermediate volcanic.

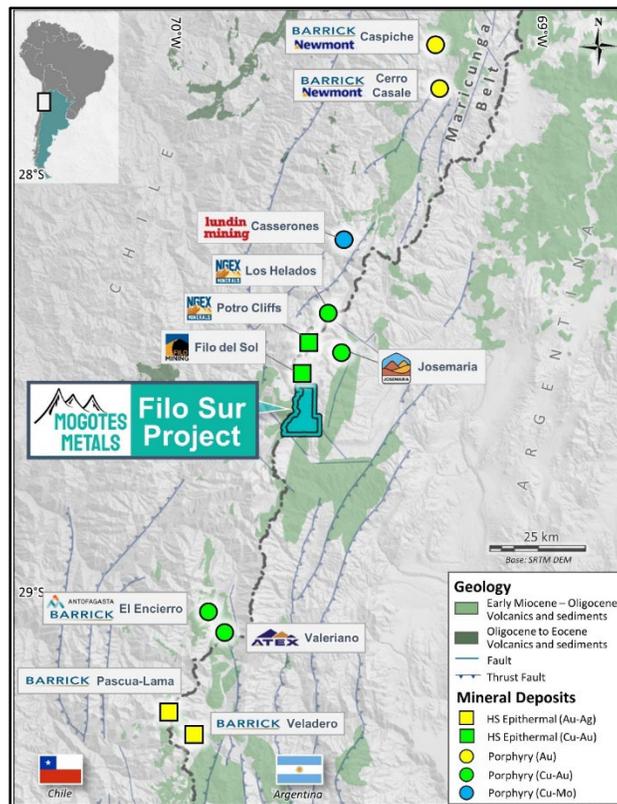
Two historic shallow core holes drilled at the Cruz del Sur target did not test the outcropping stockwork zone and were drill peripheral to the Cruz del Sur geophysics target.

### Adjacent Properties

Investors are cautioned that the information set out below with respect to the Filo del Sol Project, the Josemaria Project and the Los Helados Project (in each case as hereinafter defined), including mineral resources and mineral reserves, are with respect to properties adjacent to the Filo Sur Project and were extracted from information that is publicly available. The Technical Report Author has not completed sufficient work to verify the historic information on the adjacent properties, particularly with regards to historical sampling and regional government-mapped geology and is not aware of the code(s) employed in the estimates of the mineral resources and mineral reserves on these adjacent properties. As a result, the Technical Report Author cannot comment of the differences between those codes and current Canadian Institute of Mining definitions for mineral resources and mineral reserves. The information with respect to the following adjacent properties is not necessarily indicative of mineralization on the Filo Sur Project, and should not be relied upon.

The Filo Sur Project is located in an emerging porphyry Cu-Au district dominated by Filo Mining Corp. (“**Filo Mining**”), Lundin Mining Corporation (“**Lundin Mining**”) and NGEEx Minerals Ltd. (“**NGEEx**”) and their associated flagship projects: the Filo del Sol Project, the Josemaria Project and the Los Helados Project, respectively. There are numerous other projects in the area, but these are the most advanced and are each briefly summarized below.

The following figure illustrates the Filo Sur Project and the properties adjacent to it:



### ***Filo del Sol Project***

The Filo del Sol project (the “**Filo del Sol Project**”) is owned by Filo Mining. The Filo del Sol Project has been advanced to the prefeasibility stage and the main resource sits just two km to the north of the Filo Sur Project northern boundary. The geology is similar to the Filo Sur Project geology with porphyry Cu-Au and high-sulphidation Au-Ag mineralization contributing to the resources and reserves which currently stand at 259.6Mt @ 0.39%, 0.34g/t Au, 16g/t Ag (Proven and Probable). The Filo del Sol Project resource remains open in several directions and at depth and to date of the Technical Report only three km of the approximately seven km long Filo alteration zone have been drill tested. The Technical Report Author believes that the Filo Sur Project appears to represent the southern extension of this alteration system.

The Filo del Sol Project also contains a number of other exploration targets defined by geochemistry, mapping and geophysics. These are early stage and are being advanced by Filo Mining.

### ***Josemaria Project***

The Josemaria project (the “**Josemaria Project**”) is owned by Lundin Mining and was the subject of a feasibility study in 2020. The Josemaria Project is located 10 km to the north-east of the Filo Sur Project. The Josemaria Project is Cu-Au porphyry and measures approximately 1,500 m north-south by 1,000 m east-west and 600 to 700 m vertically from surface. The deposit remains open to the south, beneath a thickening cover of post mineral volcanic rocks and also at depth. The deposit consists of hypogene and supergene zones and to a lesser extent surficial oxides. The proposed mine at the Josemaria Project is expected to be a 152,000tpd open pit operation supplying a floatation plant producing a Cu concentrate, with precious metal credits, that will go by truck to San Juan then rail to the Atlantic coast for export.

The following Reserves (Proven and Probable) are extracted from the SRK Consulting NI 43-101 Feasibility Study prepared for the Josemaria Project and reviewed by the Technical Report Author: 1,012Mt @ 0.30 % Cu, 0.22 g/t Au and 0.94 g/t Ag.

### ***Los Helados Project***

The Los Helados project (the “**Los Helados Project**”) is another porphyry Cu-Au located on the Chilean side of the Argentina-Chile border, 135 km southeast of Copiapo. It is a 64% NGEx – 36% Nippon Caserones Resources joint venture project. The Los Helados Project is primarily hosted by a Miocene magmatic–hydrothermal breccia that forms a roughly circular, pipe-like body with minimum dimensions of 1,100 m east west, 1,200 m north south, and at least 1,500 m vertically. The mineralization is open to the north and the system also remains open at depth.

In preparing the Technical Report, the Technical Report Author reviewed the NI 43-101 technical report prepared for the Los Helados Project. The most recent Mineral Resource (2019) comprises an Indicated 2,099 Mt @ 0.38% Cu, 0.15 g/t Au and 1.37 g/t Ag and an Inferred 827 Mt @ 0.32% Cu, 0.10 g/t Au and 1.32 g/t Ag.

Investors are cautioned that the information set out above with respect to the Filo del Sol Project, the Josemaria Project and the Los Helados Project, including mineral resources and mineral reserves, are with respect to properties adjacent to the Filo Sur Project and were extracted from information that is publicly available. The Technical Report Author has not completed sufficient work to verify the historic information on the adjacent properties, particularly with regards to historical sampling and regional government-mapped geology and is not aware of the code(s) employed in the estimates of the mineral resources and mineral reserves on these adjacent properties. As a result, the Technical Report Author cannot comment of the differences between those codes and current Canadian Institute of Mining definitions for mineral resources and mineral reserves. The information with respect to the adjacent properties is not necessarily indicative of mineralization on the Filo Sur Project, and should not be relied upon.

### **Interpretation and Conclusions**

The Filo Sur Project is located two km to the south of Filo del Sol Project and is part of an emerging porphyry Cu-Au district located between the Maricunga Belt to the North and the El Indio-Pascua-Lama district to the south.

The Filo Sur Project has been subjected to multiple volcanic and intrusive events dating from the middle Miocene back at least as far as the Permo-Triassic. Oligocene to early-middle Miocene age volcanics overly a basement of Choiyoi Group sedimentary, volcanic and intrusive rocks. These units are overlain by Middle to Late Miocene volcanic units which have then been intruded numerous subvolcanic intrusives of dioritic composition.

Structural trends on the Filo Sur Project consist of major NW-SE structures while secondary NE-SW structures have played a major role in localizing alteration and mineralization. There are two main alteration and mineralization assemblages on the Filo Sur Project.

- *Porphyry Cu-Au-Ag*: potassic/propylitic alteration associated porphyry Cu-Au-Ag mineralization is hosted in diorite, micro-diorite and breccias and is a function of quartz vein density.
- *High-Sulphidation Au-Ag*: high sulphidation epithermal alteration with silica, clay minerals, disseminated pyrite, alunite and quartz veinlets. The geological setting to the south-west of the Mogotes Fault is thought to represent a higher-level alteration assemblage within the volcanic cover.

The Golden Argentina Properties which comprise part of the Filo Sur Project have been the subject of various exploration campaigns since the mid 1990's. The most important are:

*IMA, 2000-2005*: surface sampling, mapping, geophysics and 1,475.4 metres of diamond and 2,577 metres reverse circulation drilling.

*Vale, 2011-2013*: sampling, geophysics and 8,348.5 metres of diamond drilling.

*Anglo American, 2019*: surface sampling and mapping.

*The Company, 2022-2023*: The Company resumed exploration activity on the Filo Sur Project in 2022. Core relogging, SWIR spectroscopy and geophysics have been completed and mapping and sampling is ongoing.

Global Ore has been heavily involved in the design and coordination of the 2022 – 2023 exploration program of the Company. Global Ore has completed an initial integrated analysis of historic and available new 2023 data collected by the Company to interactively focus ongoing exploration at the Filo Sur Project for 2023 and has provided recommendations for further exploration for the 2023 season.

The Company has completed a large soil grid over the Filo Sur Project area and collected rock chip samples of exposed zones of alteration in outcrop and road cuts. Samples from the 2023 soil grid and rock chip sampling program conducted by the Company will be presented for geochemical analysis to an ISO certified laboratory at the completion of the field season estimated to be late May 2023.

A deep penetrating IP and MT geophysical survey is in progress at the Filo Sur Project. This geophysical program is designed to refine the dimensions and depth of the Vector IP anomalies to assist with potential exploration drill hole design.

Worldview 3 satellite borne multispectral spectral imagery has been acquired for the Filo Sur Project. Ground based SWIR alteration measurements will be systematically made of all soil and rock chip samples collected across the Filo Sur Project soil grid including the Meseta target area. Combined, this information will be used to provide alteration mineral mapping and vectoring as a component of the planned drill targeting program at the Filo Sur Project.

It is the opinion of the Technical Report Author that field observations, check sampling of outcrops, review of data and sampling of core verify the work carried out by the previous and current operators and the results confirm the presence of a multiple mineralised altered centers in a large magmato-hydrothermal system.

The Technical Report Author believes that the Filo Sur Project is a property of merit that justifies the continuation of exploration programs designed to test the deposit models outlined in the Technical Report.

## Recommendations

The following follow-up technical recommendations were made by Global Ore:

- Follow-up Deep IP/MT survey lines over the key targets to better refine depth and dimensions of the anomalies for re-ranking for targets and drill planning.
- Modify the soil survey and rock sample distribution and density to optimally test the new target areas defined.
- Core review and field evaluation of the target areas to confirm observations/target concepts.
- Acquisition of specified other claims to secure control of all targets and target extensions for the Company.

The initial Southern Rock geophysical program outlined seven high-to-moderate intensity chargeability anomalies that range from approximately 1 km to up to 3 km in size. In some cases chargeability anomalies are associated with co-incident zones of conductivity anomalies. Two large areas of moderate intensity resistivity were also outlined that are semi-coincident with the chargeability anomalies in the Filo Central target and the Colorida prospect area.

The Technical Report Author recommends that Southern Rock be engaged by the Company to complete a deep IP – MT survey at the Filo del Sur Project to better resolve the depth and geometry of these geophysical anomalies prior to decision to drill test. The Technical Report Author further recommends that Southern Rock collect further MT data to infill the coverage at the Colorida prospect area.

The Technical Report Author considers that the following factors:

- only about half of the 8,118 hectares of the concessions comprising the Filo Sur Project have been systematically explored,
- there are large areas of untested alteration and mineralization (that are currently being mapped and sampled),
- the preliminary results of the geophysics are encouraging,
- results of the relogging and SWIR analysis, and
- the recent discoveries at the Filo del Sol Project,

open up the possibility that a large porphyry Cu-Au system may exist at depth on the Filo Sur Project.

The Technical Report Author recommends the following summarized work program:

Phase 1, to be completed between April 1, 2023 and May 31, 2024:

- IP Geophysics (TITAN) follow up;
- Surface soil and rock sampling; and
- Diamond drilling 5,000 m

Phase 2, to be completed between June 1, 2024 and May 31, 2025 (not contingent on positive results from Phase 1, but targets may change):

- Initial surface soil and rock sampling; and
- Diamond drilling 5,000 m.

## USE OF PROCEEDS AND AVAILABLE FUNDS

### Available Funds

As at April 30, 2023, the Company had working capital of \$4,248,500.

If the Over-Allotment Option is not exercised and assuming there are no President's List Purchasers, the Company estimates that the net proceeds from the Offering will be approximately \$●, after deducting the Agents' Commission of \$● and estimated expenses of the Offering of \$●.

If the Over-Allotment Option is exercised in full and assuming no President's List Purchasers, the Company estimates that the net proceeds from the Offering will be approximately \$●, after deducting the Agents' Commission of \$● and estimated expenses of the Offering of \$●.

### Use of Proceeds

The Company's working capital and the net proceeds of the Offering constitute funds available to the Company, and it is the Company's intention to use these funds as described in the table below:

	No Over-Allotment Option Exercise	Over-Allotment Option Exercised in Full
<b>Gross Proceeds</b>	\$●	\$●
Less: Agents' Commission <sup>(1)</sup>	(\$●)	(\$●)
Less: Estimated legal, accounting, administrative and regulatory fees and disbursements related to the Offering	(\$550,000)	(\$550,000)
<b>Net Proceeds</b>	\$●	\$●
<b>Working Capital as at April 30, 2023</b>	<b>\$4,248,500</b>	<b>\$4,248,500</b>
<b>Total Available Funds</b>	<b>\$●</b>	<b>\$●</b>
<b>Use of Available Funds</b>		
General and Administrative Expenses <sup>(2)</sup>	(\$●)	(\$●)
Phase 1 work program on the Filo Sur Project <sup>(3)</sup> comprised of: <ul style="list-style-type: none"> <li>● IP Geophysics (Titan) follow up</li> <li>● Surface soil and rock sampling</li> <li>● Complete interpretation of deep IP Geophysics and analysis ranking of targets from surface soil and rock sampling</li> <li>● Diamond Drilling – 5000m</li> </ul>	(\$10,780,675)	(\$10,780,675)
Phase 2 work program on the Filo Sur Project <sup>(3)</sup> comprised of: <ul style="list-style-type: none"> <li>● Infill surface soil and rock sampling</li> <li>● Diamond Drilling – 5000m</li> </ul>	(\$8,919,124)	(\$8,919,124)
Unallocated Working Capital <sup>(5)</sup>	\$●	\$●
<b>Total Available Funds</b>	<b>\$●</b>	<b>\$●</b>

*Notes:*

- (1) This figure assumes that there are no President's List Purchasers.
- (2) This figure is for a forecasted period of 12 months after the Closing Date and is comprised of legal fees of \$●, audit and accounting fees of \$●, filing fees and transfer agent costs of \$●, office rents, supplies, travel, entertainment and accommodations costs of \$●, marketing and shareholder communication costs of \$● and consulting costs of \$●.
- (3) See section entitled "Material Property" in this Prospectus for a description of the Filo Sur Project and the phase 1 and phase 2 work programs recommended in the Technical Report by the Technical Report Author.
- (4) See section entitled Description of the Business – Corporate History – Filo Sur Project – Filo Sur Option Agreement" in this Prospectus for a description of the Filo Sur Expenditures and the Filo Sur Option Payments.
- (5) Any funds received upon exercise of the Over-Allotment Option will be added to the unallocated working capital.

The Company had negative cash flows from operating activities since incorporation and negative cash flows from operating activities in the amount of \$512,260 for the period from incorporation on August 12, 2022 to November 30, 2022. The Company anticipates that, as a junior mineral exploration company, it will continue to have negative operating cash flow in the future and the amounts allocated to the recommended exploration program in the use of funds table above will be used to fund such negative operating cash flow. See section entitled "Risk Factors – No History of Earnings" in this Prospectus.

While the Company intends to spend the net proceeds of the Offering and other available funds as stated above, there may be circumstances where, for sound business reasons, a re-allocation of funds may be necessary or advisable. The actual amount that the Company spends in connection with each of the intended uses of proceeds may vary significantly from the amounts specified above, and will depend on a number of factors, including those listed under the heading “*Risk Factors*”. Management will have discretion concerning the use of the net proceeds of the Offering including the unallocated funds which will be added to the working capital of the Company. However, the Company does not anticipate re-allocating any available funds relating to Phase 1 and Phase 2 of the exploration program on the Filo Sur Project unless supported by written recommendations received from an independent professional geologist or engineer.

The Company believes that upon completion of the Offering it will have sufficient working capital to fund the initial exploration work programs as set above and to meet administrative and overhead expenses anticipated over at least the next year. However, due to the expected continuation of negative operating cash flow, the Company will require additional financing to fund further exploration over and above that set out in the table above. The amount of such additional funding is not determinable as at the date of this Prospectus. There is no assurance that such future financings will be available on acceptable terms or at all. The Company does not expect to receive significant income from the Filo Sur Project or from any other of its non-material properties in the foreseeable future. See section entitled “*Risk Factors*” in this Prospectus.

### **Business Objectives and Milestones**

The principal business objectives that the Company expects to accomplish with the available funds following closing of the Offering are as follows:

<b>Phase</b>	<b>Event</b>	<b>Anticipated Time Frame</b>
Phase I	IP Geophysics (Titan) follow up	April 2023 – May 2023
	Surface soil and rock sampling	April 2023 – May 2023
	Complete interpretation of deep IP Geophysics and analysis ranking of targets from surface soil and rock sampling	May 2023 – September 2023
	Diamond Drilling – 5000m	October 2023 – May 2024
Phase II	Infill surface soil and rock sampling	June 2024 – September 2025
	Diamond Drilling – 5000m	June 2024 – May 2025

Due to the nature of the business of mineral exploration, budgets are regularly reviewed with respect to both the success of the exploration program and other opportunities which may become available to the Company. Accordingly, the Company may abandon in whole or in part any of its property interests or may, as work progresses, alter the recommended work program, or may make arrangements for the performance of all or any portion of such work by other persons or companies and may use any funds so diverted for the purpose of conducting work or examining other properties acquired by the Company, although the Company has no present plans in this respect. Subscribers pursuant to the Prospectus must rely on the experience, good faith and expertise of management of the Company with respect to future acquisitions and activities.

### **DIVIDENDS OR DISTRIBUTIONS**

The Company has not declared or paid any dividends or other distributions since the date of its incorporation and does not have a policy regarding dividends or distributions. The Company currently expects to retain all future earnings for use in the development and operation of the Company’s business and does not anticipate paying cash dividends in the foreseeable future. The declaration and payment of any dividends in the future will be determined by the Board, in its discretion, and will depend on a number of factors, including the Company’s earnings and overall financial condition. The Company does not face any restrictions which would prevent it from paying dividends.

## SELECTED HISTORICAL FINANCIAL INFORMATION

The following table sets forth selected historical financial information of the Company for the periods indicated, which information has been derived from the financial statements and notes thereto included in this Prospectus. Investors should read the following information in conjunction with those financial statements and related notes thereto, along with the related MD&A for complete financial information relating to the Company. The audited consolidated financial information is as at, and for the period from incorporation on August 12, 2022 to November 30, 2022 and is presented in accordance with IFRS. The unaudited condensed interim financial information is as at, and for the three month period ended February 28, 2023 is presented in accordance with IFRS. See section entitled “*Financial Statements*” in this Prospectus.

	For the period from incorporation on August 12, 2022 to November 30, 2022 (audited)	For the three months ended February 28, 2023 (unaudited)
<b>Operations</b>		
Total Revenue	nil	nil
Net Loss	(\$508,071)	(\$1,994,772)
Net Loss and Comprehensive Loss	(\$512,260)	(\$2,010,168)
Net Loss per share (basic and diluted)	(\$0.01)	(\$0.02)
<b>Balance Sheet</b>		
Total Assets	\$3,429,600	\$5,231,000
Total Liabilities	\$225,364	\$836,320
Deficit	(\$508,071)	(\$2,502,843)
Total Shareholders' Equity	\$3,204,236	4,394,680
Total Common Shares	90,737,500	102,263,832

## MANAGEMENT’S DISCUSSION AND ANALYSIS

Attached to this Prospectus as Schedule B and forming part of this Prospectus is the MD&A for the period from incorporation on August 12, 2022 to November 30, 2022. Attached to this Prospectus as Schedule D and forming part of this Prospectus is the MD&A for the three month period ended February 28, 2023.

## DESCRIPTION OF SECURITIES BEING OFFERED

### Authorized Capital

The authorized capital of the Company consists of an unlimited number of Common Shares without par value and an unlimited number of special shares, issuable in series. As of the date of the Prospectus, there are 112,993,832 Common Shares issued and outstanding as fully paid and non-assessable shares and nil special shares.

### Offering

The Offering consists of Units, each of which is comprised of one Unit Share and one Warrant. The Unit Shares and the Warrants will separate following closing of the Offering. The Units are being offered at the Offering Price of \$● per Unit. This Prospectus qualifies, among others, the distribution of the Units, including the Unit Shares and the Warrants.

### Common Shares

Each holder of Common Shares is entitled to receive notice of and to attend all meetings of shareholders of the Company, except meetings at which only holders of other classes or series of shares are entitled to attend, 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 Share are entitled to receive on a *pro rata* basis such dividends if, as and when declared by the Board at its discretion.

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 are entitled, subject to the rights of holders of shares of any class ranking prior to the Common Shares, to receive on a *pro rata* basis the remaining property or assets of the Company.

The Common Shares do not carry any pre-emptive, subscription, conversion or redemption rights, nor do they contain any sinking or purchase fund provisions.

### ***Warrants***

The Warrants will be issued pursuant to and governed by the Warrant Indenture. The following summary of certain anticipated provisions of the Warrant Indenture does not purport to be complete and is qualified in its entirety by reference to the provisions of the Warrant Indenture, a copy of which will be filed with the Canadian securities regulatory authorities and will be available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com) following closing of the Offering. Prospective investors should refer to the Warrant Indenture for complete terms of the Warrants. See section entitled "*Plan of Distribution*" in this Prospectus.

Each Warrant will entitle the holder thereof to purchase one Warrant Share at an exercise price of \$● per Warrant Share for a period of ● after the Closing Date, after which time the Warrants will become null and void. The Warrants will be transferable, subject to compliance with securities laws. The Warrant Indenture will provide that no fractional Warrant Shares will be issued upon the exercise of Warrants and no cash or other consideration will be paid in lieu of fractional Warrant Shares. Holders of Warrants will not have any rights as shareholders of the Company, including voting rights. In addition, the Warrant Indenture will provide for and contain provisions designed to protect the holders of the Warrants against dilution upon the occurrence of certain events, including any subdivision, consolidation or reclassification of the Common Shares, the amalgamation, merger or other forms of business combination of the Company or a rights offering.

The Warrants and the Warrant Shares have not been and will not be registered under the U.S. Securities Act or any applicable state securities laws, and the Warrants may not be exercised by or on behalf of a person in the United States or a U.S. Person, nor will certificates representing the Warrant Shares be registered or delivered to an address in the United States, except pursuant to exemptions from the registration requirements of the U.S. Securities Act and any applicable state securities laws, and the holder has delivered to the Company a written opinion of counsel, in form and substance satisfactory to the Company; provided, however, that a Qualified Institutional Buyer or Accredited Investor that purchased the Warrants from the Agents pursuant to the Offering for its own account, or for the account of another Qualified Institutional Buyer or Accredited Investor for which it exercised sole investment discretion with respect to such original purchase (an "**Original Beneficial Purchaser**"), will not be required to deliver an opinion of counsel if it exercises the Warrants for its own account or for the account of the Original Beneficial Purchaser, if any, if each of it and such Original Beneficial Purchaser, if any, is an Accredited Investor at the time of its exercise of the Warrants.

The Company will also covenant in the Warrant Indenture that, during the period in which the Warrants are exercisable, it will give notice to holders of Warrants of certain stated events, including events that would result in an adjustment to the exercise price for the Warrants or the number of Warrant Shares issuable on exercise of the Warrants.

### ***Agents' Warrants***

The terms and conditions of the Agents' Warrants will be set out in the form of certificate representing the Agents' Warrants approved by the Company and the Agents. Each Agents' Warrant will entitle the holder thereof to purchase one Agents' Warrant Share at the Offering Price for a period of 24 months after the Closing Date. The Agents' Warrants are non-transferable. See section entitled "*Plan of Distribution*" in this Prospectus.

## **CONSOLIDATED CAPITALIZATION**

There have not been any material changes in the share and loan capital of the Company since February 28, 2023, the date of the most recent financial statements of the Company included in this Prospectus. The following table sets forth

the consolidated share and loan capital of the Company as at February 28, 2023 and as at the date of this Prospectus and after giving effect to the Offering. The Company has no long term debt. The table should be read in conjunction with the financial statements of the Company appearing elsewhere in this Prospectus.

Authorized	Outstanding as at February 28, 2023	Outstanding as at the date of the Prospectus	Outstanding after giving effect to the Offering assuming no exercise of the Over-Allotment Option	Outstanding after giving effect to the Offering assuming the exercise of the Over-Allotment Option in full
Common Shares (unlimited)	102,263,832	112,993,832 <sup>(1)(2)</sup>	•	•
Special Shares (unlimited)	nil	nil	nil	nil
Outstanding Warrants	14,100,000	14,100,000	•	•
Outstanding Broker Warrants	728,676	798,676	•	•
Agents' Warrants <sup>(3)</sup>	nil	nil	•	•
Options	nil	600,000	•	•

*Notes:*

- (1) Does not include any Common Shares issuable upon the exercise any Outstanding Warrants, Outstanding Broker Warrants or Options.
- (2) Certain of these Common Shares will be subject to escrow and resale restrictions. See section entitled "Escrow Securities and Securities Subject to Contractual Restriction on Transfer" in this Prospectus.
- (3) Assumes no sales to President's List Purchasers.

### OPTIONS TO PURCHASE SECURITIES

The LTIP was adopted by the Board on August 12, 2022. The purpose of the LTIP 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 Common Shares. The LTIP provides that, the aggregate number of securities reserved for issuance, set aside and made available for issue under the LTIP may not exceed 10% of the number of Common Shares issued and outstanding from time to time.

The LTIP will be administered by the Board or a committee of the Board, either of which will have full and final authority with respect to the granting of all Options, RSUs or PSUs thereunder. Options, RSUs or PSUs may be granted under the LTIP to such directors, officers, employees or consultants of the Company, as the Board may from time to time designate. Eligible charitable organizations providing ongoing services to the Company are eligible to receive Options at the Board's discretion.

An Option is exercisable during a period established by the Board which commences on the date of the grant and terminates no later than ten years after the date of the granting of the Option or such shorter period as the Board may determine. The exercise price of an Option shall be fixed by the Board when such Option is granted, but shall not be less than the Market Value (as defined in the LTIP) of such Common Shares at the time of the grant and in any event shall not be less than the Discounted Market Price (as defined in the LTIP). The LTIP provides that the exercise period of an Option will automatically be extended if the date on which it is scheduled to terminate falls during a black-out period. In such cases, the extended exercise period will terminate ten business days after the last day of the black-out period. In order to facilitate the payment of the exercise price of the Options, the LTIP has a cashless exercise feature pursuant to which a participant may elect to undertake either a broker assisted "cashless exercise" or a "net exercise" subject to the procedures set out in the LTIP, including the consent of the Board, where required.

The following table describes the impact of certain events upon the rights of holders of Options under the LTIP, including termination for cause, resignation, retirement, termination other than for cause, and death or long-term disability, subject to the terms of a participant's employment agreement, grant agreement and the change of control provisions described below:

Event Provisions	Provisions
Termination for cause	Immediate forfeiture of all unexercised, vested and unvested Options.
Resignation	The earlier of the original expiry date and 90 days after resignation to exercise vested Options or such longer period as the Board may determine in its sole discretion.
Retirement	All unvested Options will vest in accordance with their vesting schedules, and all vested Options held may be exercised until the earlier of the expiry date of such Options or one year following the retirement date.
Termination or cessation	All unvested Options may vest subject to <i>pro ration</i> over the applicable vesting or performance period and expire on the earliest of 90 days after the effective date of the termination date, or the expiry date of such Option.
Death	Forfeiture of all unvested Options on the earlier of the original expiry date and 180 days after date of death or long-term disability to exercise vested Options.
Change of Control	If a participant is terminated without “cause” or resigns for good reason during the 12-month period following a Change of Control (as defined in the LTIP), or after the Company has signed a written agreement to effect a Change of Control but before the Change of Control is completed, then any unvested Options will immediately vest and may be exercised prior to the earlier of 30 days after such date or the expiry date of such Options.

The terms and conditions of grants of RSUs and PSUs, including the quantity, type of award, grant date, vesting conditions, vesting periods, settlement date and other terms and conditions with respect to these Awards, will be set out in the participant’s grant agreement. Impact of certain events upon the rights of holders of these types of Awards, including termination for cause, resignation, retirement, termination other than for cause and death or long-term disability, will be set out in the participant’s grant agreement.

In connection with a Change of Control, the Board will take such steps as are reasonably necessary or desirable to cause the conversion or exchange or replacement of outstanding Awards into, or for, rights or other securities of substantially equivalent (or greater) value in the continuing entity, as applicable. If the surviving, successor or acquiring entity does not assume the outstanding Awards or substitute similar options or share units for the outstanding Awards, as applicable, or if the Board otherwise determines in its discretion, the Company will give written notice to all participants advising that the LTIP will be terminated effective immediately prior to the Change of Control and all Awards, as applicable, will be deemed to be vested and, unless otherwise exercised, settle, forfeited or cancelled prior to the termination of the LTIP, will expire or, with respect to the RSUs and PSUs, be settled, immediately prior to the termination of the LTIP. In the event of a Change of Control, the Board has the power to: (i) make such other changes to the terms of the Awards as it considers fair and appropriate in the circumstances, provided such changes are not adverse to the participants; (ii) otherwise modify the terms of the Awards to assist the participants to tender to a takeover bid or other arrangement leading to a Change of Control, and thereafter; and (iii) terminate, conditionally or otherwise, the Awards not exercised or settled, as applicable, following successful completion of such Change of Control. If the Change of Control is not completed within the time specified therein (as the same may be extended), the Awards which vest will be returned by the Company to the participant and, if exercised or settled, as applicable, the Common Shares issued on such exercise or settlement will be reinstated as authorized but unissued Common Shares and the original terms applicable to such Awards will be reinstated.

The Board may, in its sole discretion, suspend or terminate the LTIP at any time, or from time to time, amend, revise or discontinue the terms and conditions of the LTIP or of any securities granted under the LTIP and any grant agreement relating thereto, subject to any required regulatory approval, or shareholder approval when necessary, provided that such suspension, termination, amendment, or revision will not, among other things, adversely alter or impair any Award previously granted except as permitted by the terms of the LTIP or as required by applicable laws.

The Board may amend the LTIP or any securities granted under the LTIP at any time without the consent of a participant provided that such amendment will: (i) not adversely alter or impair any Award previously granted except as permitted by the terms of the LTIP; (ii) be in compliance with applicable law and subject to any regulatory approvals including, where required, the approval any applicable stock exchange; and (iii) be subject to shareholder approval, where required by law or the requirements of the LTIP, provided however that shareholder approval will not be required for the following amendments and the Board may make any such amendments:

- amendments of a general “housekeeping” or clerical nature that, among others, clarify, correct or rectify any ambiguity, defective provision, error or omission in the LTIP;
- any amendment regarding the administration of the LTIP;
- any amendment necessary to comply with applicable law or the requirements of any applicable stock exchange or any other regulatory body having authority over the Company, the LTIP or the shareholders of the Company (provided, however, that any applicable stock exchange will have the overriding right in such circumstances to require shareholder approval of any such amendments); and
- any other amendment that does not require shareholder approval under the LTIP;

Notwithstanding the foregoing, the Board is required to obtain shareholder approval to make certain amendments, including, but not limited to, amendments that:

- increase the maximum number or percentage of Common Shares issuable under the LTIP, other than as permitted under the LTIP;
- reduce the exercise price of Awards, other than as permitted under the LTIP;
- amend the category of persons eligible to participate under the LTIP;
- permit the introduction or re-introduction of non-employee directors as eligible participants on a discretionary basis or any amendment that increases the limits previously imposed on non-employee director participation;
- remove or exceed the insider participation limits; or
- amend the amendment provisions of the LTIP.

The following table sets forth details for all Options issued under the LTIP which are outstanding as the date of this Prospectus and are expected to be outstanding at the time of the closing of the Offering, with each Option exercisable to acquire one Common Share:

<b>Optionees</b>	<b>Number of Options</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
Executive Officers	•	\$0.30	December 31, 2026
Directors	•	\$0.30	December 31, 2026
Consultants	600,000	\$0.30	December 31, 2026

## PRIOR SALES

The following table summarizes details of Common Shares and other securities convertible into or exercisable for Common Shares issued by the Company from the date of its incorporation on August 12, 2022 to the date of this Prospectus:

Date	Security	Issue/Exercise Price per Security	Number of Securities
August 12, 2022	Common Shares	\$0.000001	50,000,000
September 20, 2022	Common Shares <sup>(1)</sup>	\$0.000001	2,500,000
October 7, 2022	Common Shares	\$0.10	6,000,000
October 7, 2022	Outstanding Warrants <sup>(2)</sup>	\$0.10	6,000,000
October 12, 2022	Common Shares	\$0.10	8,100,000
October 12, 2022	Outstanding Warrants <sup>(3)</sup>	\$0.10	8,100,000
October 25, 2022	Common Shares	\$0.10	17,637,500
November 17, 2022	Common Shares	\$0.10	5,700,000
November 22, 2022	Common Shares	\$0.10	800,000
February 17, 2023	Common Shares	\$0.30	11,526,332
February 17, 2023	Outstanding Broker Warrants <sup>(4)</sup>	\$0.30	728,676
March 16, 2023	Common Shares	\$0.30	1,000,000
March 16, 2023	Outstanding Broker Warrants <sup>(5)</sup>	\$0.30	70,000
March 28, 2023	Common Shares	\$0.30	400,000
March 28, 2023	Options <sup>(6)</sup>	\$0.30	400,000
April 19, 2023	Common Shares <sup>(7)</sup>	\$0.30	4,000,000
April 25, 2023	Common Shares	\$0.30	5,250,000
April 25, 2023	Options <sup>(6)</sup>	\$0.30	200,000
May 16, 2023	Common Shares	\$0.30	330,000

Notes:

- (1) On April 19, 2023, 250,000 of these Common Shares were cancelled and returned to treasury.
- (2) Each Outstanding Warrant entitles the holder to acquire one Common Share at a price of \$0.10 per Common Share until October 7, 2027.
- (3) Each Outstanding Warrant entitles the holder to acquire one Common Share at a price of \$0.10 per Common Share until October 12, 2024.
- (4) Each Outstanding Broker Warrant entitles the holder to acquire one Common Share at a price of \$0.30 per Common Share until February 17, 2025.
- (5) Each Outstanding Broker Warrant entitles the holder to acquire one Common Share at a price of \$0.30 per Common Share until March 16, 2025.
- (6) Each Option entitles the holder to acquire one Common Share at a price of \$0.30 per Common Share until December 31, 2026.
- (7) Issued to satisfy the Filo Sur Option Payments due on or before May 4, 2023, May 4, 2024, May 4, 2025 and May 4, 2026.

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

In accordance with NP 46-201, all Common Shares and securities convertible into, or exchangeable for, Common Shares, other than non-transferable Options with an exercise price equal to or greater than the Offering Price, held by a “Principal”, as such term is defined in NP 46-201, prior to the Offering (“**Escrow Securities**”) are subject to escrow restrictions. A Principal that holds securities carrying less than 1% of the voting rights attached to the Company’s outstanding securities immediately after the Offering is not subject to the escrow requirements under NP 46-201.

Under NP 46-201, a “Principal” is defined as:

- (a) a person or company who acted as a promoter of the Company within two years before the date of the Prospectus;
- (b) a director or senior officer of the Company or any of its material operating subsidiaries at the time of the Prospectus;
- (c) a 20% holder – a person or company that holds securities carrying more than 20% of the voting rights attached to the Company’s outstanding securities immediately before and immediately after the Closing Date; or

- (d) a 10% holder – a person or company that (i) holds securities carrying more than 10% of the voting rights attached to the Company’s outstanding securities immediately before and immediately after the Closing Date and (ii) has elected or appointed, or has the right to elect or appoint, one or more directors or senior officers of the issuer or any of its material operating subsidiaries.

A Principal’s spouse and their relatives that live at the same address as the Principal will also be treated as principals and any securities of the Company they hold will be subject to escrow requirements.

The following are particulars of the Escrow Securities subject to escrow requirements pursuant to NP 46-201 as of the date of the Prospectus:

Holder of Escrow Securities	Number and class of Escrow Securities	Percentage of class as at the date of the Prospectus <sup>(1)</sup>	Percentage of class after the Closing Date assuming no exercise of the Over-Allotment Option <sup>(2)</sup>	Percentage of class after the Closing Date assuming exercise of the Over-Allotment Option in full <sup>(2)</sup>
Syndicate Minerals Mogotes Pty Ltd.	45,666,666 Common Shares	●%	●%	●%
Mullens Family Superannuation Fund <sup>(3)</sup>	3,200,000 Common Shares 2,000,000 Outstanding Warrants	●%	●%	●%
Mullens Family Trust <sup>(3)</sup>	200,000 Common Shares			
Philip Williams	1,400,000 Common Shares 1,000,000 Outstanding Warrants	●%	●%	●%
<b>Total</b>	●	●%	●%	●%

Notes:

- (1) Based on 112,993,832 Common Shares outstanding on a non-diluted basis, 14,100,000 Outstanding Warrants, 798,676 Outstanding Broker Warrants and 600,000 Options, as applicable.
- (2) Based on ● Common Shares, ● Warrants and ● Options outstanding as at the Closing Date, as applicable, assuming no Units are purchased by these individuals under the Offering and no President’s List Purchasers.
- (3) 3,000,000 Common Shares held by Mullens Family Superannuation Fund and 200,000 Common Shares are held by the Mullens Family Trust. The securities are controlled by Peter Mullens.

In the event that the Common Shares become listed on the TSXV, the Company anticipates that it will be classified as an “emerging issuer” (as defined under 46-201) upon such listing. Based on the escrow classification of the Company as an emerging issuer, Principals of the Company are required under NP 46-201 not to transfer or otherwise dispose of securities of the Company that are subject to escrow for a period of 36 months starting from the date the Common Shares are listed for trading on the TSXV (the “**Listing Date**”), subject to the following automatic timed releases which would apply to such securities:

On the Listing Date	1/10 of the Escrow Securities
6 months after the Listing Date	1/6 of the remaining Escrow Securities
12 months after the Listing Date	1/5 of the remaining Escrow Securities
18 months after the Listing Date	1/4 of the remaining Escrow Securities
24 months after the Listing Date	1/3 of the remaining Escrow Securities
30 months after the Listing Date	1/2 of the remaining Escrow Securities
36 months after the Listing Date	The remaining Escrow Securities

Assuming there are no changes to the Escrow Securities initially deposited and no additional Escrow Securities, the release schedule outlined above results in the Escrow Securities being released in equal tranches of 15% after completion of the release on the Listing Date.

If the Company is classified as an “emerging issuer” at the Listing Date and subsequently meets the “established issuer” criteria, that number of Escrow Securities that would have been eligible for release from escrow if the Company had been an “established issuer” on the Listing Date will be immediately released from escrow. The remaining Escrow

Securities would be released in accordance with the release provisions for established issuers, with all Escrow Securities being released 18 months after the Listing Date. The release provisions under NP 46-201 pertaining to “established issuers” provide that 25% of each Principal’s Escrow Securities are released on the Listing Date, with an additional 25% being released in equal tranches at six month intervals over 18 months.

In accordance with applicable securities rules, the holders of the Escrow Securities (the “**Escrowed Holders**”) will execute an escrow agreement with the Company and the Escrow Agent dated ●, 2023 and substantially in the form of Form 46-201F1 (the “**Escrow Agreement**”) in respect of an aggregate of ● Common Shares, and ● Warrants.

Pursuant to the Escrow Agreement, the Escrow Securities may be transferred within escrow to an individual who is a director or senior officer of the Company or of a material operating subsidiary of the Company, subject to the approval of the Board, a person or company that before the proposed transfer holds more than 20% of the voting rights attached to the Company’s issued and outstanding securities, or a person or company that after the proposed transfer will hold more than 10% of the voting rights attached to the Company’s issued and outstanding securities and that has the right to elect or appoint one or more directors or senior officers of the Company or of any of its material operating subsidiaries.

Pursuant to the Escrow Agreement, upon the bankruptcy of an Escrowed Holder, such holder’s Escrow Securities may be transferred within escrow to the trustee in bankruptcy or other person legally entitled to such Escrow Securities. Upon the death of an Escrowed Holder, all Escrow Securities of the such deceased holder will be released from escrow to such Escrowed Holder’s legal representative.

The Company has agreed with the Co-Lead Agents to cause each of the directors and senior officers of the Company, and to use its reasonable commercial best effort to cause any shareholder of the Company that owns more than 0.4% of the current outstanding Common Shares, to agree to enter into lock-up agreements to be executed concurrently with the closing of the Offering, pursuant to which each such person will agree, among other things, that, for a period of 180 days following the Closing Date, it will not, directly or indirectly, offer, sell, contract to sell, grant any option to purchase, make any short sale, or otherwise dispose of, or transfer, or announce any intention to do so, any Common Share, whether owned on the date the Agency Agreement will be entered into or thereafter acquired directly or indirectly, or under their control or direction, or with respect to which each has beneficial ownership, or enter into any transaction or arrangement that has the effect of transferring, in whole or in part, any of the economic consequences of ownership of Common Shares, whether such transaction is settled by the delivery of Common Shares, other securities, cash or otherwise other than pursuant to a take-over bid or any other similar transaction made generally to all of the shareholders of the Company.

## PRINCIPAL SHAREHOLDERS

To the knowledge of the Company’s directors and senior officers, the following persons beneficially own, directly or indirectly, or exercise control or direction over, or upon completion of the Offering will own or exercise control or direction over, Common Shares carrying more than 10% of all voting rights:

Principal Shareholder	Type of Ownership	Number of Common Shares	Percentage of Common Shares <sup>(3)</sup>	Percentage of Common Shares after the Closing Date <sup>(4)</sup>
Syndicate Minerals Mogotes Pty Ltd. <sup>(1)</sup>	Common Shares	45,666,666 <sup>(2)</sup>	40.53%	●%

*Notes:*

- (1) *Syndicate Minerals Mogotes Pty Ltd., indirectly controlled by Mirror Eye Trust. Mr. Allen Sabet is one of the appointors and beneficiaries of Mirror Eye Trust.*
- (2) *These Common Shares will be held in escrow by the Escrow Agent pursuant to the terms of the Escrow Agreement. See section entitled “Escrow Securities and Securities Subject to Contractual Restrictions on Transfer” in this Prospectus.*
- (3) *Based on 112,993,832 Common Shares outstanding on a non-diluted basis on the date of this Prospectus.*
- (4) *Based on ● Common Shares outstanding after the Closing Date on a non-diluted basis, assuming no Unit Shares are purchased by these persons under the Offering and the Over-Allotment Option is not exercised. If the Over-Allotment Option is exercised in full, the “Percentage of Common Shares after the Closing Date” on a non-diluted basis will be ●%.*

The directors, officers, insiders and promoters of the Company (collectively “**Insider Holders**”) are expected to hold an aggregate of 51,266,666 Common Shares representing approximately 45.50% of the Common Shares issued and outstanding upon completion of the Offering, assuming the Over-Allotment Option is not exercised and none of the

Insider Holders participated in the Offering. Assuming the Over-Allotment Option is exercised in full and none of the Insider Holders participated in the Offering, the percentage of Common Shares held by the Insider Holders will be approximately ●%.

## DIRECTORS AND EXECUTIVE OFFICERS

The following table sets out the names, province or state and country of residence, position(s) held with the Company, date appointed; principal occupations and the number of voting securities of the Company that each of the directors and executive officers beneficially owns, directly or indirectly, or exercises control over, as of the date hereof. Each director's term will expire immediately prior to the first annual meeting of shareholders of the Company.

Name, Position with the Company and Municipality of Residence	Principal Occupation For Past Five Years <sup>(1)</sup>	Number and Percentage of Securities Beneficially Owned or controlled directly or indirectly <sup>(2)</sup>	
Allen Sabet <sup>(3)(5)</sup> President and Director since September 6, 2022 and CEO since May 16, 2023  Victoria, Australia	President and CEO of the Company.	Nil	n/a
Eric Myung CFO since November 14, 2022  Ontario, Canada	Chief Financial Officer of the Company.	Nil	n/a
Peter Mullens <sup>(3)(4)(6)</sup> Non-Executive Chairman since November 30, 2022 and Director since September 20, 2022  Queensland, Australia	Non-executive chairman of Unico Silver Limited, an exploration company, since June 2021.	3,200,000 <sup>(7)</sup>	2.84%
Stephen Nano Director since September 20, 2022  Queensland, Australia	Director and Principal Consultant of GlobalOre Discovery Pty Ltd, a minerals and energy exploration consultancy company, since July 2003.	1,000,000 <sup>(7)</sup>	0.89%
Anees Sabet Director since September 20, 2022  Victoria, Australia	Non-executive director of Peregrine Gold Ltd., a gold exploration company, since December 2021.	Nil	n/a
Philip Williams <sup>(3)(4)</sup> Director since December 29, 2022  Ontario, Canada	Chairman, Chief Executive Officer and a director of Consolidated Uranium Inc., a uranium exploration and development company, since March 2020.	1,400,000 <sup>(6)</sup>	1.24%

Notes:

- (1) For a full description of the principal occupation of each officer and director of the Company over the past five years see the section entitled "Biographies" below.
- (2) Based on 112,993,832 Common Shares outstanding as of the date of the Prospectus.
- (3) Member of the Audit Committee.
- (4) Member of the Nominating and Corporate Governance Committee.
- (5) Syndicate Minerals Mogotes Pty Ltd., a company indirectly controlled by Mirror Eye Trust, holds 45,666,666 Common Shares, representing approximately 40.53% of the Common Shares. Mr. Allen Sabet is one of the appointors and beneficiaries of Mirror Eye Trust.
- (6) 3,000,000 Common Shares held by Mullens Family Superannuation Fund and 200,000 Common Shares are held by the Mullens Family Trust. The Common Shares are controlled by Mr. Mullens.
- (7) Subject to the Escrow Agreement pursuant to the escrow restrictions imposed by NP 46-201. See section entitled "Escrow Securities and Securities Subject to Contractual Restriction on Transfer" in this Prospectus.

### Biographies

#### ***Allen Sabet, Age 34, President, CEO and Director***

Mr. Sabet has been the President of the Company since August 2022 and CEO of the Company since May 2023. Prior thereto, Mr. Sabet was the operator at private prospecting group, Syndicate Minerals PTY Ltd, an Australian mineral exploration company, from October 2019 to August 2022, and New Frontier Exploration from January 2017 to June

2021. Prior thereto, Mr. Sabet was a consultant with McKinsey & Company, a management consulting firm, from January 2015 to December 2016. Mr. Sabet was involved with various mining and resource companies including Woodside Energy Group Ltd., an energy company, South32, a mining and metals company, and Shell, an oil and gas company, participating in merger integrations, turnarounds and transformations.

As President, CEO and Director, Mr. Sabet will dedicate approximately 95% of his time to the affairs of the Company.

***Eric Myung, Age 37, CFO***

Mr. Myung has been the CFO of the Company since November 2022. He has been the Senior Financial Analyst of Marrelli Support Services Inc., a financial services company, since January 2018, providing chief financial officer, accounting, regulatory compliance and management advisory services to numerous issuers the securities of which are listed on the TSX, the TSXV, the Canadian Securities Exchange and other Canadian and US exchanges. Mr. Myung is currently the Chief Financial Officer of Arizona Metals Corp., an exploration company, Labrador Gold Corp., an acquisition and exploration company, Sokoman Minerals Corp., a mineral resource company a mineral resource company, Madison Metals Inc., a green energy resource company, Goldseek Resources Inc., and exploration company, Melkior Resources Inc., a mineral exploration company, City View Green Holdings Inc., a cannabis-infused food company, and FinCanna Capital Corp., an investment company. Mr. Myung is a Canadian Chartered Professional Accountant and has a Master of Accounting degree from University of Waterloo.

In his capacity as CFO, Mr. Myung will dedicate approximately 20% of his time to the affairs of the Company.

***Peter Mullens, Age 62, Non-Executive Chairman of the Board and Director***

Mr. Mullens is a geologist with over 35 years experience in the mineral resource industry, with over 25 years in Argentina. Currently, Mr. Mullens is the non-executive chairman of Unico Silver Limited, an exploration company, exploring for gold in Santa Cruz, Argentina, since June 2021, Executive Chairman of Green Shift Commodities Ltd., an exploration company, since March 2023, a director and consultant of GMB Resources Limited, a mineral exploration and production company, since September 2019, and a consultant to Ironbark Pacific Pty Ltd, a geological consultancy company, since March 2018. From 2002 to 2009, Mr. Mullens was Chief Geologist with Aquiline Resources Inc., a precious metals exploration and development company, where he was responsible for acquiring Argentinean projects which led to the resulting sale to Pan American Silver Corporation in 2009. He was the co-founder and director of Lydian International Ltd., a gold focused mineral development corporation which discovered and moved to development stage the four million ounce Amulsar Gold Deposit located in Armenia, from December 2007 to February 2013. In addition, Mr. Mullens was a director and Vice President, Exploration, for Laramide Resources Ltd., a mining exploration company, from September 2004 to May 2014. More recently, Mr. Mullens was a founder and director of Royal Road Minerals Ltd., a mineral and exploration company, from June 2015 to April 2021, and a founder and Vice President, Business Development of Consolidated Uranium Inc., a mineral and energy geological consultancy company, since July 2020.

***Stephen Nano, Age 59, Director***

Mr. Nano has over 30 years experience as economic geologist across a wide range of terrains and deposit styles, globally. He contributed to the discovery of a number of several multi-million ounce gold and silver deposits and large copper projects. Mr. Nano has wide ranging expertise in tectonic analysis, target generation and detailed knowledge of epithermal gold-silver, porphyry copper intrusion related gold and Carlin systems. From May 2014 to January 2019, Mr. Nano was the president, chief executive officer and director of Mirasol Resources Limited, a TSXV listed exploration company focused on prospect generation for consolidating district-scale opportunities. Currently, Mr. Nano is a director and consultant of Global Ore Discovery Pty Ltd., a minerals and energy exploration consultancy company, since July 2003; a consultant and technical advisor of True North Copper, a mining company, since September 2022; and an Advisor of GMB Resources Limited, a mineral exploration and production company, since December 2019.

***Anees Sabet, Age 39, Director***

Mr. Sabet is an experienced Australian businessman with a track record of identifying and developing resource projects with a private prospecting group, Syndicate Minerals Mogotes Pty Ltd., an Australian mineral exploration

company, since December 2021. Mr. Sabet is currently a non-executive director of at Peregrine Gold Ltd., a gold exploration company, since December 2021. Mr. Sabet was an executive of Catch eCommerce Group, an online retail business, from March 2007 to September 2015.

***Philip Williams, Age 48, Director***

Mr. Williams brings over two decades of mining and finance industry experience to the Company. Mr. Williams' diverse work experience includes roles in senior management, corporate development, as a sell-side equity research analyst, in fund management and investment banking with a focus on the metals and mining sector. As a research analyst at Westwind Partners, Mr. Williams launched coverage on the uranium sector in January of 2007. In late 2008, Mr. Williams joined Pinetree Capital, a natural resource focused investment fund, in the role of Vice President, Business Development. In 2012, Mr. Williams joined Dundee Capital Markets (now Eight Capital), a financial services company, as a Managing Director in the investment banking group. As a Managing Director, he successfully completed equity financings across a wide range of commodities and was a named advisor on multiple merger and acquisition transactions. In 2017, Mr. Williams helped found Uranium Royalty Corp., a uranium royalty company, where he acted as President, Chief Executive Officer and a director until late 2019. Mr. Williams joined the Consolidated Uranium Inc., a uranium exploration and development company, in March 2020, where he currently acts as Chief Executive Officer and a director. Mr. Williams also currently serves as the Executive Chairman of Labrador Uranium Inc., a uranium exploration and development company, since February 2022. Mr. Williams holds a bachelor's degrees in commerce from the Toronto Metropolitan University.

**Aggregate Ownership of Securities**

Assuming no Units are purchased by the directors and executive officers under the Offering, all directors, executive officers, and promoters of the Company, as a group, will directly or indirectly beneficially own 5,600,000 Common Shares, representing approximately 4.97% of the issued and outstanding Common Shares on an undiluted basis if the Over-Allotment Option is not exercised and representing approximately ●% of the issued and outstanding Common Shares on an undiluted basis if the Over-Allotment Option is exercised in full.

**Corporate Cease Trade Orders**

As at the date of this Prospectus, no director, officer, promoter or other member of management of the Company has, within the past ten years from the date of the Prospectus, been a director, officer or promoter of any issuer (including the Company) that:

- (a) was the subject of a cease trade order or an order similar to a cease trade order or an order that denied the issuer access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days while that person was acting in that capacity; or
- (b) was the subject of a cease trade order or an order similar to a cease trade order or an order that denied the issuer access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days after that person ceased to act in that capacity and which resulted from an event that occurred while that person was acting in such capacity.

**Corporate and Personal Bankruptcies**

No director, officer, or promoter of the Company, or a shareholder of the Company holding a sufficient number of securities of the Company to affect materially the control of the Company, or a personal holding company of any such persons,

- (a) is, as at the date of the Prospectus, or within the 10 years before the date of the Prospectus, as applicable, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

- (b) has, within the 10 years before the date of the Prospectus, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or has been subject to or has instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold such person's assets.

### Penalties or Sanctions

No director, officer, or promoter of the Company, or a shareholder of the Company holding a sufficient number of securities of the Company to affect materially the control of the Company, 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 has been subject to any other penalties or sanctions imposed by a court or regulatory body or self-regulatory authority that would likely be considered important to a reasonable investor in making an investment decision.

### Conflicts of Interest

Conflicts of interest may arise as a result of the directors and officers of the Company holding positions as directors or officers of other companies. Some of the directors and officers have been and will continue to be engaged in the identification and evaluation of assets and businesses, with a view to potential acquisition of interests in businesses and companies on their own behalf and on behalf of other companies, and situations may arise where the directors and officers will be in direct competition with the Company. Conflicts, if any, will be subject to the procedures and remedies under the OBCA.

## EXECUTIVE COMPENSATION

The Company was not a reporting issuer at any time during the period commencing August 12, 2022 and ended November 30, 2022. Accordingly, and in accordance with Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers*, the following is a discussion of all significant elements of compensation to be awarded to, earned by, paid to or payable to the NEOs of the Company, once the Company becomes a reporting issuer, to the extent this compensation has been determined.

For the period commencing August 12, 2022 and ended November 30, 2022, the Company's NEOs were Allen Sabet, the President and CEO of the Company, and Eric Myung, the CFO of the Company.

### Compensation Discussion and Analysis

At its present stage of development, the Company does not have a compensation committee or a formal compensation policy. The Company relies solely on the Board to determine the compensation of its executive officers. In determining compensation, the Board considers industry standards and the Company's financial situation but does not currently have any formal objectives or criteria. The performance of each executive officer is informally monitored by the Board, having in mind the business strengths of the individual and the purpose of originally appointing the individual as an officer. For disclosure regarding the compensation payable to the Company's directors, see section entitled "*Executive Compensation – Director Compensation*" in this Prospectus. For disclosure regarding the compensation payable to the Company NEOs and a description of the management contracts entered into between the Company and its NEOs, see section entitled "*Executive Compensation – Management Contracts*" in this Prospectus.

### Equity Compensation Plan Information

(for the period from incorporation on August 12, 2022 to November 30, 2022)

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (#)(a)	Weighted-average exercise price of outstanding options, warrants and rights (\$)(b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	nil	nil	9,073,750

Equity compensation plans not approved by securityholders	nil	nil	nil
<b>Total</b>	nil	nil	9,073,750

*Notes:*

(1) *No compensation securities were issued by the Company during the period from incorporation on August 12, 2022 to November 30, 2022. On March 28, 2023, the Company issued 400,000 Options to consultants of the Company and on April 25, 2023, the Company issued 200,000 Options to a consultant of the Company. Each Option entitles the holder thereof to acquire one Common Share at a price of \$0.30 per Common Share until December 31, 2026.*

### Option Plans and Other Incentive Plans

The Board adopted the LTIP on August 12, 2022. Options are intended to align the interests of the Company’s directors and officers with those of its shareholders, to provide a long term incentive that rewards these individuals for their contribution to the creation of shareholder value and to reduce the cash compensation the Company would otherwise have to pay. The LTIP is administered by the Board. The Board also considers previous grants of Options and the overall number of Options that are outstanding relative to the number of outstanding Common Shares in determining whether to make any new grants of Options and the size and terms of any such grants, as well as the level of effort, time, responsibility, ability, experience and level of commitment of the officer in determining the level of Options compensation. The principal terms of the LTIP are described in the section entitled “Options to Purchase Securities” in this Prospectus.

### Summary Compensation Table

The following table sets forth all direct and indirect compensation (excluding compensation securities) for, or in connection with, services provided to the Company and its subsidiaries in respect of the NEOs and directors for the period from incorporation on August 12, 2022 and ending on November 30, 2022.

Name and position	Year ended November 30	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of Perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Allen Sabet President, CEO and Director	2022	nil	nil	nil	nil	nil	nil
Eric Myung Chief Financial Officer	2022	1,425	nil	nil	nil	nil	1,425
Peter Mullens Non- Executive Chairman and Director	2022	nil	nil	nil	nil	nil	nil
Anees Sabet Director	2022	nil	nil	nil	nil	nil	nil
Philip Williams Director	2022	nil	nil	nil	nil	nil	nil

## **Stock Options and Other Compensation Securities**

No compensation securities were issued by the Company during the period from incorporation on August 12, 2022 to November 30, 2022. On March 28, 2023, the Company issued 400,000 Options to consultants of the Company and on April 25, 2023, the Company issued 200,000 Options to a consultant of the Company. Each Option entitles the holder thereof to acquire one Common Share at a price of \$0.30 per Common Share until December 31, 2026.

## **Pension Plan Benefits**

The Company does not have a pension plan or provide any benefits following or in connection with retirement.

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

Except as set forward under “*Management Contracts*”, the Company does not have any contracts, agreements, plans or arrangements in place with any NEOs that provide for payment following or in connection with any termination (whether voluntary, involuntary or constructive) resignation, retirement, a change of control of the Company or a change in an NEOs responsibilities.

## **Director Compensation**

The Company does not currently intend to pay cash compensation, for the foreseeable future, to any member of the Board for services in their capacity as directors, or for committee participation, involvement in special assignments or for services as consultants or experts. The Board intends to compensate directors primarily through the grant of Awards, under the LTIP, and reimbursement of expenses incurred by such persons acting as directors of the Company.

## **Management Contracts**

### *Allen Sabet – President and CEO*

The Company entered into a consulting agreement dated May 16, 2023 (the “**CEO Agreement**”) with African Mango Pty Ltd, as trustee for the Sabet Africa Trust (the “**CEO Consultant**”), for the services of Allen Sabet as President and CEO of the Company. Pursuant to the CEO Agreement, the CEO Consultant will receive remuneration in the amount of \$16,667 per month (the “**CEO Monthly Fee**”) plus out-of-pocket expenses. An annual bonus (“**CEO Bonus**”) may be payable to the CEO Consultant at the discretion of the Board. The Company may terminate the CEO Agreement for cause at any time and without notice. The Company may also terminate the CEO Agreement without cause by giving the CEO Consultant (a) a termination notice that specifies the date upon which the CEO Agreement will terminate (the “**CEO Termination Date**”) and (b) a termination payment equal the aggregate of (i) 24 months of the CEO Monthly Fee, (ii) any unpaid CEO Bonus, (iii) an amount equal to the average CEO Bonus paid to the CEO Consultant over the 24 months immediately prior to the CEO Termination Date, and (iv) out-of-pocket expenses incurred prior to the CEO Termination Date (collectively the “**CEO Termination Pay**”).

The CEO Consultant may terminate the CEO Agreement on 60 days’ written notice to the Company (the “**CEO Termination Notice**”) in which case the Company will set the CEO Termination Date within the 60-day notice period (the “**CEO Notice Period**”) and will be required to pay the CEO Consultant the CEO Monthly Fee and out-of-pocket expenses accrued up to the CEO Termination Date. In the event of a change of control of the Company, the CEO Consultant has 30 days following the change of control to provide the Company with the CEO Termination Notice in which case the Company will set the CEO Termination Date within the CEO Notice Period and will be required to pay the CEO Consultant the CEO Termination Pay up to by the CEO Termination Date.

### *Eric Myung – CFO*

The Company entered into a chief financial officer services agreement (“**CFO Agreement**”) dated November 14, 2022 the (“**Effective Date**”) with Marrelli Support Services Inc. (the “**MSSI**”) and Eric Myung (the “**Current CFO**”) to provide accounting services to the Company and the services of the Current CFO or duties and responsibilities normally associated with the position of a CFO, including the preparation of all financial statements and MD&A for the Company. Under the CFO Agreement, the Company has agreed to pay MSSI \$1,250 per month

(the “**CFO Monthly Fee**”) plus disbursements and tax. The CFO Agreement is effective for an indefinite period of time, but may be terminated by any party providing 30 days’ written notice to the other parties. If the Company terminates the CFO Agreement within the first two calendar years after the Effective Date, the Company is required to pay to MSSSI an amount equal to the CFO Monthly Fee for the balance of the 24 month period. If the Company terminates the CFO Agreement following the first two calendar years after the Effective Date, the Company is required to pay to MSSSI an amount equal to the CFO Monthly Fee for three months. MSSSI may terminate the CFO Agreement on 10 days’ notice if the Consultant either (i) is not satisfied that the Company has adequately demonstrated the business rationale for unusual transactions; or (ii) identifies contradictory evidence to that presented by the Company with respect to unusual transactions, in each case as determined by MSSSI in its sole and unfettered discretion. Subject to certain conditions, MSSSI reserves the right, from time to time upon 90 days’ written notice, to replace the Current CFO with another service provider of equal qualification, to serve as CFO of the Company. The Current CFO may terminate the CFO Agreement on 90 days’ written notice to the Company and MSSSI.

## **Employment, consulting and management agreements**

### Accounting Services Agreement

The Company entered into an accounting services agreement (“**Accounting Services Agreement**”) dated November 14, 2022 (the “**Effective Date**”) with MSSSI to provide certain accounting support services to the Company, including the preparation of quarterly financial statements and accounting and bookkeeping services. Under the Accounting Services Agreement, the Company has agreed to pay MSSSI \$2,500 per month (the “**MSSSI Monthly Fee**”) plus disbursements and tax. The term of the Accounting Services Agreement is for a minimum of two years (the “**MSSSI Initial Term**”). If the Company terminates the Accounting Services Agreement during the MSSSI Initial Term, the Company is required to pay a termination fee to MSSSI in an amount equal to the estimated fees that would have been incurred during the remainder of the MSSSI Initial Term, calculated based on the MSSSI Monthly Fee multiplied by the number of months remaining in the MSSSI Initial Term. The Accounting Services Agreement may be terminated by the Company at any time after the end of the MSSSI Initial Term by notice in writing to MSSSI in which case the Accounting Services Agreement will be terminated effective upon delivery of such notice and the Company will be required to pay a termination fee to MSSSI in an aggregate amount equal to (a) all MSSSI Monthly Fee, expenses and other amounts, including ongoing and future storage fees for the storage of the Company’s records, payable to MSSSI which are outstanding on the date of termination (collectively the “**MSSSI Termination Pay**”) and (b) three months of the MSSSI Monthly Payment.

MSSSI may terminate the Accounting Services Agreement on 10 days’ written notice if (a) MSSSI either (i) is not satisfied that the Company has adequately demonstrated the business rationale for unusual transactions; or (ii) identifies contradictory evidence to that presented by the Company with respect to unusual transactions, in each case as determined by the CFO Consultant in its sole and unfettered discretion or (b) the Company fails to provide materials or information requested by MSSSI for The Financial Transactions and Reports Analysis Centre of Canada purposes, in which case the Company is required to pay to MSSSI an amount equal to the aggregate of the MSSSI Termination Pay and three months of the MSSSI Monthly Payment. MSSSI may also terminate the Accounting Services Agreement upon giving the Company at least three months’ prior written notice in which case the Company is required to pay to MSSSI the MSSSI Termination Pay.

## **AUDIT COMMITTEE**

National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”) requires that certain information regarding the Audit Committee of a “venture issuer” (as that term is defined in NI 52-110) be included in this Prospectus. The Company is a “venture issuer” for the purposes of NI 52-110.

### **Audit Committee Charter**

The full text of the charter of the Company’s Audit Committee is attached hereto as Schedule E (the “**Audit Committee Charter**”).

## **Composition of the Audit Committee**

The Audit Committee members are currently Peter Mullens (Chair), Philip Williams and Allen Sabet, each of whom is a director of the Company and financially literate. Messrs. Mullens and Williams are considered to be independent in accordance with NI 52-110, while Mr. Sabet, the President of the Company, is not considered to be independent in accordance with NI 52-110 in light of his role as President of the Company.

## **Relevant Education and Experience**

Each member of the Audit Committee is financially literate and has the relevant education and experience to the performance of his responsibilities as an Audit Committee member and to provide the member with:

1. an understanding of the accounting principles used by the Company to prepare its financial statements;
2. the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves;
3. experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising one or more persons engaged in such activities; and
4. an understanding of internal controls and procedures for financial reporting.

### ***Peter Mullens***

Mr. Mullens holds a bachelor's degree in science from Monash University and has been a member of the Australian Institute of Mining Metallurgy since 1987. Mr. Mullens has served on the audit committee of several public and attended meetings with auditors. He has been responsible for overseeing the preparation and review of financial statements.

### ***Philip Williams***

Mr. Williams holds a bachelor's degree in commerce from the Toronto Metropolitan University. Mr. Williams is a former CFA with over two decades of experience in the finance industry. Mr. Williams' diverse work experience includes roles in senior management, corporate development, as a sell-side equity research analyst, in fund management and investment banking with a focus on the metals and mining sector. Mr. Williams serves or has served on the audit committee of several public companies. He has been responsible for overseeing the preparation and review of financial statements and management's discussion and analysis and has attended audit committee meetings as management and meetings with auditors.

### ***Allen Sabet***

Mr. Sabet holds a bachelor's degree in commerce, with a major in finance and economics, from the University of Melbourne. Mr. Sabet has been involved in the junior resources sector since 2017, and has broad experience with mineral resource exploration and development including the financial and budgetary aspects of the sector. In connection with his involvement in the junior resource sector, Mr. Sabet has been responsible for overseeing the preparation and review of financial statements and in connection with his consulting work, he has participated in designing and ensuring the accuracy of internal controls.

## **Audit Committee Oversight**

Since the commencement of the most recently completed financial year of the Company on November 30, 2022 there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the Board.

## Reliance on Exemptions in NI 52-110

The Company is a “venture issuer” for the purposes of NI 52-110. Accordingly, the Company is relying upon the exemption in section 6.1 of NI 52-110 providing that the Company is exempt from the application of Part 3 (*Composition of the Audit Committee*) of NI 52-110 which requires, among other things, that each member of the audit committee of the Company be independent.

## Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in the Audit Committee Charter.

## External Auditor Service Fees

The Audit Committee has reviewed the nature and amount of the non-audited services provided by Jones & O’Connell LLP, Chartered Professional Accountants of St. Catharines, Ontario to the Company to ensure auditor independence. Fees incurred with Jones & O’Connell LLP, Chartered Professional Accountants for audit and non-audit services for the period from incorporation on August 12, 2022 to November 30, 2022 are outlined in the following table.

Nature of Services	Fees Paid to Auditor for the period of incorporation on August 12, 2022 to November 30, 2022
Audit Fees <sup>(1)</sup>	\$15,000
Audit-Related Fees <sup>(2)</sup>	nil
Tax Fees <sup>(3)</sup>	nil
All Other Fees <sup>(4)</sup>	nil
<b>Total</b>	<b>\$15,000</b>

Notes:

- (1) “Audit Fees” include fees necessary to perform the annual audit and quarterly reviews of the Company’s financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) “Audit-Related Fees” include fees for services that are traditionally performed by an auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) “Tax Fees” include fees for all tax services other than those included in “Audit Fees” and “Audit-Related Fees”. This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) “All Other Fees” include all other non-audit services.

## CORPORATE GOVERNANCE

The Company believes that adopting and maintaining appropriate governance practices is fundamental to a well-run company, to the execution of its chosen strategies and to its successful business and financial performance. National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“NI 58-101”) and National Policy 58-201 – *Corporate Governance Guidelines* (collectively the “**Governance Guidelines**”) of the Canadian Securities Administrators set out a list of non-binding corporate governance guidelines that issuers are encouraged to follow in developing their own corporate governance guidelines. In certain cases, the Company’s practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore these guidelines have not been adopted. The Company will continue to review and implement corporate governance guidelines as the business of the Company progresses and becomes more active in operations.

The following disclosure is required by the Governance Guidelines and describes the Company’s approach to governance and outlines the various procedures, policies and practices that the Company and the Board have implemented.

In order to assist the Board in the exercise of its duties and responsibilities, the Company has implemented (i) the Audit Committee Charter, (ii) a charter of the Nominating and Corporate Governance Committee, (iii) a Code of Business Ethics and Conduct, (iv) a Whistleblower Policy and (v) an Insider Trading Policy.

## Board

The Board is currently composed of five directors; Allen Sabet, Peter Mullens, Stephen Nano, Anees Sabet and Philip Williams.

NI 58-101 suggests that the board of directors of a public company should be constituted with a majority of individuals who qualify as “independent” directors. NI 52-110 provides that a director is independent if he or she has no direct or indirect “material relationship” with the company. “Material relationship” is defined as a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director’s independent judgment.

Of the members of the Board, Mr. Allen Sabet, the President and CEO of the Company, and Mr. Anees Sabet are not considered to be “independent” within the meaning of NI 52-110. The remaining three directors are considered to be “independent” within the meaning of NI 52-110.

The mandate of the Board is to supervise the management of the Company and to act in the best interests of the Company. The Board acts in accordance with:

- (a) the OBCA;
- (b) the Company’s articles of incorporation;
- (c) the charters of the committees of the Board; and
- (d) other applicable laws and company policies.

The Board approves all significant decisions that affect the Company before they are implemented. The Board supervises their implementation and reviews the results.

The Board is actively involved in the Company’s strategic planning process. The Board discusses and reviews all materials relating to the Company’s strategic plan with management. The Board is responsible for reviewing and approving the strategic plan. At least one Board meeting each year is devoted to discussing and considering the strategic plan, which takes into account the risks and opportunities of the business. Management must seek the Board’s approval for any transaction that would have a significant impact on the strategic plan.

The Board periodically reviews the Company’s business and implementation of appropriate systems to manage any associated risks, communications with investors and the financial community and the integrity of the Company’s internal control and management information systems. The Board will also monitor the Company’s compliance with its timely disclosure obligations and reviews material disclosure documents prior to distribution. The Board will periodically discuss the systems of internal control with the Company’s external auditor.

The Board is responsible for choosing the President, the CEO and the CFO and appointing senior management and for monitoring their performance and developing descriptions of the positions for the Board, including the limits on management’s responsibilities and the corporate objectives to be met by the management.

The Board is responsible for approving all the Company’s major communications, including annual and quarterly reports, financing documents and press releases. The Board is responsible for approving the Company’s communication policy that covers the accurate and timely communication of all important information.

## Directorships

The following table sets forth the directors of the Company who currently hold directorships with other reporting issuers:

Name of Director	Name of Other Reporting Company(s)
Peter Mullens	Green Shift Commodities Ltd.
Philip Williams	Mawson Gold Ltd., Azarga Metals Corp., Labrador Uranium Inc., Plateau Energy Metals Inc., Nickel 28 Capital Corp., Mindset Pharma Inc., Consolidation Uranium Inc., GameSquare Holdings, Inc., Rockgate Capital Corp.

## **Orientation and Continuing Education**

The Board of the Company briefs all new directors on the nature of the business of the Company, its corporate and organizational structure, the corporate strategy and its implementation, the policies of the Board and other relevant corporate and business information.

## **Nomination of Directors**

The Board has established a Nominating and Corporate Governance Committee consisting of two independent directors. The current members of the Nominating and Corporate Governance Committee are Peter Mullens (Chair) and Philip Williams.

The Board has adopted a written charter setting forth the composition, purpose, authority and responsibility of the Nominating and Corporate Governance Committee.

The Nominating and Corporate Governance Committee will consist of at least two independent directors.

The Nominating and Corporate Governance Committee's purpose is to (i) identify individuals qualified to be nominated as members of the Board, (ii) recommend director nominees for each annual meeting of the Company's shareholders and director nominees to fill any vacancies that may occur between meetings of shareholders, (iii) be aware of the best practices in corporate governance and develop and recommend to the Board a set of corporate governance standards to govern the Board, its committees, the Company and its employees in the conduct of the business and affairs of the Company, (iv) consider the diversity of the Board, including the level of representation of women and other designated groups, and (v) develop and oversee the annual Board and Board committee evaluation process.

The Nominating and Corporate Governance Committee is responsible for, among other things:

- making recommendations to the Board regarding the size and composition of the Board,
- considering and recruiting candidates for director nominees based upon recommendations from current outside directors, members of management, outside consultants or search firms, and/or shareholders taking into consideration, among others, (i) the appropriate size and composition of the Board, (ii) the competencies and skills that the Board considers to be necessary for the Board as a whole to possess, (iii) the personal and professional integrity of the candidate, (iv) the level of education and/or business experience; and (v) the level of understanding of the Company's business and the industry in which it operates other industries relevant to the Company's business,
- reviewing at least annually, the Company's corporate governance guidelines and recommend changes to the Board as deemed necessary,
- providing director orientation and continuing education, and
- reviewing the structure and composition of the committees of the Board.

## **Ethical Business Conduct**

The Board has adopted the Code of Business Ethics and Conduct which provides a framework of guidelines and principles to govern ethical and professional behaviour in conducting the business of the Company and applies to all of the directors, officers, employees of the Company and, where applicable, all wholly-owned subsidiaries. The objective of the Code of Business Ethics and Conduct is to provide guidelines for maintaining the integrity, reputation, honesty, objectivity and impartiality of the Company and its subsidiaries. The Code of Business Ethics and Conduct addresses, among others,

- conflicts of interest,

- protection of the assets of the Company and safeguarding the confidential information relating to the Company,
- fair dealing with shareholders, competitors, contractors and business partners,
- compliance with laws, including environmental laws, in all jurisdictions in which the Company operates,
- respect of human rights in the locations in which the Company operates, including actively seeking to improve human rights in such locations,
- anti-bribery, anti-corruption and anti-money laundering policies and reporting any illegal or unethical behaviour.

As part of the Code of Business Ethics and Conduct, once each year, those subject to the Company's Code of Business Ethics and Conduct may be asked to acknowledge that they have received Code of Conduct training, understand its rules, and are not aware of any unreported violations of the Code of Business Ethics and Conduct. New employees will sign an acknowledgement that they have received, read and understand the Code of Business Ethics and Conduct, and undertaken relevant training when they start with the Company. The Board will have ultimate responsibility for the stewardship of the Code of Business Ethics and Conduct and it will monitor compliance through the Audit Committee.

A copy of the Code of Business Ethics and Conduct will be posted under the Company's profile at [www.sedar.com](http://www.sedar.com).

The Board has also implemented a whistleblower policy (the "**Whistleblower Policy**") in order to provide the officers, directors and employees of the Company and its subsidiaries with a process for disclosing complaints or concerns regarding financial matters, securities laws matters and other matters including violations of the Code of Business Ethics and Conduct. The Whistleblower Policy outlines how and where to submit a complaint or concern, who deals with a complaint and how that complaint is expected to be handled, processed and documented. Generally, formal complaints made under the Whistleblower Policy should be communicated directly to the Chair of the Audit Committee. The Whistleblower Policy also describes the standards and principles that are expected to govern the processing of all complaints and concerns, including confidentiality and no retaliation, whether they are received from people within the Company or external parties.

In addition, the Board has also determined that the Company should formalize its policy on trading in securities and treatment of material information. Accordingly, the Board has implemented an insider trading policy (the "**Insider Trading Policy**"). The Insider Trading Policy applies to all insiders, directors and officers of the Company and its subsidiaries, as well as to all employees, agents, contractors and consultants of the Company who receive or who have access to material non-public information of the Company.

Trading in securities, or recommending or encouraging others to trade in securities, while in possession of material non-public information, or informing others of such material non-public information, may be a violation of securities and criminal laws in Canada and in other jurisdictions governing the trading of the Company's securities. The purpose of this Insider Trading Policy is to provide guidelines and restrictions applicable to trading in securities of the Company, recommending or encouraging others to trade, and communication of material non-public information.

The guidelines set out in the Insider Trading Policy have been developed by the Board to assist in compliance with applicable laws, protect the Company and those to whom the Insider Trading Policy applies from regulatory and reputational risk and may, in some respects, supplement or go beyond applicable legal requirements. The Insider Trading Policy addresses, among others,

- prohibited activities, like insider trading and tipping;
- insider reporting;
- blackout periods; and

- potential criminal and civil liability and disciplinary action.

### **Conflict of Interest**

Under applicable corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Company and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, and to disclose to the Board the nature and extent of any interest of the director in any material contract or material transaction, whether made or proposed, if the director is a party to the contract or transaction, is a director or officer (or an individual acting in a similar capacity) of a party to the contract or transaction or has a material interest in a party to the contract or transaction. The director must then abstain from voting on the contract or transaction unless the contract or transaction (i) relates primarily to their remuneration as a director, officer, employee or agent of the Company or an affiliate of the Company, (ii) is for indemnity or insurance for the benefit of the director in connection with the Company, or (iii) is with an affiliate of the corporation. If the director abstains from voting after disclosure of their interest, the directors approve the contract or transaction and the contract or transaction was reasonable and fair to the Company at the time it was entered into, the contract or transaction is not invalid and the director is not accountable to the Company for any profit realized from the contract or transaction. Otherwise, the director must have acted honestly and in good faith, the contract or transaction must have been reasonable and fair to the Company and the contract or transaction be approved by the shareholders by a special resolution after receiving full disclosure of its terms in order for the director to avoid such liability or the contract or transaction being invalid.

### **Compensation**

Following the Closing Date, the Board, under the recommendation of the Nominating and Corporate Governance Committee, will establish an appropriate comparative group of public companies of similar size and stage of development in the mineral exploration industry. The Board will use this comparative group to determine the future compensation for its executives.

The Board determines the compensation of the Company's officers, based on industry standards and the Company's financial situation.

### **Other Board Committees**

In addition to the standing committees of the Board, independent committees will be appointed from time to time, when appropriate.

### **Assessments**

It is not currently intended that the Board will formally review the contributions of individual directors; however, the current size of the Board is expected to facilitate informal discussion and evaluation of members' contributions within that framework. All directors and/or committee members are free to make suggestions for improvement of the practice of the Board and/or its committees at any time and are encouraged to do so.

The Board will also monitor the adequacy of information given to directors, communication between the board and management and the strategic direction and processes of the board and the Audit Committee.

## **PLAN OF DISTRIBUTION**

### **The Offering**

Pursuant to the Agency Agreement, the Company will retain the Agents as agents to offer for sale, on a best efforts agency basis, without underwriter liability, to the public in each of the Qualifying Jurisdictions, and the Company has agreed to issue and sell, an aggregate of ● Units at the Offering Price, for aggregate gross proceeds of \$● (and up to ● additional Units for gross proceeds of up to \$● if the Over-Allotment Option is also exercised by the Agents in full), payable in cash to the Company against delivery of the Units, subject to and in compliance with all of the necessary legal requirements and the terms and conditions contained in the Agency Agreement. Each Unit is comprised of one Unit Share and one Warrant which is exercisable to acquire one Warrant Share at an exercise price of \$● per Warrant Share for a period of ● months after the Closing Date.

The terms of the Offering, including the Offering Price, will be determined by arm's length negotiation between the Company and the Co-Lead Agents, on behalf of the Agents, in the context of the market.

The obligations of the Agents under the Agency Agreement are several (and not joint, nor joint and several), and are subject to certain closing conditions and may be terminated at their discretion on the basis of "disaster out", "material change out", "regulatory out", "breach out" and "market out" provisions in the Agency Agreement and may also be terminated upon the occurrence of certain stated events. The Agents are not obligated to purchase any Units under the Agency Agreement nor are they obligated, directly or indirectly, to advance their own funds to purchase any of the Units.

The Company has granted to the Agents the Over-Allotment Option, exercisable in whole or in part in the sole discretion of the Agents at any time until the date which is 30 days after the Closing Date, to purchase up to 15% of the number of Units sold on the Closing Date, at a price equal to the Offering Price, solely to cover over-allotments, if any, and for market stabilization purposes. The Over-Allotment Option may be exercised to purchase: (a) up to ● Additional Units at the Offering Price per Additional Unit, (b) up to ● Additional Unit Shares at \$● per Additional Unit Share; (c) up to ● Additional Warrants at \$● per Additional Warrant; or (d) any combination of Additional Securities, provided that (i) the number of Additional Units does not exceed ●, (ii) the number of Additional Unit Shares does not exceed ●, and (iii) the number of Additional Warrants does not exceed ●. A purchaser who acquires securities forming part of the Over-Allotment Option acquires those securities under this Prospectus, regardless of whether the Over-Allotment Option is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

Pursuant to the terms and conditions of the Agency Agreement and in consideration for the services to be rendered by the Agents in connection with the Offering, the Agents will receive the Agents' Commission, being equal to 6% of the gross proceeds from the sale of Units under the Offering, including gross proceeds from the sale of Additional Securities under the Over-Allotment Option; provided that, the Agents' Commission will be reduced to 3% in respect of sales of Units to President's List Purchasers. In addition, the Agents will be granted such number of Agents' Warrants equal to 6% of the number of Units sold under the Offering, including Units sold under the Over-Allotment Option, to purchasers other than President's List Purchasers, and 3% of the total number of Units sold under the Offering, including Units sold under the Over-Allotment Option, to the President's List Purchasers. Each Agents' Warrant will entitle the holder thereof to acquire one Agents' Warrant Share at an exercise price of \$● for a period of 24 months after the Closing Date. This Prospectus also qualifies the distribution of the Agents' Warrants.

The Company will be responsible for all reasonable fees of the Agents' legal counsel and all reasonable "out-of-pocket" expenses of the Agents plus applicable taxes. The Company has also agreed to indemnify the Agents and each of their respective affiliates, and each of their respective directors, officers, employees, partners and shareholders and to hold them harmless from and against certain losses, claims, suits, liabilities, costs, damages or expenses, including liabilities under Canadian securities legislation in certain circumstances or to contribute to payments the Agents may have to make because of such liabilities.

If the Over-Allotment Option is exercised in full and assuming no President's List Purchasers, the total number of Units sold pursuant to the Offering will be ●, the total price to the public will be \$●, the total Agents' Commission will be \$● and the net proceeds to the Company, before deducting the estimated expenses of the Offering, will be \$●.

The Offering is being made in each of the provinces of Canada, except Quebec. The Units will be offered in each of such provinces through those Agents or their affiliates who are registered to offer Units for sale in such provinces and such other registered dealers as may be designated by the Agents. Subject to applicable law, the Agents may offer the Units in the United States or to, or for the account or benefit of, U.S. Persons and in such other jurisdictions outside of Canada and the United States as agreed between the Company and the Agents, in each case in accordance with applicable laws provided that no prospectus, registration statement or similar document is required to be filed in any such jurisdiction.

The Agents propose to offer the Units initially at the Offering Price. After the Agents have made reasonable efforts to sell the Units at such price, the Offering Price may be decreased, and further changed from time to time, to an amount not greater than the Offering Price. However, in no event will the Company receive less than the anticipated net proceeds of \$● per Unit. If the selling price is reduced, the compensation realized by the Agents will be reduced by the amount that the aggregate price paid by the purchasers for the Unit is less than the gross proceeds paid by the

Agents to the Company. In addition, the Agents may offer selling group participation to other registered dealers that are satisfactory to the Company, acting reasonably, with compensation to be negotiated between the Agents and such selling group participants, but at no additional cost to the Company.

**The completion of the Offering is subject to conditions customary for similar offerings of securities. The Offering will close when the Agents have completed the sale of all Units offered for sale under the Offering.**

The Company, pursuant to the terms of the Agency Agreement, will appoint the Agents as its exclusive agents to offer the Units under the Offering on a best efforts agency basis.

The Offering is subject to the receipt by the Agents of subscriptions for Units in the amount of \$●. Subscriptions for the Units will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. The Co-Lead Agents will hold all funds received from subscriptions in trust until the Minimum Subscription Amount has been raised. If the Minimum Subscription Amount is not raised within the distribution period, the Co-Lead Agents must return the funds to the subscribers without any deductions.

The closing of the Offering is expected to take place on or about ●, 2023 or such other date as may be agreed between the Company and the Co-Lead Agents, on behalf of the Agents, but in any event, within 90 days of the issuance of the receipt for this Prospectus or such later date as may be permitted under securities legislation.

It is expected that the Units will be delivered under the book-based system through CDS or its nominee and deposited in electronic form. A purchaser of Units will receive only a customer confirmation from the registered dealer from or through which the Units are purchased and who is a CDS depository service participant. No definitive certificates will be issued unless specifically requested or required.

The Company has agreed to cause each of the directors and senior officers of the Company, and to use its reasonable commercial best effort to cause any shareholder of the Company that owns more than 0.4% of the current outstanding Common Shares, to agree, in a lock-up agreement to be executed concurrently with the closing of the Offering, that, for a period of 180 days following the Closing Date each will not, directly or indirectly, offer, sell, contract to sell, grant any option to purchase, make any short sale, or otherwise dispose of, or transfer, or announce any intention to do so, any Common Share, whether owned on the date on which the Agency Agreement will be entered into or thereafter acquired directly or indirectly, or under their control or direction, or with respect to which each has beneficial ownership, or enter into any transaction or arrangement that has the effect of transferring, in whole or in part, any of the economic consequences of ownership of Common Shares, whether such transaction is settled by the delivery of Common Shares, other securities, cash or otherwise other than pursuant to a take-over bid or any other similar transaction made generally to all of the shareholders of the Company.

The Company has agreed not to issue or sell any Common Shares or financial instruments convertible or exchangeable into Common Shares, other than for purposes of director or employee stock options or to satisfy existing instruments of the Company already issued as of the date of the Agency Agreement, for a period of 180 days following the Closing Date, without the prior consent of the Co-Lead Agents, on behalf of the Agents, such consent not to be unreasonably withheld, except in conjunction with; (i) the Options and other similar issuances pursuant to the LTIP and/or other share compensation arrangements of the Company at an exercise price not less than the Offering Price; (ii) the exercise of any Option, Warrants or any other convertible securities outstanding as of the date of the Agency Agreement; (iii) obligations in respect of any agreements existing and in effect as of the date of the Agency Agreement; and (iv) strategic acquisitions in the ordinary course of business payable in Common Shares.

The offer and sale of the Units and the Unit Shares and Warrants comprising the Units offered hereby have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state of the United States and, accordingly, may not be offered, sold or delivered, directly or indirectly, to, or for the account or benefit of, persons in the United States except pursuant to an exemption from registration under the U.S. Securities Act and applicable U.S. state securities laws. The Agents have agreed that, except as permitted by the Agency Agreement and as expressly permitted by applicable U.S. federal and state securities laws, they will not offer or sell any of the Units to, or for the account or benefit of, persons within the United States. The Agency Agreement permits the Agents, acting through its United States registered broker-dealer affiliates, to offer the Units for sale by the Company in the United States or to, or for the account or benefit of, U.S. Persons that are (i) “accredited investors” as such term is defined in Rule 501(a) of Regulation D (“**Regulation D**”) under the U.S. Securities Act (“**Accredited Investors**”) or (ii) “qualified

institutional buyers”, as such term is defined in Rule 144A under the U.S. Securities Act (“Qualified Institutional Buyers”) that are also Accredited Investors in compliance with Rule 506(b) of Regulation D, and in each case, applicable U.S. state securities laws. The Agents will offer and sell the Units outside the United States to non-U.S. Persons only in accordance with Rule 903 of Regulation S under the U.S. Securities Act. The Unit Shares and the Warrants comprising the Units offered hereby, that are offered or sold to, or for the account or benefit of, a person in the United States or a U.S. Person, and the Warrant Shares issuable upon exercise of the Warrants, will be “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act.

This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the Units in the United States or to, or for the account or benefit of, U.S. Persons. In addition, until 40 days after the commencement of the Offering, an offer or sale of the Units within the United States or to, or for the account or benefit of, U.S. Persons by any dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an exemption from registration under the U.S. Securities Act and similar exemptions under applicable state securities laws.

The foregoing summary of certain provisions of the Agency Agreement contained herein does not purport to be complete and is qualified in its entirety by reference to the provisions of the Agency Agreement, a copy of which will be filed with the securities commissions of the Qualifying Jurisdictions and will be available on SEDAR at [www.sedar.com](http://www.sedar.com) at the time of filing of the Final Prospectus.

### **Listing**

The Company has applied to list the Common Shares, including the Unit Shares and the Warrant Shares, and the Warrants on the TSXV. As at the date hereof, the TSXV has not conditionally approved the listing of the Common Shares. Listing will be subject to the Company fulfilling all of the listing requirements of the TSXV. Closing of the Offering is conditional on, among other things, the Common Shares (including the Unit Shares, Warrant Shares and Agents’ Warrant Shares) and the Warrants being conditionally approved for listing on the TSXV. See “*Risk Factors*” and “*Plan of Distribution*”.

As at the date of this Prospectus, the Company does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., a U.S. marketplace, or a marketplace outside Canada and the United States of America other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by the PLUS Markets Group plc.

**There is no market through which these securities may be sold and purchasers may not be able to resell securities purchased under the Prospectus. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation. An investment in a natural resource issuer involves a significant degree of risk. The degree of risk increases substantially where the Company’s properties are in the mineral exploration stage as opposed to the development stage, as in the present instance.** See section entitled “*Risk Factors*” in this Prospectus.

### **CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS**

In the opinion of Irwin Lowy LLP, counsel to the Company, and Cassels Brock & Blackwell LLP, counsel to the Agents, the following summary describes, as of the date hereof, the principal Canadian federal income tax considerations under the Tax Act, generally applicable to a holder who acquires, as beneficial owner, Units consisting of Unit Shares and Warrants pursuant to the Offering, and Warrant Shares upon the exercise of the Warrants, and who, for the purposes of the Tax Act and at all relevant times, (i) acquires and holds Unit Shares, Warrant Shares and Warrants as capital property, (ii) acquires Warrant Shares pursuant to the exercise or deemed exercise of Warrants, and (iii) deals at arm’s length and is not affiliated with the Company, the Agents and any subsequent purchaser of such securities. A holder who meets all of the foregoing requirements is referred to as a “**Holder**” herein, and this summary only addresses such Holders. Generally, Unit Shares, Warrant Shares and Warrants will be considered to be capital property to a Holder, provided that the Holder does not acquire or hold Unit Shares, Warrant Shares and Warrants in the course of carrying on a business of trading or dealing in securities and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade.

This summary is not applicable to a Holder (i) that is a “financial institution”, as defined in the Tax Act for the purposes of the mark-to-market rules in the Tax Act, (ii) that is a “specified financial institution”, as defined in the Tax Act, (iii) an interest in which is a “tax shelter investment”, as defined in the Tax Act, (iv) that has elected to determine its Canadian tax results in a “functional currency” other than the Canadian dollar, (v) that has entered into or will enter into a “derivative forward agreement” or a “synthetic disposition arrangement”, each as defined in the Tax Act, with respect to the Unit Shares, the Warrants or the Warrant Shares, (vi) that receives dividends on Unit Shares or Warrant Shares under or as part of a “dividend rental arrangement”, as defined in the Tax Act, (vii) that is exempt from tax under the Tax Act; or (viii) that is a “substantive CCPC” within the meaning of the Proposed Amendments (as defined below). Any such Holder should consult its own tax advisor with respect to an investment in offered Units.

Additional considerations, not discussed herein, may be applicable to a Holder that is a corporation resident in Canada and is or becomes (or does not deal at arm’s length with a corporation resident in Canada for purposes of the Tax Act that is or becomes) controlled by a non-resident person (or group of non-resident persons that do not deal at arm’s length with each other for the purposes of the Tax Act) for purposes of the “foreign affiliate dumping” rules in section 212.3 of the Tax Act. Such Holders should consult their tax advisors with respect to the consequences of acquiring the offered Units.

This summary is based upon the provisions of the Tax Act in force as of the date hereof, all specific proposals to amend the Tax Act that have been publicly and officially announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the “**Proposed Amendments**”) and counsel’s understanding of the current administrative policies and assessing practices of the Canada Revenue Agency (the “**CRA**”), published in writing by it prior to the date hereof. This summary assumes the Proposed Amendments will be enacted in the form proposed. However, no assurance can be given that the Proposed Amendments will be enacted in their current form, or at all.

This summary is not exhaustive of all possible Canadian federal income tax considerations and, except for the Proposed Amendments, does not take into account or anticipate any changes in the law or any changes in the CRA’s administrative policies and assessing practices, whether by legislative, governmental or judicial action or decision, nor does it take into account or anticipate any other federal or any provincial, territorial or foreign tax considerations, which may differ significantly from those discussed herein. This summary is not intended to be, nor should it be construed to be, legal or tax advice to any particular Holder, and no representations with respect to the income tax consequences to any Holder are made. Consequently, Holders should consult their own tax advisors with respect to the tax consequences applicable to them, having regard to their own particular circumstances.

### **Allocation of Offering Price**

Holders will be required to allocate the aggregate cost of an offered Unit between the Unit Share and the Warrant on a reasonable basis in order to determine their respective costs to the Holder for the purposes of the Tax Act. The Company intends to allocate \$● of the Offering Price to each Unit Share and \$● of the Offering Price to each Warrant acquired as part of an offered Unit. As of the date of this Prospectus, the Company believes that such allocation is reasonable, but such allocation will not be binding on the CRA or a Holder. The adjusted cost base to a Holder of a Unit Share acquired as part of an offered Unit will be determined by averaging the cost of such Unit Share with the adjusted cost base of all Common Shares held by the Holder as capital property immediately before such acquisition.

### **Exercise of Warrants**

The exercise of a Warrant to acquire a Warrant Share will be deemed not to constitute a disposition of property for purposes of the Tax Act and consequently no gain or loss will be realized by a Holder upon such exercise. When a Warrant is exercised, the Holder’s cost of the Warrant Share acquired thereby will be equal to the aggregate of the Holder’s adjusted cost base of such Warrant and the exercise price paid for the Warrant Share. The Holder’s adjusted cost base of the Warrant Share so acquired will be determined by averaging the cost of the Warrant Share with the adjusted cost base to the Holder of all Common Shares (if any) held as capital property immediately before the exercise of the Warrant.

### **Taxation of Resident Holders**

The following portion of this summary applies to Holders who, for the purposes of the Tax Act and any applicable income tax treaty or convention, are or are deemed to be resident in Canada at all relevant times (herein, “**Resident**”).

**Holders**”) and this portion of the summary only addresses such Resident Holders. Certain Resident Holders who might not be considered to hold their Unit Shares or Warrant Shares as capital property may, in certain circumstances, be entitled to make an irrevocable election permitted by subsection 39(4) of the Tax Act to deem such shares and any other “Canadian security” (as defined in the Tax Act) held by them in the taxation year of the election and each subsequent taxation year to be capital property. This election does not apply to Warrants. Resident Holders contemplating such election should consult their own tax advisors for advice as to whether it is available and, if available, whether it is advisable in their particular circumstances.

### **Expiry of Warrants**

The expiry of an unexercised Warrant generally will result in a capital loss to the Resident Holder equal to the adjusted cost base of the Warrant to the Resident Holder immediately before its expiry. The taxation of capital gains and losses generally is described below under the heading “*Capital Gains and Capital Losses*”.

### **Taxation of Dividends**

A Resident Holder will be required to include in computing income for a taxation year any dividends received, or deemed to be received, in the year by the Resident Holder on the Unit Shares or Warrant Shares. In the case of a Resident Holder that is an individual (other than certain trusts), such dividends will be subject to the gross-up and dividend tax credit rules normally applicable under the Tax Act to “taxable dividends” received from a “taxable Canadian corporation” (each as defined in the Tax Act), including the enhanced gross-up and dividend tax credit provisions where the Company designates the dividend as an “eligible dividend” in accordance with the provisions of the Tax Act. There may be restrictions on the ability of the Company to designate any particular dividend as an “eligible dividend” and the Company has made no commitment in this regard. A dividend received or deemed to be received by a Resident Holder that is a corporation on the Unit Shares or Warrant Shares must be included in computing its income but will generally be deductible in computing the corporation’s taxable income, subject to all of the rules and restrictions under the Tax Act in that regard. In certain circumstances, subsection 55(2) of the Tax Act will treat a taxable dividend received or deemed to be received by a Resident Holder that is a corporation as proceeds of disposition or a capital gain. Resident Holders that are corporations should consult their own tax advisors having regard to their own circumstances.

A Resident Holder that is a “private corporation” or a “subject corporation” (each as defined in the Tax Act), generally will be liable to pay an additional tax (refundable under certain circumstances) under Part IV of the Tax Act on dividends received or deemed to be received on the Unit Shares or Warrant Shares in a year to the extent such dividends are deductible in computing taxable income for the year.

### **Disposition of Unit Shares, Warrants and Warrant Shares**

A Resident Holder who disposes, or is deemed to dispose, of a Unit Share, a Warrant (other than on the expiry or exercise thereof) or a Warrant Share (other than on a disposition to the Company that is not a sale in the open market in the manner in which shares would normally be purchased by any member of the public in an open market) generally will realize a capital gain (or capital loss) in the taxation year of the disposition equal to the amount, if any, by which the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are exceeded by) the adjusted cost base to the Resident Holder of such Unit Shares, Warrants or Warrant Shares, as the case may be, immediately before the disposition or deemed disposition. The taxation of capital gains and losses is generally described below under the heading “*Capital Gains and Capital Losses*”.

## Capital Gains and Capital Losses

Generally, a Resident Holder is required to include in computing income for a taxation year one-half of the amount of any capital gain (a “**taxable capital gain**”) realized by the Resident Holder in such taxation year. Subject to and in accordance with the rules contained in the Tax Act, a Resident Holder is required to deduct one-half of the amount of any capital loss (an “**allowable capital loss**”) realized in a particular taxation year against taxable capital gains realized by the Resident Holder in the year. Allowable capital losses in excess of taxable capital gains realized in a particular taxation year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years (but not against other income), to the extent and under the circumstances described in the Tax Act.

The amount of any capital loss realized by a Resident Holder that is a corporation on the disposition or deemed disposition of a Unit Share or Warrant Share may be reduced by the amount of any dividends received or deemed to have been received by such Resident Holder on such shares or shares substituted for such shares, to the extent and under the circumstances described in the Tax Act. Similar rules may apply where a Resident Holder that is a corporation is a member of a partnership or a beneficiary of a trust that owns Unit Shares or Warrant Shares, directly or indirectly, through a partnership or trust. Resident Holders to whom these rules may be relevant should consult their own tax advisors.

A Resident Holder that is throughout the relevant taxation year a “Canadian-controlled private corporation” (as defined in the Tax Act) may be liable to pay an additional tax (refundable in certain circumstances) on certain investment income, including taxable capital gains. Such Resident Holders should consult their own tax advisors.

### Alternative Minimum Tax

Capital gains realized and dividends received or deemed to be received by a Resident Holder that is an individual or a trust, other than certain specified trusts, may give rise to alternative minimum tax under the Tax Act. Resident Holders should consult their own tax advisors in this regard.

### Taxation of Non-Resident Holders

The following portion of this summary is generally applicable to Holders who, for the purposes of the Tax Act and any applicable income tax treaty or convention, and at all relevant times: (i) are neither resident nor deemed to be resident in Canada, and (ii) do not use or hold Unit Shares, Warrants or Warrant Shares in the course of business carried on or deemed to be carried on in Canada. Holders who meet all of the foregoing requirements are referred to herein as “**Non-Resident Holders**”, and this portion of the summary only addresses such Non-Resident Holders. Special rules, which are not discussed in this summary, may apply to a Non-Resident Holder that is an insurer carrying on business in Canada and elsewhere or that is an “authorized foreign bank” as defined in the Tax Act. Such Non-Resident Holders should consult their own tax advisors.

### Receipt of Dividends

Dividends paid or credited or deemed to be paid or credited to a Non-Resident Holder on the Unit Shares or Warrant Shares will generally be subject to Canadian withholding tax at the rate of 25% of the gross amount of the dividend unless reduced by the terms of an applicable tax treaty or convention between Canada and the country in which the Non-Resident Holder is resident. For example, under the Canada-United States Tax Convention (1980) as amended (the “**Treaty**”), the rate of withholding tax on dividends paid or credited to a Non-Resident Holder who is resident in the U.S. for purposes of the Treaty, is the beneficial owner of the dividends, and is entitled to full benefits under the Treaty (a “**U.S. Holder**”), is generally reduced to 15% of the gross amount of the dividend (or 5% in the case of a U.S. Holder that is a company beneficially owning at least 10% of the Company’s voting shares). Non-Resident Holders should consult their own tax advisors in this regard.

### Disposition of Unit Shares, Warrants and Warrant Shares

A Non-Resident Holder generally will not be subject to tax under the Tax Act in respect of a capital gain realized on the disposition or deemed disposition of a Unit Share, a Warrant or a Warrant Share, nor will capital losses arising

therefrom be recognized under the Tax Act, unless such Unit Share, Warrant Share or Warrant, as the case may be, constitutes “taxable Canadian property” (as defined in the Tax Act) of the Non-Resident Holder at the time of disposition and the Non-Resident Holder is not entitled to relief under an applicable tax treaty or convention between Canada and the country in which the Non-Resident Holder is resident.

Provided the Common Shares are listed on a “designated stock exchange”, as defined in the Tax Act (which includes the TSXV), at the time of disposition, the Unit Shares, Warrants and Warrant Shares will generally not constitute taxable Canadian property of a Non-Resident Holder at that time, unless at any time during the 60-month period immediately preceding the disposition the following two conditions are satisfied concurrently: (i) (a) the Non-Resident Holder; (b) persons with whom the Non-Resident Holder did not deal at arm’s length; (c) partnerships in which the Non-Resident Holder or a person described in (b) holds a membership interest directly or indirectly through one or more partnerships; or (d) any combination of the persons and partnerships described in (a) through (c), owned 25% or more of the issued shares of any class or series of shares of the Company; and (ii) more than 50% of the fair market value of such shares was derived directly or indirectly from one or any combination of: real or immovable property situated in Canada, “Canadian resource properties”, “timber resource properties” (each as defined in the Tax Act), and options in respect of, or interests in or for civil law rights in, such properties, whether or not such property exists.

If the Common Shares are not listed on a “designated stock exchange”, as defined in the Tax Act, at the time of the disposition, the Unit Shares, Warrants and Warrant Shares will generally not constitute taxable Canadian property of a Non-Resident Holder at that time, unless at any time during the 60-month period immediately preceding the disposition, more than 50% of the fair market value of the Common Shares was derived directly or indirectly from one or any combination of: real or immovable property situated in Canada, “Canadian resource properties”, “timber resource properties” (each as defined in the Tax Act), and options in respect of, or interests in or for civil law rights in, such properties, whether or not such property exists.

Notwithstanding the foregoing, in certain circumstances set out in the Tax Act, the Unit Shares, the Warrants and the Warrant Shares may be deemed to be taxable Canadian property to a Non-Resident Holder.

Even if the Unit Shares, the Warrants and the Warrant Shares are taxable Canadian property of a Non-Resident Holder, such Non-Resident Holder may be exempt from tax under the Tax Act on the disposition of such Unit Shares, Warrants and Warrant Shares by virtue of an applicable income tax treaty or convention. In the event that a Unit Share, a Warrant or a Warrant Share is taxable Canadian property of a Non-Resident Holder, and any capital gain that would be realized on the disposition thereof is not exempt from tax under the Tax Act pursuant to the terms of an applicable income tax treaty or convention, the consequences under the heading “*Taxation of Resident Holders – Capital Gains and Capital Losses*” will generally be applicable to the Non-Resident Holder. Non-Resident Holders who may hold Unit Shares, Warrants or Warrant Shares as taxable Canadian property should consult their own tax advisors.

## RISK FACTORS

**An investment in the Units should be considered highly speculative due to the nature of the Company’s business and the present stage of its development. An investment in the Units should not constitute a major portion of an individual’s investment portfolio and should only be made by persons who can afford and are willing to lose the entirety of their investment. Prospective investors should consult with their professional advisors to assess the income tax, legal and other aspects of an investment in the Units.**

**In evaluating the Company and its business, prospective investors should carefully consider, in addition to the other information contained in this Prospectus, the following risk factors, many of which are beyond the control of the Company. These risk factors are not an exhaustive list of all risk factors associated with an investment in the Company or in connection with the Company’s operations. There may be other risks and uncertainties that are not known to the Company or that the Company currently believes are not material, but which also may have a material adverse effect on its business, financial condition, operating results or prospects. In that case, the trading price of the Common Shares could decline substantially, and investors may lose all or part of the value of the securities held by them.**

## **Risks Relating to the Company's Business**

### ***Limited Operating History and No Ongoing Operations***

The Company is a mineral exploration company and has no operations or revenue. The Company's business is a highly speculative endeavor. There can be no assurance that the Company will be successful in ever developing a commercially viable mine at the Filo Sur Project or ever achieving profitable operations. The Company has a limited operating history from which its business and prospects can be evaluated, and forecasts of any potential growth of the business of the Company are difficult to evaluate. The Company's prospects must be considered in light of the risks, expenses and difficulties frequently encountered by single asset companies in the early stages of exploration, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenues.

### ***No History of Earnings***

The Company has no history of earnings and the Filo Sur Project has no operating history upon which to base estimates of future cash flows. There are no known mineral resources or mineral reserves on the Filo Sur Project and there can be no assurance that the Company will ever discover any economic quantities of mineral reserves. The current state of the Filo Sur Project requires significant additional expenditures before any cash flow may be generated. There is no assurance that the Company will be successful in achieving a return on 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. In particular, it is possible that actual costs and future economic returns may differ materially from the Company's estimates. There can be no assurance that the underlying assumed levels of expenses for any project will prove to be accurate. Further, it is not unusual in the mining industry for new mining operations to experience unexpected problems during start-up, resulting in delays and requiring more capital than anticipated. There can be no assurance that the Filo Sur Project or any exploration projects the Company may acquire in the future will move beyond the exploration stage and be put into production, achieve commercial production or that the Company will produce revenue, operate profitably or provide a return on investment in the future. Mineral exploration involves considerable financial and technical risk. There can be no assurance that the funds required for exploration and future development can be obtained on a timely basis. There can be no assurance that the Company will not suffer significant losses in the near future or that the Company will ever be profitable.

### ***Negative Operating Cash Flow***

The Company is an exploration stage company and has not generated cash flow from operations and has had negative operating cash flow since its inception. The Company is devoting significant resources to the exploration and acquisition of its properties; however, there can be no assurance that it will generate positive cash flow from operations in the future. The Company expects to continue to incur negative consolidated operating cash flow and losses until such time as it achieves commercial production at a particular project.

### ***Uncertainty of Additional Funding***

With the net proceeds from the Offering and other available funds, the Company expects to have sufficient financial resources to carry out Phase 1 and Phase 2 of the exploration program on the Filo Sur Project, as recommended by the Technical Report. Upon the successful completion of this work, the Company may not have sufficient financial resources to complete further work on the Filo Sur Project. The only sources of future funds presently available to the Company are the sale of equity capital, debt, or offering of interests in the Filo Sur Project to be earned by another party or parties by carrying out development work. There can be no assurance the Company will be able to raise additional funds on terms acceptable to the Company or at all. Failure to obtain additional financing on a timely basis could have a material adverse effect on the Company and could cause the Company to forfeit its interest in the Filo Sur Project and reduce or terminate its operations.

### ***Exploration and Development***

The Filo Sur Project is in the exploration stage and, at present, there are no mineral resources or mineral reserves on the Filo Sur Project. The vast majority of properties which are explored are not ultimately developed into producing mines. There is no assurance that the Company's mineral exploration and development activities will result in any

discoveries of commercial bodies of ore. The long-term profitability of the Company's operations is in part directly related to the cost and success of the Company's exploration programs, which may be affected by a number of factors.

Even if the Filo Sur Project advances to development, 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, modifications on the overall tax pressure. Short-term factors relating to mineral reserves, such as the need for orderly development of ore bodies or the processing of new or different grades, may also have an adverse effect on the results of operations. Moreover, there can be no assurance that minerals recovered in small scale laboratory tests will be achieved 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.

### ***Estimates of Mineral Deposits***

There can be no assurance that any estimates of mineral resources or mineral reserves will materialize or that any identified mineralization will be developed into a coherent mineral deposit, or that such deposit will even qualify as a commercially viable mineral reserve that can be legally and economically exploited. Until reserves or resources are actually mined and processed, the quantity of reserves or resources and grades must be considered as estimates only. In addition, the quantity of reserves or resources may vary depending on metal prices. Any material change in the quantity of reserves, resource grade or stripping ratio may affect the economic viability of the Company's properties. In addition, there can be no assurance that mineral recoveries in small scale laboratory tests will be duplicated in large tests under on-site conditions or during production.

Estimates regarding mineral deposits can also be affected by many factors such as permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. In addition, the grades and tonnages of any mineral reserve ultimately mined may differ from that indicated by drilling results and other exploration and development work. There can be no assurance that test work and results conducted and recovered in small-scale laboratory tests will be duplicated in large-scale tests under on-site conditions. Material changes in mineralized tonnages, grades, dilution and stripping ratios or recovery rates may affect the economic viability of mineral projects. The existence of mineralization or mineral deposits should not be interpreted as assurances of the future delineation of mineral reserves or the profitability of any future operations.

### ***Dependence on the Success of the Filo Sur Project***

As at the date of this Prospectus, the Company's only mineral property interest is in the Filo Sur Project, and its current business activities are focused on the exploration and development of the Filo Sur Project, which has no current mineral resource or mineral reserve estimate. The exploration and development of the Filo Sur Project will require the commitment of substantial financial resources for capital expenditures and operating expenses, which may increase in subsequent years as needed, and for consultants, personnel and equipment associated with additional exploration and development of such a property. As a result, the Company's success will be dependent to a significant degree on the successful exploration and development of the Filo Sur Project and any adverse changes, results or developments in respect of the Filo Sur Project could have a material adverse effect on the Company's business, financial condition and prospects as a whole.

### ***Substantial Capital Expenditures Required***

The Company has limited financial resources and the exploration, development and mining of natural resources is capital intensive. Substantial expenditures are required to establish mineral resources and mineral reserves through drilling, to develop metallurgical processes to extract metal from the ore and to develop the mining and processing facilities and infrastructure at any site chosen for mining. If the Company's exploration programs are successful and favourable exploration results are obtained, the Filo Sur Project may be developed into commercial production. The Company will require additional funds to continue exploration and development activities and ultimately to place the Filo Sur Project into production. Actual capital costs may differ significantly from those that the Company has anticipated and there are no assurances that any future development activities will result in profitable mining

operations. The capital costs required to take the Filo Sur Project into future commercial production may be significantly higher than anticipated. Decisions about the development of the Filo Sur Project will ultimately be based upon feasibility studies. Capital costs and other estimates contained in studies or estimates prepared by or for the Company may differ significantly from those anticipated by the Company's current studies and estimates, and there can be no assurance that the Company's actual capital costs will not be higher than currently anticipated. As a result of higher capital costs, production and economic returns may differ significantly from those the Company has anticipated.

Although substantial benefits may be derived from the discovery of a major mineral deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that the funds required for development can be obtained on a timely basis, or at all. The discovery of a mineral deposit is dependent upon a number of factors. The commercial viability of a mineral deposit, if and when discovered, is also dependent upon a number of factors, some of which relate to particular attributes of the deposit, such as size, grade and proximity to infrastructure, and some of which are more general factors such as metal prices and government regulations, including environmental protection. Most of these factors are beyond the Company's control. In addition, because of these risks, there is no certainty that the expenditures to be made by the Company on the exploration of the Filo Sur Project as described herein will result in the discovery of a commercially viable mineral reserve.

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

The Company will be dependent on the efforts and abilities of a relatively small number of key personnel, the loss of whom could have an adverse effect on the Company. Certain of the Company's anticipated officers and directors have experience in the exploration of mineral producing properties, and in particular, the mining industry in South America. While the Company does not foresee any reason why such officers and key employees will not remain with the Company, if for any reason they do not, the Company could be adversely affected. At this time, the Company does not maintain key-person insurance on the lives of any of its key personnel.

### ***Dependence on Outside Contractors***

It is common for certain aspects of mining operations, such as drilling, blasting and underground development, to be conducted by outside contractors. Accordingly, the Company will remain highly dependent upon contractors and third parties in the performance of its exploration and development activities. There can be no assurances that such contractors and third parties will be available to carry out such activities on behalf of the Company on commercially acceptable terms or at all. In addition, the Company will be subject to a number of related risks, including: reduced control over the aspects of the tasks that are the responsibility of the contractors; failure of the contractors to perform under their agreements with the Company; inability to replace the contractors if their contracts are terminated; interruption of services in the event that the contractors cease operations due to insolvency or other unforeseen events; failure of the contractors to comply with applicable legal and regulatory requirements; and failure of the contractors to properly manage their workforce resulting in labour unrest or other employment issues.

### ***Mining Risks and Hazards***

Mineral exploration and development involve risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Operations in which the Company has a direct or indirect interest will be subject to hazards and risks normally incidental to exploration and development of minerals. Such risks include, but are not limited to: industrial accidents, unusual or unexpected rock formations, structural cave-ins or slides and pitfall, ground or slope failures and accidental release of water from surface storage facilities, fire, flooding and earthquakes, rock bursts, minerals losses, periodic interruptions due to inclement or hazardous weather conditions, environmental hazards, discharge of pollutants or hazardous materials, failure of processing and mechanical equipment and other performance problems, geotechnical risks, including the stability of the underground hanging walls and unusual and unexpected geological conditions, unanticipated variations in grade and other geological problems, water, surface or underground conditions, glaciers, labor disputes or slowdowns, work force health issues as a result of working conditions, and force majeure events, or other unfavorable operating conditions. These risks, conditions and events could result in damage to, or destruction of, the value of, the Company's projects or their facilities, personal injury or death, environmental damage to the Company's projects or the properties of others, delays or prohibitions on mining or the transportation of minerals, monetary losses, and potential legal liability. Any of the foregoing could have a material adverse effect on the Company's business, financial condition, and results of operation or prospects.

### ***Fluctuating Commodity Prices***

The mining business is subject to mineral price cycles. The marketability of minerals and mineral concentrates is also affected by worldwide economic cycles. Metal prices fluctuate widely and are affected by a numerous factors such as global supply, demand, inflation, exchange rates, interest rates, forward selling by producers, production, global or regional political, economic or financial situations and other factors beyond the control of the Company. There can be no assurance that, even if commercial quantities of mineral resources are discovered, a profitable market will exist for their sale or that commodity prices will be such that the Filo Sur Project can be mined at a profit if a mineral resource is defined. The value and price of the Common Shares and the Company's financial results may be significantly adversely affected by declines in the prices of commodities such as copper and gold.

The Company's revenues, if any, are expected to be in large part derived from the extraction and sale of precious and base minerals and metals. Changes in the market prices of copper, gold and other commodities, which in the past have fluctuated widely, will affect the Company's operations. The prices of copper, gold and other commodities are affected by numerous factors beyond the Company's control, including: the strength of and confidence in the Canadian and U.S. economies and the economies of other industrialized and developing nations; global or regional political or economic conditions or events; the relative strength of and attractiveness the Canadian and U.S. dollars and other currencies; expectations with respect to the rate of inflation; current and expected interest rates and exchange rates; expectations of the future rate of inflation; actual and anticipated purchases and sales of copper and gold by central banks, financial institutions and other large holders, including speculators; industrial demand and demand for products containing copper and gold; investment activity, including speculation, in copper and gold as commodities or as a hedge against currency devaluation; and supply and demand dynamics, including the cost of substitutes, inventory levels and carrying charges.

The Company cannot predict the effect of these factors on commodity prices. A decrease in the market price of gold, copper and other commodities could affect the Company's ability to finance the exploration and development of the Filo Sur Project. The market price of gold, copper and other commodities may not remain at current levels. In particular, an increase in worldwide supply, and consequent downward pressure on prices, may result over the longer term from increased gold and copper production from mines developed or expanded as a result of current metal price levels.

### ***Title to Properties***

The Company's interest in the Filo Sur Project is by way of the Filo Sur Option Agreement only and the Company does not currently own any interest in the Filo Sur Project. Rather, the Company has the right to acquire an interest in the Filo Sur Project by incurring the Filo Sur Expenditures and by making the Filo Sur Option Payments in accordance with the Filo Sur Option Agreement. Upon the Company exercising the Filo Sur Option, the Company will earn an 80% interest to the Filo Sur Option. Should the Company not comply with its obligations under the Filo Sur Option Agreement, the Company's interest in the Filo Sur Project may be lost. There is no guarantee the Company will be able to raise sufficient funding in the future to incur the Filo Sur Expenditures and to make the Filo Sur Option Payments by the deadlines set out in the Filo Sur Option Agreement.

Acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. Although the Company has investigated title to the Filo Sur Project and the Company is satisfied with its review of the title to the Filo Sur Project, the Company cannot give an assurance that title to the Filo Sur Project will not be challenged or impugned. The results of the Company's investigations should not be construed as a guarantee of title. Other parties may dispute the title to a property, or the property may be subject to prior unregistered agreements or liens and transfers or land claims by aboriginal, native, or indigenous peoples. The title may be affected by undetected encumbrances or defects or governmental actions. The precise area and location of claims or the properties may also be challenged, and no assurances can be given that there are no title defects affecting such properties. The rules governing mining concessions in Argentina and Chile are complex and any failure by the Company to meet requirements could have a material and adverse effect on the Company.

As title insurance is generally not available for mineral properties, the Company does not currently expect to carry title insurance on the Filo Sur Project once it has exercised the Filo Sur Option. Accordingly, a successful claim that the Company does not have title to the Filo Sur Project after it has exercised the Filo Sur Option could cause the

Company to lose its rights to the Filo Sur Project, perhaps without compensation for its prior expenditures relating to the Filo Sur Project.

### ***Surface Rights***

#### ***Argentina***

The Argentine Mining Code sets out rules under which surface rights and easements can be granted for a mining operation, and covers aspects including land occupation, rights-of-way, access routes, transport routes, rail lines, water usage and any other infrastructure needed for operations. In general, compensation must be paid to the affected landowner in proportion to the amount of damage or inconvenience incurred. However, no provisions or regulations have been enacted as to the nature or amount of the compensation payment. For this reason, it will be necessary to reach agreements with the holders of the mining easements being used and/or, if applicable, make agreements with the surface owners. Identifying the surface owners requires consulting the Provincial Cadastral and these efforts are ongoing. In instances where no agreement can be reached with the landowner, the Argentine Mining Code provides the mining right holder with the right to expropriate the required property.

The Company has surface access rights but it does not, and following the exercise of the Filo Sur Option it will not, own the surface rights to the Filo Sur Project. The Company understands that it is necessary, as a practical matter, to negotiate surface access, and the Company will do so. However, there is a risk that local communities or affected groups may take actions to delay, impede or otherwise terminate the contemplated activities of the Company. There can be no guarantee that the Company will be able to negotiate a satisfactory agreement with any such existing landowners/occupiers for such access, and therefore it may be unable to carry out significant exploration and development activities. In addition, in circumstances where such access is denied, or no agreement can be reached, the Company may need to rely on the assistance of local officials or the courts in such jurisdiction, which assistance may not be provided or, if provided, may not be effective. If the development of a mine on the Filo Sur Project becomes justifiable it will be necessary to acquire surface rights for mining, plant, tailings and mine waste disposal. There can be no assurance that the Company will be successful in acquiring any such rights.

#### ***Chile***

In accordance with the provisions outlined in the Chilean Mining Code, the mining concession is a right, distinct and independent from the ownership of the surface property, even if it has the same owner. Therefore, a mining concessionaire (such as the Company) must have a property right to own the surface rights or a contractual or legal right through entering into agreements with the holders of surface rights to carry out mining activities over surface land. There can be no assurance that agreements will be available, or that agreements will be able to be entered into in a timely manner, in order to carry on operations at the Filo Sur Project. Any failure to obtain the necessary renewals may have a material adverse effect on the Company. At this moment, Mogotes Chile only owns mining concessions and has not any kind of surface rights. In the future, the Company will require surface rights, which will require negotiations with the owners of the surface property or an easement civil trial. The Company has no information of surface owners and has no negotiated any agreements related to the use of the land. Although the Company will be able to obtain an easement (judicial or voluntary) it is not possible to know the amount it could be granted as compensation.

### ***Third Party Stakeholders***

The lands in which the Company will hold 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 mandates, may be subject to interests or claims by third party individuals, groups or companies. In the event that such third parties assert any claims, the Company's work programs may be delayed even if such claims are not meritorious. Such delays may result in significant financial loss and loss of opportunity for the Company.

### ***Requirement for Permits and Licences***

The Corporation's development and exploration activities are subject to permitting requirements in both Argentina and Chile. The Company will be applying for all necessary licences and permits under applicable laws and regulations to carry on the exploration activities which it is currently planning in respect of the Filo Sur Project and the Company

intends to comply in all material respects with the terms of such licences and permits. The duration and success of the Company's efforts to obtain and renew licences or permits are contingent upon many variables not within the Company's control, including the interpretation of applicable requirements implemented by the licensing authority. Any unexpected delays or costs associated with the licensing or permitting process could delay the development or impede the operation of a mine, which could adversely impact the Company's operations and profitability. There can be no guarantee that the Company will be able to obtain all required licences and permits. To the extent such licences and permits are required and not obtained, the Company may be restricted or prohibited from proceeding with planned exploration or development activities. In addition, such licences and permits are subject to changes in regulations and in various operational circumstances. Failure to obtain and/or comply with required licences and permits could have serious consequences, including: damage to the Company's reputation, stopping the Company from proceeding with the exploration and development of a project, negatively impacting further development of a mine, and increasing the costs of development and litigation or regulatory action against the Company, and may materially adversely affect the Company's business, results of operations or financial condition.

### ***Regulatory Mining Environment in Argentina***

The regulatory environment in Argentina can be a challenging cost environment, especially with inflation at elevated levels. For example:

- On October 26, 2011, the Federal Government of Argentina announced that future export revenues derived from mining operations in Argentina must be repatriated to Argentina and converted into Argentine currency prior to being distributed either locally or overseas. The distribution of earnings overseas requires Argentine currency to be converted into foreign currency for repatriation. A bank transaction tax of 0.6% applies to the conversion of Argentine pesos to foreign currencies in transactions that would otherwise have been executed using offshore funds. The mining industry had previously been exempted from this obligation to bring such foreign currency into Argentina.
- In 2012, Argentina's Ministry of Economy and Public Finance issued a resolution that reduced the time permitted to repatriate export proceeds from 180 days to 15 days.
- During 2012, the Central Bank of Argentina ("BCRA") increased its involvement in U.S. dollar inflows and outflows, and Argentina continued to experience high inflation along with a weakening currency. The Federal Government of Argentina has also introduced measures (both written and non-written) requiring local sourcing of equipment and supplies wherever possible.
- In August 2019, the National Executive Branch established that the countervalue of the export of goods and services must be brought into the country in foreign currency and/or traded in the foreign exchange market under the conditions and terms established by BCRA in due time. Within this framework, the BCRA issued Communication "A" 6,770, as subsequently amended, which, as from September 1, 2019, implemented a broad exchange control mechanism. The exchange controls also provide rules and requirements to be complied with by a local company or individual to access the foreign exchange market for the purchase of foreign currency or its transfer abroad (i.e., payments of imports and other purchases of goods abroad; payment of services rendered by non-residents; distribution of profits and dividends; payment of principal and interest of foreign indebtedness; interest payments on debts for import of good and services, among others) without requiring prior approval from the BCRA.

Additionally, the taking of property by nationalization or expropriation without adequate compensation is a risk in Argentina. Expropriation, or the threat of expropriation, is often the result of poor economic conditions within a country or has underlying political rationales. Although the Company does not presently anticipate that the Filo Sur Project will be the subject of expropriation, there can be no assurance that this will not occur. Such governmental actions may have an adverse impact on the Company's operations.

### ***Governmental Regulations***

The Company's future exploration and development activities are subject to extensive federal, state, provincial, municipal, territorial and local laws and regulations governing various matters, including but not limited to:

environmental protection; the management and use of toxic substances and explosives; the management of natural resources; the exploration of mineral properties; exports; insurance restrictions; import restrictions; exchange controls; capital controls; price controls; taxation and mining royalties; labor standards and occupational health and safety, including mine safety; anti-corruption and anti-bribery statutes; and historic and cultural preservation.

Failure to comply with applicable laws and regulations may result in civil or criminal fines or penalties or enforcement actions, including orders issued by regulatory or judicial authorities enjoining or curtailing operations or requiring corrective measures, installation of additional equipment or remedial actions, or the imposition of additional local or foreign parties as joint venture partners, any of which could result in significant expenditures. The Company may also be required to compensate private parties suffering loss or damage by reason of a breach of such laws, regulations or permitting requirements. Future laws and regulations, or more stringent enforcement of current laws and regulations by governmental authorities, cannot be accurately predicted and it is possible that these could cause the Company to incur additional expense, divert management time and attention from revenue generating activities or restrict or delay the exploration and development of its properties.

### ***Foreign Operations Risk***

The Company conducts exploration activities in Argentina and Chile. Each of these countries exposes the Company to risks that may not otherwise be experienced if all operations were located in Canada. The risks vary from country to country and can include, but are not limited to, civil unrest or war, terrorism, changing political conditions, fluctuations in currency exchange rates, expropriation or nationalization without adequate compensation, changes to royalty and tax regimes, high rates of inflation, labour unrest and difficulty in understanding and complying with the regulatory and legal framework respecting ownership and maintenance of mineral properties, as well as the revocation or suspension of previously issued mining permits. Changes in mining or investment policies or shifts in political attitudes may also adversely affect the Company's existing assets and operations. Real and perceived political risk may also affect the Company's ability to finance exploration programs and attract joint venture or option partners, and future mine development opportunities. Chile is typically viewed as a favourable mining jurisdiction; however, certain Canadian issuers have recently experienced regulatory action with regards to Chilean operations, specifically with respect to increased permitting timelines.

Numerous countries have introduced changes to mining regimes that reflect increased government control or participation in the mining sector, including, but not limited to, changes of law affecting foreign ownership, mandatory government participation, taxation and royalties, exploration licensing, export duties, and repatriation of income or return of capital. There can be no assurance that industries, which are deemed of national or strategic importance in countries in which the Company has assets, including mineral exploration, will not be nationalized. There is a risk that further government limitations, restrictions or requirements, not presently foreseen, will be implemented. Changes in policy that alter laws regulating the mining industry could have a material adverse effect on the Company. There can be no assurance that the Company's assets in these countries will not be subject to nationalization, requisition or confiscation, whether legitimate or not, by an authority or body.

Following the closing of the Offering, the Company expects to conduct operations in Argentina and Chile through foreign subsidiaries. Accordingly, any limitations placed by Argentinian, Chilean or other laws on the transfer of cash or other assets between the Company and such entities could restrict the Company's ability to fund its operations efficiently. Any such limitations, or the perception that such limitations may exist now or in the future, could have an adverse impact on the Company's evaluation and stock price.

In addition, in the event of a dispute arising from foreign operations, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in Canada. The Company also may be hindered or prevented from enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity. It is not possible for the Company to accurately predict such developments or changes in laws or policy or to what extent any such developments or changes may have a material adverse effect on the Company.

Non-compliance with applicable laws, regulations and permitting requirements (including allegations of such) may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed or causing the withdrawal of permits or mining licences, and the imposition of corrective measures requiring material capital expenditure or remedial action resulting in materially increased cost of compliance,

reputational damage and potentially impaired ability to secure future approvals and permits. The Company may be required to compensate third parties for loss or damage and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

### ***Environmental Risks***

The current or future operations of the Company, including the exploration activities, will require permits from various governmental authorities, and such operations are and will be governed by laws and regulations governing exploration, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, site safety and other matters. There can be no assurance that all permits which the Company may require for its facilities and conduct of exploration and development operations will be obtainable on reasonable terms or that such laws and regulations would not have a material adverse effect on any exploration and development project which the Company might undertake.

Failure to comply with applicable 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 fines and penalties or corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in exploration and development operations may be required to compensate those suffering loss or damage by reason of the exploration and development activities and may have civil or criminal fines or penalties imposed upon them for violation of applicable laws or regulations. Furthermore, environmental hazards may exist on the properties on which the Company holds interests which are unknown to the Company at present and which have been caused by previous or existing owners or operators of the properties.

Environmental legislation is evolving and the general trend has been towards stricter standards and enforcement, increased fines and penalties for noncompliance, more stringent environmental assessments of proposed projects and increasing responsibility for companies and their officers, directors and employees. Amendments to current laws, regulations and permits governing the operations and activities of mineral companies, or more stringent enforcement thereof, could have a material adverse impact on the Company and cause increases in capital expenditure or exploration and development costs or reduction in levels of production at producing properties or require abandonment or delays in development of new properties. In addition, programs may also be delayed or prohibited in some areas due to technical factors, new legislative constraints, including recent legislation prohibiting development on and around glaciers, social opposition or local government capacity or willingness to issue permits to explore in a timely manner. In parts of Argentina, there is environmental opposition to both mineral exploration and mining. Accordingly, there may be a certain degree of anti-mining sentiment that could potentially affect the risk of successfully exploring and developing the Corporation's assets in those provinces.

### ***Supply Delays Risks***

The raw materials the Company requires to carry on its business are available through normal supply or business contracting channels in Argentina and Chile. The Company has secured personnel to conduct its currently contemplated programs. It is possible that delays or increased costs may be experienced in order to proceed with drilling activities due to adverse weather conditions, labour disputes, pandemic restrictions, accidents or changes in the regulatory environment. Such delays could significantly affect the Company if, for example, commodity prices fall significantly during such delay, thereby reducing the opportunity the Company may have had to develop a particular project had such work been completed in a timely manner before the fall of such prices. In addition, assay labs are often significantly backlogged, thus significantly increasing the time that the Company waits for assay results. Such delays can slow down work programs, thus increasing field expenses or other costs (such as property payments which may have to be made before all information to assess the desirability of making such payment is known, or causing the Company to not make such a payment and terminate its interest in a property rather than make a significant property payment before all information is available).

### ***Anti-Corruption Laws***

The Company is subject to anti-corruption laws under the *Extractive Sector Transparency Measures Act* (Canada), the *Corruption of Foreign Public Officials Act* (Canada) and the *U.S. Foreign Corrupt Practices Act*, which generally prohibit companies from engaging in bribery or other prohibited payments to foreign officials for the purpose of obtaining or retaining business. The anti-corruption laws also requires public companies to make and keep books and

records that accurately and fairly reflect their transactions and to devise and maintain an adequate system of internal accounting controls. The Company's business activities create the risk of unauthorized payments or offers of payments by its employees, consultants, service providers or agents, even though they may not always be subject to its control. The Company prohibits these practices by its employees, consultants, service providers and agents and has adopted the Code of Business Ethics and Conduct as well as internal controls and procedures intended to address compliance and business integrity issues. However, the Company's existing safeguards and any future improvements may prove to be less than effective, and its employees, consultants, service providers and agents may engage in conduct for which the Company may be held responsible. In particular, the Company, in spite of its best efforts, may not always be able to prevent or detect corrupt or unethical practices by employees or third parties, such as subcontractors or joint venture partners, which may result in reputational damage, civil and/or criminal liability (under the *Extractive Sector Transparency Measures Act* (Canada), the *Corruption of Foreign Public Officials Act* (Canada), the *U.S. Foreign Corrupt Practices Act* or any other relevant compliance, anti-bribery, anti-corruption and anti-money laundering) being imposed on the Company. If the Company's employees or other agents are found to have engaged in such practices, the Company could suffer severe penalties and other consequences that may have a material adverse effect on its business, financial condition and results of operations.

### ***Enforcement of Legal Rights***

Certain of the Company's directors, management and personnel are located in foreign jurisdictions. Given that the majority of the Company's material assets and certain of its directors, management and personnel are located outside of Canada, investors may have difficulty in effecting service of process within Canada and collecting from or enforcing against the Company, or its directors and officers, any judgments issued by the Canadian courts or Canadian securities regulatory authorities and predicated on the civil liability provisions of Canadian securities legislation or other laws of Canada.

### ***Community Groups***

In recent years, certain communities of both indigenous peoples and others, as well as non-governmental organizations, have been vocal and negative with respect to mining activities. The Company's relationship with the communities in which it operates will be critical to ensure the future success of its exploration activities and the future construction and development of its projects. Community groups or non-governmental organizations may create or inflame public unrest and anti-mining sentiment among the inhabitants in areas of mineral development. These communities and organizations have taken such actions as protests, road closures, work stoppages and initiating lawsuits for damages. Such organizations can be involved, with financial assistance from various groups, in mobilizing sufficient local antimining sentiment to prevent the issuance of required permits for the development of mineral projects of other companies. While the Company is committed to operating in a socially responsible manner, there is no guarantee that the Company's efforts in this respect will mitigate this potential risk. Any actions by communities and nongovernmental organizations may have a material adverse effect on the Company's activities, financial position, cash flow and results of operations.

### ***Indigenous Peoples***

Various international and national laws, codes, resolutions, conventions, guidelines, and other material relate to the rights of Indigenous Peoples. Many of these materials impose obligations on government to respect the rights of Indigenous People. Some mandate that government consult with Indigenous People regarding government actions, which may affect Indigenous People, including actions to approve or grant mining rights or permits. ILO Convention 169, which has been ratified by Argentina and Chile, is an example of such an international convention. The obligations of government and private parties under the various international and national materials pertaining to Indigenous People continue to evolve and be defined. Examples of recent developments in this area include the United Nations Declaration of the Rights of Indigenous People and the International Finance Corporation's revised Performance Standard 7, which requires governments to obtain the free, prior, and informed consent of Indigenous Peoples who may be affected by government action, such as the granting of mining concessions or approval of mine permits. The Company's current and future activities are subject to a risk that one or more groups of Indigenous People may oppose exploration, development, or new development of the Company's projects or operations. Such opposition may be directed through legal or administrative proceedings or expressed in manifestations such as protests, roadblocks or other forms of public expression against the Company's activities. Opposition by Indigenous People to the Company's operations may require

modification of, or preclude operation or development of, the Company's projects or may require the Company to enter into agreements with Indigenous People with respect to the Company's projects.

### ***Uninsurable Risks***

Mineral exploration and development involve risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. The Company's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labor disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, mechanical failures, changes in the regulatory environment and natural phenomena such as inclement weather conditions, fires, floods, hurricanes and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to the Company's properties or the properties of others, delays in mining, monetary losses and possible legal liability.

Although the Company maintains insurance to protect against certain risks in such amounts as it considers reasonable, the Company's insurance will not cover all of the potential risks associated with the Company's operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as loss of title to mineral property, environmental pollution, or other hazards as a result of exploration and production is not generally available to the Company or to other companies in the mining industry on acceptable terms. The Company might also become subject to liability for pollution or other hazards which may not be insured against or which it may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

### ***Political or Economic Instability in Argentina***

The Filo Sur Project is located in San Juan Province, Argentina. There are risks relating to an uncertain or unpredictable political and economic environment in Argentina. During an economic crisis in 2001 to 2003 and again in 2014 and 2020, Argentina defaulted on foreign debt repayments and on the repayment on a number of official loans to multinational organizations. In addition, the government has renegotiated or defaulted on contractual arrangements. The current government, which took office in December 2019, has reinstated currency controls previously lifted by the opposition government, which, among other impacts, restricts the ability of companies and its citizens to obtain foreign currency including, the US dollar, in each case requiring BCRA approval (resulting in, at times, a limitation on the ability of multi-national companies to distribute dividends abroad in foreign currency including, the US dollar). The current government has also reversed certain corporate tax rate reductions previously introduced by the previous opposition government. In addition, Argentina is battling one of the highest inflation rates in the world with inflation surging to 109% in April, 2023, which affects the Company's operating environment and its operating costs. While the political environment in Argentina continues to develop, and the status of currency controls and restrictions remains fluid, past actions indicate that the Argentinean government may from time to time alter or impose additional requirements or policies that may adversely affect the Company's activities in Argentina or in its ability to attract joint venture partners or obtain financing for its projects in the future. Economic instability in Argentina may negatively impact the timeliness or recoverability of amounts collectible from the government of Argentina. There may be material adverse consequences with respect to the Company and its operations as a result of political or economic instability in Argentina.

### ***Civil Disobedience in Argentina***

In recent years, many mining companies have been the targets of actions to restrict their legally-entitled access to mining concessions or property. Such acts of civil disobedience often occur with no warning and can result in significant direct and indirect costs. The Company cannot assure investors that there will be no disruptions to site access in the future, which could adversely affect its business.

### ***Global Economic Conditions***

Economic uncertainty in many parts of the world has adversely affected businesses and industries in almost every sector in more significant and unpredictable ways than in more stable economic times. Significant political, market,

economic, natural or manmade events may have wide-reaching effects and, to the extent they are not accurately anticipated or priced into markets, may result in sudden periods of market volatility and correction. Prolonged depressed economic conditions and volatility in the worldwide economy may continue to adversely affect individuals and institutions investing in junior mineral exploration and development companies, which could negatively affect the Company's business and prospects.

The economic viability of the Company's business plan is impacted by the Company's ability to obtain financing. The economic conditions and outlook of the jurisdictions in which the Company operates, and more generally global economic conditions, may impact the general availability of financing through public and private debt and equity markets, as well as through other avenues. Periods of market volatility and correction may have an adverse impact on economic growth and outlook, as well as lending and capital markets activity, all of which may impact the Company's ability to secure adequate financing on favourable terms, or at all.

Furthermore, general market, political and economic conditions, including, for example, inflation, interest and currency exchange rates, structural changes in the global mining industry, global supply and demand for commodities, political developments, legislative or regulatory changes, social or labour unrest and stock market trends will affect the Company's operating environment and its operating costs, profit margins and share price. Uncertainty or adverse changes relating to government regulation, economic and foreign policy matters, and other world events have the potential to adversely affect the performance of and outlook for the Canadian and global economies, which in turn may affect the ability of the Company to access financing on favourable terms or at all. The occurrence of negative sentiment or events in the Canadian and broader global economy could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

#### ***Pandemic Risks, the Russian War in Ukraine, Inflation and Other Events***

The COVID-19 pandemic, the Russian war in Ukraine, inflation and other factors continue to impact global markets and cause general economic uncertainty, the impact of which may have a significant adverse effect on the Company's operations, business and financial condition.

The Company faces risks related to pandemics and epidemics, including but not limited to in respect of COVID-19, which could significantly disrupt the Company's operations and may materially and adversely affect its business, operations, and financial condition. The full extent to which any pandemics may impact the Company's business, including its operations and the market for its securities, will depend on numerous highly uncertain factors that the Company may not be able to accurately predict or assess, including, but not limited to, the duration and severity of any pandemics, the availability of approved vaccines and remedial medications, the timing for completion of related distribution programs around the globe, and the governmental, business and individual actions taken in response to any pandemics.

Global financial markets experienced a period of correction and increased volatility during the COVID-19 pandemic and the conflict between the Russian Federation and Ukraine, which began in March 2020 and February 2022, respectively, and are ongoing as of the date of this Prospectus. As these global events evolve, there is no guarantee that credit market conditions will not worsen. A general risk-adverse approach to investing, decreases in consumer spending and increases in the unemployment rate and consumer debt levels, which may become more predominant as a result of market turmoil, may limit the Company's ability to obtain future equity financing. Inability to obtain financing at all, or on acceptable terms, may have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

Other events may also result in volatility and disruption to global supply chains, operations, mobility of people, patterns of consumption and service, and financial markets, and therefore potentially have a negative impact on the Company's ability to secure financing on favourable terms, or at all, its access to the Filo Sur Project, or its ability to execute its business initiatives, including its field programs. Such events may include catastrophic events, either on a global scale or in the specific jurisdictions where the Company has its projects, and include, but are not limited to, financial crises, such as that which occurred globally in 2008, earthquakes, tsunamis, floods, typhoons, fires, power disruptions, other natural or manmade disasters, terrorist attacks, wars, riots, civil unrest or other conflicts, outbreaks of a public health crises, including epidemics, pandemics or outbreaks of new infectious diseases or viruses, as well as related and attendant events.

Concerns over global economic conditions may also have the effect of heightening many of the other risks described herein, including, but not limited to, risks relating to: fluctuations in the market price of commodities, the terms and availability of financing, supply chain constraints and cost overruns, geopolitical concerns, and changes in law, policies or regulatory requirements.

### ***Climate Change***

Due to changes in local and global climatic conditions, many analysts and scientists predict an increase in the frequency of extreme weather events such as floods, droughts, forest and brush fires and extreme storms. Such events could materially disrupt the Company's operations, particularly if they affect the Company's sites, impact local infrastructure or threaten the health and safety of the Company's employees and contractors. Any such event could result in material economic harm to the Company. The Company is focused on operating in a manner designed to minimize the environmental impacts of its activities; however, 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.

Climate change is a top priority for many countries and jurisdictions around the world and governments and regulators continue to implement and develop new rules and regulations to control carbon gas or "green-house" gas emissions attributable to climate change. As part of their efforts to shift to lower-carbon economies, governments have implemented a number of mechanisms including the implementation of taxes on carbon emissions and fuel sales, emissions trading schemes, and fossil fuel extraction fees, all of which are expected to play an ongoing role in global efforts to address climate change. Increased environmental regulation and/or the use of fiscal policy by regulators in response to concerns over climate change and other environmental impacts could have a material adverse effect on the Company's financial condition or results of operations. The cost of compliance with various climate change regulations will ultimately be determined by the regulations themselves and by the markets that evolve for carbon credits and offsets and, as a result, the financial impact, if any, on the Company's operations cannot yet be fully understood.

### ***Future Acquisitions and Joint Ventures***

In addition to the joint venture contemplated by the Filo Sur Option Agreement with respect to the Filo Sur Project, as part of the Company's business strategy, from time to time the Company may evaluate opportunities to acquire companies and/or assets or establish joint ventures that the Company believes will complement the Company's current or future business. These acquisitions and joint ventures may be significant in size, may change the scale of the Company's business and may expose it to new geographic, political, operating, financial and geological risks. The Company's success in its acquisition and joint venture activities will depend on its ability to identify suitable acquisition and joint venture candidates and partners, to acquire or joint venture them on acceptable terms and to integrate their operations successfully with those of the Company. Any acquisitions or joint ventures would be accompanied by risks, such as the difficulty of assimilating the operations and personnel of any acquired companies; the potential disruption of the Company's ongoing business; the inability of management to maximize the financial and strategic position of the Company through the successful incorporation of acquired assets and businesses or joint ventures; additional expenses associated with amortization of acquired intangible assets; the maintenance of uniform standards, controls, procedures and policies; the impairment of relationships with employees, customers and contractors as a result of any integration of new management personnel; dilution of the Company's present shareholders or of its interests in its subsidiaries or assets as a result of the issue of Common Shares to pay for acquisitions or the decision to grant earning or other interests to a joint venture partner; and the potential unknown liabilities associated with acquired assets and businesses. There can be no assurance that the Company will be successful in overcoming these risks or any other problems encountered in connection with such acquisitions or joint ventures. There may be no right for shareholders to evaluate the merits or risks of any future acquisition or joint venture undertaken except as required by applicable laws and regulations.

## ***Infrastructure***

Exploration, development and processing activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply 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 items could prevent or delay exploration or development of the Filo Sur Project. If adequate infrastructure is not available in a timely manner, there can be no assurance that the exploration or development of the Filo Sur Project will be commenced or completed on a timely basis, if at all, or that the resulting operations will achieve the anticipated production volume, or that the construction costs and operating costs associated with the exploration and/or development of the Filo Sur Project will not be higher than anticipated. Furthermore, unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of necessary infrastructure could adversely affect the Company's operations.

## ***Information Systems Security Threats***

Information systems and other technologies, including those related to the Company's financial and operational management, and its technical and environmental data, are an integral part of the Company's business activities. The Company has agreements with third parties for hardware, software, telecommunications and other information technology ("IT") services in connection with its operations. These IT systems could be subject to network disruptions caused by a variety of sources, including computer viruses, security breaches and cyberattacks, as well as disruptions resulting from incidents such as cable cuts, damage to physical plants, natural disasters, terrorism, fire, power loss, vandalism and theft. The Company's operations depend, in part, on how well it 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 and results of operations.

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 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.

## ***Conflicts of Interest***

Certain of the directors and officers of the Company are and may continue to be directors and officers of other companies, some of which are in the mineral exploration industry. Some of the Company's directors and officers may continue to pursue the acquisition, exploration and, if warranted, the development of mineral resource properties on their own behalf and on behalf of other companies, and situations may arise where the other interests of these directors and officers may conflict with the Company's interests. Such conflicting legal obligations may expose the Company to liability to others and impair its ability to achieve its business objectives. Directors and officers of the Company with conflicts of interest will be subject to and must follow the procedures set out in applicable corporate and securities legislation, regulations, rules and policies. Notwithstanding this, there may be corporate opportunities which the Company is not able to procure due to a conflict of interest of one or more of the Company's directors or officers.

## ***Significant Shareholder***

Assuming exercise of the Over-Allotment Option, SM Sub will hold 45,666,666 Common Shares representing approximately ●% of the Common Shares or, approximately ●% if the Over-Allotment Option is exercised in full in Units, in each case on a non-diluted basis. Accordingly, SM Sub may be in a position to affect the governance and operations of the Company, including matters requiring shareholder approval, such as the election of directors, adopting amendments to the articles of incorporation and by-laws of the Company, change of control transactions, liquidation or sale of assets and the determination of other significant corporate actions. There can also be no assurance that the interests of SM Sub will align with the interests of the Company or the other shareholders of the Company,

particularly in light of the other financial interests of SM Sub, and SM Sub will have the ability to influence certain actions that may not reflect the intent of the Company or align with the interests of the Company or the other shareholders of the Company.

### ***Litigation***

In the ordinary course of its business, the Company and/or its directors may be subject to a variety of regulatory investigations, claims, arbitration and other legal proceedings, with or without merit. Such regulatory investigations, claims, arbitration and other legal proceedings can be lengthy and involve the incurrence of substantial costs and resources by the Company, and the outcome, and the Company's ability to enforce any ruling(s) obtained pursuant to such proceedings, are subject to inherent risk and uncertainty. The Company does not know of any such pending or actual material legal proceedings as of the date of the Prospectus. 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. The initiation, pursuit and/or outcome of any particular claim, investigation, arbitration or legal proceeding could materially adversely impact the Company's financial position, cash flow, results of operations and reputation.

### ***Competition***

The mining industry is intensely and increasingly competitive, and the Company competes for exploration and exploitation properties, personnel with the necessary technical expertise to find, develop, and operate such properties and labour to operate the properties. The Company must compete for these resources with large established mineral exploration companies with substantial capabilities and greater financial and technical resources than the Company. Accordingly, such competition could adversely affect the Company's ability to acquire suitable mineral properties in the future on terms it considers acceptable or at all.

### ***Fluctuations in Currency Exchange Rates***

The price of most mineral commodities is denominated in US dollars. As the Company raises its capital in Canadian dollars and uses Canadian dollars in its financial statements, currency fluctuations can have a material effect on operations. The Company also transacts business in a number of currencies including but not limited to the US dollar, the Argentine peso and the Chilean peso. The Argentine peso, in particular, has had significant fluctuations in value relative to the US dollar and the Canadian dollar. Ongoing economic uncertainty in Argentina as well as unpredictable changes to foreign exchange rules may result in fluctuations in the value of the Argentine peso that are greater than those experienced in the recent past. Future changes in exchange rates could materially affect the Company's results in either a positive or a negative direction. The Company does not currently engage in foreign currency hedging activities.

### ***Increased Expenses as a Result of Being a Public Company***

As a public company, the Company will be subject to reporting, corporate governance and other requirements under applicable securities laws and stock exchange rules and policies. Compliance with these requirements will increase legal and financial compliance costs, make some activities more difficult, time consuming or costly, and increase demand on existing systems and resources. Among other things, the Company will be required to file annual, quarterly and current reports with respect to its business and results of operations and maintain effective disclosure controls and procedures and internal controls over financial reporting. In order to maintain and, if required, improve disclosure controls and procedures and internal controls over financial reporting to meet this standard, significant resources and management oversight may be required. As a result, management's attention may be diverted from other business concerns, which could harm the Company's business and results of operations. The Company may need to hire additional employees to comply with these requirements in the future, which would increase its costs and expenses. Management of the Company expects that being a reporting issuer will make it more expensive to maintain director and officer liability insurance. Accordingly, it may be more difficult for the Company to attract and retain qualified directors and executive officers. As a result of the foregoing, the Company expects a substantial increase in legal, accounting, insurance and certain other expenses in the future, which will negatively impact its financial performance and its profitability, results of operation and financial condition.

### ***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, not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation.

### **Risks Related to the Offering and the Common Shares**

#### ***No Active Market for Common Shares or Warrants***

There is currently no public market for the Common Shares or Warrants and there can be no assurance that an active market will develop or be sustained following the completion of the Offering. Neither the Common Shares nor Warrants are currently listed or quoted on any stock exchange or market in Canada or elsewhere. The Company has applied to list the Common Shares and Warrants on the TSXV. Listing will be subject to the Company fulfilling all of the listing requirements of the TSXV. There is no market through which the Common Shares or Warrants may be sold and, if a market for the Common Shares and/or Warrants does not develop or is not sustained, investors may not be able to resell the Common Shares or Warrants, respectively, purchased in the Offering at a profitable price, if at all. The Offering Price of the Units to the public was established by arm's length negotiation between the Company and the Co-lead Agents, on behalf of the Agents, and may not be indicative of fair market value or future market prices. The Company cannot predict the prices at which the Common Shares will trade. The market price could decline below the Offering Price, and investors may not be able to resell the Common Shares or Warrants at or above the Offering Price.

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

The future trading price of the Common Shares and Warrants may be volatile and subject to wide price fluctuations in response to various factors, many of which are beyond the Company's control, including, but not limited to: actual or anticipated fluctuations in the Company's financial and operating results; developments or disputes concerning the Company's mining rights; investors' general perception of the Company and the public's reaction to the Company's press releases, other public announcements and the Company's filings with the various securities regulatory authorities; changes in recommendations by research analysts who track the Common Shares or the shares of other companies in the resource sector; sales or perceived sales of additional Common Shares, Warrants or debt securities; the expiration of lock-up or other transfer restrictions on outstanding Common Shares; significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Company or its competitors; additions or departures of key management and other personnel; general political, economic, industry and market conditions, including fluctuations in commodity prices; and trends, concerns, technological or competitive developments, regulatory changes and other related issues in the renewable power generation industry or the Company's target markets.

Financial markets have experienced significant price and volume fluctuations in recent years that have particularly affected the market prices of equity securities of companies and that have, in many cases, been unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the Common Shares and Warrants may decline even if the Company's underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values which may result in impairment losses. Certain institutional investors may base their investment decisions on consideration of the Company's environmental, governance and social practices and performance against such institutions' respective investment guidelines and criteria, and failure to meet such criteria may result in a limited or no investment in the Common Shares by those institutions, which could adversely affect the trading price of the Common Shares and Warrants.

As a result of any of these factors, the market price of the Common Shares and Warrants at any given point in time may not accurately reflect the long-term value of the Company. Securities class-action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Company may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

### ***Loss of entire investment***

A positive return on an investment in the Units is not guaranteed. An investment in the Units is speculative and may result in the loss of an investor's entire investment. Only potential investors who are experienced in high-risk investments and who can afford to lose their entire investment should consider an investment in the Units. An investment in the Units involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment.

### ***Use of proceeds***

The Company currently intends to allocate the net proceeds received from the Offering as described under the heading entitled "*Use of Proceeds and Available Funds*" in this Prospectus. However, these intended uses are estimates only and subject to change. While management does not contemplate any material variation, the Company will have broad discretion in the actual application of the net proceeds and may elect to allocate proceeds differently from that described herein if it believes it would be in its best interests to do so as circumstances change. Investors may not agree with how the Company allocates or spends the proceeds from the Offering. The failure by the Company to apply these funds effectively could have a material adverse effect on the Company's business, financial condition and results of operations and the Company's ability to achieve its stated business objectives.

### ***Equity Dilution***

The Board may issue an unlimited number of Common Shares without any vote or action by the Company's shareholders, subject to the rules of any stock exchange on which the Company's securities may be listed from time to time. The Company may make future acquisitions or enter into financings or other transactions involving the issuance of securities. If the Company issues any additional equity, the percentage ownership of existing shareholders will be reduced and diluted and the price of the Common Shares could decline.

In addition, the possible sale of Common Shares released from escrow on each release date could negatively affect the market price of the Common Shares and also result in an excess of sellers of Common Shares to buyers of Common Shares and seriously affect the liquidity of the Common Shares.

### ***Unfavourable, Inaccurate or Lack of Research by Securities or Industry Analysts***

The trading market for the Common Shares will depend in part on the research and reports that securities or industry analysts publish about the business. Securities and industry analysts do not currently, and may never, publish research on the Company. If no securities or industry analysts commence covering the Company, the trading price for Common Shares may be negatively impacted. In the event securities or industry analysts initiate coverage, if one or more of the analysts who cover the Company downgrade the Common Shares or publish inaccurate or unfavorable research about the Company's business, the price of the Common Shares may decline. In addition, if the Company's operating results fail to meet the forecast of analysts the price of its Common Shares may decline. If one or more of these analysts cease coverage or fail to publish reports on the Company generally, demand for the Common Shares could decrease, which could cause the trading price and volume to decline.

### ***Future Dividend Payments are not Guaranteed***

The Company has not declared or paid any dividends or other distributions on the Common Shares since the date of its incorporation and does not have a policy regarding dividends or distributions. The Company currently expects to retain all future earnings for use in the development and operation of the Company's business and does not anticipate paying cash dividends in the foreseeable future. The declaration and payment of any dividends in the future will be determined by the Board, in its discretion, and will depend on a number of factors, including the Company's earnings and overall financial condition. The Company does not face any restrictions which would prevent it from paying dividends.

## ELIGIBILITY FOR INVESTMENT

In the opinion of Irwin Lowy LLP, counsel to the Company, and Cassels, Brock & Blackwell LLP, counsel to the Agents, based on the current provisions of the Tax Act, and the regulations thereunder, the Unit Shares, the Warrant Shares and the Warrants will, at a particular time, be a “qualified investment” under the Tax Act for a trust governed by a registered retirement savings plan (a “RRSP”), a registered retirement income fund (a “RRIF”), a deferred profit sharing plan, a registered disability savings plan (a “RDSP”), a registered education savings plan (a “RESP”), a first home savings account (a “FHSA”) and a tax-free savings account (a “TFSA” and collectively, “Tax Deferred Plans”), each as defined in the Tax Act, provided that, at such time:

- (i) in the case of the Unit Shares and the Warrant Shares, the Units Shares or Warrant Shares, as applicable, are listed on a “designated stock exchange” (as such term is defined in the Tax Act, which currently includes the TSXV) or the Company is otherwise a “public corporation” (as such term is defined in the Tax Act) other than a “mortgage investment corporation” (as such term is defined in the Tax Act); and
- (ii) in the case of the Warrants, either,
  - (A) the Warrants are listed on a “designated stock exchange” as defined in the Tax Act (which currently includes the TSXV), or
  - (B) the Warrant Shares are qualified investments as described in (i) above and the Company is not an annuitant, a beneficiary, an employer or a subscriber under or a holder of a Tax Deferred Plan and deals at arm’s length with each person who is an annuitant, a beneficiary, an employer or a subscriber under or a holder of such plan.

The Common Shares and Warrants are not currently listed on a “designated stock exchange” and the Company is not currently a “public corporation” (as such term is defined in the Tax Act). The Company has applied to list the Common Shares and Warrants on the TSXV. The Company must rely on the TSXV to list the Common Shares and Warrants on the TSXV and have them listed and posted for trading prior to the issuance of the Common Shares and Warrants on the Closing of the Offering and to otherwise proceed in such manner as may be required to result in the Common Shares and Warrants being listed on the TSXV at the time of their issuance on Closing.

**If the Common Shares are not listed on the TSXV at the time of their issuance on Closing of the Offering, the Unit Shares, and the Warrant Shares will not be qualified investments for purposes of the Tax Act for Tax Deferred Plans at that time.**

**If the Common Shares or Warrants are not listed on the TSXV at the time of their issuance on Closing of the Offering, the Warrants will not be qualified investments for purposes of the Tax Act for Tax Deferred Plans at that time.**

Notwithstanding that the Unit Shares, the Warrant Shares and the Warrants may be a qualified investment for a FHSA, TFSA, RRSP, RRIF, RDSP or RESP, the holder of a FHSA, TFSA or RDSP, the subscriber of a RESP or the annuitant of an RRSP or RRIF (as the case may be) will be subject to a penalty tax as set out in the Tax Act if the Unit Shares, the Warrant Shares or the Warrants are a “prohibited investment” for the purposes of the Tax Act. The Unit Shares, the Warrant Shares and the Warrants will be a “prohibited investment” if the holder of the FHSA, TFSA or the RDSP, the subscriber of the RESP or annuitant of the RRSP or RRIF (as the case may be): (i) does not deal at arm’s length with the Company for purposes of the Tax Act; or (ii) has a “significant interest” (within the meaning of the Tax Act) in the Company. In addition, the Unit Shares and the Warrant Shares will not be a “prohibited investment”, if such securities are “excluded property”, as defined in the Tax Act, for a FHSA, TFSA, RRSP, RRIF, RDSP or RESP. Prospective holders that intend to hold Unit Shares, Warrant Shares and Warrants in a FHSA, TFSA, RRSP, RRIF, RDSP or RESP are urged to consult their own tax advisers.

## PROMOTERS

Allen Sabet is considered to be a promoter of the Company as Mr. Sabet took the initiative in founding and organizing the Company. Mr. Sabet does not hold any Common Shares of the Company.

Information about Mr. Sabet is disclosed elsewhere in this Prospectus in connection with his capacity as a director and executive officer of the Company. See section entitled “*Directors and Executive Officers*” in this Prospectus for further details.

## LEGAL PROCEEDINGS AND REGULATORY ACTIONS

There are no legal proceedings to which the Company is a party and the Company is not aware of any such proceedings known to be contemplated.

There have been no penalties or sanctions imposed against the Company by a court or regulatory authority, and the Company has not entered into any settlement agreements before any court relating to provincial or territorial securities legislation or with any securities regulatory authority, since its incorporation.

## AUDITORS, REGISTRAR AND TRANSFER AGENT

### Auditors

The Company’s auditor is Jones & O’Connell, Chartered Professional Accountants, at Suite 500, 43 Church Street, St. Catharines, Ontario L2R 7A7. Jones & O’Connell LLP is independent within the meaning of the Code of Professional Conduct of the Chartered Professional Accountants of Ontario.

### Transfer Agent and Registrar

The transfer agent and registrar for the Common Shares of the Company is Computershare Investor Services Inc. at 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario M5J 2Y1.

## MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business, the only material contracts which the Company has entered into in the two years prior to the date of this Prospectus and which still remain in effect and material to the Company are the following:

1. Filo Sur Option Agreement;
2. Golden-SM Option Agreement;
3. Agency Agreement;
4. Warrant Indenture;
5. Escrow Agreement.

### Inspection of Material Contracts and Reports

Copies of all the material contracts and the Technical Report referred to in this Prospectus may be inspected at the registered office of the Company located at Suite 401, 217 Queen Street West, Toronto, Ontario M5V 0R2 during normal business hours during the period of distribution of the securities offered hereunder, and for a period of 30 days thereafter, and will be available under the Company’s profile on the SEDAR website at [www.sedar.com](http://www.sedar.com). See “*General Development of the Business*”, “*Plan of Distribution*”, and “*Escrowed Securities and Securities Subject to Contractual Restriction on Transfer*”.

## INTERESTS OF EXPERTS

The following persons or companies are named in this Prospectus as having prepared or certified a report, valuation, statement or opinion in this Prospectus:

1. Owen D W Miller, Ph.D. FAusIMM(CP), the author of the Technical Report on the Filo Sur Project, is a Qualified Person (as defined in 43-101), is independent from the Company within the meaning of NI 43-101, and is responsible for all of the scientific or technical nature relating to the Filo Sur Project in this Prospectus; and
2. Jones & O'Connell LLP, Chartered Professional Accountants, has prepared the audited financial statements of the Company included in this Prospectus for the period from incorporation on August 12, 2022 to November 30, 2022, including the audit report accompanying the financial statements attached to the Prospectus.

No person or company whose profession or business gives authority to a statement made by such person or company and who is named as having prepared or certified a part of the Prospectus, or prepared or certified a report or valuation described or included in this Prospectus, has received or will receive or holds a direct or indirect interest in the Filo Sur Project or any security of the Company, or any associate or affiliate of the Company.

Certain legal matters relating to the securities offered hereby will be passed upon on behalf of the Company by Irwin Lowy LLP and on behalf of the Agents by Cassels Brock & Blackwell LLP. As of the date hereof, the designated professionals of Irwin Lowy LLP as a group, beneficially own, directly or indirectly, less than 1% of the outstanding Common Shares. As of the date hereof, the designated professionals of Cassels Brock & Blackwell LLP as a group, beneficially own, directly or indirectly, less than 1% of the outstanding Common Shares.

## RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in the Qualifying Jurisdictions provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In the Qualifying Jurisdictions securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

In an offering of warrants, investors are cautioned that the statutory right of action for damages for a misrepresentation contained in the prospectus is limited, in certain provincial securities legislation, to the price at which the Units are offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces, if the purchaser pays additional amounts upon exercise of the security, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of this right of action for damages or consult with a legal adviser.

## FINANCIAL STATEMENTS

Attached to this Prospectus as Schedule A and forming part of this Prospectus are the audited financial statements of the Company for the period from incorporation on August 12, 2022 to November 30, 2022. Attached to this Prospectus as Schedule C and forming part of this Prospectus are the unaudited condensed interim financial statements of the Company for the three month period ended February 28, 2023.

**SCHEDULE A**  
**AUDITED FINANCIAL STATEMENTS FOR THE PERIOD FROM INCORPORATION ON**  
**AUGUST 12, 2022 TO NOVEMBER 30, 2022**

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**MOGOTES METALS INC.**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**PERIOD FROM AUGUST 12, 2022 (INCORPORATION)**  
**TO NOVEMBER 30, 2022**  
**(EXPRESSED IN CANADIAN DOLLARS)**

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## Independent Auditor's Report

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### To the Shareholders of Mogotes Metals Inc.

#### Opinion

We have audited the consolidated financial statements of **Mogotes Metals Inc.** ("the Company"), which comprise the consolidated statement of financial position as at November 30, 2022 and the consolidated statement of loss and comprehensive loss, consolidated statement of changes in equity and consolidated statement of cash flows for the period from the date of incorporation of August 12, 2022 to November 30, 2022 and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of **Mogotes Metals Inc.** as at November 30, 2022 and its financial performance and its cash flows for the period from the date of incorporation of August 12, 2022 to November 30, 2022, 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 expects to incur future losses in the development of its business. 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.

#### Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for other information. Other information comprises the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions. Our opinion on the financial statements does not cover the other information and we do not and will 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. 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 the auditors' 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.

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## Independent Auditor's Report

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### To the Shareholders of Mogotes Metals Inc. (Continued)

#### 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 it 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 a part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement 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 a 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities with the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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 Wayne O'Connell.

Jones & O'Connell LLP  
Chartered Professional Accountants  
Licensed Public Accountants  
St. Catharines, Ontario  
Audit report date

**Mogotes Metals Inc.**  
**Consolidated Statement of Financial Position**  
**(Expressed in Canadian Dollars)**

	As at November 30, 2022
<b>ASSETS</b>	
<b>Current assets</b>	
Cash	\$ 3,084,371
Amounts receivable	277,813
Prepaid expenses	12,866
<b>Total current assets</b>	<b>3,375,050</b>
<b>Non-current assets</b>	
VAT recoverable	54,550
<b>Total assets</b>	<b>\$ 3,429,600</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>	
<b>Current liabilities</b>	
Accounts payable and accrued liabilities	\$ 225,364
<b>Total liabilities</b>	<b>225,364</b>
<b>Shareholders' equity</b>	
Share capital (note 4)	3,175,901
Warrants (note 5)	540,595
Accumulated other comprehensive loss	(4,189)
Deficit	(508,071)
<b>Total shareholders' equity</b>	<b>3,204,236</b>
<b>Total shareholders' equity and liabilities</b>	<b>\$ 3,429,600</b>

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

Nature of operations and going concern (note 1)

**Approved on behalf of the Board:**

(Signed) "XX" \_\_\_\_\_ Director

(Signed) "XX" \_\_\_\_\_ Director

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**Mogotes Metals Inc.****Consolidated Statement of Loss and Comprehensive Loss  
(Expressed in Canadian Dollars)**

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	Period from August 12, 2022 (Incorporation) to November 30, 2022
<b>Expenses</b>	
Exploration and evaluation expenditures (note 6)	\$ 685,482
Professional fees	60,522
General and administrative	24,613
Regulatory fees	2,500
	<u>(773,117)</u>
<b>Other income</b>	
Foreign exchange gain	265,046
<b>Net loss for the period</b>	<u>(508,071)</u>
<b>Other comprehensive loss</b>	
<b>Items that will be reclassified subsequently to income</b>	
Currency translation	(4,189)
<b>Total comprehensive loss for the period</b>	<u>\$ (512,260)</u>
<b>Basic and diluted net loss per share</b>	<u>\$ (0.01)</u>
<b>Weighted average number of common shares outstanding</b>	<u>64,671,364</u>

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

**Mogotes Metals Inc.**  
**Consolidated Statement of Cash Flows**  
**(Expressed in Canadian Dollars)**

	Period from August 12, 2022 (Incorporation) to November 30, 2022
<b>Operating activities</b>	
Net loss for the period	\$ (508,071)
Adjustments for:	
Units issued for service	25,000
Changes in non-cash working capital items:	
Amounts receivable	(277,813)
Prepaid expenses	(12,866)
VAT recoverable	(54,550)
Accounts payable and accrued liabilities	225,364
<b>Net cash used in operating activities</b>	<b>(602,936)</b>
<b>Financing activities</b>	
Shares and units issued for cash, net of share issue costs	3,718,803
Share issue costs	(27,307)
<b>Net cash provided by financing activities</b>	<b>3,691,496</b>
<b>Net change in cash</b>	<b>3,088,560</b>
<b>Net effect of currency translation</b>	<b>(4,189)</b>
<b>Cash, beginning of period</b>	<b>-</b>
<b>Cash, end of period</b>	<b>\$ 3,084,371</b>
<b>Supplemental cash flow information</b>	
Shares issued for share issue costs	\$ 80,000
Taxes paid in cash	\$ -

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

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**Mogotes Metals Inc.****Consolidated Statement of Changes in Equity  
(Expressed in Canadian Dollars)**

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	<u>Share capital</u>			Accumulated other comprehensive		
	Shares	Amount	Warrants	loss	Deficit	Total
<b>Balance, August 12, 2022</b>	-	\$ -	\$ -	\$ -	\$ -	\$ -
Shares and units issued for cash	89,937,500	3,743,803	-	-	-	3,743,803
Shares issued for finders' fees	800,000	80,000	-	-	-	80,000
Share issue costs	-	(107,307)	-	-	-	(107,307)
Warrants valuation	-	(540,595)	540,595	-	-	-
Comprehensive loss for the period	-	-	-	(4,189)	(508,071)	(512,260)
<b>Balance, November 30, 2022</b>	<b>90,737,500</b>	<b>\$ 3,175,901</b>	<b>\$ 540,595</b>	<b>\$ (4,189)</b>	<b>\$ (508,071)</b>	<b>\$ 3,204,236</b>

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

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# **Mogotes Metals Inc.**

## **Notes to Consolidated Financial Statements**

**Period from August 12, 2022 (Incorporation) to November 30, 2022**

**(Expressed in Canadian Dollars)**

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### **1. Nature of operations and going concern**

Mogotes Metals Inc. (the "Company" or "Mogotes") is a company incorporated under the Business Corporations Act (Ontario) on August 12, 2022 and is engaged in the business of locating and exploring mineral properties. Substantially all of the efforts of the Company are devoted to these business activities. The shares of the Company are not listed or posted for trading on any stock exchange. Its registered and head office is located at 217 Queen Street West, Suite 401, Toronto, Ontario, M5V 0R2.

These consolidated financial statements were prepared on a going concern basis of presentation, which assumes that the Company will continue operations for the foreseeable future and be able to realize the carrying value of its assets and discharge its liabilities and commitments in the normal course of business.

As at November 30, 2022, the Company had not yet achieved profitable operations and expects to incur further losses in the development of its business, all of which constitutes a material uncertainty which casts significant doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon its ability to raise future equity financing to fund its operations and advance the development of its business.

These consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. These adjustments could be material. Management is actively pursuing funding options, being financing and alternative funding options, required to meet the Company's requirements on an ongoing basis. To meet the challenges of the current climate in the financial markets, the Company is minimizing its expenditures.

### **2. Significant accounting policies**

#### **Statement of compliance**

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC").

The consolidated financial statements for the year ended November 30, 2022 were approved and authorized for issue by the Board of Directors on February XX, 2023.

#### **Functional and presentation currency**

These consolidated financial statements have been prepared in Canadian dollars, which is the Company's functional and presentation currency. As of November 30, 2022, the functional currency was determined to be the United States dollars for the Company's subsidiaries.

#### **Basis of consolidation**

Subsidiaries are consolidated from the date of acquisition, being the date on which the Company obtains control, and continues to be consolidated until the date that such control ceases. Control is achieved when an investor has power over an investee to direct its activities, exposure to variable returns from an investee, and the ability to use the power to affect the investor's returns.

The results of subsidiaries acquired or disposed of during the periods presented are included in the consolidated statements of comprehensive loss from the effective date of control and up to the effective date of disposal or loss of control, as appropriate. All intercompany transactions, balances, income and expenses are eliminated upon consolidation.

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## Mogotes Metals Inc.

### Notes to Consolidated Financial Statements

Period from August 12, 2022 (Incorporation) to November 30, 2022

(Expressed in Canadian Dollars)

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## 2. Significant accounting policies (continued)

### Basis of consolidation (continued)

The following companies have been consolidated within the consolidated financial statements:

<b>Company</b>	<b>Registered</b>	<b>Principal activity</b>
Mogotes Metals Inc.	Ontario, Canada	Parent company
<u>Subsidiaries</u>		
Kopano Sobre S.A. (i)	Argentina	Exploration
Mogotes Metals Chile SpA (i)	Chile	Exploration

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(i) 100% owned, directly or indirectly, by the ultimate shareholder - Mogotes Metals Inc.

### Financial instruments

#### Recognition

The Company recognizes a financial asset or financial liability on the statement of financial position when it becomes party to the contractual provisions of the financial instrument. Financial assets are initially measured at fair value, and are derecognized either when the Company has transferred substantially all the risks and rewards of ownership of the financial asset, or when cash flows expire. Financial liabilities are initially measured at fair value and are derecognized when the obligation specified in the contract is discharged, cancelled or expired.

A write-off of a financial asset (or a portion thereof) constitutes a derecognition event. Write-off occurs when the Company has no reasonable expectations of recovering the contractual cash flows on a financial asset.

#### Classification and measurement

The Company determines the classification of its financial instruments at initial recognition. Financial assets and financial liabilities are classified according to the following measurement categories:

- i) those to be measured subsequently at fair value, either through profit or loss ("FVTPL") or through other comprehensive income ("FVTOCI"); and
- ii) those to be measured subsequently at amortized cost.

The classification and measurement of financial assets after initial recognition at fair value depends on the business model for managing the financial asset and the contractual terms of the cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding, are generally measured at amortized cost at each subsequent reporting period. All other financial assets are measured at their fair values at each subsequent reporting period, with any changes recorded through profit or loss or through other comprehensive income (which designation is made as an irrevocable election at the time of recognition).

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## **Mogotes Metals Inc.**

### **Notes to Consolidated Financial Statements**

**Period from August 12, 2022 (Incorporation) to November 30, 2022**

**(Expressed in Canadian Dollars)**

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## **2. Significant accounting policies (continued)**

### **Financial instruments (continued)**

After initial recognition at fair value, financial liabilities are classified and measured at either:

- i) amortized cost;
- ii) FVTPL, if the Company has made an irrevocable election at the time of recognition, or when required (for items such as instruments held for trading or derivatives); or,
- iii) FVTOCI, when the change in fair value is attributable to changes in the Company's credit risk.

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

Transaction costs that are directly attributable to the acquisition or issuance of a financial asset or financial liability classified as subsequently measured at amortized cost are included in the fair value of the instrument on initial recognition. Transaction costs for financial assets and financial liabilities classified at fair value through profit or loss are expensed in profit or loss.

The Company's financial assets consist of cash and amounts receivable, which are classified as subsequently measured at amortized cost.

The Company's financial liabilities consist of accounts payable and accrued liabilities, which are classified and measured at amortized cost using the effective interest method. Interest expense is reported in net loss.

#### Impairment

The Company assesses all information available, including on a forward-looking basis the expected credit losses associated with any financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition based on all information available, and reasonable and supportive forward-looking information.

#### Fair value hierarchy

Financial instruments recorded at fair value on the consolidated statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company has no financial instruments carried at fair value as at November 30, 2022 to classify under the fair value hierarchy.

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# **Mogotes Metals Inc.**

## **Notes to Consolidated Financial Statements**

**Period from August 12, 2022 (Incorporation) to November 30, 2022**

**(Expressed in Canadian Dollars)**

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### **2. Significant accounting policies (continued)**

#### **Exploration and evaluation expenditures**

The Company expenses exploration and evaluation expenditures as incurred. Exploration and evaluation expenditures include acquisition costs of mineral properties, property option payments and evaluation activities. Once a project has been established as commercially viable and technically feasible, related development expenditures are capitalized. This includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production, with the exception of development costs that give rise to a future benefit.

#### **Share-based payments**

The Company accounts for all equity-settled share-based payments using a fair value based method incorporating the Black-Scholes option pricing model.

Under the fair value based method, compensation cost attributable to options granted is measured at fair value at the grant date and is either recorded at the date of grant, in the case of options that vest immediately, or over the vesting period in the case of options that vest over a period of time. In the latter case, the Company estimates forfeitures at the time of grant and the amount recognized as an expense from time to time is adjusted to reflect any changes in the Company's estimate of the shares that will eventually vest and the effect of any non-market vesting conditions.

Share-based payment arrangements with non-employees in which the Company receives goods or services as consideration are measured at the fair value of the goods or services received, unless that fair value cannot be estimated reliably, in which case they are measured at the fair value of equity instruments granted.

The grant date fair value of options that are unexercised upon expiry is removed from contributed surplus and transferred to deficit.

#### **Loss per share**

Basic loss per share is computed by dividing the net loss available to common shareholders by the weighted average number of common shares outstanding during the period. The computation of diluted loss per share assumes conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on loss per share.

Diluted weighted-average common shares outstanding for the period from August 12, 2022 (incorporation) to November 30, 2022 do not include the outstanding warrants as their exercise would be anti-dilutive in the loss per share calculation.

#### **Income taxes**

Income tax expense comprises current and deferred income taxes. Income tax expense is recognized in the consolidated statement of loss and comprehensive loss except to the extent that it relates to items recognized directly in equity.

##### Current income taxes

Current taxes are the expected taxes payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to taxes payable in respect of previous years.

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## **Mogotes Metals Inc.**

### **Notes to Consolidated Financial Statements**

**Period from August 12, 2022 (Incorporation) to November 30, 2022**

**(Expressed in Canadian Dollars)**

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## **2. Significant accounting policies (continued)**

### **Income taxes (continued)**

#### Deferred income taxes

The Company accounts for income taxes under the asset and liability method. Under this method of tax allocation, deferred income tax assets and liabilities are determined based on differences between the financial statement carrying values and their respective income tax bases (temporary differences).

Deferred income taxes are measured using the tax rates that are expected to be in effect when the temporary differences are likely to reverse, based on the laws that have been enacted or substantively enacted by the reporting date. The effect on deferred income tax assets and liabilities of a change in tax rates is included in loss in the period in which the change is substantively enacted. The amount of deferred income tax assets recognized is limited to the amount that is probable to be realized.

## **3. Critical accounting estimates and judgments**

The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of assets and liabilities at the date of the consolidated financial statements and the reported amounts of expenses during the reporting periods. Actual results could differ from those estimates and such differences could be significant. The following are the critical assumptions and estimates that the Company has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements.

### **Going concern**

The preparation of these consolidated financial statements requires management to make estimates regarding the going concern of the Company, as discussed in note 1.

### **Share-based payments**

The fair value of share-based payments including the grant of warrants are estimated using the Black-Scholes option pricing model. There are a number of estimates used in the calculation, such as forfeiture rates, expected life, and share price volatility which can vary from actual future events. The factors applied in the calculation are management's best estimates based on historical information and future forecasts.

## Mogotes Metals Inc.

### Notes to Consolidated Financial Statements

Period from August 12, 2022 (Incorporation) to November 30, 2022

(Expressed in Canadian Dollars)

#### 4. Share capital

##### (a) Authorized share capital

As at November 30, 2022, the authorized share capital of the Company is an unlimited number of shares, without par value.

##### (b) Common shares issued

	Number of common shares	Amount
Balance, August 12, 2022	-	\$ -
Incorporation shares (i)	52,500,000	53
Private placements (ii)(iii)	37,437,500	3,743,750
Shares issued for finders' fees (iii)	800,000	80,000
Share issue costs (ii)(iii)	-	(107,307)
Warrants valuation (ii)	-	(540,595)
Balance, November 30, 2022	90,737,500	\$ 3,175,901

(i) On August 12, 2022 and September 20, 2022, the Company issued 52,500,000 common shares at \$0.000001 per share for gross proceeds of \$53.

(ii) On October 7, 2022, the Company closed a non-brokered private placement pursuant to which it issued 6,000,000 units at \$0.10 per unit to raise gross proceeds of \$600,000. Each unit consisted of one common share of the Company and one share purchase warrant. Each warrant entitles the holder to acquire one additional common share of the Company at an exercise price of \$0.10 per share and expires in 5 years from the closing date. The 6,000,000 warrants were assigned a value of \$279,266 using the Black-Scholes valuation model using the weighted average assumptions: unit price of \$0.10; expected life of 5 years, expected volatility of 146%, risk-free rate of 3.42%; and expected dividend yield of 0%.

On October 12, 2022, the Company closed a non-brokered private placement pursuant to which it issued 8,100,000 units at \$0.10 per unit to raise gross proceeds of \$810,000. Each unit consisted of one common share of the Company and one share purchase warrant. Each warrant entitles the holder to acquire one additional common share of the Company at an exercise price of \$0.10 per share and expires in 2 years from the closing date. The 8,100,000 warrants were assigned a value of \$261,329 using the Black-Scholes valuation model using the weighted average assumptions: unit price of \$0.10; expected life of 2 years, expected volatility of 106%, risk-free rate of 4.04%; and expected dividend yield of 0%.

In connection with the private placements, the Company incurred share issue costs of \$10,285.

(iii) On October 25, 2022 and November 17, 2022, the Company closed a non-brokered private placement pursuant to which it issued 23,337,500 common shares at \$0.10 per share to raise gross proceeds of \$2,333,750. In connection with the private placement, the Company incurred share issue costs of \$17,022 and issued 800,000 common shares (valued at \$80,000, based on the fair value of the services received as agreed upon with the third parties to be the fair value of equity instruments at the time of agreement for services) as finders' fees and incurred.

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## Mogotes Metals Inc.

### Notes to Consolidated Financial Statements

Period from August 12, 2022 (Incorporation) to November 30, 2022

(Expressed in Canadian Dollars)

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#### 5. Warrants

	Number of warrants	Weighted average exercise price
Balance, August 12, 2022	-	\$ -
Issued	14,100,000	0.10
Balance, November 30, 2022	14,100,000	\$ 0.10

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The following table reflects the warrants outstanding as of November 30, 2022:

Expiry date	Exercise price (\$)	Number of warrants outstanding
October 7, 2027	0.10	6,000,000
October 12, 2024	0.10	8,100,000
	0.10	14,100,000

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#### 6. Exploration and evaluation expenditures

	Period from August 12, 2022 (Incorporation) to November 30, 2022
Claims maintenance	\$ 3,631
Personnel	117,865
Camp	356,365
Travel and accommodation	4,842
Analysis	7,416
Geophysics	195,363
	\$ 685,482

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## **Mogotes Metals Inc.**

### **Notes to Consolidated Financial Statements**

**Period from August 12, 2022 (Incorporation) to November 30, 2022**

**(Expressed in Canadian Dollars)**

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#### **7. Related party transactions**

Key management 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 consist of executive and non-executive members of the Company's Board of Directors and corporate officers and/or companies controlled by those individuals.

The Company did not incur any remuneration attributed to key management during the period ended November 30, 2022.

#### **8. Financial risk factors**

The Company's risk exposures and the impact on the Company's financial statements are summarized below.

##### **Credit risk**

The financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash. The Company mitigates its exposure to credit loss by placing its cash with major financial institutions and believes that its amounts receivable credit risk exposure is limited.

##### **Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with financial liabilities as they come due. Accounts payable and accrued liabilities are all current. The Company monitors its liquidity position and budgets future expenditures, in order to ensure that it will have sufficient capital to satisfy liabilities as they come due.

As at November 30, 2022, the Company has accounts payable and accrued liabilities of \$225,364 due within 12 months and has cash of \$3,084,371 to meet its current obligations.

The Company obtains its financing through private placements. Negative trends in the general equity market and the fall in commodity prices can adversely impact the Company's ability to obtain financing at favourable terms. If the Company cannot obtain the necessary financing to fund its operating and exploration activities, the Company might not be able to continue as a going concern entity. There can be no assurance that additional financing, if and when required, will be available or on terms acceptable to the Company.

##### **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 price risk.

##### *Interest rate risk*

The Company is exposed to interest rate risk to the extent that the cash maintained at the financial institution is subject to floating rates of interest. The interest rate risk on cash is not considered significant.

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## Mogotes Metals Inc.

### Notes to Consolidated Financial Statements

Period from August 12, 2022 (Incorporation) to November 30, 2022

(Expressed in Canadian Dollars)

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#### 8. Financial risk factors (continued)

##### *Foreign currency risk*

Foreign currency risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate because of changes in foreign exchange rates. The Company's property interests in Argentina make it subject to foreign currency fluctuations and inflationary pressures which may adversely affect the Company's financial position, profit or loss and cash flows. The Company is affected by changes in exchange rates between the Canadian Dollar and foreign currencies. As at November 30, 2022, a portion of the Company's net assets were held in US Dollars (US\$26,652). A 10% change in the Canadian Dollar against the US Dollar would not have a significant effect based on foreign currency balances.

##### *Price risk*

The Company has limited exposure to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's profit or loss due to movements in individual equity prices or general movements in the level of the stock market.

#### 9. Capital risk management

Capital is comprised of the Company's shareholders' equity. As of November 30, 2022, the Company's shareholders' equity was \$3,204,236. The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital. The Company is currently not subject to externally imposed capital requirements. There were no changes to the Company's capital management during the period ended November 30, 2022.

#### 10. Segment information

The Company primarily operates in one reportable operating segment, being the exploration and evaluation of gold properties in Argentina. The Company has administrative offices in Toronto, Canada. Geographical information is as follows:

<b>November 30, 2022</b>	<b>Canada</b>	<b>Argentina</b>	<b>Total</b>
<b>Assets</b>			
Current assets	\$ 3,340,242	\$ 34,808	\$ 3,375,050
Non-current assets	-	54,550	54,550
	<u>\$ 3,340,242</u>	<u>\$ 89,358</u>	<u>\$ 3,429,600</u>
<b>Liabilities</b>			
Current liabilities	\$ 134,195	\$ 91,169	\$ 225,364

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**Mogotes Metals Inc.****Notes to Consolidated Financial Statements****Period from August 12, 2022 (Incorporation) to November 30, 2022****(Expressed in Canadian Dollars)**

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**10. Segment information (continued)****Period from August 22, 2012 (incorporation)  
to November 30, 2022**

	<b>Canada</b>	<b>Argentina</b>	<b>Total</b>
<b>Expenses</b>			
Exploration and evaluation expenditures	\$ -	\$ 685,482	\$ 685,482
Professional fees	19,327	41,195	60,522
General and administrative	5,556	19,057	24,613
Regulatory fees	2,500	-	2,500
	(27,383)	(745,734)	(773,117)
<b>Other income</b>			
Foreign exchange gain (loss)	(5,378)	270,424	265,046
<b>Net loss for the period</b>	\$ (32,761)	\$ (475,310)	\$ (508,071)

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## Mogotes Metals Inc.

### Notes to Consolidated Financial Statements

Period from August 12, 2022 (Incorporation) to November 30, 2022

(Expressed in Canadian Dollars)

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#### 11. Income tax

The relationship between the expected tax recovery based on the combined federal and provincial income tax rate in Canada and the reported tax expense in the statement of comprehensive loss can be reconciled as follows:

	Period from August 12, 2022 (incorporation) to November 30, 2022
Loss before income taxes	\$ (508,071)
Broken out between:	
Canada	(32,761)
Argentina	(475,310)
	\$ (508,071)
Expected tax recovery at 26.5% (Canada)	8,682
Expected tax recovery at 35% (Argentina)	166,359
	175,041
Adjustments for the following items:	
Change in unrecognized deductible temporary differences	(175,041)
Deferred income tax recovery	\$ -

The significant components of the Company's deferred tax assets that have not been included on the consolidated statement of financial position are as follows:

	November 30, 2022
Deferred tax assets (liabilities)	
Non-capital losses available for future period	175,041
Valuation allowance	(175,041)
Net deferred tax assets	\$ -

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

	November 30, 2022	Expiry date range
<b>Temporary differences</b>		
Non-capital losses available for future periods		
- Canada	32,761	2042
- Argentina	475,310	2027

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**SCHEDULE B**  
**MANAGEMENT DISCUSSION & ANALYSIS FOR THE PERIOD FROM INCORPORATION ON**  
**AUGUST 12, 2022 TO NOVEMBER 30, 2022**

**MOGOTES METALS INC.**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FOR THE PERIOD FROM AUGUST 12, 2022  
(INCORPORATION) TO NOVEMBER 30, 2022**

## **Introduction**

The following management's discussion and analysis ("MD&A") of the financial condition and results of the operations of Mogotes Metals Inc. ("Mogotes" or the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the period from August 12, 2022 (incorporation) to November 30, 2022. This MD&A was written to comply with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited financial statements of the Company for the period from August 12, 2022 (incorporation) to November 30, 2022, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company's financial statements and the financial information contained in this MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC"). In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. Information contained herein is presented as of January XX, 2023, unless otherwise indicated.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors (the "Board"), considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company's common shares (the "Common Shares"); (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Additional information relating to the Company is available free of charge on the System for Electronic Document Analysis and Retrieval (SEDAR) website at [www.sedar.com](http://www.sedar.com).

## **Caution Regarding Forward-looking Statements**

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or statements that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements.

**Mogotes Metals Inc.**  
**Management's Discussion and Analysis**  
**Period from August 12, 2022 (Incorporation) to November 30, 2022**  
**Dated: February XX, 2023**

Forward-looking statements	Assumptions	Risk factors
<p>Potential of the Company's properties to contain economic deposits of copper and/or other metals</p>	<p>Financing will be available for future exploration and development of the Company's properties; the actual results of the Company's exploration and development activities will be favourable; operating, exploration and development costs will not exceed the Company's expectations; the Company will be able to retain and attract skilled staff; all requisite regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to Mogotes, and applicable political and economic conditions are favourable to Mogotes; the price of copper and/or other applicable metals and applicable interest and exchange rates will be favourable to Mogotes; no title disputes exist with respect to the Company's properties</p>	<p>Metals price volatility; uncertainties involved in interpreting geological data and confirming title to acquired properties; the possibility that future exploration results will not be consistent with the Company's expectations; availability of financing for and actual results of the Company's exploration and development activities; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Company's ability to retain and attract skilled staff</p>
<p>The Company's ability to meet its working capital needs at the current level for the twelve-month period ending November 30, 2023</p> <p>The Company expects to incur further losses in the development of its business</p> <p>Should the Company not raise sufficient capital, it may cease operations</p>	<p>The operating and exploration activities of the Company for the twelve-month period ending November 30, 2023, and the costs associated therewith, will be consistent with the Company's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions are favourable to Mogotes</p>	<p>Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions</p>
<p>The Company's ability to carry out anticipated exploration on its property interests</p>	<p>The exploration activities of the Company for the twelve months ended November 30, 2023, and the costs associated therewith, will be consistent with the Company's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions are favourable to the Company</p>	<p>Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions; receipt of applicable permits</p>

**Mogotes Metals Inc.**  
**Management’s Discussion and Analysis**  
**Period from August 12, 2022 (Incorporation) to November 30, 2022**  
**Dated: February XX, 2023**

<p>Plans, costs, timing and capital for future exploration and development of the Company’s property interests, including the costs and potential impact of complying with existing and proposed laws and regulations</p>	<p>Financing will be available for the Company’s exploration and development activities and the results thereof will be favourable; actual operating and exploration costs will be consistent with the Company’s current expectations; the Company will be able to retain and attract skilled staff; all applicable regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to the Company; the Company will not be adversely affected by market competition; debt and equity markets, exchange and interest rates and other applicable economic and political conditions are favourable to the Company; the price of copper and/or other applicable metals will be favourable to the Company; no title disputes exist with respect to the Company’s properties</p>	<p>Metals price volatility, changes in debt and equity markets; timing and availability of external financing on acceptable terms; the uncertainties involved in interpreting geological data and confirming title to acquired properties; the possibility that future exploration results will not be consistent with the Company’s expectations; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Company’s ability to retain and attract skilled staff</p>
<p>Management’s outlook regarding future trends</p>	<p>Financing will be available for the Company’s exploration and operating activities; the price of copper and/or other applicable metals will be favourable to the Company</p>	<p>Metals price volatility; changes in debt and equity markets; interest rate and exchange rate fluctuations; changes in economic and political conditions</p>

Inherent in forward-looking statements are risks, uncertainties, and other factors beyond the Company’s ability to predict or control. Please also refer to those risk factors outlined in the “Risk Factors” section below. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, performance, or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether because of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

## **Description of Business**

The Company is a company incorporated under the *Business Corporations Act (Ontario)* on August 12, 2022 and is engaged in the business of locating and exploring mineral properties. Substantially all of the efforts of the Company are devoted to these business activities. The shares of the Company are not listed or posted for trading on any stock exchange. Its registered and head office is located at 217 Queen Street West, Suite 401, Toronto, Ontario, M5V 0R2.

## **Overall Performance**

As at November 30, 2022, the Company had not yet achieved profitable operations and expects to incur further losses in the development of its business, all of which constitutes a material uncertainty which casts significant doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon its ability to raise future equity financing to fund its operations and advance the development of its business.

## **Operational Highlights**

On August 12, 2022 and September 20, 2022, the Company issued 52,500,000 common shares at \$0.000001 per share for gross proceeds of \$53.

On October 7, 2022, the Company closed a non-brokered private placement pursuant to which it issued 6,000,000 units at \$0.10 per unit to raise gross proceeds of \$600,000. Each unit consisted of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder thereof to acquire one additional common share of the Company at an exercise price of \$0.10 per share and each warrant expires in 5 years from the closing date.

On October 12, 2022, the Company closed a non-brokered private placement pursuant to which it issued 8,100,000 units at \$0.10 per unit to raise gross proceeds of \$810,000. Each unit consisted of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder thereof to acquire one additional common share of the Company at an exercise price of \$0.10 per share and each warrant expires in 2 years from the closing date.

In connection with the private placements described above, the Company incurred share issue costs of \$10,285.

On October 25, 2022 and November 17, 2022, the Company closed a non-brokered private placement pursuant to which it issued 23,337,500 common shares at \$0.10 per share to raise gross proceeds of \$2,333,750. In connection with the private placement, the Company issued 800,000 common shares (valued at \$80,000) as finders' fees and incurred share issue costs of \$17,022.

## **Capital Resources**

The Company has limited capital resources and must rely upon the sale of its equity and/or debt securities for cash required for acquisition, exploration, and development of mineral resource properties. Since the Company does not expect to generate any revenues soon, it must continue to rely upon the sale of its equity and/or debt securities to raise capital. There can be no assurance that financing, whether debt or equity, will be available to the Company in the amount required at any time or for any period or, if available, that it can be obtained on terms satisfactory to the Company.

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The Company’s use of cash is currently and is expected to continue to be focused on two principal areas, namely the funding of its general and administrative expenditures and the funding of its investment activities. Investing activities include the cash components of the cost of acquiring and exploring the Company’s mineral claims. The Company will require additional financing to conduct its planned work programs on mineral properties, meet its ongoing corporate overhead and discharge its liabilities as they come due.

The Company has a need for equity capital and financing for working capital and exploration and development of the Mogotes Project. Because of ongoing operating losses, the Company’s continuance as a going concern is dependent on its ability to obtain adequate financing to advance to a stage where it will be able to reach profitable levels of operation. It is not possible to predict whether financing efforts will be successful or if the Company will ever attain profitable levels of operation.

Other than as disclosed in this MD&A, the Company does not have any commitments for capital expenditures as at the date hereof.

See “Caution Regarding Forward-looking Statements” and “Risk Factors”.

**Selected Annual Financial Information**

The following is selected financial data derived from the audited annual financial statements of the Company as at November 30, 2022 and for the period then ended.

	<b>Period from August 12, 2022 (Incorporation) to November 30, 2012 (\$)</b>
Total revenues	Nil
Total net loss	(508,071)
Net loss per share – basic and diluted	(0.01)

	<b>As at November 30, 2022 (\$)</b>
Total assets	3,429,600
Total non-current financial liabilities	Nil
Distribution of cash dividends	Nil

- As the Company has no recurring revenue, its ability to fund its operations is dependent upon securing financing. See “Trends” above and “Risk Factors” below.

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**Selected Quarterly Information**

Three Months Ended	Total Revenue (\$)	Profit or Loss		Total Assets (\$)
		Total (\$)	Basic and Diluted Loss Per Share (\$) <sup>(2)</sup>	
November 30, 2022	-	(508,071) <sup>(1)</sup>	(0.01)	3,429,600

Notes:

- (1) The net loss for the period from August 12, 2022 (incorporation) to November 30, 2022 consisted primarily of exploration and evaluation expenditures of \$685,482; professional fees of \$60,522; general and administrative of \$24,613; foreign exchange gain of \$265,046; and other working capital.
- (2) Per share amounts are rounded to the nearest cent, therefore aggregating quarterly amounts may not reconcile to year-to-date per share amounts.

**Discussion of Operations**

**Period from August 12, 2022 (Incorporation) to November 30, 2022**

The Company's net loss totaled \$508,071 for the period from August 12, 2022 (incorporation) to November 30, 2022, with basic and diluted loss per share of \$0.01.

- Exploration and evaluation expenditures were \$685,482 for the period ended November 30, 2022;
- Professional fees were to \$60,522 for the period ended November 30, 2022;
- General and administrative were \$24,613 for the period ended November 30, 2022;
- Regulatory fees were \$2,500 for the period ended November 30, 2022; and
- Foreign exchange gain was \$265,046 for the period ended November 30, 2022.

**Liquidity and Financial Position**

The activities of the Company, principally the acquisition, exploration, and development of properties prospective for base and precious minerals, are financed through the completion of equity transactions such as equity offerings and the exercise of stock options and warrants. There is no assurance that future equity capital will be available to the Company in the amounts or at the times desired by the Company or on terms that are acceptable to it, if at all. See "Caution Regarding Forward-looking Statements" and "Risk Factors".

The Company's continuing operations are dependent on its ability to secure equity and/or debt financing, with which it intends to maintain its proposed mineral exploration programs on the claims and identify, evaluate, and acquire, if appropriate, interests in other mineral properties. The circumstances that could affect the Company's ability to secure equity and/or debt financing that are reasonably likely to occur are, without limitation, as follows:

- the state of capital markets generally;
- the prevailing market prices for base and precious minerals;

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- the ability of the Company to obtain all permitting required with respect to its proposed exploration programs;
- the potential abandonment of the Mogotes property as exploration results provide further information relating to the underlying value of the projects;
- changes in laws, regulations, and political conditions, and
- the ability of the Company to realize satisfactory terms in its negotiation of work contracts relating to Mogotes.

As of November 30, 2022, based on current projections, the Company's working capital of \$3,149,686 may be sufficient to meet its planned development activities for the year ending November 30, 2023.

There is no assurance that any revenues will be generated soon, or at all. Because the Company continues to incur such significant future expenditures for continued exploration and general and administrative expenses, the Company may continue to experience negative cash flow until it is able to generate revenue to cover operating expenses. An inability to generate positive cash flow until the Company can generate revenue to cover operating expenses or raise additional capital on reasonable terms will adversely affect the Company's viability as an operating business. See "Caution Regarding Forward-looking Statements" and "Risk Factors".

### **Related Party Transactions**

Key management 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 consist of executive and non-executive members of the Company's Board of Directors and corporate officers and/or companies controlled by those individuals.

The Company did not incur any remuneration attributed to key management during the period ended November 30, 2022.

### **Capital Management**

Capital is comprised of the Company's shareholders' equity. As of November 30, 2022, the Company's shareholders' equity was \$3,204,236. The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital. The Company is currently not subject to externally imposed capital requirements. There were no changes to the Company's capital management during the period ended November 30, 2022.

### **Financial Instruments**

The Company's risk exposures and the impact on the Company's financial statements are summarized below.

#### **Credit risk**

The financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash. The Company mitigates its exposure to credit loss by placing its cash with major financial institutions and believes that its amounts receivable credit risk exposure is limited.

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### **Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with financial liabilities as they come due. Accounts payable and accrued liabilities are all current. The Company monitors its liquidity position and budgets future expenditures, in order to ensure that it will have sufficient capital to satisfy liabilities as they come due.

As at November 30, 2022, the Company has accounts payable and accrued liabilities of \$225,364 due within 12 months and has cash of \$3,084,371 to meet its current obligations.

The Company obtains its financing through private placements. Negative trends in the general equity market and the fall in commodity prices can adversely impact the Company's ability to obtain financing at favourable terms. If the Company cannot obtain the necessary financing to fund its operating and exploration activities, the Company might not be able to continue as a going concern entity. There can be no assurance that additional financing, if and when required, will be available or on terms acceptable to the Company.

### **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 price risk.

#### *Interest rate risk*

The Company is exposed to interest rate risk to the extent that the cash maintained at the financial institution is subject to floating rates of interest. The interest rate risk on cash is not considered significant.

#### *Foreign currency risk*

Foreign currency risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate because of changes in foreign exchange rates. The Company's property interests in Argentina make it subject to foreign currency fluctuations and inflationary pressures which may adversely affect the Company's financial position, profit or loss and cash flows. The Company is affected by changes in exchange rates between the Canadian Dollar and foreign currencies. As at November 30, 2022, a portion of the Company's net assets were held in US Dollars (US\$26,652). A 10% change in the Canadian Dollar against the US Dollar would not have a significant effect based on foreign currency balances.

#### *Price risk*

The Company has limited exposure to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's profit or loss due to movements in individual equity prices or general movements in the level of the stock market.

### **Share Capital**

As at the date of this MD&A, the Company has a total of 90,737,500 common shares issued and outstanding and 14,100,000 warrants, each convertible into one common share.

### **Disclosure Controls**

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Management has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence to ensure that (i) the financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the years presented by the financial statements; and (ii) the financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the years presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Company uses the Venture Issuer Basic Certificate, which does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

- i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's generally accepted accounting principles (IFRS). The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

### **Risk Factors**

The Company is subject to a number of risks and uncertainties, each of which could have an adverse effect on its results, business prospects or financial position. The Company's securities should be considered a highly speculative investment and investors should carefully consider all of the information disclosed in the Prospectus prior to making an investment in the Company. For a comprehensive list of the risks and uncertainties applicable to the Company, please refer to the "Risk Factors" section in the Prospectus.]

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position.

### **Fluctuating commodity prices**

The Company's future profitability depends upon the world market price of copper and/or other metals. Prices fluctuate widely and are affected by numerous factors beyond the Company's control. The prices of metals are influenced by factors including industrial and retail supply and demand, exchange rates, inflation

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rates, changes in global economies, confidence in the global monetary system, forward sales of copper and other metals by producers and speculators as well as other global or regional political, social or economic events. The supply of copper and other metals consists of a combination of new mine production and existing stocks held by governments, producers, speculators and consumers.

If the market prices for copper and/or other metals fall, it may not be feasible for the Company continue to raise funds necessary to finance the exploration and development of the Company's projects. This would materially and adversely affect the decision to proceed with the projects and the ability to finance the exploration and development of properties and the Company's financial position. The Company may, depending on hedging practices, experience losses and may decide to discontinue exploration activities, operations or development of a project or mining at one or more of its properties. If the price of copper drops significantly, the economic prospects of the projects in which the Company has an interest could be significantly reduced or rendered uneconomic.

Copper and other base/precious metal prices have fluctuated widely in recent years. There is no assurance that, even if commercial quantities of metals are produced, a profitable market will exist for them.

A decline in the market price of copper and other base/precious metals may also have a material and adverse effect on the Company's value, earnings and profitability.

**Financial capability and additional financing**

The Company has limited financial resources, has no source of operating income and has no assurance that additional funding will be available to it for further exploration and development of its projects. There can be no assurance that the Company will be able to obtain sufficient financing in the future to carry out exploration and development work on the Mogotes and other properties. The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions as well as the business performance of the Company. Failure to obtain sufficient financing may result in the delay or indefinite postponement of exploration, development or production on any or all of its properties or even a loss of property interest.

There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Company. Additional funds will be required for future exploration and development of the Mogotes property.

If the Company raises additional funds through the sale of equity securities, shareholders may have their investment further diluted.

**Limited operating history**

The Company has not yet recorded any revenues from its operations or commenced commercial production on any of its properties. The Company does not expect to generate revenues from operations in the foreseeable future. The Company expects to continue to incur losses unless and until such time as the Mogotes property enters into commercial production and generates sufficient revenues to fund its continuing operations. There can be no assurance that the Company will generate any revenues or achieve profitability or that any of the properties it may hereafter acquire or obtain an interest in will generate earnings, operate profitably or provide a return on investment in the future. There can be no assurance that the underlying assumed levels of expenses will prove to be accurate. There can be no assurance that significant additional losses will not occur in the near future or that the Company will be profitable in the future. The Company's operating expenses and capital expenditures may increase in subsequent years as needed consultants, personnel and equipment associated with advancing exploration, development and commercial production of its properties are added. The amount and timing of expenditures will depend on

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the progress of ongoing exploration and development, the results of consultants' analysis and recommendations, the rate at which operating losses are incurred, the execution of any joint venture agreements with strategic partners, the Company's acquisition of additional properties and other factors, many of which are beyond the Company's control.

**Mining exploration and development**

The Company's business operations are subject to risks and hazards inherent in the mining industry. The exploration for and the development of mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties that are explored are ultimately developed into producing mines.

The Company's exploration and production may be hampered by mining, heritage and environmental legislation, industrial accidents, industrial disputes, cost overruns, land claims and compensation and other unforeseen contingencies. The success of the Company also depends on the delineation of economically recoverable reserves, the availability and cost of required development capital, movement in the price of commodities, securing and maintaining title to its exploration and mining claims as well as obtaining all necessary consents and approvals for the conduct of its exploration and production activities. The effect of these factors or a combination thereof, cannot be accurately predicted and could have an adverse impact on the Company.

Risks involved in exploration, development and mining operations include unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of any material, any of which could result in damage to life or property, environmental damage and possible legal liability. Further, weather conditions over a prolonged period can adversely affect exploration and development activities.

Whether income will result from any of the Company's projects will depend on the successful establishment of mining operations. Factors including costs, actual mineralization, consistency and reliability of mineral grades and commodity prices could affect the future successful project development, future cash flow and profitability, and there can be no assurance that current estimates of these factors will reflect actual results and performance. The design and construction of efficient processing facilities, the existence of competent operational management and prudent financial administration, as well as the availability and reliability of appropriately skilled and experienced consultants, also can affect successful project development. These factors and events may materially affect the financial performance of the Company.

**No history of earnings or dividends**

The Company has no history of earnings and as such it has not paid dividends on its common shares since incorporation and does not anticipate doing so in the foreseeable future. Payment of any future dividends will be at the discretion of the Board after taking into account many factors, including the Company achieving commercial projection and generating revenue, and thereafter, operating results, the financial conditions of the Company and anticipated cash needs.

**Limited property portfolio**

The Company's only material mineral project is the Mogotes Project. Unless the Company acquires or develops additional material properties or projects, it will be solely dependent upon the Mogotes Project.

### **Aboriginal title and rights claims**

Aboriginal title and rights may be claimed with respect to Crown properties or other types of tenure with respect to which mining rights have been conferred. The Company is not aware of any aboriginal land claims having been formally asserted or any legal actions relating to aboriginal issues having been instituted with respect to the Mogotes property. There can be no assurance that such events will not occur or that title and rights claims will not be asserted in the future in respect of the Company's properties. In addition, other parties may dispute the Company's title to its properties and its properties may be subject to prior unregistered agreements or transfers or land claims by aboriginal peoples, and title may be affected by undetected encumbrances or defects or government actions.

### **Infrastructure**

Exploration, development, and ultimately mining activities depend on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants affecting capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations, financial condition and results of operations.

### **Insurance and uninsurable risks**

Exploration, development and production operations on mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, ground or slope failures, fires, floods, earthquakes, cyclones and other environmental occurrences, as well as political and social instability that could result in damage to or destruction of mineral properties or producing facilities, personal injury or death, environmental damage, delays in mining caused by industrial accidents or labour disputes or changes in regulatory environment, monetary losses and possible legal liability. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks because of high premiums or other reasons. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Company or to other companies in the mining industry on acceptable terms. Although the Company maintains insurance to protect against certain risks in such amounts as it considers reasonable, its insurance will not cover all potential risks associated with its operations, and insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Should such liabilities arise, they could reduce or eliminate any further profitability and result in increasing costs and a decline in the value of the securities of the Company.

### **Environmental and safety regulations and risks**

Environmental laws and regulations may affect the operations of the Company. These laws and regulations set various standards regulating certain aspects of health and environmental quality. They provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are or were conducted. Furthermore, the permission to operate could be withdrawn temporarily where there is evidence of serious breaches of health and safety, or even permanently in the case of extreme breaches. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of acquired properties or non-compliance with environmental laws or regulations. Environmental legislation is evolving in a manner that may mean stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. Permits from a variety of regulatory authorities are required for many aspects of mine development, operation and reclamation. Future legislation and

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regulations could cause additional expense, capital expenditures, restrictions, liabilities and delays in the development of the Company's properties, the extent of which cannot be predicted. In the context of environmental permits, including the approval of reclamation plans, the Company must comply with standards and laws and regulations which may entail costs and delays depending on the nature of the activity to be permitted and how stringently the regulations are implemented by the permitting authority.

### **Competitive conditions**

The mining industry is intensely competitive in all its phases, and the Company competes with other companies that have greater financial resources and technical facilities. Competition in the mining exploration and development industry is primarily for mineral rich properties which can be developed and produced economically and businesses compete for the technical expertise to find, develop, and produce such properties, the labour to operate the properties and the capital for the purpose of financing development of such properties. Many competitors not only explore for and mine metals, but conduct refining and marketing operations on a world-wide basis and some of these companies have much greater financial and technical resources than the Company. Such competition may result in the Company being unable to acquire desired properties, recruit or retain qualified employees or acquire the capital necessary to fund its operations and develop its properties.

The Company's inability to compete with other mining companies for these mineral deposits could have a material adverse effect on its results of operation and business.

### **COVID-19 and health crises**

The current outbreak of COVID-19 and the emergence of multiple COVID-19 variants has had an adverse impact on global economic conditions. Any future emergence and spread of similar or other pathogens could have a similar adverse impact. The COVID-19 pandemic may continue for an unforeseen amount of time into the future or worsen which may adversely impact the Company's operations, and the operations of its suppliers, contractors and service providers, the ability to obtain financing and maintain necessary liquidity, the ability to access and explore Company's properties and its ability to advance its projects and other growth initiatives.

The outbreak and resurgence of COVID-19 continues to significantly impact global economies and the global upheavals have caused significant volatility in commodity prices. The outbreak and its declaration as a global pandemic caused companies and governments around the world to impose sweeping restrictions on the movement of people and goods, including social distancing measures and restrictions on group gatherings, isolation and quarantine requirements, closure of business and government offices, travel advisories and travel restrictions. While these effects are expected to be temporary, the duration of the various disruptions to businesses locally and internationally and the related financial impact cannot be reasonably estimated at this time. Furthermore, governments in relevant jurisdictions may introduce new, or modify existing, laws, regulations, orders or other measures that could impact the Company's ability to operate or affect the actions of its suppliers, contractors and service providers.

Should the responses of companies and governments be insufficient to contain the spread and impact of COVID-19, this may lead to further economic downturn that may adversely impact the Company's business, financial condition and results of operations. The outbreak and resurgence of COVID-19 may also continue to affect financial markets, may adversely affect the Company's ability to raise capital, and may cause continued interest rate volatility and movements that may make obtaining financing more challenging or more expensive or unavailable on commercially reasonable terms or at all. In addition, if any number of employees or consultants of the Company or any key supplier become infected with COVID-19 or similar pathogens and/or the Company is unable to source necessary replacements, consumables or supplies or transport its products, due to government restrictions or otherwise, it could have a material negative impact

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on the Company's operations and prospects, including the complete shutdown of its operations. Furthermore, an outbreak of COVID-19 at the Company's operations could cause reputational harm and negatively impact the Company's social license to operate. The COVID-19 pandemic has also increased cybersecurity and information technology risks due to the rise in fraudulent activity and increased number of employees working remotely.

As a result of measures, it has taken, there is no assurance as to whether the Company will be affected by the current COVID-19 pandemic or potential future health crises. The Company will continue to work actively to monitor the situation and implement further measures as required to mitigate and/or deal with any repercussions that may occur because of the COVID-19 outbreak.

### **Climate change**

Global climate change continues to attract considerable public, scientific and regulatory attention. Governments and regulatory bodies at the international, national, regional and local levels have introduced or may introduce legislative changes to respond to the potential impacts of climate change. Additional government action to regulate climate change, including regulations on carbon emissions and energy use, could increase direct and indirect costs to the Company's operations and may have a material adverse impact on the Company.

In addition, the Company's operations are subject to the physical risks of climate change, which may include increased extreme weather events and significantly restricted water availability. In the long term, the Company may be required to respond to the physical effects of climate change which could have a material adverse impact on the Company and cause increases in expenditures and costs or require abandonment or delays in developing new mining properties.

Based on risk assessments conducted by the Company, climate change is not an immediate material risk faced by the Company. However, as time goes on, changing public policy may have an impact on how the Company conducts its business.

### **Management**

The success of the Company is currently largely dependent on the performance of its management. Shareholders will be relying on the good faith, experience and judgment of the Company's management and advisers in supervising and providing for the effective management of the business of the Company. The loss of the services 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 management or other qualified personnel required to operate its business. Failure to do so could have a materially adverse effect on the Company and its prospects.

The Company has not purchased "key-man" insurance, nor has it entered into non-competition and non-disclosure agreements with management and has no current plans to do so.

### **Conflict of interest**

Certain directors and officers of the Company also serve as directors and/or officers of other companies involved in natural resource exploration and development and consequently there exists the possibility for such directors and officers to be in a position of conflict. Any decision made by any of such directors and officers involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Company and its shareholders. In addition, each of the directors is required to declare and refrain from voting on any matter in which such directors may have a conflict of interest.

The Company has not entered into non-competition and non-disclosure agreements with management and has no current plans to do so. The Company may hire consultants and other geologists and technical expertise but there is no guarantee that the Company will be able to retain personnel with sufficient technical expertise to carry out future development of its properties.

### **Lags**

The Company is unable to predict the amount of time which may elapse between the date when any new mineral resource may be discovered and the date when production will commence from any such discovery.

### **Speculative nature of the securities of the company**

The securities of the Company are speculative in nature due to the Company's activities. Mineral exploration is highly speculative and involves material risks. The securities of the Company are more suited to persons who can accept the risks inherent in holding shares of a mineral exploration company. No guarantee can be given that an economical viable deposit will be discovered.

### **Tax issues**

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

### **Permits and government regulation**

The Company's planned mineral exploration and development activities will be subject to various laws governing prospecting, mining, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use and other matters. There is no assurance that the Company can obtain, or that there will not be delays in obtaining, the permits necessary to develop the Mogotes property. Government approvals and permits will be required, and may in the future be required, in connection with the Company's operations. To the extent such approvals are required and are delayed or not obtained, the Company may be curtailed or prohibited from continuing mining operations or from proceeding with planned exploration or development of the Mogotes property. Neither can any assurance be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail exploration or development.

Many of the mineral rights and interests of the Company are subject to government approvals, licences and permits. The granting and enforcement of the terms of such approvals, licences and permits are, as a practical matter, subject to the discretion of the applicable governments or governmental officials. No assurance can be given that the Company will be successful in maintaining any or all of the various approvals, licences and permits in full force and effect without modification or revocation. To the extent such approvals are required and not obtained; the Company may be curtailed or prohibited from continuing or proceeding with planned exploration or development of mineral properties.

Failure to comply with applicable laws, regulations and permit requirements may result in enforcement actions there under, 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. Parties engaged in mining operations or in the exploration or development of mineral properties 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 laws or regulations.

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

#### **Potential dilution**

The issue of shares upon the exercise of stock options and warrants will dilute the ownership interest of the Company's current shareholders. The Company may also issue additional options and warrants or additional shares from time to time in the future. If it does so, the ownership interest of the Company's then current shareholders could also be diluted.

#### **Market volatility**

Volatility occurring in the financial markets is a significant risk for the Company. As a result of market turmoil, investors have been moving away from assets they perceive as risky to those they perceive as less so. Companies like Mogotes are considered risky assets and as mentioned above are highly speculative. Volatility in the markets and investor sentiment may make it difficult for Mogotes to access the capital markets to raise the capital it will need to fund its current level of expenditures.

#### **Russia-Ukraine Conflict**

The military conflict between Russia and Ukraine may increase the likelihood of supply interruptions and political instability worldwide. Such disruptions could make it more difficult for the Company to source necessary materials and service providers at favorable pricing or at all. While it is difficult to estimate the impact of current or future European sanctions on the Company's business and financial position, these sanctions could adversely impact the Company's costs, operations and/or development activities in future periods.

**SCHEDULE C**  
**INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED**  
**FEBRUARY 28, 2023**

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**MOGOTES METALS INC.**  
**CONDENSED INTERIM CONSOLIDATED FINANCIAL**  
**STATEMENTS**  
**THREE MONTHS ENDED FEBRUARY 28, 2023**  
**(EXPRESSED IN CANADIAN DOLLARS)**  
**(UNAUDITED)**

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## Mogotes Metals Inc.

### Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

Unaudited

	As at February 28, 2023	As at November 30, 2022
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 4,975,262	\$ 3,084,371
Amounts receivable	15,139	277,813
Prepaid expenses	28,231	12,866
<b>Total current assets</b>	<b>5,018,632</b>	<b>3,375,050</b>
<b>Non-current assets</b>		
VAT recoverable	212,368	54,550
<b>Total assets</b>	<b>\$ 5,231,000</b>	<b>\$ 3,429,600</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (note 7)	\$ 836,320	\$ 225,364
<b>Total liabilities</b>	<b>836,320</b>	<b>225,364</b>
<b>Shareholders' equity</b>		
Share capital (note 4)	6,257,480	3,175,901
Warrants (note 5)	659,628	540,595
Accumulated other comprehensive loss	(19,585)	(4,189)
Deficit	(2,502,843)	(508,071)
<b>Total shareholders' equity</b>	<b>4,394,680</b>	<b>3,204,236</b>
<b>Total shareholders' equity and liabilities</b>	<b>\$ 5,231,000</b>	<b>\$ 3,429,600</b>

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

Nature of operations and going concern (note 1)

Subsequent event (note 11)

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**Mogotes Metals Inc.****Condensed Interim Consolidated Statement of Loss and Comprehensive Loss****(Expressed in Canadian Dollars)****Unaudited**

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	<b>Three Months Ended February 28, 2023</b>
<b>Expenses</b>	
Exploration and evaluation expenditures (notes 6 and 7)	\$ 2,815,885
Professional fees	45,443
General and administrative	118,711
Regulatory fees	4,162
	<b>(2,984,201)</b>
<b>Other income</b>	
Foreign exchange gain	989,429
<b>Net loss for the period</b>	<b>(1,994,772)</b>
<b>Other comprehensive loss</b>	
<b>Items that will be reclassified subsequently to income</b>	
Currency translation	(15,396)
<b>Total comprehensive loss for the period</b>	<b>\$ (2,010,168)</b>
<b>Basic and diluted net loss per share</b>	<b>\$ (0.02)</b>
<b>Weighted average number of common shares outstanding</b>	<b>92,146,274</b>

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

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**Mogotes Metals Inc.****Condensed Interim Consolidated Statement of Cash Flows****(Expressed in Canadian Dollars)****Unaudited**

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	<b>Three Months Ended February 28, 2023</b>
<b>Operating activities</b>	
Net loss for the period	\$ (1,994,772)
Changes in non-cash working capital items:	
Amounts receivable	262,674
Prepaid expenses	(15,365)
VAT recoverable	(157,818)
Accounts payable and accrued liabilities	610,956
<b>Net cash used in operating activities</b>	<b>(1,294,325)</b>
<b>Financing activities</b>	
Shares and units issued for cash, net of share issue costs	3,200,612
<b>Net cash provided by financing activities</b>	<b>3,200,612</b>
<b>Net change in cash</b>	<b>1,906,287</b>
<b>Net effect of currency translation</b>	<b>(15,396)</b>
<b>Cash, beginning of period</b>	<b>3,084,371</b>
<b>Cash, end of period</b>	<b>\$ 4,975,262</b>
<b>Supplemental cash flow information</b>	
Shares issued for share issue costs	\$ 105,000
Broker warrants	\$ 119,033
Taxes paid in cash	\$ -

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

## Mogotes Metals Inc.

### Condensed Interim Consolidated Statement of Changes in Equity

(Expressed in Canadian Dollars)

Unaudited

	Share capital			Accumulated other comprehensive		Total
	Shares	Amount	Warrants	loss	Deficit	
<b>Balance, November 30, 2022</b>	<b>90,737,500</b>	<b>\$ 3,175,901</b>	<b>\$ 540,595</b>	<b>\$ (4,189)</b>	<b>\$ (508,071)</b>	<b>\$ 3,204,236</b>
Shares issued for cash	11,176,332	3,352,900	-	-	-	3,352,900
Shares issued for finders' fees	350,000	105,000	-	-	-	105,000
Share issue costs	-	(376,321)	119,033	-	-	(257,288)
Comprehensive loss for the period	-	-	-	(15,396)	(1,994,772)	(2,010,168)
<b>Balance, February 28, 2023</b>	<b>102,263,832</b>	<b>\$ 6,257,480</b>	<b>\$ 659,628</b>	<b>\$ (19,585)</b>	<b>\$ (2,502,843)</b>	<b>\$ 4,394,680</b>

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

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# **Mogotes Metals Inc.**

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

**Three Months Ended February 28, 2023**

**(Expressed in Canadian Dollars)**

**Unaudited**

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### **1. Nature of operations and going concern**

Mogotes Metals Inc. (the "Company" or "Mogotes") is a company incorporated under the Business Corporations Act (Ontario) on August 12, 2022 and is engaged in the business of locating and exploring mineral properties. Substantially all of the efforts of the Company are devoted to these business activities. The shares of the Company are not listed or posted for trading on any stock exchange. Its registered and head office is located at 217 Queen Street West, Suite 401, Toronto, Ontario, M5V 0R2.

These unaudited condensed interim consolidated financial statements were prepared on a going concern basis of presentation, which assumes that the Company will continue operations for the foreseeable future and be able to realize the carrying value of its assets and discharge its liabilities and commitments in the normal course of business.

As at February 28, 2023, the Company had not yet achieved profitable operations and expects to incur further losses in the development of its business, all of which constitutes a material uncertainty which casts significant doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon its ability to raise future equity financing to fund its operations and advance the development of its business.

These unaudited condensed interim consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. These adjustments could be material. Management is actively pursuing funding options, being financing and alternative funding options, required to meet the Company's requirements on an ongoing basis. To meet the challenges of the current climate in the financial markets, the Company is minimizing its expenditures.

### **2. Significant accounting policies**

#### **Statement of compliance**

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the IFRS Interpretations Committee. These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements.

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRS issued and outstanding as of May XX, 2023, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as compared with the most recent annual consolidated financial statements as at and for the period ended November 30, 2022. Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for the period ending November 30, 2023 could result in restatement of these unaudited condensed interim consolidated financial statements. These adjustments could be material.

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# Mogotes Metals Inc.

## Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended February 28, 2023

(Expressed in Canadian Dollars)

Unaudited

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### 3. Critical accounting estimates and judgments

The preparation of the unaudited condensed interim consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of assets and liabilities at the date of the consolidated financial statements and the reported amounts of expenses during the reporting periods. Actual results could differ from those estimates and such differences could be significant. The following are the critical assumptions and estimates that the Company has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements.

#### Going concern

The preparation of these unaudited condensed interim consolidated financial statements requires management to make estimates regarding the going concern of the Company, as discussed in note 1.

#### Share-based payments

The fair value of share-based payments including the grant of warrants are estimated using the Black-Scholes option pricing model. There are a number of estimates used in the calculation, such as forfeiture rates, expected life, and share price volatility which can vary from actual future events. The factors applied in the calculation are management's best estimates based on historical information and future forecasts.

### 4. Share capital

#### (a) Authorized share capital

As at February 28, 2023, the authorized share capital of the Company is an unlimited number of shares, without par value.

#### (b) Common shares issued

	Number of common shares	Amount
Balance, November 30, 2022	90,737,500	\$ 3,175,901
Private placement (i)	11,176,332	3,352,900
Shares issued for finders' fees (i)	350,000	105,000
Share issue costs (i)	-	(376,321)
Balance, February 28, 2023	102,263,832	\$ 6,257,480

(i) On February 17, 2023, the Company closed the first tranche of a non-brokered private placement pursuant to which it issued 11,176,332 common shares at \$0.30 per share to raise gross proceeds of \$3,352,900. In connection with the private placement, the Company incurred share issue costs of \$152,288, issued 350,000 common shares (valued at \$105,000, based on the fair value of the services received as agreed upon with the third parties to be the fair value of equity instruments at the time of agreement for services), and issued 728,676 finders' warrants as finders' fees. Each finders' warrant entitles the holder to acquire one additional common share of the Company at an exercise price of \$0.30 per share and expires in 2 years from the closing date. The 728,676 finders' warrants were assigned a value of \$119,033 using the Black-Scholes valuation model using the weighted average assumptions: expected life of 2 years, expected volatility of 101%, risk-free rate of 4.15%, and expected dividend yield of 0%.

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## Mogotes Metals Inc.

### Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended February 28, 2023

(Expressed in Canadian Dollars)

Unaudited

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#### 5. Warrants

	Number of warrants	Weighted average exercise price
Balance, November 30, 2022	14,100,000	\$ 0.10
Issued	728,676	0.30
Balance, February 28, 2023	14,828,676	\$ 0.11

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The following table reflects the warrants outstanding as of February 28, 2023:

Expiry date	Exercise price (\$)	Number of warrants outstanding
October 7, 2027	0.10	6,000,000
October 12, 2024	0.10	8,100,000
February 7, 2025	0.30	728,676
	0.11	14,828,676

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#### 6. Exploration and evaluation expenditures

	Three Months Ended February 28, 2023
Claims maintenance	\$ 30,106
Personnel	381,805
Camp	1,795,491
Travel and accommodation	9,058
Analysis	887
Geophysics	598,538
	\$ 2,815,885

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## Mogotes Metals Inc.

### Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended February 28, 2023

(Expressed in Canadian Dollars)

Unaudited

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#### 7. Related party transactions

Key management 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 consist of executive and non-executive members of the Company's Board of Directors and corporate officers and/or companies controlled by those individuals.

The remuneration attributed to key management during the period ended February 28, 2023 can be summarized as follows:

	<b>Three Months Ended February 28, 2023</b>
Exploration and evaluation expenditures (i)	<b>\$ 150,659</b>
Professional fees (ii)	<b>16,041</b>
	<b>\$ 166,700</b>

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(i) During the three months ended February 28, 2023, the Company incurred geological services fees of \$150,659 to a company associated with the Company's director. As at February 28, 2023, \$70,601 was due to the company, and is included in accounts payable and accrued liabilities. These amounts are unsecured, non-interest bearing , with no fixed terms of repayment.

(ii) During the three months ended February 28, 2023, the Company incurred professional fees of \$16,041 to Marrelli Support Services Inc. ("Marrelli") for an employee of Marrelli to act as the Chief Financial Officer of the Company. As at February 28, 2023, \$2,911 was due to Marrelli, and is included in accounts payable and accrued liabilities. These amounts are unsecured, non-interest bearing , with no fixed terms of repayment.

#### 8. Financial risk factors

The Company's risk exposures and the impact on the Company's financial statements are summarized below.

##### Credit risk

The financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash. The Company mitigates its exposure to credit loss by placing its cash with major financial institutions and believes that its amounts receivable credit risk exposure is limited.

##### Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with financial liabilities as they come due. Accounts payable and accrued liabilities are all current. The Company monitors its liquidity position and budgets future expenditures, in order to ensure that it will have sufficient capital to satisfy liabilities as they come due.

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## **Mogotes Metals Inc.**

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

**Three Months Ended February 28, 2023**

**(Expressed in Canadian Dollars)**

**Unaudited**

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#### **8. Financial risk factors (continued)**

As at February 28, 2023, the Company has accounts payable and accrued liabilities of \$836,320 (November 30, 2022 - \$225,364) due within 12 months and has cash of \$4,975,262 (November 30, 2022 - \$3,084,371) to meet its current obligations.

The Company obtains its financing through private placements. Negative trends in the general equity market and the fall in commodity prices can adversely impact the Company's ability to obtain financing at favourable terms. If the Company cannot obtain the necessary financing to fund its operating and exploration activities, the Company might not be able to continue as a going concern entity. There can be no assurance that additional financing, if and when required, will be available or on terms acceptable to the Company.

#### **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 price risk.

##### *Interest rate risk*

The Company is exposed to interest rate risk to the extent that the cash maintained at the financial institution is subject to floating rates of interest. The interest rate risk on cash is not considered significant.

##### *Foreign currency risk*

Foreign currency risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate because of changes in foreign exchange rates. The Company's property interests in Argentina make it subject to foreign currency fluctuations and inflationary pressures which may adversely affect the Company's financial position, profit or loss and cash flows. The Company is affected by changes in exchange rates between the Canadian Dollar and foreign currencies. As at February 28, 2023, a portion of the Company's net assets were held in US Dollars (US\$112,846). A 10% change in the Canadian Dollar against the US Dollar would not have a significant effect based on foreign currency balances.

##### *Price risk*

The Company has limited exposure to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's profit or loss due to movements in individual equity prices or general movements in the level of the stock market.

#### **9. Capital risk management**

Capital is comprised of the Company's shareholders' equity. As of February 28, 2023, the Company's shareholders' equity was \$4,394,680 (November 30, 2022 - \$3,204,236). The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital. The Company is currently not subject to externally imposed capital requirements. There were no changes to the Company's capital management during the three months ended February 28, 2023.

## Mogotes Metals Inc.

### Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended February 28, 2023

(Expressed in Canadian Dollars)

Unaudited

#### 10. Segment information

The Company primarily operates in one reportable operating segment, being the exploration and evaluation of mineral exploration properties in Argentina. The Company has administrative offices in Toronto, Canada. Geographical information is as follows:

<b>February 28, 2023</b>	<b>Canada</b>	<b>Argentina</b>	<b>Total</b>
<b>Assets</b>			
Current assets	\$ 4,713,615	\$ 305,017	\$ 5,018,632
Non-current assets	-	212,368	212,368
	\$ 4,713,615	\$ 517,385	\$ 5,231,000
<b>Liabilities</b>			
Current liabilities	\$ 496,725	\$ 339,595	\$ 836,320
<b>November 30, 2022</b>	<b>Canada</b>	<b>Argentina</b>	<b>Total</b>
<b>Assets</b>			
Current assets	\$ 3,340,242	\$ 34,808	\$ 3,375,050
Non-current assets	-	54,550	54,550
	\$ 3,340,242	\$ 89,358	\$ 3,429,600
<b>Liabilities</b>			
Current liabilities	\$ 134,195	\$ 91,169	\$ 225,364
<b>Three months ended February 28, 2023</b>	<b>Canada</b>	<b>Argentina</b>	<b>Total</b>
<b>Expenses</b>			
Exploration and evaluation expenditures	\$ -	\$ 2,815,885	\$ 2,815,885
Professional fees	27,416	18,027	45,443
General and administrative	42,038	76,673	118,711
Regulatory fees	4,162	-	4,162
	(73,616)	(2,910,585)	(2,984,201)
<b>Other income</b>			
Foreign exchange gain (loss)	5,212	984,217	989,429
<b>Net loss for the period</b>	\$ (68,404)	\$ (1,926,368)	\$ (1,994,772)

#### 11. Subsequent events

On March 16, 2023, the Company closed the second and final tranche of a non-brokered private placement pursuant to which it issued 1,000,000 common shares at \$0.30 per share to raise gross proceeds of \$300,000.

Subsequent to February 28, 2023, the Company issued 600,000 stock options to consultants and a director of the Company. Each stock option has an exercise price of \$0.30 per share and expire on December 31, 2026.

**SCHEDULE D**  
**MANAGEMENT DISCUSSION & ANALYSIS FOR THE THREE MONTH PERIOD ENDED**  
**FEBRUARY 28, 2023**

**MOGOTES METALS INC.**

**INTERIM MANAGEMENT'S DISCUSSION AND  
ANALYSIS – QUARTERLY HIGHLIGHTS**

**THREE MONTHS ENDED TO FEBRUARY 28, 2023**

## **Introduction**

The following interim Management's Discussion & Analysis ("MD&A") of Mogotes Metals Inc. ("Mogotes" or the "Company") for the three months ended February 28, 2023 has been prepared to provide material updates to the business operations, liquidity and capital resources of the Company since its last annual management's discussion & analysis, being the Management's Discussion & Analysis ("Annual MD&A") for the period from August 12, 2022 (Incorporation) to November 30, 2022. This MD&A does not provide a general update to the Annual MD&A, or reflect any non-material events since the date of the Annual MD&A.

This MD&A has been prepared in compliance with section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the Annual MD&A, audited annual consolidated financial statements of the Company for the period from August 12, 2022 (Incorporation) to November 30, 2022, together with the notes thereto, and unaudited condensed consolidated interim financial statements of the Company for the three months ended February 28, 2023, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company's unaudited condensed consolidated interim financial statements and the financial information contained in this MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee. The unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, information contained herein is presented as of May XX, 2023, unless otherwise indicated.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors (the "Board"), considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company's common shares (the "Common Shares"); (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Additional information relating to the Company is available free of charge on the System for Electronic Document Analysis and Retrieval (SEDAR) website at [www.sedar.com](http://www.sedar.com).

## **Caution Regarding Forward-looking Statements**

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or statements that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements.

**Mogotes Metals Inc.**  
**Interim Management's Discussion and Analysis – Quarterly Highlights**  
**Three Months Ended February 28, 2023**  
**Dated: May XX, 2023**

Forward-looking statements	Assumptions	Risk factors
<p>Potential of the Company's properties to contain economic deposits of copper and/or other metals</p>	<p>Financing will be available for future exploration and development of the Company's properties; the actual results of the Company's exploration and development activities will be favourable; operating, exploration and development costs will not exceed the Company's expectations; the Company will be able to retain and attract skilled staff; all requisite regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to Mogotes, and applicable political and economic conditions are favourable to Mogotes; the price of copper and/or other applicable metals and applicable interest and exchange rates will be favourable to Mogotes; no title disputes exist with respect to the Company's properties</p>	<p>Metals price volatility; uncertainties involved in interpreting geological data and confirming title to acquired properties; the possibility that future exploration results will not be consistent with the Company's expectations; availability of financing for and actual results of the Company's exploration and development activities; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Company's ability to retain and attract skilled staff</p>
<p>The Company's ability to meet its working capital needs at the current level for the twelve-month period ending February 29, 2024</p> <p>The Company expects to incur further losses in the development of its business</p> <p>Should the Company not raise sufficient capital, it may cease operations</p>	<p>The operating and exploration activities of the Company for the twelve-month period ending February 29, 2024, and the costs associated therewith, will be consistent with the Company's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions are favourable to Mogotes</p>	<p>Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions</p>
<p>The Company's ability to carry out anticipated exploration on its property interests</p>	<p>The exploration activities of the Company for the twelve months ended February 29, 2024, and the costs associated therewith, will be consistent with the Company's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions are favourable to the Company</p>	<p>Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions; receipt of applicable permits</p>

**Mogotes Metals Inc.**  
**Interim Management’s Discussion and Analysis – Quarterly Highlights**  
**Three Months Ended February 28, 2023**  
**Dated: May XX, 2023**

<p>Plans, costs, timing and capital for future exploration and development of the Company’s property interests, including the costs and potential impact of complying with existing and proposed laws and regulations</p>	<p>Financing will be available for the Company’s exploration and development activities and the results thereof will be favourable; actual operating and exploration costs will be consistent with the Company’s current expectations; the Company will be able to retain and attract skilled staff; all applicable regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to the Company; the Company will not be adversely affected by market competition; debt and equity markets, exchange and interest rates and other applicable economic and political conditions are favourable to the Company; the price of copper and/or other applicable metals will be favourable to the Company; no title disputes exist with respect to the Company’s properties</p>	<p>Metals price volatility, changes in debt and equity markets; timing and availability of external financing on acceptable terms; the uncertainties involved in interpreting geological data and confirming title to acquired properties; the possibility that future exploration results will not be consistent with the Company’s expectations; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Company’s ability to retain and attract skilled staff</p>
<p>Management’s outlook regarding future trends</p>	<p>Financing will be available for the Company’s exploration and operating activities; the price of copper and/or other applicable metals will be favourable to the Company</p>	<p>Metals price volatility; changes in debt and equity markets; interest rate and exchange rate fluctuations; changes in economic and political conditions</p>

Inherent in forward-looking statements are risks, uncertainties, and other factors beyond the Company’s ability to predict or control. Please also refer to those risk factors outlined in the “Risk Factors” section below. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, performance, or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether because of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

## **Description of Business**

The Company is a company incorporated under the *Business Corporations Act (Ontario)* on August 12, 2022 and is engaged in the business of locating and exploring mineral properties. Substantially all of the efforts of the Company are devoted to these business activities. The shares of the Company are not listed or posted for trading on any stock exchange. Its registered and head office is located at 217 Queen Street West, Suite 401, Toronto, Ontario, M5V 0R2.

## **Overall Performance**

As at February 28, 2023, the Company had not yet achieved profitable operations and expects to incur further losses in the development of its business, all of which constitutes a material uncertainty which casts significant doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon its ability to raise future equity financing to fund its operations and advance the development of its business.

## **Operational Highlights**

On February 17, 2023, the Company closed the first tranche of a non-brokered private placement pursuant to which it issued 11,176,332 common shares at \$0.30 per share to raise gross proceeds of \$3,352,900. In connection with the private placement, the Company incurred share issue costs of \$152,288, issued 350,000 common shares (valued at \$105,000, based on the fair value of the services received as agreed upon with the third parties to be the fair value of equity instruments at the time of agreement for services), and issued 728,676 finders' warrants as finders' fees. Each finders' warrant entitles the holder to acquire one additional common share of the Company at an exercise price of \$0.30 per share and expires on February 7, 2025.

## **Capital Resources**

The Company has limited capital resources and must rely upon the sale of its equity and/or debt securities for cash required for acquisition, exploration, and development of mineral resource properties. Since the Company does not expect to generate any revenues soon, it must continue to rely upon the sale of its equity and/or debt securities to raise capital. There can be no assurance that financing, whether debt or equity, will be available to the Company in the amount required at any time or for any period or, if available, that it can be obtained on terms satisfactory to the Company.

The Company's use of cash is currently and is expected to continue to be focused on two principal areas, namely the funding of its general and administrative expenditures and the funding of its investment activities. Investing activities include the cash components of the cost of acquiring and exploring the Company's mineral claims. The Company will require additional financing to conduct its planned work programs on mineral properties, meet its ongoing corporate overhead and discharge its liabilities as they come due.

The Company has a need for equity capital and financing for working capital and exploration and development of the Mogotes Project. Because of ongoing operating losses, the Company's continuance as a going concern is dependent on its ability to obtain adequate financing to advance to a stage where it will be able to reach profitable levels of operation. It is not possible to predict whether financing efforts will be successful or if the Company will ever attain profitable levels of operation.

Other than as disclosed in this MD&A, the Company does not have any commitments for capital expenditures as at the date hereof.

See "Caution Regarding Forward-looking Statements" and "Risk Factors".

## **Discussion of Operations**

### **Three Months Ended February 28, 2023**

The Company's net loss totaled \$1,994,772 for the three months ended February 28, 2023, with basic and diluted loss per share of \$0.02.

- Exploration and evaluation expenditures were \$2,815,885 for the three months ended February 28, 2023;
- Professional fees were to \$45,443 for the three months ended February 28, 2023;
- General and administrative were \$118,711 for the three months ended February 28, 2023;
- Regulatory fees were \$4,162 for the three months ended February 28, 2023; and
- Foreign exchange gain was \$989,429 for the three months ended February 28, 2023.

## **Liquidity and Financial Position**

The activities of the Company, principally the acquisition, exploration, and development of properties prospective for base and precious minerals, are financed through the completion of equity transactions such as equity offerings and the exercise of stock options and warrants. There is no assurance that future equity capital will be available to the Company in the amounts or at the times desired by the Company or on terms that are acceptable to it, if at all. See "Caution Regarding Forward-looking Statements" and "Risk Factors".

The Company's continuing operations are dependent on its ability to secure equity and/or debt financing, with which it intends to maintain its proposed mineral exploration programs on the claims and identify, evaluate, and acquire, if appropriate, interests in other mineral properties. The circumstances that could affect the Company's ability to secure equity and/or debt financing that are reasonably likely to occur are, without limitation, as follows:

- the state of capital markets generally;
- the prevailing market prices for base and precious minerals;
- the ability of the Company to obtain all permitting required with respect to its proposed exploration programs;
- the potential abandonment of the Mogotes property as exploration results provide further information relating to the underlying value of the projects;
- changes in laws, regulations, and political conditions, and
- the ability of the Company to realize satisfactory terms in its negotiation of work contracts relating to Mogotes.

As of February 28, 2023, based on current projections, the Company's working capital of \$4,182,312 (November 30, 2022 - \$3,149,686) may be sufficient to meet its planned development activities for the year ending November 30, 2023.

There is no assurance that any revenues will be generated soon, or at all. Because the Company continues to incur such significant future expenditures for continued exploration and general and administrative expenses, the Company may continue to experience negative cash flow until it is able to generate revenue

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to cover operating expenses. An inability to generate positive cash flow until the Company can generate revenue to cover operating expenses or raise additional capital on reasonable terms will adversely affect the Company's viability as an operating business. See "Caution Regarding Forward-looking Statements" and "Risk Factors".

### **Related Party Transactions**

Key management 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 consist of executive and non-executive members of the Company's Board of Directors and corporate officers and/or companies controlled by those individuals.

The remuneration attributed to key management during the period ended February 28, 2023 can be summarized as follows:

	<b>Three Months Ended February 28, 2023 (\$)</b>
Exploration and evaluation expenditures (i)	150,659
Professional fees (ii)	16,041
<b>Total</b>	<b>166,700</b>

- (i) During the three months ended February 28, 2023, the Company incurred geological services fees of \$150,659 to a company associated with the Company's director. As at February 28, 2023, \$70,601 was due to the company, and is included in accounts payable and accrued liabilities. These amounts are unsecured, non-interest bearing, with no fixed terms of repayment.
- (ii) During the three months ended February 28, 2023, the Company incurred professional fees of \$16,041 to Marrelli Support Services Inc. ("Marrelli") for an employee of Marrelli to act as the Chief Financial Officer of the Company. As at February 28, 2023, \$2,911 was due to Marrelli, and is included in accounts payable and accrued liabilities. These amounts are unsecured, non-interest bearing, with no fixed terms of repayment.

### **Subsequent Events**

On March 16, 2023, the Company closed the second and final tranche of a non-brokered private placement pursuant to which it issued 1,000,000 common shares at \$0.30 per share to raise gross proceeds of \$300,000.

Subsequent to February 28, 2023, the Company issued 600,000 stock options to consultants and a director of the Company. Each stock option has an exercise price of \$0.30 per share and expire on December 31, 2026.

## **Capital Management**

Capital is comprised of the Company's shareholders' equity. As of February 28, 2023, the Company's shareholders' equity was \$4,394,680 (November 30, 2022 - \$3,204,236). The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital. The Company is currently not subject to externally imposed capital requirements. There were no changes to the Company's capital management during the period ended February 28, 2023.

## **Disclosure Controls**

Management has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence to ensure that (i) the financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the years presented by the financial statements; and (ii) the financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the years presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Company uses the Venture Issuer Basic Certificate, which does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

- i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's generally accepted accounting principles (IFRS). The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

## **Risk Factors**

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position. Please refer to the section entitled

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"Risk Factors" in the Company's Annual MD&A for the period from August 12, 2022 (Incorporation) to November 30, 2022.

**SCHEDULE E**  
**AUDIT COMMITTEE CHARTER**

**MOGOTES METALS INC.**

**CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS**

**1. Purpose of this Charter**

The Audit Committee (the "Committee") is a standing committee of the board of directors (the "Board") of Mogotes Metals Inc. (the "Company"). The Committee is appointed by the Board to assist the Board in fulfilling its oversight responsibilities relating to financial accounting, reporting and internal controls for the Company. This Charter shall govern the operations of the Committee.

The Committee's primary duties and responsibilities are to:

- (a) conduct such reviews and discussions with management and the external auditors relating to the audit and financial reporting as are deemed appropriate by the Committee;
- (b) assess the integrity of internal controls and financial reporting procedures of the Company and ensure implementation of such controls and procedures;
- (c) review the interim and annual financial statements and management's discussion and analysis of the Company's financial position and operating results and in the case of the annual financial statements and related management's discussion and analysis, report thereon to the Board for approval of same;
- (d) select and monitor the independence and performance of the Company's external auditors, including attending at private meetings with the external auditors and reviewing and approving all renewals or dismissals of the external auditors and their remuneration; and
- (e) provide oversight of all disclosure relating to, and information derived from, financial statements and management's discussion and analysis.

The Committee has the authority to conduct any investigation appropriate to its responsibilities, and it may request the external auditors, as well as any officer of the Company, or outside counsel for the Company, to attend a meeting of the Committee or to meet with any members of, or advisors to, the Committee. The Committee shall have unrestricted access to the books and records of the Company and has the authority to retain, at the expense of the Company, special legal, accounting, or other consultants or experts to assist in the performance of the Committee's duties.

The Committee shall review and assess the adequacy of this Charter annually and submit any proposed revisions to the Board for approval.

In fulfilling its responsibilities, the Committee will carry out the specific duties set out in Part 4 of this Charter.

**2. Authority of the Audit Committee**

The Committee shall have the authority to:

- (a) engage independent counsel and other advisors as it determines necessary to carry out its duties;
- (b) set and pay the compensation for advisors employed by the Committee; and
- (c) communicate directly with the external auditors of the Company.

### 3. Composition and Meetings

- (a) The Committee shall be composed of three or more directors as shall be designated by the Board from time to time. Unless a Chair is elected by the Board, the members of the Committee shall designate from amongst themselves by majority vote of the full Committee a member who shall serve as Chair. The position description and responsibilities of the Chair are set out in Schedule "A" attached hereto.
- (b) The Committee and its membership shall meet all applicable legal, regulatory and listing requirements, including, without limitation, those of the Ontario Securities Commission ("OSC"), any exchange upon which the securities of the Company are listed, the *Business Corporations Act* (Ontario) and all applicable securities regulatory authorities. Each of the members of the Committee shall be "independent" and "financially literate". An "independent" director is a director who has no direct or indirect material relationship with the Company. A "material relationship" is a relationship which, in the view of the Board, could be reasonably expected to interfere with the exercise of the director's independent judgement or a relationship deemed to be a material relationship pursuant to Sections 1.4 and 1.5 of National Instrument 52-110 – *Audit Committees*, as set out in Schedule "B" hereto. A "financially literate" director is a director who has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the accounting issues that can be reasonably expected to be raised in the Company's financial statements.
- (c) Each member of the Committee shall serve at the pleasure of the Board. The Committee shall report to the Board.
- (d) The Committee shall meet at least quarterly, at the discretion of the Chair or a majority of its members, as circumstances dictate or as may be required by applicable legal or listing requirements. A minimum of two and at least 50% of the members of the Committee present, either in person or by telephone, shall constitute a quorum.
- (e) If within one hour of the time appointed for a meeting of the Committee, a quorum is not present, the meeting shall stand adjourned to the same hour on the next business day following the date of such meeting at the same place. If at the adjourned meeting a quorum is not present within one hour of the time appointed for such adjourned meeting, such meeting shall stand adjourned to the same hour on the second business day following the date of such meeting at the same place. If at the second adjourned meeting a quorum is not present, the quorum for the adjourned meeting shall consist of the members then present (a "**Reduced Quorum**").
- (f) If, and whenever a vacancy shall exist, the remaining members of the Committee may exercise all of its powers and responsibilities so long as a quorum remains in office or a Reduced Quorum is present in respect of a specific Committee meeting.
- (g) The time and place at which meetings of the Committee shall be held, and procedures at such meetings, shall be determined from time to time by the Committee. A meeting of the Committee may be called by letter, telephone, facsimile, email or other means of communication, by giving at least 48 hours' notice, provided that no notice of a meeting shall be necessary if all of the members are present either in person or by means of conference telephone or if those absent have waived notice or otherwise signified their consent to the holding of such meeting.
- (h) Any member of the Committee may participate in the meeting of the Committee by means of conference telephone or other communication equipment, and the member participating in a meeting pursuant to this paragraph shall be deemed, for the purposes hereof, to be present in person at the meeting.
- (i) The Committee shall keep minutes of its meetings. The Committee may, from time to time, appoint any person who need not be a member, to act as a secretary at any meeting.

- (j) Any director of the Company may attend meetings of the Committee, and the Committee may invite such officers and employees of the Company and its subsidiaries as the Committee may see fit, from time to time, to attend at meetings of the Committee.
- (k) Any matters to be determined by the Committee shall be decided by a majority of votes cast at a meeting of the Committee called for such purpose. Actions of the Committee may be taken by an instrument or instruments in writing signed by all of the members of the Committee, and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting of the Committee called for such purpose. The Committee shall report its determinations to the Board at the next scheduled meeting of the Board, or earlier as the Committee deems necessary.
- (l) The Committee members will be appointed annually at the first meeting of the Board following the annual general meeting of shareholders.
- (m) The Board may at any time amend or rescind any of the provisions hereof, or cancel them entirely, with or without substitution.

#### **4. Responsibilities**

- (a) Financial Accounting and Reporting Process and Internal Controls
  - (i) The Committee shall review the annual audited and interim financial statements and related management's discussion and analysis before the Company publicly discloses this information to satisfy itself that the financial statements are presented in accordance with applicable accounting principles and in the case of the annual audited financial statements and related management's discussion and analysis, report thereon and recommend to the Board whether or not same should be approved prior to their being filed with the appropriate regulatory authorities. With respect to the annual audited financial statements, the Committee shall discuss significant issues regarding accounting principles, practices, and judgments of management with management and the external auditors as and when the Committee deems it appropriate to do so. The Committee shall consider whether the Company's financial disclosures are complete, accurate, prepared in accordance with International Financial Reporting Standards and fairly present the financial position of the Company. The Committee shall also satisfy itself that, in the case of the annual financial statements, the audit function has been effectively carried out by the auditors and, in the case of the interim financial statements, that the review function has been effectively carried out.
  - (ii) The Committee shall review and assess the adequacy and effectiveness of the Company's systems of internal control and management information systems through discussion with management and the external auditor to ensure that the Company maintains appropriate systems, is able to assess the pertinent risks of the Company and that the risk of a material misstatement in the financial disclosures can be detected.
  - (iii) The Committee shall be satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, management's discussion and analysis and annual and interim financial press releases, and periodically assess the adequacy of these procedures in consultation with any disclosure committee of the Company.
  - (iv) The Committee shall review any press releases containing disclosure regarding financial information that are required to be reviewed by the Committee under any applicable laws or otherwise pursuant to the policies of the Company (including before the Company publicly discloses this information).
  - (v) The Committee shall meet no less than annually with the external auditors and the Chief Financial Officer or, in the absence of a Chief Financial Officer, with the officer of the

Company in charge of financial matters, to review accounting practices, internal controls and such other matters as the Committee, Chief Financial Officer or, in the absence of a Chief Financial Officer, the officer of the Company in charge of financial matters, deem appropriate.

- (vi) The Committee shall inquire of management and the external auditors about significant financial and internal control risks or exposures and assess the steps management has taken to minimize such risks.
- (vii) The Committee shall review the post-audit or management letter, if any, containing the recommendations of the external auditors and management's response and subsequent follow-up to any identified weaknesses.
- (viii) The Committee shall be responsible for monitoring compliance with the Company's Code of Conduct and Business Ethics;
- (ix) The Committee shall periodically review and make recommendations regarding the Code of Business Conduct and Ethics adopted by the Board;
- (x) The Committee is responsible for creating a confidential and anonymous process whereby persons can report any concerns regarding matters which the complainant views to be illegal, unethical or contrary to the Company's policies;
- (xi) The Committee shall periodically review and make recommendations regarding the Whistleblower Policy and any other policies adopted by the Board;
- (xii) The Committee shall follow procedures established as set out in the Company's Whistleblower Policy, for:
  - 1. the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, auditing matters or violations to the Company's Code of Business Conduct and Ethics; and
  - 2. the submission by employees, consultants, contractors, directors or officers of the Company, on a confidential and anonymous basis, of concerns regarding questionable accounting, auditing matters or violations to the Company's Code of Business Conduct and Ethics.
- (xiii) The Committee shall ensure that management establishes and maintains an appropriate budget process, which shall include the preparation and delivery of periodic reports from the Chief Financial Officer to the Committee comparing actual spending to the budget. The budget shall include assumptions regarding economic parameters that are well supported and shall take into account the risks facing the Company; and
- (xiv) The Committee shall have the authority to adopt such policies and procedures as it deems appropriate to operate effectively.

**(b) External Auditors**

- (i) The Committee shall recommend to the Board the external auditors to be nominated for the purpose of preparing or issuing an auditors' report or performing other audit, review or attest services for the Company, shall set the compensation for the external auditors, provide oversight of the external auditors and shall ensure that the external auditors report directly to the Committee.

- (ii) The Committee shall ensure that procedures are in place to assess the audit activities of the external auditors and the internal audit functions.
- (iii) The pre-approval of the Committee shall be required as further set out in Schedule "C" prior to the undertaking of any non-audit services not prohibited by law to be provided by the external auditors in accordance with this Charter.
- (iv) The Committee shall monitor and assess the relationship between management and the external auditors and monitor, support and assure the independence and objectivity of the external auditors and attempt to resolve disagreements between management and the external auditors regarding financial reporting.
- (v) The Committee shall review the external auditors' audit plan, including the scope, procedures and timing of the audit.
- (vi) The Committee shall review the results of the annual audit with the external auditors, including matters related to the conduct of the audit.
- (vii) The Committee shall obtain timely reports from the external auditors describing critical accounting policies and practices, alternative treatments of information within International Financial Reporting Standards that were discussed with management, their ramifications, and the external auditors' preferred treatment and material written communications between the Company and the external auditors.
- (viii) The Committee shall review fees paid by the Company to the external auditors and other professionals in respect of audit and non-audit services on an annual basis.
- (ix) The Committee shall review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former auditors of the Company.
- (x) The Committee shall have the authority to engage the external auditors to perform a review of the interim financial statements.

(c) **Other Responsibilities**

The Committee shall perform any other activities consistent with this Charter and governing law, as the Committee or the Board deems necessary or appropriate.

**5. Performance Evaluation**

The Committee shall conduct an annual evaluation of the performance of its duties under this Charter and shall present the results of the evaluation to the Board.

**6. Access to Information**

The Committee shall be granted unrestricted access to all information regarding the Company that is necessary or desirable to fulfill its duties and all directors, officers and employees of the Company will be directed to cooperate as requested by members of the Committee.

**7. No Rights Created**

This Charter is a broad policy statement and is intended to be part of the Committee's flexible governance framework. While the Charter should comply with all applicable laws, regulations and listing requirements and the Company's articles and by-laws, this Charter does not create any legally binding obligations on the Committee, the Board or the Company. The terms of this Charter are not intended to give rise to civil liability on the part of the Company or its

directors or officers to shareholders, security holders, customers, suppliers, competitors, employees or other persons, or to any other liability whatsoever on their part.

The Board may, from time to time, and to the extent permitted by applicable law, permit departures from the terms of this Charter, either prospectively or retrospectively.

#### **8. Oversight Function**

It is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate or comply with applicable accounting standards, as applicable, and other applicable requirements. These are the responsibilities of management and the external auditors. The Committee, however, will consider whether these annual financial statements are complete, consistent with information known to the members of the Committee, and reflect appropriate accounting principles.

The role of the Committee is to provide broad oversight of the financial, risk and control related activities of the Company and are specifically not accountable or responsible for the day to day operation or performance of such activities. Although the designation of a member of the Committee as having accounting or related financial expertise for disclosure purposes is based that individual's education and experience, which that individual will bring to bear in carrying out his or her duties on the Committee, such designation does not impose on such person any duties, obligations or liability that are greater than the duties, obligations and liability imposed on such person as a member of the Committee and Board in the absence of such designation. Rather, the role of a member of the Committee who is identified as having accounting or related financial expertise, like the role of all members of the Committee, is to oversee the process, not to certify or guarantee the internal or external audit of the Company's financial information or public disclosure.

#### **9. Approval**

Approved by the Board on December 29, 2022.

## SCHEDULE “A” TO THE CHARTER OF THE AUDIT COMMITTEE

### MOGOTES METALS INC.

#### POSITION DESCRIPTION FOR THE CHAIR OF THE AUDIT COMMITTEE

##### 1. PURPOSE

The Chair of the Committee shall be an independent director who is selected by the Board or designated by a majority vote of the Committee to act as the leader of the Committee in assisting the Board in fulfilling its financial reporting and control responsibilities to the shareholders of the Company.

##### 2. WHO MAY BE CHAIR

The Chair will be selected from amongst the members of the Committee. For greater certainty, the Chair shall be “independent” and “financially literate” as defined in National Instrument 52-110 – *Audit Committees*.

The Chair will be selected annually at the first meeting of the Board following the annual general meeting of shareholders or designated by a majority vote of the Committee.

##### 3. RESPONSIBILITIES

The following are the primary responsibilities of the Chair:

- a) chair all meetings of the Committee in a manner that promotes meaningful discussion;
- b) oversee adherence to the Committee’s Charter and that the adequacy of the Committee’s Charter is reviewed annually;
- c) provide leadership to the Committee to enhance the Committee’s effectiveness, including:
  - i) act as liaison and maintain communication with the Board to coordinate input from directors and to optimize the effectiveness of the Committee. This includes ensuring that Committee materials are available to any director upon request and reporting to the Board on all decisions of the Committee at the first meeting of the Board after each Committee meeting and at such other times and in such manner as the Committee considers advisable;
  - ii) oversee the Committee’s lines of communication with the independent auditors, financial and senior management and the Board for financial and control matters with the goal of achieving open lines of communication and the Committee working as a cohesive team;
  - iii) take steps necessary to ensure that the resources available to the Committee are adequate to support its work and to resolve issues in a timely manner;
  - iv) take all necessary actions to maintain an independent and objective Committee to monitor the Company’s financial reporting process and internal control systems, as well as to monitor the relationship between the Company and the independent auditors to ensure independence;
  - v) oversee the establishment of Committee procedures to assess the audit activities of the independent auditors; and
  - vi) oversee the establishment of Committee procedures to review the Company’s public disclosure of financial information and assess the adequacy of such procedures periodically, in consultation with any disclosure committee of the Company;

- d) oversee the establishment of Committee procedures for dealing with complaints received by the Company regarding accounting, internal controls and auditing matters, and for employees to submit confidential anonymous concerns;
- e) manage the Committee, including:
  - i) adopt procedures so that the Committee can conduct its work effectively and efficiently, including committee structure and composition, scheduling, and management of meetings;
  - ii) prepare the agenda of the Committee meetings and ensure pre-meeting material is distributed in a timely manner and is appropriate in terms of relevance, efficient format and detail;
  - iii) ensure Committee meetings are appropriate in terms of frequency, length and content;
  - iv) obtain a report from the independent auditors on an annual basis, review the report with the Committee and arrange meetings with the auditors and financial management to review the scope of the proposed audit for the current year, its staffing and the audit procedures to be used;
  - v) oversee the Committee's participation in the Company's accounting and financial reporting process and the audits of its financial statements;
  - vi) ensure that the auditors' report directly to the Committee, as representatives of the Company's shareholders;
  - vii) annually review with the Committee its own performance, report annually to the Board on the role of the Committee and the effectiveness of the Committee in contributing to the effectiveness of the Board;
  - viii) together with the Board, oversee the structure, composition and membership of, and activities delegated to, the Committee from time to time;
  - ix) oversee the Committee's work plan for the year and monitor progress at each meeting; and
  - x) ensure Committee minutes are reviewed and approved.
- f) perform such other duties as may be delegated from time to time to the Chair of the Committee by the Board.

## SCHEDULE “B” TO THE CHARTER OF THE AUDIT COMMITTEE

### MOGOTES METALS INC.

#### NATIONAL INSTRUMENT 52-110 AUDIT COMMITTEES (“NI 52-110”)

##### Section 1.4 — Meaning of Independence

- (1) An audit committee member is independent if he or she has no direct or indirect material relationship with the issuer.
- (2) For the purposes of subsection (1), a “material relationship” is a relationship which could, in the view of the issuer’s board of directors, be reasonably expected to interfere with the exercise of a member’s independent judgment.
- (3) Despite subsection (2), the following individuals are considered to have a material relationship with an issuer:
  - (a) an individual who is, or has been within the last three years, an employee or executive officer of the issuer;
  - (b) an individual whose immediate family member is, or has been within the last three years, an executive officer of the issuer;
  - (c) an individual who:
    - (i) is a partner of a firm that is the issuer’s internal or external auditor,
    - (ii) is an employee of that firm, or
    - (iii) was within the last three years a partner or employee of that firm and personally worked on the issuer’s audit within that time;
  - (d) an individual whose spouse, minor child or stepchild, or child or stepchild who shares a home with the individual:
    - (i) is a partner of a firm that is the issuer’s internal or external auditor,
    - (ii) is an employee of that firm and participates in its audit, assurance or tax compliance (but not tax planning) practice, or
    - (iii) was within the last three years a partner or employee of that firm and personally worked on the issuer’s audit within that time;
  - (e) an individual who, or whose immediate family member, is or has been within the last three years, an executive officer of an entity if any of the issuer’s current executive officers serves or served at that same time on the entity’s compensation committee; and
  - (f) an individual who received, or whose immediate family member who is employed as an executive officer of the issuer received, more than \$75,000 in direct compensation from the issuer during any 12 month period within the last three years.
- (4) Despite subsection (3), an individual will not be considered to have a material relationship with the issuer solely because
  - (a) he or she had a relationship identified in subsection (3) if that relationship ended before March 30, 2004; or

- (b) he or she had a relationship identified in subsection (3) by virtue of subsection (8) if that relationship ended before June 30, 2005.
- (5) For the purposes of clauses (3)(c) and (3)(d), a partner does not include a fixed income partner whose interest in the firm that is the internal or external auditor is limited to the receipt of fixed amounts of compensation (including deferred compensation) for prior service with that firm if the compensation is not contingent in any way on continued service.
  - (6) For the purposes of clause (3)(f), direct compensation does not include:
    - (a) remuneration for acting as a member of the board of directors or of any board committee of the issuer, and
    - (b) the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.
  - (7) Despite subsection (3), an individual will not be considered to have a material relationship with the issuer solely because the individual or his or her immediate family member
    - (a) has previously acted as an interim chief executive officer of the issuer, or
    - (b) acts, or has previously acted, as a chair or vice-chair of the board of directors or of any board committee of the issuer on a part-time basis.
  - (8) For the purpose of section 1.4, an issuer includes a subsidiary entity of the issuer and a parent of the issuer.

### **Section 1.5 — Additional Independence Requirements for Audit Committee Members**

- (1) Despite any determination made under section 1.4 of NI 52-110, an individual who
  - (a) accepts, directly or indirectly, any consulting, advisory or other compensatory fee from the issuer or any subsidiary entity of the issuer, other than as remuneration for acting in his or her capacity as a member of the board of directors or any board committee, or as a part-time chair or vice-chair of the board or any board committee; or
  - (b) is an affiliated entity of the issuer or any of its subsidiary entities,
 is considered to have a material relationship with the issuer.
- (2) For the purposes of subsection (1), the indirect acceptance by an individual of any consulting, advisory or other compensatory fee includes acceptance of a fee by
  - (a) an individual's spouse, minor child or stepchild, or a child or stepchild who shares the individual's home; or
  - (b) an entity in which such individual is a partner, member, an officer such as a managing director occupying a comparable position or executive officer, or occupies a similar position (except limited partners, non-managing members and those occupying similar positions who, in each case, have no active role in providing services to the entity) and which provides accounting, consulting, legal, investment banking or financial advisory services to the issuer or any subsidiary entity of the issuer.
- (3) For the purposes of subsection (1), compensatory fees do not include the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.

## **SCHEDULE “C” TO THE CHARTER OF THE AUDIT COMMITTEE**

### **MOGOTES METALS INC.**

#### **PROCEDURES FOR APPROVAL OF NON-AUDIT SERVICES**

1. The Company’s external auditors shall be prohibited from performing for the Company the following categories of non-audit services:
  - (a) bookkeeping or other services related to the Company’s accounting records or financial statements;
  - (b) appraisal or valuation services, fairness opinion or contributions-in-kind reports;
  - (c) actuarial services;
  - (d) internal audit outsourcing services;
  - (e) management functions;
  - (f) human resources;
  - (g) broker or dealer, investment adviser or investment banking services;
  - (h) legal services; and
  - (i) any other service that the Canadian Public Accountability Board or International Accounting Standards Board or other analogous board which may govern the Company’s accounting standards, from time to time determines is impermissible.
2. In the event that the Company wishes to retain the services of the Company’s external auditors for tax compliance, tax advice or tax planning, the Chief Financial Officer of the Company shall consult with the Chair of the Committee, who shall have the authority, subject to confirmation that such services will not compromise the independence of the Company’s external auditors, to approve or disapprove on behalf of the Committee, such non-audit services. All other non-audit services shall be approved or disapproved by the Committee as a whole.
3. The Chief Financial Officer of the Company shall maintain a record of non-audit services approved by the Chair of the Committee or the Committee for each fiscal year and provide a report to the Committee no less frequently than on a quarterly basis.

## CERTIFICATE OF THE ISSUER

June 13, 2023

This Prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by the securities legislation of each of the provinces of Canada, except Quebec.

*"Allen Sabet" (signed)*

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Allen Sabet  
President, CEO and Director

*"Eric Myung" (signed)*

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Eric Myung  
Chief Financial Officer

## ON BEHALF OF THE BOARD OF DIRECTORS

*"Peter Mullens" (signed)*

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Peter Mullens  
Director

*"Philip Williams" (signed)*

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Philip Williams  
Director

## CERTIFICATE OF THE PROMOTER

June 13, 2023

This Prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by the securities legislation of each of the provinces of Canada, except Quebec.

*"Allen Sabet" (signed)*

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Allen Sabet

**CERTIFICATE OF THE AGENTS**

June 13, 2023

To the best of our knowledge, information and belief, this Prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by the securities legislation of each of the provinces of Canada, except Quebec.

**CANACCORD GENUITY CORP.**

**BMO NESBITT BURNS INC.**

*(signed) "David Sadowski"*

*(signed) "Carter Hohmann"*

David Sadowski

Carter Hohmann

Managing Director, Investment Banking

Managing Director, Investment Banking