



CRYSTAL LAKE MINING CORPORATION

NOTICE OF MEETING AND MANAGEMENT INFORMATION CIRCULAR

FOR

ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

OF

CRYSTAL LAKE MINING CORPORATION

TO BE HELD ON SEPTEMBER 30, 2019

No securities regulatory authority has in any way passed upon the merits of the transaction described in this information circular.

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CRYSTAL LAKE MINING CORPORATION

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual general and special meeting (the “**Meeting**”) of holders (the “**CLM Shareholders**”) of common shares (the “**CLM Shares**”) of Crystal Lake Mining Corporation (“**CLM**” or the “**Company**”) will be held at The Vancouver Club, 915 West Hastings Street, UBC Room, 3rd Floor, Vancouver, British Columbia, V6C 1C6, at 11:00 a.m. (Pacific Time) on Monday, September 30, 2019 for the following purposes:

1. To receive the audited financial statements of the Company for the financial year ended September 30, 2017, the auditor’s report thereon and the management’s discussion and analysis for the financial year ended September 30, 2017;
2. To receive the audited financial statements of the Company for the financial year ended September 30, 2018, the auditor’s report thereon and the management’s discussion and analysis for the financial year ended September 30, 2018;
3. To fix the number of directors for the ensuing year at five (5);
4. To elect directors of the Company for the ensuing year;
5. To re-appoint Davidson & Company LLP, Chartered Accountants, as auditors of the Company for the ensuing year and to authorize the board of directors to fix the auditor’s remuneration;
6. To approve the adoption of a new 10% rolling stock option plan of the Company, as more particularly described in the accompanying management information circular (the “**Circular**”);
7. To consider and, if thought fit, pass an ordinary resolution of disinterested shareholders to reprice previously granted stock options to certain insiders of the Company, as required by the terms of the Company’s stock option plan and the policies of the TSX Venture Exchange, as more particularly described in the accompanying Circular;
8. To re-approve the shareholder rights plan of the Company, as more particularly described in the accompanying Circular;
9. To approve the creation and adoption of new Articles of the Company in substitution for and cancellation of the existing Articles, as more particularly described in the accompanying Circular;
10. To pass, with or without amendment, a special resolution (the “**Arrangement Resolution**”) to approve an arrangement (the “**Arrangement**”) under section 288 of the *Business Corporations Act* (British Columbia) (the “**BCBCA**”), the full text of which resolution is set forth in Appendix A to, and all as more particularly described in, the accompanying Circular; and
11. To consider other matters, including without limitation such amendments or variations to the foregoing matters, as may properly come before the Meeting or any adjournment thereof.

The full text of the Arrangement Resolution and the Arrangement Agreement (as defined in the Circular) are set out in Appendices A and B to the Circular and provides additional information relating to the subject matters of the Meeting, including the Arrangement, and is deemed to form part of this Notice of Meeting.

Registered CLM Shareholders who validly dissent from the Arrangement will be entitled to be paid the fair value of their CLM Shares subject to strict compliance with the provisions of the Interim Order (as set forth herein), the Plan of

Arrangement and sections 237 to 247 of the BCBCA. The right to dissent is described in the section of the Circular entitled *The Arrangement - Dissenting Holders' Rights* and the text of the Interim Order is set out in Appendix C to the Circular. **Failure to comply strictly with the requirements set forth in the Plan of Arrangement and sections 237 to 247 of the BCBCA may result in the loss of any right of dissent.**

The Circular provides additional information relating to the matters to be dealt with at the Meeting and is deemed to form part of this Notice. Also accompanying this Notice and the Circular is a form of proxy for use at the Meeting. Any adjourned meeting resulting from an adjournment of the Meeting will be held at a time and place to be specified at the Meeting. Only CLM Shareholders of record at the close of business on August 15, 2019 will be entitled to receive notice of and vote at the Meeting.

Your vote is important regardless of the number of CLM Shares that you own. If you are a registered CLM Shareholder and are unable to be present in person at the Meeting, we encourage you to vote by completing the enclosed form of proxy. You should specify your choice by marking the box on the enclosed form of proxy and by dating, signing and returning your proxy in the enclosed return envelope addressed to Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, or by fax number 1-866-249-7775 (toll free)/ 1-416-263-9524 (international) no later than 11:00 a.m. on Thursday, September 26, 2019 (Pacific Time) unless the chair elects to exercise his discretion to accept proxies received subsequently. Please do this as soon as possible. Voting by proxy will not prevent you from voting in person if you attend the Meeting and revoke your proxy, but will ensure that your vote will be counted if you are unable to attend.

Registered CLM Shareholders may also vote using the internet at www.investorvote.com or by telephone, toll free, by calling 1-866-832-VOTE (8683) using a touch-tone telephone.

If you are not registered as the holder of your CLM Shares but hold your CLM Shares through a broker or other intermediary, you should follow the instructions provided by your broker or other intermediary to vote your CLM Shares. See *General Proxy Information – Beneficial Shareholders* in the accompanying Circular for further information on how to vote your CLM Shares.

Dated at Vancouver, British Columbia, this 23rd day of August, 2019.

CRYSTAL LAKE MINING CORPORATION

“Richard Savage”

Richard Savage,
President and CEO



CRYSTAL LAKE MINING CORPORATION

MANAGEMENT INFORMATION CIRCULAR

(Containing information as at August 15, 2019 unless indicated otherwise)

This Management Information Circular (the “**Circular**”) is furnished in connection with the solicitation of proxies by management of Crystal Lake Mining Corporation (the “**Company**” or “**CLM**”) for use at the annual general and special meeting (the “**Meeting**”) of its shareholders (the “**CLM Shareholders**”) to be held on Monday, September 30, 2019 at the time and place and for the purposes set forth in the accompanying notice of the Meeting.

Unless the context otherwise requires, capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Glossary of Terms in this Circular.

In considering whether to vote for the approval of the Arrangement, CLM Shareholders should be aware that there are various risks, including those described under *Risk Factors* in this Circular. CLM Shareholders should carefully consider these risk factors, together with other information included in this Circular, before deciding whether to approve the Arrangement.

No person has been authorized to give any information or to make any representation in connection with the Arrangement and other matters described herein other than those contained in this Circular and, if given or made, any such information or representation should be considered not to have been authorized by the Company.

This Circular does not constitute the solicitation of an offer to purchase any securities or the solicitation of a proxy by any person in any jurisdiction in which such solicitation is not authorized or in which the person making such solicitation is not qualified to do so or to any person to whom it is unlawful to make such solicitation.

Information contained in this Circular should not be construed as legal, tax or financial advice and CLM Shareholders are urged to consult their own professional advisers in connection therewith.

Descriptions in the body of this Circular of the terms of the Arrangement Agreement and the Plan of Arrangement are merely summaries of the terms of those documents. CLM Shareholders should refer to the full text of the Arrangement Agreement and the Plan of Arrangement for complete details of those documents. The full text of the Arrangement Agreement is attached to this Circular as Appendix B and the Plan of Arrangement is attached as Schedule A to the Arrangement Agreement.

INFORMATION CONCERNING FORWARD-LOOKING STATEMENTS

Except for statements of historical fact contained herein, the information presented in this Circular constitutes “forward-looking statements”. These statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management.

In certain cases, forward-looking statements can be identified by the use of words such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “potential”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or statements that certain actions, events or results “will”, “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved” or the negative of these terms or comparable terminology. By their very nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. A variety of material factors include, among others: the Arrangement Agreement being terminated in certain circumstances; certain conditions precedent to the Arrangement not being satisfied; CLM incurring certain costs, even if the Arrangement is not completed; and failure to complete the Arrangement, could negatively impact the market price of CLM Shares and future business and financial results; a “market overhang” could adversely affect the

market price of the Company after completion of the Arrangement; the integration of Spinco and CLM may not occur as planned; Spinco and CLM being exposed to certain risks associated with operating in foreign countries; as well as those risks described under *Risk Factors* in this Circular, the risks relating to the Company in its interim and annual financial statements and management's discussion and analysis of those statements, all of which are filed and available for review on SEDAR at www.sedar.com. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. The Company provides no assurances that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The Company does not intend, and do not assume any obligation, to update any forward-looking statements, other than as required by applicable law. Accordingly, readers should not place undue reliance on forward-looking statements.

NOTES TO UNITED STATES SHAREHOLDERS

THE ARRANGEMENT AND THE SECURITIES TO BE ISSUED IN CONNECTION WITH THE ARRANGEMENT HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION (THE "SEC") OR SECURITIES REGULATORY AUTHORITIES IN ANY STATE IN THE UNITED STATES, NOR HAS THE SEC OR THE SECURITIES REGULATORY AUTHORITIES OF ANY STATE IN THE UNITED STATES PASSED UPON THE FAIRNESS OR MERITS OF THE BONTERRA ARRANGEMENT OR UPON THE ADEQUACY OR ACCURACY OF THIS CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

Offers and sales of the Spinco Shares and the New CLM Shares to be issued pursuant to the Arrangement have not been and will not be registered under the U.S. Securities Act or any applicable Securities Laws of any state of the United States, and are being issued in reliance on the Section 3(a)(10) Exemption. Such exemption contemplates the approval of the Court, which will consider, among other things, the procedural and substantive fairness of the Arrangement to the CLM Shareholders as further described in this Circular under *The Arrangement - United States Securities Law Considerations*. In addition, such offers and sales may be subject to certain U.S. state laws relating to the offer and sale of securities in particular states of the United States, including exemptions therefrom, commonly referred to as "state blue-sky" laws. The fraud and non-disclosure provisions of the U.S. Securities Act and the U.S. Exchange Act may apply to offers and sales deemed to be made to CLM Shareholders residing in the United States or otherwise entitled to the protection of U.S. Securities Laws, notwithstanding the availability of exemptions from registration under U.S. Securities Laws.

The solicitation of proxies made pursuant to this Circular is not subject to the requirements of Section 14(a) of the U.S. Exchange Act by virtue of an exemption applicable to proxy solicitations by "foreign private issuers" (as defined in Rule 3b-4 under the U.S. Exchange Act). Accordingly, this Circular has been prepared in accordance with disclosure requirements applicable in Canada. CLM Shareholders should be aware that such requirements are different from those of the United States applicable to registration statements under the U.S. Securities Act and to proxy statements under the U.S. Exchange Act.

Information concerning the properties and operations of CLM has been prepared in accordance with the requirements of Canadian Securities Laws, which differ from the requirements of United States Securities Laws. Unless otherwise indicated, all mineral reserve and mineral resource estimates included in this Circular have been prepared in accordance with NI 43-101 and the Canadian Institute of Mining, Metallurgy and Petroleum definitions and classification system. NI 43-101 is a rule developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects.

Canadian standards, including NI 43-101, differ significantly from the requirements of the SEC, and mineral reserve and mineral resource information contained or incorporated by reference in this Circular may not be comparable to similar information disclosed by United States companies. In particular, and without limiting the generality of the foregoing, the term "resource" does not equate to the term "reserve". Under United States standards, mineralization may not be classified as a "reserve" unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. Among other things, all necessary permits would need to be in hand or issuance imminent in order to classify mineralized material as reserves under SEC standards. The SEC's disclosure standards normally do not permit the inclusion of information concerning "measured mineral resources", "indicated mineral resources" or "inferred mineral resources" or other descriptions of the amount of mineralization in mineral deposits that do not constitute "reserves" by United States standards in

documents filed with the SEC. United States investors are cautioned not to assume that all or any part of “measured mineral resources” or “indicated mineral resources” will ever be converted into reserves. United States investors should also understand that “inferred mineral resources” have an even greater amount of uncertainty as to their existence and as to their economic and legal feasibility. It cannot be assumed that all or any part of an “inferred mineral resource” will ever be upgraded to a category having a higher degree of certainty. Under Canadian rules, estimates of “inferred mineral resources” may not form the basis of feasibility or pre-feasibility studies except in rare cases. Investors are cautioned not to assume that all or any part of an “inferred mineral resource” exists or is economically or legally mineable. Disclosure of “contained tonnes” in a mineral resource estimate is permitted disclosure under NI 43-101 provided that the grade or quality and the quantity of each category is stated; however, the SEC normally only permits issuers to report mineralization that does not constitute “reserves” by SEC standards as in place tonnage and grade without reference to unit measures. The requirements of NI 43-101 for identification of “reserves” are also not the same as those of the SEC, and reserves reported in compliance with NI 43-101 may not qualify as “reserves” under SEC standards. Accordingly, information contained in this Circular and the documents incorporated by reference herein containing descriptions of mineral deposits may not be comparable to similar information made public by U.S. companies subject to the reporting and disclosure requirements under the U.S. federal Securities Laws and the rules and regulations thereunder.

Financial statements included or incorporated by reference in this Circular have been prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board, and are subject to Canadian auditing and auditor independence standards, which differ from United States generally accepted accounting principles, and which apply different auditing and auditor independence standards. These differences may be material in certain respects, and thus they may not be comparable to financial statements of U.S. companies.

CLM Shareholders who are resident in, or citizens of, the United States are advised to consult their own tax advisors to determine the particular United States tax consequences to them of the Arrangement in light of their particular situation, as well as any tax consequences that may arise under the Laws of any other relevant foreign, state, local, or other taxing jurisdiction. Such United States tax consequences may not be described fully herein. See *Certain U.S. Federal Income Tax Considerations* for more information.

The enforcement by shareholders of civil liabilities under U.S. Securities Laws may be affected adversely by the fact that each of CLM and Spinco is incorporated outside the United States, that their respective officers and directors and the experts named herein are residents of a foreign country and that some or all of the respective Assets of CLM and Spinco and the aforementioned persons are located outside the United States. As a result, it may be difficult or impossible for CLM Shareholders to effect service of process within the United States upon CLM or Spinco, their respective officers or directors or the experts named herein, or to realize against them upon judgments of courts of the United States predicated upon civil liabilities under U.S. Securities Laws or any fraud provisions of any state within the United States. In addition, CLM Shareholders should not assume that the courts of Canada (a) would allow them to sue CLM or Spinco, their respective officers or directors, or the experts named herein in the courts of Canada, (b) would enforce judgments of United States courts obtained in actions against such persons predicated upon civil liabilities under U.S. Securities Laws or any fraud provisions of any state within the United States, or (c) would enforce, in original actions, liabilities against such persons predicated upon civil liabilities under U.S. Securities Laws or any fraud provisions of any state within the United States.

GLOSSARY OF TERMS

The following is a glossary of general terms and abbreviations used in this Circular:

“**affiliate**” has the meaning ascribed thereto in National Instrument 45-106 *Prospectus and Registration Exemptions* (“**NI 45-106**”) of the Canadian Securities Administrators;

“**Arrangement**” means the arrangement of the Company under Section 288 of the BCBCA on the terms and subject to the conditions set out in the Plan of Arrangement, subject to any amendments or variations thereto made in accordance with Section 8.5 of the Arrangement Agreement or the Plan of Arrangement or made at the direction of the Court in the Final Order (provided, however, that any such amendment or variation is acceptable to the Company, acting reasonably);

“**Arrangement Agreement**” means the agreement dated effective July 25, 2019 between the Company and Spinco, including all schedules annexed thereto, a copy of which is attached as Appendix B to this Circular, and any amendment(s) or variation(s) thereto;

“**Arrangement Resolution**” means the special resolution to be considered by the CLM Shareholders at the Meeting to approve the Arrangement, the full text of which is set out in Appendix A to this Circular;

“**Assets**” means the assets of the Company to be transferred to Spinco pursuant to the Arrangement, being the Emerald Lake Properties and the Binding LOI;

“**BCBCA**” means the *Business Corporations Act* (British Columbia), S.B.C. 2002, c. 57, as may be amended or replaced from time to time;

“**BC Properties**” means the Tom Cat claims located in Nicola Mining District, B.C. and Newmont Lake claims located in B.C.’s Golden Triangle;

“**Beneficial Shareholder**” means a CLM Shareholder who is not a Registered Shareholder;

“**Binding LOI**” means a binding letter of intent between CLM and Lorne Warren dated June 24, 2019 with respect to the option to acquire a 100% interest in the Foremore claims located in the Liard Mining Division in northwestern, British Columbia, which Binding LOI forms a part of the Assets;

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

“**Business Day**” means a day that is not a Saturday, Sunday or statutory holiday in Vancouver, British Columbia;

“**Circular**” means this management information circular, including the Notice of Meeting and all schedules attached hereto and all documents incorporated by reference herein, and all amendments hereof and supplements hereto;

“**CLM Shareholder**” means a holder of CLM Shares;

“**CLM Shares**” means the common shares without par value in the authorized share structure of the Company;

“**Company**” or “**CLM**” means Crystal Lake Mining Corporation;

“**Computershare**” means Computershare Investor Services Inc., the registrar and transfer agent of the Company and Spinco;

“**Conversion Factor**” means the number arrived at by dividing 10,000,000 (ten million) by the number of issued CLM Shares as of the close of business on the Share Distribution Record Date so that the number of Spinco Shares to be issued to CLM Shareholders pursuant to the Arrangement is equal to 10,000,000 (ten million) Spinco Shares subject to rounding of fractional shares and the exercise of dissent rights;

“**Court**” means the Supreme Court of British Columbia;

“Dissent Rights” means the rights of dissent exercisable by the CLM Shareholders in respect of the Arrangement described in Article 4 of the Plan of Arrangement;

“Dissenting Shareholder” means a CLM Shareholder who has duly and validly exercised Dissent Rights in respect of the Arrangement Resolution in strict compliance with the Dissent Rights and who has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights, and who will be entitled to be paid fair value for his, her or its CLM Shares in accordance with the Interim Order and the Plan of Arrangement;

“Dissenting Shares” means the CLM Shares in respect of which Dissenting Shareholders have exercised a right of dissent;

“Effective Date” means the date upon which all of the conditions to the completion of the Arrangement as set out in Article 5 of the Arrangement Agreement have been satisfied or waived in accordance with the Arrangement Agreement and the Final Order and all documents agreed to be delivered thereunder have been delivered;

“Effective Time” means 12:01 a.m. (Pacific Time) on the Effective Date that the Arrangement becomes effective, as set out in the Plan of Arrangement;

“Emerald Lake Properties” means the Iron Property, Farm Property, EL1 and EL5 Properties, and Properties #1, 2,3, 4, 5, 7 and 8, and Property 6, located in Dobie, Kingsford, Mather, Potts and Tait townships, in the Dogpaw Lake and Heronry Lake areas of Emo, Ontario, Canada as described under *The Arrangement – Projects to be Transferred to Spinco*, which forms a part of the Assets;

“Exchange” or **“TSX-V”** means the TSX Venture Exchange;

“Final Order” means the final order of the Court pursuant to Section 291 of the BCBCA, in a form acceptable to CLM, acting reasonably, approving the Arrangement, as such order may be amended by the Court (with the consent of CLM acting reasonably) at any time before the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended on appeal (provided that any such amendment is acceptable to CLM acting reasonably);

“Interim Order” means the interim order of the Court dated August 23, 2019 contemplated by Section 2.2 of the Arrangement Agreement and made pursuant to Section 291 of the BCBCA, providing for, among other things, the calling and holding of the Meeting, as the same may be amended by the Court with the consent of CLM acting reasonably, a copy of which is attached to this Circular as Appendix C;

“Intermediaries” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders;

“Meeting” means the annual general and special meeting of the CLM Shareholders to be held on September 30, 2019, including any adjournment or postponement thereof;

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

“Notice of Meeting” means the notice of annual and general special meeting of the CLM Shareholders accompanying this Circular;

“Plan of Arrangement” means the plan of arrangement attached as Schedule A to the Arrangement Agreement, which Arrangement Agreement is attached as Appendix B to this Circular, and any amendment(s) or variation(s) thereto;

“Proxy” means the form of proxy accompanying this Circular;

“Record Date” means August 15, 2019, as the date for determination of CLM Shareholders entitled to receive notice of and to vote at the Meeting;

“Registered Shareholder” means a registered holder of CLM Shares as recorded in the shareholder register of the Company maintained by Computershare;

“**Registrar**” means the British Columbia Registrar of Companies under the BCBCA;

“**Regulation S**” means Regulation S promulgated under the U.S. Securities Act;

“**Regulatory Approvals**” means those sanctions, rulings, consents, orders, exemptions, permits and other approvals (including the waiver or lapse, without objection, of a prescribed time under a statute or regulation that states that a transaction may be implemented if a prescribed time lapses following the giving of notice without an objection being made) of Governmental Entities;

“**Rule 144**” means Rule 144 promulgated under the U.S. Securities Act;

“**SEC**” means the United States Securities and Exchange Commission;

“**Section 3(a)(10) Exemption**” means the exemption from registration pursuant to Section 3(a)(10) of the U.S. Securities Act;

“**Securities Act**” means the *Securities Act* (British Columbia) and the rules, regulations and published policies made thereunder, as now in effect and as they may be promulgated or amended from time to time;

“**Securities Laws**” means the Securities Act, together with all other applicable Canadian provincial securities laws, the U.S. Securities Act, U.S. Exchange Act, and applicable securities laws of the United States and the states thereof, and the rules and regulations and published policies of the securities authorities thereunder, as now in effect and as they may be promulgated or amended from time to time, and includes the rules and policies of the TSX-V;

“**SEDAR**” means the System for Electronic Document Analysis and Retrieval of the Canadian Securities Administrators described in National Instrument 13-101 of the Canadian Securities Administrators and available for public view at www.sedar.com;

“**Share Distribution Record Date**” means the record date or such other day as agreed to by the Company, which date establishes the CLM Shareholders who will be entitled to receive the Spinco Shares pursuant to the Plan of Arrangement;

“**Special Warrants**” means the securities that were issued by Spinco through a private placement, which Special Warrants are convertible into Spinco Shares after the Final Order is obtained and on the Share Exchange Date, at which time the 4 month hold period commences on the issuance of the Spinco Shares;

“**Spinco**” means Sassy Resources Corporation, a newly-incorporated private company under the BCBCA, which is a subsidiary of the Company for the purpose of the Plan of Arrangement;

“**Spinco Shareholder**” means a holder of Spinco Shares;

“**Spinco Shares**” means the common shares without par value in the authorized share structure of Spinco;

“**Subsidiary**” has the meaning ascribed thereto in NI 45-106 of the Canadian Securities Administrators;

“**Tax Act**” means the *Income Tax Act* (Canada), R.S.C. 1995, c. 1, and the regulations made thereunder, as now in effect and as they may be amended or replaced from time to time;

“**U.S. Exchange Act**” means the *United States Securities Exchange Act of 1934*, as may be amended or replaced from time to time;

“**U.S. Securities Act**” means the *United States Securities Act of 1933*, as may be amended or replaced from time to time; and

“**U.S. Tax Code**” means the United States *Internal Revenue Code of 1986*, as amended.

SUMMARY OF INFORMATION CIRCULAR

This summary is qualified in its entirety by the more detailed information appearing elsewhere in this Circular, and the Arrangement Agreement and Plan of Arrangement attached as Appendix B to this Circular.

References in this Circular are to Canadian dollars unless otherwise indicated.

The Meeting

The Meeting will be held at The Vancouver Club, 915 West Hastings Street, UBC Room, 3rd Floor, Vancouver, British Columbia, V6C 1C6, at 11:00 a.m. (Pacific Time) on Monday, September 30, 2019.

At the Meeting, CLM Shareholders will be asked to consider, and if deemed advisable, approve certain annual general matters, the adoption of new articles, the adoption of a new stock option plan, the repricing of incentive stock options held by certain insiders of the Company, as well as the Arrangement Resolution authorizing the Arrangement, and to consider such other matters as may properly come before the Meeting.

By passing the Arrangement Resolution, the CLM Shareholders will also be giving authority to the Board to use its best judgment to proceed with and cause the Company to complete the Arrangement without any requirement to seek or obtain any further approval of the CLM Shareholders.

The Arrangement

The Company is a junior Canadian exploration company which currently owns the Emerald Lake Properties, the Tom Cat claims located in Nicola Mining District, B.C., on option agreement with respect to the Newmont Lake claims located in B.C.'s Golden Triangle and the Binding LOI.

The Arrangement has been proposed to efficiently facilitate (a) the reorganization and transfer of the Company's Emerald Lake Properties, and (b) the Binding LOI with the option to acquire a 100% interest in the Foremore claims located in the Liard Mining Division in northwestern British Columbia (together, the "Assets") to Spinco, and for the parent company, CLM, to focus on its Tom Cat claims located in Nicola Mining District, B.C. and the Newmont Lake claims located in B.C.'s Golden Triangle (together, the "BC Properties"), and elsewhere. The Board is of the view that the Arrangement will benefit the Company and the CLM Shareholders based on the information described herein.

The Arrangement will include the transfers of the Assets to Spinco, and will be subject to Court approval, as well as approval by the CLM Shareholders at the Meeting and the TSX-V. Pursuant to the Arrangement, CLM will distribute 100% of the Spinco Shares it receives to the CLM Shareholders on a *pro rata* basis.

The Arrangement will result in CLM Shareholders receiving one Spinco Share with respect to every one CLM Share multiplied by the Conversion Factor. As of the date of this Circular, CLM has 107,347,734 CLM Shares issued, and the Conversion Factor is 0.093155. If CLM issues more CLM Shares before the Share Distribution Record Date, the Conversion Factor will change. There will be no change in shareholders' holdings in CLM as a result of the Arrangement.

No outstanding CLM warrants or options will be transferred over to Spinco. CLM warrant and option holders who exercise their warrants and options before the Share Distribution Record Date will receive Spinco Shares. CLM warrant and option holders who do not exercise their warrants and options before the Share Distribution Record Date will not receive Spinco Shares.

Spinco may or may not apply for a public listing in the near future.

On completion of the Arrangement, (i) Spinco will hold the Assets transferred to it by CLM, (ii) Spinco will become a reporting issuer in the Provinces of British Columbia and Alberta, (iii) each CLM Shareholder will continue to be a shareholder of CLM, (iv) all CLM Shareholders will have become shareholders of Spinco, and (v) CLM will retain its working capital for its assets, and remain listed on the Exchange and continue to trade under the trading symbol, CLM, as a junior exploration company.

There can be no guarantee, assurance or representation that the Spinco Shares will ever be listed on any stock exchange.

On completion of the Arrangement, the authorized share capital of CLM will be altered by:

- (i) changing the identifying name of the CLM Shares to Class A common shares without par value, being the “**CLM Class A Common Shares**”;
 - (ii) creating a class consisting of an unlimited number of common shares without par value (the “**New CLM Shares**”); and
 - (iii) creating a class consisting of an unlimited number of Class A preferred shares without par value, having the rights and restrictions described in Schedule A to the Plan of Arrangement, being the CLM Class A Preferred Shares.
- (a) Each issued CLM Class A Common Share will be exchanged for one New CLM Share and one CLM Class A Preferred Share and, subject to the exercise of a right of dissent, the holders of the CLM Class A Common Shares will be removed from the central securities register of CLM and will be added to the central securities register as the holders of the number of New CLM Shares and CLM Class A Preferred Shares that they have received on the exchange.
 - (b) All of the issued CLM Class A Common Shares will be cancelled with the appropriate entries being made in the central securities register of CLM and the aggregate paid up capital (as that term is used for purposes of the Tax Act) of the CLM Class A Common Shares immediately prior to the Effective Date will be allocated between the New CLM Shares and the CLM Class A Preferred Shares so that the aggregate paid up capital of the CLM Class A Preferred Shares is equal to the aggregate fair market value of the Distributed Spinco Shares as of the Effective Date, and each CLM Class A Preferred Share so issued will be issued by CLM at an issue price equal to the aggregate fair market value of the Distributed Spinco Shares as of the Effective Date, divided by the number of issued CLM Class A Preferred Shares, such aggregate fair market value of the Distributed Spinco Shares to be determined as at the Effective Date by resolution of the board of directors of CLM. CLM will redeem the issued CLM Class A Preferred Shares for consideration consisting solely of the Distributed Spinco Shares such that each holder of CLM Class A Preferred Shares will, subject to the rounding of fractions and the exercise of rights of dissent, receive that number of Spinco Shares that is equal to the number of CLM Class A Preferred Shares held by such holder multiplied by the Conversion Factor. The total number of Spinco Shares to be distributed to CLM Shareholders shall be approximately 10,000,000 subject to the rounding of fractions and exercise of rights of dissent.
 - (c) The name of each holder of CLM Class A Preferred Shares will be removed as such from the central securities register of CLM, and all of the issued CLM Class A Preferred Shares will be cancelled with the appropriate entries being made in the central securities register of CLM.
 - (d) The Distributed Spinco Shares transferred to the holders of the CLM Class A Preferred Shares pursuant to step §(e) above will be registered in the names of the former holders of CLM Class A Preferred Shares and appropriate entries will be made in the central securities registers of Spinco.
 - (e) The CLM Class A Common Shares and the CLM Class A Preferred Shares, none of which will be allotted or issued once the steps referred to in steps §(c) and §(e) above are completed, will be cancelled and the authorized share structure of CLM will be changed by eliminating the CLM Class A Common Shares and the CLM Class A Preferred Shares therefrom.
 - (f) The Notice of Articles and Articles of CLM will be amended to reflect the changes to its authorized share structure made pursuant to the Plan of Arrangement.

The Board approved the Arrangement and authorized the making of an application to the Court for the calling of the Meeting. The Company believes that the Arrangement offers a number of benefits to shareholders, a few of which are set out below:

- (i) After the separation, the Company and Spinco will have the flexibility to implement its own unique growth strategies, allowing each organization to refine and refocus their business strategy and plans.
- (ii) CLM Shareholders will have a direct equity interest in Spinco and will be able to participate in any potential growth of Spinco.
- (iii) Additionally, because the resulting business of Spinco will be focused on the Emerald Lake Properties, it will be more readily understood by public investors, allowing Spinco to be in a better position to raise capital and align management and employee incentives with the interests of shareholders.
- (iv) The Company will continue to operate its business as a junior exploration company, with a focus on its BC Properties and elsewhere.

The Arrangement will result in each CLM Shareholder as of the Share Distribution Record Date, other than a Dissenting Shareholder, after the Arrangement, holding one Spinco Share with respect to one CLM Share multiplied by the Conversion Factor. As a result of the Arrangement, Spinco will have approximately 10,000,000 Spinco Shares issued. See *The Arrangement – Steps of the Arrangement*.

Recommendation and Approval of the Board of Directors

The Board has concluded that the terms of the Arrangement are fair and reasonable to, and in the best interests of, the Company and the CLM Shareholders. The Board has therefore approved the Arrangement and authorized the submission of the Arrangement to the CLM Shareholders and the Court for approval. The Board recommends that CLM Shareholders vote FOR the approval of the Arrangement.

The Arrangement must be approved by two-thirds of the votes cast at the Meeting by CLM Shareholders and by the Court which, the Company is advised, will consider, among other things, the fairness of the Arrangement to CLM Shareholders.

There is the availability of Dissent Rights to Registered Shareholders with respect to the Arrangement.

Conduct of Meeting and Shareholder Approval

The Interim Order provides that in order for the Arrangement to proceed, the Arrangement Resolution must be passed, with or without variation, by at least 66.66% of the eligible votes cast with respect to the Arrangement Resolution by CLM Shareholders present in person or by proxy at the Meeting. See *The Arrangement – Approval of Special Resolution*.

Court Approval

The Arrangement, as structured, requires the approval of the Court. Prior to the mailing of this Circular, the Company obtained the Interim Order authorizing the calling and holding of the Meeting and providing for certain other procedural matters. The Interim Order does not constitute approval of the Arrangement or the contents of this Circular by the Court.

The draft Notice of Hearing of Petition for the Final Order is attached to this Circular as Appendix E. In hearing the petition for the Final Order, the Court will consider, among other things, the fairness of the Arrangement to the CLM Shareholders. The Court will also be advised that based on the Court's approval of the Arrangement, the Company and Spinco will rely on an exemption from registration pursuant to the Section 3(a)(10) Exemption for the issuance of the Spinco Shares and the New CLM Shares to any CLM Shareholder who is a United States resident. Assuming approval of the Arrangement by the CLM Shareholders at the Meeting, the hearing for the Final Order is scheduled to take place at 9:45 a.m. (Vancouver time) on or after October 3, 2019, at the Courthouse located at 800 Smithe Street, Vancouver, British Columbia, or at such other date and time as the Court may direct. At this hearing, any CLM Shareholder or director, creditor, auditor or other interested party of the Company who wishes to participate or to be represented or who wishes to present evidence or argument may do so, subject to filing an appearance and satisfying certain other requirements. See *Court Approval of the Arrangement*.

Income Tax Considerations

Canadian federal income tax considerations for CLM Shareholders who participate in the Arrangement or who dissent from the Arrangement are set out in the summary under *Income Tax Considerations – Certain Canadian Federal Income Tax Considerations*, and certain United States Federal income tax considerations for CLM Shareholders who participate in the Arrangement or who dissent from the Arrangement are set out in the summary under *Certain Canadian Federal Income Tax Considerations – Holders Not Resident in Canada*.

CLM Shareholders should carefully review the tax considerations applicable to them under the Arrangement and are urged to consult their own legal, tax and financial advisors in regard to their particular circumstances.

Right to Dissent

CLM Shareholders will have the right to dissent from the Plan of Arrangement as provided in the Interim Order, the Plan of Arrangement and sections 237 to 247 of the BCBCA. Any CLM Shareholder who dissents will be entitled to be paid in cash the fair value for their CLM Shares held so long as such Dissenting Shareholder: (i) does not vote any of his, her or its CLM Shares in favour of the Arrangement Resolution, (ii) provides to the Company written objection to the Plan of Arrangement to the Company's head office at Suite 804 - 750 West Pender Street, Vancouver, British Columbia, V6C 2T7, at least two Business Days before the Meeting or any postponement(s) or adjournment(s) thereof, and (iii) otherwise complies with the requirements of the Plan of Arrangement and sections 237 to 247 of the BCBCA. See *Rights of Dissent – Dissenters' Rights*.

Investment Considerations

Investments in development stage companies such as the Company and Spinco are highly speculative and subject to numerous and substantial risks that should be considered in relation to the Arrangement. There is no assurance that there will be a public market for the Spinco Shares after the Effective Date. See *Information Concerning Spinco – Risk Factors*.

Failure to Complete Arrangement

IN THE EVENT THE ARRANGEMENT RESOLUTION IS NOT PASSED BY CLM SHAREHOLDERS, THE COURT OR THE EXCHANGE DO NOT APPROVE THE ARRANGEMENT OR THE ARRANGEMENT DOES NOT PROCEED FOR SOME OTHER REASON, THE COMPANY WILL CARRY ON BUSINESS AS IT IS CURRENTLY CARRYING ON. IN SUCH CIRCUMSTANCES, SPINCO WILL LIKELY REMAIN AS A DORMANT SUBSIDIARY OF THE COMPANY AND THE COMPANY WILL INCUR THE EXPENSES RELATED TO THE PLAN OF ARRANGEMENT.

Information Concerning the Company After the Arrangement

Following completion of the Arrangement, the Company will continue to carry on its business activities with a focus on the BC Properties and elsewhere. Each CLM Shareholder will continue to be a shareholder of the Company, and CLM Shareholders will receive one Spinco Share with respect to every one CLM Share multiplied by the Conversion Factor. The CLM Shareholders will receive approximately 10,000,000 shares of Spinco. The Company will retain its working capital for its assets, and is expected to remain listed on the Exchange and continue to trade under the trading symbol, CLM, as a junior exploration company.

Following completion of the Arrangement, the directors that are elected at the Meeting and the current officers will continue to be the directors and officers of the Company.

Information Concerning Spinco After the Arrangement

Following completion of the Arrangement, Spinco will hold the Assets transferred to it by CLM and Spinco will become a reporting issuer in the Provinces of British Columbia and Alberta.

There can be no guarantee that the Spinco Shares will be listed on any stock exchange.

Following completion of the Arrangement, the directors and officers listed under *Information Concerning Spinco After the Arrangement* will become the directors and officers of Spinco.

Risk Factors

In considering whether to vote for the approval of the Arrangement, CLM Shareholders should be aware that there are various risks, including those described in this Circular. CLM Shareholders should carefully consider these risk factors, together with other information included in this Circular, before deciding whether to approve the Arrangement.

GENERAL PROXY INFORMATION

Solicitation of Proxies

This Circular is provided in connection with the solicitation of proxies by the management of the Company for use at the Meeting for the purposes set out in the accompanying Notice of Meeting and at any adjournment thereof.

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors or officers of the Company. The Company will bear all costs of this solicitation. The Company has arranged for Intermediaries to forward the Meeting Materials, as defined below, to Beneficial Shareholders held of record by those Intermediaries and the Company will not reimburse the Intermediaries for their fees and disbursements in that regard.

Record Date

The Board has fixed August 15, 2019 as the Record Date for determination of persons entitled to receive notice of and to vote at the Meeting. Only CLM Shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the provisions described herein will be entitled to vote or to have their CLM Shares voted at the Meeting.

Appointment of Proxyholders

The purpose of a proxy is to designate persons who will vote the proxy on behalf of a shareholder of the Company in accordance with the instructions given by the shareholder in the proxy. The persons whose names are printed in the enclosed form of proxy are officers or directors of the Company.

The individual(s) named in the accompanying form of proxy are management's representatives. **If you are a shareholder entitled to vote at the Meeting, you have the right to appoint a person or company other than the person(s) designated in the Proxy, who need not be a shareholder of the Company, to attend and act for you and on your behalf at the Meeting. You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another proper proxy and, in either case, delivering the completed Proxy to the office of Computershare, Proxy Department, 100 University Avenue, Toronto, Ontario M5J 2Y1 or vote via telephone or internet (online) as specified in the proxy form, no later than 11:00 a.m. (Pacific Time) on Thursday, September 26, 2019, unless the chair elects to exercise his discretion to accept proxies received subsequently.**

Voting by Proxyholder

The person(s) named in the Proxy will vote or withhold from voting the CLM Shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your CLM Shares will be voted accordingly. The Proxy confers discretionary authority on the person(s) named therein with respect to:

- (a) each matter or group of matters identified therein for which a choice is not specified, other than the appointment of an auditor and the election of directors;
- (b) any amendment to or variation of any matter identified therein; and
- (c) any other matter that properly comes before the Meeting.

As at the date hereof, the Board knows of no such amendments, variations or other matters to come before the Meeting, other than the matters referred to in the Notice of Meeting. However, if other matters should properly come before the Meeting, the Proxy will be voted on such matters in accordance with the best judgment of the person(s) voting the Proxy.

Who Can Vote at the Meeting

If a CLM Shareholder does not specify a choice and the CLM Shareholder has appointed one of the management proxyholders as proxyholder, the management proxyholder will vote in favour of the matters specified in the Notice of Meeting and in favour of all other matters proposed by management at the Meeting.

In respect of a matter for which a choice is not specified in the Proxy, the person(s) named in the Proxy will vote the CLM Shares represented by the Proxy for the approval of such matter.

Registered Shareholders

Registered Shareholders may wish to vote by Proxy whether or not they are able to attend the Meeting in person. Registered Shareholders electing to submit a Proxy may do so by completing, dating and signing the enclosed form of Proxy and returning it to Computershare by mail to Proxy Department, 100 University Avenue, Toronto, Ontario M5J 2Y1, or vote via telephone or internet (online) as specified in the proxy form, no later than 11:00 a.m. (Pacific Time) on Thursday, September 26, 2019.

Beneficial Shareholders

The following information is of significant importance to CLM Shareholders who do not hold CLM Shares in their own name. Beneficial Shareholders should note that the only proxies that can be recognized and acted upon at the Meeting are those deposited by Registered Shareholders (those whose names appear on the records of the Company as the registered holders of CLM Shares). Most shareholders are “non-registered” shareholders because the shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the shares. Shares beneficially owned by a non-registered shareholder are registered either: (i) in the name of an Intermediary that the non-registered shareholder deals with in respect of their shares (Intermediaries include, among others, banks, trust companies, securities dealers, or brokers and trustees or administrators of self-administered RRSP, RRIFs, RESPs and similar plans); or (ii) in the name of a clearing agency (such as the Canadian Depository for Securities Limited or the Depository Trust & Clearing Corporation) of which the Intermediary is a participant.

If CLM Shares are listed in an account statement provided to a shareholder by a broker, then in almost all such cases those CLM Shares will not be registered in the shareholder’s name on the records of the Company. Such CLM Shares will more likely be registered under the names of the shareholder’s broker or an agent of that broker. In the United States, the vast majority of such CLM Shares are registered under the name of CDS & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks), and in Canada under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms).

Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of shareholders’ meetings. Every Intermediary has its own mailing procedures and provides its own return instructions to clients.

If you are a Beneficial Shareholder

There are two kinds of Beneficial Shareholders: those who object to their name being made known to the issuers of securities which they own (called “**OBOs**” for objecting beneficial owners) and those who do not object to their name being made known to the issuers of the securities which they own (called “**NOBOs**” for non-objecting beneficial owners).

The Company is taking advantage of those provisions of National Instrument 54-101 *Communication of Beneficial Owners of Securities* of the Canadian Securities Administrators, which permits it to deliver proxy-related materials directly to its NOBOs. As a result, NOBOs can expect to receive a scannable voting instruction form (“**VIF**”). These VIFs are to be completed and returned to Computershare in the envelope provided or by facsimile to the number

provided in the VIF. In addition, Computershare will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the CLM Shares represented by the VIFs it receives.

This Circular, with related material, is being sent to both Registered and Beneficial Shareholders, if applicable. If you are a Beneficial Shareholder and the Company or its agent has sent the Meeting Materials directly to you, your name and address and information about your CLM Shares have been obtained in accordance with applicable securities regulatory requirements from the Intermediary who holds your CLM Shares on your behalf. Please return your VIF as specified in your request for voting instructions that you receive.

Beneficial Shareholders who are OBOs should carefully follow the instructions of their Intermediary in order to ensure that their CLM Shares are voted at the Meeting.

The form of proxy that will be supplied to Beneficial Shareholders by the Intermediaries will be similar to the Proxy provided to Registered Shareholders by the Company. However, its purpose is limited to instructing the Intermediary on how to vote on behalf of the Beneficial Shareholder. Most Intermediaries now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. in the United States and Broadridge Financial Solutions Inc., Canada, in Canada (collectively “BFS”). BFS mails a VIF in lieu of a Proxy provided by the Company. The VIF will name the same person(s) as the Proxy to represent Beneficial Shareholders at the Meeting. Beneficial Shareholders have the right to appoint a person (who need not be a Beneficial Shareholder of the Company), other than the person(s) designated in the VIF, to represent them at the Meeting. To exercise this right, Beneficial Shareholders should insert the name of the desired representative in the blank space provided in the VIF. The completed VIF must then be returned to BFS in the manner specified and in accordance with BFS’ instructions. BFS then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of CLM Shares to be represented at the Meeting.

If you receive a VIF from BFS, you cannot use it to vote CLM Shares directly at the Meeting. The VIF must be completed and returned to BFS in accordance with its instructions, well in advance of the Meeting in order to have the CLM Shares voted.

Although as a Beneficial Shareholder you may not be recognized directly at the Meeting for the purposes of voting CLM Shares registered in the name of your Intermediary, you, or a person designated by you, may attend at the Meeting as proxy holder for your Intermediary and vote your CLM Shares in that capacity. If you wish to attend the Meeting and indirectly vote your CLM Shares as proxy holder for your Intermediary, or have a person designated by you to do so, you should enter your own name, or the name of the person you wish to designate, in the blank space on the VIF provided to you and return the same to your Intermediary in accordance with the instructions provided by such Intermediary, well in advance of the Meeting.

Alternatively, you can request in writing that your broker send you a legal proxy which would enable you, or a person designated by you, to attend the Meeting and vote your CLM Shares.

With respect to OBOs, in accordance with applicable securities law requirements, the Company will have distributed copies of the Notice of Meeting, Circular, the form of Proxy and the supplemental mailing list (the “**Meeting Materials**”) to request to the clearing agencies and Intermediaries for distribution to non-registered shareholders.

Intermediaries are required to forward the Meeting Materials to non-registered shareholders unless a non-registered shareholder has waived the right to receive them. Intermediaries often use service companies to forward the Meeting Materials to non-registered shareholders.

Beneficial Shareholders (non-registered shareholders) should carefully follow the instructions of their Intermediary, including those regarding when and where the Proxy or voting instruction form is to be delivered.

Revocation of Proxies

In addition to revocation in any other manner permitted by law, a Registered Shareholder who has given a proxy may revoke it by:

- (a) executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the Registered Shareholder or the Registered Shareholder’s authorized attorney in writing, or

if the Registered Shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the Proxy bearing a later date to Computershare or at the registered office of the Company at Suite 804 – 750 West Pender Street, Vancouver, British Columbia, V6C 2T7, at any time up to and including the last Business Day that precedes the date of the Meeting or, if the Meeting is adjourned or postponed, the last Business Day that precedes any reconvening thereof, or to the Chair of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law; or

- (b) personally attending the Meeting and voting the Registered Shareholder's CLM Shares.

A revocation of a proxy will not affect a matter on which a vote is taken before the revocation.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

No director or executive officer of the Company, or any person who has held such a position since the incorporation of the Company, nor any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No informed person of the Company, proposed director of the Company or any associate or affiliate of an informed person or proposed director, has any material interest, direct or indirect, in any transaction since the incorporation of the Company or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries, other than as follows:

Richard Savage, the President, CEO and a director of the Company, is also the President, director and a shareholder of Spinco. On July 17, 2019, Spinco completed a Special Warrant private placement of 5,000,000 Special Warrants for the total proceeds of \$250,000. Pursuant to this private placement, Mr. Savage purchased and Spinco issued 1,300,000 Special Warrants to Mr. Savage at a price of \$0.05 per Special Warrant, for total proceeds of \$65,000.

It is estimated that upon the completion of the Arrangement, the shareholders of the Company as of the Share Distribution Record Date will hold 10,000,000 common shares of Spinco, and upon the conversion of the Special Warrants, the holders of the Special Warrants will hold 5,000,000 common shares and 5,000,000 share purchase warrants of Spinco exercisable at \$0.10 each. Spinco will have approximately 15,000,000 common shares and 5,000,000 share purchase warrants issued and outstanding upon the completion of the Arrangement and the conversion of the Special Warrants.

If the number of the issued CLM shares does not change between the date of this Circular and the Share Distribution Record Date, Mr. Savage will hold approximately 1,335,202 common shares and 1,300,000 share purchase warrants of Spinco upon the completion of the Arrangement and the conversion of the Special Warrants.

Mr. Savage's CLM Shares with respect to the special resolutions to approve the Arrangement will be excluded from the total shares voted in favour of the Arrangement.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Company is authorized to issue an unlimited number of common shares without par value. As of the Record Date, there were 107,347,734 CLM Shares issued and outstanding, each carrying the right to one vote. No group of shareholders has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to the CLM Shares.

To the knowledge of the directors and executive officers of the Company, no person or corporation beneficially owns, or controls or directs, directly or indirectly, voting securities of the Company carrying 10% or more of the voting rights attached to any class of outstanding voting securities of the Company. The financial statements for the year ended September 30, 2017, report of the auditor and related management discussion and analysis were filed on SEDAR at www.sedar.com on March 1, 2018, and the financial statements for the year ended September 30, 2018, report of the auditor and related management discussion and analysis were filed on SEDAR on January 28, 2019 with the securities

commissions or similar regulatory authority in British Columbia and Alberta and are specifically incorporated by reference into, and form an integral part of, this Circular.

Copies of the financial statements incorporated herein by reference may be obtained by a CLM Shareholder upon request without charge from the Company at Suite 804 - 750 West Pender Street, Vancouver, British Columbia, V6C 2T7, telephone: (604) 682-2928, or are available through the internet at www.sedar.com.

VOTES NECESSARY TO PASS RESOLUTIONS

An affirmative vote of 66.66% of the votes cast in person or by proxy at the Meeting is required to pass the special resolutions described herein. A simple majority of affirmative votes cast at the Meeting is required to pass the ordinary resolutions described herein. If there are more nominees for election as directors or appointment of the Company's auditor than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled all such nominees will be declared elected or appointed by acclamation.

SETTING NUMBER OF DIRECTORS

The persons named in the enclosed Proxy intend to vote in favour of fixing the number of directors at five (5). The Board proposes that the number of directors be fixed at five (5). Shareholders will therefore be asked to approve an ordinary resolution that the number of directors elected be fixed at five (5).

ELECTION OF DIRECTORS

The term of office of each of the current directors will end at this Meeting. Unless the director's office is earlier vacated in accordance with the provisions of the BCBCA, each director elected will hold office until the next annual general meeting of the Company, or if no director is then elected, until a successor is elected.

The following table sets out the names of management's nominees for election as directors, all major offices and positions with the Company and any of its significant affiliates each now holds, each nominee's principal occupation, business or employment (for the five preceding years for new director nominees), the period of time during which each has been a director of the Company and the number of CLM Shares beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at the Record Date.

Name of Nominee; Current Position with the Company, Province/State and Country of Residence	Occupation, Business or Employment⁽¹⁾	Period as a Director of the Company	CLM Shares Beneficially Owned or Controlled⁽¹⁾
Richard Savage British Columbia, Canada <i>President, CEO and Director</i>	Self-employed management consultant. Former Investment Advisor at Richardson GMP (formerly Yorkton Securities Inc.).	August 9, 2017	377,888
Alphonse Ruggiero New York, USA <i>CFO and Director</i>	Financial consultant; manager of Continuing Professional Education (CPE) for the American Instituted of CPA's. Director of Victory Resources Corporation.	November 4, 2010	774,546
Wally E. Boguski⁽²⁾⁽³⁾ British Columbia, Canada <i>COO and Director</i>	Self-employed management consultant.	November 4, 2010	3,488,925
Lawrence Roulston⁽²⁾⁽³⁾ British Columbia, Canada <i>Director</i>	Managing Director, WestBay Capital Advisors; CEO, Auramex Resource Corp.	June 14, 2019	Nil

Name of Nominee; Current Position with the Company, Province/State and Country of Residence	Occupation, Business or Employment ⁽¹⁾	Period as a Director of the Company	CLM Shares Beneficially Owned or Controlled ⁽¹⁾
Dave Ellett ⁽²⁾⁽³⁾ Phoenix, Arizona <i>Director</i>	Licensed Mortgage Loan Originator, American Pacific Mortgage, since June 2016; corporate consultant, Sierra Iron Ore and Victory Resources, 2008 to 2014; former NHL hockey player, 1982 to 1998.	July 29, 2019	192,000

- (1) The information as to principal occupation, business or employment and CLM Shares beneficially owned or controlled is not within the knowledge of the management of the Company and has been furnished by the respective nominees. Unless otherwise indicated, each nominee has held the same or a similar principal occupation with the organization indicated or a predecessor thereof for the last five years. The number of CLM Shares beneficially owned by the above nominees for directors, directly or indirectly, is based on information furnished by the nominees themselves.
- (2) Member of the Audit Committee of the Company.
- (3) Member of the Corporate Governance Committee of the Company

CORPORATE CEASE TRADE ORDERS OR BANKRUPTCIES

On March 21, 2014, a Cease Trade Order (“CTO”) was issued by the British Columbia Securities Commission (the “BCSC”) as a result of perceived deficiencies in the disclosure record of Victory Resources Corporation (“Victory”) respecting a mineral property in Mexico. During this period Wally Boguski was the CEO and Alphonse Ruggiero was a director of Victory. The CTO was revoked on June 20, 2014.

Except as disclosed above, none of the proposed directors of the Company (or any of their personal holding companies):

- (a) is, as at the date of this Circular or, has been within ten years before the date of this Circular, a director, CEO or CFO of any company, including the Company, that:
 - (i) was subject to an order that was issued while the proposed director was acting in the capacity as director, CEO or CFO; or
 - (ii) was subject to an order that was issued after the proposed director ceased to be a director, CEO or CFO and which resulted from an event that occurred while the proposed director was acting in the capacity as director, CEO or CFO;
- (b) is, as at the date of this Circular or has been within ten years before the date of this Circular, a director or executive officer, of any company, including the Company, that while the proposed director was acting in that capacity or within a year of the proposed director 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
- (c) has, within the ten years preceding the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that proposed individual.

Within the last ten years, none of the proposed directors of the Company (or any of their personal holding companies) has been subject to:

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

- (b) any other penalties or sanctions imposed by a court or regulatory body which would likely be considered important to a reasonable securityholder of the Company in deciding whether to vote for a proposed director.

except as follows:

Wally E. Boguski, a director and officer of the Issuer, was a former President, CEO and a director of Victory and the President, CEO and a director of the Company (formerly Sierra Iron Ore Corporation (“**Sierra**”)). At present Mr. Boguski is no longer the President, CEO or a director of Victory, but he remains the COO and a director of the Company. Sierra changed its name to Crystal Lake Mining Corporation in July 2016. Mr. Boguski was responsible for disclosure of mineral resource information for Victory and Sierra between 2011 and 2014. He authorized Victory and Sierra to disclose mineral resource information that was not supported by appropriate scientific or technical evidence, which constituted breaches of sections 2.2(a), 2.4, 3.3(1)(b), 3.3(2)(c4.2(1)(j) of National Instrument 43-101, Standards of Disclosure for Mineral Projects (“NI 43-101”).

Pursuant to the Order of the Executive Director of the British Columbia Securities Commission dated July 20, 2017:

“1) Mr. Boguski is prohibited under section 161(1)(d) of the Act from acting as a director or officer of any issuer until the later of, one year from the date of the Order, or the successful completion of a course on the requirements of NI 43-101 that is acceptable to the Executive Director. Proof of attendance and the successful completion of the course must be provided in writing to the Executive Director.

2. The above prohibition is subject to the following exception:

(a) Boguski can continue to act as a director and officer of Crystal Lake Mining Corporation (formerly Sierra Iron Ore Corporation), but is prohibited from preparing, reviewing or approving any geological disclosure until the expiry of the prohibition period.”

Mr. Boguski has successfully completed a course on the requirements of NI 43-101 and has complied with the Order.

APPOINTMENT OF AUDITOR

Davidson & Company LLP, Chartered Accountants, of 1200 - 609 Granville Street, Vancouver, British Columbia, V7Y 1G6, will be nominated at the Meeting for re-appointment as auditor of the Company at a remuneration to be fixed by the Board. Davidson & Company LLP, Chartered Accountants, were appointed the auditor of the Company on August 27, 2009.

AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR

National Instrument 52-110 *Audit Committees* of the Canadian Securities Administrators (“**NI 52-110**”) requires the Company, as a venture issuer, to disclose annually in its Circular certain information concerning the constitution of its audit committee (“**Audit Committee**”) and its relationship with its independent auditor, as set forth in the following:

The Audit Committee’s Charter

The Audit Committee has a charter. A copy of the Audit Committee charter is attached hereto as Appendix F.

Composition of the Audit Committee

The current members of the Audit Committee are Wally E. Boguski (Chair), Lawrence Roulston and Dave Ellett. All members of the Audit Committee are considered to be financially literate. Mr. Boguski is an executive officer of the Company and is not considered to be an independent member of the Audit Committee. Mr. Roulston and Mr. Ellett are independent members of the Audit Committee.

A member of the Audit Committee is independent if the member has no direct or indirect material relationship with the Company. A material relationship means a relationship which could, in the view of the Company’s Board, reasonably interfere with the exercise of a member’s independent judgement.

A member of the Audit Committee is considered financially literate if he or she 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 issues that can reasonably be expected to be raised by the Company.

Relevant Education and Experience

The following describes the education and experience of each member of the Audit Committee that is relevant to the performance of his responsibilities as an Audit Committee member:

Wally Boguski has more than 30 years of experience in the mining and banking industry and has been involved in strategic development planning and capital market financing of early stage mining companies. Mr. Boguski has worked on mining projects in both Canada and Mexico. Mr. Boguski began his career in the banking sector where he managed financing and credit facilities for commodity-related companies, for a major Canadian bank and a credit union organization. Mr. Boguski's education is in business administration, commercial law and accounting. He completed his education from the Co-operative College of Canada, Saskatoon, Saskatchewan.

Lawrence Roulston is a mining professional with a B.Sc. in geology and over 35 years of diverse experience in the mining industry. He is Managing Director of WestBay Capital Advisors, providing business advisory and capital markets expertise to the junior and mid-tier sectors of the mining industry. Previously, he was president of a company which provided resource advisory services for US private investors. Before that, he was a mining analyst and consultant, as well as the editor of "Resource Opportunities", an independent investment publication focused on the mining industry. For the first 20 years of his career, Mr. Roulston was involved in management of both large and junior resource companies. In addition to his position as the Managing Director of WestBay Capital Advisors he is the President, CEO and a Director of Auramex Resource Corp.

Dave Ellett is an American-born Canadian that had a 16-season career playing in the National Hockey League. He was drafted 75th overall in 1982 by the Winnipeg Jets. He was traded to the Toronto Maple Leafs, in 1990 and was an integral part of the Leafs clubs of 1993 & 1994 that reached the Conference Finals. Mr. Ellett was then traded to the New Jersey Devils, along with Doug Gilmour, in 1996. He wrapped up his NHL career playing a couple years for the Boston Bruins and then a year with the St. Louis Blues before retiring. During his NHL career Mr. Ellett co-founded Prolce Management, a wealth management company geared towards professional athletes. He continued with Prolce Management after his NHL retirement founded other business ventures which included owning and managing an automotive dealership, a Central Hockey League (CHL) franchise team and working within the mineral exploration and mining industry. From 2008 to 2014, Mr. Ellett worked with Sierra Iron Ore and Victory Resources as a corporate consultant. His roles ranged from logistics manager, involved in purchasing and arranging for the movement of equipment and supplies for exploration projects to logistics of drilling. Mr. Ellett has also been a licensed Mortgage Loan Originator with American Pacific Mortgage since June 2016.

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

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

Audit Committee Oversight

The Audit Committee has not made any recommendations to the Board to nominate or compensate any external auditor.

Reliance on Certain Exemptions

The Company's auditors, Davidson & Company LLP, Chartered Accountants, have not provided any material non-audit services.

Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services.

External Auditor Service Fees

The Audit Committee has reviewed the nature and amount of the non-audited services provided by Davidson & Company LLP, Chartered Accountants, to the Company to ensure auditor independence. The following table outlines the fees incurred by Davidson & Company LLP, Chartered Accountants, who were appointed auditors of the Company on August 27, 2009 for audit and non-audit services in the last two financial years:

<u>Nature of Services</u>	<u>Fees Paid to Auditor in Financial Year Ended September 30, 2018</u>	<u>Fees Paid to Auditor in Financial Year Ended September 30, 2017</u>
Audit Fees ⁽¹⁾	\$25,704	\$25,704
Audit-Related Fees ⁽²⁾	Nil	Nil
Tax Fees ⁽³⁾	5,500	Nil
All Other Fees ⁽⁴⁾	<u>Nil</u>	<u>Nil</u>
Total:	<u>\$25,704</u>	<u>\$25,704</u>

- (1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Company's consolidated 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 services that are traditionally performed by the 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.

Exemption

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110 *De Minimis Non-audit Services* or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110. Part 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

CORPORATE GOVERNANCE

General

Effective June 30, 2005, National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("NI 58-101") and National Policy 58-201 *Corporate Governance Guidelines* ("NP 58-201") were adopted in each of the provinces and territories of Canada. NI 58-101 requires issuers to disclose the corporate governance practices that they have adopted. NP 58-201 provides guidance on corporate governance practices.

The Board believes that good corporate governance improves corporate performance and benefits all Shareholders. The Canadian Securities Administrators have adopted NI 58-201, which provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Company. In addition, the Canadian Securities

Administrators have implemented NI 58-101, which prescribes certain disclosure by the Company of its corporate governance practices. This section sets out the Company's approach to corporate governance and addresses the Company's compliance with NI 58-101.

Board of Directors

Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A "material relationship" is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment.

Management has been delegated the responsibility for meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on the Company's business in the ordinary course, managing cash flow, evaluating new business opportunities, recruiting staff and complying with applicable regulatory requirements. The Board facilitates its independent supervision over management by reviewing and approving long-term strategic, business and capital plans, material contracts and business transactions, and all debt and equity financing transactions. Through its audit committee, the Board examines the effectiveness of the Company's internal control processes and management information systems. The plenary Board reviews executive compensation and recommends stock option grants.

The independent members of the Board are Lawrence Roulston and Dave Ellett.

The non-independent members of the Board are Richard Savage, the President and CEO of the Company, Alphonse J. Ruggiero, the CFO of the Company and Wally E. Boguski, the COO of the Company.

The following directors of the Company are directors of other reporting issuers:

Richard Savage

Mr. Savage is a director of Telo Genomics Corp.

Lawrence Roulston

Mr. Roulston is a director of Auramex Resources Corp., Mountain Boy Minerals Ltd., Metalla Royalty and Streaming Ltd., Palladium One Mining Inc., Romios Gold Resources Inc. and Thunderstruck Resources Ltd.

Dave Ellett

Mr. Ellett is a director of Usha Resources Ltd.

Orientation and Continuing Education

When new directors are appointed, they receive orientation, commensurate with their previous experience, on the Company's properties, business, technology and industry and on the responsibilities of directors.

Board meetings may also include presentations by the Company's management and employees to give the directors additional insight into the Company's business.

Ethical Business Conduct

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

Nomination of Directors

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

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

Compensation

The Board determines compensation for the directors and CEO.

Other Board Committees

In addition to the Audit Committee, the Board has established a Corporate Governance Committee to provide a focus on corporate governance with the goal of enhancing corporate performance and to ensure on behalf of the Board and shareholders that the Company's corporate governance system is effective in the discharge of its obligations to the Company's shareholders. The current members of the Corporate Governance Committee are Wally E. Boguski (Chair), Lawrence Roulston and Dave Ellett.

Assessments

The Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and committees.

COMPENSATION OF EXECUTIVE OFFICERS

Executive Compensation

The Board has not appointed a compensation committee so the responsibilities relating to executive and director compensation, including reviewing and recommending director compensation, overseeing the Company's base compensation structure and equity-based compensation programs, recommending compensation of the Company's officers and employees, and evaluating the performance of officers generally and in light of annual goals and objectives, is performed by the Board as a whole.

The Board also assumes responsibility for reviewing and monitoring the long-range compensation strategy for the senior management of the Company. The Board receives independent competitive market information on compensation levels for executives.

The compensation for executives includes four components: base consulting fees, bonus (if applicable), stock options and perquisites. As a package, the compensation components are intended to satisfy the objectives of the compensation program (that is, to attract, retain and motivate qualified executives). There are no predefined or standard termination payments, change of control arrangements or employment contracts.

Philosophy and Objectives

The Company's compensation policies and programs are designed to be competitive with similar mining exploration companies and to recognize and reward executive performance consistent with the success of the Company's business. The compensation program for the senior management of the Company is designed to ensure that the level and form of compensation achieves certain objectives, including (a) attracting and retaining talented, qualified and effective executives, (b) motivating the short and long-term performance of these executives; and (c) better aligning their interests with those of the Company's shareholders.

In compensating its senior management, the Company has encouraged equity participation and in furtherance thereof employs its stock option plan.

Equity Participation

The Company believes that encouraging its executives and employees to become shareholders is the best way of aligning their interests with those of its shareholders. Equity participation has been accomplished through the issuance of founder's shares and the Company's stock option plan. Stock options are granted to executives and employees taking into account a number of factors, including the amount and term of options previously granted, base consulting fees and bonuses and competitive factors. The amounts and terms of options granted are determined by the Board.

Given the evolving nature of the Company's business, the Board continues to review the overall compensation plan for senior management so as to continue to address the objectives identified above.

Option-Based Awards

The Company currently has a 10% rolling stock option plan dated August 27, 2009 (the "**Existing Plan**") to provide incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. Management proposes stock option grants to the Board based on such criteria as performance, previous grants, and hiring incentives. All grants require approval of the Board.

The Existing Plan is administered by the Board and provides that options will be issued to directors, officers, employees or consultants of the Company or a subsidiary of the Company.

The Company intends to adopt a new 10% rolling stock option plan (the "**New Plan**") to replace its Existing Plan at the Meeting. See *Particulars of Matters to be Acted Upon – Adoption of New 10% Rolling Stock Option Plan* for further information on the Company's stock option plan.

Summary Compensation Table

In this section "Named Executive Officer" ("**NEO**") means the CEO, the CFO and each of the three most highly compensated executive officers, other than the CEO and CFO, who were serving as executive officers at the end of the most recently completed financial year and whose total compensation was more than \$150,000 as well as any additional individuals for whom disclosure would have been provided except that the individual was not serving as an executive officer of the Company at the end of the most recently completed financial year.

During the year ended September 30, 2018, the NEOs of the Company were as follows:

- Richard Savage, President and CEO
- Alphonse J. Ruggiero, CFO
- Wally E. Boguski, COO
- Kristine Frost, Secretary

The following table sets for the compensation paid to the Company's NEOs during the financial years ended September 30, 2018, 2017, 2016 and 2015:

Name and principal position	Year ⁽¹⁾	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation ⁽³⁾ (\$)		Pension value ⁽³⁾ (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans ⁽²⁾	Long-term incentive plans ⁽²⁾			
Richard Savage ⁽⁴⁾ President & CEO	2018	60,000	Nil	401,051	Nil	Nil	Nil	6,000	467,051
	2017	20,000	Nil	Nil	Nil	Nil	Nil	500	20,500
	2016	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Wally E. Boguski ⁽⁵⁾ COO	2018	120,000	Nil	220,420	Nil	Nil	Nil	6,000	346,420
	2017	52,500	Nil	Nil	Nil	Nil	Nil	6,000	58,500
	2016	60,000	Nil	Nil	Nil	Nil	Nil	6,000	66,000
	2015	140,755	Nil	Nil	Nil	Nil	Nil	6,000	146,755
Alphonse J. Ruggiero ⁽⁶⁾ CFO	2018	61,610	Nil	64,933	Nil	Nil	Nil	7,730	134,273
	2017	62,719	Nil	Nil	Nil	Nil	Nil	7,801	70,520
	2016	63,457	Nil	Nil	Nil	Nil	Nil	7,947	71,404
	2015	59,461	Nil	Nil	Nil	Nil	Nil	7,310	66,771
Kristine Frost ⁽⁷⁾ Secretary	2018	54,080	Nil	32,467	Nil	Nil	Nil	Nil	86,547
	2017	55,080	Nil	Nil	Nil	Nil	Nil	Nil	55,080
	2016	56,480	Nil	Nil	Nil	Nil	Nil	Nil	56,480
	2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

- (1) Financial years ended September 30.
- (2) These amounts include annual non-equity incentive plan compensation, such as bonuses and discretionary amounts for the year end.
- (3) These amounts include all compensation relating to defined benefit or contribution plans and include all service costs and other compensatory items.
- (4) Mr. Savage was appointed as President and CEO of the Company on August 9, 2017.
- (5) Mr. Boguski was appointed as COO of the Company on November 4, 2010.
- (6) Mr. Ruggiero was appointed as CFO of the Company on November 4, 2010.
- (7) Ms. Frost was appointed as Secretary of the Company on January 31, 2018.

Incentive Plan Awards

Outstanding Option-Based Awards

The Company currently has an Existing Plan in place under which a maximum of 10,734,773 CLM Shares are reserved for option grants under the Existing Plan to qualifying persons. As of the Record Date, there were 9,665,000 Options granted and outstanding under the Existing Plan.

On May 27, 2019, the Board adopted the New Plan under which a maximum of 10% of the issued and outstanding CLM Shares are reserved for option grants to qualifying persons.

The following table sets out all option-based awards outstanding as at September 30, 2018 for each NEO. There were no share-based awards granted to any of the NEOs:

Option-based Awards				
Name and Principal Positions	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)⁽¹⁾
Richard Savage President & CEO	400,000	0.30	October 3, 2019	58,000
	250,000	0.50	December 19, 2019	Nil
	150,000	0.60	January 14, 2020	Nil
	650,000	0.55	September 25, 2020	Nil
Wally E. Boguski COO	500,000	0.30	October 3, 2019	72,500
	100,000	0.50	December 19, 2019	Nil
	450,000	0.55	September 25, 2020	Nil
Alphonse J. Ruggiero CFO	200,000	0.30	October 3, 2019	29,000
	150,000	0.55	September 25, 2020	Nil
Kristine Frost Secretary	75,000	0.55	September 25, 2020	Nil

- (1) This amount is based on the difference between the market value of the securities underlying the options on September 28, 2018, which was \$0.445, being the last trading day of the Company's shares for the financial year and the exercise price of any outstanding options.

Aggregated Options – Value Vested or Earned during the Most Recently Completed Financial Year

The following table sets forth details of the value of option-based awards that vested or were earned during the most recently completed financial year ended September 30, 2018:

Name	Option-based awards - Value vested during the year (\$)	Share-based awards - Value vested during the year (\$)	Non-equity incentive plan compensation - Value earned during the year (\$)
Richard Savage President & CEO	1,450,000	N/A	N/A
Wally E. Boguski COO	1,050,000	N/A	N/A
Alphonse J. Ruggiero CFO	350,000	N/A	N/A
Kristine Frost Secretary	75,000	N/A	N/A

Termination and Change of Control Benefits and Employment Contracts

The following agreements may be terminated at any time, with cause, by either party upon 90 days' notice:

- Management services agreement dated July 1, 2017 with Richard Savage at \$7,500 per month, plus approved expenses.
- Management services agreement dated January 1, 2017 with Alphonse J. Ruggiero at USD\$4,000 per month.
- Management services agreement dated January 1, 2017 with Wally Boguski at \$5,000 per month, plus approved expenses.

There are no compensatory plan(s) or arrangement(s), with respect to any NEO, resulting from the resignation, retirement or any other termination of employment of the officer's employment or from a change of the Named Executive Officer's responsibilities following a change in control.

Director Compensation

The Company pays cash fees to its directors and also compensates its directors through option grants. During the year-ended September 30, 2018, the Company accrued \$6,000 in director fees to William John Meekison, a director of the Company. NEOs do not receive additional compensation for serving as directors.

During the most recently completed financial year ended September 30, 2018, the directors who were not NEOs received the following compensation for services provided to the Company:

Name of Director	Year ⁽¹⁾	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation ⁽³⁾ (\$)		Pension value ⁽³⁾ (\$)	All other compens- ation (\$)	Total compensa- tion (\$)
					Annual incentiv e plans ⁽²⁾	Long- term incentiv e plans ⁽²⁾			
William John Meekison ⁽⁴⁾ Director	2018	Nil	Nil	45,339	Nil	Nil	Nil	6,000	51,339
	2017	Nil	Nil	Nil	Nil	Nil	Nil	750	750
	2016	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

- (1) Financial years ended September 30.
- (2) These amounts include annual non-equity incentive plan compensation, such as bonuses and discretionary amounts for the year end.
- (3) These amounts include all compensation relating to defined benefit or contribution plans and include all service costs and other compensatory items.
- (4) Mr. Meekison has served as a director of the Company since August 17, 2017. Mr. Meekison resigned as a director of the Company on June 14, 2019.

Narrative Discussion

The Company has no arrangements, standard or otherwise, pursuant to which directors were compensated by the Company for their services as directors, for committee participation, for involvement in special assignments during the most recently completed financial year.

The Company has an Existing Plan for the granting of incentive stock options to the directors, officers, employees and consultants. The purpose of granting such options is to assist the Company in compensating, attracting, retaining and motivating the directors, officers, employees and consultants and to closely align the personal interests of such persons to that of the shareholders.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth for each director, other than those who are also NEOs of the Company, all awards outstanding at the end of the most recently completed financial year ended September 30, 2018, including awards granted before the most recently completed financial year.

Name	Option-based Awards			
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾
William John Meekison	300,000	0.30	October 3, 2019 ⁽²⁾	43,500
	50,000	0.55	September 25, 2020 ⁽²⁾	Nil

- (1) This amount is based on the difference between the market value of the securities underlying the options on September 28, 2018, which was \$0.445, being the last trading day of the Company's shares for the financial year and the exercise price of any outstanding options.
- (2) Mr. Meekison resigned as a director of the Company on June 14, 2019. Mr. Meekison's stock options may be exercised within 90 days of his resignation pursuant to the stock option plan of the Company.

Aggregated Options – Value Vested or Earned during the Most Recently Completed Financial Year

The following table sets forth, for each director, other than those who are also NEOs of the Company, the value of all incentive plan awards vested during the financial year ended September 30, 2018:

Name	Option-based awards - Value vested during the year (\$)	Share-based awards - Value vested during the year (\$)	Non-equity incentive plan compensation - Value earned during the year (\$)
William John Meekison	350,000	N/A	N/A

Securities Authorized for Issuance Under Equity Compensation Plans

The Company currently has an Existing Plan in place which was previously approved by the Board on August 27, 2009 and re-approved by the CLM Shareholders at the annual general meeting held on January 31, 2018.

The Company intends to adopt a New Plan to replace its Existing Plan at the Meeting. See *Particulars of Matters to be Acted Upon – Adoption of New 10% Rolling Stock Option Plan* for further information on the Company's stock option plan.

The following table sets out equity compensation plan information as at the year ended September 30, 2018, utilizing the Existing Plan:

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	6,533,334	\$0.44	711,328
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total:	6,533,334	\$0.44	711,328

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No individual who is or who at any time during the last financial year was a director or executive officer or employee of the Company, a proposed nominee for election as a director of the Company or an associate of any such director, officer or proposed nominee is, or at any time since the beginning of the last completed financial year has been, indebted to the Company or any of its subsidiaries and no indebtedness of any such individual to another entity is, or has at any time since the beginning of such year been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries.

PARTICULARS OF MATTERS TO BE ACTED UPON

Adoption of New Stock Option Plan

New 10% Rolling Plan

The Company currently has an Existing Plan in place which was previously approved by the Board on August 27, 2009 and re-approved by the CLM Shareholders at the annual general meeting held on January 31, 2018.

The policies of the Exchange require all of its listed companies to have a stock option plan if a company intends to grant options. On May 27, 2019, the Board approved the New Plan to replace the Existing Plan, which incorporates, among other things, provisions concerning the new requirements of the Canada Revenue Agency concerning

withholding tax payments on exercised options. Options granted under the New Plan are not exercisable for a period longer than ten years and the exercise price must be paid in full upon exercise of the option. As a 10% rolling plan the aggregate number of common shares issuable as options under the New Plan may be up to 10% of the Company's issued and outstanding common shares on the date on which an option is granted, less common shares reserved for issuance on exercise of options then outstanding under the New Plan. The purpose of the New Plan is to advance the interests of the Company by encouraging equity participation in the Company through the acquisition of common shares of the Company. The New Plan is administered by the Board and options are granted at the discretion of the Board to eligible optionees (an "**Optionee**"). If the New Plan is approved by shareholders, all outstanding options under the Existing Plan will be rolled into and deemed granted under the New Plan. As at the date of this Circular, there are 9,665,000 outstanding options under the Existing Plan.

Eligible Optionees

To be eligible to receive a grant of options under the New Plan, regulatory authorities require an Optionee to be either a director, officer, employee, consultant or an employee of a company providing management or other services to the Company or a subsidiary at the time the option is granted.

Options may be granted only to an individual eligible, or to a non-individual that is wholly-owned by individuals eligible, for an option grant. If the option is granted to a non-individual, it will not permit any transfer of its securities, nor issue further securities, to any individual or other entity as long as the option remains in effect.

Restrictions

The New Plan is subject to the following restrictions:

- (a) The Company must not grant an option to a director, employee, consultant, or consultant company (the "**Service Provider**") in any 12-month period that exceeds 5% of the outstanding common shares of the Company, unless the Company has obtained approval by a majority of the Disinterested Shareholders (defined below) of the Company;
- (b) The aggregate number of options granted to a Service Provider conducting investor relations activities in any 12 month period must not exceed 2% of the outstanding shares calculated at the date of the grant, without prior Regulatory Approval;
- (c) The Company must not grant an option to a Consultant in any 12 month period that exceeds 2% of the outstanding shares calculated at the date of the grant of the option;
- (d) The aggregate number of common shares reserved for issuance under options granted to Insiders (defined below) must not exceed 10% of the outstanding shares (in the event that the Plan is amended to reserve for issuance more than 10% of the outstanding shares) unless the Company has obtained Disinterested Shareholder Approval to do so;
- (e) The number of optioned shares issued to Insiders in any 12 month period must not exceed 10% of the outstanding shares (in the event that the Plan is amended to reserve for issuance more than 10% of the outstanding shares) unless the Company has obtained Disinterested Shareholder Approval to do so;
- (f) The issuance to any one Optionee within a 12 month period of a number of common shares must not exceed 5% of outstanding shares unless the Company has obtained Disinterested Shareholder Approval to do so;
- (g) The exercise price of an option previously granted to an Insider must not be reduced, unless the Company has obtained Disinterested Shareholder Approval to do so; and
- (h) The Company may implement such procedures and conditions as the Board deems appropriate with respect to withholding and remitting taxes imposed under applicable law, or the funding of related amounts for which liability may arise under such applicable law.

Definitions

“**Disinterested Shareholder Approval**” means the approval by a majority of the votes cast by all shareholders of the Company at the Meeting excluding votes attached to listed common shares beneficially owned by Insiders (defined below) of the Company and Associates (as defined in the British Columbia *Securities Act*) of Insiders.

An “**Insider**” is a director, or senior officer of the Company, a director or senior officer of a company that is an Insider or subsidiary of the Company, or a person that beneficially owns or controls, directly or indirectly, voting common shares carrying more than 10% of the voting rights attached to all outstanding voting common shares of the Company.

Material Terms of the New Plan

The following is a summary of the material terms of the New Plan:

- (a) persons who are Service Providers to the Company or its affiliates, or who are providing services to the Company or its affiliates, are eligible to receive grants of options under the New Plan;
- (b) all options granted under the New Plan expire on a date not later than 10 years after the issuance of such options. However, should the expiry date for an option fall within a trading Blackout Period (as defined in the New Plan, generally meaning circumstances where sensitive negotiations or other like information is not yet public), within 9 business days following the expiration of a Blackout Period;
- (c) for options granted to Service Providers, the Company must ensure that the proposed Optionee is a bona fide Service Provider of the Company or its affiliates;
- (d) an Option granted to (i) directors or officers will expire 90 days and (ii) to all others including, but not limited to, employees and consultants, will expire 30 days (or such other time, not to exceed one year, as shall be determined by the Board as at the date of grant or agreed to by the Board and the Optionee at any time prior to expiry of the Option) after the date the Optionee ceases to be employed by or provide services to the Company, and only to the extent that such Option was vested at the date the Optionee ceased to be so employed by or to provide services to the Company;
- (e) if an Optionee dies, any vested option held by him or her at the date of death will become exercisable by the Optionee’s lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such Optionee and the date of expiration of the term otherwise applicable to such option;
- (f) in the case of an Optionee being dismissed from employment or service for cause, such Optionee’s options, whether or not vested at the date of dismissal, will immediately terminate without right to exercise same;
- (g) the exercise price of each option will be set by the Board on the effective date of the option and will not be less than the Discounted Market Price (as defined in the New Plan);
- (h) vesting of options shall be at the discretion of the Board, and will generally be subject to: (i) the Service Provider remaining employed by or continuing to provide services to the Company or its affiliates, as well as, at the discretion of the Board, achieving certain milestones which may be defined by the Board from time to time or receiving a satisfactory performance review by the Company or its affiliates during the vesting period; or (ii) the Service Provider remaining as a Director of the Company or its affiliates during the vesting period;
- (i) in the event of a takeover bid being made to the shareholders generally, immediately upon receipt of the notice of the takeover bid, the Company shall notify each Optionee currently holding any Options, of the full particulars of the takeover bid, and all outstanding options may, notwithstanding the vesting terms contained in the New Plan or any vesting requirements subject to Regulatory Approval; and
- (j) the Board reserves the right in its absolute discretion to amend, suspend, terminate or discontinue the New Plan with respect to all New Plan shares in respect of options which have not yet been granted under the New Plan.

The Board has determined that, in order to reasonably protect the rights of participants, as a matter of administration, it is necessary to clarify when amendments to the New Plan may be made by the Board without further shareholder approval. Accordingly, the Board proposes that the New Plan also provide the following:

The Board may, without shareholder approval:

- (i) amend the New Plan to correct typographical, grammatical or clerical errors;
- (ii) change the vesting provisions of an option granted under the New Plan, if applicable;
- (iii) change the termination provision of an option granted under the New Plan if it does not entail an extension beyond the original expiry date of such option;
- (iv) make such amendments to the New Plan as are necessary or desirable to reflect changes to securities laws applicable to the Company;
- (v) make such amendments as may otherwise be permitted by regulatory authorities;
- (vi) if the Company becomes listed or quoted on a stock exchange or stock market senior to the TSX-V, make such amendments as may be required by the policies of such senior stock exchange or stock market; and
- (vii) amend the New Plan to reduce the benefits that may be granted to Service Providers.

Shareholder Approval and Acceptance by the Exchange

The New Plan is subject to the acceptance by the Exchange and the shareholder approval. At the Meeting, CLM Shareholders will be asked to consider and vote on the ordinary resolution to adopt the New Plan, with or without variation, as follows:

“UPON MOTION DULY MADE, IT WAS RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. Subject to the acceptance by the Exchange, the Stock Option Plan dated for reference May 27, 2019, as approved by the board of directors of the Company on May 27, 2019, as more particularly described in the Circular of the Company dated for reference August 15, 2019, be ratified, confirmed and approved.
2. All outstanding options granted previously by the Company be rolled into the Stock Option Plan.
3. To the extent permitted by law, the Company be authorized to abandon all or any part of the Stock Option Plan if the directors of the Company deem it appropriate and in the best interests of the Company to do so.
4. Any one or more of the directors and officers of the Company be authorized to perform all such acts, deeds and things and execute, under seal of the Company or otherwise, all such documents as may be required to give effect to these resolutions.”

The Board recommends that CLM Shareholders vote in favour of the New Plan. Unless such authority is withheld, the persons named in the enclosed Proxy intend to vote FOR the approval of the foregoing ordinary resolution.

An ordinary resolution is a resolution passed by the shareholders of the Company at a general meeting by a simple majority of the votes cast in person or by proxy.

A copy of the New Plan will be available for inspection at the Company's registered and records offices at Suite 804 – 750 West Pender Street, Vancouver, British Columbia, V6C 2T7, and will also be available for viewing at the Meeting.

Approval of Repricing of Previously Granted Stock Options

The Company wishes to reprice a total of 3,325,000 options, of which 1,800,000 options are held by insiders of the Company, representing 3.10% and 1.68%, respectively, of the current outstanding shares. In accordance with the terms of the New Plan and the policies of the Exchange, the repricing of the 1,800,000 options held by insiders is subject to CLM Shareholder approval, excluding any votes cast by insiders of the Company entitled to receive a benefit under the repricing of such options. In accordance with the amendment provisions of the New Plan, CLM Shareholder approval is not required for the repricing of 1,525,000 options that are held by non-insiders. On March 19, 2019, the Board approved the option repricing to \$0.30, based on the current market price of the Company's common shares.

The options proposed to be repriced were granted on the dates and at the prices set forth below:

Option Holders by Category		Grant Date	Number of Options	Original Exercise Price	Expiry Date
Consultants and Employees		Dec. 20/17	250,000	\$0.50	Dec. 20/19
Consultants and Employees		Jan. 15/18	750,000	\$0.60	Jan. 14/20
Consultants and Employees		Sept. 25/18	525,000	\$0.55	Sept. 25/20
Subtotal:			1,525,000		
Insiders	Relationship to Company	Grant Date	Number of Options	Original Exercise Price	Expiry Date
1152004 BC Ltd. ⁽¹⁾	President, CEO and director	Dec. 20/17	250,000	\$0.50	Dec. 19/19
Wally E. Boguski	COO and director	Dec. 20/17	100,000	\$0.50	Dec. 19/19
Richard Savage	President, CEO and director	Jan. 15/18	150,000	\$0.60	Jan. 14/20
1152004 BC Ltd. ⁽¹⁾	President, CEO and director	Sept. 25/18	650,000	\$0.55	Sept. 25/20
William John Meekison	Director	Sept. 25/18	50,000	\$0.55	Sept. 25/20
Alphonse Ruggiero	CFO, Secretary and director	Sept. 25/18	150,000	\$0.55	Sept. 25/20
Wally E. Boguski	COO and director	Sept. 25/18	450,000	\$0.55	Sept. 25/20
Subtotal:			1,800,000		
TOTAL:			3,325,000		

⁽¹⁾1152004 BC Ltd. is a company owned and operated by Richard Savage, the President, CEO and a director of the Company.

It is proposed that all of the foregoing options be repriced to \$0.30. The repricing of these options is intended to align the exercise price of the options with the current market pricing of the common shares of the Company. The expiry dates of the options will remain unchanged.

In accordance with the term of the New Plan and the Exchange policies, the repricing of options granted to insiders of the Company is subject to CLM Shareholder approval, excluding certain insiders as described above. Based on the present shareholdings of the directors and senior officers of the Company, a total of up to 1,800,000 common shares will be excluded from voting on the resolution.

Shareholder Approval and the Acceptance by the Exchange

The repricing of the stock options will have to be approved by the disinterested shareholders of the Company and accepted by the Exchange. At the Meeting, the CLM Shareholders, excluding certain insiders as described above, will be asked to pass the following ordinary resolution in regard to the repricing of options held by insiders of the Company:

“UPON MOTION DULY MADE, IT WAS RESOLVED AS AN ORDINARY RESOLUTION THAT subject to the acceptance by the Exchange, the Company be and is hereby authorized to reprice a total of 1,800,000 previously granted stock options held by insiders of the Company at exercise prices of \$0.60, \$0.55 and \$0.50 to an exercise price of \$0.305, and the directors and officers of the Company be authorized and directed to perform such acts and deeds and things and execute all such documents, agreements and other writings as may be required to give effect to the true intent of this resolution.”

The Board recommends that CLM Shareholders vote in favour of the repricing of options held by insiders. In the absence of any contrary directions, it is the intention of management to vote proxies in the accompanying form in favour of the foregoing ordinary resolutions.

Re-approval of Shareholder Rights Plan

On May 8, 2014, the Board adopted a shareholder rights plan (the “**Rights Plan**”) and the Rights Plan was subsequently approved by shareholders on January 31, 2018. The Rights Plan is intended to provide the CLM Shareholders and the Board with adequate time to consider and evaluate any unsolicited bid made for the Company, to provide the Board with adequate time to identify, develop and negotiate value-enhancing alternatives, if considered appropriate, to any such unsolicited bid, to encourage the fair treatment of shareholders in connection with any takeover bid for the Company and to ensure that any proposed transaction is in the best interests of the CLM Shareholders.

The Rights Plan will be re-submitted to and is subject to the acceptance by the Exchange following the Meeting, subject to re-approval by the CLM Shareholders of the Rights Plan at the Meeting.

If the Rights Plan is not re-approved at the Meeting, it will terminate and become ineffective at the end of the Meeting.

The Rights Plan requires that it be re-approved by the *Independent Shareholders* (as defined in the Rights Plan) which excludes various shareholders including *Acquiring Persons*, *Grandfathered Persons*, any *Offerors* and any associates or affiliates of any such shareholder(s) or any person(s) acting jointly and in concert with such shareholder(s). The Company is not aware of any shareholder who is not an Independent Shareholder as defined in the Rights Plan. Accordingly, unless, prior to the Meeting, any non-Independent Shareholders are identified, all CLM Shareholders will be entitled to vote on the resolution to re-approve the Rights Plan.

Background

In considering whether to re-approve the Rights Plan, the Board considered the current legislative framework in Canada governing takeover bids. Under provincial securities legislation, a takeover bid generally means an offer to acquire voting or equity shares of a person or persons, where the shares subject to the offer to acquire, together with shares already owned by the bidder and certain related parties thereto, aggregate 20% or more of the outstanding shares.

Summary of the Rights Plan

The following is a summary of the principal terms of the Rights Plan. Capitalized terms that are not defined herein have the meaning ascribed to them in the Rights Plan.

Effective Date

The effective date of the Rights Plan (the “**Effective Date**”) is May 8, 2014, subject to the re-approval of the CLM Shareholders at the Meeting and the approval of the Exchange.

Term

If the Rights Plan is ratified and re-approved at the Meeting, it will remain in force until the earlier of the Expiration Time and the termination of the annual meeting of the CLM Shareholders in the year 2020 unless at or prior to such meeting the CLM Shareholders ratify the continued existence of the Rights Plan (subject to earlier expiry in the event of (i) the redemption of the Rights (as defined below); or (ii) the exchange of Rights for debt or equity securities or assets (or a combination thereof), all as more particularly set out in the Rights Plan (the “**Expiration Time**”).

Issue of Rights

On the Effective Date, one right (a “**Right**”) was issued and attached to each of the Company’s outstanding shares and one Right was issued and will continue to be issued in respect of each share of the Company issued thereafter, prior to the earlier of the Separation Time (as defined below) and the Expiration Time.

Rights Exercise Privilege

The Rights will separate from the shares and become exercisable at the Separation Time (as defined below). After the Separation Time, but prior to the occurrence of a Flip-in Event (as defined below), each Right may be exercised to purchase one share per Right at the price (the “**Exercise Price**”), established and adjusted in accordance with the terms of the Rights Plan.

Flip-in Event and Exchange Option

Subject to certain customary exceptions, upon the acquisition by a person of 20% or more of the shares of the Company and that person becoming an Acquiring Person (a “**Flip-in Event**”) and following the Separation Time, each Right, other than a Right beneficially owned by an Acquiring Person, its affiliates and associates, their respective joint actors and certain transferees, may be exercised to purchase that number of shares which have a market value equal to two times the Exercise Price. Rights Beneficially Owned by an Acquiring Person, its affiliates and associates, their respective joint actors and certain transferees will be void. The Rights Plan provides that a person (a “**Grandfathered Person**”) who is the Beneficial Owner of 20% or more of the outstanding shares determined as at the Record Time shall not be an Acquiring Person unless, after the Record Time, that person becomes the Beneficial Owner of any additional shares (to the knowledge of the Board, there are no Grandfathered Persons). The Board is authorized, after a Flip-in Event has occurred, to issue or deliver, in return for the Rights and on payment of the relevant exercise price or without charge, debt, equity or other securities or assets of the Company or a combination thereof.

Certificates and Transferability

Prior to the earlier of the Separation Time (as defined below) and the Expiration Time, the Rights will be evidenced by a legend imprinted on certificates for shares of the Company issued from and after the Effective Date and will not be transferable separately from the shares. From and after the Separation Time (as defined below) and prior to the Expiration Time, the Rights will be evidenced by Rights Certificates which will be transferable and traded separately from the shares of the Company.

Separation Time

“**Separation Time**” means, subject to Section 5.2 of the Rights Plan, the close of business on the tenth trading day after the earliest of: (a) the Stock Acquisition Date, being the first date of public announcement by the Company or a person of facts indicating that a person has become an Acquiring Person; (b) the date of commencement of, or first public announcement of the intent of any Person (other than the Company or any Subsidiary of the Company) to commence a takeover bid (other than a Permitted Bid or a Competing Permitted Bid); and (c) the date upon which a Permitted Bid or Competing Permitted Bid ceases to be such; or such later date as may be determined by the Board acting in good faith, provided that if the foregoing results in a Separation Time being prior to Record Time, the Separation Time shall be the Record Time, and provided further that if any takeover bid referred to in clause (b) of this definition expires, is cancelled, terminated or otherwise withdrawn prior to the Separation Time, such takeover bid shall be deemed, for the purposes of this definition, never to have been made.

Permitted Bid and Competing Permitted Bid Requirements

The requirements for a Permitted Bid include the following:

- a) the takeover bid must be made for all shares of the Company and by way of a takeover bid circular;
- b) the takeover bid must be made to all CLM Shareholders;
- c) the takeover bid must be outstanding for a minimum period of 60 days and shares of the Company tendered pursuant to the takeover bid may not be taken up prior to the expiry of the 60 days period and only if at such time more than 50% of the shares of the Company held by Independent Shareholders have been tendered to the takeover bid and not withdrawn; and

- d) if more than 50% of the shares of the Company held by Independent Shareholders are tendered to the takeover bid within the 60 day period, the bidder must make a public announcement of that fact and the takeover bid must remain open for deposits of the Company's shares for an additional 10 business days from the date of such public announcement.

The Rights Plan allows for a Competing Permitted Bid to be made while a Permitted Bid is in existence. A Competing Permitted Bid must satisfy all the requirements of a Permitted Bid except that it may expire on the same date as the Permitted Bid.

Waiver and Redemption

The Board may, prior to a Flip-in Event and subject to the terms of the Rights Plan, waive the dilutive effects of the Rights Plan in respect of a particular Flip-in Event resulting from a takeover bid made by way of a take-over bid circular to all holders of the Company's shares, in which event such waiver would be deemed also to be a waiver in respect of any other Flip-in Event occurring under a takeover bid made by way of takeover bid circular to all holders of the Company's shares prior to the expiry of the takeover bid in respect of which the waiver is granted. The Board may also waive the Rights Plan in respect of a particular Flip-in Event that has occurred through inadvertence, provided that the Acquiring Person that inadvertently triggered such Flip-in Event reduces its beneficial holdings to less than 20% of the outstanding voting shares of the Company. At any time prior to the occurrence of a Flip-in Event, the Board may also at its option redeem all, but not less than all, of the outstanding Rights at a price of CAD \$0.00001 each.

Exemptions for Investment Advisors

Investment managers (for client accounts), trust companies (acting in their capacities as trustees and administrators) registered pension plan administrators, Crown agents and certain statutory bodies that manage investments funds for employee benefit plans, pension plans, insurance plans or various public bodies may acquire greater than 20% of the Company's shares without triggering a Flip-in Event, provided that they are not making, or are not part of a group making, a takeover bid.

Anti-dilution Adjustments

The Exercise Price of a Right, the number and kind of shares subject to purchase upon exercise of a Right, and the number of Rights outstanding, will be adjusted in certain events, including: (a) if there is a dividend payable in shares or convertible securities (other than pursuant to any regular dividend reinvestment plan of the Company providing for the acquisition of common shares), or a subdivision or consolidation of the shares, or an issuance of shares or Convertible Securities in respect of, in lieu of or in exchange for shares; or (b) if the Company fixes a record date for the distribution to all holders of shares of certain rights or warrants to acquire shares or Convertible Securities, or for the making of a distribution to all holders of shares of evidences of indebtedness or assets (other than regular periodic cash dividends or stock dividends payable in shares) or rights or warrants.

Supplements and Amendments

The Company is authorized to make amendments to the Rights Plan to correct any clerical or typographical error, or to maintain the validity of the Rights Plan as a result of changes in law or regulation. Prior to the Meeting, the Company is authorized to amend or supplement the Rights Plan as the Board may in good faith deem necessary or desirable. The Company will issue a press release relating to any significant amendment made to the Rights Plan prior to the Meeting and will advise the shareholders of any such amendment at the Meeting. Other amendments or supplements to the Rights Plan may be made with the prior approval of shareholders or Rights holders.

Recommendation of the CLM Board

The Board has determined that the Rights Plan is in the best interests of the Company and the CLM Shareholders. The Board recommends that CLM Shareholders vote in favour of the *Rights Plan Resolution*. Unless specified in a form of proxy that the Company's shares represented by the proxy shall be voted against the resolution respecting approval of the Rights Plan, it is the intention of the persons designated in the enclosed form of proxy to vote in favour of approval of the Rights Plan.

The Exchange requires that the Rights Plan be approved by ordinary resolution (being a resolution passed by more than 50% of the votes cast at the meeting by shareholders present by person or by proxy). Should, prior to the Meeting, any non-Independent Shareholder(s) be identified, then an additional approval by a resolution passed by more than 50% of the votes cast at the meeting by CLM Shareholders present in person or by proxy, without giving effect to any votes cast by non-Independent Shareholders. The Company does not presently anticipate that such an additional resolution will be required.

Shareholder Approval

At the Meeting, the CLM Shareholders, excluding insiders, will be asked to pass the following ordinary resolution in regard to the re-approval of the Rights Plan of the Company:

“UPON MOTION DULY MADE, IT WAS RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. The Shareholder Rights Plan dated for reference May 8, 2014 between the Company and Computershare Investor Services Inc. (the “Rights Plan”) is hereby ratified, confirmed and re-approved.
2. Any director or officer of the Company, be and is hereby authorized, for and on behalf of the Company, to execute and deliver the Rights Plan, make reasonable amendments to the Rights Plan from time to time to more properly protect the rights of its minority shareholders who would otherwise be eligible, as well as such other documents and instruments and take such other actions as such director or officer may determine to be necessary or advisable to implement this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of such documents or instruments and the taking of any such actions.”

If the Rights Plan is not approved by the CLM Shareholders, it will cease to have effect at the conclusion of the Meeting.

A copy of the Rights Plan will be available for inspection at the Company's registered and records offices at Suite 804 – 750 West Pender Street, Vancouver, British Columbia, V6C 2T7, and will also be available for viewing at the Meeting.

Adoption of New Articles

The Company is seeking shareholder approval to replace its articles (the “**Current Articles**”) with a new form of articles (the “**New Articles**”), with a view to incorporating the latest changes in laws and procedures and to providing the Company with greater flexibility in certain circumstances. The Board believes that adopting the New Articles will enable the Company to be more efficient and cost-effective, will provide the Company with greater flexibility in communicating with shareholders and in holding meetings and will provide shareholders with certain rights not provided for in the Current Articles.

The resolution approving the New Articles must be passed by not less than two-thirds of the votes cast by the CLM Shareholders present in person or by proxy at the Meeting.

Summary of the New Articles

The provisions of the New Articles are substantially similar to those of the Current Articles. The substantive changes from the Current Articles are as follows:

- (a) The Company may use the uncertificated shares and electronic records keeping systems currently in use worldwide and that are being increasingly adopted in Canada. The system, now known as the “Direct Registration” system, will provide a cost benefit to the Company as well as make share transactions more expedient and efficient.

- (b) The Company may communicate by mail, fax or email with other persons including directors, officers and shareholders, and delivery of notices to such persons shall be deemed to have occurred if the notice is mailed, faxed or emailed to the address or number, as applicable, provided by such person to the Company.
- (c) In the event of a redemption of some but not all of the shares of any class, the directors may, subject to any special rights and restrictions attached to such shares, determine the manner of selecting the shares to be redeemed.
- (d) The Company may, by directors' resolution, alter its articles and share structure to (a) create one or more classes or series of shares or, if none of the shares of a class or series of shares are allotted or issued, eliminate that class or series of shares, (b) increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue out of any class or series of shares or establish a maximum number of shares that the Company is authorized to issue out of any class or series of shares for which no maximum is established, (c) subdivide or consolidate all or any of its unissued, or fully paid issued, shares, (d) if the Company is authorized to issue shares of a class of shares with par value (i) decrease the par value of those shares; or (ii) if none of the shares of that class of shares are allotted or issued, increase the par value of those shares; (e) change all or any of its unissued shares, or fully paid issued, shares with par value into shares without par value or any of its unissued shares share without par value into shares with par value; and (f) alter the identifying name of any of its shares; and by ordinary resolution otherwise alter its shares or authorized share structure when required or permitted to do so by the *Business Corporations Act* (British Columbia).
- (e) The quorum for shareholders' meetings is changed from two shareholders, present in person or represented by proxy, who hold at least 5% of the issued and outstanding shares, to one shareholder present in person or represented by proxy.
- (f) Shareholder meetings may, if authorized by directors' resolution, be held in jurisdictions outside British Columbia.

Shareholder Approval and the Exchange Acceptance

At the Meeting, CLM Shareholders will be asked to pass the following ordinary resolution:

“UPON MOTION DULY MADE, IT WAS RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. Subject to the acceptance by the Exchange, the Company create and adopt new Articles in substitution for and cancellation of the existing Articles.
2. Any director or officer of the Company is authorized to execute and file such documents and take such further action, including any filings with the Registrar of Companies, that may be necessary to effect the adoption of the New Articles.”

The New Articles will have to be accepted by the Exchange pursuant its Policies. The New Articles shall have effect immediately on the date and time the New Articles are deposited for filing in the Company's records office.

A copy of the proposed New Articles will be available for inspection at the Company's registered and records offices at Suite 804 – 750 West Pender Street, Vancouver, British Columbia, V6C 2T7, and will also be available for viewing at the Meeting.

The Board recommends that CLM Shareholders vote in favour of the adoption of the amended Articles. In the absence of any contrary directions, it is the intention of management to vote proxies in the accompanying form in favour of the foregoing ordinary resolutions.

THE ARRANGEMENT

General

The Arrangement will be carried out pursuant to the Arrangement Agreement, the Plan of Arrangement and related documents. A summary of the principal terms of the Arrangement Agreement and the Plan of Arrangement is provided in this section. This summary does not purport to be complete and is qualified in its entirety by reference to the Arrangement Agreement, which is available on CLM's SEDAR profile at www.sedar.com and the Plan of Arrangement, which is appended to this Circular. Capitalized terms have the meaning set out in the Glossary of Terms, or are otherwise defined herein.

Approval of Special Resolution

At the Meeting, CLM Shareholders will be asked to approve the Arrangement Resolution, in the form set out in Appendix A attached to this Circular. The approval of the Arrangement Resolution will require at least a two-thirds majority of the votes cast by CLM Shareholders at the Meeting present in person or represented by proxy voting as a single class. In addition, completion of the Arrangement is subject to receipt of required Regulatory Approvals, including the approval of the Court and other customary closing conditions.

The Board has approved the terms of the Arrangement Agreement and the Plan of Arrangement and unanimously recommends that the CLM Shareholders vote FOR the Arrangement Resolution. See *The Arrangement — Recommendation of the CLM Board* below.

Reasons for the Arrangement

The Arrangement has been proposed to efficiently facilitate the reorganization of the Company's existing Assets to Spinco, and for the parent company, CLM, to focus on its BC Properties and elsewhere. The Board is of the view that the Arrangement will benefit the Company and the CLM Shareholders based on the following summary and background.

The Arrangement will include the transfers of the Assets as well as certain accounts payable attributable to the Emerald Lake Properties. The Arrangement will be subject to Court approval, as well as approval by the CLM Shareholders at the Meeting. Pursuant to the Arrangement, CLM will distribute 100% of the Spinco Shares it receives to the CLM Shareholders on a *pro rata* basis. The CLM Shareholders will be entitled to receive one Spinco Share in relation to every one CLM Share multiplied by the Conversion Factor. There will be no change in shareholders' holdings in CLM as a result of the Arrangement. No outstanding CLM warrants or options will be transferred over to Spinco. Spinco may or may not apply for a public listing in the near future.

On completion of the Arrangement, (i) Spinco will hold the Assets transferred to it by CLM, (ii) Spinco will become a reporting issuer in the Provinces of British Columbia and Alberta, (iii) each CLM Shareholder will continue to be a shareholder of the Company, (iv) all CLM Shareholders will have become shareholders of Spinco, and (v) the Company will retain its working capital for its Assets, and subject to meeting the continuous listing requirements will remain listed on the Exchange and continue to trade under the trading symbol, CLM, as a junior exploration company. **There can be no guarantee that the Spinco Shares will ever be listed on any stock exchange.**

Properties to be Transferred to Spinco

On June 25, 2019 and July 26, 2019, the Company announced the Arrangement whereby it intends to spin out the Emerald Lake Properties and the Binding LOI into Spinco, a wholly-owned subsidiary of CLM. The Spinco Shares will then be distributed to the CLM Shareholders. The Arrangement is designed to deliver greater value to the CLM Shareholders by unlocking the value of the Emerald Lake Properties and the Binding LOI, and allows current management to focus on the acquisition, exploration and development of its BC Properties, and elsewhere. Upon completion of the Arrangement, Spinco will hold a 100% interest in the Assets.

Emerald Lake Properties

The Company owns interests in two main groupings of mineral properties located in and around Emo, Ontario. These are referred to below as the 'Numbered Properties' and the 'L1/Allen' property groups.

The Company became interested in pursuing Ontario properties in Spring/Summer 2014 and acquired its first Ontario property known as the ‘Iron Ore’ property. Initial exploration and drilling operations showed promise and the Company decided to embark on an aggressive program of acquisitions with the owner of the properties of interest, Emerald Lake Development Corp. (“**ELD**”).

Property Group 1 - Numbered Properties

The Company entered into an agreement with ELD in July 2014, as amended (the “**IO Agreement**”), to purchase up to a 60% interest in the Iron and gold mineralization located on a property (the “**Iron Ore Property**”), located north of the town of Emo, Ontario. This property is now referred to as Property 1 and the terms have now been amended to include this property in the acquisitions of the properties being acquired under the NP Agreement, as noted below.

Pursuant to the IO Agreement, the Company paid \$65,000 in fiscal 2014 and issued 2,865,625 common shares valued at \$386,859 in fiscal 2015. In order to complete the acquisition of the 60% interest, the Company was required to pay four additional installments of \$50,000 each commencing April 15, 2016 and continuing every six months to October 17, 2017, plus additional finder’s fees of 115,475 common shares, which were issued during the year ended September 30, 2016 (valued at \$46,190); an additional 6,392,000 common shares were issuable on the earlier of a positive feasibility or the commencement of commercial production. The Company was also required to incur exploration expenditures of \$1,500,000 by October 15, 2017. The Company had the option to acquire an additional 32% interest in the iron ore mineralization present on the property at terms to be negotiated, plus the right of first refusal on future properties acquired by ELD.

The Company has now executed an agreement (the “**NP Agreement**”) with ELD, dated September 28, 2017, to acquire a 100% interest in claim blocks known as Properties 1 through 9, all located near Emo, Ontario.

Of these properties:

- a) Property 1 – was originally under option as the “Iron Ore Property” - all obligations remaining under the IO Agreement (as noted above) have been terminated and the acquisition terms related to this property are now the terms of the NP Agreement; and
- b) Property 6 – as noted elsewhere, the Company entered into a purchase agreement in January 2017 with ELD to buy a 100% interest in the mineral rights hosted by the property known as Property 6. The Company completed the acquisition by issuing 2,000,000 common shares valued at \$530,000 to ELD. A royalty consisting of 3% of net smelter returns is payable to ELD upon the commencement of commercial production.

In order to complete the acquisitions of a 100% interest in the numbered properties (*except Property 6 which is now 100% owned by the Company*), the Company is required to issue a total of 10,500,000 common shares (issued at a value of \$5,355,000) to ELD. ELD has agreed to an 18-month voluntary hold period on the issued shares.

A royalty consisting of 2% of net smelter returns shall be payable to ELD upon the commencement of commercial production – 1% may be purchased for \$1,000,000.

Prior to the latest amended agreement, the Company paid \$350,000 and issued 3,500,000 common shares valued at \$980,000.

At September 30, 2018, the Company impaired Property #1, 2, 3, 4, 5, 7, and 8 by \$1,621,500 based on claims expired.

Property Group 2 – L5/Farm Property and L1/Allen

L5/Farm Property, Emo, Ontario

The Company entered into an agreement (the “**L5 Agreement**”), dated May 26, 2015 as amended, to earn up to a 92% interest in the L5 Property (formerly referred to as the “Farm Property”), a mineral exploration property located in Emo, Ontario, in consideration for the payment of \$250,000 upon TSX-V approval (paid), and an additional \$250,000 within 12 months from regulatory approval. The Company is also required to incur exploration expenditures of \$2,000,000 by October 22, 2018. The property is subject to a 3% net smelter return royalty (“**NSR**”).

By an amending agreement dated October 22, 2015, the second payment date was extended by 18-months; it was again extended during the year ended September 30, 2017 to February 13, 2018 in consideration for a \$10,000 extension payment to ELD. An agreement has now been negotiated and executed (the “**L1/L5 Agreement**”), subject to regulatory approval, whereby the acquisition of the L5 Property will now be completed on the terms noted below.

L1/Allen Property, Emo, Ontario

The Company entered into an agreement (the “**L1 Agreement**”), dated September 15, 2015 as amended, to acquire the right to earn up to varying interests in the L1 Property, a mineral exploration property located in Emo, Ontario. Pursuant to the L1 Agreement, the Company was required to pay aggregate cash of \$2,110,000 and issue 3,500,000 shares in order to earn an initial 15% undivided interest. A work program of \$1,500,000 was also required by March 15, 2018. To date, the Company has paid \$310,000 and issued 3,500,000 shares to ELD under the L1 Agreement.

The requirement to pay the final \$1,500,000 has now been replaced by the L1/L5 Agreement - whereby the L1 Property and L5 Property will be acquired under the same agreement. The L1/L5 Agreement will create a clear path to 100% ownership of these flagship properties.

The L1/L5 Agreement will allow an increase in the Company’s interest to an undivided 60% in consideration for a cash payment of CDN\$2,000,000 in equal installments of \$500,000 (paid \$250,000) each over two years, with the initial payment to be made 60-days after the completion of the Company’s next financing which exceeds \$2,000,000. An additional 25% (for a total of 85% ownership) may be acquired by the Company paying \$8,000,000. The Company will also have exclusive right of first refusal for the final 15%. The L1 Property will remain subject to a 3% NSR while the L5 Property will remain subject to a 2% NSR; the Company may purchase a portion of each NSR - for 2% (L1 Property) and 1% (L5 Property).

In January 2018, the Company entered into an agreement (the “**L1/L5 Agreement**”) with Emerald Lake Development Corp. which will create a more favorable path to 100% ownership of the L1 and L5 properties, both in Chapple township, District of Rainy River. The L1/L5 Agreement, which will supersede and replace all prior agreements concerning these properties, will allow the Company to acquire a 100% interest in the properties.

In March 2018, the Company provided an update on its 100% optioned “Nicobat Project” where the Company is developing a pipeline of highly prospective nickel sulfide targets. Recently expanded to cover 50 sq. kilometers in northwest Ontario’s Rainy River district, Nicobat features excellent infrastructure (road, rail and power access) and an historic nickel-copper-cobalt sulfide mineral zone (“**Nico1**”) defined by drilling more than four decades ago. The Company now has earned 15% in the Nico 1 and will plan its next stage based on the recent technical exploration data completed the technical team’s recommendations.

Highlights:

- Crews are mobilizing to commence drilling within the next seven days at Nico1 on the western contact of the Dobie Intrusion (below and north of the historic zone);
- Lamontagne Geophysics Ltd. has been contracted to carry out surface and then borehole EM surveys upon completion of diamond drill holes at Nico1;
- A deep penetrating EM survey will be flown by CGG Canada Services Ltd. over Crystal Lake’s claims including the Nico1 and Nico2 properties. The objective of the survey is to detect an electrically conductive signature of sulfide mineralization associated with mafic intrusive bodies and strong magnetic anomalies that may represent mafic-ultramafic intrusions under cover.

The Company assembled a proven geological and geophysical team to unlock the full potential of its Nicobat Project which is being targeted for high-grade nickel, copper, cobalt and precious metal mineralization.

In March 2018, the Company announced that diamond drilling has commenced at its 100% optioned Nicobat Project (nickel-cobalt-copper-precious metals) in the Rainy River district of northwest Ontario. In addition, the company has expanded its deep penetrating airborne electromagnetic survey from the originally planned 500 line kilometers to 850 line kilometers.

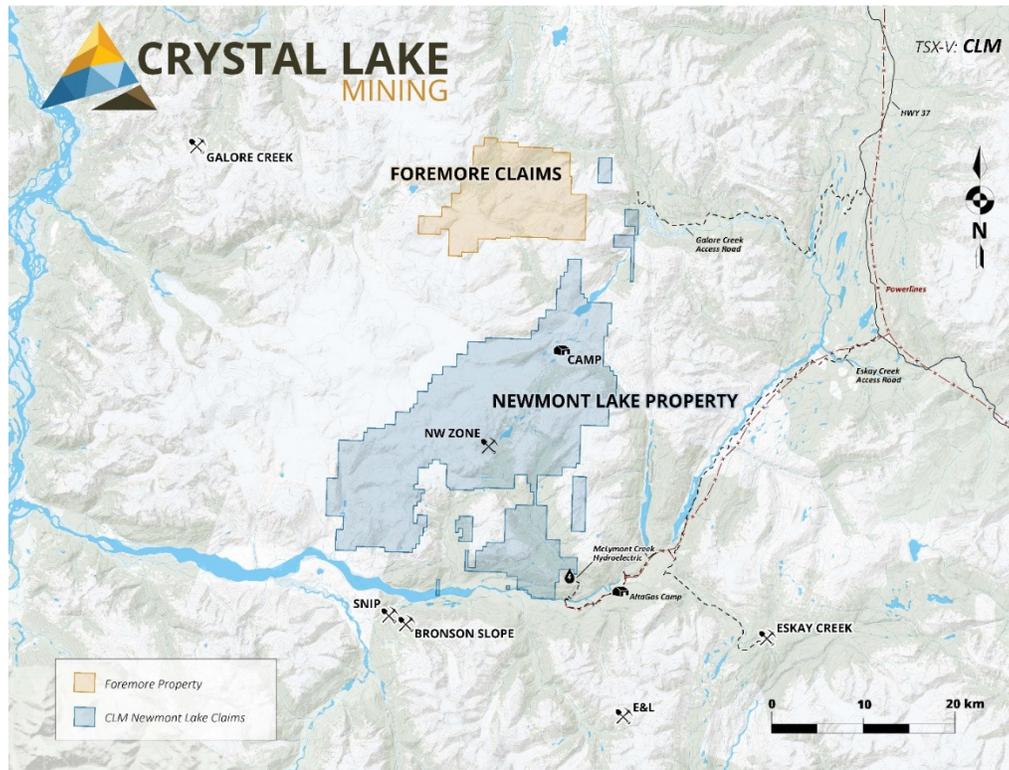
The first two holes at the Nico1 Property will undercut the historic zone to targeted depths of at least 400 meters and are designed to explore beneath the near-surface disseminated and breccia style magmatic sulfide mineralization. The boreholes will provide an ideal geophysical platform for Lamontagne Geophysics' borehole electromagnetic survey work to detect nearby conductive targets that may correspond to semi-massive and massive sulfides.

The following is a breakdown of the payments made on the Emerald Lake Properties:

	EL1 and EL5					
			(Allen Property)			
	Iron Property	Farm Property	EL1 Property	Property #1,2,3,4,5,7, and 8	Property #6	Total
Acquisition						
Additions - cash	\$ 86,125	\$ 260,000	\$ 360,000		\$ -	\$ 706,125
Additions - shares	433,049	-	980,000	5,355,000	530,000	7,298,049
Write-off	-	-	-	(1,606,500)		(1,606,500)
Ending	519,174	260,000	1,340,000	3,748,500	530,000	6,397,674
Exploration						
Opening	444,551	141,013	962,877	35,000		1,583,441
Total	\$ 963,725	\$ 401,013	\$ 2,302,877	\$ 3,783,500	\$ 530,000	\$ 7,981,115
Iron Property						
	Number of shares issued					
In PY 2015	2,865,625	\$ 386,859				
2015-10-20	109,165	\$ 46,190				
	<u>2,974,790</u>	<u>\$ 433,049</u>				
EL1 Property						
	Number of shares issued					
2017-03-15	1,500,000	\$ 405,000				
2016-03-15	1,000,000	\$ 300,000				
2016-06-15	1,000,000	\$ 275,000				
	<u>3,500,000</u>	<u>\$ 980,000</u>				
Property #1,2,3,4,5,7, and 8						
	Number of shares issued					
2018-04-27	10,500,000	\$ 5,355,000				
Property #6						
	Number of shares issued					
2017-02-23	2,000,000	\$ 530,000				

Foremore Claims Pursuant to Binding LOI

On June 24, 2019, the Company announced the entering into of the Binding LOI to acquire a 100% interest in the Foremore claims located to the northern boundary of the Company's 551 sq km Newmont Lake Project in Northwest B.C.'s Eskay Camp. The Foremore property consists of 35 unpatented mineral claims covering 15,531.81 ha and is located approximately 150 km northwest of Stewart, British Columbia, and approximately 410 km north of Smithers, British Columbia, in the Liard Mining Division of northwestern British Columbia. Access to the property is by helicopter from Bob Quinn Airstrip, which is located 50 km southeast of the property on Highway 37.



Foremore claims which are situated directly north of its Newmont Lake Property in the Eskay Creek District of the Golden Triangle, British Columbia

The Foremore claims comprise 143 sq. km (14,300 hectares) and host an abundance of known precious and base metal-rich mineralization including boulder fields and outcrops. Multiple geochemical and geophysical anomalies also exist over a broad area. Drilling last occurred at Foremore in 2008. Since then, snowfields have literally disappeared, opening fresh ground for exploration. The claims are considered highly prospective for new high-grade mineral discoveries.

The history of exploration in the area of the Foremore property extends for over 30 years. The main companies that worked in the area are Cominco Ltd. from 1987 to 1996 and Roca Mines Inc. from 2002 to 2018. Exploration included prospecting and mapping, soil and rock geochemical surveys, ground and airborne geophysical survey, multi-element analysis and petrographic studies and 14,525 metres of diamond drilling in 71 holes with focus on precious metal-enriched volcanic massive sulfide deposits.

Geologically, the property lies in the Stikinia terrane of the Intramontane Belt of western British Columbia.

The following are the Foremore claims:

Title Number	Claim Name	Owner	Title Type	Title Sub Type	Map Number	Issue Date	Good To Date	Status	Area (ha)
374763	FORE 1	128313 (100%)	Mineral	Claim	104G006	2000/MAR/09	2019/AUG/30	GOOD	500.0
374764	FORE 2	128313 (100%)	Mineral	Claim	104G006	2000/MAR/09	2019/AUG/30	GOOD	500.0
374765	FORE 3	128313 (100%)	Mineral	Claim	104G006	2000/MAR/09	2019/AUG/30	GOOD	300.0
374766	MORE 1	128313 (100%)	Mineral	Claim	104G006	2000/MAR/09	2019/AUG/30	GOOD	300.0
374767	MORE 2	128313 (100%)	Mineral	Claim	104G006	2000/MAR/09	2019/AUG/30	GOOD	500.0
374768	MORE 3	128313 (100%)	Mineral	Claim	104G006	2000/MAR/09	2019/AUG/30	GOOD	450.0
374769	MORE 4	128313 (100%)	Mineral	Claim	104G006	2000/MAR/09	2019/AUG/30	GOOD	500.0
374770	MORE 5	128313 (100%)	Mineral	Claim	104G006	2000/MAR/09	2019/AUG/30	GOOD	500.0
380863	FM 1	128313 (100%)	Mineral	Claim	104G006	2000/SEP/18	2019/OCT/01	GOOD	25.0
380864	FM 2	128313 (100%)	Mineral	Claim	104G006	2000/SEP/18	2019/OCT/01	GOOD	25.0
380865	FM 3	128313 (100%)	Mineral	Claim	104G006	2000/SEP/18	2019/OCT/01	GOOD	25.0
380866	FM 4	128313 (100%)	Mineral	Claim	104G006	2000/SEP/18	2019/OCT/01	GOOD	25.0
392631	FORE 4	128313 (100%)	Mineral	Claim	104G006	2002/APR/03	2019/OCT/01	GOOD	450.0
392632	FORE 5	128313 (100%)	Mineral	Claim	104G006	2002/APR/03	2019/OCT/01	GOOD	225.0
392641	FORE 6	128313 (100%)	Mineral	Claim	104G006	2002/APR/03	2019/OCT/01	GOOD	400.0
392642	FORE 7	128313 (100%)	Mineral	Claim	104G006	2002/APR/03	2019/OCT/01	GOOD	450.0
392643	FORE 8	128313 (100%)	Mineral	Claim	104G006	2002/APR/03	2019/OCT/01	GOOD	150.0
392644	FORE 10	128313 (100%)	Mineral	Claim	104G006	2002/APR/03	2019/OCT/01	GOOD	500.0
392645	FORE 9	128313 (100%)	Mineral	Claim	104G006	2002/APR/03	2019/OCT/01	GOOD	400.0
392646	FORE 11	128313 (100%)	Mineral	Claim	104G006	2002/APR/03	2019/OCT/01	GOOD	400.0
392649	EBF1	128313 (100%)	Mineral	Claim	104G006	2002/APR/03	2019/OCT/01	GOOD	500.0
392650	EBF2	128313 (100%)	Mineral	Claim	104G006	2002/APR/03	2019/OCT/01	GOOD	500.0
392651	EBF3	128313 (100%)	Mineral	Claim	104G006	2002/APR/03	2019/OCT/01	GOOD	500.0
392652	EBF4	128313 (100%)	Mineral	Claim	104G006	2002/APR/03	2019/OCT/01	GOOD	500.0
392655	MORE 0	128313 (100%)	Mineral	Claim	104G006	2002/APR/03	2019/OCT/01	GOOD	500.0
392660	MORE 11	128313 (100%)	Mineral	Claim	104G005	2002/APR/03	2019/OCT/01	GOOD	500.0
393461	ANT 4	128313 (100%)	Mineral	Claim	104G017	2002/MAY/20	2019/OCT/01	GOOD	500.0
400284	ROKS 1	128313 (100%)	Mineral	Claim	104G006	2003/FEB/12	2019/OCT/01	GOOD	150.0
400285	ROKS 2	128313 (100%)	Mineral	Claim	104G006	2003/FEB/12	2019/OCT/01	GOOD	500.0
400286	ROKS 3	128313 (100%)	Mineral	Claim	104G006	2003/FEB/12	2019/OCT/01	GOOD	400.0
400287	ROKS 4	128313 (100%)	Mineral	Claim	104G016	2003/FEB/12	2019/OCT/01	GOOD	375.0
400288	ROKS 5	128313 (100%)	Mineral	Claim	104G016	2003/FEB/12	2019/OCT/01	GOOD	450.0
1047022		128313 (100%)	Mineral	Claim	104G	2016/OCT/02	2019/OCT/01	GOOD	1721.8991
1047031		128313 (100%)	Mineral	Claim	104G	2016/OCT/02	2019/OCT/01	GOOD	263.7589
1047034		128313 (100%)	Mineral	Claim	104G	2016/OCT/02	2019/OCT/01	GOOD	1546.1487
								total HA	14531.80

Pursuant to the Binding LOI with Lorne Warren (the "**Optionor**"), the Company has been granted the exclusive right to earn a 100% undivided interest in the Foremore claims (the "**Option**"). The Company may exercise this right, at its sole discretion, by completing the following:

- (a) Within 3 business days following the execution of the Binding LOI, delivering to the Optionor the sum of \$10,000 (the "**Deposit**"). In the event that the acquisition does not close, the deposit shall be immediately returned to the Company.

Making total cash payments of \$300,000 over 4 years to the Optionor as follows:

- (i) \$50,000 on or before the date that is 3 business days after the date upon which both parties have received approval from the Exchange of the Binding LOI (the "**Effective Date**");
 - (ii) \$50,000 on or before the first anniversary of the Effective Date;
 - (iii) \$66,667 on or before the second anniversary of the Effective Date;
 - (iv) \$66,667 on or before the third anniversary of the Effective Date; and
 - (v) \$66,667 on or before the fourth anniversary of the Effective Date.
- (b) Issuing an aggregate of 1,250,000 common shares in the capital of the Company (the "**Shares**") to the Optionor over 4 years as follows:
- (i) 250,000 Shares on the Effective Date;

- (ii) 250,000 Shares on the first anniversary of the Effective Date;
 - (iii) 250,000 Shares on the second anniversary of the Effective Date;
 - (iv) 250,000 Shares on or before the third anniversary of the Effective Date; and
 - (v) 250,000 Shares on or before the fourth anniversary of the Effective Date.
- (c) Issuing exploration expenditures of \$1,200,000 (CDN) on the claims over 5 years as follows:
- (i) \$150,000 on or before the first anniversary of the Effective Date;
 - (ii) \$150,000 on or before the second anniversary of the Effective Date;
 - (iii) \$300,000 on or before the third anniversary of the Effective Date;
 - (iv) \$300,000 on or before the fourth anniversary of the Effective Date;
 - (v) \$300,000 on or before the fifth anniversary of the Effective Date.

As of the date of this Circular, the Company has made payments to the Optionor in the amount of \$60,000.

Upon exercise of the Option, the Optionor will be entitled to a royalty of 3% of net smelter returns. The Company has the right to purchase back the royalty of 2% for \$2,000,000 and an additional royalty of 0.5% for \$1,000,000.

On August 13, 2019, the Company received the approval from the Exchange to the Binding LOI.

Properties to Remain in CLM

Following completion of the Arrangement, the Company will retain its working capital for its Assets, and remain listed on the Exchange and continue to trade under the trading symbol, CLM, as a junior exploration company. The following comprises the BC Properties:

Tom Cat Claims, British Columbia

The Company owns a 100% interest in certain mining claims, known as the Tom Cat Claims, located in the Nicola Mining District, British Columbia. The claims are subject to a 2% NSR, of which 1% may be purchased for \$2,000,000 for five years from the start of commercial production.

The Tom Cat is located 200 kilometers east-northeast of Vancouver within the historic Aspen Grove copper camp. The region is known to host significant copper resources, including those at Copper Mountain and Highland Valley.

During the year ended September 30, 2018, the Company impaired the Tom Cat Claims by \$460,067 based on claims expired.

Newmont Lake Claims, British Columbia

In September 2018, the Company entered into a letter agreement for an option to acquire 100% of Romios Gold Resources Inc. (“**Romios**”)’s interest in in the 436 sq. km Newmont Lake Project in the prolific Golden Triangle, immediately south of Galore Creek (Newmont and Teck) and northnorthwest of key projects in the highly active Eskay Camp.

Newmont Lake Project Highlights:

- Vastly under-explored district-scale land package with multi-commodity potential in the heart of the Eskay Rift;

- 22 documented mineral occurrences adjacent to the high-grade Northwest gold zone (historic resource) which is open for expansion;
- Immediate (October) planned drill program at Burgundy Ridge target (never previously drilled) at southwestern end of project where a continually receding snowfield has exposed broad areas of copper-gold-silver mineralization; and
- Major new infrastructure improvements in the region (roads, bridges, power, AltaGas camp) have enhanced access and will accelerate the discovery process.

Pursuant to the agreement, in order to complete the acquisition, the Company is required to:

- i) pay \$250,000 immediately upon signing (paid).
- ii) pay \$250,000 at 90 days following the regulatory approval (paid).
- iii) pay \$250,000 at 180 days following the regulatory approval (paid).
- iv) pay \$250,000 at 270 days following the regulatory approval.
- v) pay \$1,000,000 concurrently with the Company being vested with a 100% interest in the property.
- vi) issue 4,000,000 shares upon the regulatory approval (issued at a value of \$1,080,000).
- vii) issue 4,000,000 shares on September 19, 2020.
- viii) issue 4,000,000 shares on September 19, 2021.
- ix) incur exploration expenditures of \$3,000,000 by September 20, 2019.
- x) incur exploration expenditures of \$2,500,000 by September 19, 2020.
- xi) incur exploration expenditures of \$2,500,000 by September 19, 2021.
- xii) incur an underlying annual payment of \$30,000 (first payment subject to regulatory approval).

The claims are subject to a 2% NSR, one-half of which can be bought back by the Company for \$2,000,000 per 0.5% for a period of 2 years after completion by the Company of the commitments under the option. The Company will issue 2,000,000 shares to Romios in the event a NI 43-101 compliant resource estimate exceeds 1,000,000 ounces of gold equivalent resources is issued. An additional 1,000,000 shares of the Company will be issued to Romios for each full 1,000,000 additional ounces of gold equivalent resources which is so documented.

NI 43 -101 Independent Technical Report dated February 4, 2019 in relation to the Newmont Property is available on www.sedar.com under the profile of the Company.

Fairness of the Arrangement

The Arrangement was determined to be fair to the CLM Shareholders by the Board based upon the following factors, among others:

1. the procedures by which the Arrangement will be approved, including the requirement for 66.66% approval by the CLM Shareholders and approval by the Court after a hearing at which fairness will be considered;
2. the possibility of pursuing a proposed listing of the Spinco Shares on a stock exchange;
3. the opportunity for CLM Shareholders who are opposed to the Arrangement, upon compliance with certain conditions, to dissent from the approval of the Arrangement in accordance with the Interim Order, and to be paid fair value for their CLM Shares; and
4. each CLM Shareholder on the Share Distribution Record Date will participate in the Arrangement on a *pro rata* basis and, upon completion of the Arrangement, will continue to hold substantially the same *pro rata* interest that such CLM Shareholder held in the Company prior to completion of the Arrangement and substantially the same *pro rata* interest in Spinco.

Dissenting Shareholders

Each CLM Share held by a Dissenting Shareholder will be deemed to be directly transferred and assigned by such Dissenting Shareholder to CLM (free and clear of any liens) and cancelled for the following consideration (which is more particularly described in the Plan of Arrangement): (a) the fair value of the CLM Shares (in cash) to be determined as of the close of business on the day before the Effective Time; or (b) if it is determined that a Dissenting Shareholder is not entitled, for any reason, to be paid the fair value for their CLM Shares, then such CLM Shares will be deemed to have participated in the Arrangement as of the Effective Time and such holder will be entitled to receive Spinco Shares as consideration as if such holder had not exercised Dissent Rights.

In no circumstances will CLM or any other person be required to recognize a person purporting to exercise Dissent Rights unless such person is a Registered Shareholder in respect of which such rights are sought to be exercised.

Effect of the Arrangement

On completion of the Arrangement, Spinco will issue approximately 10,000,000 Spinco Shares to the CLM Shareholders. CLM Shareholders will hold 100% of the total issued and outstanding Spinco Shares, subject any Spinco Shares to be issued by Spinco pursuant to additional financing(s). For a description of the rights attached to the Spinco Shares, see *Information Concerning Spinco – Share Capital*.

On completion of the Arrangement, (i) Spinco will hold the Assets transferred to it by CLM, (ii) Spinco will become a reporting issuer in the Provinces of British Columbia and Alberta, , (iii) each CLM Shareholder will continue to be a shareholder of the Company, (iv) all CLM Shareholders will have become shareholders of Spinco, and (v) the Company will retain its working capital for its assets, and remain listed on the Exchange and continue to trade under the trading symbol, CLM, as a junior exploration company. **There can be no guarantee that the Spinco Shares will be listed on any stock exchange.**

On completion of the Arrangement, the authorized share capital of CLM will be altered by:

- (i) changing the identifying name of the CLM Shares to Class A common shares without par value, being the “**CLM Class A Common Shares**”;
 - (ii) creating a class consisting of an unlimited number of common shares without par value (the “**New CLM Shares**); and
 - (iii) creating a class consisting of an unlimited number of Class A preferred shares without par value, having the rights and restrictions described in Schedule A to the Plan of Arrangement, being the CLM Class A Preferred Shares.
- (a) Each issued CLM Class A Common Share will be exchanged for one New CLM Share and one CLM Class A Preferred Share and, subject to the exercise of a right of dissent, the holders of the CLM Class A Common Shares will be removed from the central securities register of CLM and will be added to the central securities register as the holders of the number of New CLM Shares and CLM Class A Preferred Shares that they have received on the exchange.
 - (b) All of the issued CLM Class A Common Shares will be cancelled with the appropriate entries being made in the central securities register of CLM and the aggregate paid up capital (as that term is used for purposes of the Tax Act) of the CLM Class A Common Shares immediately prior to the Effective Date will be allocated between the New CLM Shares and the CLM Class A Preferred Shares so that the aggregate paid up capital of the CLM Class A Preferred Shares is equal to the aggregate fair market value of the Distributed Spinco Shares as of the Effective Date, and each CLM Class A Preferred Share so issued will be issued by CLM at an issue price equal to the aggregate fair market value of the Distributed Spinco Shares as of the Effective Date, divided by the number of issued CLM Class A Preferred Shares, such aggregate fair market value of the Distributed Spinco Shares to be determined as at the Effective Date by resolution of the board of directors of CLM . CLM will redeem the issued CLM Class A Preferred Shares for consideration consisting solely of the Distributed Spinco Shares such that each holder of CLM Class A Preferred Shares will, subject to the rounding of fractions and the exercise of rights of dissent, receive that number of Spinco Shares

that is equal to the number of CLM Class A Preferred Shares held by such holder multiplied by the Conversion Factor. The total number of Spinco Shares to be distributed to CLM Shareholders shall be approximately 10,000,000, subject to the rounding of fractions and exercise of rights of dissent.

- (c) The name of each holder of CLM Class A Preferred Shares will be removed as such from the central securities register of CLM, and all of the issued CLM Class A Preferred Shares will be cancelled with the appropriate entries being made in the central securities register of CLM.
- (d) The Distributed Spinco Shares transferred to the holders of the CLM Class A Preferred Shares pursuant to step §(e) above will be registered in the names of the former holders of CLM Class A Preferred Shares and appropriate entries will be made in the central securities registers of Spinco.
- (e) The CLM Class A Common Shares and the CLM Class A Preferred Shares, none of which will be allotted or issued once the steps referred to in steps §(c) and §(e) above are completed, will be cancelled and the authorized share structure of CLM will be changed by eliminating the CLM Class A Common Shares and the CLM Class A Preferred Shares therefrom.
- (f) The Notice of Articles and Articles of CLM will be amended to reflect the changes to its authorized share structure made pursuant to the Plan of Arrangement.

Effective Date of the Arrangement

If the Arrangement Resolution is passed, the Final Order is obtained, every other requirement of the BCBCA relating to the Arrangement is complied with and all other conditions disclosed in the Arrangement Agreement and summarized below under *The Arrangement Agreement — Conditions to the Arrangement Becoming Effective* are satisfied or waived, the Arrangement will become effective on the Effective Date. CLM and Spinco currently expect that the Effective Date will be in October 2019 and will be announce by a news release.

Recommendation of the CLM Board

By passing the Arrangement Resolution, the CLM Shareholders will also be giving authority to the Board to use its best judgment to proceed with and cause the Company to complete the Arrangement without any requirement to seek or obtain any further approval of the CLM Shareholders.

The Board approved the Arrangement and authorized the submission of the Arrangement to the CLM Shareholders and the Court for approval. In reaching this conclusion, the Board considered the benefits to the Company and the CLM Shareholders, as well as the financial position, opportunities and the outlook for the future potential and operating performance of the Company and Spinco.

The Arrangement Resolution also provides that the Plan of Arrangement may be amended by the Board before or after the Meeting without further notice to CLM Shareholders. The Board has no current intention to amend the Plan of Arrangement; however, it is possible that the Board may determine that it is appropriate that amendments be made.

After careful consideration, the Board has unanimously determined that the offered consideration of one (1) Spinco Share in exchange for every one CLM Shares multiplied by the Conversion Factor held by CLM Shareholders under the Arrangement is fair, from a financial point of view, to CLM Shareholders and that the Arrangement is in the best interests of CLM. **Accordingly, the Board has concluded that the Arrangement is in the best interests of the Company and the CLM Shareholders, and unanimously recommends that the CLM Shareholders vote FOR the Arrangement Resolution at the Meeting.**

Conditions to the Arrangement

The Arrangement Agreement provides that the Arrangement will be subject to the fulfillment of certain conditions, including the following:

1. the Arrangement Agreement must be approved by the CLM Shareholders at the Meeting in the manner referred to under *Shareholder Approval*, as described below;

2. the Arrangement must be approved by the Court in the manner referred to under *Court Approval of the Arrangement*, as described below;
3. all other consents, orders, regulations and approvals, including regulatory, the Exchange and judicial approvals and orders, required, necessary or desirable for the completion of the Arrangement must have been obtained or received, each in a form acceptable to the Company and Spinco; and
4. the Arrangement Agreement must not have been terminated.

If any of the conditions set out in the Arrangement Agreement are not fulfilled or performed, the Arrangement Agreement may be terminated, or in certain cases the Company or Spinco, as the case may be, may waive the condition in whole or in part. As soon as practicable after the fulfillment of the conditions contained in the Arrangement Agreement, the Final Order will be deposited with the records office of the Company together with such other material as may be required, in order that the Arrangement will become effective.

Management of the Company believes that all material consents, orders, regulations, approvals or assurances required for the completion of the Arrangement will be obtained in the ordinary course upon application therefore.

SHAREHOLDER APPROVAL

In order for the Arrangement to become effective, the Arrangement Resolution must be passed, with or without variation, by a special resolution of at least 66.66% of the eligible votes cast in respect of the Arrangement Resolution by CLM Shareholders present in person or by proxy at the Meeting.

The sole shareholder of Spinco, being the Company, has approved the Arrangement by consent resolutions.

COURT APPROVAL OF THE ARRANGEMENT

The Arrangement as structured requires the approval of the Court. Prior to the mailing of this Circular, the Company obtained the Interim Order authorizing the calling and holding of the Meeting and providing for certain other procedural matters. The Interim Order is attached as Appendix C to this Circular. The Notice of Hearing of Petition regarding the Final Order is attached as Appendix E to this Circular.

The Court has broad discretion under the BCBCA when making orders in respect of arrangements and the Court may approve the Arrangement as proposed or as amended in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court thinks appropriate. The Court, in hearing the application for the Final Order, will consider, among other things, the fairness of the terms and conditions of the Arrangement to the CLM Shareholders.

The Arrangement requires Court approval under the BCBCA. In addition to this approval, the Court will be asked for a declaration following a Court hearing that the Arrangement is procedurally and substantially fair to the CLM Shareholders, which will, in part, serve as the basis for the Section 3(a)(10) Exemption. Before the mailing of this Circular, CLM obtained the Interim Order providing for the calling and holding of the Meeting, the Dissent Rights and certain other procedural matters. The text of the Interim Order is set out in Appendix C to this Circular. If the Arrangement Resolution is passed at the Meeting in the manner required by the Interim Order, CLM intends to make an application to the Court for the Final Order at 9:45 a.m. (Vancouver time), or as soon thereafter as counsel may be heard, on October 3, 2019 at the Courthouse, 800 Smith Street, Vancouver, British Columbia, or at any other date and time as the Court may direct. The Final Order is required for the Arrangement to become effective, and before the hearing of the Final Order, the Court will be informed that the Final Order will also constitute the basis for the Section 3(a)(10) Exemption with respect to the Spinco Shares and the New CLM Shares to be issued pursuant to the Arrangement. The Court has broad discretion under the BCBCA when making orders with respect to the Arrangement and that the Court will consider, among other things, the fairness and reasonableness of the Arrangement, both from a substantive and a procedural point of view. The Court may approve the Arrangement, either as proposed or as amended, on the terms presented or substantially on those terms. There can be no guarantee that the Court will approve the Arrangement. Depending upon the nature of any required amendments and in accordance with the Arrangement Agreement, CLM or Spinco may determine not to proceed with the Arrangement.

Any CLM Shareholders who wish to appear or be represented and to present evidence or arguments at that hearing must file and serve a response to petition no later than 4:00 p.m. (Vancouver time) on September 27, 2019 along with any other documents required, all as set out in the Interim Order and Notice of Petition for Final Order, the texts of which are set out in Appendices C and E to this Circular, and satisfy any other requirements of the Court. Such persons should consult with their legal advisor with respect to the legal rights available to them in relation to the Arrangement and as to the necessary requirements to assert any such rights.

COMPLETION OF ARRANGEMENT

Proposed Timetable for Arrangement

The anticipated timetable for the completion of the Arrangement and the key dates proposed are as follows:

Record Date:	August 15, 2019
Annual General and Special Meeting:	September 30, 2019
Final Court Approval:	October 3, 2019
Share Distribution Record Date:	To be determined
Share Exchange Date/Effective Date:	To be determined
Mailing of DRS Statement for Spinco Shares:	To be determined

Notice of the actual Share Distribution Record Date and Share Exchange Date will be given to the CLM Shareholders through one or more press releases. The boards of directors of each of the Company and Spinco, will determine the Share Exchange Date/Effective Date depending upon satisfaction that all of the conditions to the completion of the Arrangement are satisfied.

Due Bill trading procedures pursuant to section 13 of TSX-V Policy 3.2 may apply in respect of the share distribution and, if applicable, a full explanation of such procedures will be given to shareholders sufficiently in advance of the Share Distribution Record Date by press release.

Share Certificates

As soon as practicable after the Share Exchange Date/Effective Date, DRS Statements representing the appropriate number of Spinco Shares will be sent to all CLM Shareholders of record on the Share Distribution Record Date.

Relationship Between the Company and Spinco After the Arrangement

On completion of the Arrangement, the directors and management of the Company will consist of the following:

Richard Savage	President, CEO and Director
Alphonse J. Ruggiero	CFO and Director
Wally E. Boguski	COO and Director
Lawrence Roulston	Director
Dave Ellett	Director
Kristine Frost	Corporate Secretary
Maurizio Napoli	Vice President, Exploration

On completion of the Arrangement, the directors and management of Spinco will consist of the following:

Richard Savage	President, CEO and Director
Alphonse J. Ruggiero	CFO and Director
Wally E. Boguski	Director
Lawrence Roulston	Director
Dave Ellett	Director
Kristine Frost	Corporate Secretary

Distribution and Resale of Spinco Shares under Canadian Securities Laws

Exemption from Canadian Prospectus Requirements and Resale Restrictions

The distribution of the Spinco Shares pursuant to the Arrangement will constitute a distribution of securities that is exempt from the prospectus requirements of Canadian Securities Laws and is exempt from or otherwise is not subject to the registration requirements under applicable Canadian Securities Laws. The Spinco Shares received pursuant to the Arrangement will not be legended and may be resold through registered dealers in each of the provinces of Canada provided that (i) the trade is not a “control distribution” as defined National Instrument 45-102 *Resale of Securities* of the Canadian Securities Administrators, (ii) no unusual effort is made to prepare the market or to create a demand for the Spinco Shares, as the case may be, (iii) no extraordinary commission or consideration is paid to a person or company in respect of such sale, and (iv) if the selling security holder is an insider or officer of Spinco, the selling security holder has no reasonable grounds to believe that Spinco is in default of applicable Canadian Securities Laws.

The foregoing discussion is only a general overview of the requirements of Canadian Securities Laws for the resale of the Spinco Shares received upon completion of the Arrangement. All holders of CLM Shares are urged to consult with their own legal counsel to ensure that any resale of their Spinco Shares complies with applicable securities legislation.

United States Securities Laws Considerations

The Spinco Shares and New CLM Shares to be issued to the CLM Shareholders under the Arrangement have not been registered under the U.S. Securities Act, or under the securities laws of any state of the United States, and will be issued to CLM Shareholders resident in the United States in reliance on the Section 3(a)(10) Exemption on the basis of the approval of the Arrangement by the Court, and pursuant to available exemptions from registration under applicable state securities laws. The Court will be advised that the Court’s approval, if obtained, will constitute the basis for an exemption from the registration requirements of the U.S. Securities Act.

The following discussion is a general overview of certain requirements of federal U.S. Securities Laws that may be applicable to CLM Shareholders in the United States. All CLM Shareholders in the United States are urged to consult with their own legal counsel to ensure that any subsequent resale of Spinco Shares and New CLM Shares to be received pursuant to the Arrangement complies with applicable Securities Laws, including blue-sky laws that may be applicable to the Spinco Shares and New CLM Shares received under the Arrangement.

The discussions presented herein do not address the U.S. Securities Laws for persons who are “affiliates” of Spinco other than as expressly referenced herein. The definition of “affiliates” for such purpose is set forth under *Resales of Spinco Shares after the Effective Date* below. Further information applicable to CLM Shareholders in the United States is disclosed under *Note to United States Shareholders*.

The following discussion does not address the Canadian Securities Laws that will apply to the issue of Spinco Shares and New CLM Shares into the United States or the resale of these securities within Canada by CLM Shareholders in the United States. CLM Shareholders in the United States reselling their Spinco Shares or New CLM Shares in Canada must comply with Canadian Securities Laws, as outlined elsewhere in this Circular, and should confirm that any such sales comply with an exemption from registration under the U.S. Securities Act, as further discussed below.

U.S. Resale Restrictions – Securities Issued to CLM Shareholders

The Spinco Shares and New CLM Shares issued to a CLM Shareholder who is an “affiliate” of either the Company and Spinco prior to the Arrangement or will be an “affiliate” of Spinco after the Arrangement will be subject to certain restrictions on resale imposed by the U.S. Securities Act. Pursuant to Rule 144 under the U.S. Securities Act, an “affiliate” of an issuer for the purposes of the U.S. Securities Act is a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such issuer.

The foregoing discussion is only a general overview of certain requirements of United States Securities Laws applicable to the securities received upon completion of the Arrangement. All holders of securities received in connection with the Arrangement are urged to consult with counsel to ensure that the resale of their securities complies with applicable securities legislation.

Exemption from the Registration Requirements of the U.S. Securities Act

The offer and sale of Spinco Shares and New CLM Shares to be received by CLM Shareholders pursuant to the Arrangement 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 will be issued in reliance upon the Section 3(a)(10) Exemption and exemptions provided under the Securities Laws of each state of the United States in which CLM Shareholders reside, described above as “state blue-sky laws”. The Section 3(a)(10) Exemption exempts the issuance of any securities issued in exchange for one or more bona fide outstanding securities from the general requirement of registration under the U.S. Securities Act where the terms and conditions of the issuance and exchange of such securities have been approved by a court of competent jurisdiction that is expressly authorized by law to grant such approval, after a hearing upon the procedural and substantive fairness of the terms and conditions of such issuance and exchange at which all persons to whom it is proposed to issue the securities have the right to appear and receive timely and adequate notice thereof. The Court is authorized to conduct a hearing at which the procedural and substantive fairness of the terms and conditions of the Arrangement will be considered. The Court issued the Interim Order on August 23, 2019 and, subject to the approval of the Arrangement by the CLM Shareholders, a hearing in respect of the Final Order for the Arrangement will be held on October 3, 2019 at 9:45 a.m. (Vancouver time), or as soon thereafter as counsel may be heard, before the Court at the courthouse at 800 Smithe Street, Vancouver, British Columbia. All CLM Shareholders are entitled to appear and be heard at this hearing. Accordingly, the Final Order will, if granted, constitute a basis for reliance on the Section 3(a)(10) Exemption with respect to the Spinco Shares to be received by CLM Shareholders in exchange for their CLM Shares pursuant to the Arrangement. To the extent state blue-sky laws are applicable to any offers or sales of Spinco Shares made in any state or territory of the United States, Spinco will rely on available exemptions under such laws.

Resales by Affiliates Pursuant to Rule 144

In general, pursuant to Rule 144, persons who are “affiliates” of Spinco after the Effective Date, or were “affiliates” of Spinco within 90 days prior to the Effective Date, will be entitled to sell in the United States those Spinco Shares and New CLM Shares that they receive pursuant to the Arrangement, provided that, during any three-month period, the number of such securities sold does not exceed the greater of one percent of the then outstanding securities of such class or, if such securities are listed on a United States securities exchange and/or reported through the automated quotation system of a U.S. registered securities association, the average weekly trading volume of such securities during the four calendar week period preceding the date of sale, subject to specified restrictions on manner of sale requirements, aggregation rules, notice filing requirements and the availability of current public information about the issuer required under Rule 144. Persons who are “affiliates” of Spinco after the Effective Date or who were “affiliates” of Spinco during such period should consult with their respective securities counsel before engaging in offers or sales of Spinco Shares and New CLM Shares issued pursuant to the Arrangement.

Resales by Affiliates Pursuant to Regulation S

In general, pursuant to Regulation S, if at the Effective Date Spinco is a “foreign private issuer” (as defined in Rule 3b-4 under the U.S. Exchange Act), persons who are “affiliates” of Spinco after the Effective Date, or were “affiliates” of Spinco within 90 days prior to the Effective Date, solely by virtue of their status as an officer or director of Spinco, may sell their Spinco Shares and New CLM Shares outside the United States in an “offshore transaction” (which would include a sale through the TSX-V) if none of the seller, an affiliate or any person acting on their behalf engages in “directed selling efforts” in the United States with respect to such securities and provided that no selling concession, fee or other remuneration is paid in connection with such sale other than the usual and customary broker’s commission that would be received by a person executing such transaction as agent. For purposes of Regulation S, “directed selling efforts” means any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for any of the securities being offered. Also, for purposes of Regulation S, an offer or sale of securities is made in an “offshore transaction” if the offer is not made to a person in the United States and either (a) at the time the buy order is originated, the buyer is outside the United States, or the seller reasonably believes that the buyer is outside of the United States, or (b) the transaction is executed in, on or through the facilities of a “designated offshore securities market” (which would include a sale through the TSX-V), and neither the seller nor any person acting on its behalf knows that the transaction has been pre-arranged with a buyer in the United States. Certain additional restrictions set forth in Regulation S are applicable to sales outside the United States by a holder of Spinco Shares and New CLM Shares who is an “affiliate” of Spinco after the Effective Date, or was an “affiliate” of Spinco within 90 days prior to the Effective Date, other than by virtue of his or her status as an officer or director of Spinco.

THE SECURITIES ISSUABLE IN CONNECTION WITH THE ARRANGEMENT HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SEC OR SECURITIES REGULATORY AUTHORITIES IN ANY STATE, NOR HAS THE SEC OR THE SECURITIES REGULATORY AUTHORITIES OF ANY STATE PASSED ON THE ADEQUACY OR ACCURACY OF THIS CIRCULAR AND ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

This Circular has been prepared in accordance with the applicable disclosure requirements in Canada. Residents of the United States should be aware that such requirements are different than those of the United States applicable to proxy statements under the U.S. Exchange Act. Likewise, information concerning the Company and Spinco have been prepared in accordance with Canadian standards, and may not be comparable to similar information for United States companies.

CLM Shareholders should be aware that the acquisition of the securities described herein may have tax consequences both in the United States and in Canada. See *Certain Canadian Income Tax Considerations – Holders Not Resident in Canada* for certain information concerning United States tax consequences of the Arrangement for investors who are resident in, or citizens of, the United States.

The enforcement by investors of civil liabilities under the United States federal securities laws may be affected adversely by the fact that the Company and Spinco are incorporated or organized under the laws of a foreign country, that some or all of their officers and directors and any experts named herein may be residents of a foreign country, and that all or a substantial portion of the Assets of the Company and Spinco and said persons may be located outside the United States.

Expenses of Arrangement

Pursuant to the Arrangement Agreement, the costs relating to the Arrangement, including without limitation, financial, advisory, accounting, and legal fees will be borne by the party incurring them. The costs of the Arrangement to the Effective Date will be borne by the Company.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular CLM Shareholder. This summary is not exhaustive of all Canadian federal income tax considerations. No representation with respect to the Canadian federal income tax consequences to any particular CLM Shareholder is made herein. Accordingly, CLM Shareholders should consult their own tax advisors with respect to their particular circumstances including, where relevant, the application and effect of the income and other taxes of any country, province, territory, state or local tax authority.

The following summarizes the principal Canadian federal income tax considerations relating to the Arrangement applicable to a CLM Shareholder (in this summary, a “**Holder**”) who, at all material times for purposes of the Tax Act:

- holds all CLM Shares, and will hold all Spinco Shares;
- solely as capital property;
- deals at arm’s length with CLM and Spinco;
- is not “affiliated” with the Company or Spinco;
- is not a “financial institution” for the purposes of the mark-to-market rules in the Tax Act; and
- has not acquired CLM Shares on the exercise of an employee stock option.

CLM Shares and Spinco Shares generally will be considered to be capital property of the Holder unless the Holder holds the shares in the course of carrying on a business or acquired them in a transaction considered to be an adventure in the nature of trade.

This summary is based on the current provisions of the Tax Act, the regulations thereunder (the “**Regulations**”) and management’s understanding of the current administrative practices and policies of the Canada Revenue Agency (the “**CRA**”). It also takes into account specific proposals to amend the Tax Act and Regulations (the “**Proposed Amendments**”) announced by the Minister of Finance (Canada) prior to the date hereof. It is assumed that all Proposed Amendments will be enacted in their present form, and that there will be no other relevant change to any relevant law or administrative practice, although no assurances can be given in these respects. This summary does not take into account any provincial, territorial, or foreign income tax considerations which may differ from the Canadian federal income tax considerations discussed below. An advance income tax ruling will not be sought from the CRA in respect of the Arrangement.

This summary also assumes that at the Effective Date under the Arrangement and all other material times thereafter, the paid-up capital of the CLM Shares as computed for the purposes of the Tax Act will not be less than the fair market value of the Assets to be transferred to Spinco pursuant to the Arrangement, and is qualified accordingly.

This summary is of a general nature only, and is not exhaustive of all possible Canadian federal income tax considerations. This summary is not intended to be, and should not be construed to be, legal or tax advice to any CLM Shareholder. **Accordingly, Holders should each consult their own tax and legal advisers for advice as to the income tax consequences of the Arrangement applicable to them in their particular circumstances.**

Holders Resident in Canada

This portion of the summary is generally applicable to a Holder who, at all relevant times, for purposes of the application of the Tax Act is, or is deemed to be, resident in Canada (a “**Resident Holder**”). Certain Resident Holders whose CLM Shares or Spinco Shares might not otherwise qualify as capital property may be entitled to have such shares, and every other “Canadian security” (as defined in the Tax Act) owned by them in the taxation year and any subsequent taxation year, deemed to be capital property by making an irrevocable election in accordance with subsection 39(4) of the Tax Act. Resident Holders considering making such an election should consult their own tax advisors for advice as to whether the election is available or advisable in their own particular circumstances.

Exchange of CLM Shares for New CLM Shares and CLM Class A Preferred Shares

A Resident Holder whose CLM Class A Common Shares (the re-designated CLM Shares) are exchanged for New CLM Shares and CLM Class A Preferred Shares pursuant to the Arrangement will not realize any capital gain or loss as a result of the exchange. The Resident Holder will be required to allocate the adjusted cost base (“**ACB**”) of the Resident Holder’s CLM Shares, determined immediately before the Arrangement, *pro rata* to the New CLM Shares and CLM Class A Preferred Shares received on the exchange based on the relative fair market value of those New CLM Shares and CLM Class A Preferred Shares immediately after the exchange. The fair market value of the CLM Class A Common Shares and the New CLM Shares is a question of fact to be determined having regard to all of the relevant circumstances.

Redemption of CLM Class A Preferred Shares

Pursuant to the Arrangement, the paid-up capital of the CLM Class A Common Shares immediately before their exchange for New CLM Shares and CLM Class A Preferred Shares will be allocated to the CLM Class A Preferred Shares to be issued on the exchange to the extent of an amount equal to the fair market value of the Spinco Shares to be issued to CLM pursuant to the Arrangement in consideration for the Assets and the balance of such paid-up capital will be allocated to the New CLM Shares to be issued on the exchange.

The Company expects that the fair market value of the Spinco Shares to be so issued will be materially less than the paid-up capital of the CLM Class A Common Shares immediately before the exchange. Accordingly, the Company is not expected to be deemed to have paid, and no Resident Holder is expected to be deemed to have received, a dividend as a result of the distribution of Spinco Shares on the redemption of the CLM Class A Preferred Shares pursuant to the Arrangement.

Each Resident Holder whose CLM Class A Preferred Shares are redeemed for Spinco Shares pursuant to the Arrangement will realize a capital gain (capital loss) equal to the amount, if any, by which the fair market value of the

Spinco Shares less reasonable costs of disposition, exceed (are exceeded by) their ACB immediately before the redemption. Any capital gain or loss so arising will be subject to the usual rules applicable to the taxation of capital gains and losses described below. See *Taxation of Capital Gains and Losses* below.

The cost to a Resident Holder of CLM Class A Preferred Shares acquired on the exchange will be equal to the fair market value of the Spinco Shares at the time of their distribution.

Disposition of New CLM Shares and Spinco Shares

A Resident Holder who disposes of a New CLM Share and Spinco Share will realize a capital gain (capital loss) equal to the amount by which the proceeds of disposition of the share, less reasonable costs of disposition, exceed (are exceeded by) the ACB of the share to the Resident Holder determined immediately before the disposition. Any capital gain or loss so arising will be subject to the usual rules applicable to the taxation of capital gains and losses described below.

Disposition of Spinco Shares

A Resident Holder who disposes of a Spinco Share will realize a capital gain (capital loss) equal to the amount by which the proceeds of disposition of the share, less reasonable costs of disposition, exceed (are exceeded by) the ACB of the share to the Resident Holder determined immediately before the disposition. Any capital gain or loss so arising will be subject to the usual rules applicable to the taxation of capital gains and losses described below.

Taxation of Capital Gains and Losses

A Resident Holder who realizes a capital gain (capital loss) in a taxation year must include one half of the capital gain (“**taxable capital gain**”) in income for the year, and may deduct one half of the capital loss (“**allowable capital loss**”) against taxable capital gains realized in the year, and to the extent not so deductible, against taxable capital gains arising in any of the three preceding taxation years or any subsequent taxation year.

The amount of any capital loss arising from a disposition or deemed disposition of a CLM Class A Preferred Share, New CLM Share and Spinco Share by a Resident Holder that is a corporation may, to the extent and under circumstances specified in the Tax Act, be reduced by the amount of certain dividends received or deemed to be received by the corporation on the share. Similar rules may apply if the corporation is a member of a partnership or beneficiary of a trust that owns shares, or where a partnership or trust of which the corporation is a member or beneficiary is a member of a partnership or a beneficiary of a trust that owns shares.

A Resident Holder that is a “Canadian-controlled private corporation” for the purposes of the Tax Act may be required to pay an additional 6 $\frac{2}{3}$ % refundable tax in respect of any net taxable capital gain that it realizes on disposition of a CLM Class A Preferred Share, New CLM Share and Spinco Share.

Taxation of Dividends on Spinco Shares

A Resident Holder who is an individual will be required to include in income any dividends received or deemed to be received on the Resident Holder’s Spinco Shares and will be subject to the gross-up and dividend tax credit rules applicable to taxable dividends received from taxable Canadian corporations, including the enhanced gross-up and dividend tax credit rules applicable to any dividends designated by Spinco as “eligible dividends”, as defined in the Tax Act. There may be limitations on the ability of Spinco to designate dividends as eligible dividends.

A Resident Holder that is a corporation will be required to include in income any dividend that it receives or is deemed to be received on the Resident Holder’s Spinco Shares and generally will be entitled to deduct an equivalent amount in computing its taxable income. Resident Holders that are corporations should consult their own tax advisors having regard to their own circumstances.

A “private corporation” or a “subject corporation” (as defined in the Tax Act) may be liable under Part IV of the Tax Act to pay a refundable tax on any dividend that it receives or is deemed to receive on Spinco Shares to the extent that the dividend is deductible in computing the corporation’s taxable income.

Taxable dividends received by an individual or trust, other than certain specified trusts, may give rise to minimum tax under the Tax Act.

Alternative Minimum Tax on Individuals

A capital gain realized, or deemed to be realized, by a Resident Holder who is an individual (including certain trusts and estates) may give rise to liability to alternative minimum tax under the Tax Act.

Dissenting Resident Holders

A Resident Holder who exercises Dissent Rights in respect of the Arrangement (a “**Dissenting Resident Holder**”) and who disposes of CLM Shares in consideration for a cash payment from CLM will be deemed to have received a dividend from CLM equal to the amount by which the cash payment (other than any portion of the payment that is interest awarded by a court) exceeds the paid-up capital (computed for the purpose of the Tax Act) of the Dissenting Resident Holder’s CLM Shares. The balance of the payment (equal to the paid-up capital of the Dissenting Resident Holder’s CLM Shares) will be treated as proceeds of disposition. The Dissenting Resident Holder will also realize a capital gain (or capital loss) to the extent that the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of the Dissenting Resident Holder’s CLM Shares. In certain circumstances, the full payment received by a Dissenting Resident Holder that is a corporation resident in Canada may be treated under the Tax Act as proceeds of disposition.

Any deemed dividend received by a Dissenting Resident Holder and any capital gain or capital loss realized by the Dissenting Resident Holder, will be treated in the same manner as described under “*Dividends on Spinco Shares*” and “*Taxation of Capital Gains and Capital Losses*” below.

A Dissenting Resident Holder will be required to include in computing its income any interest awarded by a court in connection with the Arrangement. In addition, a Dissenting Resident Holder that, throughout the relevant taxation year, is a “Canadian controlled private corporation” (as defined in the Tax Act) may be liable to pay a refundable tax on its “aggregate investment income” (as defined in the Tax Act), including any taxable capital gains and interest income. Dissenting Resident Holders should consult their own tax advisors with respect to the Canadian federal income tax consequences of exercising their Dissent Rights.

Other Tax Considerations

This Circular does not address any tax considerations of the Arrangement other than certain Canadian and U.S. income tax considerations. Holders of securities who are resident in jurisdictions other than Canada should consult their own tax advisors with respect to the tax implications of the Arrangement, including any associated filing requirements in such jurisdictions and with respect to the tax implications in such jurisdictions of owning shares after the Arrangement. Holders of securities should also consult their own tax advisors regarding provincial, territorial or state tax considerations of the Arrangement or of holding Spinco Shares.

Holders Not Resident in Canada

No legal opinion from U.S. legal counsel or ruling from the United States Internal Revenue Service has been requested, or will be obtained, regarding the U.S. federal income tax consequences of the Arrangement. Shareholders who are subject to U.S. taxation should consult with their own professional advisers with regard to the Arrangement’s U.S. tax implications.

RIGHTS OF DISSENT

Dissenters’ Rights

Pursuant to the BCBCA, terms of the Interim Order and the Plan of Arrangement, the CLM Shareholders who object to the Arrangement Resolution have the right to dissent (the “**Dissent Right**”) in respect of the Arrangement. A Dissenting Shareholder will be entitled to be paid in cash the fair value of the Dissenting Shareholder’s CLM Shares so long as the dissent procedures are strictly adhered to. The Dissent Right is granted in Article 5 of the Plan of Arrangement. **A registered Dissenting Shareholder who intends to exercise the Dissent Right is referred to the full text of Sections 237 to 247 of the BCBCA which is attached as Appendix D to this Circular.**

A CLM Shareholder who wishes to exercise his or her Dissent Right must give written notice of his or her dissent (a “**Notice of Dissent**”) to the Company at its registered office at Suite 804 - 750 West Pender Street, Vancouver, British Columbia, V6C 2T7, marked to the attention of the CEO, by either delivering the Notice of Dissent to the Company.

The giving of a Notice of Dissent does not deprive a Dissenting Shareholder of his or her right to vote at the Meeting on the Arrangement Resolution. However, the procedures for exercising Dissent Rights given in Appendix D must be strictly followed as a vote against the Arrangement Resolution or the execution or exercise of a proxy voting against the Arrangement Resolution does not constitute a Notice of Dissent.

CLM Shareholders should be aware that they will not be entitled to exercise a Dissent Right with respect to any CLM Shares if they vote (or instruct or are deemed, by submission of any incomplete proxy, to have instructed his or her proxy holder to vote) in favour of the Arrangement Resolution. A Dissenting Shareholder may, however, vote as a proxyholder for a CLM Shareholder whose proxy requires an affirmative vote on the Arrangement Resolution, without affecting his or her right to exercise the Dissent Right.

In the event that a CLM Shareholder fails to perfect or effectively withdraws its claim under the Dissent Right or forfeits its right to make a claim under the Dissent Right, each CLM Share held by that CLM Shareholder will thereupon be deemed to have been exchanged in accordance with the terms of the Arrangement as of the Effective Date.

CLM Shareholders who wish to exercise Dissent Rights should review the dissent procedures described in Appendix D and seek legal advice, as failure to adhere strictly to the Dissent Right requirements will result in the loss or unavailability of any right to dissent.

INFORMATION CONCERNING THE COMPANY

Name, Address and Incorporation

The Company was incorporated on July 20, 2009, under the laws of the Province of British Columbia under incorporation number BC0857120. The Company’s head office is located at 13236 Cliffstone Court, Lake Country, British Columbia, V4V 2R1 and its registered and records office is located at Suite 804 - 750 West Pender Street, Vancouver, British Columbia, V6C 2T7.

Available Information

The Company files reports, financial statements, management discussion and analysis and other information with Canadian provincial securities commissions. These reports and information are available to the public free of charge on CLM’s SEDAR profile at www.sedar.com.

Comparative Market Prices of CLM

The CLM Shares are listed and posted for trading on the TSX-V under the symbol “CLM”. The following tables set forth information relating to the trading of the CLM Shares on the TSX-V for the twelve-month period preceding the date of this Circular.

Month	High (\$)	Low (\$)	Volume
June 2018	0.70	0.55	845,422
July 2018	0.74	0.44	2,558,102
August 2018	0.72	0.345	2,288,330
September 2018	0.65	0.43	1,541,625
October 2018	0.62	0.41	1,679,801
November 2018	0.45	0.30	883,086
December 2018	0.35	0.275	252,784
January 2019	0.28	0.265	602,600
February 2019	0.36	0.24	2,221,191
March 2019	0.335	0.24	7,390,652
April 2019	0.34	0.27	3,163,895

Month	High (\$)	Low (\$)	Volume
May 2019	0.41	0.30	3,951,540
June 2019	0.39	0.285	2,484,903
July 2019	0.42	0.26	8,677,095
August 1 – 15, 2019	0.385	0.30	2,350,081

Prior Sales

The following table contains details of the prior sales of the securities of the Company within the 12 months prior to the date of this Circular.

Date Issued	Number of Securities ⁽¹⁾	Issue Price Per Common Share	Aggregate Issue Price	Reason for Issuance
June 6, 2018	100,000 common shares	\$0.25	\$25,000	Warrant exercise
June 11, 2018	15,000 common shares	\$0.30	\$4,500	Warrant exercise
June 27, 2018	50,000 common shares	\$0.25	\$12,500	Warrant Exercise
July 10, 2018	462,500 common shares	\$0.25	\$115,625	Warrant exercise
July 10, 2018	100,000 common shares	\$0.30	\$30,000	Stock option exercise
July 30, 2018	21,105 common shares	\$0.25	\$5,276.25	Warrant exercise
August 2, 2018	10,000 common shares	\$0.43	\$4,300	Stock option exercise
August 7, 2018	33,333 common shares	\$0.30	\$9,999.90	Stock option exercise
August 7, 2018	25,000 common shares	\$0.43	\$10,750	Stock option exercise
August 31, 2018	50,000 common shares	\$0.30	\$15,000	Warrant exercise
August 31, 2018	33,333 common shares	\$0.30	\$9,999.90	Stock option exercise
September 10, 2018	300,000 common shares	\$0.25	\$75,000	Warrant exercise
October 4, 2018	20,000 common shares	\$0.25	\$6,250	Warrant exercise
October 18, 2018	7,500 common shares	\$0.30	\$2,250	Warrant exercise
October 23, 2018	50,000 common shares	\$0.25	\$12,500	Warrant exercise
November 6, 2018	33,334 common shares	\$0.30	\$10,000	Stock option exercise
December 20, 2018	1,428,572 flow-through common shares	\$0.35	\$500,000.20	Private placement
December 20, 2018	100,000 finder's warrants	\$0.35	-	Private placement
December 21, 2018	381,000 flow-through common shares	\$.35	\$133,350	Private placement
December 21, 2018	10,570 finder's warrants	\$0.35	-	Private placement
December 28, 2018	370,000 common shares	\$0.30	\$111,000	Private placement
March 25, 2019	2,832,332 common shares	\$0.225	\$637,274.70	Private placement
March 25, 2019	2,832,332 warrants	\$0.35 ⁽¹⁾	-	Private placement
March 25, 2019	5,656,111 common shares	\$0.225	\$1,272,625	Private placement
March 25, 2019	5,656,111 warrants	\$0.35 ⁽¹⁾	-	Private placement
March 25, 2019	200,000 flow-through common shares	\$0.35	\$70,000	Private placement
March 25, 2019	200,000 warrants	\$0.45 ⁽²⁾	-	Private placement
March 25, 2019	3,200 finder's warrants	\$0.35 ⁽¹⁾	-	Private placement
March 27, 2019	1,600,000 common shares	\$0.225	\$360,000	Private placement
March 27, 2019	1,600,000 warrants	\$0.35 ⁽¹⁾	-	Private placement
March 27, 2019	7,227,944 common shares	\$0.225 ⁽¹⁾	\$1,626,287.40	Private placement
March 27, 2019	7,227,944 warrants	\$0.35 ⁽¹⁾	-	Private placement
March 27, 2019	85,500 flow-through common shares	\$0.35	\$30,975	Private placement
March 27, 2019	85,500 warrants	\$0.45 ⁽²⁾	-	Private placement
March 27, 2019	48,000 finder's warrants	\$0.35 ⁽¹⁾	-	Private placement

Date Issued	Number of Securities ⁽¹⁾	Issue Price Per Common Share	Aggregate Issue Price	Reason for Issuance
March 29, 2019	1,250,000 flow-through common shares	\$0.32	\$400,000	Private placement
March 29, 2019	100,000 finder's warrants	\$0.32	-	Private placement
April 1, 2019	525,000 common shares	\$0.225	\$112,500	Private placement
April 1, 2019	525,000 warrants	\$0.35 ⁽¹⁾	-	Private placement
April 18, 2019	25,000 common shares	\$0.25	\$6,250	Warrant exercise
April 26, 2019	15,000 common shares	\$0.25	\$3,750	Warrant exercise
May 1, 2019	100,000 common shares	\$0.25	\$25,000	Warrant exercise
May 6, 2019	200,000 common shares	\$0.25	\$50,000	Warrant exercise
May 6, 2019	1,007,500 common shares	\$0.25	\$251,875	Warrant exercise
May 6, 2019	35,000 common shares	\$0.25	\$8,750	Warrant exercise
May 6, 2019	92,500 common shares	\$0.25	\$23,125	Warrant exercise
May 13, 2019	37,500 common shares	\$0.25	\$9,375	Warrant exercise
May 23, 2019	212,500 common shares	\$0.30	\$63,750	Warrant exercise
May 24, 2019	162,500 common shares	\$0.25	\$40,625	Warrant exercise
May 24, 2019	50,000 common shares	\$0.30	\$15,000	Stock option exercise
May 28, 2019	45,000 common shares	\$0.25	\$11,250	Warrant exercise
May 29, 2019	120,000 common shares	\$0.30	\$36,000	Warrant exercise
May 30, 2019	375,000 common shares	\$0.25	\$93,750	Warrant exercise
June 3, 2019	87,000 common shares	\$0.30	\$26,100	Warrant exercise
June 3, 2019	275,000 common shares	\$0.25	\$68,750	Warrant exercise
June 5, 2019	86,930 common shares	\$0.30	\$26,079	Warrant exercise
June 7, 2019	40,000 common shares	\$0.30	\$12,000	Warrant exercise
June 10, 2019	359,575 common shares	\$0.30	\$107,872.50	Warrant exercise
August 2, 2019	2,865,854 common shares	\$0.35	\$1,003,042	Private placement
August 2, 2019	1,432,917 warrants	\$0.50	-	Private placement
August 2, 2019	725,000 flow-through common shares	\$0.40	\$290,000	Private placement
August 2, 2019	362,500 warrants	\$0.60	-	Private placement
August 8, 2019	100,000 common shares	\$0.30	\$30,000	Stock option exercise
August 9, 2019	115,000 common shares	\$0.30	\$34,500	Stock option exercises
August 13, 2019	1,615,734 common shares	\$0.32	-	Debt settlements
August 14, 2019	400,000 common shares	\$0.35	\$140,000	Warrant exercises

(1) These warrants are exercisable at \$0.35 per CLM Share, provided that in the event that the closing price of the CLM Shares on the Exchange is \$0.75 per CLM Share for a period of no less than 15 consecutive trading days, subsequent to four months and one day after the closing date, the warrants will expire at 4:00 p.m. (Pacific time) on the 30th day after the date on which the Company provides notice of such accelerated expiry to the warrant holders, and the warrant holders will have no further rights to acquire any CLM Shares under the warrant.

(2) These warrants are exercisable at \$0.45 per CLM Share, provided that in the event that the closing price of the CLM Shares on the Exchange is \$0.75 per CLM Share for a period of no less than 15 consecutive trading days, subsequent to four months and one day after the closing date, the warrants will expire at 4:00 p.m. (Pacific time) on the 30th day after the date on which the Company provides notice of such accelerated expiry to the warrant holders, and the warrant holders will have no further rights to acquire any CLM Shares under the warrant.

Dividends or Capital Distributions

CLM has not declared or paid any cash dividends or capital distributions on the CLM Shares during the two preceding years. For the immediate future, CLM does not envisage any earnings arising from which dividends could be paid. Any decision to pay dividends on CLM Shares in the future will be made by the Board on the basis of the earning, financial requirements and other conditions existing at such time.

Ownership of CLM Securities

As at the date of this Circular, the following table outlines the number of CLM securities owned or controlled, directly or indirectly, by each of the directors and officers of CLM, and each associate or affiliate of an insider of CLM, and each person acting jointly or in concert with CLM.

Name	Positions	CLM Shares	CLM Warrants	CLM Options
Richard Savage	President, CEO and Director	202,888	227,888	2,170,000 ⁽¹⁾
Wally E. Boguski	COO and Director	3,488,925	1,420,353	1,590,000
Alphonse J. Ruggiero	CFO and Director	774,546	150,000	400,000
Lawrence Roulston	Director	Nil	Nil	Nil
Dave Ellett	Director	192,000	Nil	50,000
Kristine Frost	Corporate Secretary	60,000	60,000	145,000

(1) Of these 2,170,000 options held, 1,300,000 are held indirectly by 1152004 BC Ltd., a company owned and operated by Richard Savage, and 870,000 options are held directly by Mr. Savage.

Business of the Company

See *The Arrangement*.

Business of the Company Following the Arrangement

Following completion of the Arrangement, (i) Spinco will hold the Assets transferred to it by CLM, (ii) Spinco will become a reporting issuer in the Provinces of British Columbia and Alberta, (iii) all CLM Shareholders will have become shareholders of Spinco, and (iv) the Company will retain its working capital for its assets, and remain listed on the Exchange and continue to trade under the trading symbol, CLM, as a junior exploration company. **There can be no guarantee that the Spinco Shares will be listed on any stock exchange.**

Dividend Policy

CLM has not paid dividends on the CLM Shares since incorporation. CLM currently intends to retain all available funds, if any, for use in its business.

Directors and Officers

The directors and officers of the Company are as follows:

Richard Savage	President, CEO and Director
Wally E. Boguski	COO and Director
Alphonse J. Ruggiero	CFO and Director
Lawrence Roulston	Director
Dave Ellett	Director
Kristine Frost	Corporate Secretary

The current directors and officers of the Company will continue to be the directors and officers of the Company upon completion of the Arrangement.

Material Contracts

Except for contracts entered into in the ordinary course of business, the only contracts entered into by the Company in the last two years and which can be reasonably regarded as material to the Company are as follows:

1. Property Option Agreement dated November 28, 2018 among the Company, Romios and McLymont Mines Inc. (“**McLymont**”).

2. Amendment 1 to the Property Option Agreement dated February 4, 2019 among the Company, Romios and McLymont.
3. Amendment 2 to the Property Option Agreement dated March 20, 2019 among the Company, Romios and McLymont.
4. CLM Agreement – Emerald Lake – Amendment - January 8, 2018.
5. CLM Agreement – Emerald Lake – L1-L5 Properties – December 18 2017
6. CLM Agreement – Emerald Lake – Right of First Refusal - September 28, 2017.
7. Binding LOI dated June 24, 2019 between the Company and Lorne Warren.
8. Arrangement Agreement dated July 25, 2019 between the Company and Sassy Resources Corporation, including all schedules annexed thereto, a copy of which is attached as **Appendix B** to this Circular, and any amendment(s) or variation(s) thereto.

These material contract are available at www.sedar.com.

INFORMATION CONCERNING SPINCO

Name, Address and Incorporation

Spinco, being Sassy Resources Corporation, was incorporated pursuant to the BCBCA on June 3, 2019 for the purposes of the Arrangement. Spinco is currently a private company and a wholly-owned subsidiary of CLM, with its registered and records office located at Suite 804 - 750 West Pender Street, Vancouver, British Columbia, V6C 2T7.

Description of Business of Spinco

Upon completion of the Arrangement, Spinco will be a reporting issuer in the provinces of British Columbia and Alberta. **There can be no guarantee that the Spinco Shares will be listed on any stock exchange.** After the Effective Date, Spinco will hold the Assets transferred to it by CLM and will be in the business of mineral exploration.

Directors and Officers

The current directors and officers of Spinco are as follows:

Richard Savage	President and Director
Alphonse J. Ruggiero	CFO and Director
Wally E. Boguski	Director
Kristine Frost	Corporate Secretary

Spinco has entered into an employment agreement with Mr. Mark Scott, who will start working for Spinco as the Chief Executive Officer on January 1, 2020. Pursuant to the employment agreement, Spinco will pay the CEO an annual salary of \$200,000, will provide a relocation allowance of \$25,000, a signing up bonus of \$25,000 and, subject to the applicable securities laws, will grant 1,000,000 share purchase options. In case of termination of the employment of the CEO by Spinco, Spinco agreed to provide the CEO with six months' of pay in lieu of notice, plus an additional one month of pay in lieu of notice for each completed year of service, to a total maximum of 24 months' pay in lieu of notice.

Upon becoming a reporting issuer, Spinco will appoint two independent directors, being Lawrence Roulston and Dave Ellett, in order to have the audit committee comprised of the majority of independent directors.

Share Capital

The authorized capital of Spinco consists of an unlimited number of common shares without par value. All Spinco Shares, both issued and unissued, rank equally as to dividends, voting powers and participation in assets. No shares have been issued subject to call or assessment. There are no preemptive or conversion rights, and no provision for redemption, purchase for cancellation, surrender or sinking funds. Provision as to modifications, amendments or variations of such rights or such provisions are contained in Spinco's articles and the BCBCA.

Options to Purchase Shares

Spinco has not implemented an incentive stock option plan and does not have any incentive stock options outstanding at this time.

Dividends

Spinco has paid no dividends since its inception. At the present time, Spinco intends to retain any earnings for corporate purposes. The payment of dividends in the future will depend on the earnings and financial condition of Spinco and on such other factors as the board of directors of Spinco may consider appropriate. However, since Spinco is currently in a development stage, it is unlikely that earnings, if any, will be available for the payment of dividends in the foreseeable future.

Prior Sales

Spinco issued one Spinco Share to CLM upon incorporation. This Spinco Share will be cancelled subsequent to the completion of the Arrangement.

On July 17, 2019, Spinco completed a non-brokered private placement to raise gross proceeds of \$250,000 by the issuance of 5,000,000 Special Warrants at a deemed price of \$0.05 per Special Warrant, convertible into Spinco Shares at the earlier date of: (i) two business days after the Plan of Arrangement is approved by the Court; and (ii) a date to be determined at the sole discretion of the Board of Spinco.

Legal Proceedings

Spinco is not a party to any outstanding legal proceedings, nor are any such proceedings contemplated.

Material Contracts

Except for contracts entered into in the ordinary course of business, the only material contract entered into by Spinco since its incorporation and which can be reasonably regarded as material to Spinco is the Arrangement Agreement, a copy of which is attached as **Appendix B** to this Circular.

Risk Factors

An investment in a company such as Spinco involves a significant degree of risk including, without limitation, the factors set out below.

No Assurance that the Proposed Arrangement will be Completed as Contemplated or at all

Completion of the proposed Arrangement is subject to a number of conditions, including the approvals of the Exchange, Court and CLM Shareholders. Should the Arrangement fail to receive approval of the CLM Shareholders at the Meeting, Spinco will remain as a wholly-owned subsidiary of CLM. There is no assurance that any or all of these conditions will be satisfied or waived. In the event that the Arrangement is completed, Spinco will remain as a reporting issuer in the provinces of British Columbia and Alberta and the Spinco Shares will not be listed on any stock exchange.

Requirements for Further Financing

Spinco presently does not have sufficient financial resources to undertake all of its currently planned activities beyond completion of the Arrangement. In the event that the Arrangement is completed, Spinco will need to obtain further

financing, whether through debt financing, equity financing or other means. There can be no assurance that Spinco will be able to raise the required financing or that such financing can be obtained without substantial dilution to shareholders. Failure to obtain additional financing on a timely basis could cause Spinco to reduce or terminate its operations.

The Spinco Shares may not be Qualified Investments under the Tax Act for a Registered Plan

There is no assurance when, or if, the Spinco Shares will be listed on any stock exchange. If the Spinco Shares are not listed on a designated stock exchange in Canada before the due date for Spinco's first income tax return or if Spinco does not otherwise satisfy the conditions in the Tax Act to be a "public corporation", the Spinco Shares will not be considered to be a qualified investment for a Registered Plan from their date of issue. Where a Registered Plan acquires a Spinco Share in circumstances where the Spinco Shares are not a qualified investment under the Tax Act for the Registered Plan, adverse tax consequences may arise for the Registered Plan and the annuitant, beneficiary or holder under the Registered Plan, including that the Registered Plan may become subject to penalty taxes, the annuitant of such Registered Plan may be deemed to have received income therefrom or be subject to a penalty tax or, in the case of a registered education savings plan, such plan may have its tax exempt status revoked.

Limited Operating History

As a wholly-owned subsidiary of CLM, incorporated for the purpose of the Arrangement, Spinco has a very limited history of operations and must be considered a start-up. As such, Spinco is subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that Spinco will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations.

Spinco has limited financial resources, has not earned any revenue since commencing operations, has no source of operating cash flow and there is no assurance that additional funding will be available to it for further advancement of Spinco's business. There can be no assurance that Spinco will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of development of Spinco's business.

Negative Cash Flow

Spinco has no history of earnings or cash flow from operations. Spinco does not expect to generate material revenue or to achieve self-sustaining operations for several years, if at all. This may have a negative impact on the financial position of Spinco.

No Market for Securities

There is currently no market through which any of the Spinco Shares may be sold and there is no assurance that the Spinco Shares will be listed for trading on a stock exchange, or if listed, will provide a liquid market for such securities. Until the Spinco Shares are listed on a stock exchange, holders of the Spinco Shares may not be able to sell their Spinco Shares. Even if a listing is obtained, there can be no assurance that an active public market for the Spinco Shares will develop or be sustained after completion of the Arrangement. The holding of Spinco Shares 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. The Spinco Shares should not be purchased by persons who cannot afford the possibility of the loss of their entire investment.

Dividend Policy

Spinco does not presently intend to pay cash dividends in the foreseeable future, as any earnings are expected to be retained for use in developing and expanding its business. However, the actual amount of dividends received from Spinco will remain subject to the discretion of its board of directors and will depend on results of operations, cash requirements and future prospects of Spinco and other factors.

Conflicts of Interest

The directors of Spinco may be directors, officers or shareholders of other companies that are engaged in similar businesses to Spinco. Such associations may give rise to conflicts of interest from time to time. The directors of Spinco are required by law to act honestly and in good faith with a view to the best interests of Spinco and to disclose any interest which they may have in any project or opportunity of Spinco. If a conflict of interest arises at a meeting of the board of directors or when carrying out their duties as directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not Spinco will participate in any project or opportunity, the directors will primarily consider the degree of risk to which Spinco may be exposed and its financial position at the time.

Interest of Experts

No person whose profession or business gives authority to a statement made by such person and who is named in this Circular (being the auditors of the Company) has received or will receive a direct or indirect interest in the property of the Company or any related person of the Company.

INFORMATION CONCERNING SPINCO AFTER THE ARRANGEMENT

General

On completion of the Arrangement, Spinco will continue to be a corporation incorporated under and governed by the BCBCA and will be its own entity apart from CLM.

On completion of the Arrangement, Spinco's primary material properties will consist of the Emerald Lake Properties and properties subject to the Binding LOI. See *The Arrangement*.

Directors and Officers

Upon completion of the Arrangement, the directors and officers of Spinco will consist of the following:

Richard Savage	President, CEO and Director
Alphonse J. Ruggiero	CFO and Director
Wally E. Boguski	Director
Lawrence Roulston	Director
Dave Ellett	Director
Kristine Frost	Corporate Secretary

Capital Structure

As a result of the completion of the Arrangement, the Spinco share capital will increase from the issuance of Spinco Shares contemplated by the Arrangement.

The authorized capital of Spinco following the completion of the Arrangement will continue to consist of an unlimited number of Spinco Shares without par value. The rights attributed to the Spinco Shares will not be changed following the completion of the Arrangement. See *Information Concerning Spinco – Share Capital*.

Stock Exchange Listings

On completion of the Arrangement, Spinco will become a reporting issuer in British Columbia and Alberta and may or may not apply for a public listing in the near future. **There can be no guarantee that the shares of Spinco will be listed on any stock exchange.**

Dividends

Spinco has not to date paid any dividends on the Spinco Shares nor does it intend to pay any dividends on the Spinco Shares in the immediate future as management anticipates that all available funds will be invested to finance further acquisition, exploration and development of its mineral properties.

Post-Arrangement Shareholdings

Immediately after completion of the Arrangement, assuming that no CLM Shareholder exercises Dissent Rights and that all CLM options and warrants are not exercised on or before the Effective Time, current CLM Shareholders will own 100% of the then issued and outstanding Spinco Shares, subject to financings by Spinco. Spinco will issue approximately 10,000,000 Spinco Shares to the shareholders of CLM pursuant to the Arrangement.

Auditors

Davidson & Company LLP, Chartered Accountants, was appointed as the auditors of Spinco on June 18, 2019.

Transfer Agent and Registrar

Upon completion of the Arrangement, Spinco's transfer agent and registrar will be Computershare of 3rd Floor, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9.

RISK FACTORS

In evaluating the Arrangement, CLM Shareholders should carefully consider, in addition to the other information contained in this Circular, the risk factors associated with CLM and Spinco. These risk factors are not a definitive list of all risk factors associated with CLM and the business to be carried out by Spinco.

Risk Factors Relating to the Arrangement

There are risks associated with the completion of the Arrangement. Some of these risks include:

- *Termination of the Arrangement Agreement.* The Arrangement Agreement may be terminated by CLM in certain circumstances, in which case the market price for CLM Shares may be adversely affected.
- *Spinco Shares may have a lower market value.* As CLM Shareholders will receive Spinco Shares based on a fixed ratio, Spinco Shares received by CLM Shareholders under the Arrangement may have a lower market value than expected.
- *Consents and approvals are not received or impose conditions.* The closing of the Arrangement is conditional on, among other things, the receipt of consents and approvals from governmental bodies that could delay or impede completion of the Arrangement or impose conditions on the companies that could adversely affect the business or financial condition of Spinco.
- *Unanticipated challenges with integrating CLM and Spinco operations.* CLM and Spinco may not realize the benefits currently anticipated due to challenges associated with integrating the operations, technologies and personnel of CLM and Spinco.
- *Interest of directors and officers may not be the same as CLM Shareholders generally.* Directors and officers of CLM have interests in the Arrangement that may be different from those of CLM Shareholders generally.

Risk Factors Relating to Spinco

The following risk factors are associated with Spinco, following completion of the Arrangement.

Resource exploration and development is highly speculative

Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by Spinco may be affected by numerous factors that are beyond the control of Spinco and that cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting minerals and environmental protection, the combination of which factors may result in Spinco not receiving an adequate return of investment capital. The Emerald Lake Properties are in the exploration stage only and is without a known body of commercial ore. Development of the Emerald Lake Properties would follow only if favourable exploration results are obtained.

The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. There is no assurance that Spinco's mineral exploration and development activities will result in any discoveries of commercial bodies of ore. The long-term profitability of Spinco's operations will in part be directly related to the costs and success of its exploration programs, which may be affected by a number of factors.

Substantial expenditures are required to establish reserves through drilling and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis.

Some aspects of Spinco's operations entail risk that cannot be insured against or may not be covered by insurance

Spinco's business is subject to a number of risks and hazards generally, including adverse conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to Spinco's properties or the properties of others, delays in mining, monetary losses and possible legal liability.

Although Spinco intends to maintain insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance may not cover all the potential risks associated with a mining company's operations. Spinco 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 environmental pollution or other hazards as a result of exploration and production is not generally available to Spinco or to other companies in the mining industry on acceptable terms. Spinco might also become subject to liability for pollution or other hazards which may not be insured against or which Spinco may elect not to insure against because of premium costs or other reasons. Losses from these events may cause Spinco to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Significant resources are required to conduct mining exploration activities

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

Spinco will operate in a highly competitive environment

The mineral exploration and mining business is competitive in all of its phases. Spinco will compete with numerous other companies and individuals, including competitors with greater financial, technical and other resources than Spinco, in the search for and the acquisition of attractive mineral properties. The ability of Spinco to acquire properties in the future will depend not only on its ability to develop its present properties, but also on its ability to select and acquire suitable properties or prospects for mineral exploration. There is no assurance that Spinco will continue to be able to compete successfully with its competition in acquiring such properties or prospects.

Spinco will operate in a highly regulated environment that is subject to changes, some unforeseen, to government policy

The current or future operations of Spinco, including exploration and development activities and commencement of production on its properties, require permits from various levels of government. Such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. Spinco believes it will be in substantial compliance with all material laws and regulations that currently apply to its activities. There can be no assurance however, that all permits which Spinco may require for construction of mining facilities and conduct of mining operations, particularly environmental permits, will be obtainable on reasonable terms or that compliance with such laws and regulations would not have an adverse effect on the profitability of any mining project that Spinco might undertake.

Failure to comply with applicable laws, regulations and permit requirements may result in enforcement actions thereunder, 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 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 and, in particular, environmental laws.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on Spinco and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

Spinco may be subject to significant environmental risks

Spinco's operations may be subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner that means standards are stricter, and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. Spinco intends to comply fully with all environmental regulations. The current or future operations of Spinco, including development activities and commencement of production on its properties, require permits from various federal, provincial and local governmental authorities, and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters.

Such operations and exploration activities are also subject to substantial regulation under applicable laws by governmental agencies that may require Spinco to obtain permits from various governmental agencies. There can be no assurance, however, that all permits that Spinco may require for its operations and exploration activities will be obtainable on reasonable terms or on a timely basis or that such laws and regulations will not have an adverse effect on any mining project which Spinco might undertake.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, 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 may be required to compensate those suffering loss or damage by reason of mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on Spinco and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

Limited Operating History

As a wholly-owned subsidiary of CLM, incorporated for the purpose of the Arrangement, Spinco has a very limited history of operations and must be considered a start-up. As such, Spinco is subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that Spinco will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations.

Other than the funds raised in the Special Warrant private placement and which are convertible into Spinco Shares, Spinco has limited financial resources, has not earned any revenue since commencing operations, has no source of operating cash flow and there is no assurance that additional funding will be available to it for further advancement of Spinco's business. There can be no assurance that Spinco will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of development of Spinco's business.

Spinco will be largely dependent on the performance of the Board and senior management

The success of Spinco will largely be dependent on the performance of the Board and senior management. The loss of the services of these persons will have a materially adverse effect on Spinco's business and prospects. There is no assurance Spinco can maintain the services of the Board and management or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on Spinco and its prospects.

Spinco's prospects are subject to the inherent volatility of metal prices

The mining industry is intensely competitive and there is no assurance that, even if commercial quantities of a mineral resource are discovered, a profitable market will exist for the sale of the same. There can be no assurance that metal prices will be such that Spinco's properties can be mined at a profit. Factors beyond the control of Spinco may affect the marketability of any minerals discovered. Metal prices are subject to volatile price changes from a variety of factors including international economic and political trends, expectations of inflation, global and regional demand, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities and increased production due to improved mining and production methods. The supply of, and demand for, Spinco's principal products and exploration targets is affected by various factors, including political events, economic conditions and production costs.

Spinco's proposed operations will require access to adequate infrastructure

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants which affect capital and operating costs. Unusual or infrequent weather phenomena, terrorism, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect Spinco's operations, financial condition and results of operations.

Spinco's growth will require new personnel

Recruiting and retaining qualified personnel is critical to Spinco's success. The number of persons skilled in the acquisition, exploration and development of mining properties is limited and competition for such persons is intense. As Spinco's business activity grows, it will require additional key financial, administrative, mining, marketing and public relations personnel as well as additional staff on the operations side. Although Spinco believes that it will be successful in attracting and retaining qualified personnel, there can be no assurance of such success.

Some of Spinco's directors have significant involvement in other companies in the same sector

Certain of the directors of Spinco serve as directors of other companies or have significant shareholdings in other companies and, to the extent that such other companies may participate in ventures in which Spinco may participate, the directors of Spinco may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the Board a director who has such a conflict will abstain from voting for or against the approval of such a participation or such terms. From time to time several companies may participate in the acquisition, exploration and development of natural resource properties

thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of Spinco making the assignment. In accordance with the laws of the Province of British Columbia, the directors of Spinco are required to act honestly, in good faith and in the best interests of Spinco. In determining whether or not Spinco will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which Spinco may be exposed and its financial position at that time.

Spinco does not anticipate paying dividends in the foreseeable future

Spinco does not anticipate declaring any dividends on the Spinco Shares in the foreseeable future. The Board will determine if and when dividends should be declared and paid in the future based on Spinco's financial position at the relevant time.

No Market for Securities

There is currently no market through which any of the Spinco Shares may be sold and there is no assurance that the Spinco Shares will be listed for trading on a stock exchange, or if listed, will provide a liquid market for such securities. Until the Spinco Shares are listed on a stock exchange, holders of the Spinco Shares may not be able to sell their Spinco Shares. Even if a listing is obtained, there can be no assurance that an active public market for the Spinco Shares will develop or be sustained after completion of the Arrangement. The holding of Spinco Shares 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. The Spinco Shares should not be purchased by persons who cannot afford the possibility of the loss of their entire investment.

Dividend Policy

Spinco does not presently intend to pay cash dividends in the foreseeable future, as any earnings are expected to be retained for use in developing and expanding its business. However, the actual amount of dividends received from Spinco will remain subject to the discretion of its board of directors and will depend on results of operations, cash requirements and future prospects of Spinco and other factors.

Conflicts of Interest

The directors of Spinco may be directors, officers or shareholders of other companies that are engaged in similar businesses to Spinco. Such associations may give rise to conflicts of interest from time to time. The directors of Spinco are required by law to act honestly and in good faith with a view to the best interests of Spinco and to disclose any interest which they may have in any project or opportunity of Spinco. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not Spinco will participate in any project or opportunity, the directors will primarily consider the degree of risk to which Spinco may be exposed and its financial position at the time.

There are also a number of factors that could negatively affect Spinco's business and the value of the Spinco Shares. For information pertaining to the outlook and conditions currently known to Spinco that could have a material impact on the financial condition, operations and business of Spinco, shareholders should refer to the *Risk Factors of Spinco*.

CLM Shareholders should also carefully consider all of the information disclosed in this Circular and the documents incorporated by reference.

The risk factors that are identified in this Circular and the documents incorporated by reference are not exhaustive and other factors may arise in the future that are currently not foreseen by management of Spinco that may present additional risks in the future.

MANAGEMENT CONTRACTS

Certain management functions of the Company are performed by the directors or executive officers of the Company through private companies that are controlled by such directors or executive officers.

A copy of this Circular is posted for public access on CLM's SEDAR profile at www.sedar.com, or, alternatively, can be obtained upon written request to the Company at Suite 804 – 750 West Pender Street, Vancouver, British Columbia V6C 2T7.

TRANSFER AGENT AND REGISTRAR

CLM's registrar and transfer agent is Computershare, of 3rd Floor, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9.

Prior to the Effective Date, Spinco intends to appoint Computershare as its registrar and transfer agent.

LEGAL PROCEEDINGS

There are no pending legal proceedings to which the Company or Spinco is or is likely to be a party or of which any of its properties are, or to the best of knowledge of management of the Company or Spinco are likely to be subject.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com.

OTHER MATTERS

Management of the Company is not aware of any other matter to come before the Meeting other than as set forth in the Notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the Shares represented thereby in accordance with their best judgment on such matter.

BOARD APPROVAL

The undersigned hereby certifies that the contents and the sending of this Circular to the CLM Shareholders have been approved by the Board.

Dated at Vancouver, British Columbia this 15th day of August, 2019.

CRYSTAL LAKE MINING CORPORATION

“Richard Savage”

Richard Savage,
President, CEO and Director

**APPENDIX A -
ARRANGEMENT RESOLUTION**

Capitalized words used in this Appendix A and not otherwise defined shall have the meaning ascribed to such terms in the Circular.

At the Meeting, CLM Shareholders, excluding any votes cast by Richard Savage, the President, CEO, director and disinterested shareholder of the Company (as described under *Interest of Informed Persons in Material Transactions* on page 21 hereof), in favour of the Arrangement, will be asked to consider and vote on the special resolutions to approve the Arrangement, with or without variation as follows:

“UPON MOTION DULY MADE, IT IS HEREBY RESOLVED AS A SPECIAL RESOLUTION THAT:

1. The arrangement (the “**Arrangement**”) under Section 288 of the British Columbia *Business Corporations Act* involving Crystal Lake Mining Corporation (“**CLM**”), all as more particularly described and set forth in the management information circular (the “**CLM Circular**”) of CLM dated August 15, 2019, accompanying the notice of this meeting (as the Arrangement may be, or may have been, modified or amended), is hereby authorized, approved and adopted.
2. The plan of arrangement, as it may be or has been amended (the “**Plan of Arrangement**”), involving CLM and implementing the Arrangement, the full text of which is set out in Appendix B to the CLM Circular, is hereby authorized, approved and adopted.
3. The arrangement agreement (the “**Arrangement Agreement**”) between CLM and Sassy Resources Corporation dated July 25, 2019, and all the transactions contemplated therein, the actions of the directors of CLM in approving the Arrangement and any amendments thereto and the actions of the directors and officers of CLM in executing and delivering the Arrangement Agreement and any amendments thereto are hereby confirmed, ratified, authorized and approved.
4. Notwithstanding that these resolutions have been passed (and the Arrangement adopted) or that the Arrangement has been approved by the Supreme Court of British Columbia, the directors of CLM are hereby authorized and empowered, without further notice to, or approval of, any securityholders of CLM:
 - (a) to amend the Arrangement Agreement or the Plan of Arrangement to the extent permitted by the Arrangement Agreement or the Plan of Arrangement; or
 - (b) subject to the terms of the Arrangement Agreement, not to proceed with the Arrangement.
5. Any one or more directors or officers of CLM is hereby authorized, for and on behalf and in the name of CLM, to execute and deliver, whether under corporate seal of CLM or not, all such agreements, applications, forms, waivers, notices, certificates, confirmations and other documents and instruments and to do or cause to be done all such other acts and things as in the opinion of such director or officer may be necessary, desirable or useful for the purpose of giving effect to these resolutions, the Arrangement Agreement and the completion of the Plan of Arrangement in accordance with the terms of the Arrangement Agreement, including:
 - (a) all actions required to be taken by or on behalf of CLM, and all necessary filings and obtaining the necessary approvals, consents and acceptances of appropriate regulatory authorities; and
 - (b) the signing of the certificates, consents and other documents or declarations required under the Arrangement Agreement or otherwise to be entered into by CLM;

such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.”

The Board recommends that CLM Shareholders vote in favour of the Arrangement. Unless such authority is withheld, the persons named in the enclosed Proxy intend to vote FOR the approval of the foregoing special resolution.

APPENDIX B

ARRANGEMENT AGREEMENT

THIS ARRANGEMENT AGREEMENT (the “**Agreement**”) is dated for reference July 25, 2019.

BETWEEN:

CRYSTAL LAKE MINING CORPORATION, a company having its registered office at Suite 804 - 750 West Pender Street, Vancouver, British Columbia V6C 2T7

(“**CLM**”)

AND:

SASSY RESOURCES CORPORATION, a company having its registered office at Suite 804 - 750 West Pender Street, Vancouver, British Columbia V6C 2T7

(“**Spinco**”)

(collectively, “the **Parties**”)

RECITALS:

- A. The Parties have entered into the Agreement wherein it is contemplated that CLM will transfer its Assets (as such term is defined in this Agreement) to its wholly-owned subsidiary, Spinco;
- B. The Parties hereto intend to carry out the transactions contemplated herein by way of an arrangement under the provisions of the *Business Corporations Act* (British Columbia);
- C. The Parties hereto have entered into this Agreement to provide for the matters referred to in the foregoing recital and for other matters relating to such arrangement; and
- D. This Agreement replaces the Arrangement Agreement between CLM and Spinco dated June 25, 2019.

NOW THEREFORE, in consideration of the covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto do hereby covenant and agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement, unless there is something in the context or subject matter inconsistent therewith, the following defined terms have the meanings hereinafter set forth:

- (a) “**Agreement**” means the arrangement agreement (including the schedules thereto) dated July 25, 2019, between CLM and Spinco as supplemented, modified or amended, and not to any particular article, section, schedule or other portion thereof;
- (b) “**Applicable Laws**” means all applicable corporate laws, rules of applicable stock exchanges and applicable securities laws, including the rules, regulations, notices, instruments, blanket orders and policies of the securities regulatory authorities in Canada;
- (c) “**Arrangement**” means the arrangement pursuant to Section 288 of the BCBCA set forth in the Plan of Arrangement;
- (d) “**Arrangement Provisions**” means Part 9, Division 5 of the BCBCA;
- (e) “**Arrangement Resolution**” means the special resolution in respect to the Arrangement and other related matters to be considered at the CLM Meeting;

- (f) “**Assets**” means mineral assets and contracts related to all the mineral and other properties and rights acquired by CLM from Emerald Lake Development Corporation and the letter of intent between CLM and Lorne Warren dated June 24, 2019 as described in Schedule B to the Arrangement Agreement;
- (g) “**BCBCA**” means the Business Corporations Act (British Columbia), S.B.C. 2002, c.57, as amended, including the regulations promulgated thereunder;
- (h) “**Business Day**” means a day other than a Saturday, Sunday or other than a day when banks in the City of Vancouver, British Columbia are not generally open for business;
- (i) “**CLM Meeting**” means the special meeting of the CLM Shareholders to be held on a date to be determined by the board of directors of CLM, and any adjournment(s) or postponement(s) thereof;
- (j) “**CLM Shareholder**” means a holder of CLM Shares;
- (k) “**CLM Shares**” means the Common Shares without par value in the authorized share structure of the Company;
- (l) “**Company**” or “**CLM**” means Crystal Lake Mining Corporation;
- (m) “**Computershare**” or “**Transfer Agent**” means Computershare Investor Services Inc., the registrar and transfer agent of CLM;
- (n) “**Conversion Factor**” means the number arrived at by dividing 10,000,000 (ten million) by the number of issued CLM Shares as of the close of business on the Share Distribution Record Date so that the number of Spinco Shares to be issued to CLM Shareholders pursuant to the Arrangement is equal to 10,000,000 (ten million) Spinco Shares subject to rounding of fractional shares and the exercise of dissent rights;
- (o) “**Court**” means the Supreme Court of British Columbia;
- (p) “**Dissenting Shareholder**” means a CLM Shareholder who validly exercises rights of dissent under the Arrangement and who will be entitled to be paid fair value for his, her or its CLM Shares in accordance with the Interim Order and the Plan of Arrangement;
- (q) “**Dissenting Shares**” means the CLM Shares in respect of which Dissenting Shareholders have exercised a right of dissent;
- (r) “**Effective Date**” means the date upon which the Arrangement becomes effective in accordance with the Arrangement Agreement and the Final Order;
- (s) “**Final Order**” means the final order of the Court approving the Arrangement;
- (t) “**IFRS**” means International Financial Reporting Standards as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee;
- (u) “**Information Circular**” means the management information circular of CLM to be sent by CLM to the CLM Shareholders in connection with the CLM Meeting;
- (v) “**Interim Order**” means an interim order of the Court concerning the Arrangement in respect of CLM, containing declarations and directions with respect to the Arrangement and the holding of the CLM Meeting, as such order may be affirmed, amended or modified by any court of competent jurisdiction;
- (w) “**New CLM Shares**” means the new class of common shares without par value which the Company will create, pursuant to Section 3.1(b)(ii) of the Plan of Arrangement and which, immediately after the Effective Date, will be identical in every relevant respect to the CLM Shares;
- (x) “**Notice of Meeting**” means the notice of special meeting of the CLM Shareholders in respect of the CLM Meeting;
- (y) “**Parties**” means CLM and Spinco and “**Party**” means any one of them;
- (z) “**Person**” means an individual, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, trustee, executor, administrator or other legal representative;

- (aa) **“Plan of Arrangement”** means the plan of substantially in the form set out in Schedule A to this Agreement, as amended or supplemented from time to time in accordance with Article 6 thereof and Article 6 hereof;
- (bb) **“Registrar”** means the Registrar of Companies for the Province of British Columbia duly appointed under the BCBCA;
- (cc) **“Record Date”** means the record date with respect to voting at the CLM Meeting;
- (dd) **“Share Distribution Record Date”** means the date approved by the board of directors of CLM, which date establishes the CLM Shareholders who will be entitled to receive Spinco Shares, pursuant to the Plan of Arrangement;
- (ee) **“Spinco”** means Sassy Resources Corporation, a private company and a subsidiary of CLM;
- (ff) **“Spinco Shareholder”** means a holder of Spinco Shares;
- (gg) **“Spinco Shares”** means the common shares without par value in the authorized share structure of Spinco; and
- (hh) **“Tax Act”** means the Income Tax Act (Canada), as may be amended, or replaced, from time to time.

1.2 Interpretation Not Affected by Headings, etc.

The division of this Agreement into articles, sections and subsections is for convenience of reference only and does not affect the construction or interpretation of this Agreement. The terms “this Agreement”, “hereof”, “herein” and “hereunder” and similar expressions refer to this Agreement (including Schedules A to B hereto) and not to any particular article, section or other portion hereof and include any agreement or instrument supplementary or ancillary hereto.

1.3 Number, etc.

Words importing the singular number include the plural and vice versa, words importing the use of any gender include all genders, and words importing persons include firms and corporations and vice versa.

1.4 Date for Any Action

If any date on which any action is required to be taken hereunder by any of the Parties is not a Business Day and a business day in the place where an action is required to be taken, such action is required to be taken on the next succeeding day which is a Business Day and a business day, as applicable, in such place.

1.5 Entire Agreement

This Agreement, together with the agreements and documents herein and therein referred to, constitute the entire agreement among the Parties pertaining to the subject matter hereof and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, among the Parties with respect to the subject matter hereof.

1.6 Currency

All sums of money which are referred to in this Agreement are expressed in lawful money of Canada.

1.7 Accounting Matters

Unless otherwise stated, all accounting terms used in this Agreement shall have the meanings attributable thereto under IFRS, as applicable and all determinations of an accounting nature are required to be made shall be made in a manner consistent with IFRS.

1.8 References to Legislation

References in this Agreement to any statute or sections thereof shall include such statute as amended or substituted and any regulations promulgated thereunder from time to time in effect.

1.9 Enforceability

All representations, warranties, covenants and opinions in or contemplated by this Agreement as to the enforceability of any covenant, agreement or document are subject to enforceability being limited by applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other laws relating to or affecting creditors' rights generally, and the discretionary nature of certain remedies (including specific performance and injunctive relief and general principles of equity).

1.10 Schedules

The following schedules attached hereto are incorporated into and form an integral part of this Agreement:

Schedule A – Plan of Arrangement
Schedule B – Assets

ARTICLE 2 THE ARRANGEMENT

2.1 Plan of Arrangement

The Parties will forthwith jointly file, proceed with and diligently prosecute an application for an Interim Order providing for, among other things, the calling and holding of the CLM Meeting for the purpose of considering and, if deemed advisable, approving the Arrangement Resolution and upon receipt thereof, the Parties will forthwith carry out the terms of the Interim Order to the extent applicable to it. Provided all necessary approvals for the Arrangement Resolution are obtained from the CLM Shareholders, the Parties shall jointly submit the Arrangement to the Court and apply for the Final Order. Upon issuance of the Final Order and subject to the conditions precedent in Article 5, CLM shall forthwith proceed to file the Articles of Arrangement, the Final Order and such other documents as may be required to give effect to the Arrangement with the Registrar pursuant to the Arrangement Provisions, whereupon the transactions comprising the Arrangement shall occur and shall be deemed to have occurred in the order set out therein without any act or formality.

2.2 Interim Order

Subject to the approval by the court, the Interim Order shall provide that:

- (a) the securities of CLM for which holders shall be entitled to vote on the Arrangement Resolution shall be the CLM Shares;
- (b) the CLM Shareholders shall be entitled to vote on the Arrangement Resolution, with each CLM Shareholder being entitled to one vote for each CLM Share held by such holder; and
- (c) the requisite majority for the approval of the Arrangement Resolution shall be two-thirds of the votes cast by the CLM Shareholders present in person or by proxy at the CLM Meeting.

2.3 Information Circular and Meetings

As promptly as practical following the execution of this Agreement and in compliance with the Interim Order and Applicable Laws, CLM shall:

- (a) prepare the Information Circular and cause such circular to be mailed to the CLM Shareholders and filed with applicable regulatory authorities and other governmental authorities in all jurisdictions where the same are required to be mailed and filed; and
- (b) convene the CLM Meeting.

2.4 Effective Date

The Arrangement shall become effective in accordance with the terms of the Plan of Arrangement on the Effective Date.

2.5 United States Securities Law Matters

The Parties agree that the Arrangement will be carried out with the intention that all securities to be issued pursuant to the Arrangement will be issued in reliance on the exemption under Section 3(a)(10) of the Securities Act of 1933, as amended (the "Section 3(a)(10) Exemption"). In order to ensure the availability of the Section 3(a)(10) Exemption, Spinco agrees that the Arrangement will be carried out on the following basis:

- (a) the Arrangement will be subject to the approval of the Court;
- (b) the Court will be advised as to the intention of the parties to rely on the Section 3(a)(10) Exemption prior to the hearing required to approve the Arrangement;
- (c) the Court will be required to satisfy itself as to the fairness of the Arrangement to the CLM Shareholders subject to the Arrangement;
- (d) the Court will have determined, prior to approving the Arrangement, that the terms and conditions of the exchanges of securities under the Arrangement are fair to the CLM Shareholders pursuant to the Arrangement;
- (e) the order approving the Arrangement that is obtained from the Court will expressly state that the Arrangement is approved by the Court as being fair to the CLM Shareholders pursuant to the Arrangement;
- (f) CLM will ensure that each person entitled to receive securities pursuant to the Arrangement will be given adequate notice advising them of their right to attend the hearing of the Court to give approval of the Arrangement and providing them with the sufficient information necessary for them to exercise that right; and
- (g) the Interim Order will specify that each person entitled to receive securities pursuant to the Arrangement will have the right to appear before the Court so long as they enter an appearance within a reasonable time.

ARTICLE 3 COVENANTS

3.1 Covenants Regarding the Arrangement

From the date hereof until the Effective Date, the Parties will use all reasonable efforts to satisfy (or cause the satisfaction of) the conditions precedent to its obligations hereunder and to take, or cause to be taken, all other action and to do, or cause to be done, all other things necessary, proper or advisable under Applicable Laws to complete the Arrangement, including using reasonable efforts:

- (a) to obtain all necessary waivers, consents and approvals required to be obtained by it from other parties to agreements, leases and other contracts;
- (b) to obtain all necessary consents, assignments, waivers and amendments to or terminations of any instruments and take such measures as may be appropriate to fulfill its obligations hereunder and to carry out the transactions contemplated hereby; and
- (c) to effect all necessary registrations and filings and submissions of information requested by governmental authorities required to be effected by it in connection with the Arrangement.

The Spinco agrees to comply with the terms and conditions and assume all obligations pursuant to the underlying agreements related to the Assets.

3.2 Covenants Regarding Execution of Documents

- (a) The Parties will perform all such acts and things, and execute and deliver all such agreements, notices and other documents and instruments as may reasonably be required to facilitate the carrying out of the intent and purpose of this Agreement.

3.3 Giving Effect to the Arrangement

The Arrangement shall be effected in the following manner:

- (a) The Parties shall proceed forthwith to apply for the Interim Order providing for, among other things, the calling and holding of the CLM Meeting for the purpose of, among other things, considering and, if deemed advisable, approving and adopting the Arrangement;
- (b) The Spinco Shareholder shall approve the Arrangement by consent resolutions;
- (c) Upon obtaining the Interim Order, CLM shall call the CLM Meeting and mail the Information Circular and related Notice of Meeting and form of Proxy to the CLM Shareholders;
- (d) If the CLM Shareholders approve the Arrangement, CLM shall thereafter (subject to the exercise of any discretionary authority granted to CLM's Board by the CLM Shareholders) take the necessary actions to submit the Arrangement to the Court for approval and grant of the Final Order; and
- (e) Upon receipt of the Final Order, CLM shall, subject to compliance with any of the other conditions provided for in Article 5 hereof and to the rights of termination contained in Article 7 hereof, file the required material with the Registrar in accordance with the terms of the Plan of Arrangement.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES

4.1 Representations and Warranties

Each of the Parties hereby represents and warrants to the other that:

- (a) It is a corporation duly incorporated and validly subsisting under the laws of its jurisdiction of existence, and has full capacity and authority to enter into this Agreement and to perform its covenants and obligations hereunder;
- (b) It has taken all corporate actions necessary to authorize the execution and delivery of this Agreement and this Agreement has been duly executed and delivered by it;
- (c) Neither the execution and delivery of this Agreement nor the performance of any of its covenants and obligations hereunder will constitute a material default under, or be in any material contravention or breach of: (i) any provision of its constituting or governing corporate documents, (ii) any judgment, decree, order, law, statute, rule or regulation applicable to it, or (iii) any agreement or instrument to which it is a party or by which it is bound; and
- (d) No dissolution, winding up, bankruptcy, liquidation or similar proceedings have been commenced or are pending or proposed in respect of it.

ARTICLE 5 CONDITIONS PRECEDENT

5.1 Mutual Conditions Precedent

The respective obligations of the Parties to consummate the transactions contemplated hereby, and in particular the Arrangement, are subject to the satisfaction, on or before the Effective Date or such other time specified, of the following conditions, any of which may be waived by the mutual written consent of such Parties without prejudice to their right to rely on any other of such conditions:

- (a) the Interim Order shall have been granted in form and substance satisfactory to the Parties, acting reasonably, and such order shall not have been set aside or modified in a manner unacceptable to the Parties, acting reasonably, on appeal or otherwise;
- (b) the Arrangement Resolution shall have been passed by the CLM Shareholders at the CLM Meeting in accordance with the Arrangement Provisions, the constating documents of CLM, the Interim Order and the requirements of any applicable regulatory authorities;
- (c) the Arrangement and this Agreement, with or without amendment, shall have been approved by the Spinco Shareholder to the extent required by, and in accordance with, the Arrangement Provisions and the constating documents of Spinco;
- (d) the Final Order shall have been granted in form and substance satisfactory to the Parties, acting reasonably;
- (e) all other consents, orders, regulations and approvals, including regulatory and judicial approvals and orders required or necessary or desirable for the completion of the transactions provided for in this Agreement and the Plan of Arrangement shall have been obtained or received from the persons, authorities or bodies having jurisdiction in the circumstances, each in form acceptable to the Parties;
- (f) there shall not be in force any order or decree restraining or enjoining the consummation of the transactions contemplated by this Agreement and the Arrangement; and
- (g) this Agreement shall not have been terminated under Article 7.

Except for the conditions set forth in this §5.1 which, by their nature, may not be waived, any of the other conditions in this §5.1 may be waived, either in whole or in part, by any of the Parties, as the case may be, at its discretion.

5.2 Closing

Unless this Agreement is terminated earlier pursuant to the provisions hereof, the Parties shall meet at the offices of CLM at Suite 804 - 750 West Pender Street, Vancouver, British Columbia V6C 2T7, or such other location as agreed to by the Parties, at 11:00 a.m. (Vancouver time) on such date as they may mutually agree (the “**Closing Date**”), and each of them shall deliver to the other of them:

- (a) the documents required to be delivered by it hereunder to complete the transactions contemplated hereby, provided that each such document required to be dated the Effective Date shall be dated as of, or become effective on, the Effective Date and shall be held in escrow to be released upon the occurrence of the Effective Date; and
- (b) written confirmation as to the satisfaction or waiver by it of the conditions in its favour contained in this Agreement.

5.3 Merger of Conditions

The conditions set out in §5.1 hereof shall be conclusively deemed to have been satisfied, waived or released upon the occurrence of the Effective Date.

5.4 Merger of Representations and Warranties

The representations and warranties in §4.1 shall be conclusively deemed to be correct as of the Effective Date and each shall accordingly merge in and not survive the effectiveness of the Arrangement.

ARTICLE 6 AMENDMENT

6.1 Amendment

This Agreement may at any time and from time to time before or after the holding of the CLM Meeting be amended by written agreement of the Parties hereto without, subject to Applicable Laws, further notice to or authorization on the part of their respective securityholders and any such amendment may, without limitation:

- (a) change the time for performance of any of the obligations or acts of the Parties;
- (b) waive any inaccuracies or modify any representation or warranty contained herein or in any document delivered pursuant hereto;
- (c) waive compliance with or modify any of the covenants herein contained and waive or modify performance of any of the obligations of the Parties; or
- (d) waive compliance with or modify any other conditions precedent contained herein;

provided that no such amendment reduces or materially adversely affects the consideration to be received by a CLM Shareholder without approval by the CLM Shareholders, given in the same manner as required for the approval of the Arrangement or as may be ordered by the Court.

ARTICLE 7 TERMINATION

7.1 Termination

Subject to §7.2, this Agreement may at any time before or after the holding of the CLM Meeting, and before or after the granting of the Final Order, but in each case prior to the Effective Date, be terminated by direction of the CLM Board without further action on the part of the CLM Shareholders, or by the board of directors of Spinco without further action on the part of the respective Spinco Shareholder and nothing expressed or implied herein or in the Plan of Arrangement shall be construed as fettering the absolute discretion by the boards of directors of CLM and Spinco, respectively, to elect to terminate this Agreement and discontinue efforts to effect the Arrangement for whatever reasons it may consider appropriate.

7.2 Cessation of Right

The right of any of the Parties or any other party to amend or terminate the Plan of Arrangement pursuant to §6.1 and §7.1 shall be extinguished upon the occurrence of the Effective Date.

ARTICLE 8 NOTICES

8.1 Notices

All notices which may or are required to be given pursuant to any provision of this Agreement shall be given or made in writing and shall be deemed to be validly given if served personally or by electronic transmission, in each case to the attention of the senior officer at the following addresses or at such other address as shall be specified by a Party by like notice:

In the case of Crystal Lake Mining Corporation:

Suite 804 - 750 West Pender Street
Vancouver, British Columbia V6C 2T7
Attention: Richard Savage, CEO

In the case of Sassy Resources Corporation:

Suite 804 - 750 West Pender Street
 Vancouver, British Columbia V6C 2T7
 Attention: Wally E. Boguski, Director

the address as the Parties may, from time to time, advise to the other Parties hereto by notice in writing. Any notice that is delivered to such address shall be deemed to be delivered on the date of delivery if delivered on a Business Day prior to 4:00 p.m. (local time at the place of receipt) or on the next Business Day if delivered after 4:00 p.m. or on a non-Business Day. Any notice delivered by facsimile transmission shall be deemed to be delivered on the date of transmission if delivered on a Business Day prior to 4:00 p.m. (local time at the place of receipt) or on the next Business Day if delivered after 4:00 p.m. or on a non-Business Day.

ARTICLE 9 GENERAL

9.1 Assignment and Enurement

This Agreement shall enure to the benefit of and be binding upon the Parties hereto and their respective successors and assigns. This Agreement may not be assigned by any party hereto without the prior consent of the other Parties hereto.

9.2 Disclosure

Each Party shall receive the prior consent, not to be unreasonably withheld, of the other Parties prior to issuing or permitting any director, officer, employee or agent to issue, any press release or other written statement with respect to this Agreement or the transactions contemplated hereby. Notwithstanding the foregoing, if any Party is required by law or administrative regulation to make any disclosure relating to the transactions contemplated herein, such disclosure may be made, but that Party will consult with the other Parties as to the wording of such disclosure prior to its being made.

9.3 Costs and Financings by Spinco

Except as contemplated in the Arrangement and herein, each Party hereto covenants and agrees to bear its own costs and expenses in connection with the transactions contemplated hereby.

Spinco may conduct debt or equity financings and acquire additional assets after the date of this Agreement.

9.4 Severability

If any one or more of the provisions or parts thereof contained in this Agreement should be or become invalid, illegal or unenforceable in any respect in any jurisdiction, the remaining provisions or parts thereof contained herein shall be and shall be conclusively deemed to be, as to such jurisdiction, severable therefrom and:

- (a) the validity, legality or enforceability of such remaining provisions or parts thereof shall not in any way be affected or impaired by the severance of the provisions or parts thereof severed; and
- (b) the invalidity, illegality or unenforceability of any provision or part thereof contained in this Agreement in any jurisdiction shall not affect or impair such provision or part thereof or any other provisions of this Agreement in any other jurisdiction.

9.5 Further Assurances

Each Party hereto shall, from time to time and at all times hereafter, at the request of any other Party hereto, but without further consideration, do all such further acts, and execute and deliver all such further documents and instruments as may be reasonably required in order to fully perform and carry out the terms and intent hereof.

9.6 Time of Essence

Time shall be of the essence of this Agreement.

9.7 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein and the Parties hereto irrevocably attorn to the jurisdiction of the courts of the Province of British Columbia. Each of the Parties hereto hereby irrevocably and unconditionally consents to and submits to the jurisdiction of the courts of the Province of British Columbia in respect of all actions, suits or proceedings arising out of or relating to this Agreement or the matters contemplated hereby (and agrees not to commence any action, suit or proceeding relating thereto except in such courts) and further agrees that service of any process, summons, notice or document by single registered mail to the addresses of the parties set forth in this Agreement shall be effective service of process for any action, suit or proceeding brought against any Party in such court. The Parties hereby irrevocably and unconditionally waive any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement or the matters contemplated hereby in the courts of the Province of British Columbia and hereby further irrevocably and unconditionally waive and agree not to plead or claim in any such court that any such action, suit or proceeding so brought has been brought in an inconvenient forum.

9.8 Waiver

No waiver by any Party shall be effective unless in writing and any waiver shall affect only the matter, and the occurrence thereof, specifically identified and shall not extend to any other matter or occurrence.

9.9 Replacement of the Arrangement Agreement dated June 25, 2019

This Agreement replaces the Arrangement Agreement between CLM and Spinco dated June 25, 2019.

9.10 Counterparts

This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together constitute one and the same instrument. Execution of this Agreement electronically or manually, and the electronic delivery of this Agreement in counterparts shall constitute valid delivery of the same.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first above written.

CRYSTAL LAKE MINING CORPORATION

Per: "Richard Savage"
Authorized Signatory

SASSY RESOURCES CORPORATION

Per: "Wally Boguski"
Authorized Signatory

**SCHEDULE A
TO THE ARRANGEMENT AGREEMENT**

**PLAN OF ARRANGEMENT
UNDER DIVISION 5 OF PART 9 OF THE
BUSINESS CORPORATIONS ACT (BRITISH COLUMBIA)
S.B.C. 2002, c. 57**

**ARTICLE 1.
INTERPRETATION**

- 1.1 Terms used in this Plan of Arrangement have the same meaning as the terms used in the Arrangement Agreement.
- 1.2 The division of this Plan of Arrangement into articles and sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Plan of Arrangement.
- 1.3 Unless reference is specifically made to some other document or instrument, all references herein to articles and sections are to articles and sections of this Plan of Arrangement.
- 1.4 Unless the context otherwise requires, words importing the singular number shall include the plural and vice versa; words importing any gender shall include all genders; and words importing persons shall include individuals, partnerships, associations, corporations, funds, unincorporated organizations, governments, regulatory authorities, and other entities.
- 1.5 In the event that the date on which any action is required to be taken hereunder by any of the Parties is not a Business Day in the place where the action is required to be taken, such action shall be required to be taken on the next succeeding day which is a Business Day in such place.
- 1.6 References in this Plan of Arrangement to any statute or sections thereof shall include such statute as amended or substituted and any regulations promulgated thereunder from time to time in effect.

**ARTICLE 2.
ARRANGEMENT AGREEMENT**

- 2.1 This Plan of Arrangement is made pursuant and subject to the provisions of, and forms part of, the Arrangement Agreement.
- 2.2 This Plan of Arrangement will become effective in accordance with its terms and be binding on the Effective Date on the CLM Shareholders.

**ARTICLE 3.
ARRANGEMENT**

- 3.1 On the Effective Date, the following shall occur and be deemed to occur in the following chronological order without further act or formality, notwithstanding anything contained in the provisions attaching to any of the Parties, but subject to the provisions of Article 6:
- (a) subject to the obtaining the required approvals, CLM will transfer the Assets to Spinco in consideration for the number equal to the number of CLM Shares as of the Share Distribution Record Date of the Spinco Shares multiplied by the Conversion Factor (collectively the “**Distributed Spinco Shares**”). The central securities register of Spinco shall be amended accordingly.

- (b) The authorized share capital of CLM will be altered by:
- (i) changing the identifying name of the CLM Shares to Class A common shares without par value, being the “**CLM Class A Common Shares**”;
 - (ii) creating a class consisting of an unlimited number of common shares without par value (the “**New CLM Shares**”); and
 - (iii) creating a class consisting of an unlimited number of Class A preferred shares without par value, having the rights and restrictions described in Schedule A to the Plan of Arrangement, being the CLM Class A Preferred Shares.
- (c) Each issued CLM Class A Common Share will be exchanged for one New CLM Share and one CLM Class A Preferred Share and, subject to the exercise of a right of dissent, the holders of the CLM Class A Common Shares will be removed from the central securities register of CLM and will be added to the central securities register as the holders of the number of New CLM Shares and CLM Class A Preferred Shares that they have received on the exchange.
- (d) All of the issued CLM Class A Common Shares will be cancelled with the appropriate entries being made in the central securities register of CLM and the aggregate paid up capital (as that term is used for purposes of the Tax Act) of the CLM Class A Common Shares immediately prior to the Effective Date will be allocated between the New CLM Shares and the CLM Class A Preferred Shares so that the aggregate paid up capital of the CLM Class A Preferred Shares is equal to the aggregate fair market value of the Distributed Spinco Shares as of the Effective Date, and each CLM Class A Preferred Share so issued will be issued by CLM at an issue price equal to the aggregate fair market value of the Distributed Spinco Shares as of the Effective Date, divided by the number of issued CLM Class A Preferred Shares, such aggregate fair market value of the Distributed Spinco Shares to be determined as at the Effective Date by resolution of the board of directors of CLM. CLM will redeem the issued CLM Class A Preferred Shares for consideration consisting solely of the Distributed Spinco Shares such that each holder of CLM Class A Preferred Shares will, subject to the rounding of fractions and the exercise of rights of dissent, receive that number of Spinco Shares that is equal to the number of CLM Class A Preferred Shares held by such holder multiplied by the Conversion Factor.
- (e) CLM will redeem the issued CLM Class A Preferred Shares for consideration consisting solely of the Distributed Spinco Shares such that each holder of CLM Class A Preferred Shares will, subject to the rounding of fractions and the exercise of rights of dissent, receive that number of Spinco Shares that is equal to the number of CLM Class A Preferred Shares held by such holder multiplied by the Conversion Factor;
- (f) The name of each holder of CLM Class A Preferred Shares will be removed as such from the central securities register of CLM, and all of the issued CLM Class A Preferred Shares will be cancelled with the appropriate entries being made in the central securities register of CLM.
- (g) The Distributed Spinco Shares transferred to the holders of the CLM Class A Preferred Shares pursuant to § 3.1 (e) above will be registered in the names of the former holders of CLM Class A Preferred Shares and appropriate entries will be made in the central securities registers of Spinco.
- (h) The CLM Class A Common Shares and the CLM Class A Preferred Shares, none of which will be allotted or issued once the steps referred to in §3.1 (e) and §3.1 (g) and above are completed, will be cancelled and the authorized share structure of CLM will be changed by eliminating the CLM Class A Common Shares and the CLM Class A Preferred Shares therefrom.
- (i) The Notice of Articles of CLM will be amended to reflect the changes to its authorized share structure made pursuant to the Plan of Arrangement.

3.2 Notwithstanding §3.1(e) and §3.1(i) no fractional Spinco Shares shall be distributed to the CLM Shareholders, as a result all fractional share amounts arising under such sections shall be rounded down to the nearest whole number. Any Distributed Spinco Shares not distributed as a result of this rounding down shall be dealt with as determined by the board of directors of CLM in its absolute discretion.

- 3.3 The holders of the CLM Class A Common Shares and the holders of New CLM Shares and CLM Class A Preferred Shares referred to in §3.1(c), and the holders of the CLM Class A Preferred Shares referred to in §3.1 (e), §3.1(f) and §3.1(g), shall mean in all cases those persons who are CLM Shareholders at the close of business on the Share Distribution Record Date, subject to Article 5.
- 3.4 In addition to the chronological order in which the transactions and events set out in §3.1 shall occur and shall be deemed to occur, the time on the Effective Date for the redemption of the CLM Class A Preferred Shares set out in §3.1(e) shall occur and shall be deemed to on the Effective Date.
- 3.5 All New CLM Shares, CLM Class A Preferred Shares and Spinco Shares issued pursuant to this Plan of Arrangement shall be deemed to be validly issued and outstanding as fully paid and non-assessable shares for all purposes of the BCBCA.
- 3.6 The Arrangement shall become final and conclusively binding on the CLM Shareholders and Spinco Shareholders and the Parties on the Effective Date.
- 3.7 Notwithstanding that the transactions and events set out in §3.1 shall occur and shall be deemed to occur in the chronological order therein set out without any act or formality, each of the Parties shall be required to make, do and execute or cause and procure to be made, done and executed all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may be required to give effect to, or further document or evidence, any of the transactions or events set out in §3.1 including, without limitation, any resolutions of directors authorizing the issue, transfer or redemption of shares, any share transfer powers evidencing the transfer of shares and any receipt therefore, and any necessary additions to or deletions from share registers.
- 3.8 The Arrangement shall result in the shareholders of CLM receiving 10,000,000 Spinco Shares on a pro-rata basis subject to rounding down of fractional shares and subject to the exercise of the right of dissent.

ARTICLE 4. CERTIFICATES

- 4.1 Recognizing that the CLM Shares shall be re-designated as CLM Class A Common Shares pursuant to §3.1(b)(i) and that the CLM Class A Common Shares shall be exchanged partially for New CLM Shares and CLM Class A Preferred Shares pursuant to §3.1(c), CLM shall not issue replacement share certificates representing the CLM Class A Common Shares.
- 4.2 Recognizing that the Distributed Spinco Shares shall be transferred to the CLM Shareholders as consideration for the redemption of the CLM Class A Preferred Shares pursuant to §3.1(e), Spinco shall issue one share certificate representing all of the respective Distributed Spinco Shares, registered in the name of CLM, which share certificate shall be held by the Depositary until the Distributed Spinco Shares are transferred to the CLM Shareholders and such certificate shall then be cancelled by the Depositary. To facilitate the transfer of the Distributed Spinco Shares to the CLM Shareholders as of the Share Distribution Record Date, CLM shall execute and deliver to the Depositary and the Transfer Agent an irrevocable power of attorney, authorizing them to distribute and transfer the Distributed Spinco Shares to such CLM Shareholders in accordance with the terms of this Plan of Arrangement and Spinco shall deliver a treasury order or such other direction to effect such issuance to the Transfer Agent as requested by it.
- 4.3 Recognizing that all of the CLM Class A Preferred Shares issued to the CLM Shareholders pursuant to §3.1(c) will be redeemed by CLM as consideration for the distribution and transfer of the Distributed Spinco Shares under §3.1(e), CLM shall issue one share certificate representing all of the CLM Class A Preferred Shares issued pursuant to §3.1(c) and §3.1(e) in the name of the Depositary, for the benefit of the CLM Shareholders until such CLM Class A Preferred Shares are redeemed, and such certificate shall then be cancelled.
- 4.4 As soon as practicable after the Effective Date, Spinco shall cause (through the Transfer Agent) to be issued to the registered holders of CLM Shares as of the Share Distribution Record Date, share certificates representing the respective Spinco Shares to which they are entitled pursuant to this Plan of Arrangement and shall cause such share certificates or direct registration statements (“DRS”) to be mailed to such registered holders.

- 4.5 From and after the Effective Date, share certificates representing CLM Shares immediately before the Effective Date, except for those deemed to have been cancelled pursuant to Article 5, shall for all purposes be deemed to be share certificates representing New CLM Shares, and no new share certificates shall be issued with respect to the New CLM Shares issued in connection with the Arrangement.
- 4.6 CLM Shares traded, if any, after the Share Distribution Record Date and prior to the Effective Date shall represent New CLM Shares, and shall not carry any right to receive a portion of the Distributed Spinco Shares.
- 4.7 To save time and resources, the Spinco may implement the share exchanges described in §3.1 by a single treasury order and all share issuances and cancelations described in §3.1 shall be deemed to have occurred.

ARTICLE 5. DISSENTING SHAREHOLDERS

- 5.1 Notwithstanding §3.1 hereof, holders of CLM Shares may exercise rights of dissent (the “**Dissent Right**”) in connection with the Arrangement pursuant to the Interim Order and in the manner set forth in sections 237 – 247 of the BCBCA (collectively, the “**Dissent Procedures**”).
- 5.2 CLM Shareholders who duly exercise Dissent Rights with respect to their CLM Shares (“**Dissenting Shares**”) and who:
- (a) are ultimately entitled to be paid fair value for their Dissenting Shares, shall be deemed to have transferred their Dissenting Shares to CLM for cancellation immediately before the Effective Date; or
 - (b) for any reason are ultimately not entitled to be paid fair value for their Dissenting Shares, shall be deemed to have participated in the Arrangement on the same basis as a non-dissenting CLM Shareholder and shall receive New CLM Shares and Spinco Shares on the same basis as every other non-dissenting CLM Shareholder, and in no case shall CLM be required to recognize such person as holding CLM Shares on or after the Effective Date.
- 5.3 If a CLM Shareholder exercises the Dissent Right, CLM shall on the Effective Date set aside and not distribute that portion of the Distributed Spinco Shares that is attributable to the CLM Shares for which the Dissent Right has been exercised. If the dissenting CLM Shareholder is ultimately not entitled to be paid for their Dissenting Shares, CLM shall distribute to such CLM Shareholder his, her or its pro-rata portion of the respective Distributed Spinco Shares. If a CLM Shareholder duly complies with the Dissent Procedures and is ultimately entitled to be paid fair value for their Dissenting Shares, then CLM shall retain the portion of Distributed Spinco Shares attributable to such CLM Shareholder (collectively, the “**Non-Distributed Shares**”), and the Non-Distributed Shares shall be dealt with as determined by the board of directors of CLM in its absolute discretion.

ARTICLE 6. AMENDMENTS

- 6.1 The Parties may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Date, provided that each such amendment, modification and/or supplement must be:
- (a) set out in writing;
 - (b) filed with the Court and, if made following the CLM Meeting, approved by the Court; and
 - (c) communicated to holders of CLM Shares and Spinco Shares, as the case may be, if and as required by the Court.
- 6.2 Any amendment, modification or supplement to this Plan of Arrangement may be proposed by CLM at any time prior to the CLM Meeting with or without any other prior notice or communication, and if so proposed

and accepted by the persons voting at the CLM Meeting (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.

- 6.3 CLM, with the consent of the other parties, may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time after the CLM Meeting and prior to the Effective Date with the approval of the Court.
- 6.4 Any amendment, modification or supplement to this Plan of Arrangement may be made following the Effective Date but shall only be effective if it is consented to by the Parties, provided that such amendment, modification or supplement concerns a matter which, in the reasonable opinion of the Parties, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the financial or economic interests of any of the Parties or any former holder of CLM Shares and Spinco Shares as the case may be.

ARTICLE 7.
REFERENCE DATE

- 7.1 This Plan of Arrangement is dated for reference July 25, 2019.

**SCHEDULE A
TO THE PLAN OF ARRANGEMENT**

SPECIAL RIGHTS AND RESTRICTIONS FOR CLASS A PREFERRED SHARES

The Class A Preferred Shares as a class has or shall have attached to them the following special rights and restrictions:

Definitions

- (1) In these Special Rights and Restrictions,
 - (a) “**Arrangement**” means the arrangement pursuant to Division 5 of Part 9 of the Business Corporations Act (British Columbia) S.B.C 2002, c.57 as contemplated by the Arrangement Agreement,
 - (b) “**Arrangement Agreement**” means the Arrangement Agreement dated as of July 25, 2019 between Crystal Lake Mining Corporation (the “**Company**”) and Sassy Resources Corporation,
 - (c) “**Old Common Shares**” means the common shares in the authorized share structure of the Company that have been re-designated as Class A Common Shares without par value pursuant to the Plan of Arrangement,
 - (d) “**Effective Date**” means the date upon which the Arrangement becomes effective,
 - (e) “**New CLM Shares**” means the Common Shares without par value created in the authorized share structure of the Company pursuant to the Plan of Arrangement, and
 - (f) “**Plan of Arrangement**” means the Plan of Arrangement attached as Schedule “A” to the Arrangement Agreement.
- (2) The holders of the Class A Preferred Shares are not as such entitled to receive notice of, nor to attend or vote at, any general meeting of the shareholders of the Company.
- (3) Class A Preferred Shares shall only be issued on the exchange of Old Common Shares for New CLM Shares and Class A Preferred Shares pursuant to and in accordance with the Plan of Arrangement.
- (4) The capital to be allocated to the Class A Preferred Shares shall be the amount determined in accordance with §3.1(d) of the Plan of Arrangement.
- (5) The Class A Preferred Shares shall be redeemable by the Company pursuant to and in accordance with the Plan of Arrangement.
- (6) Any Class A Preferred Share that is or is deemed to be redeemed pursuant to and in accordance with the Plan of Arrangement shall be cancelled and may not be reissued.

**SCHEDULE B
TO THE ARRANGEMENT AGREEMENT**

ASSETS

1. All properties, mineral rights and property option agreements acquired from Emerald Lake Development Corporation including the following properties referenced in the financial statements of CLM: Iron Property, Farm Property, EL1 and EL5, Properties #1,2,3,5,7 and 8, Property 6.
2. Binding Letter of Intent between Crystal Lake Mining Corporation and Lorne Warren dated June 24, 2019 with respect to the option in relation to the mineral claims listed in that letter of intent.



APPENDIX C

NO. S-199196
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING CRYSTAL LAKE MINING CORPORATION, SASSY RESOURCES CORPORATION AND THE SHAREHOLDERS OF CRYSTAL LAKE MINING CORPORATION

CRYSTAL LAKE MINING CORPORATION

PETITIONER

ORDER MADE AFTER APPLICATION

INTERIM ORDER

BEFORE MASTER **ELWOOD**

FRIDAY, THE 23rd DAY OF AUGUST, 2019

ON THE APPLICATION WITHOUT NOTICE of the Petitioner, Crystal Lake Mining Corporation (“CLM”) for an interim order (the “Interim Order”) pursuant to its Petition dated August 20, 2019, coming on for hearing at Vancouver, British Columbia, on the 23rd day of August, 2019, and on hearing Linas Antanavicius, counsel for the Petitioner, and upon reading the Petition herein and the Affidavit #1 of Richard Savage made on August 20, 2019 and the pleadings filed herein:

THIS COURT ORDERS that:

Definitions

1. As used in this Order, unless otherwise defined, terms beginning with capital letters have the respective meanings set out in the notice of meeting and management information circular (the “Circular”) for the special meeting (the “Meeting”) of shareholders of CLM (the “CLM Shareholders”)

attached as Exhibit “B” to the Affidavit of Richard Savage sworn on August 20, 2019 (the “Savage Affidavit”).

The Meeting

2. Pursuant to Sections 289 and 291 of the *Business Corporations Act*, S.B.C., 2002, c. 57, as amended (the “BCBCA”), CLM is authorized and directed to call, hold and conduct the Meeting of the CLM Shareholders to be held at 11:00 a.m. (Vancouver time) on September 30, 2019 at The Vancouver Club, 915 West Hastings Street, UBC Room, 3rd Floor, Vancouver, British Columbia, V6C 1C6 or other location in British Columbia to:

- (a) consider, and if thought advisable, to pass, with or without amendment, a special resolution (the “Arrangement Resolution”) to approve an arrangement (the “Arrangement”) under section 288 of the BCBCA, the full text of which resolution is set forth in Appendix A to, and all as more particularly described in the Circular; and
- (b) consider other matters, including without limitation such amendments or variations to the foregoing matters, as may properly come before the Meeting or any adjournment thereof.

3. The Meeting shall be called, held and conducted in accordance with the BCBCA, the Circular and the articles of CLM, subject to the terms of this Interim Order, and any further Order of this Court, and the rulings and directions of the Chair of the Meeting, such rulings and directions not to be inconsistent with this Interim Order.

Adjournment of the Meeting

4. CLM, if it deems advisable, is specifically authorized to adjourn or postpone the Meeting on one or more occasions, without the necessity of first convening the Meeting or first obtaining any vote of the CLM Shareholders respecting the adjournment or postponement and without the need for approval of the Court. Notice of any such adjournments or postponements shall be given by press release, news release, newspaper advertisement, or by notice sent to CLM Shareholders by one of the methods specified in paragraph 9 of this Interim Order.

5. The Record Date (as defined in paragraph 7 below) shall not change in respect of adjournments or postponements of the Meeting.

Amendments

6. Prior to the Meeting, CLM is authorized to make such amendments, revisions or supplements to the Arrangement in accordance with the Arrangement Agreement without any additional notice to the CLM Shareholders, and the Arrangement as so amended, revised and supplemented shall be the Arrangement submitted to the Meeting, and the subject of the Arrangement Resolution.

Record Date

7. The record date for determining the CLM Shareholders entitled to receive notice of, attend and vote at the Meeting shall be August 15, 2019 (the “**Record Date**”), as previously approved by the Board or such other date as the Board may determine as disclosed to the CLM Shareholders in the manner they see fit.

The Meeting Materials

8. The Circular is hereby deemed to represent sufficient and adequate disclosure, including for the purpose of Section 290(1)(a) of the BCBCA, and CLM shall not be required to send to the CLM Shareholders any other or additional statement pursuant to Section 290(1)(a) of the BCBCA.

9. The Circular, form of proxy and voting instructions in substantially the same form as contained in Exhibits “B”, “C” and “D” to the Savage Affidavit (collectively, the “**Meeting Materials**”), with such deletions, amendments, corrections or additions thereto as counsel for the Petitioner may advise are necessary or desirable, provided that such amendments are not inconsistent with the terms of this Interim Order, shall be sent to:

- (a) the CLM Shareholders as they appear on the securities registers of CLM as at the Record Date, such Meeting Materials to be sent at least twenty-one (21) days prior to the date of the Meeting by one or more of the following methods:
 - (i) by prepaid ordinary or air mail addressed to the CLM Shareholder at his, her or its address as it appears on the applicable register of holders of CLM as at the Record Date;

(ii) by delivery in person or by delivery to the addresses specified in paragraph 9 (a)(i) above; or

(iii) by email or facsimile transmission to any CLM Shareholder who identifies himself, herself or itself to the satisfaction of CLM, acting through its representatives, who requests such email or facsimile transmission; and

(b) in the case of non-registered CLM Shareholders, by providing copies of the Meeting Materials to intermediaries and registered nominees for sending to beneficial owners;

and substantial compliance with this paragraph shall constitute good and sufficient notice of the Meeting.

10. Accidental failure of or omission by CLM to give notice to any one or more CLM Shareholders, or the non-receipt of such notice by one or more CLM Shareholders, or any failure or omission to give such notice as a result of events beyond the reasonable control of CLM (including, without limitation, any inability to use postal services), shall not constitute a breach of this Interim Order or, in relation to notice to CLM Shareholders, a defect in the calling of the Meeting, and shall not invalidate any resolution passed or proceeding taken at the Meeting, but if any such failure or omission is brought to the attention of CLM then it shall use reasonable best efforts to rectify it by the method and in the time most reasonably practicable in the circumstances.

Deemed Receipt of Meeting Materials

11. The Meeting Materials shall be deemed, for the purposes of this Order, to have been received:

(a) in the case of mailing, the day, Saturdays and holidays excepted, following the date of mailing;

(b) in the case of delivery in person, the day following personal delivery or the day following delivery to the person's address in paragraph 9 above; and

(c) in the case of any means of transmitted, recorded or electronic communication, when dispatched or delivered for dispatch.

Updating Meeting Materials

12. Notice of any amendments, updates or supplement to any of the information provided in the Meeting Materials may be communicated to the CLM Shareholders by press release, news release, newspaper advertisement or by notice sent to the CLM Shareholders by any of the means set forth in paragraph 9 herein, as determined to be the most appropriate method of communication by the Board.

Quorum and Voting

13. The quorum for the Meeting shall be the quorum for the approval of a special resolution pursuant to the articles of CLM.

14. The votes taken at the Meeting shall be taken on the basis of one vote per common share and the vote required to pass the Arrangement Resolution shall be the affirmative vote of at least 66 ²/₃% of the aggregate votes cast by the CLM Shareholders, voting as a single class, present in person or represented by proxy at the Meeting.

15. In all other respects, the terms, restrictions and conditions of the articles of CLM will apply in respect of the Meeting.

Permitted Attendees

16. The only persons entitled to attend the Meeting shall be the registered CLM Shareholders or their respective proxyholders as of the Record Date, CLM's Board, officers, auditors, the directors, officers, auditors and advisors of Sassy Resources Corporation, and any other person admitted on the invitation of the Chair or with the consent of the Meeting, and the only persons entitled to be represented and to vote at the Meeting shall be the registered CLM Shareholders as at the close of business on the Record Date, or their respective proxyholders.

Scrutineers

17. A representative of CLM's registrar and transfer agent (or any agent thereof) is authorized to act as scrutineer for the Meeting.

Solicitation of Proxies

18. CLM is authorized to use the form of proxy in connection with the Meeting, in substantially the same form as attached as **Exhibit "C"** to the Savage Affidavit and CLM may in its discretion waive generally the time limits for deposit of proxies by CLM Shareholders if CLM deems it reasonable to do so. CLM is authorized, at its expense, to solicit proxies, directly and through its officers, directors and employees, and through such agents or representatives as it may retain for the purpose, and by mail or such other forms of personal or electronic communication as it may determine.

19. The procedure for the use of proxies at the Meeting shall be as set out in the Meeting Materials.

Dissent Rights

20. Each of the CLM Shareholders may exercise rights of dissent ("**Dissent Rights**") under Division 2 of Part 8 of the BCBCA, as modified by Article 4 of the Plan of Arrangement with respect to common shares of CLM in connection with the Arrangement, provided that the notice of dissent contemplated by Section 242 of the BCBCA must be received by CLM at Suite 804 – 750 West Pender Street, Vancouver, British Columbia, Canada V6C 2T7, Attention: CEO, by 11:00 a.m. (Vancouver time) on September 26, 2019, or two business days prior to the date of the Meeting or any date to which the Meeting may be postponed or adjourned.

Application for Final Order

21. Upon the approval, with or without variation by the CLM Shareholders of the Arrangement, in the manner set forth in this Interim Order, CLM may apply to this Court for, *inter alia*, an Order:

- (a) pursuant to BCBCA Section 291(4)(a) approving the Arrangement; and
- (b) pursuant to BCBCA Section 291(4)(c) declaring that the terms and conditions of the Arrangement are fair and reasonable.

(collectively, the "**Final Order**")

and that the hearing of the Final Order will be held on October 3, 2019 at 9:45 a.m. (Vancouver time) at the Courthouse at 800 Smithe Street, Vancouver, British Columbia or as soon thereafter as the hearing of the Final Order can be heard or at such other date and time as this Court may direct.

22. The form of Notice of Hearing of Petition, attached as **Appendix “E”** to the Circular, is hereby approved as the form of notice of proceedings for such approval.

23. Any CLM Shareholder has the right to appear (either in person or by counsel) and make submissions at the hearing of the application for the Final Order.

24. Any CLM Shareholder, director or auditor of the Petitioner, or any other interested party with leave of the Court, may appear at the hearing of the Final Order provided that such person shall file a Response to the Petition herein in the form prescribed by the Rules of Court of the Supreme Court of British Columbia, and deliver a copy of the filed Response, together with a copy of all material on which such person intends to rely at the hearing, to counsel for the Petitioner at its address for delivery as set out in the Petition, on or before 4:00 p.m. (Vancouver Time) on September 27, 2019, or as the Court may otherwise direct.

25. Sending the Notice of Hearing of Petition and this Interim Order as attached to the Circular in accordance with paragraph 9 of this Order shall constitute good and sufficient service of the within proceedings and no other form of service need be made and no other material need be served on such persons in respect of these proceedings and that service of the affidavits in support is dispensed with.

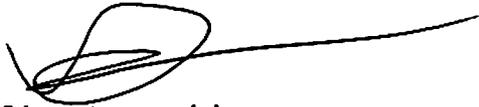
26. In the event the hearing for the Final Order is adjourned, only those persons who have filed and delivered a Response to Petition in accordance with this Interim Order need be served with materials filed in this proceeding and provided with notice of the adjourned hearing date.

Variance and Further Court Orders

27. The Petitioner shall be entitled, at any time, to apply to vary this Interim Order or to apply for further Orders as may be appropriate.

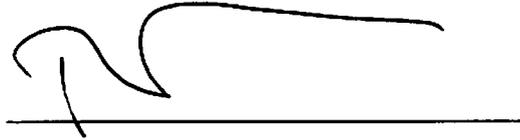
28. British Columbia Supreme Court Civil Rules 8-1 and 16-1(3) will not apply to any further applications in respect of this proceeding, including the application for the Final Order and any application to vary this Interim Order.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:



Linas Antanavicius
COUNSEL FOR THE PETITIONER

BY THE COURT



REGISTRAR



APPENDIX D - DISSENT PROCEDURES

Pursuant to the Interim Order, CLM Shareholders have the right to dissent to the Arrangement. Such right of dissent is described in the Circular. See *Rights of Dissent* for details of the right to dissent and the procedure for compliance with the right of dissent. The full text of Sections 237 to 247 of the BCBCA is set forth below. Note that certain provisions of Sections 237 to 247 have been modified by the Interim Order.

SECTIONS 237 TO 247 OF THE BUSINESS CORPORATIONS ACT (BRITISH COLUMBIA)

Definitions and application

237 (1) In this Division:

“**dissenter**” means a shareholder who, being entitled to do so, sends written notice of dissent when and as required by section 242;

“**notice shares**” means, in relation to a notice of dissent, the shares in respect of which dissent is being exercised under the notice of dissent;

“**payout value**” means,

- (a) in the case of a dissent in respect of a resolution, the fair value that the notice shares had immediately before the passing of the resolution,
- (b) in the case of a dissent in respect of an arrangement approved by a court order made under section 291(2)(c) that permits dissent, the fair value that the notice shares had immediately before the passing of the resolution adopting the arrangement, or
- (c) in the case of a dissent in respect of a matter approved or authorized by any other court order that permits dissent, the fair value that the notice shares had at the time specified by the court order,

excluding any appreciation or depreciation in anticipation of the corporate action approved or authorized by the resolution or court order unless exclusion would be inequitable.

(2) This Division applies to any right of dissent exercisable by a shareholder except to the extent that

- (a) the court orders otherwise, or
- (b) in the case of a right of dissent authorized by a resolution referred to in section

238 (1)(g), the court orders otherwise or the resolution provides otherwise.

Right to dissent

238 (1) A shareholder of a company, whether or not the shareholder’s shares carry the right to vote, is entitled to dissent as follows:

- (a) under section 260, in respect of a resolution to alter the articles (i) to alter restrictions on the powers of the company or on the business it is permitted to carry on;
- (b) under section 272, in respect of a resolution to adopt an amalgamation agreement;
- (c) under section 287, in respect of a resolution to approve an amalgamation under Division 4 of Part 9;
- (d) in respect of a resolution to approve an arrangement, the terms of which arrangement permit dissent;
- (e) under section 301(5), in respect of a resolution to authorize or ratify the sale, lease or other disposition of all or substantially all of the company’s undertaking;

- (f) under section 309, in respect of a resolution to authorize the continuation of the company into a jurisdiction other than British Columbia;
- (g) in respect of any other resolution, if dissent is authorized by the resolution;
- (h) in respect of any court order that permits dissent.
- (2) A shareholder wishing to dissent must
 - (a) prepare a separate notice of dissent under section 242 for
 - (i) the shareholder, if the shareholder is dissenting on the shareholder's own behalf, and
 - (ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is dissenting,
 - (b) identify in each notice of dissent, in accordance with section 242(4), the person on whose behalf dissent is being exercised in that notice of dissent, and
 - (c) dissent with respect to all of the shares, registered in the shareholder's name, of which the person identified under paragraph (b) of this subsection is the beneficial owner.
- (3) Without limiting subsection (2), a person who wishes to have dissent exercised with respect to shares of which the person is the beneficial owner must
 - (a) dissent with respect to all of the shares, if any, of which the person is both the registered owner and the beneficial owner, and
 - (b) cause each shareholder who is a registered owner of any other shares of which the person is the beneficial owner to dissent with respect to all of those shares.

Waiver of right to dissent

- 239 (1) A shareholder may not waive generally a right to dissent but may, in writing, waive the right to dissent with respect to a particular corporate action.
- (2) A shareholder wishing to waive a right of dissent with respect to a particular corporate action must
- (a) provide to the company a separate waiver for
 - (i) the shareholder, if the shareholder is providing a waiver on the shareholder's own behalf, and
 - (ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is providing a waiver, and
 - (b) identify in each waiver the person on whose behalf the waiver is made.
- (3) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on the shareholder's own behalf, the shareholder's right to dissent with respect to the particular corporate action terminates in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and this Division ceases to apply to
- (a) the shareholder in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and
 - (b) any other shareholders, who are registered owners of shares beneficially owned by the first mentioned shareholder, in respect of the shares that are beneficially owned by the first mentioned shareholder.

(4) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on behalf of a specified person who beneficially owns shares registered in the name of the shareholder, the right of shareholders who are registered owners of shares beneficially owned by that specified person to dissent on behalf of that specified person with respect to the particular corporate action terminates and this Division ceases to apply to those shareholders in respect of the shares that are beneficially owned by that specified person.

Notice of resolution

240 (1) If a resolution in respect of which a shareholder is entitled to dissent is to be considered at a meeting of shareholders, the company must, at least the prescribed number of days before the date of the proposed meeting, send to each of its shareholders, whether or not their shares carry the right to vote,

- (a) a copy of the proposed resolution, and
- (b) a notice of the meeting that specifies the date of the meeting, and contains a statement advising of the right to send a notice of dissent.

(2) If a resolution in respect of which a shareholder is entitled to dissent is to be passed as a consent resolution of shareholders or as a resolution of directors and the earliest date on which that resolution can be passed is specified in the resolution or in the statement referred to in paragraph (b), the company may, at least 21 days before that specified date, send to each of its shareholders, whether or not their shares carry the right to vote,

- (a) a copy of the proposed resolution, and
- (b) a statement advising of the right to send a notice of dissent.

(3) If a resolution in respect of which a shareholder is entitled to dissent was or is to be passed as a resolution of shareholders without the company complying with subsection (1) or (2), or was or is to be passed as a directors' resolution without the company complying with subsection (2), the company must, before or within 14 days after the passing of the resolution, send to each of its shareholders who has not, on behalf of every person who beneficially owns shares registered in the name of the shareholder, consented to the resolution or voted in favour of the resolution, whether or not their shares carry the right to vote,

- (a) a copy of the resolution,
- (b) a statement advising of the right to send a notice of dissent, and
- (c) if the resolution has passed, notification of that fact and the date on which it was passed.

(4) Nothing in subsection (1), (2) or (3) gives a shareholder a right to vote in a meeting at which, or on a resolution on which, the shareholder would not otherwise be entitled to vote.

Notice of court orders

241 If a court order provides for a right of dissent, the company must, not later than 14 days after the date on which the company receives a copy of the entered order, send to each shareholder who is entitled to exercise that right of dissent

- (a) a copy of the entered order, and
- (b) a statement advising of the right to send a notice of dissent.

Notice of dissent

242 (1) A shareholder intending to dissent in respect of a resolution referred to in section 238(1)(a), (b), (c), (d), (e) or (f) must,

- (a) if the company has complied with section 240(1) or (2), send written notice of dissent to the company at least 2 days before the date on which the resolution is to be passed or can be passed, as the case may be,
 - (b) if the company has complied with section 240(3), send written notice of dissent to the company not more than 14 days after receiving the records referred to in that section, or
 - (c) if the company has not complied with section 240(1), (2) or (3), send written notice of dissent to the company not more than 14 days after the later of
 - (i) the date on which the shareholder learns that the resolution was passed, and
 - (ii) the date on which the shareholder learns that the shareholder is entitled to dissent.
1. A shareholder intending to dissent in respect of a resolution referred to in section 238(1)(g) must send written notice of dissent to the company
- (a) on or before the date specified by the resolution or in the statement referred to in section 240(2)(b) or (3)(b) as the last date by which notice of dissent must be sent, or
 - (b) if the resolution or statement does not specify a date, in accordance with subsection (1) of this section.
- (3) A shareholder intending to dissent under section 238(1)(h) in respect of a court order that permits dissent must send written notice of dissent to the company
- (a) within the number of days, specified by the court order, after the shareholder receives the records referred to in section 241, or
 - (b) if the court order does not specify the number of days referred to in paragraph (a) of this subsection, within 14 days after the shareholder receives the records referred to in section 241.
- (4) A notice of dissent sent under this section must set out the number, and the class and series, if applicable, of the notice shares, and must set out whichever of the following is applicable:
- (a) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner and the shareholder owns no other shares of the company as beneficial owner, a statement to that effect;
 - (b) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner but the shareholder owns other shares of the company as beneficial owner, a statement to that effect and
 - (i) the names of the registered owners of those other shares,
 - (ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and
 - (iii) a statement that notices of dissent are being, or have been, sent in respect of all of those other shares;
 - (c) if dissent is being exercised by the shareholder on behalf of a beneficial owner who is not the dissenting shareholder, a statement to that effect and
 - (i) the name and address of the beneficial owner, and
 - (ii) a statement that the shareholder is dissenting in relation to all of the shares beneficially owned by the beneficial owner that are registered in the shareholder's name.

(5) The right of a shareholder to dissent on behalf of a beneficial owner of shares, including the shareholder, terminates and this Division ceases to apply to the shareholder in respect of that beneficial owner if subsections (1) to (4) of this section, as those subsections pertain to that beneficial owner, are not complied with.

Notice of intention to proceed

- 243 (1) A company that receives a notice of dissent under section 242 from a dissenter must,
- (a) if the company intends to act on the authority of the resolution or court order in respect of which the notice of dissent was sent, send a notice to the dissenter promptly after the later of
 - (i) the date on which the company forms the intention to proceed, and
 - (ii) the date on which the notice of dissent was received, or
 - (b) if the company has acted on the authority of that resolution or court order, promptly send a notice to the dissenter.
- (2) A notice sent under subsection (1) (a) or (b) of this section must
- (a) be dated not earlier than the date on which the notice is sent,
 - (b) state that the company intends to act, or has acted, as the case may be, on the authority of the resolution or court order, and
 - (c) advise the dissenter of the manner in which dissent is to be completed under section 244.

Completion of dissent

- 244 (1) A dissenter who receives a notice under section 243 must, if the dissenter wishes to proceed with the dissent, send to the company or its transfer agent for the notice shares, within one month after the date of the notice,
- (a) a written statement that the dissenter requires the company to purchase all of the notice shares,
 - (b) the certificates, if any, representing the notice shares, and if section 242(4)(c) applies, a written statement that complies with subsection of this section.
- (2) The written statement referred to in subsection (1)(c) must
- (a) be signed by the beneficial owner on whose behalf dissent is being exercised, and
 - (b) set out whether or not the beneficial owner is the beneficial owner of other shares of the company and, if so, set out
 - (i) the names of the registered owners of those other shares,
 - (ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and
 - (iii) that dissent is being exercised in respect of all of those other shares.
- (3) After the dissenter has complied with subsection (1),
- (a) the dissenter is deemed to have sold to the company the notice shares, and
 - (b) the company is deemed to have purchased those shares, and must comply with section 245, whether or not it is authorized to do so by, and despite any restriction in, its memorandum or articles.

(4) Unless the court orders otherwise, if the dissenter fails to comply with subsection (1) of this section in relation to notice shares, the right of the dissenter to dissent with respect to those notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares.

(5) Unless the court orders otherwise, if a person on whose behalf dissent is being exercised in relation to a particular corporate action fails to ensure that every shareholder who is a registered owner of any of the shares beneficially owned by that person complies with subsection (1) of this section, the right of shareholders who are registered owners of shares beneficially owned by that person to dissent on behalf of that person with respect to that corporate action terminates and this Division, other than section 247, ceases to apply to those shareholders in respect of the shares that are beneficially owned by that person.

(6) A dissenter who has complied with subsection (1) of this section may not vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, other than under this Division.

Payment for notice shares

245 (1) A company and a dissenter who has complied with section 244(1) may agree on the amount of the payout value of the notice shares and, in that event, the company must

- (a) promptly pay that amount to the dissenter, or
- (b) if subsection (5) of this section applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.

(2) A dissenter who has not entered into an agreement with the company under subsection (1) or the company may apply to the court and the court may

- (a) determine the payout value of the notice shares of those dissenters who have not entered into an agreement with the company under subsection (1), or order that the payout value of those notice shares be established by arbitration or by reference to the registrar, or a referee, of the court,
- (b) join in the application each dissenter, other than a dissenter who has entered into an agreement with the company under subsection (1), who has complied with section 244(1), and
- (c) make consequential orders and give directions it considers appropriate.

(3) Promptly after a determination of the payout value for notice shares has been made under subsection (2) (a) of this section, the company must

- (a) pay to each dissenter who has complied with section 244(1) in relation to those notice shares, other than a dissenter who has entered into an agreement with the company under subsection (1) of this section, the payout value applicable to that dissenter's notice shares, or
- (b) if subsection (5) applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.

(4) If a dissenter receives a notice under subsection (1) (b) or (3) (b),

- (a) the dissenter may, within 30 days after receipt, withdraw the dissenter's notice of dissent, in which case the company is deemed to consent to the withdrawal and this Division, other than section 247, ceases to apply to the dissenter with respect to the notice shares, or
- (b) if the dissenter does not withdraw the notice of dissent in accordance with paragraph (a) of this subsection, the dissenter retains a status as a claimant against the company, to be paid as soon as the company is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the company but in priority to its shareholders.

(5) A company must not make a payment to a dissenter under this section if there are reasonable grounds for believing that

- (a) the company is insolvent, or
- (b) the payment would render the company insolvent.

Loss of right to dissent

246 The right of a dissenter to dissent with respect to notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares, if, before payment is made to the dissenter of the full amount of money to which the dissenter is entitled under section 245 in relation to those notice shares, any of the following events occur:

- (a) the corporate action approved or authorized, or to be approved or authorized, by the resolution or court order in respect of which the notice of dissent was sent is abandoned;
- (b) the resolution in respect of which the notice of dissent was sent does not pass;
- (c) the resolution in respect of which the notice of dissent was sent is revoked before the corporate action approved or authorized by that resolution is taken;
- (d) the notice of dissent was sent in respect of a resolution adopting an amalgamation agreement and the amalgamation is abandoned or, by the terms of the agreement, will not proceed;
- (e) the arrangement in respect of which the notice of dissent was sent is abandoned or by its terms will not proceed;
- (f) a court permanently enjoins or sets aside the corporate action approved or authorized by the resolution or court order in respect of which the notice of dissent was sent;
- (g) with respect to the notice shares, the dissenter consents to, or votes in favour of, the resolution in respect of which the notice of dissent was sent;
- (h) the notice of dissent is withdrawn with the written consent of the company;
- (i) the court determines that the dissenter is not entitled to dissent under this Division or that the dissenter is not entitled to dissent with respect to the notice shares under this Division.

Shareholders entitled to return of shares and rights

247 If, under section 244(4) or (5), 245(4) (a) or 246, this Division, other than this section, ceases to apply to a dissenter with respect to notice shares,

- (a) the company must return to the dissenter each of the applicable share certificates, if any, sent under section 244(1)(b) or, if those share certificates are unavailable, replacements for those share certificates,
- (b) the dissenter regains any ability lost under section 244(6) to vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, and
- (c) the dissenter must return any money that the company paid to the dissenter in respect of the notice shares under, or in purported compliance with, this Division.

APPENDIX E

NO. S-199196
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING CRYSTAL LAKE MINING CORPORATION, SASSY RESOURCES CORPORATION AND THE SHAREHOLDERS OF CRYSTAL LAKE MINING CORPORATION

CRYSTAL LAKE MINING CORPORATION

PETITIONER

NOTICE OF HEARING

To: The Shareholders of Crystal Lake Mining Corporation and Sassy Resources Corporation

TAKE NOTICE that a Petition has been filed by Crystal Lake Mining Corporation (the “**Petitioner**”) in the Supreme Court of British Columbia for approval of the plan of arrangement (the “**Arrangement**”), pursuant to the Business Corporations Act, S.B.C 2002, Chapter 57, as amended.

AND TAKE FURTHER NOTICE that by an Interim Order of the Supreme Court of British Columbia, pronounced on August 23, 2019, the Court has given directions as to the calling of a special meeting of the holders of commons shares (the “**Crystal Lake Shareholders**”) in the capital of the Petitioner for the purpose, inter alia, of considering and voting upon the Arrangement and approving the Arrangement.

AND TAKE FURTHER NOTICE that the Petition of Crystal Lake Mining Corporation dated August 20, 2019 for a Final Order approving the Arrangement and for a determination that the terms and conditions of the Arrangement are fair to the Crystal Lake Shareholders shall be heard before the presiding judge in Chambers at the courthouse at 800 Smithe Street, Vancouver, British Columbia on October 3, 2019 at 9:45 a.m. or soon thereafter as counsel may be heard.

A copy of the said Petition and other documents in the proceedings will be furnished to any Crystal Lake Shareholder upon request in writing to the Petitioner’s counsel at 1150 – 789 West Pender Street, Vancouver, BC V6C 1H2.

1. Date of Hearing

The Petition is unopposed, by consent or without notice.

The date of the hearing has been determined pursuant to the Interim Order. The Petitioner expects that the Petition will be unopposed.

2. Duration of Hearing

The time estimate of the Petitioner is 15 minutes.

3. Jurisdiction

This matter is not within the jurisdiction of a master.

Dated at the City of Vancouver, in the Province of British Columbia, this 23rd day of August, 2019.



Linus Antanavicius
COUNSEL FOR THE PETITIONER

This Notice of Hearing is filed by Linas Antanavicius, whose place of business and address for delivery is 1150 – 789 West Pender Street, Vancouver, British Columbia V6C 1H2.

SCHEDULE A**AUDIT COMMITTEE CHARTER AND GUIDELINES****Statement of policy of the Company**

The purpose of the Company's audit committee (the "Audit Committee") is to assist the Board of Directors of the Company (herein the "Board") in discharging its responsibilities with respect to the accounting policies, internal controls and financial reporting of the Company. The Audit Committee is also responsible for monitoring compliance with applicable laws and regulations, standards of ethical business conduct and the systems of internal controls. The Audit Committee shall have the authority to retain special legal, accounting or other consultants to advise the Audit Committee. The Audit Committee may request any, director, officer or employee of the Company or the Company's outside counsel or independent auditor, to attend a meeting of the Audit Committee or to meet with any members of, or consultants to, the Audit Committee.

The guidelines of the TSX Venture Exchange Inc. and the Toronto Stock Exchange (collectively, the "Exchange Guidelines") suggest that the Board of every listed company should be constituted with a majority of individuals who qualify as "unrelated" directors. An "unrelated" director is a director who is independent of management and is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act with a view to the best interests of the Company other than interest and relationships arising from shareholding. In addition, where a company has a significant shareholder, the Exchange Guidelines suggest that the Board should include a number of directors who do not have interests in either the Company or the significant shareholder. In assessing the Exchange Guidelines and making the foregoing determinations, the circumstances of each director have been examined in relation to a number of factors.

Mandate of the Board of Directors

The mandate of the Board, as prescribed by the *Business Corporations Act* (British Columbia), is to manage or supervise the management of the business and affairs of the Company and to act with a view to the best interests of the Company. In doing so, the Board oversees the management of the Company's affairs directly and through its committees.

Meetings of the Board of Directors

The Board meets to deal with matters as circumstances require. The Board transacts its business by circulating resolutions for signature by all directors.

Mandate of the Audit Committee

The primary function of the Audit Committee is to assist the Board in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company's systems of internal controls regarding finance and accounting and the Company's auditing, accounting and financial reporting processes. The Audit Committee's primary duties and responsibilities are to:

- (a) serve as an independent and objective party to monitor the Company's financial reporting and internal control system and review the Company's financial statements;
- (b) review and assess management's overall process to identify principal risks that could affect the achievement of the Company's business plans and to monitor the process to manage such risks;
- (c) oversee and monitor the Company's compliance with legal and regulatory requirements;
- (d) be directly responsible for the appointment, compensation and oversight of the external auditors;
- (e) oversee audits of the Company's financial statements;
- (f) oversee and monitor the qualifications, independence and performance of the Company's external auditors and internal auditing department;

- (g) oversee and monitor the integrity of the Company's financial reporting process and system of internal controls regarding financial reporting and accounting compliance;
- (h) provide an avenue of communication among the external auditors, management, the internal auditing department and the Board; and
- (i) report to the Board regularly.

The Audit Committee has the authority to conduct any review or investigation appropriate to fulfilling its responsibilities. The Audit Committee shall have unrestricted access to personnel and information and any resources necessary to carry out its responsibility. In this regard the Audit Committee may direct internal audit personnel to particular areas of examination.

Operation of the Audit Committee

Reporting of the Audit Committee

The Audit Committee shall report to the Board. The full Board shall be kept informed of the Audit Committee's activities by a report following each Audit Committee meeting.

Composition of the Audit Committee

The Audit Committee shall consist of not less than three directors as determined by the Board of Directors, the majority of whom shall qualify as unrelated directors and who are free from any relationship that would interfere with the exercise of his or her independent judgment as a member of the Audit Committee.

All members of the Audit Committee shall have the financial literacy to be able to read and understand the Company's financial statements and to understand the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. At least one member shall have acquired, through: (i) education and experience as a principal financial officer, principal accounting officer, controller, public accountant or auditor or experience in one or more positions that involve the performance of similar functions; (ii) experience actively supervising a principal financial officer, principal accounting officer, controller, public accountant, auditor or person performing similar functions; (iii) experience overseeing or assessing the performance of companies or public accountants with respect to the preparation, auditing or evaluation of financial statements; or (iv) other relevant experience:

- (a) an understanding of generally accepted accounting principles and financial statements;
- (b) the ability to assess the general application of such principles in connection with the accounting for estimates accruals and reserves;
- (c) experience in 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;
- (d) an understanding of internal controls and procedures for financial reporting; and
- (e) an understanding of audit committee functions.

Audit Committee members shall not simultaneously serve on the audit committees of more than two other public companies, unless the Board first determines that such simultaneous service will not impair the ability of the relevant members to effectively serve on the Audit Committee, and required public disclosure is made.

At least one member of the Audit Committee shall have accounting or related financial management expertise. All members of the Audit Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purpose of the Company's Audit Committee Charter, as may be determined by the Board from time to time (herein the "*Audit Committee Charter*"), the definition of "*financially literate*" is the ability to read and understand a set of financial statements that present a breadth and

level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company's financial statements.

Appointment of Audit Committee members

Members of the Audit Committee shall be appointed at a meeting of the Board typically held immediately after the Company's annual shareholders' meeting; provided that any member may be removed or replaced at any time by the Board and shall in any event cease to be a member of the Audit Committee upon ceasing to be a member of the Board.

Vacancies

Where a vacancy occurs at any time in the membership of the Audit Committee it may be filled by the Board.

Chairperson

The Company's Corporate Governance Committee will recommend an unrelated director as Chairperson of the Audit Committee to the Board for approval. The Board shall appoint the Chairperson of the Audit Committee.

If the Chairperson of the Audit Committee is not present at any meeting of the Audit Committee, one of the other members of the Audit Committee present at the meeting shall be chosen by the Audit Committee to preside as Chairperson.

The Chairperson presiding at any meeting shall not have a casting vote.

Secretary

The Audit Committee shall appoint a Secretary who need not be a member of the Audit Committee or a director of the Company. The Secretary shall keep minutes of the meetings of the Audit Committee.

Compensation

Audit Committee members may not, other than in their respective capacities as members of the Audit Committee, the Board or any other committee of the Board, accept any consulting, advisory or other compensatory fee from the Company or its affiliates. For greater certainty, director's fees are the only compensation an Audit Committee member may receive from the Company or its affiliates.

Meetings of the Audit Committee

The Audit Committee shall meet at least quarterly at the call of the Chairperson. The Chairperson of the Audit Committee may call additional meetings as required. In addition, a meeting may be called by any director or by the external auditors. As part of its job to foster open communication, the Audit Committee will meet at least annually with the Chief Financial Officer and the external auditors in separate sessions.

Audit Committee meetings may be held in person, by video-conference, by means of telephone or by any combination of any of the foregoing.

Notice of meetings

Notice of the time and place of every meeting may be given orally, in writing, by facsimile or by electronic communication to each member of the Audit Committee and to external auditors at least 48 hours prior to the time fixed for such meeting.

A member and the external auditors may, in any manner, waive notice of the meeting. Attendance of a member at the meeting shall constitute waiver of notice of the meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting was not lawfully called.

Quorum

A majority of Audit Committee members, present in person, by videoconference, by telephone or by a combination thereof, shall constitute a quorum.

Attendance at meetings

The Chief Executive Officer, the Chief Financial Officer, the Controller and the head of internal audit of the Company are expected to be available to attend meetings, but a portion of every meeting will be reserved for in camera discussion without members of management being present.

The Audit Committee should meet on a regular basis and without management present, with the external auditors and management in separate executive sessions to discuss any matters that the Audit Committee or these groups believe should be discussed privately with the Audit Committee.

The Audit Committee may by specific invitation have other persons in attendance.

The Audit Committee shall have the right to determine who shall and who shall not be present at any time during a meeting of the Audit Committee.

Minutes

Minutes of Audit Committee meetings shall be sent to all Audit Committee members and to the external auditors.

Engaging outside resources

The Audit Committee is empowered to engage outside resources, as it deems advisable, at the expense of the Company.

Major responsibilities and functions of the Audit Committee

Review procedures

The Audit Committee shall review and update the Audit Committee's Charter at least annually and provide a summary of the Audit Committee's composition and responsibilities in the Company's annual report or other public disclosure documentation.

Annual financial statements

1. The Audit Committee shall discuss and review with management and the external auditors the Company's annual audited financial statements and related documents prior to their filing or distribution. Such a review is to include but not be limited the following:
 - (a) the annual financial statements and related footnotes, including significant issues regarding accounting policies and practices and significant management estimates and judgments, including any significant changes in the Company's selection or application of accounting principles, any major issues as to the adequacy of the Company's internal controls and any specific steps adopted in light of material control deficiencies;
 - (b) a review of the use of off-balance sheet financing, including management's risk assessment and adequacy of disclosure;
 - (c) a review of the external auditors' audit examination of the financial statements and their report thereon;
 - (d) a review of any significant changes required in the external auditors' audit plan;
 - (e) a review of any serious difficulties or disputes with management encountered during the course of the audit, including any restrictions on the scope of the external auditors' work or access to required information;

- (f) a review of other matters related to the conduct of the audit which are to be communicated to the Audit Committee under generally accepted auditing standards;
 - (g) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, the ramifications of the use of such alternative disclosures and treatments and the treatment preferred by the external auditors; and
 - (h) other material written communications between the external auditors and management, such as any management letter or schedule of unadjusted differences.
2. Review and formally recommend approval to the Board of:
- (a) the Company's year-end audited financial statements;
 - (b) the Company's management's discussion and analysis;
 - (c) the Company's annual information forms and
 - (d) all Company prospectuses and information circulars as to financial information.

The review shall include a report from the external auditors about the quality of the most critical accounting principles upon which the Company's financial status depends, and which involve the most complex, subjective or significant judgmental decisions or assessments.

Quarterly financial statements

3. The Audit Committee shall review with management and the external auditors and either approve (such approval to include the authorization for public release) or formerly recommend for approval to the Board of the Company's:
- (a) quarterly unaudited financial statements and related documents, including management's discussion and analysis; and
 - (b) any significant changes to the Company's accounting principles.
4. The Audit Committee shall review and discuss quarterly reports from the external auditors regarding:
- (a) all critical accounting policies and practices to be used;
 - (b) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, the ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the external auditors; and
 - (c) other material written communications between the external auditors and management, such as any management letter or schedule or unadjusted differences.

Internal control environment

5. The Audit Committee shall ensure that management provides the Audit Committee with an annual report on the Company's control environment as it pertains to the Company's financial reporting process and controls.
6. The Audit Committee shall review and discuss significant financial risks or exposures and assess the steps management has taken to monitor, control, report and mitigate such risk to the Company.
7. The Audit Committee shall review the effectiveness of the overall process for identifying the principal risks affecting the achievement of business plans and provide the Audit Committee's view to the Board.

8. The Audit Committee shall review significant findings prepared by the external auditors and the internal auditing department together with management's responses.
9. The Audit Committee shall review, in consultation with the internal auditors and the external auditors, the degree of coordination in the audit plans of the internal auditors and the external auditors, and enquire as to the extent the planned scope can be relied upon to detect weaknesses in internal controls, fraud or other illegal acts.

Other review items

10. The Audit Committee shall review policies and procedures with respect to officers' and directors' expense accounts and prerequisites, including their use of corporate assets, and consider the result of any review of these areas by the internal auditor or the external auditors.
11. The Audit Committee shall review all insider transaction and related party transactions between the Company and any officers or directors.
12. The Audit Committee shall review with Company counsel, the head of internal audit and the external auditors the result of their review of the Company's monitoring compliance with each of the Company's published codes of business conduct and applicable legal requirements.
13. The Audit Committee shall review legal and regulatory matters, including correspondence with regulators and governmental agencies that may have material impact on the interim or annual financial statements, related Company compliance policies and programs and reports received from regulators or governmental agencies.
14. The Audit Committee shall review policies and practices with respect to off-balance sheet transactions and trading and hedging activities, and consider the results of any review of these areas by the internal auditors or the external auditors.
15. The Audit Committee shall review with the President, the Chief Executive Officer and the Chief Financial Officer of the Company and the external auditors: (i) all significant deficiencies identified and material weakness in the design of operation of the Company's internal controls and procedures for financial reporting which could adversely affect the Company's ability to record, process, summarize and report financial information required to be disclosed by the Company in the reports that it files or submits with all regulatory bodies having jurisdiction over the affairs of the Company within the required time periods; and (ii) any fraud, whether or not material, that involves management of the Company or other employees who have significant role in the Company's internal controls and procedures for financial reporting.

External auditors

16. The Audit Committee shall be directly responsible, in the Audit Committee's capacity as a committee of the Board and subject to the rights of shareholders and applicable law, for the appointment, compensation and oversight of the work of the external auditors (including resolution of disagreements between management and the external auditors regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. The external auditors shall report directly to the Audit Committee.
17. The Audit Committee shall meet on a regular basis with the external auditors (without management present) and have the external auditors available to attend Audit Committee meetings or portions thereof at the request of the Chair of the Audit Committee or by a majority of the members of the Audit Committee.
18. The Audit Committee shall review and discuss with the external auditors all significant relationships that the external auditors and their affiliates have with the Company and its affiliates in order to determine the external auditors' independence including, without limitation: (i) receiving and reviewing, as a part of the report described in the preceding paragraph, a formal written statement from the external auditors delineating all relationships that may reasonably be thought to bear on the independence of the external auditors with respect to the Company and its affiliates; (ii) discussing with the external auditors any disclosed relationships or services that the external auditors believe may affect the objectivity and independence of the external auditors; and (iii) recommending that the Board take appropriate action in response to the external auditors' report to satisfy itself of the external

auditors' independence.

19. The Audit Committee shall review and evaluate:
 - (a) the external auditor's and the lead partner of the external auditors' team's performance, and make recommendation to the Board regarding the reappointment of the external auditors at the annual meeting of the Company's shareholders or regarding the discharge of such external auditors;
 - (b) the terms of engagement of the external auditors, together with their proposed fees;
 - (c) external audit plans and results;
 - (d) any other related audit engagement matters; and
 - (e) the engagement of the external auditors to perform non-audit services, together with the fees therefore, and the impact thereof, on the independence of the external auditors.
20. Upon reviewing and discussing the information provided to the Audit Committee in accordance with paragraphs 18 and 19 hereinabove, evaluating the external auditors' qualifications, performance and independence, and the provision of permitted non-audit services as compatible with maintaining auditor independence, taking into account the opinions of management and the head of internal audit. The Audit Committee shall present its conclusions with respect to the external auditors to the Board.
21. The Audit Committee shall ensure the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner for reviewing the audit as required by law. Consider whether, in order to assure continuing external auditor independence, it is appropriate to adopt a policy of rotating the external auditing firm on a regular basis.
22. The Audit Committee shall recommend to the Board policies for the Company's hiring of employees or former employees of the external auditors who participate in any capacity in the audit of the Company.
23. The Audit Committee shall consider with management and the external auditors the rationale for employing audit firms other than the principal external auditors, including a review of management consulting services and related fees provided by the external auditors compared to those of other audit firms.

Internal audit department and legal compliance

24. The Audit Committee shall meet with the internal auditors as required, but in any event at least quarterly.
25. The Audit Committee shall review and concur in the appointment, replacement, reassignment or dismissal of the lead of internal audit.
26. The Audit Committee shall confirm and assure, annually, the independence of the internal audit department.
27. The Audit Committee shall consider and review with management, the external auditors and the head of internal audit:
 - (a) significant findings during the year and management's responses and follow-up thereto;
 - (b) any difficulties encountered in the course of their audits, including any restriction on the scope of their work or access to required information;
 - (c) any changes required in the planned scope of their audit plan;
 - (d) the resources, budget, reporting relationships and planned activities of the internal auditors;
 - (e) the internal audit department charter; and

- (f) internal audit's compliance with the IIA's Standards for the Professional Practice of Internal Auditing (Standards).

Approval of audit and non-audit services

28. The Audit Committee shall review and, where appropriate, approve the provision of all permitted non-audit services (including the fees and terms thereof) in advance of the provisions of those services by the external auditors (subject to the *de minimus* exception for non-audit services prescribed in applicable legislation which are approved by the Audit Committee prior to the completion of the audit).
29. The Audit Committee shall review and, where appropriate and permitted, approve the provision of all audit services (including the fees and terms thereof) in advance of the provision of those services by the external auditors.
30. If the pre-approvals contemplated in paragraphs 28 and 29 hereinabove are not obtained, approve, where appropriate and permitted, the provisions of all audit and non-audit services promptly after the Audit Committee or a member of the Audit Committee to whom authority is delegated becomes aware of the provision of those services.
31. The Audit Committee shall delegate, if the Audit Committee deems necessary or desirable, to sub-committees consisting of one or more members of the Audit Committee, the authority to grant the pre-approvals and approvals described in paragraphs 28 through 30 hereinabove. The decision of any such sub-committee to grant pre approval shall be presented to the full Audit Committee at the next scheduled Audit Committee meeting.

Other matters

32. The Audit Committee shall review and concur in the appointment, replacement, reassignment or dismissal of the Chief Financial Officer.
33. The Audit Committee shall review and approve hiring policies regarding partners, employees and former partners and employees of the present and former external auditor.
34. The Audit Committee shall report Audit Committee actions to the Board with such recommendations as the Audit Committee may deem appropriate.
35. The Audit Committee shall conduct or authorize investigations into any matters within the Audit Committee's scope of responsibilities.
36. The Company shall provide for appropriate funding, as determined by the Audit Committee, for payment of compensation to the external auditors for the purpose of rendering or issuing an audit report and to any advisors employed by the Audit Committee.
37. The Audit Committee shall review and reassess the adequacy of this Audit Committee Charter annually and recommend any proposed changes to the Board for approval.
38. The Audit Committee shall evaluate its performance annually.
39. The Audit Committee shall perform such other functions as required by law, the Company's Audit Charter, the Company's Articles or the Board.
40. The Audit Committee shall consider any other matters referred to it by the Board.
41. The Audit Committee shall establish procedures for: (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or audit matters; and (ii) the confidential submission by employees of the Company of concerns regarding questionable accounting controls or auditing matters.

APPENDIX G

SASSY RESOURCES CORPORATION

FINANCIAL STATEMENTS

Expressed in Canadian Dollars

FOR THE PERIOD FROM INCORPORATION ON JUNE 3, 2019 TO JUNE 30, 2019

Head Office Address

13236 Cliffstone Court, Lake Country,
British Columbia, Canada V4V 2R1

Registered and Records Office Address

804 – 750 West Pender Street
Vancouver, British Columbia V6C 2T7

INDEPENDENT AUDITOR'S REPORT

To the Directors of
Sassy Resources Corporation

Opinion

We have audited the accompanying financial statements of Sassy Resources Corporation (the "Company"), which comprise the statement of financial position as at June 30, 2019, and the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the period from incorporation on June 3, 2019 to June 30, 2019, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2019, and its financial performance and its cash flows for the period from incorporation on June 3, 2019 to June 30, 2019 in accordance with International Financial Reporting Standards ("IFRS").

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 in our audit is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the financial statements, which indicates that the continued operations of the Company are dependent on its ability to develop a sufficient financing plan, receive financial support from related parties, complete sufficient equity financings or generate profitable operations in the future. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

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

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



We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. 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 IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

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

“DAVIDSON & COMPANY LLP”

Vancouver, Canada

Chartered Professional Accountants

July 11, 2019

SASSY RESOURCES CORPORATION
STATEMENT OF FINANCIAL POSITION
Expressed in Canadian Dollars
As at June 30, 2019

ASSETS

Current

Cash

\$ 1

\$ 1

LIABILITIES AND SHAREHOLDERS' DEFICIENCY

Current

Accrued liabilities

1,500

1,500

Shareholders' deficiency

Capital stock (Note 3)

1

Deficit

(1,500)

(1,499)

\$ 1

Nature and continuance of operations (Note 1)

On behalf of the Board:

Richard Savage

Director

Wally Boguski

Director

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

SASSY RESOURCES CORPORATION
STATEMENT OF LOSS AND COMPREHENSIVE LOSS
Expressed in Canadian Dollars
FOR THE PERIOD FROM INCORPORATION ON JUNE 3, 2019 TO JUNE 30, 2019

EXPENSES

Professional fees	\$ 1,500
Loss and comprehensive loss for the period	\$ (1,500)
Basic and diluted loss per common share	\$ (1,500)
Weighted average number of common shares outstanding	1

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

SASSY RESOURCES CORPORATION
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
Expressed in Canadian Dollars
FOR THE PERIOD FROM INCORPORATION ON JUNE 3, 2019 TO JUNE 30, 2019

	Number of shares	Capital stock	Deficit	Total equity
June 3, 2019	-	\$ -	\$ -	\$ -
Incorporation share	1	1	-	1
Loss for the period	-	-	(1,500)	(1,500)
June 30, 2019	1	\$ 1	\$(1,500)	\$(1,499)

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

SASSY RESOURCES CORPORATION
STATEMENT OF CASH FLOWS
Expressed in Canadian Dollars
FOR THE PERIOD FROM INCORPORATION ON JUNE 3, 2019 TO JUNE 30, 2019

CASH FLOWS FROM OPERATING ACTIVITIES

Loss for the period	\$ (1,500)
Changes in non-cash working capital items:	
Increase in accrued liabilities	<u>1,500</u>
Net cash used in operating activities	<u>-</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from issuance of shares	<u>1</u>
Net cash provided by financing activities	<u>1</u>

Change in cash for the period 1

Cash, beginning of period -

Cash, end of period \$ 1

There were no significant non-cash financing and investing transactions, or cash paid for interest or taxes, from the period from incorporation on June 3, 2019 to June 30, 2019.

SASSY RESOURCES CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

Expressed in Canadian Dollars

FOR THE PERIOD FROM INCORPORATION ON JUNE 3, 2019 TO JUNE 30, 2019

1. NATURE AND CONTINUANCE OF OPERATIONS

Sassy Resources Corporation (the “Company”, “Sassy”) was incorporated under the Business Corporations Act (British Columbia) on June 3, 2019. The Company is an exploration stage junior mining company currently engaged in the identification, acquisition and exploration of precious metal resources in Canada. The Company has entered into a plan of arrangement with its sole shareholder to acquire certain claims located in BC, Canada (Note 8). The Company’s head office is 13236 Cliffstone Court, Lake Country, British Columbia, V4V 2R1, Canada. The Company’s registered and records office is located at #804 – 750 West Pender Street, Vancouver, British Columbia, V6C 2T7, Canada.

These financial statements have been prepared in accordance with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The continued operations of the Company are dependent on its ability to develop a sufficient financing plan, receive financial support from related parties, complete sufficient equity financings or generate profitable operations in the future. These material uncertainties may cast significant doubt on the entity’s ability to continue as a going concern. The financial statements do not include any adjustments to the amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue business.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These financial statements, have been prepared using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). They have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, or fair value through other comprehensive loss which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information. These financial statements are presented in Canadian dollars unless otherwise noted.

The financial statements of the Company from the period of incorporation on June 3, 2019 to June 30, 2019 were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on July 11, 2019.

Estimates, judgments and assumptions

The preparation of the Company’s financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Estimates and assumptions are continually evaluated and are based on management’s experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

Significant Judgments

- Going concern - The assessment of the Company’s ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty.

SASSY RESOURCES CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

Expressed in Canadian Dollars

FOR THE PERIOD FROM INCORPORATION ON JUNE 3, 2019 TO JUNE 30, 2019

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Financial instruments

Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") or at amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Financial assets at FVTPL - Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial asset held at FVTPL are included in profit or loss in the period in which they arise.

Financial assets at FVTOCI - Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Financial assets at amortized cost - Financial assets at amortized cost are initially recognized at fair value and subsequently carried at amortized cost less any impairment. They are classified as current assets or non-current assets based on their maturity date.

Financial assets are derecognized when they mature or are sold, and substantially all the risks and rewards of ownership have been transferred. Gains and losses on derecognition of financial assets classified as FVTPL or amortized cost are recognized in profit or loss. Gains or losses on financial assets classified as FVTOCI remain within accumulated other comprehensive income.

The Company has classified its cash at fair value through profit and loss.

Financial liabilities

The Company classifies its financial liabilities into one of two categories as follows:

Fair value through profit or loss - This category comprises derivatives and financial liabilities incurred principally for the purpose of selling or repurchasing in the near term. They are carried at fair value with changes in fair value recognized in profit or loss.

Financial liabilities at amortized cost - This category consists of liabilities carried at amortized cost using the effective interest method. These financial liabilities are initially recognized at fair value less directly attributable transaction costs.

At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the financial statements of profit or loss, as an impairment gain or loss the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

SASSY RESOURCES CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

Expressed in Canadian Dollars

FOR THE PERIOD FROM INCORPORATION ON JUNE 3, 2019 TO JUNE 30, 2019

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Financial instruments (cont'd...)

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company's accrued liabilities are classified at amortized cost.

Financial instruments that are measured at fair value use inputs, which are classified within a hierarchy that prioritizes their significance. The three levels of the fair value hierarchy are:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 - Inputs that are not based on observable market data.

Income taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the statement of financial position liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

SASSY RESOURCES CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

Expressed in Canadian Dollars

FOR THE PERIOD FROM INCORPORATION ON JUNE 3, 2019 TO JUNE 30, 2019

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Financial instruments (cont'd...)

Loss per share

The Company presents basic loss per share for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is calculated by adjusting the weighted average number of common shares outstanding for dilutive instruments. The number of shares included with respect to options, warrants and similar instruments is computed by assuming that outstanding options, warrants and similar instruments were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

3. CAPITAL STOCK

Authorized share capital

Unlimited number of common shares without par value.

Issued share capital

At June 30, 2019 there was one issued and fully paid common share.

Share issuances

On June 3, 2019, the Company issued one common share for gross proceeds of \$1.

4. CAPITAL MANAGEMENT

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 and is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the period ended June 30, 2019.

5. FINANCIAL RISK FACTORS

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

The carrying value of the Company's accrued liabilities approximate their fair value because of the short-term nature of these instruments. Cash is carried at a fair value using a level 1 fair value measurement.

Credit risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company's management believes it has no significant credit risk.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. At March 31, 2019, the Company had a cash balance of \$1 to settle current liabilities of \$1,500. All of the Company's accrued liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms. The Company expects to fund these liabilities through the use of existing cash resources and additional equity financing.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. The Company is not exposed to any significant market risk at June 30, 2019.

SASSY RESOURCES CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
Expressed in Canadian Dollars
FOR THE PERIOD FROM INCORPORATION ON JUNE 3, 2019 TO JUNE 30, 2019

6. SEGMENTED INFORMATION

The Company has one operating segment, being the exploration of exploration and evaluation assets in Canada.

7. INCOME TAXES

A reconciliation of income taxes at statutory rate with the reported taxes is as follows:

	2019
Loss for the period	\$ (1,500)
Expected income tax (recovery) – 27%	\$ (405)
Change in unrecognized deductible temporary differences	405
Total income tax expense (recovery)	\$ -

The significant components of the Company's deferred tax assets and liabilities are as follows that have not been included on the consolidated statement of financial position as follows:

	2019
Non-capital losses	\$ 405
Unrecognized deferred tax asset	\$ 405

The Company has non-capital loss carry-forwards of approximately \$1,500, which may be available to reduce taxable income in future years. The potential of these losses has not been recognized as a deferred tax benefit, as currently it is not probable that such a benefit will be utilized in the foreseeable future. Unless utilized, these losses will expire in 2039.

Tax attributes are subject to review, and potential adjustment, by tax authorities.

8. ARRANGEMENT AGREEMENT

On June 25, 2019, the Company entered into an arrangement agreement with its sole shareholder, Crystal Lake Mining Corporation ("Crystal Lake"). Crystal Lake will transfer to the Company its Northwest Ontario nickel asset (Nicobat Project), and its Letter of Intent dated June 24, 2019, to acquire the Foremore claims in Northwest B.C.'s Golden Triangle, by way of a plan of arrangement pursuant to the Business Corporations Act of British Columbia. The Company will become a reporting issuer in the provinces of British Columbia and Alberta upon completion of the arrangement.

Highlights:

- Pursuant to the arrangement, shareholders of Crystal Lake on the Share Distribution Record Date (to be determined) will receive a total of 10,000,000 common shares of the Company;
- Following Crystal Lake shareholder approval and regulatory approvals of the arrangement, the Company will apply for listing on the TSX Venture Exchange.

APPENDIX H

CRYSTAL LAKE MINING CORPORATION

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Expressed in Canadian Dollars

(Unaudited – Prepared by Management)

FOR THE SIX MONTHS ENDED MARCH 31, 2019

Head Office Address

13236 Cliffstone Court, Lake Country,
British Columbia, Canada V4V 2R1

Registered and Records Office Address

804 – 750 West Pender Street
Vancouver, British Columbia V6C 2T7

CRYSTAL LAKE MINING CORPORATION
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited – Prepared by Management)
Expressed in Canadian Dollars

	March 31, 2019	September 30, 2018
ASSETS		
Current		
Cash	\$ 3,693,000	\$ 537,241
Receivables	33,749	24,366
Prepays	115,682	93,264
Subscription receivable (Note 7)	78,750	-
Marketable securities (Note 6)	-	175,000
	<u>3,921,181</u>	<u>829,871</u>
Exploration and evaluation assets (Note 3)	10,733,256	8,326,542
Land, building and equipment (Note 4)	<u>263,001</u>	<u>268,043</u>
	<u>\$ 14,917,438</u>	<u>\$ 9,424,456</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	\$ 129,475	\$ 114,259
Due to related parties (Note 8)	253,661	151,842
Loans payable (Note 5)	<u>780,390</u>	<u>759,473</u>
	1,163,526	1,025,574
Flow-through premium liability (Note 7)	<u>185,594</u>	<u>-</u>
	<u>1,349,120</u>	<u>1,025,574</u>
Shareholders' equity		
Capital stock (Note 7)	30,520,463	24,587,270
Subscriptions receivable (Note 7)	(1,050)	(5,430)
Share-based payment reserve (Note 7)	3,076,730	2,717,288
Equity component of convertible loans (Note 5)	7,836	7,836
Deficit	<u>(20,035,661)</u>	<u>(18,908,082)</u>
	<u>13,568,318</u>	<u>8,398,882</u>
	<u>\$ 14,917,438</u>	<u>\$ 9,424,456</u>

Nature and continuance of operations (Note 1)
Subsequent events (Note 14)

On behalf of the Board:

“Wally Boguski”

Director

“Alphonse Ruggiero”

Director

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

CRYSTAL LAKE MINING CORPORATION**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

(Unaudited – Prepared by Management)

Expressed in Canadian Dollars

	Three Months Ended March 31, 2019	Three Months Ended March 31, 2018	Six Months Ended March 31, 2019	Six Months Ended March 31, 2018
EXPENSES				
Amortization (Note 4)	\$ 2,522	\$ 2,786	\$ 5,042	\$ 5,571
Consulting fees	86,900	73,000	168,160	155,500
Directors fees (Note 8)	7,002	6,432	13,547	12,815
Loss (gain) on settlement of debt (Note 7)	-	46,023	(3,827)	39,023
General, rent and administrative	21,398	13,498	41,120	34,353
Management fees (Note 8)	78,358	152,700	149,138	182,987
Office and miscellaneous	66,600	82,989	147,629	132,523
Professional fees	29,750	33,944	76,849	79,049
Property investigation	200	16,956	200	16,956
Regulatory fees	29,568	42,007	75,063	68,131
Reversal of flow-through premium (Note 7)	(17,590)	-	(19,846)	-
Salary	609	579	1,216	1,451
Share-based compensation (Note 7 and 8)	192,677	465,745	320,890	1,086,594
Transfer agent fees	2,875	5,224	35,414	7,933
Travel and promotion	21,898	34,638	48,903	50,880
Realized loss on marketable securities (Note 6)	85,000	-	85,000	-
Unrealized loss on marketable securities	(65,625)	-	-	-
Write-off of accounts payable	-	-	(22,349)	-
Write-off of subscription receivable	5,430	-	5,430	-
Loss and comprehensive loss for the period	\$ (547,572)	\$ (976,521)	\$ (1,127,579)	\$ (1,873,766)
Basic and diluted loss per common share	\$ (0.01)	\$ (0.02)	\$ (0.02)	\$ (0.03)
Weighted average number of common shares outstanding	77,180,318	57,391,883	74,942,583	54,438,455

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

CRYSTAL LAKE MINING CORPORATION
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Unaudited – Prepared by Management)

Expressed in Canadian Dollars

FOR THE SIX MONTHS ENDED MARCH 31

	Number of shares	Capital stock	Subscriptions receivable	Subscriptions received in advance	Share-based payment reserve	Equity component of convertible loans	Deficit	Total equity
September 30, 2017	49,222,494	\$ 14,789,635	\$ -	\$ 4,000	\$ 1,260,880	\$ 7,836	\$ (13,596,065)	\$ 2,466,286
Private placements	7,500,000	2,020,000	-	-	-	-	-	2,020,000
Share issuance costs	-	(52,428)	-	-	-	-	-	(52,428)
Exercise of options	665,000	232,175	-	-	-	-	-	232,175
Exercise of warrants	450,000	227,250	-	-	-	-	-	227,250
Fair value of exercise of options	-	144,002	-	-	(144,002)	-	-	-
Fair value of exercise of warrants	-	35,000	-	-	(35,000)	-	-	-
Warrants issued as finders' fees	-	(29,329)	-	-	29,329	-	-	-
Shares issued for debt settlement	112,727	102,582	-	-	-	-	-	102,582
Share-based compensation	-	-	-	-	1,086,594	-	-	1,086,594
Subscription received in advance	-	-	-	(4,000)	-	-	-	(4,000)
Loss for the period	-	-	-	-	-	-	(1,873,766)	(1,873,766)
March 31, 2018	57,950,221	17,468,887	-	-	2,197,801	7,836	(15,469,831)	4,204,693
Private placements	2,132,726	1,173,000	-	-	-	-	-	1,173,000
Share issuance costs	-	(12,333)	-	-	-	-	-	(12,333)
Exercise of options	416,666	144,550	-	-	-	-	-	144,550
Exercise of warrants	1,447,005	382,676	(5,430)	-	-	-	-	377,246
Fair value of exercise of options	-	77,031	-	-	(77,031)	-	-	-
Fair value of exercise of warrants	-	19,919	-	-	(19,919)	-	-	-
Warrants issued as finders' fees	-	(21,460)	-	-	21,460	-	-	-
Shares issued for mineral properties	10,500,000	5,355,000	-	-	-	-	-	5,355,000
Share-based compensation	-	-	-	-	594,977	-	-	594,977
Loss for the period	-	-	-	-	-	-	(3,438,251)	(3,438,251)
September 30, 2018	72,446,618	24,587,270	(5,430)	-	2,717,288	7,836	(18,908,082)	8,398,882
Private placements	21,034,459	5,141,512	(1,050)	-	-	-	-	5,140,462
Share issuance costs	-	(74,077)	-	-	-	-	-	(74,077)
Exercise of options	33,334	10,000	-	-	-	-	-	10,000
Exercise of warrants	77,500	19,750	5,430	-	-	-	-	25,180
Fair value of exercise of options	-	3,385	-	-	(3,385)	-	-	-
Warrants issued as finders' fees	-	(41,937)	-	-	41,937	-	-	-
Flow-through share premium	-	(205,440)	-	-	-	-	-	(205,440)
Shares issued for mineral properties	4,000,000	1,080,000	-	-	-	-	-	1,080,000
Share-based compensation	-	-	-	-	320,890	-	-	320,890
Loss for the period	-	-	-	-	-	-	(1,127,579)	(1,127,579)
March 31, 2019	97,591,911	\$ 30,520,463	\$ (1,050)	\$ -	\$ 3,076,730	\$ 7,836	\$ (20,035,661)	\$ 13,568,318

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

CRYSTAL LAKE MINING CORPORATION
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited – Prepared by Management)
Expressed in Canadian Dollars
FOR THE SIX MONTHS ENDED MARCH 31,

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	\$ (1,127,579)	\$ (1,873,766)
Item not affecting cash:		
Amortization	5,042	5,571
Foreign exchange loss	-	2,000
Interest on loans payable	18,449	20,701
Interest on mortgage payable	14,809	7,405
Loss (gain) on settlement of debt	(3,827)	39,023
Share-based compensation	320,890	1,086,594
Reversal of flow-through premium	(19,846)	-
Realized loss on marketable securities	85,000	-
Write-off of accounts payable	(22,349)	-
Write-off of subscription receivable	5,430	-
Changes in non-cash working capital items:		
Increase in due to related parties	101,819	39,831
Increase in receivables	(9,383)	(64,881)
Increase in prepaids	(22,418)	(167,534)
Increase (decrease) in accounts payable and accrued liabilities	42,392	(174,323)
Net cash used in operating activities	(611,571)	(1,079,379)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares	5,061,712	2,020,000
Proceeds from the exercise of options	10,000	228,675
Proceeds from the exercise of warrants	19,750	221,250
Repayment on mortgage liability	(12,341)	(19,746)
Loan payable	-	8,950
Loan repayment	-	(134,000)
Share issuance costs	(74,077)	(52,428)
Net cash provided by financing activities	5,005,044	2,272,701
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of equipment	-	(11,845)
Exploration and evaluation assets expenditures	(1,327,714)	(768,023)
Marketable securities	90,000	-
Net cash used in investing activities	(1,237,714)	(779,868)
Change in cash for the period	3,155,759	413,454
Cash, beginning of period	537,241	71,174
Cash, end of period	\$ 3,693,000	\$ 484,628
Cash paid during the period for interest	\$ 12,341	\$ 27,150
Cash paid during the period for income taxes	\$ -	\$ -

Supplemental disclosure with respect to cash flows (Note 11)

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

CRYSTAL LAKE MINING CORPORATION
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Unaudited – Prepared by Management)
Expressed in Canadian Dollars
FOR THE SIX MONTHS ENDED MARCH 31, 2019

1. NATURE AND CONTINUANCE OF OPERATIONS

The Company was incorporated under the Business Corporations Act (British Columbia) on July 20, 2009 and is publicly listed and traded on the TSX Venture Exchange (“TSX-V”) under the symbol CLM. The Company is currently engaged in the identification, acquisition and exploration of precious metal resources in Canada. The Company’s head office is 13236 Cliffstone Court, Lake Country, British Columbia, V4V 2R1, Canada. The Company’s registered and records office is located at #804 – 750 West Pender Street, Vancouver, British Columbia, V6C 2T7, Canada.

These condensed consolidated interim financial statements have been prepared in accordance with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The operations of the Company were primarily funded by the issuance of capital stock and proceeds from loans payable. Certain of the Company’s loans payable matured during the years ended September 30, 2017 without repayment (Note 5).

The continued operations of the Company are dependent on its ability to develop a sufficient financing plan, receive continued financial support from related parties, complete sufficient public equity financings or generate profitable operations in the future. These material uncertainties may cast significant doubt on the entity’s ability to continue as a going concern. The condensed consolidated interim financial statements do not include any adjustments to the amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue business.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These condensed consolidated interim financial statements, including comparatives have been prepared using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and in accordance with International Accounting Standards (“IAS”) 34, Interim Financial Reporting.

The policies applied in the condensed consolidated interim financial statements are presented below and are based on IFRS’ issued and outstanding as of May 27, 2019, the date the Board of Directors approved the condensed consolidated interim financial statements. None of these standards are expected to have a significant effect on the condensed consolidated interim financial statements.

The condensed consolidated interim financial statements have been prepared on a historical cost basis except for certain financial assets measured at fair value. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Principles of consolidation

These condensed consolidated interim financial statements include the accounts of the Company, its wholly-owned Mexican subsidiary Minera Sierra Gioc SA and its wholly owned United States subsidiary Sierra Iron Ore USA. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All significant inter-company transactions and balances have been eliminated upon consolidation.

CRYSTAL LAKE MINING CORPORATION
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Unaudited – Prepared by Management)
Expressed in Canadian Dollars
FOR THE SIX MONTHS ENDED MARCH 31, 2019

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Estimates, judgments and assumptions

The preparation of the Company's condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the condensed consolidated interim financial statements and the reported amounts of revenues and expenses during the reporting year. Estimates and assumptions are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

Significant Judgments

Deferred taxes

The Company recognizes the deferred tax benefit related to deferred income and resource tax assets to the extent recovery is probable. Assessing the recoverability of deferred tax assets requires management to make significant estimates of future taxable profit. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions from deferred income and resource tax assets.

Functional currency

The determination of a subsidiary's functional currency often requires significant judgment where the primary economic environment in which they operate may not be clear. This can have a significant impact on the consolidated results of the Company based on the foreign currency translation method.

Exploration and evaluation assets valuation

At each reporting period, the Company reviews its non-current assets to determine whether there are any indications of impairment. Calculating the estimated recoverable amount of the cash generating unit for non-current asset impairment tests requires management to make estimates and assumptions with respect to estimated recoverable reserves, estimated future commodity prices, the expected future operating and capital costs and discount rates. Changes in any of these assumptions or estimates used in determining the recoverable amount could impact the impairment analysis.

Significant Estimates

Share-based compensation

Share-based compensation is determined using the Black-Scholes option pricing model based on the estimated fair value of all share-based awards at the date of grant and is expensed to the statement of loss and comprehensive loss over each award's vesting period. The Black-Scholes option pricing model utilizes subjective assumptions such as expected price volatility and expected life of the option. Changes in these input assumptions can significantly affect the fair value estimate.

Non-cash transactions

The valuation of shares issued in non-cash transactions. Generally, the valuation of non-cash transactions is based on the value of the goods or services received. When this cannot be determined, it is based on the fair value of the non-cash consideration. When non-cash transactions are entered into with employees and those providing similar services, the non-cash transactions are measured at the fair value of the consideration given up using market prices.

CRYSTAL LAKE MINING CORPORATION

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Unaudited – Prepared by Management)

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2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Foreign exchange

The functional currency is the currency of the primary economic environment in which the entity operates and has been determined for each entity within the Company. The functional currency for all entities within the Company is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, *The Effects of Changes in Foreign Exchange Rates*.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the statement of financial position date while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are reflected in profit or loss for the year.

Exploration and evaluation assets

Upon acquiring the legal right to explore a property, costs related to acquisition and exploration are capitalized by property until the commencement of commercial production. If commercially profitable ore reserves are developed, capitalized costs of the related exploration and evaluation assets are reclassified as mining assets and amortized using the unit of production method. If, after management review, it is determined that capitalized acquisition and exploration costs are not recoverable over the estimated economic life of the exploration and evaluation assets, or the exploration and evaluation assets are abandoned, or management deems there to be an impairment in value, the exploration and evaluation assets are written down to their net realizable value.

Any option payments received by the Company from third parties or tax credits refunded to the Company are credited to the capitalized cost of the exploration and evaluation assets. If payments received exceed the capitalized cost of the exploration and evaluation assets, the excess is recognized as income in the year received. The amounts shown for exploration and evaluation assets do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

Impairment

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

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2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Decommissioning and restoration provision

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of exploration and evaluation assets and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to mining assets along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as mining assets.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to mining assets with a corresponding entry to the rehabilitation provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates. Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit and loss for the period.

As at March 31, 2019 and 2018, the Company has no decommissioning or restoration obligations.

Land, building and equipment

Land, building and equipment is recorded at cost and amortized using the declining balance method at the following rates per annum.

Computer equipment	55% to 100% per annum
Furniture and equipment	20% per annum
Machinery and equipment	30% per annum
Vehicles	30% per annum
Building	4% per annum

Land, building and equipment that is withdrawn from use, or has no reasonable prospect of being recovered through use or sale, are regularly identified and written off. Current year additions are amortized at half of the normal rate. The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Subsequent expenditures relating to an item of land, building and equipment are capitalized when it is probable that future economic benefits from the use of the assets will be increased. All other subsequent expenditures are recognized as repairs and maintenance.

Flow-through shares

Canadian Income Tax legislation permits an enterprise to issue securities referred to as flow-through shares, whereby the investor can claim the tax deductions arising from the renunciation of the related resource expenditures. The Company accounts for flow-through shares whereby the premium paid for the flow-through shares in excess of the market value of the shares without flow-through features at the time of issue is credited to other liabilities and included in profit or loss at the same time the qualifying expenditures are made.

Share-based compensation

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

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2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Share-based compensation (cont'd...)

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. Consideration paid for the shares on the exercise of stock options is credited to capital stock. The effect of forfeitures is accounted for as they occur.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment. Otherwise, share-based compensation is measured at the fair value of goods or services received.

Financial instruments

Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss (“FVTPL”), at fair value through other comprehensive income (“FVTOCI”) or at amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Financial assets at FVTPL - Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of income (loss) and comprehensive income (loss). Realized and unrealized gains and losses arising from changes in the fair value of the financial asset held at FVTPL are included in the statement of income (loss) and comprehensive income (loss) in the period in which they arise.

Financial assets at FVTOCI - Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Financial assets at amortized cost - Financial assets at amortized cost are initially recognized at fair value and subsequently carried at amortized cost less any impairment. They are classified as current assets or non-current assets based on their maturity date.

Financial assets are derecognized when they mature or are sold, and substantially all the risks and rewards of ownership have been transferred. Gains and losses on derecognition of financial assets classified as FVTPL or amortized cost are recognized in the statement of income (loss) and comprehensive income (loss). Gains or losses on financial assets classified as FVTOCI remain within accumulated other comprehensive income.

The Company has classified its cash at fair value through profit and loss. The Company’s receivables are classified at amortized cost.

Financial liabilities

The Company classifies its financial liabilities into one of two categories as follows:

Fair value through profit or loss - This category comprises derivatives and financial liabilities incurred principally for the purpose of selling or repurchasing in the near term. They are carried at fair value with changes in fair value recognized in profit or loss.

Financial liabilities at amortized cost - This category consists of liabilities carried at amortized cost using the effective interest method. These financial liabilities are initially recognized at fair value less directly attributable transaction costs.

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2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Financial instruments (cont'd...)

The Company's accounts payable and accrued liabilities, loans payable, and due to related parties are classified at amortized cost.

Financial instruments that are measured at fair value use inputs, which are classified within a hierarchy that prioritizes their significance. The three levels of the fair value hierarchy are:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 - Inputs that are not based on observable market data.

Income taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the statement of financial position liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Loss per share

The Company presents basic loss per share for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is calculated by adjusting the weighted average number of common shares outstanding for dilutive instruments. The number of shares included with respect to options, warrants and similar instruments is computed by assuming that outstanding options, warrants and similar instruments were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

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2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Newly adopted accounting policies

Effective October 1, 2018, the Company adopted the following accounting policies. There were no significant impacts to the financial statements upon adoption.

IFRS 9 *Financial Instruments* replaces the current standard IAS 39 *Financial Instruments: Recognition and Measurement*, replacing the current classification and measurement criteria for financial assets and liabilities with only two classification categories: amortized cost and fair value. Adoption is not anticipated to have a material impact on the Company's financial statements.

IFRS 7 is amended to require additional disclosures on transition from IAS 39 to IFRS 9. The Company has adopted this policy and it doesn't have a significant effect on the financial statements. The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its financial statements. Adoption is not anticipated to have a material impact on the Company's financial statements.

IFRS 15, *Revenue from Contracts with Customers*: IFRS 15 is a new standard to establish principles for reporting the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity's contracts with customers. It provides a single model in order to depict the transfer of promised goods or services to customers. IFRS 15 supersedes IAS 11, *Construction Contracts*, IAS 18, *Revenue*, IFRIC 13, *Customer Loyalty Programs*, IFRIC 15, *Agreements for the Construction of Real Estate*, IFRIC 18, *Transfers of Assets from Customers*, and SIC-31, *Revenue – Barter Transactions involving Advertising Service*. Adoption is not anticipated to have a material impact on the Company's financial statements.

Future accounting pronouncements

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any of these standards.

Accounting Standards Issued and Effective for Annual Reporting Periods Beginning On or After January 1, 2019:

IFRS 16, *Leases* specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17 *Leases*. This standard is applicable to annual periods beginning on or after January 1, 2019. The Company is currently evaluating the impact of this standard on the consolidated financial statements.

CRYSTAL LAKE MINING CORPORATION**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

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3. EXPLORATION AND EVALUATION ASSETS

Period Ended March 31, 2019	Tom Cat Claims, British Columbia, Canada	Iron Property, Ontario Canada	EL1 and EL5 Property, Ontario Canada	Property #1,2,3,4,5,7 and 8 Ontario Canada	Property #6, Ontario Canada	Newmont Lake British Columbia, Canada	Total
Acquisition Costs:							
Balance, beginning of period	\$ 61,036	\$ 519,174	\$ 1,600,000	\$ 3,748,500	\$ 530,000	\$ 250,000	\$ 6,708,710
Cash payment	-	-	-	-	-	500,000	500,000
Shares issued	-	-	-	-	-	1,080,000	1,080,000
Balance, end of period	61,036	519,174	1,600,000	3,748,500	530,000	1,830,000	8,288,710
Deferred Exploration Costs:							
Balance, beginning of period	92,319	444,551	1,045,962	35,000	-	-	1,617,832
Assay	-	-	-	-	-	94,518	94,518
Consulting	-	-	20,316	-	-	72,027	92,343
Drilling	-	-	-	-	-	188,420	188,420
Field work and other	-	-	42,500	-	-	89,954	132,454
Travel	-	-	-	-	-	251,089	251,089
Project management fees	18,000	-	-	-	-	-	18,000
Supplies	-	-	339	-	-	49,551	49,890
Balance, end of period	110,319	444,551	1,109,117	35,000	-	745,559	2,444,546
Total	\$ 171,355	\$ 963,725	\$ 2,709,117	\$ 3,783,500	\$ 530,000	\$ 2,575,559	\$ 10,733,256

CRYSTAL LAKE MINING CORPORATION

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3. EXPLORATION AND EVALUATION ASSETS (cont'd...)

Year Ended September 30, 2018	Tom Cat Claims, British Columbia, Canada	Iron Property, Ontario Canada	EL1 and EL5 Property, Ontario Canada	Property #1,2,3,4,5,7 and 8 Ontario Canada	Property #6, Ontario Canada	Newmont Lake British Columbia, Canada	Total
Acquisition Costs:							
Balance, beginning of year	\$ 244,146	\$ 519,174	\$ 1,350,000	\$ -	\$ 530,000	\$ -	\$ 2,643,320
Cash payment	-	-	250,000	-	-	250,000	500,000
Shares issued	-	-	-	5,355,000	-	-	5,355,000
Write-off	(183,110)	-	-	(1,606,500)	-	-	(1,789,610)
Balance, end of year	61,036	519,174	1,600,000	3,748,500	530,000	250,000	6,708,710
Deferred Exploration Costs:							
Balance, beginning of year	317,269	444,551	131,521	-	-	-	893,341
Assay	725	-	20,709	-	-	-	21,434
Consulting	-	-	455,521	50,000	-	-	505,521
Field work and other	11,800	-	417,962	-	-	-	429,762
Travel	4,172	-	4,080	-	-	-	8,252
Project management fees	35,310	-	765	-	-	-	36,075
Staking	-	-	6,050	-	-	-	6,050
Supplies	-	-	9,354	-	-	-	9,354
Write-off	(276,957)	-	-	(15,000)	-	-	(291,957)
Balance, end of year	92,319	444,551	1,045,962	35,000	-	-	1,617,832
Total	\$ 153,355	\$ 963,725	\$ 2,645,962	\$ 3,783,500	\$ 530,000	\$ 250,000	\$ 8,326,542

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3. EXPLORATION AND EVALUATION ASSETS (cont'd...)

Tom Cat Claims, British Columbia

The Company owns a 100% interest in certain mining claims, known as the Tom Cat Claims, located in the Nicola Mining District, British Columbia. The claims are subject to a 2% Net Smelter Royalty (“NSR”), of which 1% may be purchased for \$2,000,000 for five years from the start of commercial production.

During the year ended September 30, 2018, the Company impaired the Tom Cat Claims by \$460,067 based on claims expired.

Iron Property, Emo, Ontario

The Company entered into a series of agreements, the last of which was finalized during the year ended September 30, 2017, to acquire the right to earn a 60% interest in the iron mineralization on the Emerald Lake Property located north of the town of Emo, Ontario.

Pursuant to the agreements, the Company paid \$65,000 in fiscal 2014, issued 2,865,625 common shares valued at \$386,859 in fiscal 2015 and issued 115,475 common shares valued at \$46,190 in fiscal 2016. In order to complete the acquisition of the 60% interest, the Company was required to pay four additional installments of \$50,000 each commencing April 15, 2016 and continuing every six months to October 17, 2017 and an additional 6,392,000 common shares on the earlier of a positive feasibility or the commencement of commercial production. The Company was also required to incur exploration expenditures of \$1,500,000 by October 15, 2017. The Company has the option to acquire an additional 32% interest in the iron ore mineralization present on the property at terms to be negotiated, plus the right of first refusal on future properties acquired by the vendor.

The Company has not made the cash payments and incurred the required exploration expenditures and is consequentially not in compliance with the terms of their option agreement. The Company is in the process of negotiating an amended agreement.

EL1 & EL5 Properties, Emo, Ontario

The Company entered into a series of agreements to acquire the right to earn a 60% interest in the EL1 & EL5 mineral exploration properties located in Emo, Ontario.

During the year ended September 30, 2018, pursuant to the latest amended agreement, the Company can earn a 60% interest in the EL1 and EL5 properties pay paying \$2,000,000 in equal instalments of \$500,000 (paid \$250,000) over a two year period. The first \$500,000 instalment is due on February 13, 2018 (paid \$250,000). The Company can increase its interest in these properties to 85% by paying Emerald Lake \$8,000,000. The option agreement is subject to net smelter royalties on the EL1 property of 3% and EL5 property of 2%.

Prior the latest amended agreement, the Company paid \$350,000 and issued 3,500,000 common shares valued at \$980,000.

Emo Ontario Properties, Emo, Ontario

Right of First Refusal Agreement

On September 27, 2016, the Company entered a right of first refusal agreement (“ROFR”) with Emerald Lake to acquire 100% of eight additional claim blocks near the town of Emo, Ontario.

During the year ended September 30, 2017, the Company announced that pursuant to the ROFR, it has entered into an agreement, with Emerald Lake. The agreement provides the Company the option to 100% in the mineral rights of certain properties near Emo Ontario for determined numbers of common shares.

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3. EXPLORATION AND EVALUATION ASSETS (cont'd...)

Emo Ontario Properties, Emo, Ontario (cont'd...)

The Company and Emerald Lake amended the agreement several times during the year ended September 30, 2017. The amended agreement provides the Company the option to acquire any or all of the following properties near Emo Ontario for the designed numbers of common shares: Property #2 for 3,000,000 common shares, Property #5 for 3,000,000 common shares, Property #7 for 1,000,000 common shares, and Property #8 for 500,000 common shares. Any property acquired would be subject to a net smelter royalty payable to Emerald Lake.

During the year ended September 30, 2018, the Company agreed to purchase a 100% interest in Property #1, Property #2, Property #3, Property #4, Property #5, Property #7 and Property #8 by issuing 10,500,000 shares (valued at \$5,355,000) to Emerald Lake, subject to a 2% NSR, 1% of which may be purchased for \$1,000,000. During the year ended September 30, 2018, the TSX-V approved the agreement.

At September 30, 2018, the Company impaired Property #1, 2, 3, 4, 5, 7, and 8 by \$1,621,500 based on the claims that expired.

Property #6, Emo, Ontario

In January 2017, pursuant to the ROFR, the Company entered into a purchase agreement, with Emerald Lake to buy a 100% interest in the mineral rights hosted by the property known as Property #6 near Emo, Ontario.

In order to complete the purchase, the Company issued 2,000,000 common shares valued at \$530,000 to Emerald Lake. A royalty consisting of 3% of net smelter returns shall be payable to Emerald Lake upon the commencement of commercial production.

Newmont Lake Claims, British Columbia

In September 2018, the Company entered into a letter agreement for an option to acquire a 100% interest in the Newmont Lake mineral property from of Romios Gold Resources Inc. (“Romios”). Pursuant to the agreement, in order to complete the acquisition, the Company is required to:

- i) pay \$250,000 immediately upon signing (paid).
- ii) pay \$250,000 at 90 days following the regulatory approval (paid).
- iii) pay \$250,000 at 180 days following the regulatory approval (paid).
- iv) pay \$250,000 at 270 days following the regulatory approval.
- v) pay \$1,000,000 concurrently with the Company being vested with a 100% interest in the property.
- vi) issue 4,000,000 shares upon the regulatory approval (issued at a value of \$1,080,000)
- vii) issue 4,000,000 shares on September 19, 2020.
- viii) issue 4,000,000 shares on September 19, 2021.
- ix) incur exploration expenditures of \$3,000,000 by September 20, 2019.
- x) incur exploration expenditures of \$2,500,000 by September 19, 2020.
- xi) incur exploration expenditures of \$2,500,000 by September 19, 2021.
- xii) incur an underlying annual payment of \$30,000 (paid \$30,000).

The claims are subject to a 2% NSR, one-half of which can be bought back by the Company for \$2,000,000 for a period of 2 years after completion by the Company of the commitments under the option. The Company will issue 2,000,000 shares to Romios in the event a NI 43-101 compliant resource estimate with exceeds 1,000,000 ounces of gold equivalent resources is issued. An additional 1,000,000 shares of the Company will be issued to Romios for each full 1,000,000 additional ounces of gold equivalent resources which is so documented.

During the period ended March 31, 2019, the TSX-V approved the agreement.

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4. LAND, BUILDING AND EQUIPMENT

Equipment is carried at cost less accumulated amortization. Details are as follows:

	Furniture and					Total
	Vehicles	Equipment	Computer	Building ⁽¹⁾	Land ⁽¹⁾	
Cost						
Balance, September 30, 2017	\$ 15,000	\$ 15,974	\$ 9,671	\$ 120,000	\$ 145,290	\$ 305,935
Additions	-	11,845	-	-	-	11,845
Balance, September 30, 2018	15,000	27,819	9,671	120,000	145,290	317,780
Additions	-	-	-	-	-	-
Balance, March 31, 2019	\$ 15,000	\$ 27,819	\$ 9,671	\$ 120,000	\$ 145,290	\$ 317,780
Accumulated depreciation						
Balance, September 30, 2017	\$ 2,250	\$ 12,274	\$ 9,671	\$ 14,400	\$ -	\$ 38,595
Additions	3,825	2,517	-	4,800	-	11,142
Balance, September 30, 2018	6,075	14,791	9,671	19,200	-	49,737
Additions	1,339	1,303	-	2,400	-	5,042
Balance, March 31, 2019	\$ 7,414	\$ 16,094	\$ 9,671	\$ 21,600	\$ -	\$ 54,779
Carrying amounts						
Balance, September 30, 2018	\$ 8,925	\$ 13,028	\$ -	\$ 100,800	\$ 145,290	\$ 268,043
Balance, March 31, 2019	\$ 7,586	\$ 11,725	\$ -	\$ 98,400	\$ 145,290	\$ 263,001

(1) Land and building are listed as collateral for the mortgage payable. (Note 5)

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5. LOANS PAYABLE

	March 31, 2019	September 30, 2018
i) During the year ended September 30, 2015, the Company entered into a \$250,000 debenture loan. The debenture matured on March 28, 2017 and bears interest at a rate of 10% per annum payable annually. The loan was convertible into common shares of the Company at a price of \$0.32 per share at any time prior to maturity. On issuance, the loan has been classified into its separate loan liability and conversion feature equity components in the Company's financial statements using the fair value method and an effective interest rate of 12%. The liability was valued first, resulting in an initial amount of \$242,164 being allocated to the liability and \$7,836 being allocated to the conversion feature. Over the term of the loan this carrying value was accreted to the \$250,000 principal amount using the effective-interest-rate method, with an effective interest rate of 12%. During the period ended March 31, 2019, the corresponding interest and accretion of \$12,469 (2018 - \$12,465) charged to operations.	\$ 346,710	\$ 334,245
ii) During the year ended September 30, 2014, the Company entered into two debenture loan agreements whereby the Company borrowed \$200,000. The loans bear simple interest at 12% per annum and were repayable by December 13, 2014. Pursuant to the agreements, the lenders had the right to convert all or any portion of the accrued interest into common shares of the Company prior to the end of the term. The loan is secured by certain assets of the Company. During the year ended September 30, 2015, the Company settled \$100,000 of the principal debt for shares. The remaining \$100,000 of principal and interest remained unpaid. Interest continues to accrue with no additional penalties. During the period ended March 31, 2019, the Company accrued \$5,984 (2018 – \$5,984) of interest.	162,959	156,975
iii) During the year ended September 30, 2014, the Company financed the acquisition of land and building with a mortgage payable of \$260,117. Mortgage was due on August 15, 2015. The mortgage is secured by land and a building in the district of Rainy River, Ontario. During the year ended September 30, 2016, the Company paid \$27,150 to reduce the mortgage payable and accrued \$29,618 in interest. During the year ended September 30, 2017, the Company paid \$22,213 to reduce the mortgage payable and accrued \$29,618 in interest. During the year ended September 30, 2018, the Company paid \$41,959 to reduce the mortgage payable and accrued \$29,618 in interest. During the period ended March 31, 2019, the Company paid \$12,341 to reduce the mortgage payable and accrued \$14,809 in interest.	263,791	261,323
iv) During the year ended September 30, 2016, the Company received \$96,280 from the CEO of the Company, consisting of a series of non-interest bearing, unsecured advances with no fixed terms of repayment. The Company repaid \$5,000 of the amounts advanced during the year ended September 30, 2016. During the year ended September 30, 2017, the Company received \$187,700 and repaid \$67,000 and settled \$80,000 with issuance of common shares. During the year ended September 30, 2018, the Company received \$8,950 and repaid \$134,000.	6,930	6,930
Total loan payable	\$ 780,390	\$ 759,473

CRYSTAL LAKE MINING CORPORATION

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Unaudited – Prepared by Management)

Expressed in Canadian Dollars

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6. MARKETABLE SECURITIES

During the year ended September 30, 2018, the Company advanced \$175,000 to acquire 2,187,500 units of Romios Gold Resources Inc. (“Romios”). The acquisition of the units completed on October 2, 2018. Each unit is comprised of one common share of Romios and warrants to acquire an additional 1,093,750 common shares of Romios exercisable at \$0.12 expiring October 2, 2019.

During the period ended March 31, 2019, the Company sold all its shares at market value of \$90,000, which resulted in realized loss of \$85,000.

7. CAPITAL STOCK AND SHARE-BASED PAYMENT RESERVE

During the period ended March 31, 2019, the Company:

- i) issued 33,334 common shares pursuant to exercise of options for gross proceeds of \$10,000.
- ii) issued 77,500 common shares pursuant to exercise of warrants for gross proceeds of \$19,750.
- iii) closed a non-brokered private placement and issued 1,428,572 flow-through common shares at \$0.35 per flow-through share for gross proceeds of \$500,000. The Company issued 100,000 finders’ warrants (valued at \$16,255) exercisable at \$0.35 on or before December 20, 2020. A value of \$100,000 was attributed to the flow-through premium liability in connection with the financing. The Company expended certain of the flow-through proceeds and accordingly, recorded \$19,846 as reversal of flow-through premium during the period ended March 31, 2019.
- iv) closed a non-brokered private placement and issued 381,000 flow-through common shares at \$0.35 per flow-through share for gross proceeds of \$133,350. The Company issued 10,570 finders’ warrants (valued at \$1,718) exercisable at \$0.35 on or before December 21, 2020. A value of \$22,860 was attributed to the flow-through premium liability in connection with the financing.
- v) closed a non-brokered private placement and issued 370,000 units at \$0.30 per unit for net proceeds of \$111,000. Each unit consists of one common share and one-half of one common share purchase warrant. Each warrant may be exercised by the holder to purchase an additional common share at a price of \$0.45 on or before December 28, 2019.
- vi) issued 4,000,000 shares at a value of \$1,080,000 pursuant to the acquisition of Newmont Lake Property (Note 3).
- vii) closed the first tranche of a non-brokered private placement and issued 8,488,443 units at \$0.225 per unit for proceeds of \$1,909,900, of which \$67,500 was received subsequently. Each unit consists of one common share and one common share purchase warrant. Each warrant may be exercised by the holder to purchase an additional common share at a price of \$0.35 on or before March 25, 2021. The Company issued 3,200 finders’ warrants (valued at \$533) exercisable at \$0.35 on or before March 25, 2021. The Company paid share issuance costs of \$20,620.

CRYSTAL LAKE MINING CORPORATION
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7. CAPITAL STOCK AND SHARE-BASED PAYMENT RESERVE (cont'd...)

- viii) closed the second tranche of the non-brokered private placement and issued 8,827,944 units at \$0.225 per unit for proceeds of \$1,986,287, of which \$11,250 was received subsequently. Each unit consists of one common share and one common share purchase warrant. Each warrant may be exercised by the holder to purchase an additional common share at a price of \$0.35 on or before March 27, 2021. The Company issued 48,000 finders' warrants (valued at \$7,442) exercisable at \$0.35 on or before March 27, 2021.

As part of the second tranche, the Company issued 1,250,000 flow-through common shares at \$0.32 per flow-through share for gross proceeds of \$400,000. The Company issued 100,000 finders' warrants (valued at \$15,989) exercisable at \$0.32 on or before March 29, 2021. A value of \$62,500 was attributed to the flow-through premium liability in connection with the financing.

- ix) issued 200,000 flow-through units at \$0.35 per flow-through units and for gross proceeds of \$70,000. Each unit consists of one common share and one common share purchase warrant. Each warrant may be exercised by the holder to purchase an additional common share at a price of \$0.45 on or before March 25, 2021. A value of \$13,000 was attributed to the flow-through premium liability in connection with the financing.
- x) issued 88,500 flow-through units at \$0.35 per flow-through units for gross proceeds of \$30,975, of which 3,000 units were cancelled subsequently (Note 14). Each unit consists of one common share and one common share purchase warrant. Each warrant may be exercised by the holder to purchase an additional common share at a price of \$0.45 on or before March 27, 2021. A value of \$7,080 was attributed to the flow-through premium liability in connection with the financing.

During the year ended September 30, 2018, the Company:

- i) closed a non-brokered private placement and issued 2,100,000 units at \$0.20 per unit for proceeds of \$420,000. Each unit consists of one common share and one common share purchase warrant. Each warrant may be exercised by the holder to purchase an additional common share at a price of \$0.25 on or before May 6, 2019.
- ii) closed a non-brokered private placement and issued 2,000,000 units at \$0.20 per unit for proceeds of \$400,000. Each unit consists of one common share and one common share purchase warrant. Each warrant may be exercised by the holder to purchase an additional common share at a price of \$0.25 on or before June 3, 2019. The Company paid share issuance costs of \$4,200 and issued 21,000 finders' warrants exercisable at \$0.25 on or before June 3, 2019.
- iii) closed a non-brokered flow-through private placement and issued 2,000,000 units at \$0.25 per unit for proceeds of \$500,000. Each unit consists of one common share and one-half common share purchase warrant. Each warrant may be exercised by the holder to purchase an additional common share at a price of \$0.30 on or before June 10, 2019. The Company paid share issuance costs of \$14,753 and issued 59,010 finders' warrants exercisable at \$0.30 on or before June 10, 2019. On issuance, the Company recognized a flow through premium of \$Nil.
- iv) closed a non-brokered private placement and issued 1,400,000 units at \$0.50 per unit for proceeds of \$700,000. Each unit consists of one common share and one common share purchase warrant. Each warrant may be exercised by the holder to purchase an additional common share at a price of \$0.52 on or before January 18, 2020.

issued 112,727 units to a creditor at \$0.91 per unit, to settle debts aggregating \$56,559 resulting in a loss of \$46,023 on the settlement of debt. Each unit is comprised of one common share and one common purchase warrant. Each warrant may be exercised by the holder to purchase an additional common share at a price of \$0.68 on or before February 14, 2020. Total loss on settlement of debt for the year ended September 30, 2018 was \$39,023 after other gains of \$7,000.

CRYSTAL LAKE MINING CORPORATION
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Unaudited – Prepared by Management)
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7. CAPITAL STOCK AND SHARE-BASED PAYMENT RESERVE (cont'd...)

- v) issued 10,500,000 shares at a value of \$5,355,000 pursuant to the acquisition of Emo Ontario Properties (Note 3).
- vi) closed the first tranche of a non-brokered private placement to strategic investors and issued 1,272,726 shares at \$0.55 per unit for gross proceeds of \$700,000. Each unit consists of one common share of the Company and one full share purchase warrant. Each warrant may be exercised by the holder to purchase an additional common share at a price of \$0.70 on or before May 24, 2020.
- vii) closed the second tranche of the non-brokered private placement and issued 860,000 shares at \$0.55 per unit for gross proceeds of \$473,000. Each unit consists of one common shares and one full share purchase warrant. Each warrant may be exercised by the holder to purchase an additional common share at a price of \$0.70 on or before May 29, 2020.
- viii) issued 1,081,666 common shares pursuant to exercise of options for gross proceeds of \$376,725.
- ix) issued 1,897,005 common shares pursuant to exercise of warrant for gross proceeds of \$609,927, of which \$5,430 is receivable as of September 30, 2018 and is recorded as subscriptions receivable.

Stock options

The Company has a stock option plan under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan, the exercise price of each option equals the market price of the Company's stock, less an applicable discount, as calculated on the date of grant. The options can be granted for a maximum term of 5 years and vest at the discretion of the board of directors.

A summary of changes in options during the period is as follows:

	Number of options	Weighted average exercise price
Outstanding and exercisable September 30, 2017	915,000	\$ 0.38
Granted	7,500,000	0.42
Exercised	(1,081,666)	0.35
Cancelled/Expired	<u>(800,000)</u>	0.33
Outstanding and exercisable September 30, 2018	6,533,334	0.44
Granted	1,710,000	0.30
Exercised	<u>(33,334)</u>	0.30
Outstanding and exercisable March 31, 2019	<u>8,210,000</u>	<u>\$ 0.41</u>

CRYSTAL LAKE MINING CORPORATION
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7. CAPITAL STOCK AND SHARE-BASED PAYMENT RESERVE (cont'd...)

Stock options (cont'd...)

The following stock options were outstanding at March 31, 2019:

Expiry Date	Exercise Price	Number of Options	Number of Options Exercisable
October 3, 2019	\$ 0.30*	3,000,000	3,000,000
December 19, 2019	\$ 0.50**	600,000	600,000
January 14, 2020	\$ 0.60***	900,000	900,000
September 25, 2020	\$ 0.55****	2,000,000	2,000,000
December 19, 2020	\$ 0.30	750,000	750,000
March 18, 2021	\$ 0.30	960,000	960,000
		8,210,000	8,210,000

*50,000 options exercised subsequently

**250,000 options repriced to \$0.30 subsequently

***750,000 options repriced to \$0.30 subsequently

****525,000 options repriced to \$0.30 subsequently

Share-based compensation

During the period ended March 31, 2019, the Company;

- i) granted 750,000 options valued at \$128,213, exercisable at a price of \$0.30 per option expiring December 19, 2020.
- ii) granted 960,000 options valued at \$192,677, exercisable at a price of \$0.30 per option expiring March 18, 2021.

The weighted average fair value of each stock option granted during the year was \$0.19 (September 30, 2018 - \$0.32), calculated using the Black-Scholes option-pricing model on the grant date using the following weighted average assumptions:

	Period ended March 31, 2019	Year ended September 30, 2018
Volatility	124.05%	94.56%
Risk-free interest rate	1.74%	1.73%
Dividend yield	0.00%	0.00%
Expected life	2 years	2 years
Expected forfeiture rate	0.00%	0.00%

CRYSTAL LAKE MINING CORPORATION
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7. CAPITAL STOCK AND SHARE-BASED PAYMENT RESERVE (cont'd...)

Warrants

A summary of changes in warrants during the period is as follows:

	Number of warrants	Weighted average exercise price
Outstanding September 30, 2017	654,000	\$ 0.52
Granted	8,877,645	0.41
Exercised	(1,872,005)	0.32
Expired	(153,000)	0.51
Outstanding September 30, 2018	7,506,640	0.44
Granted	18,051,657	0.35
Exercised	(77,500)	0.25
Expired	(57,500)	0.50
Outstanding March 31, 2019	25,423,297	\$ 0.38

The following warrants were outstanding at March 31, 2019:

Number of Warrants	Exercise Price	Expiry Date
1,375,000*	\$ 0.25	May 6, 2019
1,573,500**	\$ 0.25	June 3, 2019
725,505	\$ 0.30	June 10, 2019
185,000	\$ 0.45	December 28, 2019
1,400,000	\$ 0.52	January 14, 2020
112,727	\$ 0.68	February 14, 2020
1,317,908	\$ 0.70	May 24, 2020
867,000	\$ 0.70	May 29, 2020
100,000	\$ 0.35	December 20, 2020
10,570	\$ 0.35	December 21, 2020
8,491,643	\$ 0.35	March 25, 2021
200,000	\$ 0.45	March 25, 2021
8,875,944	\$ 0.35	March 27, 2021
88,500***	\$ 0.45	March 27, 2021
100,000	\$ 0.32	March 29, 2021
25,423,297		

*exercised subsequently

**443,750 warrants exercised subsequently

*** 3,000 warrants cancelled subsequently

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7. CAPITAL STOCK AND SHARE-BASED PAYMENT RESERVE (cont'd...)

Warrants (cont'd...)

The weighted average fair value of each finder's warrant granted during the year was \$0.10 (September 30, 2018 - \$0.41), calculated using the Black-Scholes option-pricing model on the grant date using the following weighted average assumptions:

	Period ended March 31, 2019	Year ended September 30, 2018
Volatility	123.62%	116.98%
Risk-free interest rate	1.69%	1.67%
Dividend yield	0.00%	0.00%
Expected life	2 years	1.70 years
Expected forfeiture rate	0.00%	0.00%

8. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers. Other than disclosed below, there was no other compensation paid to key management during the periods ended March 31, 2019 and 2018. During the period ended March 31, 2019, the Company paid or accrued:

- (i) management fees of \$149,138 (2018 - \$135,462) to the CEO, former CEO, CFO and companies controlled by the CEO, former CEO, and CFO of the Company.
- (ii) director's fees of \$13,047 (2018 - \$12,815) to directors and a former director of the Company.
- (iii) share-based compensation of \$248,790 (2018 - \$345,007) to directors of the Company.

Included in due to related parties as at March 31, 2019 is \$253,661 (September 30, 2018 - \$151,842) due to directors, a spouse of a director, former directors and companies controlled by directors.

At March 31, 2019, the Company owed \$6,930 (September 30, 2018 - \$6,930) for loans received from the former CEO.

During the period ended March 31, 2019, the Company issued 1,310,000 stock options (September 30, 2018 - 3,200,000) to directors resulting in share-based compensation of \$248,790 (September 30, 2018 - \$731,743).

9. CAPITAL MANAGEMENT

The Company's primary objectives in capital management are to safeguard the Company's ability to continue as a going concern in order to provide return for shareholders and to maintain sufficient funds to finance the exploration of its exploration and evaluation interests. Capital is comprised of the Company's shareholders' equity. As at March 31, 2019, the Company's shareholders' equity was \$13,568,318 (September 30, 2018 - \$8,398,882).

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 and is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the period ended March 31, 2019.

CRYSTAL LAKE MINING CORPORATION
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(Unaudited – Prepared by Management)
Expressed in Canadian Dollars
FOR THE SIX MONTHS ENDED MARCH 31, 2019

10. FINANCIAL RISK FACTORS

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

The carrying value of the Company's receivables, due from related parties, accounts payable and accrued liabilities, due to related parties, and mortgage payable approximate their fair value because of the short-term nature of these instruments. Cash is carried at a fair value using a level 1 fair value measurement. Loans payable are accounted for using the effective interest rate method.

Credit risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company's management believes it has no significant credit risk.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. At March 31, 2019, the Company had a cash balance of \$3,693,000 (September 30, 2018 - \$537,241) to settle current liabilities of \$1,163,526 (September 30, 2018 - \$1,025,574). All of the Company's accounts payable and accrued liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms. The Company expects to fund these liabilities through the use of existing cash resources and additional equity financing.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

a) Interest rate risk

The Company has cash balances held with financial institutions. The Company is satisfied with the credit rating of its bank.

b) Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash and accounts payable and accrued liabilities that are denominated in a foreign currency. As at March 31, 2019, the Company had minimal cash amounts in foreign currencies and considers foreign currency risk insignificant.

c) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of commodities, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

CRYSTAL LAKE MINING CORPORATION
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(Unaudited – Prepared by Management)
Expressed in Canadian Dollars
FOR THE SIX MONTHS ENDED MARCH 31, 2019

11. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Significant non-cash transactions during the period ended March 31, 2019 include the Company:

- i) issued 261,770 finders' warrants at a value of \$41,937 pursuant to private placements.
- ii) transferred \$3,385 from share-based payment reserve to share capital upon exercise of options.
- iii) Attributed \$205,440 to the flow-through premium liability in connection with the financing.
- iv) issued 4,000,000 shares at a value of \$1,080,000 pursuant to Newmont Lake option payment.

At March 31, 2019, the Company had an accounts payable balance of \$8,000 (September 30, 2018 - \$9,000) related to exploration and evaluation asset expenditures.

Significant non-cash transactions during the year ended September 30, 2018 include the Company:

- i) issued 132,192 finders' warrants at a value of \$50,789 pursuant to private placements.
- ii) issued 112,727 shares valued at \$102,582 to settle a loan payable.
- iii) transferred \$221,033 from share-based payment reserve to share capital upon exercise of options.
- iv) transferred \$54,919 from share-based payment reserve to share capital upon exercise of warrants.
- v) issued 10,500,000 shares at a value of \$5,355,000 pursuant to the acquisition of Property #1, Property #2, Property #3, Property #4, Property #5, Property #7 and Property #8.

12. SEGMENTED INFORMATION

The Company has one operating segment, being the exploration of exploration and evaluation assets in Canada. The Company's equipment and exploration and evaluation assets at March 31, 2019 were \$10,996,257 (September 30, 2018 - \$8,594,585).

13. SUBSIDIARIES

Significant subsidiaries of the Company are as follows:

	Country of Incorporation	Principal Activity	Effective interest for 2018 and 2017
Minera Sierra Gioc SA	Mexico	Holding company	100%
Sierra Iron Ore USA	United States	Holding company	100%

CRYSTAL LAKE MINING CORPORATION
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Unaudited – Prepared by Management)
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FOR THE SIX MONTHS ENDED MARCH 31, 2019

14. SUBSEQUENT EVENTS

Subsequent to the period ended March 31, 2019, the Company:

- i) closed the final tranche of the non-brokered private placement and issued 525,000 units at \$0.225 per unit for gross proceeds of \$118,125. Each unit consists of one common share and one common share purchase warrant. Each warrant may be exercised by the holder to purchase an additional common share at a price of \$0.35 on or before April 1, 2021.
- ii) issued 1,818,750 common shares pursuant to exercise of warrants for gross proceeds of \$454,688.
- iii) issued 50,000 common shares pursuant to exercise of options for gross proceeds of \$15,000.
- iv) cancelled 88,500 flow-through common shares and re-issued 85,500 flow-through common shares.
- v) granted 1,200,000 options exercisable at a price of \$0.30 per option expiring April 1, 2021.

APPENDIX I

CRYSTAL LAKE MINING CORPORATION

Pro-forma Consolidated Financial Statements

MARCH 31, 2019

(Unaudited)

(Expressed in Canadian Dollars, unless otherwise stated)

The accompanying notes are an integral part of these pro-forma consolidated financial statements

CRYSTAL LAKE MINING CORPORATION
PRO-FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
MARCH 31, 2019
(Unaudited) - (Expressed in Canadian Dollars)

		Pro-forma Adjustments	Notes	Consolidated Pro Forma
Assets				
Current				
Cash	\$ 3,693,000	\$ -		\$ 3,693,000
Receivables	33,749	-		33,749
Prepays	115,682	-		115,682
Marketable securities	-	500,000	3a	500,000
Subscription receivable	78,750	-		78,750
	3,921,181	500,000		4,421,181
Exploration and evaluation assets	10,733,256	(7,986,342)	3b	2,746,914
Land, building and equipment	263,001	-		263,001
Total Assets	\$ 14,917,438	\$ (7,486,342)		\$ 7,431,096
Liabilities				
Current				
Accounts payable and accrued liabilities	\$ 129,475	\$ 150,000	3c	\$ 279,475
Due to related parties	253,661	-		253,661
Loan payable	780,390	-		780,390
	1,163,526	150,000		1,313,526
Flow-through premium liability	185,594	-		185,594
Total Liabilities	1,349,120	150,000		1,499,120
Shareholders' equity				
Capital stock	30,520,463	-		30,520,463
Subscriptions receivable	(1,050)	-		(1,050)
Share-based payment reserve	3,076,730	-		3,076,730
Equity component of convertible loans	7,836	-		7,836
Deficit	(20,035,661)	(7,486,342)	3d	(27,672,003)
		(150,000)	3c	
Total Shareholders' Equity	13,568,318	(7,636,342)		5,931,976
Total Liabilities and Shareholders' Equity	\$ 14,917,438	\$ (7,486,342)		\$ 7,431,096

Basis of presentation (Note 1)

Pro-forma assumptions and adjustments (Note 2)

The accompanying notes are an integral part of these pro-forma consolidated financial statements

CRYSTAL LAKE MINING CORPORATION**PRO-FORMA CONSOLIDATED STATEMENT OF LOSS AND COMPREHENSIVE LOSS**

(Unaudited) - (Expressed in Canadian Dollars)

	Six months ended March 31, 2019	Pro-forma Adjustments	Notes	Pro-Forma
EXPENSES				
Amortization	\$ 5,042	\$ -	-	\$ 5,042
Consulting	168,160	-	-	168,160
Director fees	13,547	-	-	13,547
Gain on settlement of debt	(3,827)	-	-	(3,827)
General, rent and administrative	41,120	-	-	41,120
Loss on spin out transaction	-	7,486,342	3d	13,779,304
Management fees	149,138	-	-	149,138
Office and miscellaneous	147,629	-	-	147,629
Professional fees	76,849	-	-	76,849
Property investigation	200	-	-	200
Regulatory fees	75,063	-	-	75,063
Reversal of flow-through premium	(19,846)	-	-	(19,846)
Salary	1,216	-	-	1,216
Share-based compensation	320,890	-	-	320,890
Transaction costs	-	150 000	3c	150,000
Transfer agent fees	35,414	-	-	35,414
Travel and promotion	48,903	-	-	48,903
Realized loss on marketable securities	85,000	-	-	85,000
Write-off of accounts payable	(22,349)	-	-	(20,642)
Write-off of subscription receivable	5,430	-	-	5,430
LOSS AND COMPREHENSIVE LOSS	\$ (1,127,579)	\$7,636,342		\$ (8,763,921)

The accompanying notes are an integral part of these pro-forma consolidated financial statements

CRYSTAL LAKE MINING CORPORATION
NOTES TO THE PRO-FORMA CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2019

(Unaudited) - (Expressed in Canadian Dollars)

1. BASIS OF PRESENTATION

On June 25, 2019, Crystal Lake Mining Corporation (the “Company”, “Crystal Lake”) entered into an arrangement agreement, which was replaced by a new arrangement agreement dated July 25, 2019 (the “Agreement”) with Sassy Resources Corporation (“Sassy”), newly formed for the purposes of the Statutory Plan of Arrangement (the “Arrangement”). The Agreement sets out the terms of the Arrangement which will have the result of transferring certain exploration and evaluation assets to Sassy.

Following completion of the Arrangement:

- Sassy will hold:
 - a. A 100% interest in the “Emerald Lake” assets, specifically the Iron Property, Farm Property, EL1 and EL5 Properties and Properties #1,2, 3, 4, 5, 7 and 8 and Property 6, located in Debie, Klingsford, Mather, Potts and Tait townships, in the Dogpaw Lake and Heronry Lake areas of Emo, Ontario.
 - b. A letter of intent with Lorne Warren dated June 24, 2019, which includes the Foremore claims covering 145.3 sq. km adjacent to the northern boundary of the Company’s Newmont Lake Project.

The Company will transfer assets, as described above, to Sassy in consideration for 10,000,000 common shares of Sassy. The Company will then distribute those shares to its shareholders.

Upon closing of the Arrangement, Sassy Resources will be owned exclusively by existing Crystal Lake shareholders.

The Arrangement is subject to, among other things, shareholder approval, approval of the TSX Venture Exchange and the Supreme Court of British Columbia.

The unaudited pro-forma consolidated financial statements have been compiled for the purposes of inclusion in the information circular of Crystal Lake dated August 15, 2019 (the “Information Circular”).

The unaudited pro-forma statement of financial position as at March 31, 2019 and the unaudited pro-forma unaudited consolidated statement of loss and comprehensive loss have been derived from the unaudited consolidated financial statements of Crystal Lake as at March 31, 2019 and the adjustments and assumptions contained in note 2. The unaudited pro-forma consolidated statement of financial position and unaudited consolidated statement of loss and comprehensive loss for the period ended March 31, 2019 have been prepared as if the reorganization of Crystal Lake had occurred on October 1, 2018.

These unaudited pro-forma consolidated financial statements should also be read in conjunction with the unaudited interim consolidated financial statements of Crystal Lake for the six month period ended March 31, 2019 as well as the audited consolidated financial statements of Crystal Lake for the years ended September 30, 2018 and 2017.

It is management’s opinion that these pro-forma consolidated financial statements include all adjustments necessary for the fair presentation of the transactions described herein and are in accordance with International Financial Reporting Standards (“IFRS”). The pro-forma consolidated financial statements are not intended to reflect the results of operations or the financial position of the Company which would have actually resulted had the transactions been effected on the dates indicated. Furthermore, the unaudited pro-forma consolidated financial information is not necessarily indicative of the results of operations that may be obtained in the future. Actual amounts recorded upon consummation of the transactions will differ from those recorded in the unaudited pro-forma consolidated financial statements and the differences may be material.

CRYSTAL LAKE MINING CORPORATION
NOTES TO THE PRO-FORMA CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2019

(Unaudited) - (Expressed in Canadian Dollars)

2. PRO-FORMA ASSUMPTIONS AND ADJUSTMENTS

The unaudited pro-forma consolidated financial statements give effect to the following:

- a) The fair value of the Sassy shares to be distributed, as described in note 1, has been estimated at a fair value of \$500,000, or \$0.05 per share. The assets have a carrying value of \$7,986,342. This will result in a loss of \$7,486,342 on the statement of loss and comprehensive loss.
- b) These pro forma consolidated financial statements include adjustments of the consideration paid by Sassy, which is based on preliminary estimates of the fair value of the consideration paid and assets acquired. The Company is in the process of finalizing the fair value of the consideration transferred and the net assets acquired, therefore these figures are subject to change. As a result, the final purchase price allocation may be materially different from the preliminary estimated allocations presented in these pro forma consolidated financial statements.
- c) Crystal Lake will transfer certain exploration and evaluation assets to Sassy, as indicated in note 1.
- d) Crystal Lake estimates that it will incur transaction costs of approximately \$150,000 associated with the reorganization, consisting primarily of legal, accounting, regulatory and other related charges. These costs will be borne by Crystal Lake.