

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

*No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This prospectus does not constitute an offer to sell or the solicitation of an offer to buy any securities. This prospectus does not constitute a public offering of securities.*



## PRELIMINARY PROSPECTUS

Non-Offering Prospectus

October 18, 2021

### SILVER47 EXPLORATION CORP.

This preliminary long-form prospectus (the “**Prospectus**”) is being filed with the securities regulatory authorities in British Columbia by Silver47 Exploration Corp. (the “**Company**” or “**Silver47**”) for the purpose of becoming a reporting issuer pursuant to applicable securities legislation in the Province of British Columbia. Upon the issuance of a final receipt for this Prospectus by the British Columbia Securities Commission (the “**BCSC**”), the Company will become a reporting issuer in British Columbia. Since no securities are being offered pursuant to this Prospectus, no proceeds will be raised, and all expenses incurred in connection with the preparation and filing of this Prospectus will be paid by the Company from its general corporate funds.

**An investment in the Securities (as defined herein) is speculative and involves a high degree of risk. In reviewing this Prospectus, you should carefully consider the matters described under the heading “Risk Factors”.**

**There is no market through which the Securities may be sold. This may affect the pricing of the Securities in the secondary market, the transparency and availability of trading prices, the liquidity of the Securities, and the extent of issuer regulation. See “Risk Factors” for additional information.**

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

An application has been filed by the Company to have the Common Shares in the capital of the Company listed for trading on the Canadian Securities Exchange (the “**CSE**”) under the symbol “AGA”. Listing on the CSE (the “**Listing**”) is subject to the Company fulfilling all of the listing requirements of the CSE and meeting all minimum requirements. The CSE has not conditionally approved the Company’s listing application and there is no assurance that it will do so.

David Netherway, a director of the Company, resides outside of Canada and has appointed DLA Piper (Canada) LLP at Suite 2800, Park Place, 666 Burrard Street, Vancouver, BC V6C 2Z7 as agent for service of process in Canada. Prospective investors are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process.

**No underwriter or selling agents have been involved in the preparation of this Prospectus or performed any review or independent due diligence of the contents of this Prospectus.**

**Prospective investors are advised to consult their own tax advisors regarding the application of Canadian federal income tax laws to their particular circumstances, as well as any other provincial, foreign and other tax consequences of acquiring, holding, or disposing of Securities, including the Canadian federal income tax consequences applicable to a foreign controlled Canadian company that acquires Securities.**

**Prospective investors should rely only on the information contained in this Prospectus. The Company has not authorized anyone to provide you with different information. Readers should assume that the information appearing in this Prospectus is accurate only as of its date, regardless of its time of delivery. The Company's business, financial condition, results of operations and prospects may have changed since that date.**

The Company's registered and records office is located at 2800 Park Place, 666 Burrard Street Vancouver, BC, Canada. The Company's head office is located at Suite 551 - 409 Granville Street Vancouver, BC, Canada.

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## GLOSSARY

As used in this Prospectus, the following terms have the respective meaning as specified below:

“**Ag**” means silver;

“**ALS**” means ALS Limited;

“**Amalgamation**” means the amalgamation of Original Silver47 and Gastown Acquisitions pursuant to the Amalgamation Agreement;

“**Amalgamation Agreement**” means the amalgamation agreement dated March 11, 2021, between Original Silver47 and Gastown Acquisitions;

“**Archer Cathro**” means Archer, Cathro & Associates (1981) Limited;

“**Audit Committee**” means the Company’s audit committee;

“**Auditors**” means the Company’s independent auditors, MNP LLP;

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

“**BC**” means British Columbia;

“**BCBCA**” means the *Business Corporations Act* (British Columbia);

“**Board**” or “**Board of Directors**” means the board of directors of the Company as may be constituted from time to time;

“**Broker Warrants**” means the 85,200 Original Silver47 Warrants exercisable at a price of \$0.50 for a period of 36 months issued as partial consideration for a finder’s fee incurred in connection with the July 8, 2021 non-brokered private placement.

“**°C**” means degree Celsius;

“**CEO**” means chief executive officer;

“**CFO**” means chief financial officer;

“**cm**” means centimetres;

“**Common Shares**” means the common shares in the capital of the Resulting Issuer;

“**Company**” or “**Silver47**” means, in respect to the period prior to the Amalgamation, Original Silver47 and, in respect to the period following the Amalgamation, the Resulting Issuer, as the context may require;

“**Conditional Approval**” means conditional approval of the Listing issued by the CSE;

“**CRM**” means Certified Reference Materials;

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

“**D&O Insurance**” means director and officer insurance;

“**Dynasty Exploration**” means Dynasty Exploration Limited;

“**Escrow Agent**” means Odyssey Trust Company;

“**Escrow Agreement**” means the escrow agreement to be entered into among the Company, the Principals and the Escrow Agent relating to the Escrowed Securities;

“**Escrowed Securities**” means the Securities of the Company held by the Principals which are subject to escrow;

“**Financial Statements**” means the audited financial statements of the Company for the period from January 29, 2021, until July 31, 2021, attached hereto as Schedule A;

“**Form 51-102F6V**” means Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers*;

“**Gastown Acquisitions**” means Gastown Acquisitions 2.0 Corp.;

“**Gastown Shares**” means the common shares in the capital of Gastown Acquisitions;

“**Gastown Shareholder**” means the registered owners of Gastown Shares;

“**GSC**” means Geological Survey of Canada;

“**g/t**” means Grams per tonne;

“**IFRS**” means International Financial Reporting Standards;

“**Incorporation**” means the incorporation of Silver47 on January 29, 2021;

“**ka**” means Thousand calendar-years ago;

“**km**” means kilometres;

“**Listing**” means the proposed listing of the Common Shares on the CSE;

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

“**LMU**” means land management unit;

“**m**” means metres;

“**Ma**” means Million calendar-years ago;

“**MD&A**” means management’s discussion and analysis of financial condition and operation results;

“**mm**” means millimetres;

“**MTO**” means Mineral Titles Online;

“**MVT**” means Mississippi Valley Type;

“**Named Executive Officers**” or “**NEOs**” means the named executive officers of the Company as at the end of the Company’s most recently completed financial year, being Gary R. Thompson and Kevin Chen;

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

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

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

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

“**NI 58-101**” means National Policy 58-101 – *Disclosure of Corporate Governance Practices*;

“**NP 58-201**” means National Policy 58-201 – *Corporate Governance Guidelines*;

“**Options**” means the incentive stock options of the Company granted under the Share Compensation Plan;

“**Option Holder**” means a holder of Options;

“**Original Silver47**” means Silver47 Exploration Corp., as it existed prior to the Amalgamation;

“**Original Silver47 Share**” means the common shares in the capital of Original Silver47;

“**Original Silver47 Shareholder**” means the registered owners of Original Silver47 Shares;

“**Original Silver47 Warrant**” means a warrant to purchase Original Silver47 Shares;

“**Pb**” means lead;

“**Plan**” means the Peel Watershed Regional Land Use Plan;

“**ppb**” means part per billion;

“**ppm**” means part per million;

“**Principals**” means, collectively, XT88, Gary R Thompson and Brenda Thompson;

“**Property**” or the “**Michelle Project**” means the Michelle Project, located in central Yukon, Canada, comprised of 782 Yukon quartz mining claims which cover an area of 159 km<sup>2</sup> (15,900 ha);

“**Prospectus**” means this preliminary long-form prospectus of the Company dated October 18, 2021;

“**Purchase Agreement**” means asset purchase agreement entered into between Silver47 and Silver Range dated February 19, 2021.

“**QA**” means quality assurance;

“**QC**” means quality control;

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

“**Recommended Exploration Program**” means the recommended exploration program as described in “*Material Property - Work Recommended in Technical Report*”;

“**Resulting Issuer**” means Silver47 Exploration Corp., as it exists following the Amalgamation;

“**Royalty**” has the meaning given to it below under “*Description of the Business – History of the Company – Purchase Agreement*”;

“**RSUs**” means restricted share units of the Company granted under the Share Compensation Plan;

“**Securities**” means, collectively, the securities of the Company;

“**Share Compensation Plan**” means the Company’s stock option plan adopted on September 30, 2021, by the Board, and providing for the granting of Options and RSUs to the Company’s directors, officers, employees and consultants in accordance with the rules and policies of the Exchange;

“**Silver Range**” means Silver Range Resources Ltd.;

“**Strategic Metals**” means Strategic Metals Ltd.;

“**t**” means metric tonne or tonnes;

“**Technical Report**” means the report on the Property entitled “Technical Report on the Michelle Project Yukon, Canada” with an effective date of April 30, 2021;

“**Underhill**” means Underhill Geomatics Ltd.;

“**Warrants**” means Common Share purchase warrants;

“**XRF**” means X-ray fluorescence;

“**XT88**” means XT88 Holdings Inc.;

“**YGS**” means Yukon Geological Survey;

“**YT**” means Yukon;

“**Zinccorp**” means Zinccorp Resources Inc.; and

“**Zn**” means zinc.

## GENERAL MATTERS

Unless otherwise noted or the context indicates otherwise “we”, “us”, “our” or the “Company” refer to Silver47 Exploration Corp.

The Company is not offering to sell securities under this Prospectus. Readers should rely only on the information contained in this Prospectus. The Company has not authorized any other person to provide you with additional or different information. If anyone provides you with additional or different or inconsistent information, including information or statements in media articles about the Company, you should not rely on it. You should assume that the information appearing in this Prospectus is accurate only as at its date. The Company’s business, financial conditions, results of operations and prospects may have changed since that date.

The Company presents its financial statements in Canadian dollars. Amounts in this Prospectus are stated in Canadian dollars unless otherwise indicated.

### CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This Prospectus contains forward-looking information and forward-looking statements, within the meaning of applicable Canadian securities legislation, (collectively, “**forward-looking statements**”), which reflect management’s expectations regarding the Company’s future growth, results from operations (including, without limitation, future production and capital expenditures), performance (both operational and financial) and business prospects, future business plans and opportunities. Wherever possible, words such as “predicts”, “projects”, “targets”, “plans”, “expects”, “does not expect”, “budget”, “scheduled”, “estimates”, “forecasts”, “anticipate” or “does not anticipate”, “believe”, “intend” and similar expressions or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved, or the negative or grammatical variation thereof or other variations thereof, or comparable terminology have been used to identify forward-looking statements. These forward-looking statements include, among other things, statements relating to:

- the timing of the closing of the Purchase Agreement, the Conditional Approval and the Listing, including the receipt, in a timely manner, of regulatory and other required approvals;
- the receipt of Conditional Approval and the subsequent Listing of the Common Shares on the CSE, including the Company fulfilling all applicable listing requirements;
- the Escrow Agreement, and the escrow of the Escrowed Securities (as such terms are defined herein);
- the Company’s goals regarding development of its projects, and regarding raising capital and conducting further exploration and developments of its properties, including the Property;
- the use of available funds;
- the Company’s future business plans, business objectives and milestones;
- the Company’s business plans focused on the exploration and development of the Property;
- the proposed work program on the Property;
- costs, timing and completion of future exploration and development activities including the Recommended Exploration Program;
- the Company’s negative cash flows;
- expectations generally regarding the ability to raise further capital for corporate purposes;
- adequacy of financial resources;

- expectations regarding any environmental issues that may affect planned or future exploration and development programs and the potential impact of complying with existing and proposed environmental laws and regulations;
- the ability to retain and/or maintain any require permits, licenses or other necessary approvals for the exploration or development of the Property and other mineral properties;
- the Company's compensation policy and practices;
- the Company's expected reliance on key management personnel, advisors and consultants; and
- plans regarding future composition of the Board.

Forward-looking statements are not a guarantee of future performance and are based upon a number of estimates and assumptions of management, in light of management's experience and perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances, as of the date of this Prospectus including, without limitation, the following:

- that the current COVID-19 pandemic will not have a material adverse effect;
- general business and economic conditions will not change in a material adverse manner;
- the Company's ability to procure equipment and operating supplies in sufficient quantities and on a timely basis;
- the geology of the Property as described in the Technical Report;
- future currency exchange rates and interest rates;
- operating conditions being favourable such that the Company is able to operate in a safe, efficient and effective manner;
- the Company's ability to attract and retain skilled personnel and directors;
- political and regulatory stability;
- the receipt of governmental, regulatory and third-party approvals, licenses and permits on favourable terms;
- obtaining required renewals for existing approvals, licenses and permits on favourable terms;
- requirements under applicable laws;
- sustained labour stability; stability in financial and capital goods markets; and
- availability of equipment.

While the Company considers these assumptions to be reasonable, the assumptions are inherently subject to significant business, social, economic, political, regulatory, competitive and other risks, uncertainties, contingencies and other factors that could cause actual actions, events, conditions, results, performance or achievements to be materially different from those projected in the forward-looking statements. Many assumptions are based on factors and events that are not within the Company's control and there is no assurance they will prove to be correct.

Although the Company has attempted to identify important factors that could cause actual actions, events, conditions, results, performance or achievements to differ materially from those described in forward-looking statements, there

may be other factors that cause actions, events, conditions, results, performance or achievements to differ from those anticipated, estimated or intended. See “*Risk Factors*” for a discussion of certain factors investors should carefully consider before deciding to invest.

Readers are cautioned that the foregoing lists of important assumptions and risks, uncertainties and other factors are not exhaustive. Other events or circumstances could cause actual results to differ materially from those estimated or projected and expressed in, or implied by, the forward-looking information contained herein. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking statements.

Forward-looking statements contained herein are made as of the date of this Prospectus and the Company disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or results or otherwise, except as and to the extent required by applicable securities laws.

### **CURRENCY**

All dollar amounts in this Prospectus are expressed in Canadian dollars, except as otherwise indicated. References to “\$” or “dollars” are to Canadian dollars and references to “US\$” are to US dollars. The Company presents its financial statements in Canadian dollars.

### **THIRD PARTY AND TECHNICAL INFORMATION**

The Company considers the Property to be its only material mineral property for the purposes of NI 43-101. Information included in this prospectus with respect to this material asset has been prepared in accordance with NI 43-101.

Unless otherwise noted, the disclosure contained in this Prospectus of a scientific or technical nature for the Property is based on the technical report entitled “Technical Report on the Michelle Project Yukon, Canada” having an effective date of April 30, 2021, which Technical Report was prepared for the Company by J. Morton, B.Sc., P.Geo (the “**Author**”) and filed under the Company’s SEDAR profile on [www.sedar.com](http://www.sedar.com).

The Author is “independent” and a “Qualified Person” under NI 43-101 and has reviewed and approved the scientific and technical disclosure contained in the Prospectus.

### **ENFORCEMENT OF JUDGMENTS AGAINST FOREIGN PERSONS**

David Netherway, a director of the Company, resides outside of Canada and has appointed DLA Piper (Canada) LLP at Suite 2800, Park Place, 666 Burrard Street, Vancouver, BC V6C 2Z7 as agent for service of process in Canada.

Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process.

### **PRESENTATION OF FINANCIAL INFORMATION AND ACCOUNTING PRINCIPLES**

The Company presents its financial statements in Canadian dollars. The audited financial statements of the Company for the period from January 29, 2021, to July 31, 2021, has been prepared in accordance with IFRS. Certain financial information set out in this Prospectus is derived from such financial statements.

## PROSPECTUS SUMMARY

*The following is a summary of the principal features of this distribution and should be read together with the more detailed information and financial data and statements contained elsewhere in this Prospectus.*

**The Company:** Silver47 was incorporated under the *Business Corporations Act* (British Columbia) (the “**BCBCA**”) on January 29, 2021, as Silver47 Exploration Corp. The Company’s head office is located at Suite 551 - 409 Granville Street Vancouver, BC, Canada and its registered and records office is located at 2800 Park Place, 666 Burrard Street Vancouver, BC, Canada.

The Company is engaged in the business of mineral exploration with a focus on precious metals. The Company has entered into a Purchase Agreement with Silver Range to acquire the Property in consideration for issuing Silver Range such number of Common Shares equal to 19.9% of the total number of issued and outstanding shares of the Company and granting Silver Range a 1% NSR Royalty for all mineral products extracted from any of the claims comprising the Property. The closing of the Purchase Agreement is set to occur five (5) business days following Conditional Approval (as further detailed below).

The Company’s current objective is, upon closing of the Purchase Agreement, to further explore and, if warranted, develop the Property, an exploration stage property located in Yukon, Canada, that consists of 782 Yukon mining claims which cover an area of 159 km<sup>2</sup> (15,900 ha). Should the Property not be deemed viable, the Company shall explore other financially viable business opportunities. See “*Description of the Business*” and “*Material Property*”.

The Company is not a reporting issuer in any jurisdiction and no securities of the Company are listed or posted for trading on any stock exchange. An application has been filed by the Company to have the Common Shares in the capital of the Company listed for trading on the Canadian Securities Exchange (the “**CSE**”) under the symbol “**AGA**”. Listing on the CSE (the “**Listing**”) is subject to the Company fulfilling all of the listing requirements of the CSE and meeting all minimum requirements. The CSE has not yet issued its Conditional Approval for the Listing and there is no assurance that it will do so.

See “*Corporate Structure*” and “*Description of the Business*”.

<b>Directors &amp; Executive Officers:</b>	Gary R. Thompson	President, Chief Executive Officer and Director
	Ryan Goodman	Director
	David Netherway	Director
	Kevin Chen	Chief Financial Officer

See “*Directors and Executive Officers*”.

**Available Funds:** This is a non-offering prospectus. The Company is not raising any funds in conjunction with this Prospectus and, accordingly, there are no proceeds to be raised by the Company pursuant to this Prospectus. The Company had working capital as at September 30, 2021

of \$1,491,827. Upon Listing, the principal purposes for the foregoing available funds will be as follows:

<b><u>Principal Purposes</u></b>	<b><u>Amount</u></b>
Estimated remaining expenses of the Listing (regulatory, filing, legal expenses, etc.)	\$150,000
Recommended Exploration Program expenditures on the Property <sup>(1)</sup>	\$520,000
Estimated general and administrative expenses for 12 months <sup>(2)</sup>	\$282,000
Unallocated working capital	\$539,827
<b>Total</b>	<b>\$1,491,827</b>

**Notes:**

(1) See “*Material Property – Work Recommended in Technical Report – Budget*”.

(2) Estimated based on the following amounts: \$113,400 in consulting fees, \$80,800 in management fees, rent and overhead, \$30,000 in D&O insurance, \$22,000 in legal fees, \$32,200 in audit and tax fees, and \$3,600 in transfer agent fees.

The available funds will be sufficient to achieve the Company’s objectives over the next 12 months. The Company intends to spend the funds available to it as stated in this Prospectus. There may be circumstances, however, where for sound business reasons a reallocation of funds may be necessary. Use of funds will be subject to the discretion of management. Until the Company uses the unallocated funds, it will hold them in cash and/or invest them in short-term, interest-bearing, investment-grade securities. The Company has had negative cash flow from operations since Incorporation. See “*Available Funds and Principal Purposes*” and “*Risk Factors*” for further detail.

**Risk Factors:**

An investment in the Securities described herein should be considered highly speculative due to the nature of the Company’s business. An investment in the Company’s securities is suitable only for those knowledgeable and sophisticated investors who are willing to risk a loss of their entire investment. Investors should consult with their professional advisors to assess an investment in the Company’s securities.

The following risk factors should be considered in connection with an investment in the Company: limited operating history, negative cash flows from operations, substantial capital requirements, the speculative nature of mineral exploration, dilution, acquisitions of additional mineral properties, commercial ore deposits, permits and government regulations, environmental risks, reliance on key individuals, key person insurance, uninsurable risks, mineral titles, loss of interest in properties, aboriginal title, fluctuating mineral prices, competition, management, public health crises, financing risks, resale of common shares, price volatility of publicly traded securities, risks relating to the Common Shares, shortages of critical parts, conflicts of interest, principal shareholders, claims and legal proceedings, local resident concerns, tax issues and dividends. For a detailed description of these and other risks, please see “*Risk Factors*”.

**Summary of Financial Information for the Company:**

The following table sets forth selected financial information of the Company for the periods or as at the dates indicated. This summary financial information should be read in conjunction with the “*Financial Statements for the Company*” attached to and forming part of this Prospectus as Schedule A and the “*Management Discussion and Analysis for the Company*” attached to and forming part of this Prospectus as Schedule B.

**For the period from January 29,  
2021 to July 31, 2021  
(audited)**

	(\$)
Total current assets	1,557,295
Total non-current assets	-
Total Assets	1,557,295
Current Liabilities	65,306
Total Liabilities	65,306
Deficit	465,478

## CORPORATE STRUCTURE

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

Silver47 was incorporated on January 29, 2021 and continued as “Silver47 Exploration Corp.” under the BCBCA on July 29, 2021, upon closing of the Amalgamation. The Company’s head office is located at Suite 551 - 409 Granville Street Vancouver, BC, Canada and its registered and records office is located at 2800 Park Place, 666 Burrard Street Vancouver, B.C. V6C 2Z7.

### **Intercorporate Relationships**

Silver47 does not have any subsidiaries or other intercorporate relationships.

## DESCRIPTION OF THE BUSINESS

The principal business carried on and intended to be carried on by the Company is mineral exploration, focusing initially on the acquisition, exploration and development of the Property. The Company will continue to consider other opportunities to acquire and explore mining claims as they arise.

The Property is located in the Territory of Yukon and consists of 782 contiguous mineral claims which cover an area of 159 km<sup>2</sup> (15,900 ha). The claims comprising the Property were staked by Archer, Cathro & Associates (1981) Limited (“**Archer Cathro**”) in 2006. The Company has agreed to acquire the Property from Silver Range pursuant to the Purchase Agreement. The Company will complete the acquisition of the Property pursuant to the Purchase Agreement five (5) days following the Company receiving Conditional Approval. See “*Description of the Business – History of the Company – Purchase Agreement*” and “*Material Property*”.

### **Stated Business Objectives and Competitive Conditions**

The Property is in the exploration stage. The Company intends to use its available funds to carry out the Recommended Exploration Program for the Property, which is budgeted for \$520,000. See “*Material Property - Work Recommended in Technical Report*” and “*Available Funds and Principal Purposes*”.

The Company competes with other entities in the search for and acquisition of mineral properties. As a result of this competition, the majority of which is with companies with greater financial resources, the Company may be unable to acquire attractive properties in the future on terms it considers acceptable. The Company also competes for financing with other resource companies, many of whom have more advanced properties. There is no assurance that additional capital or other types of financing will be available to the Company if needed or that, if available, the terms of such financing will be favourable to the Company. See “*Risk Factors*”.

The Company is not a reporting issuer in any jurisdiction and no securities of the Company are listed or posted for trading on any stock exchange. The Company has applied, concurrently with the filing of this Prospectus, to list the Common Shares on the CSE. Listing will be subject to the Company fulfilling all of the listing requirements of the CSE.

### **Business Cycle**

The Company is an exploration and evaluation stage company, focused on mining. As a result, prices of mineral and other metals will have a direct impact on its business. Declining prices can, for example, impact operations by requiring a re-assessment of the feasibility of a particular project, and they can also impact the Company’s ability to raise capital. See “*Risk Factors*”.

### **Environmental Policies**

The Company will conduct its activities in accordance with high environmental standards, including compliance with environmental laws, policies and regulations.

## **History of the Company**

### ***Silver47***

The Company was incorporated under the BCBCA on January 29, 2021.

### ***Purchase Agreement***

On February 19, 2021, the Company entered into the Purchase Agreement with Silver Range pursuant to which the Company agreed to acquire the Property in consideration for issuing Silver Range such number of Common Shares equal to 19.9% of the total number of issued and outstanding shares of Silver47 and granting Silver Range a 1% net smelter returns royalty with respect to all mineral products extracted from any of the claims comprising the Property (the “**Royalty**”). Under the terms of the Royalty, Silver47 shall receive a right of first refusal on any sale or other transfer of the Royalty by Silver Range. The closing of the Purchase Agreement is set to occur five (5) business days following Conditional Approval.

The Purchase Agreement also includes a milestone payment whereby the Company will pay to Silver Range \$1,000,000 in cash or shares upon a decision made by the board of directors of the Company to begin the development of a mine on the Property of at least 80 million ounces of silver.

### ***Financings and Issuances of the Company’s Securities***

On June 1, 2021, the Company issued 2,500,000 Original Silver47 Shares to XT88 at a price of \$0.05 per Original Silver47 Share for an aggregate consideration of \$125,000, in consideration for various services performed by XT88 to the Company. The fair value for these Original Silver47 Shares was determined to be \$0.10 per share and, as a result, the Original Silver47 Shares were fair valued to \$0.10 and the Company recognized a share-based compensation of \$125,000.

On July 8, 2021, the Company closed a non-brokered private placement of units at a price of \$0.50 per unit to certain arm’s length investors for aggregate gross proceeds of \$1,420,000.00. Each unit consisted of one Original Silver47 Share and one Original Silver47 Warrant entitling the purchaser to subscriber for an additional Original Silver47 Share at a price of \$0.75 for a period of 36 months. The Company issued 85,200 Original Silver47 Warrants exercisable at a price of \$0.50 for a period of 36 months as partial consideration for a finder’s fee incurred in connection with this non-brokered private placement (the “**Broker Warrants**”).

### ***The Amalgamation***

On March 11, 2021, Silver47 entered into an amalgamation agreement with Gastown Acquisitions whereby Gastown Acquisitions and Silver47 amalgamated under the laws of British Columbia and continued on as the Resulting Issuer.

Upon closing of the Amalgamation Agreement, each Gastown Shareholder received one Common Share for each Gastown Share held by such Gastown Shareholder and each Original Silver47 Shareholder received one Common Share for each Original Silver47 Share held by such Original Silver47 Shareholder. As a result of the Amalgamation, each Original Silver47 Warrant was adjusted, as per the warrant certificate, to be exercisable for one Common Share at a price of \$0.75 per Warrant. The Broker Warrants were adjusted, as per the warrant certificate, to be exercisable for one Common Share at a price of \$0.50 per Warrant.

The Amalgamation closed on July 29, 2021, and Silver47 was continued under the BCBCA and the business of Original Silver47 became the business of the Company. The Company and its auditors concluded that Gastown Acquisitions did not meet the definition of a business for accounting purposes and, accordingly, the Amalgamation was accounted for as an asset acquisition.

### ***Current Financial Year***

The Company intends to advance the Listing before the end of the current calendar year.

## **MATERIAL PROPERTY**

### **The Property**

The information in this Prospectus with respect to the Property is derived from a NI 43-101 compliant report entitled “Technical Report on the Michelle Project Yukon, Canada” prepared by J. Morton, B. Sc., P. Geo having an effective date of April 30, 2021. The Author is “independent” and a “Qualified Person” for the purposes of NI 43-101. The full text of the Technical Report may be accessed online, under the Company’s SEDAR profile at [www.sedar.com](http://www.sedar.com).

### **Location**

The Michelle Project is located in the Ogilvie Mountains of central Yukon, at the confluence of NTS map sheets 116A/13, 116B/16 and 116H/04. It is centred at latitude 64°58’ north and longitude 137°44’ west. The Michelle Project extends west from the headwaters of Michelle Creek, toward the Dempster Highway (Yukon Highway 5) (Figure 1). The property is located within the Peel River watershed, near its southwestern boundary. The Peel River originates in the Ogilvie Mountains and empties into the Arctic Ocean via the Mackenzie River. The watershed is drained by six major tributaries – the Snake, Wind, Bonnet Plume, Hart, Ogilvie and Blackstone. In the Michelle area, the Dempster Highway follows the course of the Blackstone River), and both cross the westernmost portion of the property.

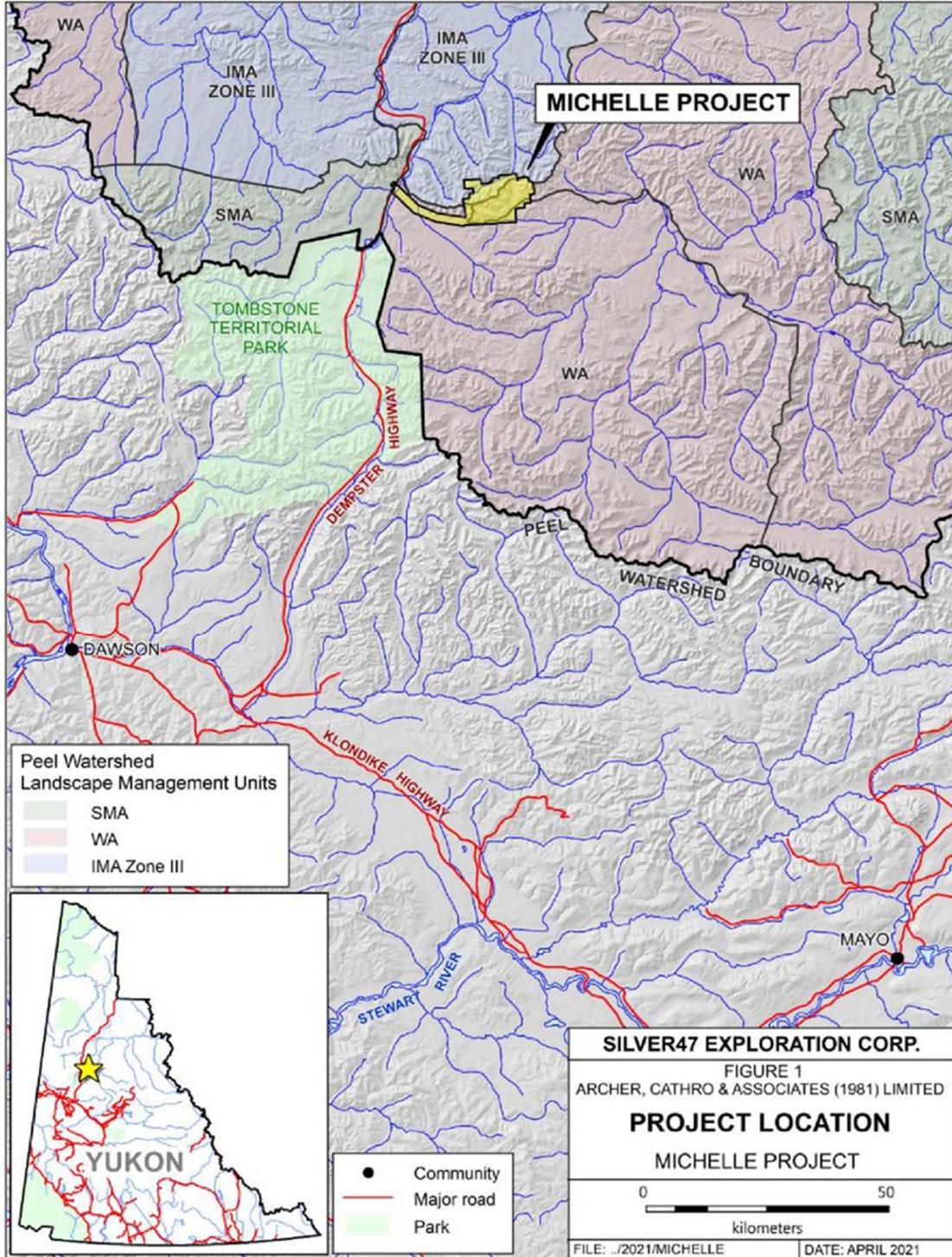


Figure 1: Project Location

### Land Tenure

The Michelle Project comprises 782 mineral claims, known as quartz claims in the Yukon, which cover an area of 159 km<sup>2</sup> (15,900 ha). The claims are located in both the Dawson and Mayo mining districts, and the boundary between the two bisects the property as illustrated in Figure 1. All of the claims are registered in the name of Archer Cathro, which

holds them in trust for Silver47. Details concerning registration are listed in Table 1, and the locations of the individual claims are shown on Figure 2.

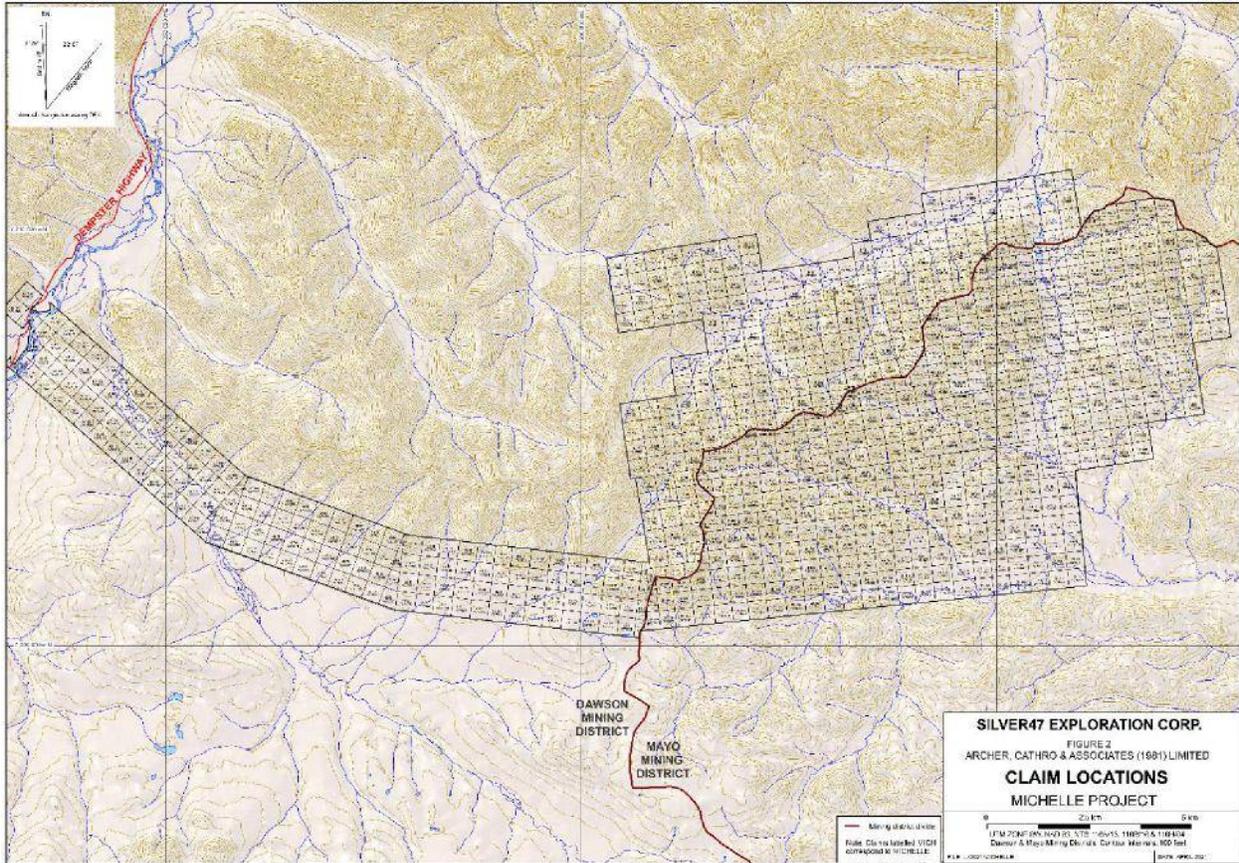


Figure 2: Claim Locations

Mining District	Claim Name	Claim Number	Grant Number	Expiry Date
Mayo	Michelle	1-2	YC50208-YC50209	26-Mar-34
		3-20	YC56625-YC56664	26-Mar-33
		21-60	YC56625-YC56664	26-Mar-33
		61-90	YC57212-YC57241	26-Mar-33
		91-96	YC68288-YC68293	26-Mar-31
	M	1-12	YC69793-YC69804	26-Mar-31
		19-126	YC69811-YC69918	26-Mar-31
	US	1-42	YC69663-YC69704	26-Mar-31
ZN	1-148	YC70337-YC70484	26-Feb-33	
Dawson	Hot	1-11	YC62420-YC62430	26-Mar-32
		12	YC62957	26-Mar-32
		13-22	YC63033-YC63042	26-Mar-31
	H	1-68	YC75530-YC75597	26-Mar-28
		69-88	YC75598-YC75617	26-Mar-32
		89-159	YC75618-YC75688	26-Mar-28
	OT	1-30	YC76067-YC76096	26-Mar-28

	NS	1-165	YC76298-YC76462	05-Mar-30
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Table 1: Mineral Claims

The Michelle Project lies within the traditional territories of the Tr'ondëk Hwëch'in and Nacho Nyak Dun first nations, which have concluded land claim agreements with Canada and Yukon.

### Royalties and Agreement

The Project is subject to the Purchase Agreement whereby Silver47 has agreed to acquire a 100% interest in the project from Silver Range in consideration for issuing 19.9% of Silver47's shares to Silver Range and granting Silver Range a 1% net smelter return royalty on the Project. Silver47 will have the right of first refusal on the sale of the royalty. The Purchase Agreement is set to close five (5) business days following Conditional Approval.

In accordance with the Option Agreement, Silver47 has also agreed to make one-time milestone payment to Silver Range of \$1,000,000 in cash or equivalent Silver47 shares upon the declaration of a NI 43-101 measured and indicated resource or reserve estimate in excess of 80,000,000 ounces of silver. See *"Description of Business - History of the Company - Purchase Agreement."*

### Permits and Risk Factors

The entirety of the Michelle Project is located within the Peel River watershed. On August 22, 2019, the Peel Watershed Regional Land Use Plan (the "**Plan**") was approved by the Tr'ondëk Hwëch'in, Na-Cho Nyäk Dun and Vuntut Gwitchin First Nations, the Gwich'in Tribal Council and the Government of Yukon. The watershed planning region is a 67,431 km<sup>2</sup> area that covers the Peel River and its tributaries, which sources from the Ogilvie Mountains and connects to the Arctic Ocean via the Mackenzie River. The Plan is designed to direct the future use of the watershed's natural resources by dividing the region into 16 Landscape Management Units ("**LMU**"), and assigning each unit to one of two land use categories, each with its own sub-categories. The categories and sub-categories are described in Table 2 below.

Category	Sub-category	Description
Conservation Area	Special Management Area (SMA)	<ul style="list-style-type: none"> <li>• Permanently withdrawn from any new industrial land use and surface access.</li> <li>• Intended to become legally designated as a protected area.</li> </ul>
	Wilderness Area (WA)	<ul style="list-style-type: none"> <li>• Interim withdrawal from any new industrial land use and surface access.</li> <li>• Withdrawal status to be reviewed as part of a longer-term Plan review.</li> </ul>
	Wilderness Area-Boreal Caribou (WA-BC)	<ul style="list-style-type: none"> <li>• Interim withdrawal from any new industrial land use and surface access.</li> <li>• Withdrawal status to be reviewed as part of a longer-term Plan review.</li> <li>• Requires a legal designation and a management plan.</li> </ul>
Integrated Management Area	Zone I	<ul style="list-style-type: none"> <li>• Very high ecological and heritage/cultural values within a sensitive biophysical setting.</li> <li>• Maintaining ecological integrity and protecting heritage and cultural resources is the priority.</li> <li>• Land uses are acceptable if they do not create significant functional disturbance.</li> <li>• All-season industrial infrastructure discouraged.</li> </ul>

Category	Sub-category	Description
	Zone II	<ul style="list-style-type: none"> <li>• High ecological and heritage/cultural values within a moderately sensitive biophysical setting.</li> <li>• Maintaining ecological integrity, protecting heritage and cultural resources, and minimizing land use impact is the priority.</li> </ul>
	Zone III	<ul style="list-style-type: none"> <li>• Moderate ecological and heritage/cultural values within a moderately sensitive biophysical setting.</li> <li>• Conservative levels of land use are consistent with the Zone III objectives.</li> </ul>
	Zone IV	<ul style="list-style-type: none"> <li>• Lower ecological and heritage/cultural values within a moderately sensitive biophysical setting.</li> <li>• Higher levels of land use are consistent with the Zone IV objectives.</li> </ul>

*Table 2: Peel Watershed Regional Land Use Plan – Land Use Designation System*

The majority of the Project is contained within the Hart River and West Hart River LMUs, which are classified as Wilderness Areas. Wilderness Areas prescribe an interim withdrawal from any new industrial land use and surface access, for the purpose of conservation, but are intended to be reviewed as future circumstances change. In particular, the Hart River and West Hart River LMUs are intended to protect the wintering areas for two caribou herds, protect sheep habitat and support eco-tourism.

Approximately one quarter of the Project is located within the Blackstone River LMU, which is classified as an Integrated Management Area (Zone III). Integrated Management Areas are regions where new industrial land uses and surface access is permitted, and the regions are ranked on a scale from highest sensitivity to disturbance (Zone I) to lowest sensitivity to disturbance (Zone IV). The western boundary of the Blackstone River LMU is delimited by the Dempster Highway, and due to the proximity to the highway, resource extraction is permissible in the LMU, so long as it supports the local economy.

The boundaries of the LMUs in the Michelle project area are illustrated on Figure 1.

**History**

The locations referred to in this section are shown on Figure 3.

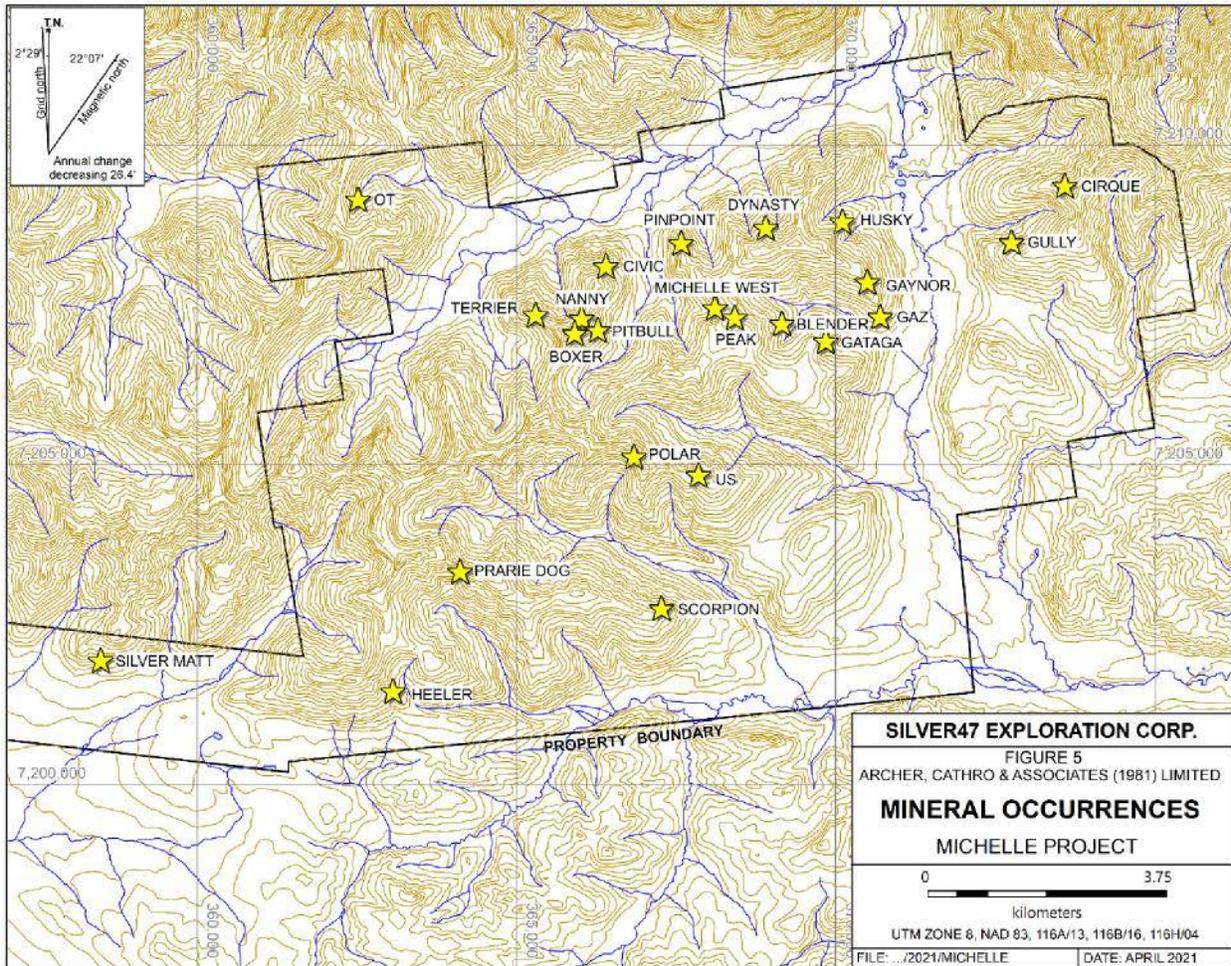


Figure 3: Mineral Occurrences

In 1974, Dynasty Exploration Limited (“**Dynasty Exploration**”) staked two non-contiguous claims blocks over parts of the current Michelle Property. The first set of claims, in the easternmost part of the Michelle Property, covered the headwaters of a small stream that returned highly anomalous values for zinc- and lead-in-silt (Dean, 1975). The second claim block was located about five kilometres to the west and covered an occurrence of sulphide zinc-lead mineralization (Dean and Carne, 1974). That year, hand trenching, prospecting, geological mapping and geochemical sampling led to the discovery of gossanous zinc mineralization on the eastern claim block and identified significant in-situ silver-zinc-lead mineralization on the western block. The two areas are now referred to as the Gully Zone and the Dynasty Showing, respectively.

In 1975, Dynasty Exploration’s claims were transferred to Cyprus Anvil Mining Corp. and were further explored by geochemical sampling, mapping and hand trenching. The claims were subsequently allowed to lapse.

In 2001, two Archer Cathro geologists spent one day prospecting in the vicinity of the old claims on behalf of Strategic Metals Ltd. (“**Strategic Metals**”). A number of rock samples were collected, but no claims were staked.

In 2006, three Archer Cathro geologists spent another day prospecting in the area of the former eastern claim block (Gully Zone), on behalf of Strategic Metals. Numerous limonite specimens, some with residual galena, were picked up in a creek bed and returned highly anomalous values for silver, zinc and lead. Prospecting at the time was limited by extensive snow cover. The area was briefly re-examined later that summer and was staked as the Michelle 1-20 claims.

The Michelle Property was sold to Zinccorp by Strategic Metals in March 2007 and was then expanded from 20 to 112 claims.

In 2007, Zinccorp carried out a program of geochemical sampling, prospecting, geological mapping and 853.13 m of diamond drilling in seven holes. Diamond drilling tested for the source of mineralized float associated with a recessive-weathering north-trending fault, from two drill sites at the Gully Zone. One of the holes (MCH-07-06) averaged 309.5 g/t silver, 16.76% zinc and 8.87% lead over 18.29 m, including 510.7 g/t silver, 22.72% zinc and 17.38% lead over 7.94 m. Assay results from drill core generally returned much higher values for silver, zinc and lead than were anticipated from visual estimates. Prospecting and geochemical sampling identified another two silver-zinc-lead occurrences – the Peak Zone and the Cirque Showing (Eaton, 2008). Results from this program are further described in the appropriate sections of the Technical Report.

In 2008, Zinccorp completed 3113.27 m of diamond drilling in 26 holes, as part of an exploration program that also involved geological mapping, prospecting and geochemical sampling. Eleven of the holes were drilled at the Gully Zone and extended the known strike length of the mineralized north-trending fault. The remaining 15 holes were drilled at the Peak Zone. The best results obtained from this drill program were 152 g/t silver, 5.36% zinc, 16.36% lead and 870 ppm gallium over 9.40 m at the Gully Zone; and 347 g/t silver, 1.20% zinc and 3.29% lead over 24.54 m, including 2133.9 g/t silver, 0.55% zinc and 15.18% lead over 2.95 m, at the Peak Zone. Prospecting and geochemical sampling identified another twelve mineral occurrences on the Project – the Blender, Gaynor, Gaz, Pinpoint, Nanny, Terrier, Civic, Michelle West, Polar, Us, Prairie Dog and OT showings. A complete report pertaining to this work can be found in Eaton (2009), while results are summarized in the appropriate sections of this report.

In 2009, Zinccorp performed prospecting and geochemical sampling on the Michelle Project. The program identified another mineral occurrence, the Scorpion Showing, in the southern part of the property. A grab sample from this new showing, consisting of cobbles of limonite with residual galena returned 145 g/t silver, 29.2% zinc and 20.4% lead (Mann, 2009).

In 2010, Zinccorp conducted geochemical sampling, prospecting, geological mapping, geophysical surveying and 1033.88 m of diamond drilling in 10 holes. Five of the holes were drilled at the Blender Zone, one at the Peak Zone and four at the Terrier Showing. The drill core was only partly assayed and all 10 holes failed to return significant results. Prospecting identified a new mineral occurrence, the Silver Matt Showing, in the southwestern part of the Property. Samples collected from this showing, comprising cobbles of galena with oxide rinds, returned up to 4180 g/t silver and 82.8% lead. Geophysical surveying using a handheld gravity meter yielded inconclusive results, partly due to instrument failure (Liverton et. al., 2010).

In winter 2012, Strategic Metals repurchased the Michelle Project from Zinccorp.

On July 15, September 10 and September 13, 2013, Strategic Metals flew aerial photography over the entirety of the Michelle Project (Burrell, 2014). In 2014, Strategic Metals conducted one day of prospecting and geochemical sampling at the Silver Matt Showing. Ground surveys were also performed that year, which resulted in the creation of property-scale orthophotos and detailed topographic maps (Burrell, 2015).

In 2015, Strategic Metals performed hand trenching, prospecting, geochemical sampling and geological mapping on the Project. This work identified four new mineral occurrences – the Boxer, Pitbull, Heeler and Husky showings. Hand trenching successfully exposed in-situ sulphide mineralization at the Silver Matt Showing, which returned 894 g/t silver, 8.1% zinc and 46.9% lead over an estimated true thickness of 1 m, and a wide interval of in-situ oxide mineralization at the Gaynor Showing, which returned a weighted average of 371 g/t silver, 2.2% zinc and 14.8% lead over 17 m. Later that year, Strategic Metals transferred its interest in the Michelle Project to Silver Range, as part of a larger property exchange agreement (Morton, 2016).

In 2017, Silver Range carried out another program of hand trenching, prospecting, geochemical sampling and geological mapping. This work expanded the geological map, yielded some strong geochemical results from showings that had previously seen only very limited work, and identified a new showing named Gataga. Hand trenching at the Scorpion Showing, across the top of a gossanous float train, yielded weighted average grades of 34.53 g/t silver, 3.51% zinc and 8.79% lead over 11 m. Prospecting east of the Cirque Showing identified small boulders of semi-massive galena, which returned up to 172 g/t silver. The source of this float was not identified (Morton, 2018).

In February, 2021, Silver47 entered into a Purchase Agreement with Silver Range to allow Silver47 to acquire a 100% interest in the Michelle Project by issuing 19.9% of its share capital to Silver Range upon completion of a listing on the CSE and upon issuance of a 1% net smelters return royalty to Silver Range. The Purchase Agreement is set to close five (5) business days following Conditional Approval. See “*Description of Business - History of the Company - Purchase Agreement*”.

## **Geological Setting and Mineralization**

### ***Regional Geology***

The Michelle Project is located within Mackenzie Platform (Figure 4), a tectonic element comprising episodic miogeoclinal sediments deposited on the west side of ancestral North America from Lower Paleozoic through to Middle Paleozoic times.

The Project lies 25 km north of the Dawson Thrust Fault, which separates Selwyn Basin to the south from Mackenzie Platform to the north. This fault is a crustal break that may date back to late Neoproterozoic rifting and was subsequently reactivated as a north-directed thrust fault during Paleozoic extension and Mesozoic compression (Colpron et al, 2013).

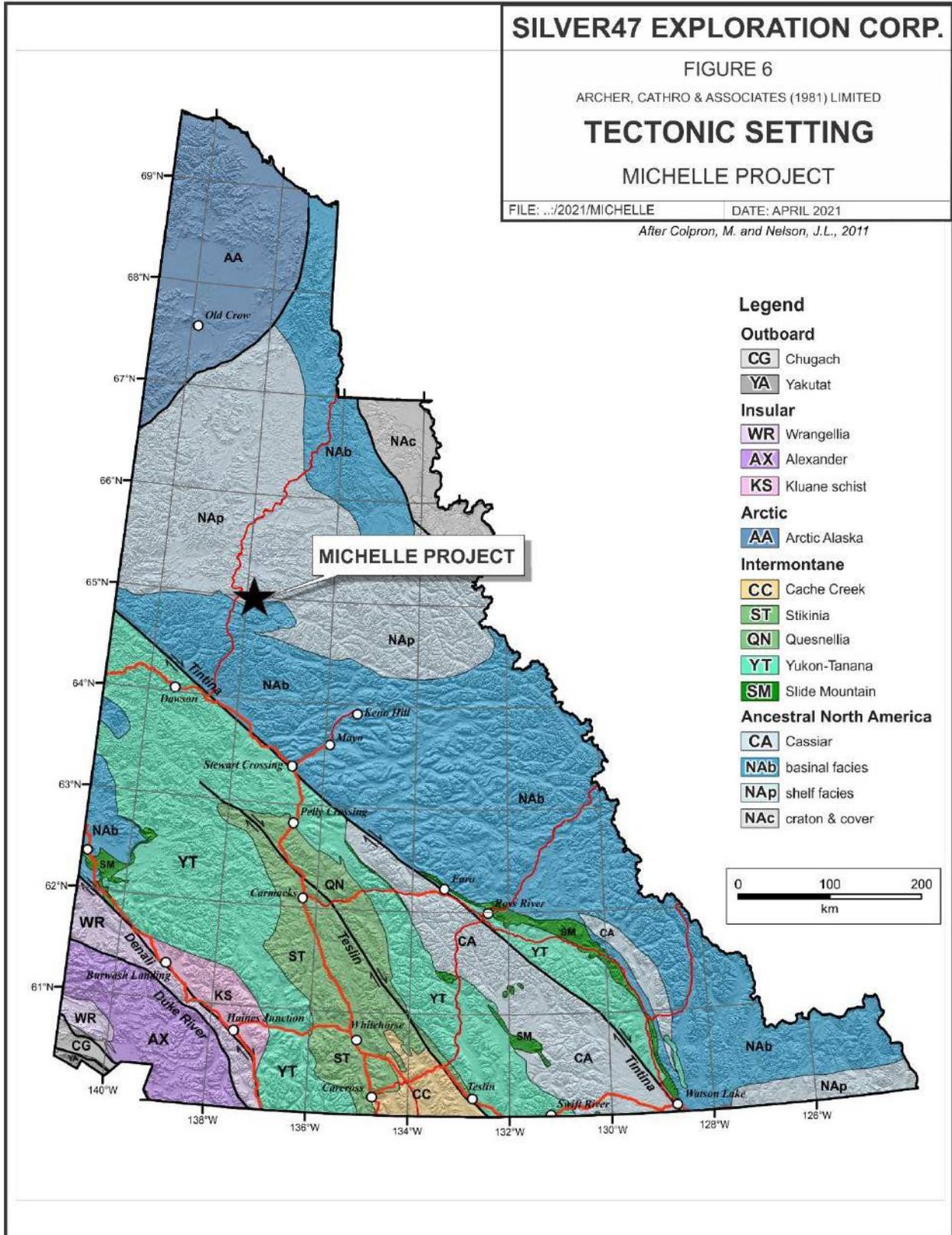


Figure 4: Tectonic Setting

The geology in the region consists of five sedimentary units classified by Gordey and Makepeace (1999) as Quartet Group, Gillespie Lake Group, Road River Group, Bouvette Formation and Earn Group (Figure 5). Lower Proterozoic Quartet and Gillespie Lake groups, which belong to the Wernecke Supergroup, are exposed in a series of windows scattered across the region. Road River Group epitomizes Selwyn Basin, while Bouvette Formation is part of Mackenzie Platform. Earn Group is a transgressive shale package that appears in both the basinal and platformal sequences.

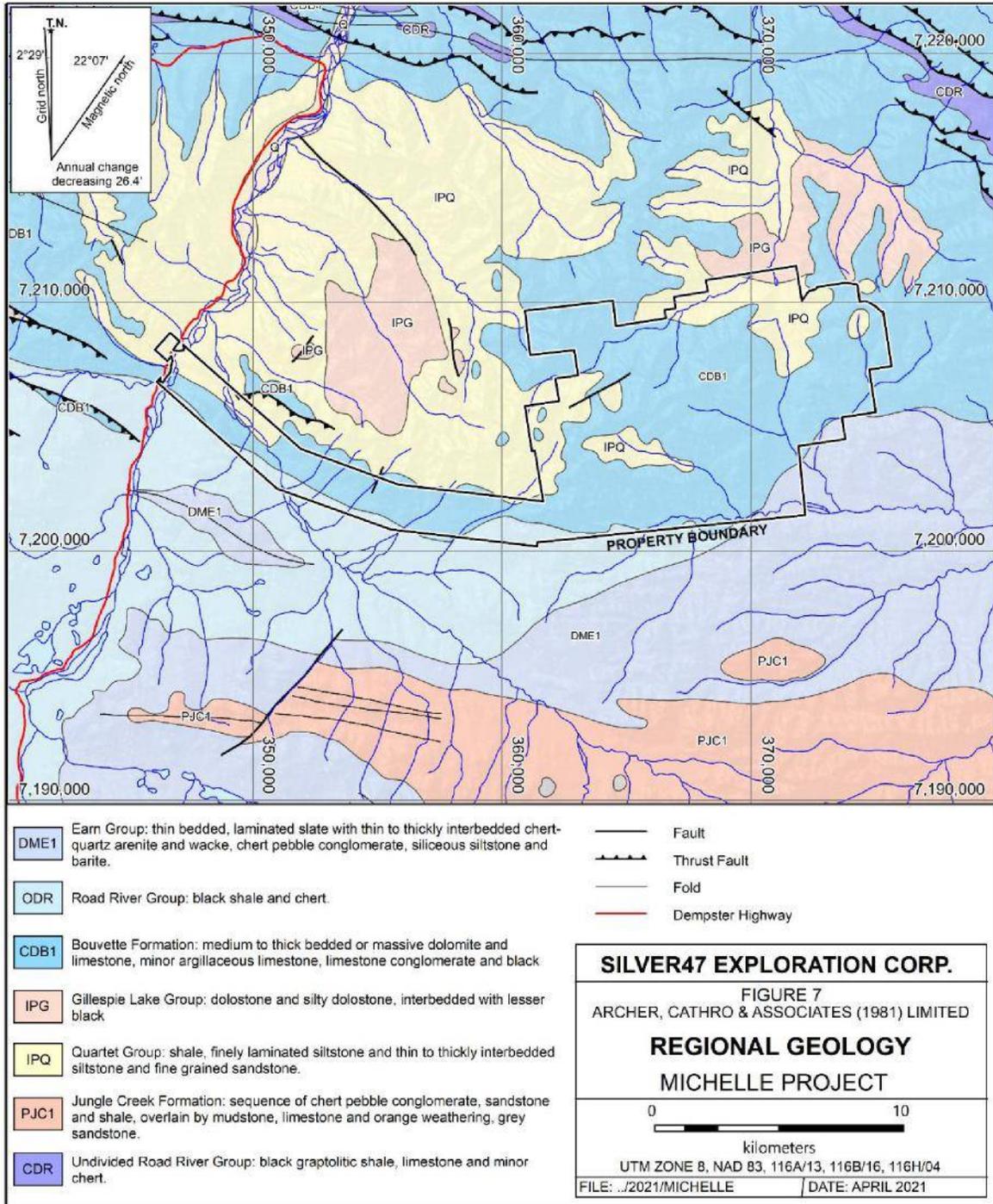


Figure 5: Regional Geology

Quartet Group consists primarily of grey-brown, relatively unmetamorphosed shale and siltstone that are often strongly folded. Those deeper water sediments are overlain by orange-brown Gillespie Lake Group dolostone and shallow water clastic sediments. Gently folded, massive dolostone and limestone of Upper Cambrian to Lower Devonian Bouvette Formation unconformably overlie the Lower Proterozoic sediments. Bouvette Formation carbonates are locally overlain by a thin tongue of Ordovician to Lower Devonian Road River Group black shale and chert, which was deposited when Selwyn Basin briefly flooded on to Mackenzie Platform. Black siltstone and chert pebble conglomerate of the Devonian to Mississippian Earn Group overlie Bouvette Formation or Road River Group sediments (Pyle et al., 2007). The lithological units that occur in the immediate vicinity of the Michelle Project are described in Table 3.

Unit Name	Map Name	Age	Description
Earn Group	DME	Devonian and Mississippian	Complex assemblage of submarine fan and channel deposits with slate, chert-quartz arenite and wacke, chert pebble conglomerate, siltstone, barite and rare limestone.
Road River Group	ODR	Ordovician to Lower Devonian	Black shale and chert.
Bouvette Formation	CDB	Upper Cambrian to Lower Devonian	Medium to thick bedded or massive dolostone and limestone, minor argillaceous limestone, limestone conglomerate and black shale.
Unconformity			
Gillespie Lake Group	IPG	Lower Proterozoic	Dolostone and silty dolostone, locally with chert nodules and sparry karst infillings, interbedded with lesser siltstone, shale, mudstone and sandstone.
Quartet Group	IPQ	Lower Proterozoic	Black weathering shale, finely laminated dark grey weathering siltstone, and thinly to thickly interbedded, light grey weathering siltstone and fine grained sandstone.

Table 3: Regional Lithological Units (after Gordey and Makepeace, 1999)

**Property Geology**

In 2015 and 2017, Strategic Metals conducted 1:10000 scale mapping on parts of the Michelle Project (Figure 6). The following is a summary based on this work, as well as observations made by exploration geologists who have worked on the Michelle Project at various times.

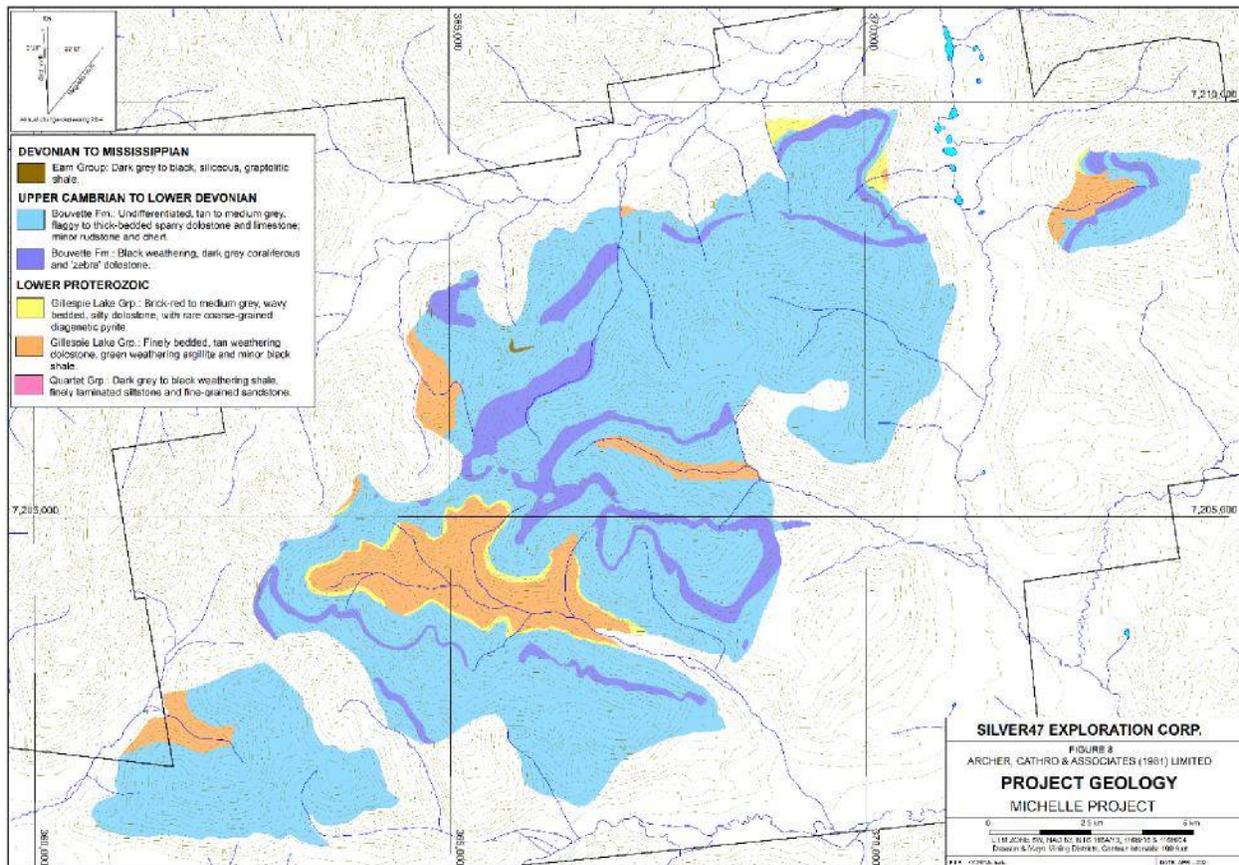


Figure 6: Property Geology

The oldest units on the property are Lower Proterozoic Quartet Group and Gillespie Lake Group sedimentary rocks, which are exposed in drainages at lower elevations. Quartet Group strata are mapped at a regional-scale by the Yukon Geological Survey within many low areas on the property (Gordey and Makepeace, 1999), but recent mapping has re-interpreted some of these strata as Gillespie Lake Group, which is locally subdivided into two units – IPG1 and IPG2. IPG2 consists of finely bedded, tan weathering dolostone, green weathering argillite and minor black shale, and is overlain by IPG1, which comprises brick-red to light grey weathering, wavy bedded, silty dolostone, with rare coarse grained diagenetic pyrite. These two units are unconformably overlain by Upper Cambrian to Lower Devonian Bouvette Formation limestone and dolostone. The surface trace of the unconformity is typically marked by gossanous soil and talus.

Bouvette Formation sedimentary rock underlies most of the property and is locally sub-divided into two units – CDB and CDB1. CDB1 consists of resistive, dark grey to black, fossiliferous (coral) dolostone and ‘zebra’ dolostone. It is interbedded with non-clastic and undifferentiated light to medium grey, flaggy to thick-bedded sparry dolostone and limestone, with minor mudstone and chert (CDB). CDB1 is cliff-forming at higher elevations and is marked by conspicuous, dark and blocky talus at lower elevations (Photos 1 and 2). It has an estimated thickness of 220 m. Mineralization observed on the Project to date is hosted exclusively within Bouvette Formation.

On a ridge in the central part of the Michelle Project, a small package of siliceous, dark grey to black, graptolitic Eam Group shale overlies Bouvette Formation strata. This unit has not been observed elsewhere on the Michelle Project.

High-angle faults on the property generally strike north to northeast, exhibit a small sense of displacement where they intersect and offset CDB1, and in several locations juxtapose Bouvette Formation carbonates against Gillespie Lake sedimentary rock. In the northern part of the property, the north-directed Dynasty Thrust Fault cuts Bouvette Formation and exposes a thin package of CDB1. East of the Dynasty Thrust Fault, a north-trending fault cuts both Bouvette

Formation and the underlying Gillespie Lake Group. Bedding on the property generally dips north and south as a result of open, shallowly east-plunging folds. Drainages are often developed in fold hinges in the central part of the property.

**Mineralization**

Prospecting, hand trenching and drilling have identified 21 named showings, and 2 zones (zones are showings where drilling has confirmed the depth extent of mineralization) plus several isolated float occurrences (Figure 3). A number of the showings and zones are marked by weak gossans located on or near ridge crests, where the softer and more fractured mineralized rocks are least likely to be covered by harder, more massive unmineralized talus. Mineralization consists almost exclusively of cavity-, fracture-and/or breccia-hosted, secondary oxide and carbonate minerals, predominantly limonite and smithsonite. In hand specimens, it is often difficult to determine relative percentages of the secondary minerals and, as such, visible grade estimates are unreliable. Residual galena, with cerussite or anglesite envelopes, is present in some showings. Relatively unoxidized sulphide mineralization (consisting of nearly massive sphalerite, galena and pyrite with coatings of hydrozincite) has only been observed in three locations (Dynasty, Silver Matt and Husky showings). The 23 named showings and zones are summarized in Table 4 below.

Showing/Zone	Metals	Dimensions	Mineralization Control
Gully	Ag-Zn-Pb-Ga±Ni	750 x 350 m	Fault and stratabound mineralization
Cirque	Ag-Zn-Pb	810 x 710 m	Stratabound mineralization
Peak	Ag-Zn-Pb-Ga±Mo	610 x 380 m	Fault and fracture mineralization
Dynasty	Ag-Zn-Pb	1940 x 560 m	Fault-hosted mineralization
Blender	Ag-Zn-Pb-Ga±Ni±Mo	1350 x 250 m	Fault-hosted mineralization
Gaynor	Ag-Zn-Pb	230 x 160 m	Fault and stratabound mineralization
Gaz	Ag-Zn-Pb	145 x 65 m	Stratabound mineralization
Gataga	Zn-Pb	200 x 170 m	Stratabound mineralization
Husky	Ag-Zn-Pb-Ga	10 x 10 m	Unknown
Pinpoint	Ag-Zn	250 x 150 m	Unknown
Nanny	Ag-Zn-Pb-Ga	250 x 130 m	Fault-hosted mineralization
Terrier	Ag-Zn	250 x 140 m	Fault-hosted mineralization
Civic	Zn-Pb±Ni±Mo	470 x 180 m	Stratabound mineralization
Boxer	Ag-Zn-Pb	150 x 65 m	Stratabound mineralization
Pitbull	Ag-Zn-Pb	10 x 10 m	Stratabound mineralization
Michelle West	Zn±Ni	250 x 200 m	Unknown
Polar	Zn±Ga	600 x 550 m	Fault-hosted mineralization
Us	Zn±Ni	520 x 190 m	Unknown
Scorpion	Ag-Zn-Pb	360 x 190 m	Fault-hosted mineralization
Prairie Dog	Zn±Ga±Ni	400 x 180 m	Fault-hosted mineralization
OT	Ag-Zn-Pb-Ga±Ni±Mo	900 x 160 m	Fault-hosted mineralization
Heeler	Ag-Zn-Pb	30 x 30 m	Fault-hosted mineralization
Silver Matt	Ag-Zn-Pb	250 x 250 m	Unknown

Table 4: Summary of Mineral Occurrences

Although most of the mineral showings and zones appear to be hosted in steeply dipping structures that trend northeasterly, some stratabound mineralization has been observed, notably at the Civic, Boxer and Gataga showings and the Gully Zone.

In 2010, ZincCorp submitted a sulphide-rich specimen from the Dynasty Showing to Vancouver Petrographics for polished section analysis. The specimen comprised zoned sphalerite showing variable iron content with small (<0.15 mm) euhedral to subhedral pyrite and an interstitial network of galena. The galena was brecciated with carbonate

minerals filling the matrix. This brittle deformation is attributed to low temperatures during deformation (Mann, 2010). Carbonate gangue interstitial to the sphalerite represented approximately 5% of the specimen.

A galena-bearing sample from an uncertain location was submitted to the Department of Geological Sciences at the University of British Columbia by Dynasty Exploration for lead isotope dating. Results showed markedly radiogenic lead, which is typical of Mississippi Valley Type (“MVT”) deposits. The sample likely reflects a Devonian-Mississippian age of formation because it falls on the line of young carbonate deposits (Godwin et al., 1988).

Based on field observations and data compilations, most of mineralization is characterized as MVT-style zinc with varying amounts of iron, lead, silver and gallium. Almost all of these showings are deeply weathered due to mostly unglaciated terrain. The relative abundance of silver, gallium and bismuth suggests a higher temperature of formation than is common in most MVT and non-sulphide zinc deposits. Localized concentrations of nickel, molybdenum and vanadium are also unexpected in typical MVT deposits and suggest that two types of mineralizing systems may be over-printed on each other.

In 2008, a study of all mineralized samples with a significant carbonate content (minimum of 10% combined calcium and magnesium, which are the dominant cations in common carbonate rocks on the property) was completed to determine whether the mineralization is hosted in dolomite or limestone. For the purpose of this study, dolomite was inferred to be present if the relative magnesium content is in the 35-37% range  $[Mg/(Ca+Mg)]$ . All of the mineralized samples fell within this percent range (Eaton, 2008). This is not uncommon since most MVT deposits are associated with an envelope of extensive hydrothermal dolomitization that may extend tens of thousands of metres beyond the sulphide bodies (Paradis et al., 2007).

Between 2008 and 2014, a total of 410 rock samples were taken on the Michelle Project, with the majority of samples collected from the zones and showings in the northeastern part of the property.

In 2015 and 2017, another 195 and 162 rock samples were collected, respectively. Samples were analyzed in the field by portable X-ray fluorescence (“XRF”) of a single test area per sample. From these samples, 314 were selected for further geochemical analysis. Digestion techniques and analytical finishes used for samples collected during the above programs are described in Section 11.2.

Descriptions of the local geomorphology, size and mineralogy of the 23 named showings and zones are provided in the following paragraphs, while geochemistry and diamond drill results are discussed in the appropriate sections below.

The **Gully Zone** lies on the south side of a tributary valley in the eastern portion of the claim block, and has been explored by soil sampling, prospecting, mapping and diamond drilling. The zone is marked by a patch of rusty soil and talus, which lie within and near to a recessive linear that contains abundant fragments of smithsonite and limonite with occasional residual galena. The strongest mineralization is hosted in a north-trending reverse fault that dips moderately to the west (Gully Fault). Surface specimen samples from this showing averaged 953 g/t silver, 24.0% zinc, 38.93% lead and 327 ppm gallium (Eaton, 2009). A few of these samples returned spot highs for nickel (up to 429 ppm). In addition to the fault-hosted mineralization, stratabound mineralization at the Gully Zone is developed within a faulted horizon of fossiliferous dolostone (CDB1). A number of mostly unexplored gossanous areas coincide with air photo linears southwest of the Gully Zone. One of these gossanous areas, 700 m southwest of the Gully Zone, yielded samples that averaged 2.40% zinc and 2.00% lead (Eaton, 2009). Diamond drill results from the Gully Zone are discussed in Section 10.

The **Cirque Showing** is situated 750 m northeast of the Gully Zone, in the footwall of the Gully Fault. It comprises a train of massive, fossiliferous (CDB1) limonite blocks in talus. These blocks reach maximum dimensions of approximately 2.5 x 2.0 x 0.75 m. Samples from the largest blocks yielded relatively low metal values (up to 4.8 g/t silver, 0.77% zinc and 0.07% lead), but smaller blocks in the same area returned up to 8.6 g/t silver, 2.88% zinc, 0.46% lead (Eaton, 2009). Scattered pieces of gossanous float occur along the talus slope between the Cirque Showing and Gully Zone, suggesting that stratabound mineralization is hosted along the CDB – CDB1 contact. Samples from this area mostly returned moderate zinc and low silver values, with the best sample yielding 41.3 g/t silver, 16.50% zinc and 1.54% lead. Sporadic mineralization on the north side of the valley is associated with the north-trending Gully Fault. In 2017, a composite sample collected from this area, comprising limonitic crackle breccia, assayed 1.55 g/t

silver, 30.5% zinc and 0.23% lead. Samples collected east of the Cirque Showing, from an approximately 30 by 30 m talus train of galena-bearing oxide, returned up to 172 g/t silver, 2.29% zinc and 10.6% lead (Morton, 2018).

The **Peak Zone** is located 4500 m west of the Gully Zone. It has been explored by soil sampling, prospecting, mapping and diamond drilling. Mineralization in this zone is found in talus over a strike length of 800 m and consists of limonite- and smithsonite-rich float with rare residual galena. Analysis of the most intensely oxidized material returned average grades of 1732 g/t silver, 10.59% zinc, 62.96% lead and 155 ppm gallium. Two massive limonite outcrops lie roughly 50 m apart within the eastern part of the Peak Zone. They measure 13 by 1.5 m and 4 by 2 m. Limonite in the outcrops is developed along faults or fractures with vertical dips and northerly strikes, and two samples of this material averaged 1.18% zinc and 155 ppm gallium (Eaton, 2008). Diamond drill results from the Peak Zone are discussed in Section 10.

The **Dynasty Showing** lies 1500 m to the north and northeast of the Peak Zone. A portion of this showing was discovered in 1974 by Dynasty Exploration in the headwall of a north-facing cirque. Several patches of sulphide-bearing talus, surrounded by gossanous soil and rocks containing smithsonite, limonite and rare residual galena, occur along the Dynasty Thrust Fault over a strike length of about two kilometres. The mineralized areas are located no more than 125 m apart.

In 1974, Dynasty Exploration dug several shallow hand trenches and uncovered a number of massive sphalerite and galena blocks. In 2008, a short extension dug on the uphill side of one of the trenches revealed a 40 cm thick (true thickness), bedding-parallel band of massive sphalerite and galena with lesser pyrite and hydrozincite.

A chip sample taken across this band assayed 197 g/t silver, 35.98% zinc and 23.48% lead. Samples were also taken perpendicular to bedding, from visibly barren dolomite on either side of the sulphide band. The uphill sample yielded 1.12% zinc over 1.5 m and the downhill sample returned 1.36% zinc and 0.79% lead over 1.5 m. Both samples returned weak silver and gallium values (Eaton, 2009).

In 2015, rock samples collected along the Dynasty Thrust Fault, comprising oxide with masses of residual galena and white encrusting anglesite, yielded up to 402 g/t silver, 32.2% zinc and 22.4% lead (Morton, 2016).

The **Blender Showing** comprises two separate areas – North and South. The North Blender Showing is located 500 m east of the Peak Zone at the junction of two topographic linears identified by air photo interpretation. It consists of several intermittently mineralized float trains that extend for about 700 m southwesterly along a hillside. Mineralization is primarily smithsonite- and limonite-healed dolomite breccia and massive limonite with rare residual galena. This showing, unlike most others on the property, is situated very low in a valley, only about 150 m uphill from a creek. Analysis of the most intensely oxidized material returned average grades of 986 g/t silver, 27.74% zinc, 22.78% lead and 533 ppm gallium. Nickel and molybdenum values from the North Blender Showing are moderately elevated to peaks of 420 ppm and 278 ppm, respectively (Eaton, 2008).

The **South Blender Showing** lies 500 m southwest of the North Blender Showing, on the other side of a plateau. It comprises a small gossan and a mineralized float train of massive limonite cobbles that covers a 20 by 15 m area. Specimen samples of this material have returned an average grade of 1.36% zinc (Eaton, 2008).

The **Gaynor Showing** lies on a ridge 2000 m east-northeast of the Peak Zone. It comprises an approximately 25 m wide band of gossanous soil and scattered mineralized talus fragments, which extends down both sides of the ridge for a cumulative length of 200 m (Eaton, 2008). The mineralization includes cavity-filling smithsonite and cobbles of massive limonite with rare residual galena. Samples of oxidized material averaged 31 g/t silver, 7.94% zinc and 2.64% lead with elevated gallium (90 ppm) (Eaton, 2009).

The **Gaz Showing** is located 2000 m east of the Peak Zone and forms a gossanous bench on a southeast-sloping ridge. Mineralization consists of abundant limonite cobbles within a 150 by 60 m area, containing some more concentrated gossans up to 30 m in diameter. Samples have yielded up to 3.12% zinc and 25.49% lead, with low values for silver and gallium (Eaton, 2009).

The **Gataga Showing** was identified in 2017 and covers complex, stratabound lead-zinc mineralization within karsted dolostone. It covers an approximately 150 m by 150 m area and is located 720 m southwest of the Gaz Showing.

Mineralization is best developed within several recessive stratigraphic horizons, which are up to 3 m thick. Outcrop samples, comprising limonitic, brecciated dolostone with coarse crystalline dolomite and sparse clots of galena, returned up to 7.83 g/t silver, 2.06% zinc and 2.45% lead (Morton, 2018).

The **Husky Showing** is situated 900 m north of the Gaynor Showing, at the toe of a northeast trending ridge. It is located within or below a package of CDB1 and comprises several large boulders of massive galena, with a punky oxide rind and encrusting anglesite on outside surfaces. In 2015, a sample of this material returned 2400 g/t silver, 7.13 % zinc and 71.6% lead (Morton, 2016). This area has received no follow-up work.

The **Pinpoint Showing** consists of a 250 by 100 m area of patchy mineralization on a west-facing slope, 1500 m northwest of the Peak Zone. The top of the mineralized area is marked by several small (up to 30 by 10 m) gossans. About 150 m south of the showing a strong, northeast-trending topographic linear cuts across the ridge crest. Mineralization in the linear comprises weakly smithsonite-healed dolomite breccia and massive limonite blocks. Specimen samples of this material averaged 2.14% zinc, with up to 190 ppm gallium from a single sample (Eaton, 2009).

In 2015, a sample collected from a 30 x 55 x 40 cm boulder, comprising banded goethite and limonite, returned 76.3 g/t silver and 2.20% zinc. Another sample, consisting of vuggy, sparry dolostone, with cavities filled with limonite and fine grained sphalerite, assayed 4.39% zinc (Morton, 2016).

The **Nanny Showing** is located on a north-northeast-trending ridge, about 2500 m west of the Peak Zone. Mineralized float is observed discontinuously over a width of 10 m on the ridge crest and continues down both sides of the ridge in relatively linear talus trains. The mineralization appears to be fault and/or fracture related, and comprises massive limonite or limonite- and smithsonite-healed breccia with dolomite clasts. A chip sample from a 75 x 50 x 20 cm limonite block returned 300 g/t silver, 2.77% zinc, 25.98% lead and 440 ppm gallium (Eaton, 2009).

The **Terrier Showing** lies 1000 m west of the Nanny Showing. It comprises a cluster of samples that yielded anomalous values for silver (up to 1300 g/t), zinc (up to 27.2%), lead (up to 30.3%), nickel (up to 230 ppm) and molybdenum (up to 1950 ppm) (Mann, 2010). The samples were taken within and near a northeast-trending gully. In 2010, four diamond drill holes were designed to test beneath the gully. Results from this work are discussed in Section 10.

In 2015, a composite sample collected 150 m east of the gully, from another discrete northeast-trending recessive topographic linear, returned 41.81% zinc and 69.30 g/t silver (Morton, 2016). This area has received no follow-up work.

The **Civic Showing** is located on a steep north-facing talus slope, 2250 m northwest of the Peak Zone. This showing comprises variably abundant, mineralized float that is scattered over an area approximately 140 by 50 m and in-situ stratabound mineralization hosted in Bouvette Formation dolostone. Mineralization in float mostly consists of rusty-purple blocks of massive boxwork limonite up to 50 x 35 x 15 cm in size, while in-situ mineralization comprises disseminated coarse grained sphalerite and oxide in metre-scale (karsted) cavities. Samples of oxidized material averaged 15.34% zinc and 0.73% lead, and returned the highest nickel value (4050 ppm) on the property. Two strongly anomalous molybdenum values were reported from sampling along the ridge upslope from the main Civic Showing. These samples returned 720 ppm and 1450 ppm molybdenum, respectively (Eaton, 2008).

In 2015, a composite sample collected from oxide material hosted in a karsted dolomite outcrop returned 12.45% zinc (Morton, 2016).

The **Boxer Showing** is located 400 m south of the Nanny Showing, along a north-trending ridge. It is exposed in talus over a strike length of 70 m. Mineralization occurs primarily as interstitial galena, smithsonite and rare sphalerite in complex carbonate breccias, as well as a few cobbles oxide material. Four specimen samples collected along the ridge crest, comprising carbonate breccias with matrix-hosted mineralization, returned an average grade of 15.33 g/t silver, 4.84% zinc and 2.14% lead. A sample of punky limonite, with fine grained galena in fractures and envelopes of anglesite assayed 149 g/t silver, 37.79% zinc and 16.45% lead (Morton, 2016).

The **Pitbull Showing** lies 390 m east of the Boxer Showing along a steep east-flowing drainage. It comprises a 30 by 30 m area of mineralized talus, containing fine grained galena in cavities, bands and clots, which is sourcing from cliffs uphill. A composite sample of banded crystalline limestone with fine grained galena in cavities, narrow bands and clots, yielded 186 g/t silver, 10.10% zinc and 15.55% lead (Morton, 2016).

The **Michelle West Showing** is situated on a ridge crest and adjacent south-facing slope, 3000 m to the west of the Peak Zone. Mineralization occurs in a two metre wide talus train and comprises smithsonite-and limonite-healed dolomite breccia and massive limonite blocks up to 50 x 30 x 25 cm in size. A sample of limonite from the showing yielded 2.51% zinc (Eaton, 2008). Interestingly, a number of samples with strongly anomalous nickel values (up to 1390 ppm) were collected in the vicinity of a series of nearby, closely spaced topographic linears.

The **Polar Showing** straddles a northwest-trending ridge, 2500 m southwest of the Peak Zone. It includes a series of high-angle faults and associated gossans that cut perpendicular across the ridge to form a complex with an aggregate width of 250 m. Mineralization comprises cavity-, fracture- and breccia-filling smithsonite in dolomite with lesser limonite fragments. Samples of oxide material averaged 10.36% zinc (Eaton, 2008). A number of unexplored gossans lie south of the Polar Showing. These gossans coincide with strong northeast-trending topographic linears.

The **Us Showing** is located about 600 m southeast of the Polar Showing. It comprises an 80 m wide by 750 m long, sporadically mineralized area that exhibits the same characteristics as the Polar Showing, except that the Us Showing yielded some strongly anomalous nickel values (up to 590 ppm). Samples have returned up to 15.15% zinc (Eaton, 2008). A small, unexplored gossan lies southeast of this showing.

The **Scorpion Showing** is located along a ridge about 2400 m south of the Polar Showing. It covers a 250 by 400 m area of limonite talus with rare cores of residual galena. The best sample from this zone graded 145 g/t silver, 29.2% zinc, 20.4% lead and 21 ppm gallium (Mann, 2010). Small boulders containing crystalline barite were discovered on the northwestern side of the Scorpion Showing. An area of mineralized float, located 450 m southeast of the showing, returned 62 g/t silver, 1.56% zinc, 16% lead; however, it is unclear if these showings are related.

The **Prairie Dog Showing** is located along the crest of a ridge, 3000 m west of the Scorpion Showing. Mineralization, which was observed on both sides of the ridge, consists of limonite blocks on the south side and cavity-, fracture- and breccia-filling smithsonite to the north. Smithsonite occurs in dolomite talus and outcrop. Samples of oxide have yielded up to 178 g/t silver and 32.54% zinc (Eaton, 2008).

A number of northeast-trending topographic linears cut the ridge between the Prairie Dog and Scorpion showings. Rock samples collected along the ridge have reportedly been strongly enriched in nickel (Mann, 2009). In 2017, 31 samples were collected within a 4 km by 1.2 km area, covering the area between the showings. From these samples, 18 returned greater than 1% zinc, with a peak value of 46.43% zinc (Morton, 2018).

The **OT Showing** is located in a gully at the top of a narrow valley, approximately 6250 m west-northwest of the Peak Zone, in the northwest corner of the property. Mineralization found within this showing covers a 250 by 70 m area, mostly on the west side of the gully, and consists of massive and cavity- and fracture-filling limonite and smithsonite. Metal values are relatively subdued compared to other showings, with peak values of 29 g/t silver, 2.34% zinc and 5.19% lead. The highest nickel value within this showing was 2160 ppm, while the highest molybdenum was 920 ppm (Eaton, 2009). Rock samples with the highest values for zinc, lead, silver, gallium, nickel and molybdenum all lie within northeast-trending topographic linears.

The **Heeler Showing** lies 2.3 km southwest of the Prairie Dog Showing and covers in-situ oxidized silver-zinc-lead mineralization associated with a northeast-trending fault. The fault has been traced over a strike length of 1.4 km and may extend further to the Prairie Dog Showing. Mineralization consists of encrusting smithsonite, disseminated fine to medium grained sphalerite and residual clots of coarse grained galena, hosted in dark brown oxide. Samples have yielded up to 368 g/t silver, 1.27% zinc and 10.15% lead (Morton, 2016).

The **Silver Matt Showing** lies about 9000 m west of the Scorpion Showing. It is one of three showings on the property known to host predominantly sulphide minerals. This showing is marked by a 30 by 50 m area of mineralized subcrop and outcrop. Mineralized samples primarily comprise brown to black weathering, botryoidal, boxworked and brecciated semi-massive sulphides including galena, sphalerite and rare chalcopyrite. Secondary minerals include

anglesite, cerussite and limonite. Results from this showing range from 38.3 to 4180 g/t silver, 0.6 to 47.5% zinc and 0.8 to 82.8% lead. Other zinc-enriched samples were collected west of the main showing in 2014 (Burrell, 2015).

### **Deposit Types**

Most of the mineralization discovered to date at the Michelle Project occurs in limonite boxwork found in talus. The boxwork fragments range from less than a centimetre to more than a metre in diameter. Sphalerite and pyrite are rare, but residual galena has been reported at a number of showings. Abundant mixed sulphides have only been observed near-source talus and/or hand trenches at the Dynasty, Silver Matt and Husky showings. None of these showing has been drilled.

Based on geochemical signatures, the showings and zones at the Michelle Project mostly can be categorized into two model types: (i) non-sulphide zinc-dominated mineralization, which likely resulted from deep weathering of pre-existing Mississippi Valley-Type sulphide deposits; and, (ii) nickel-molybdenum-zinc mineralization, which may have precipitated in feeder pipes to stratiform Nick-style horizons that occur regionally near the contact between the Road River and Earn groups. The following descriptions of MVT and non-sulphide zinc deposits are largely based on Paradis et al. (2007) and Hitzman et al. (2003), respectively. The description of Nick-style mineralization is based on Hulbert et al. (1992), Lefebvre (1994) and Butterworth and Caufield (1998).

#### ***Mississippi Valley-Type Deposits (MVT)***

MVT deposits are defined as epigenetic, carbonate-hosted, predominantly zinc-lead sulphide bodies that form from the upwelling of warm, saline, metalliferous hydrothermal fluids. They dominantly occur in dolostone as open-space fillings, collapse breccias and/or replacement of reactive carbonate rocks. Individual ore bodies are typically less than two million tonnes; however, they commonly occur in clusters as seen at the Michelle Project. The dimensions of ore bodies are often difficult to establish due to their highly irregular shapes.

Traditionally, MVT deposits were considered to be stratabound ore bodies that formed from low temperature (75 to 200°C) hydrothermal ore fluids, but in recent years this definition has been broadened to incorporate a greater variety of carbonate-hosted zinc-lead deposits. Three sub-types that are now included within this broader classification are: 1) structurally and stratigraphically controlled zinc-lead deposits, 2) high-temperature carbonate replacement zinc-lead±iron±silver deposits, and 3) Irish-type zinc-lead deposits.

Worldwide in 2007, there were 80 MVT deposits/districts with grade and tonnage figures, 16 of which are in Canada. Canadian deposits typically contain 1 to 10 Mt of 4 to 10% combined zinc and lead, though some are bigger and richer (eg. Pine Point, Polaris and Prairie Creek). Many of the Canadian MVT deposits are located in the Mackenzie Mountains of Yukon and Northwest Territories, where hundreds of small deposits and a few larger ones occur in Proterozoic to Devonian dolostone and limestone, near the boundary between Selwyn Basin and Mackenzie Platform. Examples of the larger deposits in this region include: Gayna River, Blende, Bear-Twit, Goz Creek and Prairie Creek. The exact age of these deposits is unknown; however, they likely formed during a contractional tectonic event, either the Devonian-Mississippian Antler Orogeny or the Cretaceous-Tertiary Laramide Orogeny. Lead isotope studies give radiogenic results, which make ages of formation difficult to establish, but they point toward the Antler Orogeny (Godwin et al., 1988).

#### ***Non-Sulphide Zinc Deposits***

Historically, non-sulphide zinc deposits have been significant producers of zinc, particularly in Europe. The most notable example is the La Calamine ore body in Belgium, which yielded more than 600,000 tons of zinc metal and was continuously exploited for several centuries (Boni et al., 2007). Due to the recent development of hydrometallurgical techniques (specifically electrowinning and solvent extraction), non-sulphide zinc deposits have re-emerged as attractive mining targets.

There are two types of non-sulphide zinc deposits: supergene and hypogene. Supergene deposits are the more common of the two and are widely distributed. Hypogene deposits are poorly known due to their scarcity.

Supergene non-sulphide zinc deposits are formed by the oxidation of pre-existing sulphide zinc deposits. The majority have a MVT origin. The formation of these deposits is dependent on several factors, namely: 1) size and mineralogy of the pre-existing zinc occurrence; 2) vertical displacement of the water table; 3) rate of water table descent through tectonic uplift and/or arid climatic conditions; 4) wallrock fracture density, and 5) presence of a suitable neutralizing trap site. Supergene non-sulphide zinc deposits are sub-divided into three categories:

- i. Direct-replacement deposits are formed when metals liberated by oxidation of sulphide minerals are trapped within the space that was occupied by the protore (original ore body). The mineralogy and consequent metallurgy are quite complex with a wide variety of minerals similar to those generally occurring in gossans.
- ii. Wallrock-replacement deposits result when metals liberated by the oxidation of sulphide ore are not trapped locally and are transported down ground water flow gradient from the protore. The transported metals may be located in proximity to the original ore body or several hundreds of metres away (Simandl and Paradis, 2008). The main ore mineral is cryptocrystalline smithsonite. The simpler mineralogy makes this type of deposit a much more attractive economic target.
- iii. Residual and karst-fill deposits result from the accumulation of secondary zinc minerals in a network of karst cavities. These deposits are commonly high grade and small tonnage.

Many supergene non-sulphide zinc deposits include components of more than one of the three sub-types listed above. These deposits commonly contain two types of ore: red zinc ore and white zinc ore. The type of ore depends on the nature of the protore and the specific oxidation processes involved in formation of the deposit. Red zinc ore is typically rich in zinc (> 20%), iron (> 7%) and lead, while white zinc ore contains up to 40% zinc with low iron (< 7%) and lead contents. Red zinc ores comprise iron-oxyhydroxides, goethite, hematite, hemimorphite, cerussite and smithsonite and/or hydrozincite. White zinc ores consists of smithsonite and hydrozincite with minor iron-oxyhydroxides (Reichert and Borg, 2008).

Hypogene non-sulphide zinc deposits contain accumulations of minerals that do not seem to be directly derived from sulphide bodies. They appear to have formed from the mixing of a reduced, low- to moderate-temperature (80°-200°C), zinc-rich, sulphur-poor fluid with an oxidized, sulphur-poor fluid. Two major sub-types of hypogene non-sulphide zinc deposits have been recognized:

- i. Structurally controlled deposits contain willemite and variable amounts of sphalerite. They are hematitic and generally associated with hydrothermal dolomitization.
- ii. Stratiform, manganese-rich deposits appear to be end members of a spectrum of deposits that include base metal-poor stratiform manganese deposits and sulphide-dominant Broken Hill-type deposits.

Non-sulphide zinc mineralization at the Michelle Project is of the supergene variety and was likely formed by a combination of direct- and wallrock-replacement.

Supergene non-sulphide zinc deposits typically consist of three parts: a leached iron cap, a zone of in situ oxidized zinc and lead mineralization and an adjacent zone of supergene enriched zinc mineralization. The leached iron cap is characterized by oxidized iron (limonite) and near absence of zinc minerals. It is uppermost in the deposit and is underlain by the zone of in situ oxidation, which comprises oxidized zinc minerals (smithsonite, hemimorphite and/or hydrozincite) with oxidized lead minerals (cerussite and/or anglesite) often encapsulating residual lead sulphide (galena). The supergene enrichment zone(s) occur on the periphery of the oxidized zone, where secondary zinc minerals are precipitated through buffering reactions between circulating metal-bearing groundwater and the carbonate wallrocks.

As previously stated, climate is important in the formation of supergene non-sulphide zinc deposits because it partially controls oxidation and metal transport. The most favourable conditions for oxidation are found in arid climates. Arid conditions maximize the quantity of metals available for transport by supergene solutions by minimizing biogenic activity within the soil, thereby maximizing the oxygen available for sulphide oxidation (Simandl and Paradis, 2008). Dry climates are also associated with low water tables, which prevent premature dilution, dispersion and removal of metals from supergene solutions by contact with barren groundwater (Reichert and Borg, 2008). Suitable conditions for

deep oxidation of a pre-existing MVT deposit are currently found in the southern United States and northern Mexico, between latitudes 20 and 40°. Four major deserts (Mojave, Great Basin, Sonoran and Chihuahuan) are located within these latitudes. Based on paleogeographic maps presented by Nelson and Colpron (2007), Yukon would have lain within these latitudes between Late Paleozoic and Early to Mid-Triassic, during which time the Michelle non-sulphide zinc deposit may have formed. If these constraints on the occurrence of deep weathering are correct, then it is probable that the pre-existing Michelle MVT deposit formed during the Devonian-Mississippian Antler Orogeny, not the Cretaceous-Tertiary Laramide Orogeny. The cool, semi-arid conditions present in the Michelle region today may contribute to the preservation of the deposit by limiting the availability of groundwater and by maintaining a deep water table, both of which protect the non-sulphide ore from further dissolution (Reichert and Borg, 2008).

Another important climatic factor that may affect the formation and preservation of supergene non-sulphide zinc deposits is the presence of glaciers. Regions that are not affected by glaciation generally have a higher potential to preserve relatively soft non-sulphide deposits (Simandl and Paradis, 2008). Although the Michelle Project lies within an area that was partially glaciated, it has two main attributes working in its favour. The first is that, because the property was at the very edge of regional glaciation, the ice cover was probably quite thin and locally absent. Hence, most of the deposits have not been deeply eroded. The second, and arguably more significant attribute, is the favourable orientation of the Michelle ore bodies. As stated by Simandl and Paradis (2008), the preservation of non-sulphide deposits through glaciation depends more on the orientation and shape of the ore bodies than on the intensity of glacial scouring. Steeply dipping, rod-shaped deposits with their smallest dimension exposed at surface are far more likely to survive glacial scouring than flat-lying deposits with their largest dimension parallel to the erosion surface. In some instances (such as at the Michelle property) weak glaciation can benefit exploration by causing small-scale dispersion of non-sulphide ore fragments from steeply dipping ore bodies (Simandl and Paradis, 2008), which otherwise may have remained hidden under a mantle of unmineralized carbonate talus.

Mineralization at the Michelle Project is atypical of MVT and non-sulphide zinc deposits because it contains many high silver, gallium, bismuth, nickel and molybdenum values. Limited data also indicates local enrichment of germanium, indium, copper and vanadium. The silver to lead ratios are highly variable but are often uncommonly high. These characteristics of the Michelle mineralization (particularly the elevated silver, gallium and bismuth) suggest a relatively high temperature of formation. The nearest pluton lies 50 km southwest of the property and belongs to the Mid-Cretaceous Tombstone Suite. If the timing of formation for the Michelle mineralization is correct, then the emplacement of these plutons would post-date formation of the deposit, leaving a heat source unexplained.

### ***Nick-Style Mineralization***

Cursory work on the Michelle Project has identified clusters of strongly anomalous nickel-zinc±molybdenum±vanadium values, which lie along air photo linears. Although some of these clusters overlap with areas of zinc±lead±silver mineralization, others are distinct. The nickel-molybdenum enriched linears may represent feeder structures to eroded Nick-style mineralization. The Civic, OT and Peak showings all contain coincident strongly anomalous values for vanadium, nickel, molybdenum and moderately to strongly anomalous values for zinc.

Stratiform Nick-style mineralization is found within continental platform sedimentary sequences and successor basins. Black shale is the most common host, but associated limestone, dolomitic limestone, calcareous shale, and siliceous dolomite are also known to contain Nick-style horizons. Mineralization typically forms as thin beds (0 to 15 cm thick, locally up to 30 cm thick) covering broad lateral areas – sometimes over tens of kilometres across (Lefebure, 1994). In Yukon, most known Nick-style horizons are near the contact between the Road River and Earn groups. On the Michelle Project, the Earn and Road River groups have been eroded from the stratigraphic section; but the feeder structures would remain in the underlying Bouvette Formation carbonate rocks. The closest known showing of Nick-style mineralization is at the Rein occurrence (Minfile 116 B 239), which is located 38 km southwest of the property.

The nickel-bearing mineralization may also be related to karst settings where the upwelling fluids occupy cavities within the carbonate rocks and create carbonate breccias containing nickel oxides with bitumen gangue (Carne and Dean, 1974).

## **Exploration**

Since 2006, three companies have performed work on the Michelle Project: Strategic Metals, Zinccorp and Silver Range. All of this work, with the exception of the 2009 and 2010 Zinccorp programs, has been managed by Archer Cathro. Expenditures of \$130,194.73 were documented for the 2017 program (Morton, 2018), and the Author participated in a site visit that same year.

All hand trenching, soil geochemical surveying, geophysical surveying and aerial photography performed under the supervision of Archer Cathro is discussed in the respective sections below. Geological mapping, prospecting and rock geochemical sampling is discussed under sections 7.2 and 7.3, and the diamond drilling is discussed under section 10. Work performed in 2009 and 2010, which was independent of Archer Cathro, is also discussed in the appropriate sections.

### ***Silt Sampling***

In 1976, the Geological Survey of Canada (“GSC”) collected 16 stream sediment samples from the Michelle Project, as part of a larger regional survey in central Yukon. Samples were collected at an average density of one sample per 13 km<sup>2</sup> throughout the 63,000 km<sup>2</sup> survey area (Goodfellow and Lynch, 1978). One sample, collected from a creek draining the Dynasty Showing, yielded a combined zinc-lead value of 1170 ppm, while another sample from the Gully area returned a combined zinc-lead value of 830 ppm. The remaining samples yielded a subdued response for all elements of interest.

In 2008, Zinccorp collected 100 stream sediment samples from the Michelle Project, in order to provide more detailed coverage than is available from GSC survey data. The majority of the samples collected from the northern portion of the property (Eaton, 2009). Results for combined zinc-lead and silver from the GSC and Zinccorp samples are illustrated thematically on Figures 7 and 8, respectively. The threshold values used for stream sediment samples are listed in Table 6 below, while the analytical techniques used for the 1976 and 2008 samples are described in Section 11.1.

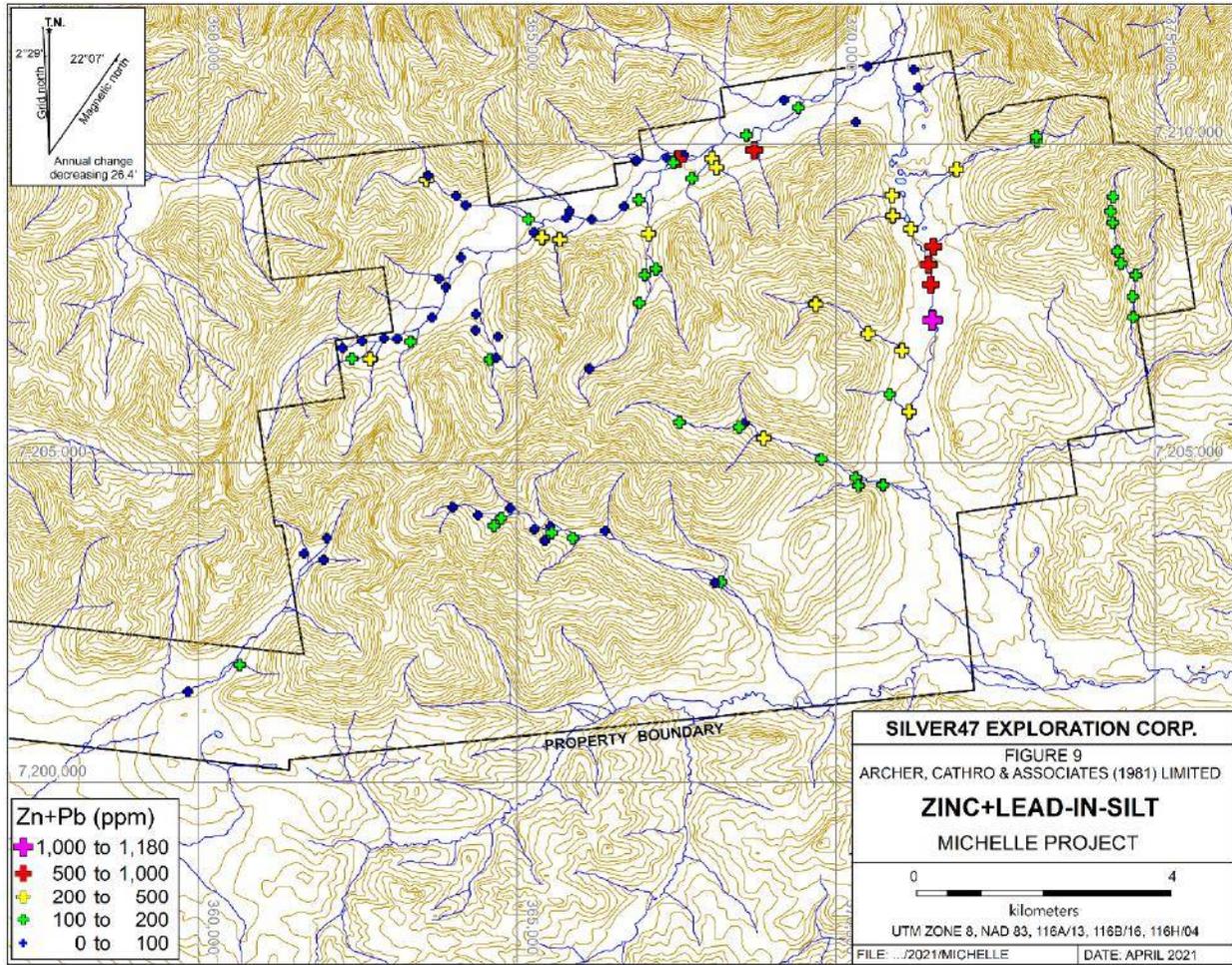


Figure 7: Zinc+Lead Stream Sediment Geochemistry

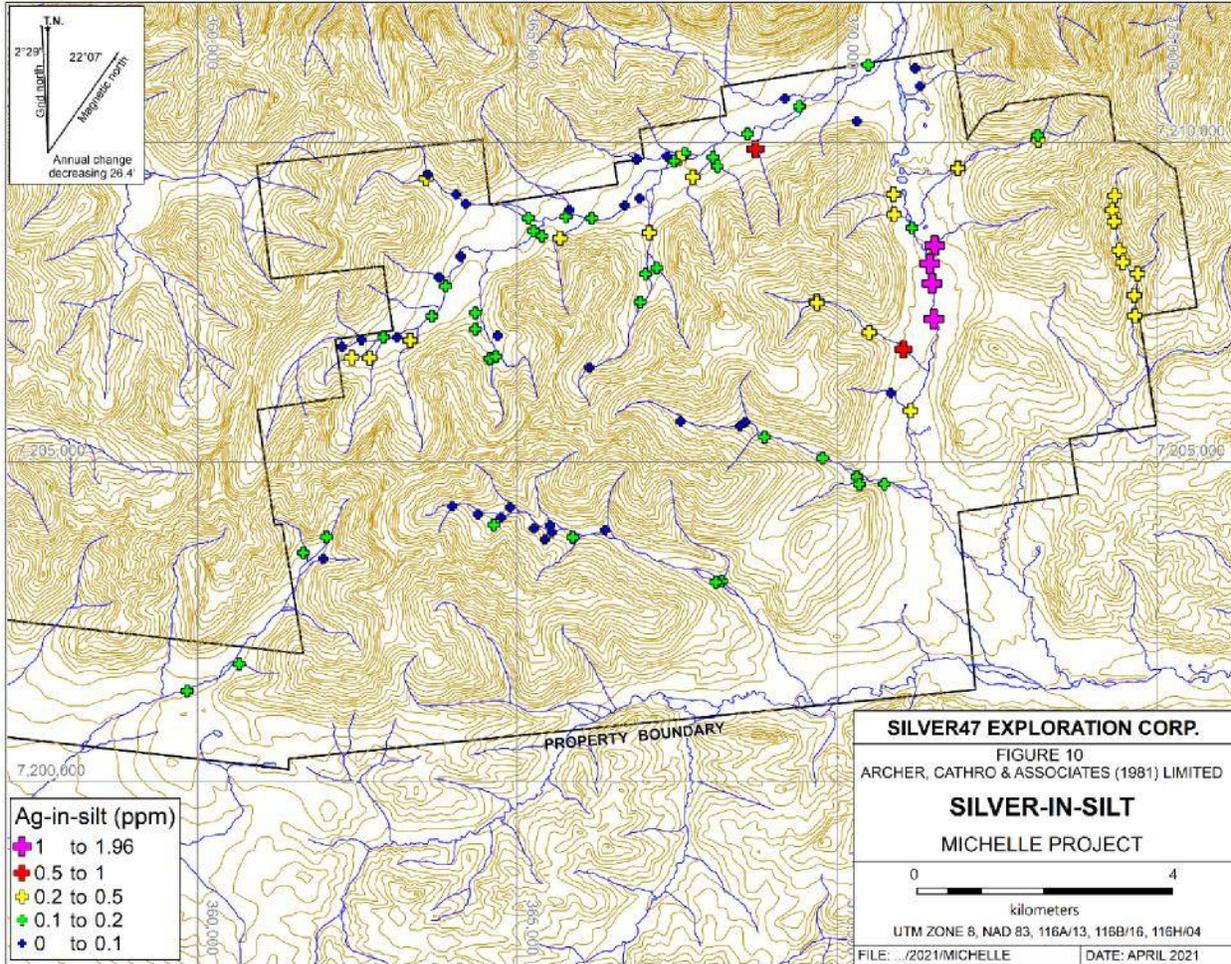


Figure 8: Silver Stream Sediment Geochemistry

Element(s)	Weak	Moderate	Strong	Peak Value
Zinc+Lead	≥ 200 < 500 ppm	≥ 500 < 1000 ppm	≥ 1000 ppm	1180 ppm
Silver	≥ 0.2 < 0.5 ppm	≥ 0.5 < 1.0 ppm	≥ 1.0 ppm	1.96 ppm

Table 5: Thresholds for Stream Sediment Values

Based on the above threshold values, the majority of the stream sediment samples fall within the weakly anomalous category. The strongest combined zinc-lead and silver values are found within a string of samples that were collected from streams draining the Gully Zone. Surprisingly, most values derived from stream sediment samples collected downstream from known showings are relatively low. This is likely due, in part, to buffering of metal-bearing groundwater by the carbonate host rocks, which limits hydromorphic transport. There also appears to be limited mechanical transport of mineralized grains. This is probably due to the soft nature of the mineralization, which results in rapid decomposition to soil that is usually blanketed by a thick layer of coarse, unmineralized talus.

### Soil Sampling

In 2007, Zinccorp collected 424 soil samples from the property. The majority of those samples were taken from a series of contour lines established in the vicinity of the Cirque and Gully zones. Two of these lines were extended into adjacent valleys to test for more widespread mineralization.

In 2008, Zinccorp collected 680 contour soil samples. This soil sampling was confined to areas in the eastern half of the Michelle Project.

In 2014, Strategic Metals collected 28 soil samples in the area of the Silver Matt Showing. The different analytical techniques for each of the above programs is described in Section 11.1.

Almost all of the soil sampling has concentrated on areas in the eastern half of the Michelle Project. Twelve of the eighteen showings (Gully, Peak, Cirque, Dynasty, Gaynor, Gaz, Blender, Michelle West, Pinpoint, Polar, Us, and Silver Matt) have been tested by widely spaced samples, and none has been sampled in detail. Results for combined zinc-lead and silver are illustrated thematically on Figures 9 and 10, respectively. The threshold values used for soil samples collected on the property are listed in Table 6 below.

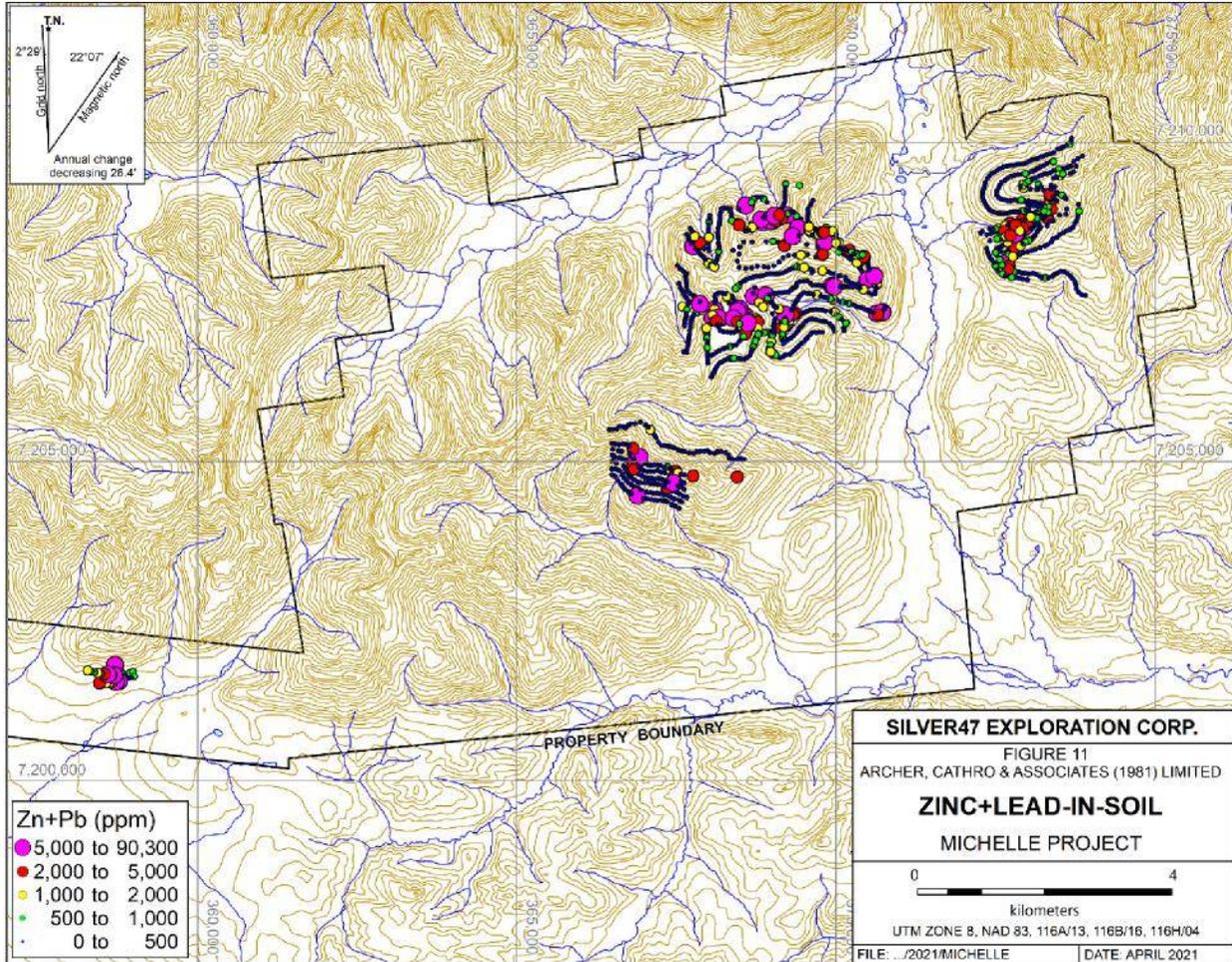


Figure 9: Zinc+Lead Soil Geochemistry

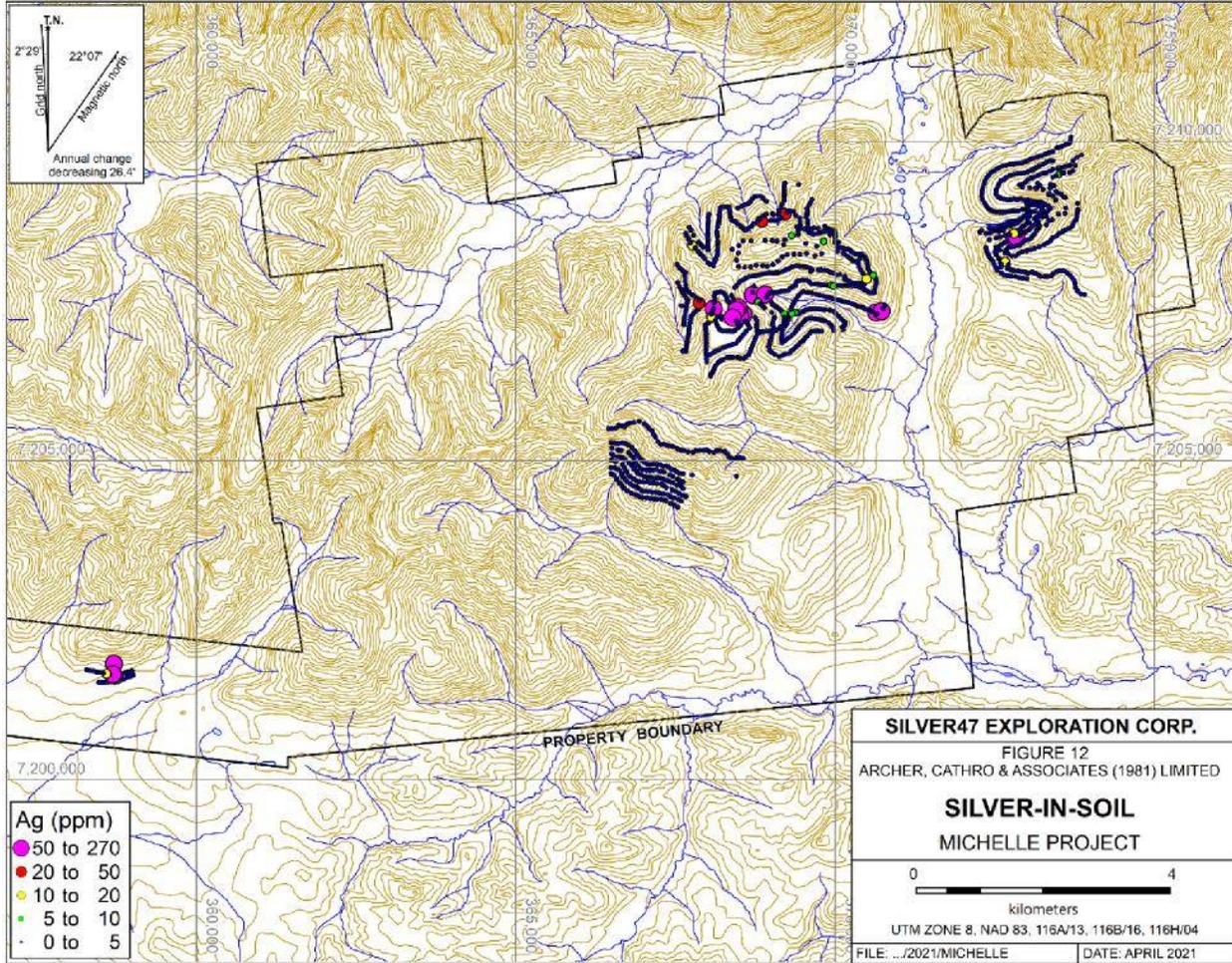


Figure 10: Silver Soil Geochemistry

Element(s)	Weak	Moderate	Strong	Peak Value
Zinc+Lead	≥ 1000 < 2000 ppm	≥ 2000 < 5000 ppm	≥ 5000 ppm	90,300
Silver	≥ 10 < 20 ppm	≥ 20 < 50 ppm	≥ 50 ppm	270

Table 6: Thresholds for Soil Sample Values

In general results from soil samples are much higher than those obtained from stream sediment samples, and most of the anomalous soil samples were collected in the vicinity of known showings or within areas of scattered mineralization. Zinc is the most widely dispersed of the anomalous metals. Particularly strong zinc values are observed through the core of the property near the Peak and Gully zones and near the Polar and Us showings to the south.

Anomalous lead and silver values are limited to the Peak and Gully zones and nearby showings in the centre of the property, and the Silver Matt Showing in the western part of the property. Strongly anomalous gallium values (≥ 20 to 120 ppm), though rare, are present in samples from six of the showings. Elevated gallium values appear to be best correlated with zinc.

Moderately to strongly anomalous nickel values occur at the Dynasty, Michelle West, Polar and Us showings in the central part of the Michelle Project, while moderately anomalous nickel values are present at the Silver Matt Showing. Copper values are highest near the Dynasty Showing and Peak and Gully zones, while moderately anomalous values occur at the Polar and Us showings. Strongly anomalous molybdenum-in-soil values are observed in the Dynasty, Peak and Michelle West showings. The antimony-in-soil signature on the Michelle Project is interesting because there

is a stark contrast between background levels and anomalous values. The Peak and Gully zones and Michelle West, Gaz, Gaynor, Dyansty and Silver Matt showings all host isolated samples or small clusters of strongly anomalous antimony values, while samples from the Polar, Us and Pinpoint showings returned moderately anomalous antimony values. Elsewhere on the property antimony values are background. The highest vanadium-in-soil value (406 ppm) was collected from a contour line at the Peak Showing.

### ***Gravity Survey***

In June 2010, Zinccorp performed an orientation survey over a portion of the Peak Zone, in order to evaluate the effectiveness of the Gravity geophysical method to identify lead-zinc mineralization under cover. This work was performed by Aurora Geosciences Ltd. of Yellowknife, NWT, utilizing a Scintrex CG-5 Gravimeter.

The 2010 survey had a limited budget, and the field work was severely hampered by repeated instrument failures. The survey covered 72 stations, with most of these results collected in one day of successful operations. The results are considered inconclusive (Liverton, Mann and Frizzi, 2010).

### ***Aerial Photography***

In summer 2013, Underhill Geomatics Ltd. (“**Underhill**”) of Whitehorse, YT flew low-level, colour aerial photography over the Michelle Project, on behalf of Strategic Metals. In 2014, Underhill established differential GPS survey points on the property and used that data to orthoreference the air photos. A detailed (two metre contour) topography map was created using the orthoreferenced images.

Following this work, the individual air photos and property-wide orthophoto image were studied and the following observations were made by Burrell (2015):

“Linear features are clearly evident in the Paleozoic carbonates but generally cannot be traced into the Proterozoic unit. The unconformity is easily seen, except where covered by talus. Bedding is locally observed in the Paleozoic carbonates, but it is distinguished from the linear features by its discontinuous nature and flat dips. Individual linear features can be traced over lengths ranging from less than 500 m to more than 5000 m.

The dominant orientation for the linear features is northeasterly, but many secondary linear features are north-trending and a few trend westerly. Some of the stronger linears clearly offset the unconformity between the Paleozoic and Proterozoic rocks. Most show only minor deflection due to topography and, therefore, they are assumed to mark the surface traces of steeply dipping fault structures. Several of the known showings are located along the linears.”

### ***Hand Trenching***

In 2015, Strategic Metals excavated ten hand trenches on the Project. Six of the trenches, from the Blender, Gaynor, Nanny, Us, Polar and Silver Matt showings, returned significant results.

In-situ sulphide mineralization was exposed at the Silver Matt Showing (894 g/t silver, 8.09% zinc and 46.92% lead over an estimated true thickness of 1 m) and the Gaynor Showing (370.7 g/t silver, 2.2% zinc and 14.8% lead over 17 m). Two hand trenches at the Polar Showing, located 50 m apart, exposed weakly mineralized, limonitic crackle breccia and calcite-flooded dolostone. Continuous chip sampling across the floor of the trenches yielded 5.86% zinc over 2 m in one, and 1.59% over 3 m the other. Samples from a trench at the Nanny Showing returned a weighted average grade of 13.08 g/t silver, 4.69% zinc and 0.97% lead over 9 m (Morton, 2016).

In 2017, Silver Range excavated another 13 hand trenches, at the Cirque, Gaynor, Gaz, Prairie Dog and Scorpion showings. Not all of the trenches were sampled, and only four of the trenches yielded significant results. Hand trenching at the Scorpion Showing, directed toward the top of a mineralized float train, exposed galena-bearing rubble. A continuous chip sample along the floor of the trench returned a weighted average grade of 34.53 g/t silver, 3.51% zinc and 8.79% lead over 11 m. A second trench, dug 30 m downhill and along the same float train, exposed mineralized subcrop that yielded an average grade of 2.35 g/t silver, 1.86% zinc and 0.57% lead over 7.5 m. At the Gaz Showing, a single trench cut across a recessive topographic feature and exposed altered dolostone that returned an average grade of 8.64 g/t silver, 1.13% zinc and 0.11% lead over 6 m. Hand trenching at the Gaynor Showing, in

close proximity to the 2015 trench, failed to reproduce the strength of the 2015 values. Chip samples in the 2017 hand trench yielded an average grade of 1.44 g/t silver, 0.93% zinc and 0.05% lead over 8 m (Morton, 2018).

Table 7 summarizes significant results from the 2015 and 2017 hand trenching.

Year	Trench Name	Showing/Zone	Interval (m)	Ag (g/t)	Zn (%)	Pb (%)	Zn + Pb (%)
2015	TR-15-F	Silver Matt	2.7 †	894	8.09	46.92	55.01
2015	TR-15-D	Polar	2.0	0.39	5.86	0.049	5.91
2015	TR-15-E	Polar	3.0	0.16	1.59	<0.01	1.60
2015	TR-15-A	Blender	10.0	1.13	1.04	0.31	1.35
2015	TR-15-B	Gaynor	17.0	370.7	2.2	14.8	17.00
2015	TR-15-C	Nanny	9.0	13.08	4.69	0.97	5.66
2017	TR-17-05	Scorpion	11.0	34.53	3.51	8.79	12.30
2017	TR-17-06	Scorpion	7.5	2.35	1.86	0.57	2.43
2017	TR-17-11	Gaynor	8.0	1.44	0.93	0.05	0.98
2017	TR-17-12	Gaz	9.6	12.12	0.82	0.17	0.99

† estimated 1.0 m true width.

Table 7: Significant Hand Trench Results

## Drilling

To date, three diamond drill programs have been completed on the Michelle Project. In 2007, Zinccorp performed a total of 853.12 m of drilling, in seven holes at the Gully Zone. In 2008, Zinccorp completed twenty-five drill holes, totalling 3113.27 m, at the Peak and Gully zones. In 2010, Zinccorp drilled ten holes, totalling 1034 m, near the Blender and Terrier showings and east of the Peak Zone. Location and orientation information for all drill holes are summarized in Table 8 below.

Hole	Zone	Easting(m)	Northing(m)	Elev. (m)	Azimuth	Dip	Length(m)
MCH-07-01	Gully	372817	7208214	1499	270°	45°	99.67
MCH-07-02	Gully	372817	7208214	1499	270°	60°	142.34
MCH-07-03	Gully	372817	7208214	1499	310°	45°	96.62
MCH-07-04	Gully	372744	7208451	1417	000°	60°	130.15
MCH-07-05	Gully	372744	7208451	1417	000°	90°	139.29
MCH-07-06	Gully	372744	7208451	1417	090°	45°	102.72
MCH-07-07	Gully	372744	7208451	1417	090°	70°	142.34
MCH-08-08*	Peak	368384	7207317	1686	178°	50°	93.57
MCH-08-09*	Peak	368380	7207382	1656	178°	45°	41.76
MCH-08-10	Peak	368380	7207382	1656	178°	45°	288.65
MCH-08-11	Peak	368278	7207208	1731	002°	45°	145.39
MCH-08-12	Peak	368278	7207208	1731	002°	67°	128.93
MCH-08-13	Peak	368281	7207288	1721	178°	60°	53.95
MCH-08-14	Peak	368294	7207368	1692	178°	45°	124.06
MCH-08-15	Peak	368199	7207481	1677	178°	45°	245.98
MCH-08-16	Gully	372693	7208351	1440	100°	45°	167.03
MCH-08-717a*	Peak	368189	7207330	1695	178°	45°	17.37
MCH-08-17b	Peak	368189	7207330	1695	178°	50°	127.1

Hole	Zone	Easting(m)	Northing(m)	Elev. (m)	Azimuth	Dip	Length(m)
MCH-08-18	Gully	372678	7208229	1458	090°	45°	90.53
MCH-08-19	Gully	372682	7208154	1432	100°	45°	89
MCH-08-20	Gully	372749	7208451	1417	135°	45°	86.87
MCH-08-21	Peak	368189	7207330	1695	178°	72°	130.15
MCH-08-22	Peak	368600	7207133	1664	288°	45°	148.44
MCH-08-23	Gully	372749	7208451	1417	045°	45°	138.69
MCH-08-24	Peak	368600	7207133	1664	288°	58°	197.21
MCH-08-25	Gully	372744	7208512	1375	090°	45°	57
MCH-08-26	Gully	372836	7208594	1356	270°	45°	69.19
MCH-08-27	Gully	372836	7208594	1356	000°	45°	78.33
MCH-08-28	Gully	372836	7208594	1356	000°	90°	53.95
MCH-08-29	Gully	372939	7208584	1378	270°	60°	131.37
MCH-08-30	Gully	372749	7208451	1417	270°	70°	185.02
MCH-08-31	Peak	368384	7207317	1686	178°	45°	133.2
MCH-08-32	Peak	368281	7207288	1721	133°	45°	90.53
MCH-10-01	Blender	369200	7207112	1350	270°	45°	126.49
MCH-10-02	Blender	369200	7207112	1350	90°	55°	126.49
MCH-10-03	Terrier	365193	7207397	1646	86°	45°	76.2
MCH-10-04	Terrier	365193	7207397	1646	86°	80°	57
MCH-10-05	Terrier	365100	7207365	1603	334°	45°	161.54
MCH-10-06	Terrier	365100	7207365	1603	334°	75°	97.54
MCH-10-07	Blender	369200	7207112	1350	002°	45°	91.44
MCH-10-08	Blender	369200	7207112	1350	002°	75°	51.82
MCH-10-09	Blender	369220	7207320	1351	170°	49°	92.96
MCH-10-10	Peak	368585	7207414	1556	155°	45°	152.4

\* Hole lost and re-drilled; core was not logged in detail.

*Table 8: Diamond Drill Hole Specifications*

Drilling in 2007 was completed by Elite Diamond Drilling Inc. of Revelstoke, BC, utilizing a helicopter-portable JKS Super-300, diesel-powered drill equipped with BTW wireline tools. Drilling in 2008 was completed by Elite Diamond Drilling Inc. of Revelstoke, BC and Beaudoin Diamond Drilling Ltd. of Courtney, BC. The work was done with a helicopter-portable JKS Super-300 diesel-powered drill using BTW equipment. Drilling in 2010 was completed by Kluane Drilling Ltd. of Whitehorse, YT, utilizing a helicopter-portable drill of unknown model, equipped with NTW wireline tools. All drill holes were sighted in by compass and some limited downhole surveying was performed in 2008; however, due to freezing groundwater, downhole surveying could not be safely performed, and the holes that were surveyed showed significant deviations in the azimuth. Sampling methods and analytical techniques are described in Section 11.3.

None of the drill core remains on the Michelle Project. The 2007 and 2008 drill core was transported to Whitehorse, YT, and is currently stored in its entirety at the H.S. Bostock Core Library – a repository maintained by the Yukon Geological Survey. The 2010 core was transported to Eldorado Creek, south of Dawson, and its whereabouts is currently unknown. The author is not aware of any drilling, sampling or recovery factors that could materially impact the accuracy and reliability of the results. Drill collar locations for the Gully and Peak zones are plotted on Figures 11 and 12. Significant results from all drill programs are summarized in Table 9 below.

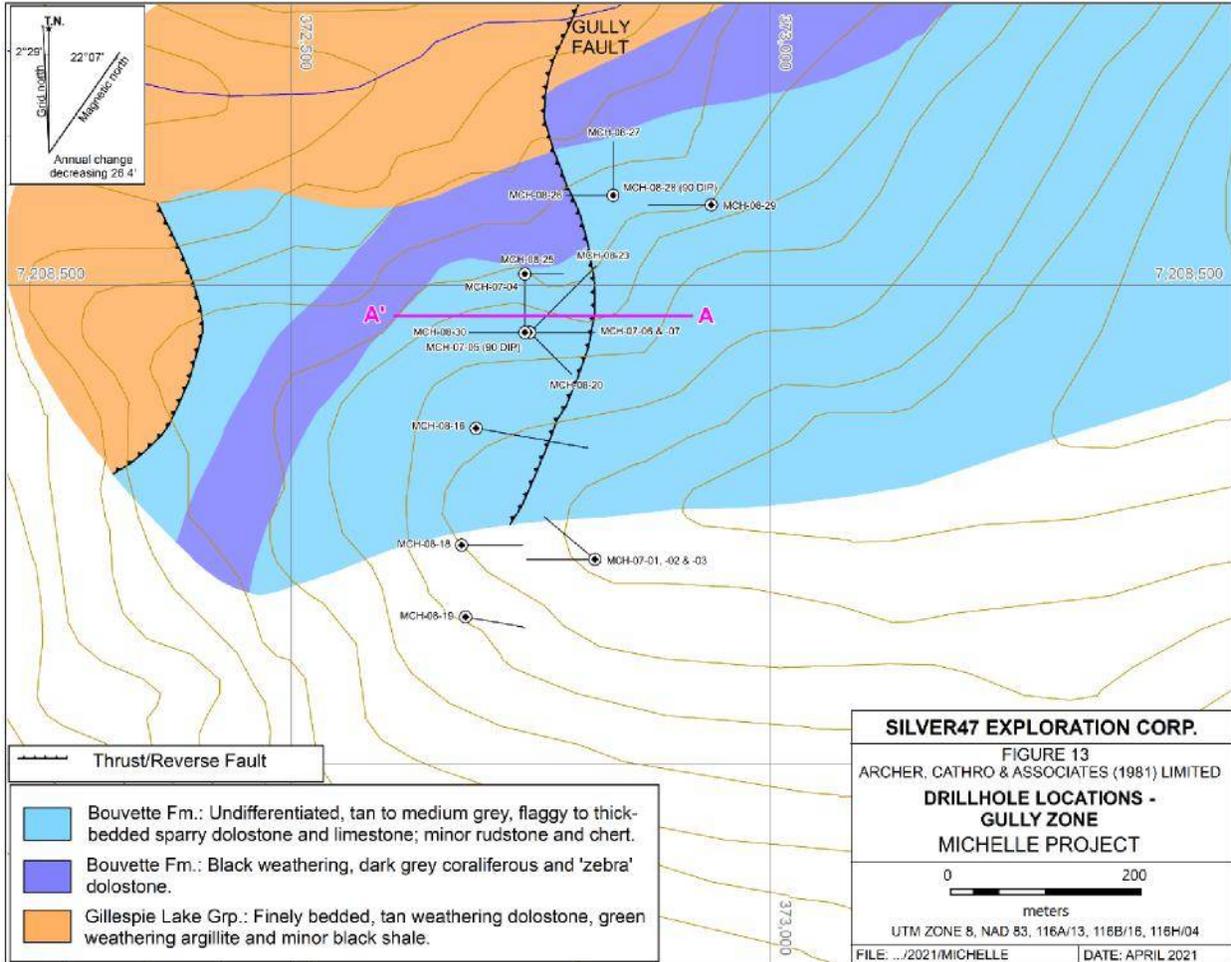


Figure 11: Drill Hole Locations - Gully Zone

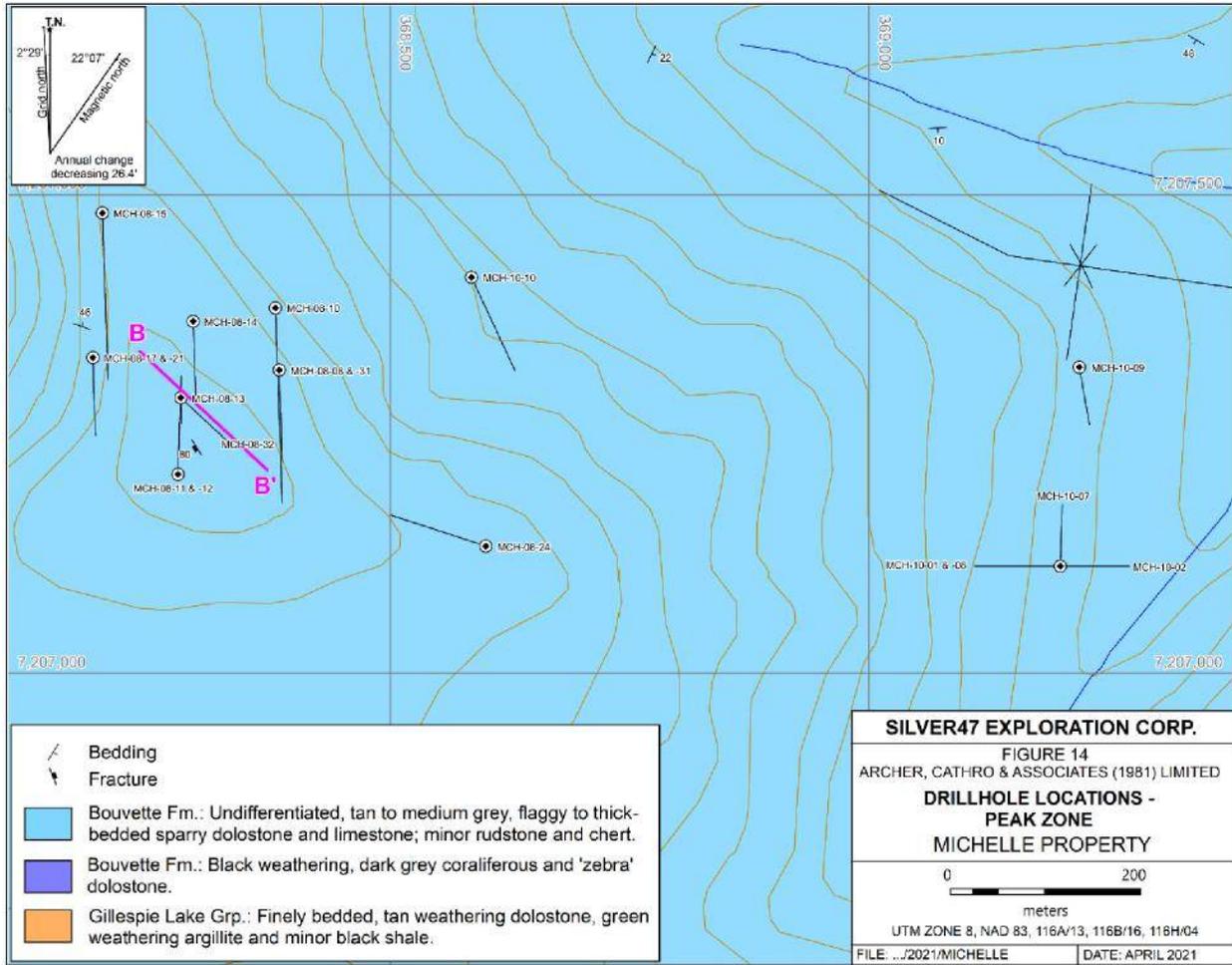


Figure 12: Drill Hole Locations - Peak Zone

Hole	Zone	From (m)	To (m)	Length (m)	Ag (g/t)	Zn (%)	Pb (%)	Zn + Pb (%)
MCH-07-04	Gully	70.35	95.75	25.4	0.3	1.64	0.03	1.67
including		93.57	95.75	2.18	0.9	10.15	0.23	10.38
MCH-07-05	Gully	64.23	65.27	1.04	0.9	1.54	0.01	1.55
		67.13	68.85	1.72	0.3	2.2	0.01	2.21
MCH-07-06	Gully	35.66	53.95	18.29	310	16.75	8.86	25.61
including		45.22	53.16	7.94	511	22.71	17.38	40.09
MCH-07-07	Gully	47.85	57	9.15	2.1	12.62	0.1	12.72
including		49.1	53.3	4.2	2.6	23.98	0.18	24.16
MCH-08-16	Gully	42.6	43.85	1.25	1	1.04	0.06	1.1
		44.78	45.8	1.02	1	1.57	0.07	1.64
MCH-08-20	Gully	26.78	36.18	9.40 †	152	5.36	16.36	21.72
		36.18	39	2.82 †	1	1.94	0.06	2
		40.75	42.19	1.44 †	1	1.04	0.01	1.05
		53.67	60.38	6.71 †	4	15.04	0.07	15.11
including		54.77	58.23	3.46 †	6	27.73	0.13	27.86

Hole	Zone	From (m)	To (m)	Length (m)	Ag (g/t)	Zn (%)	Pb (%)	Zn + Pb (%)
MCH-08-23	Gully	54.57	56.34	1.77 †	1	1.92	0.11	2.03
		74.13	75.52	1.39 †	1	1.27	0	1.27
		78.13	107.29	29.16 †	2	1.56	0.02	1.58
including		79.62	80.72	1.10 †	4	4.49	0.97	5.46
MCH-08-26	Gully	17.91	24.37	6.46 †	1	1.03	0.02	1.05
MCH-08-27	Gully	26.39	28.83	2.44 †	1	1.62	0.04	1.66
MCH-08-28	Gully	8.33	10.17	1.84 †	1	1.92	0.01	1.93
		12.37	14.26	1.89 †	1	1.17	0	1.17
		19.87	21.35	1.48 †	3	2.05	0.08	2.13
MCH-08-30	Gully	76.27	77.28	1.01 †	1	1.18	0.01	1.19
		95.54	99.34	3.80 †	1	1.07	0.06	1.13
MCH-08-32	Peak	19.58	21.22	1.64 †	0	1.24	0.05	1.29
		53.43	53.43	24.54 †	347	1.20	3.29	4.49
including		40.04	43	2.96 †	2134	0.55	15.18	15.73
and		50.85	52.43	1.58 †	121	8.10	0.22	8.32
MCH-08-11	Peak	60.05	71.74	11.69 †	60	3.69	0.5	4.19
		82.08	95.39	13.30 †	24	3.31	0.39	3.7
including		85.32	90.67	5.34 †	24	4.79	0.46	5.25
		103.17	113.32	10.15 †	10	3.55	0.08	3.63
		117.96	120.16	2.20 †	1	1.28	0	1.28
		124.6	126.46	1.86 †	1	1.4	0.01	1.41
MCH-08-13	Peak	26.95	29.92	2.97	451	1.59	7.16	8.75
		38.82	42.15	3.33	57	1.46	0.3	1.76
MCH-08-14	Peak	47.44	49.1	1.66	4	1.8	0.04	1.84
		102.05	103.05	1	3	1.78	0.02	1.8
MCH-08-17	Peak	18.92	20.42	1.5	76	2.04	3.13	5.17
		60.1	68.86	8.76	12	2.77	0.21	2.98
MCH-08-21	Peak	9.8	17.32	7.52	52	1.25	6.85	8.1
including		14.4	17.32	2.92	133	0.34	17.58	17.92
		65.69	68.59	2.9	113	1.9	0.8	2.7
MCH-10-09	Blender	79.86	80.47	0.61	3.54	0.50	0.42	0.91

\* True widths often cannot be reliably calculated; intercepts marked by † are believed to be less than 90% of the apparent width.

Table 9: Significant Diamond Drill Results

Drill results from the four mineral occurrences – Gully, Peak, Blender and Terrier – are discussed in the appropriate sub-sections below.

### **Gully Zone**

In 2007, seven drill holes tested for the source of the mineralized float at the Gully Zone. Holes MCH-07- 01, -02 and -03 were drilled westward and designed to test for fault-controlled mineralization. The holes demonstrated that the Gully Fault dips to the west and, as a result, intersected only sparsely mineralized footwall rocks. MCH-07-04, -05, -

06 and -07 were drilled from a single pad on the west side of the Gully Zone. They were positioned to test possible fault- and strata-controlled mineralization.

In 2008, eleven more holes were directed toward the Gully Zone, with the objectives of: 1) determining the continuity and grade of the north-striking, moderate west-dipping Gully Fault; and 2) testing for stratabound, shallowly dipping mineralization at or slightly above the unconformity separating Bouvette Formation from underlying Proterozoic-age rocks.

The majority of drill holes intersected Bouvette Formation (CDB and CDB1), laminated to thickly bedded, light to medium grey weathering limestone. The limestone is cut by carbonate-filled veinlets and veins that predate mineralized fracturing and faulting. Cavities are common in carbonate-filled structures where calcite has been leached by groundwater, and are occasionally filled with minor limonite ± trace smithsonite. Weathering and extensive fracturing have resulted in local decomposition of limestone to silt- and sand- size particles. Gillespie Lake Group siltstone (IPG1), encountered in holes (MCH-08-25, -26, -27, -28, -29 and -30), is described as dark grey, banded to massive and saccharoidal, unaltered, limey siltstone.

Several drill holes at the Gully Zone successfully intersected high-grade, structurally controlled mineralization along the west-dipping Gully Fault, as well as stratabound and intercalated, low-grade mineralization near the base of CDB1, where it lies unconformably above IPG1 (Figure 13). The two best intersections were from holes MCH-07-06 and MCH-07-07, which cut directly across the Gully Fault. Hole MCH-07-06 intersected a seven metre wide section of the fault, starting from a depth of 36 m. The hole cut vuggy, dolomitized limestone, with abundant, cavity-filling, boxwork limonite and smithsonite, and a series of galena veins, up to 3 cm wide. Below this, the hole intersected an 11 m wide crackle breccia, with abundant smithsonite and rare residual galena. Assays returned much higher values than were anticipated from visual estimates. An 18.29 m wide interval, starting at 35.66 m, yielded weighted average grades of 309.5 g/t silver, 16.76% zinc and 8.87% lead, including a sub-interval of 510.7 g/t silver, 22.72% zinc and 17.38% lead over 7.94 m. Hole MCH-07-07 intersected the fault zone from a depth of 52 m, which was described as intensely oxidized breccia with fracture-filling boxwork limonite, hosting about 2% smithsonite. A 9.15 m interval, starting from 47.85 m, yielded average grades of 2.1 g/t silver, 12.62% zinc and 0.10% lead, including 2.7 g/t silver, 21.92% zinc and 0.17% lead over 4.85 m. None of the drill holes intersected the Gully Fault below the unconformity. It is therefore uncertain whether or not the mineralization continues into the underlying Gillespie Lake Group siltstone (Eaton, 2009).

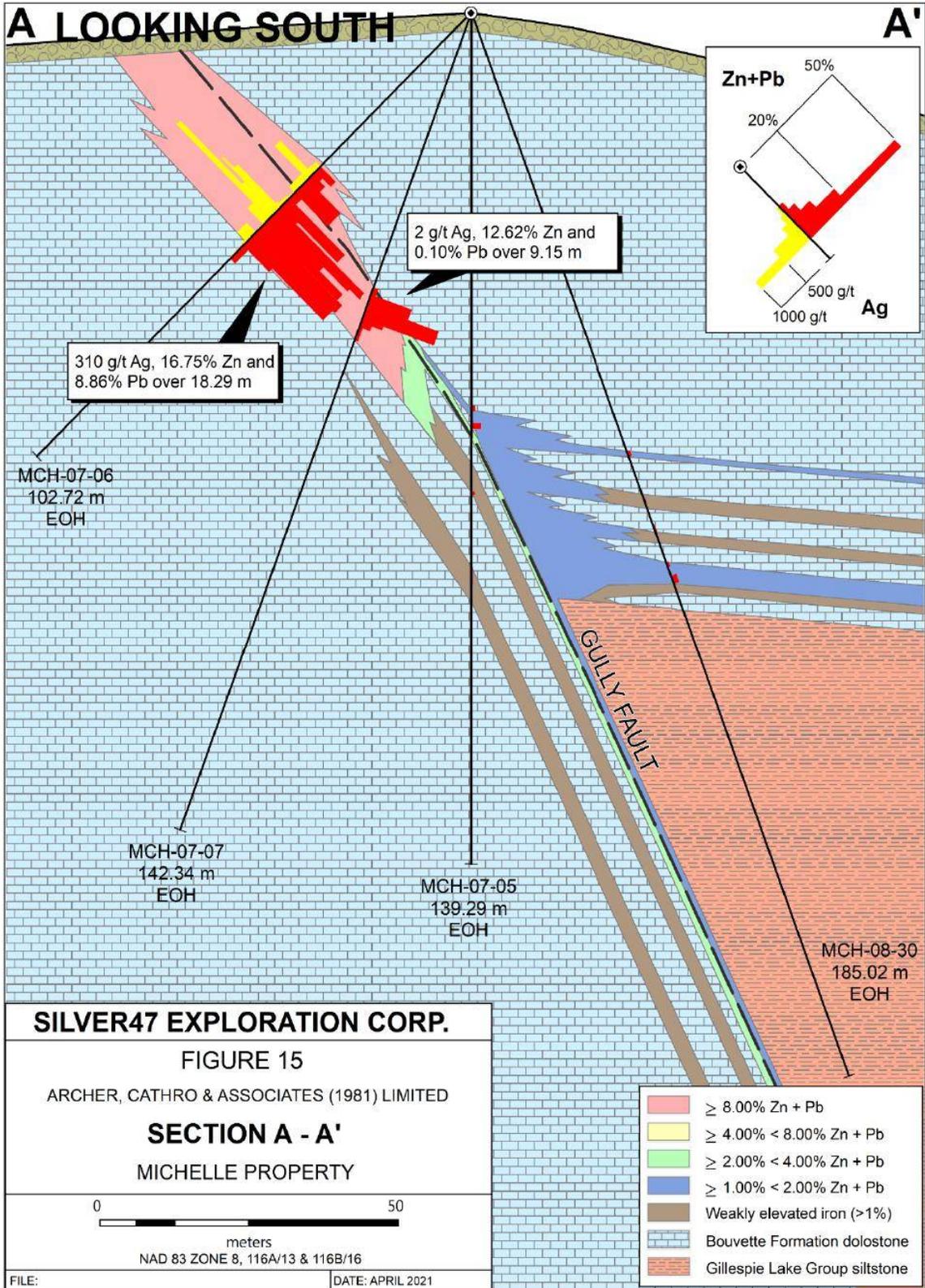


Figure 13: Section A - A' (adapted from Eaton, 2009)

### ***Peak Zone***

In 2008, 15 holes were completed at the Peak Zone, and in 2010, one additional hole was drilled. Drilling in 2008 was mostly performed to test an east-striking, moderately north-dipping, mineralized structure that was inferred by prospecting and geochemical sampling. The first holes were drilled to confirm the suspected strike and dip of the structure, while most the remaining holes were drilled across the structure. Two of the holes (MCH-08-22 and -24), located about 250 m east of the nearest surface exposure of the east-west striking structure, tested two north-striking, steeply dipping faults. These secondary structures are marked at surface by prominent outcrops of massive, dark brown limonite – samples from which returned weak zinc and strong gallium values.

In 2010, a single drill hole at the Peak Zone was collared 280 m to the north of MCH-08-22 and -24. The hole intersected massive, fine grained limestone and dolostone and the vast majority of the core was not sampled.

Drilling at the Peak Zone demonstrated that most of the surface mineralization and geochemical response is derived from two sub-parallel zones that are oriented east-west, with the most northerly zone being the strongest of the two. Both zones are defined by brecciation and secondary oxide and carbonate mineralization, and vary in thickness along strike. Subordinate, north-east striking, steeply dipping structures were also identified through drilling. The exact nature of these zones and structures is poorly understood.

The most significant drill results were obtained from hole MCH-08-32, which was drilled obliquely to the northernmost of the sub-parallel zones (Figure 14). This hole intersected 347 g/t silver, 1.20% zinc and 3.29% lead over a width of 24.54 m, including 2134 g/t silver, 0.55% zinc and 15.18% lead over 2.96m (Eaton, 2009)

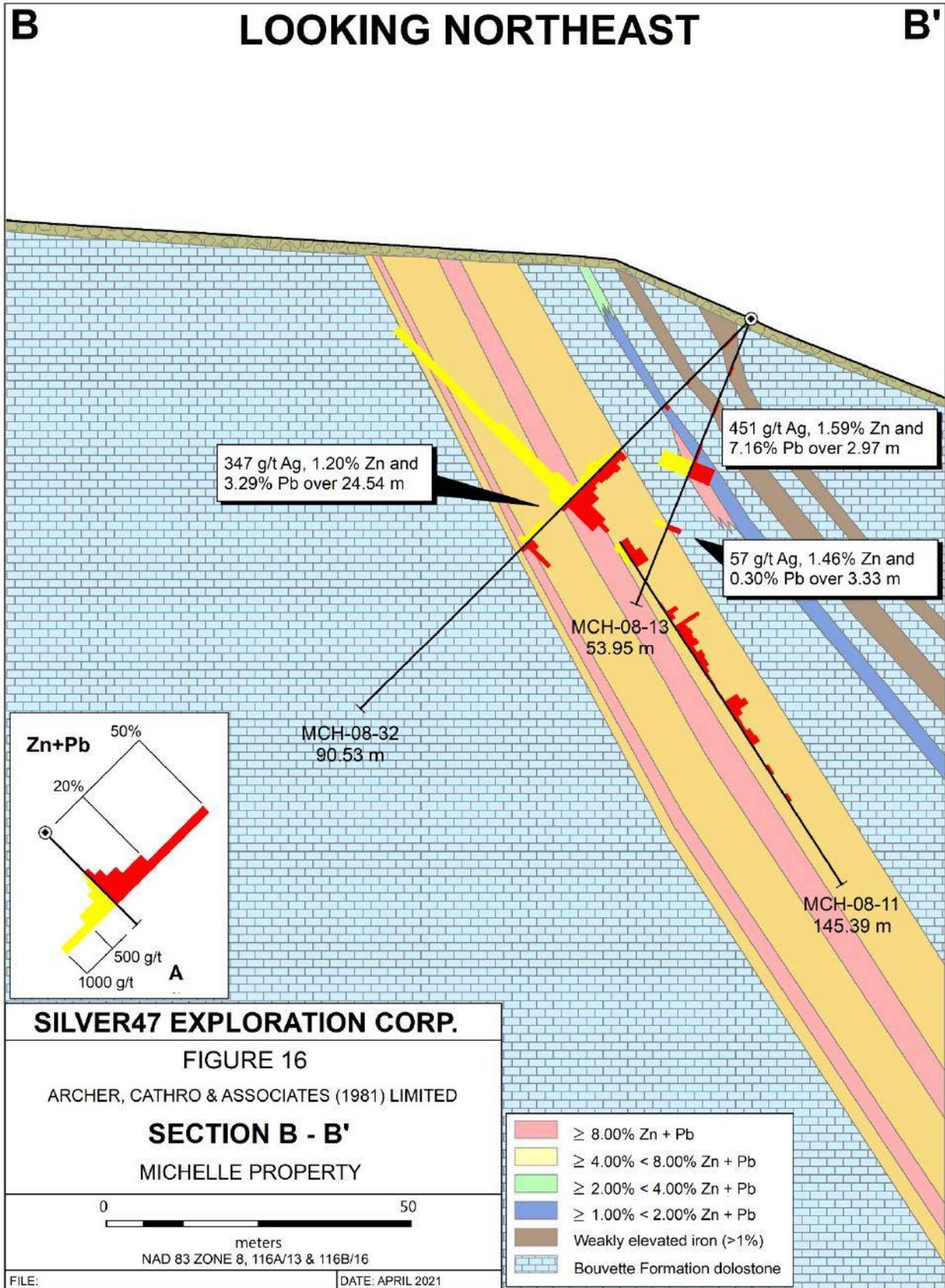


Figure 14: Section B - B' (adapted from Eaton, 2009)

### ***Blender Showing***

In 2010, five drill holes were directed toward the Blender Showing. The target of these holes is uncertain because there are no strong structures in the area, and mineralization observed in talus could have been transported a considerable distance from its source. Four of the holes, (MCH-10-01, -02, -07 and -08) were drilled from a single drill pad, while the fifth (MCH-10-09) was collared 200 m to the north. Hole MCH-10-09 intersected several sections of limestone that had decomposed to silt- and sand- size particles, which were interpreted as karst fillings, as well as sections hosting abundant limonite. This hole yielded the most significant result of the 2010 program: 3.54 g/t silver, 0.50% zinc and 0.42% lead over 0.61 m (Liverton, Mann and Frizzi, 2010).

### ***Terrier Showing***

In 2010, four holes were completed the Terrier Showing. The drill core was selectively assayed based on visual estimates of grade, which likely underestimated the extent of secondary oxide and carbonate mineralization. In addition, all of the drill holes at the Terrier Showing were positioned far to the west of the mineralized structure, and it is likely that they failed to intersect their intended targets. There were no significant drill results from these holes (Liverton, Mann and Frizzi, 2010).

### **Sampling, Analyses and Security**

All samples collected from the Michelle Project from 2006 to 2008, and from 2014 to 2017, inclusive, were controlled by employees of Archer Cathro. Sources for the sample information below are: Eaton (2008) for the 2007 geochemical and diamond drill program; Eaton (2009) for the 2008 geochemical and diamond drill program; Burrell (2015) for the 2014 geochemical program; Morton (2016) for the 2015 geochemical program; and Morton (2018) for the 2017 geochemical program.

Sampling procedure and analytical techniques for the 2009 and 2010 programs are sourced from: Mann (2010); and Liverton, Mann and Frizzi (2010).

Sampling procedure and analytical techniques for the GSC stream sediment survey are sourced from Goodfellow and Lynch (1978).

### ***Stream Sediment and Soil***

In 1976 and 1977, the GSC collected stream sediment and water samples from central Yukon at an average density of one sample per 13 km<sup>2</sup> throughout a 63,000 km<sup>2</sup> survey area. Samples were air-dried and screened to minus 177 microns, and sent to Chemex Labs in Vancouver, BC (now ALS Limited) (“ALS”) for the analysis of 10 elements via atomic absorption spectroscopy. Tungsten was determined by spectrophotometer, while uranium was determined using a neutron activation method. Fluoride in stream water samples was determined using an ion electrode. Reference and duplicate samples were inserted into batches of 20 sediment samples and used for quality control upon receipt of the analysis.

All soil geochemical samples collected in 2008 and 2009 were taken at 50 to 100 m intervals along topography-controlled contour lines. Stream sediment samples from 2008 were collected at regular intervals in drainages, established using a handheld GPS unit, while soil sample sites were located by means of hip-chain surveys with frequent checks using GPS units. Both were marked with orange flagging tape labelled with the sample number. Soil and stream sediment samples were collected either by hand or using mattocks and were placed into individually pre-numbered kraft paper bags.

The silt and soil samples were sent to an ALS laboratory, where they were dried and screened to minus 180 microns. A 50 g split of the screened fraction was dissolved in a four acid solution and analyzed for 47 elements using a combination of inductively coupled plasma-mass spectroscopy and inductively coupled plasma-atomic emission spectroscopy (ME-MS61). Over limit zinc, lead and silver values were determined using Zn-, Pb- or Ag-OG46.

The 2014 soil samples were collected at 50 m intervals along contour lines. The sample sites were located by means of hip-chain surveys with frequent checks using handheld GPS units, and were marked with orange flagging tape

labelled with the sample number. Soil samples were collected using mattocks and were placed into individually pre-numbered kraft paper bags.

The soil samples were sent to ALS, where they were dried and screened to minus 180 microns. A 50 g split of the screened fraction was dissolved in a four acid solution and analyzed for 47 elements using a combination of inductively coupled plasma-mass spectroscopy and inductively coupled plasma-atomic emission spectroscopy (ME-MS61). Over limit zinc, lead and silver values were determined using Zn-, Pb- or Ag-OG46.

### ***Rocks***

In 2008 and 2009, all rock geochemical sample sites on the property were marked with orange flagging tape labelled with the sample number. The location of each sample was determined using a handheld GPS unit.

The rock samples were submitted to an ALS laboratory in North Vancouver, BC, where they were dried and fine crushed to -2 mm. A 250 g split was then pulverized to 75 micron and a portion of this material was digested in a four acid solution before being analyzed for 33 elements by inductively coupled plasma-atomic emission spectroscopy (ME-ICP61a). Over limit zinc, lead and silver values were determined using aqua regia digestion with inductively coupled plasma and either atomic emission spectroscopy or atomic absorption spectroscopy (Zn-, Pb- or Ag-OG46). Samples that exceeded 30% zinc or 20% lead were re-analyzed by wet chemical assay techniques (Zn-VOL50 or Pb-VOL70).

In 2010, samples collected during prospecting and mapping were in all cases from loose rock on surface (felsenmeer) rather than from outcrop. Therefore samples are all grab samples, not measured width. Each sample weighed between 0.4 and 1.3 kg. The sample number was written on flagging tape and wrapped around a rock at each sample site.

Samples were submitted to an ALS laboratory, where they were dried before being weighed and crushed to 70% less than 2 mm, then riffle split to achieve a 250 gram (approximate) sub-sample. The sub-sample was pulverized in a ring and puck pulverizer to 85% less than 75 microns. The sub-sample was then re-homogenized by riffle splitting. Samples were initially analyzed by 48 element four acid near-total digestion and inductively coupled plasma-mass spectroscopy method (ME-MS61) using a one gram subsample. Over limit values for silver, lead or zinc were reanalyzed using the ore grade methods (OG62), with four acid digestion and inductively coupled plasma-atomic emission spectroscopy or atomic absorption finish. Samples that exceeded the OG62 analytical limits were further analyzed by a 30 g fire assay with gravimetric finish for silver (method Ag- GRA21) or by titration methods for lead (method Pb-VOL70).

The 2014 rock geochemical sample sites on the property were marked with orange flagging tape labelled with the sample number. The location of each sample was determined using a handheld GPS unit.

The rock samples were submitted to ALS in North Vancouver, BC where they were dried and fine crushed to -2 mm. A 250 g split was then pulverized to 80 microns and a portion of this material was dissolved in a four acid solution and analyzed for 47 elements using a combination of inductively coupled plasma-mass spectroscopy and inductively coupled plasma-atomic emission spectroscopy (ME-MS61). Over limit zinc, lead and silver values were determined using aqua regia digestion with inductively coupled plasma and either atomic emission spectroscopy or atomic absorption spectroscopy (Zn-, Pb- or Ag-OG46). Samples that exceeded 30% zinc or 20% lead were re-analyzed by wet chemical assay techniques (Zn-VOL50 or Pb-VOL70). Samples that exceeded Ag-OG46 were further analyzed using a gravimetric finish (Ag-GRA21).

In 2015 and 2017, rock sample sites were marked with orange flagging tape labelled with the sample number. The location of each sample was determined using a handheld GPS unit.

Rock sample preparation and multi-element analyses were carried out at ALS laboratories in Whitehorse, YT, and North Vancouver, BC, respectively. Each sample was dried and fine crushed to better than 70% passing 2 mm, and then a 250 g split was pulverized to better than 85% passing 75 microns. The fine fraction was analyzed for 48 elements using an aqua regia digestion followed by inductively coupled plasma combined with mass spectroscopy and atomic emission spectroscopy (ME-MS61). Over limit zinc, lead and silver values were determined using aqua regia digestion with inductively coupled plasma and either atomic emission spectroscopy or atomic absorption spectroscopy (Zn-, Pb- or Ag-OG46).

### ***Drill Core***

All drill collar locations were marked with a 1 m long 4"x4" timber affixed with a metal tag listing the hole number, azimuth, dip and total depth. Survey control was established by handheld GPS.

In 2007 and 2008, core was transported by helicopter from the drill sites to a camp near the Chapman Lake aerodrome. From here, the core was quickly logged in camp before being shipped to Whitehorse by truck, where it was processed at the Archer Cathro facility. Once in Whitehorse, core markers were converted from feet to metres, recovery was measured and geological and geotechnical logging was performed. After logging, intervals for geochemical analysis were outlined for sampling and sample intervals were recorded.

Drill holes were selectively sampled and cut in half with a diamond core saw. About 14% of the core was sawn in 2007, and 23% of the core in 2008. Intervals were selected based on the presence of veins, alteration, faults, breccias, and visual estimates of silver-, zinc- and/or lead-bearing minerals. In both programs, once the core was sawn, half of the core was bagged in numbered plastic bags, placed in rice bags, sealed for shipping and sent for analysis. The other half was returned to the core box for future reference. No independent quality assurance and quality control (QAQC) samples were processed with the 2007 core; however, in 2008, blank samples were randomly included in every batch of 20 core samples. For both programs, core samples were shipped to an ALS laboratory in North Vancouver, BC.

In 2007, core samples were analyzed for 34 elements using aqua regia digestion and inductively coupled plasma-atomic emission spectroscopy (ME-ICP41). Samples that exceeded 10,000 ppm lead, 10,000 ppm zinc or 100 g/t silver were re-analyzed using aqua regia digestion with inductively coupled plasma and either atomic emission spectroscopy or atomic absorption spectroscopy (Pb, Zn- or Ag-OG46). Samples that exceeded 30% zinc or 20% lead were determined using wet chemical assay techniques (Pb-VOL70 and Zn-VOL50). Samples that exceeded 1500 g/t silver were re-analyzed using fire assay and a gravimetric finish (Ag-GRA21).

In 2008, each core sample was analyzed for zinc, lead, silver, gallium and 30 other elements. Analysis for a multi-element package was done by inductively coupled plasma combined with either mass spectroscopy or atomic emission spectroscopy (ME-ICP61a). Over limit zinc, lead and silver values from the ME-ICP61a technique were reanalyzed to obtain full values (Zn-, Pb- and Ag-OG62).

In 2010, core was transported by truck and helicopter to a camp on Eldorado Creek, south of Dawson City, YT. There the core was processed and marked for sampling based on geological features, as well as the use of a Niton portable X-Ray Fluorescence (XRF) Analyzer. Samples were sawn in half, with one half sealed in a plastic sample bag with a numbered tag and the other was returned to the core box. Samples in plastic bags were packed into poly-weave sacks and sealed with nylon zip ties. No independent QAQC samples were processed with the 2010 core.

The 2010 core samples were delivered to the ALS preparation laboratory in Whitehorse, YT, where they were prepared then sent internally to ALS in North Vancouver, BC. Sample preparation for core involved crushing to 70% less than 2 mm. A 250 g split of the crushed material was then pulverized to better than 85% passing 75 microns. Splits were analyzed by 48 element four-acid "near-total" digestion (ME-MS61) using a one gram sub-sample. Over limit zinc, lead and silver values from the ME-ICP61 technique were reanalyzed to obtain full values (Zn-, Pb- and Ag-OG62).

### **Data Verification**

The geochemical data was verified by sourcing analytical certificates and digital data. Analytical data quality assurance and quality control was indicated by the favourable reproducibility obtained in laboratory and company inserted blanks in the 2008 drill core. There does not appear to have been any tampering with or contamination of the samples during collection, shipping, analytical preparation or analysis. In the Author's opinion, the data provided in this technical report is adequately reliable for its purposes. In 2007 and 2008, the core was logged and sample intervals were outlined by Archer Cathro geologists, directed and supervised by a certified professional geologist. In 2010, the core was processed by geologists working directly for Zinccorp.

The Author is of the opinion that the procedures followed are suitable for the geochemical sampling that has been conducted to-date. If drilling is conducted at a future stage, chain of custody and sample security procedures should

be put in place. Future standards should be selected to closely match the range of silver, zinc and lead values that are expected, and should include both high grade and low grade material.

### **Mineral Processing and Metallurgical Testing**

No metallurgical test work has been conducted on materialization from the Michelle Project. It is not yet known which mineral processing techniques would be applicable for mineralization on the property, nor is it possible to estimate recovery factors at this stage.

### **Mineral Resource and Mineral Reserve Estimates**

There has not been sufficient work on the Michelle Project to undertake a mineral resource estimate calculation.

### **Processing and Recovery Operations**

It is not possible to estimate recovery factors at this stage.

### **Work Recommended in Technical Report**

A contingent, two-phase exploration program is recommended to follow up significant silver±zinc±lead showings and soil geochemical anomalies on the Michelle Project, with a Phase 1 program consisting of additional soil geochemistry, detailed mapping, prospecting and hand trenching with a budget of \$165,000. Contingent on results from Phase 1, a 900 m Phase 2 reverse-circulation (RC) drill program with a \$355,000 budget is proposed, in order to follow up results from Phase 1 and earlier work programs.

The three principal goals of the Phase 1 program are to evaluate several silver-lead-zinc targets on the property by: 1) characterizing each target in terms of grade, size and geometry; 2) developing a drill proposal for each of the targets, if warranted; and 3) ranking each target for drilling priority. The program is designed as a series of temporary, self-contained, helicopter-portable camps to take place over a period of approximately one month.

Mapping, prospecting and hand trenching are specifically recommended in order to follow up: the 2015 hand trench at the Silver Matt showing; the 2015 hand trenches at the Polar Showing; the 2017 hand trenches at the Scorpion Showing; the potential for strike extension along the Gully Fault, south of the mineralized 2007 and 2008 drill intercepts; the 2015 and 2017 hand trenches at the Gaynor Showing; the 2015 hand trench at the Nanny Showing; and widespread mineralized talus observed at the Boxer Showing, which has seen very limited work to date.

If RC drilling is conducted, additional Certified Reference Materials (“CRM”) should be obtained that have certified results for silver, zinc and lead close to the range of values expected in mineralized areas. CRMs should include high grade and low grade values to test the laboratory across all anticipated ranges of values.

### ***Budget***

Based on the above recommendations, the following contingent two phase exploration program with corresponding budget is proposed. Phase 2 is entirely contingent on results from Phase 1.

#### **Phase 1**

• Helicopter	\$28,400
• Assays – 875 soil samples (ME-MS41)	\$26,300
• Assays – 50 rock samples (ME-MS41 and over limits)	\$1,800
• Assays – disposal	\$1,900
• Field equipment and supplies	\$8,000
• Accommodation, food	\$7,200
• Transportation	\$2,200
• Labour, including expediting	\$61,700
• Contingency (20%)	<u>\$27,500</u>

<b>TOTAL:</b>	\$165,000
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**Phase 2**

• Helicopter	\$115,000
• RC drilling – 900 m in eight holes, all-in	\$110,000
• Assays – 670 chip samples (ME-MS41 and over limits)	\$22,000
• Assays – disposal	\$1,500
• Field equipment and supplies	\$12,000
• Accommodation, food	\$18,500
• Transportation	\$6,000
• Labour, including expediting	\$70,000
• Contingency (20%)	\$71,000

<b>TOTAL:</b>	\$355,000
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**AVAILABLE FUNDS AND PRINCIPAL PURPOSES**

**Available Funds and Principal Purposes**

This is a non-offering prospectus. The Company is not raising any funds in conjunction with this Prospectus and, accordingly, there are no proceeds to be raised by the Company pursuant to this Prospectus. The Company had working capital as at September 30, 2021 of \$1,491,827. Upon Listing, the principal purposes for the foregoing available funds will be as follows:

<u>Principal Purposes</u>	<u>Amount</u>
Estimated remaining expenses of the Listing (regulatory, filing, legal expenses, etc.)	\$150,000
Recommended Exploration Program expenditures on the Property <sup>(1)</sup>	\$520,000
Estimated general and administrative expenses for 12 months <sup>(2)</sup>	\$282,000
Unallocated working capital	\$539,827
<b>Total</b>	<b>\$1,491,827</b>

**Notes:**

- (1) See “*Material Property – Work Recommended in Technical Report – Budget*”.
- (2) Estimated based on the following amounts: \$113,400 in consulting fees, \$80,800 in management fees, rent and overheads, \$30,000 in D&O insurance, \$22,000 in legal fees, \$32,200 in audit and tax fees, and \$3,600 in transfer agent fees.

The available funds will be sufficient to achieve the Company’s objectives over the next 12 months. The Company intends to spend the funds available to it as stated in this Prospectus. There may be circumstances, however, where for sound business reasons a reallocation of funds may be necessary. In addition, the current COVID-19 pandemic as well as future unforeseen events may impact the ability of the Company to use the available funds as intended or disclosed. Use of funds will be subject to the discretion of management. Until the Company uses the unallocated funds, the Company will hold them in cash and/or invest them in short-term, interest-bearing, investment-grade securities. The Company has had negative cash flow from operations since Incorporation. See “*Risk Factors*” for further detail.

**Business Objectives and Milestones**

The Company’s intended business objective and milestone following the Listing is to complete the Recommended Exploration Program on the Property, as described herein. Based upon the recommendations of the Author in the Technical Report, the Company has commenced work on the initial aspects of the Recommended Exploration Program. The remainder of the Recommended Exploration Program is expected to be completed within approximately 9 to 12 months from the date of this Prospectus. See “*Material Property – Work Recommended in Technical Report*”. The milestone for the Company is to conduct sufficient exploration to achieve an initial maiden compliant resource on the project.

The Company intends to spend a significant portion of the funds available to it on the Recommended Exploration Program, as stated in this Prospectus. There may be circumstances however, where, for sound business reasons, a reallocation of funds may be necessary.

### Negative Operating Cash Flow

Siver47 has had negative cash flow from operations since Incorporation. The Company anticipates it will continue to have negative cash flow from operating activities in future periods until such time as the Property or other future interests generate revenues. Future cash flows from such interests are dependent upon the underlying projects achieving production. There can be no assurance that such production will ever be achieved. See “*Caution Regarding Forward-Looking Statements*” and “*Risk Factors*”.

### DIVIDEND POLICY

The Company has not declared or paid any dividends or other distributions on the Common Shares or the Original Silver47 Shares since Incorporation. The Company does not currently have a policy with respect to the payment of dividends or other distributions. While there are no restrictions precluding the Company from paying dividends, it has no source of cash flow, and anticipates using all available cash resources toward its stated business objectives. As such the Company does not anticipate the payment of dividends in the foreseeable future. At present, the Company’s policy is to retain earnings, if any, to finance its business operations. The payment of dividends in the future will depend upon, among other factors, the Company’s earnings, capital requirements and operating financial conditions.

### SELECTED FINANCIAL INFORMATION

The following table sets forth selected financial information of the Company for the periods or as at the dates indicated. This summary financial information should be read in conjunction with the “*Financial Statements for the Company*” attached to and forming part of this Prospectus as Schedule A and the “*Management Discussion and Analysis for the Company*” attached to and forming part of this Prospectus as Schedule B.

	<b>For the period from January 29, 2021 to July 31, 2021 (audited) (\$)</b>
Total current assets	1,557,295
Total non-current assets	Nil
Total Assets	1,557,295
Current Liabilities	65,306
Total Liabilities	65,306
Deficit	465,478

As an exploration stage company, the Company has not generated revenue from its property interest and does not anticipate it will do so for the foreseeable future. The Company and management anticipates that expenses related to mineral exploration and administration of the Company will materially increase after it acquires the Property following Conditional Approval. Management anticipates that such expenses will include increased exploration expenditures with respect to the Property and increased professional fees, and other costs associated with compliance with applicable securities laws in connection with closing of the Listing.

### FINANCIAL STATEMENTS AND MANAGEMENT’S DISCUSSION AND ANALYSIS

The following financial statements of the Company and its subsidiaries and MD&A are included as schedules to this Prospectus:

- Schedule A:** Audited financial statements of the Company for the period from January 29, 2021, to July 31, 2021.

**Schedule B:** Management's discussion and analysis of the Company for the period from January 29, 2021, to July 31, 2021.

The financial statements listed above have been prepared in accordance with IFRS.

Certain information included in the MD&A is forward-looking and based upon assumptions and anticipated results that are subject to uncertainties. Should one or more of these uncertainties materialize or should the underlying assumptions prove incorrect, actual results may vary significantly from those expected. See "*Caution Regarding Forward-Looking Statements*".

## DESCRIPTION OF SHARE CAPITAL

The following describes material terms of the Company's authorized share structure. The following description may not be complete and is subject to, and qualified in its entirety by reference to, the terms and provisions of the Company's Articles.

### Common Shares

The Company's authorized capital consists of an unlimited number of Common Shares of which 22,528,200 Common Shares are issued and outstanding as at the date of this Prospectus. The holders of the Common Shares are entitled to receive notice of and to attend and vote at all meetings of shareholders (other than meetings at which only holders of another class or series of shares are entitled to vote). Each Common Share carries the right to one vote. In the event of the liquidation, dissolution or winding-up of the Company or any other distribution of the assets of the Company among its shareholders for the purpose of winding-up its affairs the holders of the Common Shares will be entitled to receive, on a *pro rata* basis, all remaining property and assets of the Company. The holders of Common Shares are entitled to receive dividends as and when declared by the Board in respect of the Common Shares on a *pro rata* basis. Upon the Company becoming a reporting issuer, there will be no pre-emptive, redemption, retraction, purchase or conversion rights attached to the Common Shares.

### Warrants

As of the date of this Prospectus, there are 2,925,200 Warrants issued and outstanding. 2,840,000 Warrants are exercisable for 36 months from the date of issuance and entitle the holders thereof to purchase one Common Share at a price of \$0.75. 85,200 Warrants are exercisable for 36 months from the date of issuance and entitle the holders thereof to purchase one Common Share at a price of \$0.50.

See "*Options to Purchase Securities – Warrants*" for a description of the material terms of the Warrants.

### Options

As of the date of this Prospectus, there are 2,000,000 Options outstanding pursuant to the Share Compensation Plan to certain officers, directors, and consultants of the Company. Each Option is exercisable for 10 years from the date of issuance and entitles the holder thereof to purchase one Common Share at a price of \$0.50.

See "*Options to Purchase Securities – Share Compensation Plan*" for a description of the material terms of the Options and the Share Compensation Plan.

## CONSOLIDATED CAPITALIZATION

Other than as described in this Prospectus, there have been no material changes in the share capitalization or the indebtedness of the Company since the Amalgamation on July 29, 2021. The following table sets out the capitalization of the Company as at July 31, 2021, and the date of this Prospectus. See "*Prior Sales*" and "*Options to Purchase Securities*". The following table must be read in conjunction with the Company's Financial Statements

<b>Designation</b>	<b>Amount Authorized</b>	<b>Amount Outstanding as of July 31, 2021</b>	<b>Amount Outstanding as of the Date of this Prospectus</b>
Common Shares <sup>(1)</sup>	Unlimited	22,389,000	22,528,200
Options <sup>(2)</sup>	–	Nil	2,000,000
Warrants <sup>(3)</sup>	–	2,925,200	2,925,200
<b>Total</b>		<b>25,314,200</b>	<b>27,453,400</b>

**Notes:**

<sup>(1)</sup> See “Description of Share Capital – Common Shares”.

<sup>(2)</sup> See “Description of Share Capital – Options” and “Options to Purchase Securities”.

<sup>(3)</sup> See “Description of Share Capital – Warrants”.

## OPTIONS TO PURCHASE SECURITIES

### *Share Compensation Plan*

A Share Compensation Plan was approved by the Company’s Board of Directors effective as of September 30, 2021. The principal purpose of the Share Compensation Plan is to advance the interests of the Company by encouraging the directors, employees and consultants of the Company and of its subsidiaries or affiliates, if any, by providing them with the opportunity to be issued with and acquire Shares of the Company, thereby increasing their proprietary interest in the Company, and encouraging them to remain associated with the Company and furnishing them with additional incentive in their efforts on behalf of the Company in the conduct of its affairs.

The Share Compensation Plan provides that the aggregate number of securities reserved for issuance will be 10% of the number of common shares of the Company issued and outstanding from time to time.

The Share Compensation Plan is administered by the Board of Directors of the Company, which has full and final authority with respect to the granting of all Options and RSUs thereunder.

Options and RSUs may be granted under the Share Compensation Plan to such service providers of the Company and its affiliates, if any, as the Board of Directors may from time to time designate.

The number of Common Shares which may be issuable under the Share Compensation Plan: (a) shall not exceed 10% of the total number of the issued and outstanding Common Shares; (b) to persons employed to provide investor relations services, shall not exceed 1% of the issued and outstanding Common Shares at any one time; (c) within any consecutive 12-month period, the aggregate sale price or amount of Common Shares shall not exceed (i) US\$1,000,000; (ii) 15% of the total assets of the Company measured at the Company’s most recent balance sheet date; or (iii) 15% of the outstanding amount of the Common Shares of the Company, measured at the Company’s most recent balance sheet date.

The exercise prices of Options will be determined by the Board of Directors, but will, in no event, be less than the closing market price of Common Shares on the trading day prior to the date of grant of the Options less the maximum discount permitted under the CSE policies. All Options granted under the Share Compensation Plan will expire no later than the date that is ten years from the date that such Options are granted. Options granted under the Share Compensation Plan are not transferable or assignable other than by testamentary instrument or pursuant to the laws of succession.

Subject to certain limitations, in the event that an Option Holder’s position as a director, officer, employee or consultant is terminated for any reason other than long term disability, death or for cause, the options held by such Option Holder may be exercised within 90 days of termination (or 30 days if the Option Holder was engaged in investor relations activities), provided such options have vested and not expired. Subject to certain limitations, in the event that an Option Holder’s position as a director, officer, employee or consultant is terminated as a result of his or her death or long term disability, any options held by such Option Holder that could have been exercised immediately

prior to such termination of service shall be exercisable for a period of one year following the termination of service of such Option Holder.

Subject to certain limitations, in the event that an Option Holder's employment is terminated for cause, the options held by such Option Holder shall expire and terminate on the date of such termination for cause.

### Options

As of the date of this Prospectus 2,000,000 stock options have been granted to management and directors under the Share Compensation Plan as follows:

Category of Optionee	Grant Date	Number of Optionees	Number of Options	Exercise Price of Options
Directors <sup>(1)</sup>	September 30, 2021	3	1,500,000	\$0.50
Officers <sup>(2)</sup>	September 30, 2021	1	500,000	\$0.50

**Notes:**

(1) Options issued to Gary R. Thompson, Ryan Goodman and David Netherway in their capacity as directors of the Company.

(2) Options issued to Kevin Chen in his capacity as Chief Financial Officer of the Company.

### RSUs

As of the date of this Prospectus, no RSUs have been granted under the Share Compensation Plan.

### Warrants

As of the date of this Prospectus, there are 2,925,200 Warrants outstanding. See "Description of Share Capital – Warrants".

The following table summarizes the allocation of Warrants held by the following groups up to the date of this Prospectus:

<u>Holder of Warrants</u>	<u>Number of Warrants Held</u>	<u>Exercise Price (C\$ per Common Share)</u>	<u>Issue Date</u>	<u>Expiry Date</u>
Executive officers of Silver47, as a group <sup>(1)</sup>	Nil	N/A	N/A	N/A
Directors (who are not also executive officers) of Silver47, as a group <sup>(2)</sup>	Nil	N/A	N/A	N/A
Employees of the Company, as a group	-	N/A	N/A	N/A
Consultants of Silver47, as a group	Nil	N/A	N/A	N/A
<b>Total</b>	Nil			

**Notes:**

(1) This information applies to two executive officers of the Company.

(2) This information applies to three directors of the Company.

### Exploration and Development Costs

For the period from January 29, 2021, to July 31, 2021, the Company has incurred the following costs in connection with the Property:

	<u>For the period from January 29, 2021, to July 31, 2021</u>
Exploration and evaluation assets or expenditures	16,874
Expensed research and development costs	-
Intangible assets arising from development	-
General and administrative costs	-

Other material costs -

### PRIOR SALES

This table sets out particulars of the Common Shares and securities exercisable for or exchangeable into Common Shares issued within the 12 months prior to the date of this Prospectus:

<u>Date</u>	<u>Type of Security</u>	<u>Number of Securities</u>	<u>Issue/Exercise Price</u>	<u>Aggregate Issue Price</u>
January 29, 2021	Original Silver47 Shares <sup>(1)</sup>	10,000,000	\$0.001	\$10,000
January 29, 2021	Original Silver47 Shares <sup>(2)</sup>	2,000,000	\$0.01	\$20,000
March 5, 2021	Original Silver47 Shares <sup>(3)</sup>	400,000	\$0.10	\$40,000
June 1, 2021	Original Silver47 Shares <sup>(4)</sup>	2,500,000	\$0.05	\$125,000
July 8, 2021	Original Silver47 Shares <sup>(5)</sup>	2,840,000	\$0.50	\$1,420,000
July 8, 2021	Original Silver47 Warrants <sup>(6)</sup>	2,840,000	\$0.75	-
July 8, 2021	Original Silver47 Warrants <sup>(7)</sup>	85,200	\$0.50	\$17,040
July 29, 2021	Common Shares <sup>(8)</sup>	4,649,000	-	\$177,194
August 18, 2021	Common Shares <sup>(9)</sup>	139,200	\$0.50	\$69,600

**Notes:**

- (1) Issued in connection with the Incorporation to XT88, a company held solely by Gary R. Thompson. The fair value was determined to be \$0.01 per share and, as a result, these Original Silver47 Shares were fair valued to \$0.01 and the Company recognized a share-based compensation of \$90,000. These Original Silver47 Shares were exchanged on a 1:1 basis for Common Shares upon the Amalgamation.
- (2) Issued in connection with the Incorporation to the spouse of Gary R. Thompson. These Original Silver47 Shares were exchanged on a 1:1 basis for Common Shares upon the Amalgamation.
- (3) Issued in connection with previous and ongoing legal services provided to the Company. These Original Silver47 Shares were exchanged on a 1:1 basis for Common Shares upon the Amalgamation.
- (4) Issued to XT88, a company held solely by Gary R. Thompson, for previous and ongoing management fees. The fair value of these Original Silver47 Shares was determined to be \$0.10 per share and the Company recognized a share-based compensation of \$125,000. These Original Silver47 Shares were exchanged on a 1:1 basis for Common Shares upon the Amalgamation.
- (5) Issued in connection with a non-brokered private placement. These Original Silver47 Shares were exchanged on a 1:1 basis for Common Shares upon the Amalgamation.
- (6) Issued in connection with a non-brokered private placement. Upon the Amalgamation, these Original Silver47 Warrants were adjusted, as per the warrant certificate, to be exercisable for one Common Share at a price of \$0.75 per warrant.
- (7) Issued as partial consideration for the finder's fee in connection with a non-brokered private placement. Upon the Amalgamation, these Original Silver47 Warrants were adjusted, as per the warrant certificate, to be exercisable for one Common Share at a price of \$0.50 per warrant.
- (8) Issued in connection with the Amalgamation.
- (9) 120,000 Common Shares were issued to Kevin Chen in connection with services provided as Chief Financial Officer of the Company. 19,200 Common Shares were also issued as compensation for recruitment services.

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

NP 46-201 provides that all securities of an issuer owned or controlled by a Principal must be placed in escrow at the time the issuer distributes its securities or convertible securities to the public by prospectus, unless the securities held by such Principal or issuable to such Principal upon conversion of convertible securities held by the Principal collectively represent less than 1% of the total issued and outstanding securities of the issuer after giving effect to the initial distribution. Generally, a prospectus filed solely for the purpose of the issuer becoming a "reporting issuer" is not considered a prospectus which distributes the issuers securities or convertible securities. However, in Silver47's case, as a market is being developed for its securities, this Prospectus is to be considered an "IPO prospectus" for the purposes of NP 46-201. As such, the Securities held by the Principals will be held in escrow pursuant to the policies of NP 46-201.

The following table sets forth the Securities of the Principals that, as at the date of Listing, will be subject to escrow or that are currently, or will be, subject to a contractual restriction on transfer and the percentage that number represents of the outstanding securities of that class.

<b>Designation of Class</b>	<b>Number of Securities Held in Escrow or that are Subject to a Contractual Restriction on Transfer</b>	<b>Percentage of Class</b>
Common Shares	12,002,500	53.3% <sup>(1)</sup>
Warrants	Nil	-
Options	Nil	-

**Notes:**

<sup>(1)</sup> As of the date of this Prospectus, there are 22,528,200 Common Shares outstanding.

As at the date hereof, the Company and XT88, Gary R. Thompson, and Brenda Thompson (the “**Principals**”), will enter into an escrow agreement (the “**Escrow Agreement**”) with Odyssey Trust Company, as escrow agent (the “**Escrow Agent**”), pursuant to which the Escrowed Shareholders will collectively deposit 12,002,500 Common Shares into escrow (the “**Escrowed Securities**”) with the Escrow Agent, representing 53.3% of the issued and outstanding Common Shares.

Upon the completion of the Listing, Silver47 will be an “emerging issuer” pursuant to NP 46-201 and, as such, the Escrowed Securities will be subject to a three year escrow and subject to the following release scheduled:

<b>Date</b>	<b>Amount of Escrowed Securities Released</b>
On the Listing Date	1/10th of the Escrowed Securities
6 months after the Listing Date	1/6th of the remaining Escrowed Securities
12 months after the Listing Date	1/6th of the remaining Escrowed Securities
18 months after the Listing Date	1/6th of the remaining Escrowed Securities
24 months after the Listing Date	1/6th of the remaining Escrowed Securities
30 months after the Listing Date	1/6th of the remaining Escrowed Securities
36 months after the Listing Date	1/6th of the remaining Escrowed Securities

The release schedule may be accelerated if the Company establishes itself as an “established issuer” as described in NP 46-201.

Pursuant to the terms of the Escrow Agreement, the Escrowed Securities will not be able to be transferred or otherwise dealt with during the term of the Escrow Agreement unless the transfers or dealings within escrow are:

- transfers to continuing or, upon their appointment, incoming directors and senior officers of the Company or of a material operating subsidiary, with the approval of the Board;
- transfers to a person or company that before the proposed transfer holds more than 20% of the Company’s outstanding Common Shares, or to a person or company that after the proposed transfer will hold more than 10% of the Company’s outstanding Common Shares and has the right to elect or appoint one or more directors or senior officers of the Company or any material operating subsidiary;
- transfers to an RRSP or similar trustee plan provided that the only beneficiaries are the transferor or the transferor’s spouse, children or parents;
- transfers upon bankruptcy to the trustee in bankruptcy or another person or company entitled to escrow securities on bankruptcy; and
- pledges to a financial institution as collateral for a bona fide loan, provided that upon a realization the securities remain subject to escrow.

Tenders of Escrowed Securities to a take-over bid or business combination are permitted provided that, if the tenderer is a Principal of the successor corporation upon completion of the take-over bid or business combination, securities

received in exchange for tendered Escrowed Securities are substituted in escrow on the basis of the successor corporation's escrow classification.

If the Principals acquire any additional securities of the Company of the type listed above, those securities will be added to the securities already in escrow, to increase the number of remaining Escrowed Securities. Such increased number of remaining Escrowed Securities will be released in accordance with the release schedule in the table above.

Additionally, securities of the Company may be subject to additional escrow restrictions and restrictions on transfer pursuant to NP 46-201, or if required by the CSE or other applicable regulations of any other stock exchange on which the Securities of the Company may be listed for trading in the future. There can be no guarantee that the Securities will be listed for trading on the CSE or any other stock exchange.

### Statutory Hold Periods

In addition to the foregoing, securities legislation imposes certain resale restrictions on securities issued within the four months preceding the Listing, such hold periods are governed by NI 45-102 – Resale of Securities. All certificates representing securities subject to these restrictions will bear legends indicating the applicable hold periods.

### PRINCIPAL SECURITYHOLDERS

To the knowledge of the directors and officers of the Company, other than as set forth below, no person directly or indirectly beneficially owns, or exercises control or direction over, Common Shares carrying more than 10% of the voting rights attaching to all the outstanding Common Shares as at the date of this Prospectus.

<u>Registered Shareholder</u>	<u>Number of Common Shares</u>	<u>Percentage of class<sup>(1)</sup></u>
XT88 <sup>(2)</sup>	10,000,000	44.4% <sup>(3)</sup>
Gary R. Thompson	2,500	0.01%

**Notes:**

- (1) As at the date of this Prospectus, 22,528,200 Common Shares are issued and outstanding, or 27,453,400 Common Shares on a fully-diluted basis.
- (2) XT88 is a private company controlled by Gary R. Thompson.
- (3) XT88 does not directly or indirectly beneficially own, or exercise control or direction over, any securities convertible into Common Shares.

### DIRECTORS AND EXECUTIVE OFFICERS

To the Company's knowledge as at the date of this Prospectus, the directors and executive officers of the Company as a group will beneficially own, control or direct, directly or indirectly, 10,122,500 Common Shares, representing approximately 44.9% of the Common Shares.

### Director and Executive Officer Profiles

The following table sets forth the name of each director and executive officer of the Company as at the date of this Prospectus, their province or state and country of residence, their position(s) and office(s) held with the Company, their principal occupation(s) during the preceding five years, the date they became a director of the Company, if applicable, and the number and percentage of Common Shares they beneficially own, or control or direct, directly or indirectly. Each director's term will expire immediately prior to the next annual meeting of shareholders of the Company.

<u>Name and Municipality of Residence</u>	<u>Current Position(s) with Silver47</u>	<u>Age</u>	<u>Principal Occupation(s) for the past five years</u>	<u>Director/ Officer of Silver47 Since</u>	<u>Number (and %) of Common Shares Owned<sup>(1)</sup></u>
Gary R. Thompson	President, CEO and Director	57	CEO and Chairman of Brixton Metals; Executive Chair, CEO and Director of Gold 79 Mines Ltd.; Director of Stuhini Exploration Ltd.; Director of Omni Commerce Corp.	January 29, 2021	10,002,500 <sup>(2)</sup> (44.4%)
Ryan Goodman	Director	46	VP Legal & Administration at Orezone Gold Corporation; VP Legal at Aura Minerals Inc.	September 1, 2021	Nil
David Netherway	Director	69	Director of Kore Potash plc; Director of Canyon Resources Limited; Director of Altus Strategies plc; Director of Kilo Goldmines Limited; Director of Avesoro Resources Inc.	September 23, 2021	Nil
Kevin Chen	CFO	46	Controller of Gold Royalty Corp. and Uranium Royalty Corp. CFO of Selwyn Chihong Mining Ltd.	July 31, 2021	120,000 (0.5%)

**Notes:**

<sup>(1)</sup> Based on 22,528,200 Common Shares issued and outstanding as of the date of this Prospectus.

<sup>(2)</sup> 10,000,000 Common Shares are held by XT88, a private company controlled by Gary R. Thompson. 2,500 Common Shares are owned directly by Gary R. Thompson.

**Director and Executive Officer Biographies**

***Gary R. Thompson, Age 57 – President, Chief Executive Officer and Director***

Mr. Thompson is the founder of the Company. He has over 25 years' experience in resource exploration including precious and base metals, geothermal power and unconventional oil and gas, and is a "qualified person" as defined in National Instrument 43-101 Standards of Disclosure for Mineral Projects. Mr. Thompson is a co-founder and Chairman and CEO of Brixton Metals Corporation (TSXV:BBB). Mr. Thompson was the president and CEO of Sierra Geothermal Power Corp., from 2006 until 2010 when it was acquired by Ram Power Corporation. Prior to 2006, Mr. Thompson held positions with EnCana Corporation, Newmont Alaska Ltd., NovaGold Resources Inc. and CBM Solutions Ltd. Mr. Thompson was credited with the 1988 discovery of the TAG gold silver prospect located in NWBC which he sold to Taku Gold Corp., and in 2014 he sold the Kahuna claims to Kodiak Copper (TSXV: KDK) and Solstice Gold (TSXV: SGC) located near Agnico's Meliadine Mine in Nunavut.

Mr. Thompson is a professional geologist and an active member in good standing of both the Engineers and Geoscientists British Columbia and The Association of Professional Geoscientists of Ontario. Mr. Thompson holds a B.Sc. (Honours) in Geology from the University of British Columbia.

Mr. Thompson expects to devote 40% of his time to the affairs of the Company.

***Ryan Goodman, Age 46 – Director***

Mr. Goodman has close to 20 years of experience working with mining companies in various stages of growth and development, and specializes in such areas as financings, M&A and corporate governance. Mr. Goodman has been the VP Legal and Administration at Orezone since March 2019. Mr. Goodman was the VP Legal Affairs of Aura Minerals Inc. from 2012 until 2019. Previous to Aura Minerals, Mr. Goodman practiced law with a large Canadian multinational law firm with a focus on securities and mining. Mr. Goodman holds a J.D. from the University of Manitoba.

Mr. Goodman expects to devote 15% of his time to the affairs of the Company.

***David Netherway, Age 69 – Director***

David is a mining engineer with over 40 years of experience in the mining industry. David was involved in the construction and development of the New Liberty, Iduapriem, Siguiri, Samira Hill and Kiniero gold mines in West Africa and has mining experience in Africa, Australia, China, Canada, India and the Former Soviet Union. David served as the CEO of Shield Mining until its takeover by Gryphon Minerals, prior to that he was the CEO of TSX listed Afcan Mining Corporation, a China focused gold mining company that was sold to Eldorado Gold in 2005. He was also the Chairman of Afferro Mining which was acquired by IMIC in 2013. David has held senior management positions in a number of mining companies including Golden Shamrock Mines, Ashanti Goldfields and Semafo Inc. He is a former director of Altus Resource Capital, Altus Global Gold, African Aura Mining, Afferro Mining, Avesoro Resources and Kilo Goldmines. Mr. Netherway is currently the Chairman of Altus Strategies plc (ALS:AIM, ALTS:TSX-V, ALTUF:OTCQX), a non-executive Director of Kore Potash plc (ASX, AIM & JSE: KP2) and Canyon Resources Limited (ASX: CAY). Mr. Netherway holds a BEng (Mining) from the University of Melbourne, Australia and a C.DipAF from the CACA in the UK.

Mr. Netherway expects to devote 15% of his time to the affairs of the Company.

***Kevin Chen, Age 46 – Chief Financial Officer***

Kevin Chen has over 18 years of experiences in mining industry. Mr. Chen has been Controller for both Gold Royalty Corp. and Uranium Royalty Corp. since April 2021. From March 2012 to January 2021, Mr. Chen was CFO of Selwyn Chihong Mining Ltd. From September 2005 to February 2012, Mr. Chen was Finance Manager of Eldorado Gold Corporation. From January 2003 to September 2005, Mr. Chen was Controller of Afcan Mining Ltd which was later sold to Eldorado Gold. Prior to Afcan Mining, Mr. Chen was Audit Manager of KPMG LLP. Mr. Chen holds an MBA degree from the University of Western Ontario and Mr. Chen is a CPA, CMA in BC.

Mr. Chen expects to devote 50% of his time to the affairs of the Company.

**Cease Trade Orders, Bankruptcies, Penalties or Sanctions**

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

No director or officer of Silver47 is, or within the ten years prior to the date of this Prospectus has been, a director, officer, or Promoter of any person or company that, while that person was acting in that capacity, was the subject of a cease trade order or similar order, or an order that denied the other issuer access to any exemptions under applicable securities laws, for a period of more than 30 consecutive days, or 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.

***Penalties or Sanctions***

No director or officer of Silver47, nor any security holder anticipated to hold a sufficient number of securities of Silver47 to materially affect the control of Silver47, has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or been subject to any other penalties or sanctions imposed by a court or regulatory

body, including a self-regulatory body, that would be likely to be considered important to a reasonable security holder making a decision concerning an investment in the Company.

### ***Personal Bankruptcies***

No director or officer of Silver47, nor security holder anticipated to hold a sufficient number of securities of Silver47 to affect materially the control of Silver47, nor a personal holding company of any such person has, within the ten years before the date of the Prospectus, 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 such director or officer, or personal holding company of any such person.

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

To the best of the Company's knowledge, there are no existing or potential material conflicts of interest between the Company and any of its directors or officers as of the date hereof. However, certain of the Company's directors and officers are, or may become, directors or officers of other companies with businesses which may conflict with its business. Accordingly, conflicts of interest may arise which could influence these individuals in evaluating possible acquisitions or in generally acting on the Company's behalf. See also "*Risk Factors – Conflicts of Interest*".

Pursuant to the BCBCA, directors and officers of the Company are required to act honestly and in good faith with a view to the best interests of the Company. As required under the BCBCA and the Company's Articles:

- a director or senior officer who holds any office or possesses any property, right or interest that could result, directly or indirectly, in the creation of a duty or interest that materially conflicts with that individual's duty or interest as a director or senior officer of the Company, must promptly disclose the nature and extent of that conflict; and
- a director who holds a disclosable interest (as such term is defined under the BCBCA) in a contract or transaction into which the Company has entered or proposes to enter may generally not vote on any directors' resolution to approve such contract or transaction.

Generally, as a matter of practice, directors who have disclosed a material interest in any contract or transaction that the Board is considering will not take part in any board discussion respecting that contract or transaction. If on occasion such directors do participate in the discussions, they will refrain from voting on any matters relating to matters in which they have disclosed a material interest. In appropriate cases, the Company will establish a special committee of independent directors to review a matter in which directors or officers may have a conflict.

### **Other Reporting Issuer Experience**

The following table sets out the directors and officers of Silver47 that are, or have been within the last five years, directors, officers or Promoters of other reporting issuers in any Canadian jurisdiction:

<b>Name</b>	<b>Name of Reporting Issuer</b>	<b>Market or Exchange Traded On</b>	<b>Position</b>	<b>From</b>	<b>To</b>
Gary R. Thompson	Gold79 Mines Ltd.	TSXV OTCQB	Director and CEO	August 2020	Present
	Brixton Metals Corp.	TSXV OTCQB	Director, President and CEO	March 2017	Present

Ryan Goodman	Orezone Gold Corporation	TSXV	VP Legal & Administration	March 2019	Present
	Fuse Cobalt Inc.	TSXV	Director	February 2018	Present
David Netherway	Aura Minerals Inc.	TSXV	VP Legal	June 2019	February 2019
	Deep - South Resources Inc.	TSXV	Director	December 2013	February 2017
	Kore Potash plc	ASX AIM JSE	Director	December 2017	Present
	Canyon Resources Limited	ASX	Directors	March 2014	Present
	Altus Strategies plc	AIM	Chairman	May 2017	Present
	Kilo Goldmines Limited	TSXV	Chairman	July 2011	March 2020
	Avesoro Resources Inc.	TSX AIM	Director	February 2011	January 2020

## EXECUTIVE COMPENSATION

In this section “Named Executive Officer” (an “NEO”) means each individual who acted as chief executive officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year (a “CEO”), each individual who acted as chief financial officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year (a “CFO”) and each of the three most highly compensated executive officers, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than CDN\$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.

Gary R. Thompson, as the President and CEO of the Company, and Kevin Chen, as CFO of the Company, are the only NEOs of the Company for the purposes of the following disclosure.

### Compensation Discussion and Analysis

The Company’s executive compensation is intended to be consistent with the Company’s business plans, strategies and goals, including the preservation of working capital. The Company’s executive compensation program is intended to provide appropriate compensation that permits the Company to attract and retain highly qualified and experienced senior executives and to encourage superior performance by the Company. The Company’s compensation policies are intended to motivate individuals to achieve and to award compensation based on corporate and individual results.

The Board determines the compensation of the Company’s directors and NEOs. The Board intends for executive compensation to be consistent with the Company’s business plans, strategies and goals, including the preservation of working capital as the Company seeks to devote funds to the exploration of the Property. Executive compensation is intended to provide appropriate compensation that permits the Company to attract and retain highly qualified and experienced senior executives and to encourage superior performance by the Company. The Company’s compensation policies are intended to motivate individuals to achieve and to award compensation based on corporate and individual results.

The Company has adopted a Share Compensation Plan to assist the Company in attracting, retaining and motivating directors, officer, employees, consultants and contractors of the Company and of its affiliates and to closely align the

personal interests of such service providers with the interests of the Company and its shareholders. See “Options to Purchase Securities.”

### Director and Named Executive Officer Compensation, Excluding Compensation Securities

The compensation paid to the NEOs of the Company during the period from January 29, 2021, to July 31, 2021, is set out below and expressed in Canadian dollars unless otherwise noted:

Name and Position	Fiscal Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total Maximum Compensation (\$)
Gary R. Thompson CEO and Director <sup>(1)</sup>	2021	Nil	Nil	Nil	Nil	Nil	Nil
Kevin Chen CFO <sup>(2)</sup>	2021	Nil	Nil	Nil	Nil	Nil	Nil
Ryan Goodman Director <sup>(3)</sup>	2021	Nil	Nil	Nil	Nil	Nil	Nil
David Netherway Director <sup>(4)</sup>	2021	Nil	Nil	Nil	Nil	Nil	Nil

#### Notes:

- (1) Mr. Thompson was appointed as a director, as well as the CEO upon Incorporation on January 29, 2021.  
(2) Ms. Chen was appointed as Chief Financial Officer of the Company on July 31, 2021.  
(3) Ryan Goodman was appointed as a director on September 1, 2021.  
(4) David Netherway was appointed as a director on September 22, 2021.

### Stock Options and Other Compensation Securities

The following table sets out information for each of the current officers and directors of the Company concerning all option-based awards issued since the Amalgamation and expected to be outstanding immediately following the Listing.

Name and Position	Type of security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry Dates
Gary R. Thompson CEO and Director	Options	700,000	Sept 30, 2021	\$0.50	Nil	Nil	Sept 30, 2031
	Common Shares <sup>(1)</sup>	2,500,000	June 1, 2021	\$0.05 <sup>(2)</sup>	-	-	-
Ryan Goodman Director	Options	400,000	Sept 30, 2021	\$0.50	Nil	Nil	Sept 30, 2031
Kevin Chen CFO <sup>(2)</sup>	Options	500,000	Sept 30, 2021	\$0.50	Nil	Nil	Sept 30, 2031
	Common Shares	120,000	Aug 18, 2021	\$0.50	-	-	-
David Netherway Director	Options	400,000	Sept 30, 2021	\$0.50	Nil	Nil	Sept 30, 2031

#### Notes:

- (1) These Common Shares were initially issued as Original Silver47 Shares which were exchanged on a 1:1 basis for Common Shares upon the Amalgamation.

<sup>(2)</sup> The fair value was determined to be \$0.10 per share and, as a result, these Original Silver47 Shares were fair valued to \$0.10 and the Company recognized a share-based compensation of \$125,000.

### **Exercise of Options and Compensation Securities by Directors and NEOs**

As of the date of the Prospectus, no compensation securities have been exercised by a director or NEO of Silver47.

### **Share Compensation Plans and Other Incentive Plans**

See “*Options to Purchase Securities*”.

### **External Management Companies**

Other than as disclosed herein, the Company has not entered into any agreement with any external management company that employs or retains one or more of the NEOs or Directors and the Company has not entered into any understanding, arrangement or agreement with any external management company to provide executive management services to the Company, directly or indirectly, in respect of which any compensation was paid by the Company.

On January 29, 2021, the Company issued 10,000,000 Original Silver47 Shares to XT88 Holdings Inc., an external company that employs Gary R. Thompson, in connection with the incorporation of the Company. On June 1, 2021, the Company issued 2,500,000 Original Silver47 Shares to XT88 Holdings Inc. in connection for various services provided to the Company.

### **Employment, Consulting and Management Agreements**

The Company has not entered into written employment or consulting agreements with Gary R. Thompson as of the date of this Prospectus.

Kevin Chen will be compensated by the Company directly through the issuance of 10,000 Common Shares per month with 120,000 Common Shares issued immediately upon signing and subject to reverse vesting. Over the next 12 months it is anticipated that the Company will issue approximately 120,000 Common Shares to Kevin Chen for his services. Additionally, the Company will pay to Vancouver Profit Services Inc. (“**Vancouver Profit**”), a consulting company wholly owned by Mr. Chen, \$3,000 per month plus GST. Over the next 12 months it is anticipated that the Company will pay Vancouver Profit services approximately \$36,000 for his services.

### **Pension Plan Benefits**

The Company does not anticipate having any deferred compensation plan or pension plan that provide for payments or benefits at, following or in connection with retirement.

### **Director Compensation**

Upon becoming a reporting issuer, Silver47 intends to have standard compensation arrangements for the Company’s non-executive directors; Current compensation has been set at \$12,000 per year for the Company’s non-executive directors.

Each independent director, if any, is entitled to participate in the Share Compensation Plan and any other security-based compensation arrangement or plan adopted by Silver47 with the approval of the Board and/or Silver47’s shareholders, as may be required by applicable law or CSE policies.

Silver47 expects that its directors will be reimbursed for expenses incurred on Silver47’s behalf. No additional fees, including meeting fees, will be paid to directors.

### **Directors’ and Officers’ Liability Insurance**

The Company carries directors’ and officers’ liability insurance for the Company’s directors and officers; however, the Company is required to obtain a new directors’ and officers’ liability insurance policy upon Listing. The Company

will apply for limits and deductibles it believes is appropriate for a company of the Company's type and stage of development.

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the Company's directors, executive officers, employees, former directors, former executive officers or former employees or any of the Company's subsidiaries, and none of their respective associates, is or has within 30 days before the date of this Prospectus or at any time since the beginning of the most recently completed financial year been indebted to the Company or any of its subsidiaries or another entity whose indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar agreement or understanding provided the Company or any of the Company's subsidiaries.

## AUDIT COMMITTEE

### The Audit Committee's Charter

The full text of the Audit Committee's charter is attached as C to this Prospectus.

### Mandate and Responsibilities of the Audit Committee

The Audit Committee assists the Board in fulfilling its obligations relating to the integrity of the internal financial controls and financial reporting of the Company. The external auditors of the Company report directly to the Audit Committee. The Audit Committee's principal responsibilities include (i) recommending the external auditor to be nominated for the purpose of audit, review or attest services for the Company, (ii) recommending the compensation of the external auditor, (iii) overseeing the work of the external auditor in performing audit, review or attest services for the Company, (iv) reviewing the Company's financial statements, management's discussion and analysis and annual and interim earnings press releases before the Company publicly discloses this information, and (v) establishing procedures for addressing complaints or concerns regarding accounting, internal control or auditing matters.

### Composition of the Audit Committee

<b>Name</b>	<b>Independent/Not Independent<sup>(1)</sup></b>	<b>Financially Literate<sup>(2)</sup></b>
David Netherway	Independent	Financially Literate
Ryan Goodman	Independent	Financially Literate
Gary R. Thompson	Not Independent	Financially Literate

#### Notes:

(1) A member is independent if the member has no direct or indirect material relationship with the Company, which could, in the view of the Board of Directors, reasonably interfere with the exercise of that member's independent judgment.

(2) A member is financially literate if such member has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issued that can reasonably be expected to be raised by the Company's financial statements.

All of the proposed members of the Audit Committee are considered to be financially literate as required by section 1.6 of NI 52-110.

### Relevant Education and Experience

Each member of the 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.

For a summary of the experience and education of the Audit Committee members see “*Directors and Executive Officers*”.

### **Audit Committee Oversight**

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

### **Reliance on Certain Exemptions**

Since the Company is a “venture issuer” pursuant to applicable Canadian securities legislation, it is relying upon the exemption provided for at section 6.1 of NI 52-110 in respect of the composition of the Audit Committee.

### **External Auditor Service Fees by Category**

The fees billed by the Company’s external auditors in each of the last two fiscal years for audit and non-audit related services provided to the Company or its subsidiaries (if any) were as follows:

<b>Financial Year Ending</b>	<b>Audit Fees</b>	<b>Audit Related Fees<sup>(1)</sup></b>	<b>Tax Fees<sup>(2)</sup></b>	<b>All Other Fees<sup>(3)</sup></b>
July 31, 2021	\$10,673	–	Nil	Nil

**Notes:**

- (1) Fees charged for assurance and related services that are reasonably related to the performance of an audit, and not included under Audit Fees.  
 (2) Fees charged for tax compliance, tax advice and tax planning services.  
 (3) Fees for services other than disclosed in any other column.

The Company paid \$10,673 including GST in audit fees during the financial year ended July 31, 2021 for services relating to the audits of the financial statements of the Company for the period from January 29, 2021, to July 31, 2021.

## **STATEMENT ON CORPORATE GOVERNANCE**

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with day-to-day management of the Company. The Company’s approach to issues of corporate governance is designed with a view to ensuring that the business and affairs of the Company are effectively managed so as to enhance shareholder value. The Board fulfills its mandate directly and through its committees at meetings held as required.

NP 58-201 establishes corporate governance guidelines to be used by issuers in developing their own corporate governance practices. The Board is committed to ensuring that the Company has an effective corporate governance system, which adds value and assists the Company in achieving its objectives.

The Company’s approach to corporate governance is set forth below.

### **Mandate of the Board**

The Board assumes responsibility for the stewardship of the Company and the enhancement of shareholder value. The Board is responsible for:

- (a) adopting a strategic plan for the Company and reviewing the plan in light of management's assessment of emerging trends, the competitive environment, the opportunities for the business of the Company, risk issues, and significant business practices and products;
- (b) ensuring that the risk management of the Company is prudently addressed;
- (c) reviewing the Company's approach to human resource management and overseeing succession planning for management;
- (d) reviewing the Company's approach to corporate governance, including an evaluation of the adequacy of the mandate of the Board and director independence standards; and
- (e) upholding a comprehensive policy for communications with shareholders and the public at large.

The frequency of meetings of the Board and the nature of agenda items may change from year to year depending upon the activities of Silver47. The Board intends to meet at least quarterly and at each meeting there is a review of the business of Silver47.

The Board of the Company facilitates its exercise of independent supervision over the Company's management through frequent meetings of the Board being held to obtain an update on significant corporate activities and plans, both with and without members of the Company's management being in attendance.

### **Composition of the Board**

The Board is composed of three directors, two of whom qualify as independent directors. For this purpose, a director is independent if he or she has no direct or indirect "material relationship" with Silver47, as defined in NI 58-101. A "material relationship" is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of the director's independent judgment. An individual who has been an employee or executive officer of the Company within the last three years is considered to have a material relationship with the Company.

Of the directors, Ryan Goodman and David Netherway are considered independent for the purposes of NI 58-101. Gary R. Thompson, as CEO of the Company, is not considered independent for the purposes of NI 58-101.

### **Directorships**

See "*Directors and Executive Officers – Director and Executive Officer Biographies*" for a table setting out the directors of the Company that currently serve on the boards of directors of other reporting issuers in Canada.

The Board has determined that these inter-locking directorships do not adversely impact the effectiveness of Gary R. Thompson, Ryan Goodman, and David Netherway on the Board or create any potential for conflicts of interest.

### **Orientation and Education**

Each new director participates in the Company's initial orientation program and each director participates in the Company's continuing director development programs. The Board reviews the Company's initial orientation program and continuing director development programs. Silver47 provides new directors copies of relevant financial, technical, geological and other information regarding its properties and meetings with management. Board members are encouraged to communicate with management and auditors, to keep themselves current with industry trends and developments, and to attend related industry seminars. Board members have full access to the Company's records.

### **Ethical Business Conduct**

While Silver47 has not adopted a written code of business conduct and ethics, the Board will from time to time discuss and emphasize the importance of matters relating to conflicts of interest, protection and proper use of corporate assets and opportunities, confidentiality of corporate information, compliance with laws and the reporting of any illegal or unethical behaviour

### **Nomination of Directors**

It is the view of the Board that all directors, individually and collectively, should assume responsibility for nominating directors. The Board is responsible for identifying and recommending potential nominees for directorship and senior management. The Board will consider 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.

New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the time required, shown support for the Company's mission and strategic objectives, and a willingness to serve.

### **Compensation**

Compensation matters are currently determined by the Board. The Board is responsible for reviewing the compensation plans and severance arrangements for management, to ensure they are commensurate with comparable companies. The Board will ensure that Silver47 has a plan for continuity of its officers and a compensation plan that is motivational and competitive.

### **Other Board Committees**

The Board has two standing committees including Audit Committee and Compensation and Corporate Governance Committee.

### **Assessments**

The Board and each individual director are regularly assessed regarding their effectiveness and contribution. The assessment considers and takes into account: (1) in the case of the Board, its mandate; and (2) in the case of an individual director, the applicable position description(s), if any, as well as the competencies and skills each individual director is expected to possess.

## **PLAN OF DISTRIBUTION**

The Company has applied to list its Common Shares on the CSE. Listing will be subject to the Company fulfilling all the listing requirements of the CSE.

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

## **RISK FACTORS**

*Investing in the Company's securities is speculative and involves a high degree of risk due to the nature of the Company's business and the present stage of its development. The following risk factors, as well as risks currently unknown to us, could materially adversely affect the Company's future business, operations and financial condition and could cause them to differ materially from the estimates described in forward-looking statements relating to the Company, or its business, property or financial results, each of which could cause purchasers of the Company's securities to lose part or all of their investment. The risks set out below are not the only risks the Company faces; risks and uncertainties not currently known to the Company or that the Company currently deems to be immaterial may also materially and adversely affect the Company's business, financial condition, results of operations and prospects. Before deciding whether to invest in any securities of the Company, investors should consider carefully the risks discussed below.*

## **Risks Relating to Silver47**

### ***Listing on the CSE and Acquisition of the Property***

The acquisition of the Property by the Company pursuant to the Purchase Agreement is conditional on the receipt of Conditional Approval for Listing on the CSE. There is no assurance the Company will receive Conditional Approval or be able to close the Purchase Agreement in accordance with its terms.

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

The Company has no history of earnings. There are no known commercial quantities of mineral reserves on any properties optioned by the Company. There is no guarantee that economic quantities of mineral reserves will be discovered on the Property by the Company in the near future or at all. If the Company does not generate revenue, it may be unable to sustain its operations in which case it may become insolvent and you may lose your investment.

### ***Negative Cash Flows From Operations***

Since the Incorporation, the Company has sustained net losses from operations and had negative cash flow from operating activities of \$80,172. The Company continues to have negative operating cash flow. It is highly likely the Company may have negative cash flow in any future period and as a result, the Company will need to use available cash to fund any such negative cash flow.

### ***Substantial Capital Requirements and Liquidity***

It is anticipated the Company will make substantial capital expenditures for the acquisition, exploration, development and production of natural resources in the future. The Company may have limited ability to expend the capital necessary to undertake or complete its projects or to fulfill the Company's obligations under any applicable agreements. There can be no assurance that debt or equity financing, or cash generated by operations, will be available or sufficient to meet these requirements or for other corporate purposes or, if debt or equity financing is available, that it will be on terms acceptable to the Company. Moreover, future activities may require the Company to alter its capitalization significantly. The inability of the Company to access sufficient capital for its operations could have a material adverse effect on the Company's financial condition, results of operations or prospects.

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

Resource exploration, development, and operations are highly speculative and characterized by a number of significant risks, which even a combination of careful evaluation, experience and knowledge may not mitigate or eliminate, including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but from finding mineral deposits which, though present, are insufficient in quantity and quality to return a profit from production. Few properties that are explored are ultimately developed into producing mines.

Mining investments are also subject to the risks normally associated with any conduct of business, including uncertain political and economic environments, war, terrorism and civil disturbances, changes in laws or policies of particular countries (including those relating to imports, exports, duties and currency), cancellation or renegotiation of contracts, royalty and tax increases or other claims by government entities (including retroactive claims), risk of loss due to disease and other potential endemic health issues, risk of expropriation and nationalization, delays in obtaining or the inability to obtain or maintain necessary governmental permits, currency fluctuations, import and export regulations (including restrictions on the export of gold or other minerals) and increased financing costs.

Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, explosions, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in the operation of mines and the conduct of exploration programs.

Substantial expenditures are required to establish mineral resources and mineral reserves through drilling, to develop metallurgical processes to extract the metal from mineral resources, and in the case of new properties, to develop the

mining and processing facilities and infrastructure at any site chosen for mining. The Company will rely in part upon consultants and others for exploration, development, construction and operating expertise.

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. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; mineral prices, which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals, and environmental protection.

The exact effect of these factors cannot accurately be predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital. The Company will carefully evaluate the political and economic environment in considering any properties for acquisition. There can be no assurance that additional significant restrictions will not be placed on the Property and any other properties the Company may acquire or its operations.

Such restrictions may have a material adverse effect on the Company 's business and results of operation.

### ***Dilution***

Common Shares, including rights, warrants, special warrants, subscription receipts and other securities to purchase, to convert into or to exchange into Common Shares, may be created, issued, sold and delivered on such terms and conditions and at such times as the Board may determine. In addition, the Company will issue additional Common Shares from time to time pursuant to the options to purchase Common Shares issued from time to time by the Board. The issuance of these Common Shares will result in dilution to holders of Common Shares.

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

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

### ***Commercial Ore Deposits***

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

### ***Permits and Government Regulations***

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

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include 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.

There is no assurance that future changes to existing laws and regulations will not impact the Company. Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have material adverse impact on the Company and cause increases in capital expenditures or require abandonment or delays in development of new mining properties.

### ***Environmental Risks***

All phases of the natural resource business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and federal, provincial and municipal laws and regulations. The Company may be subject to potential risks and liabilities associated with pollution of the environment and the disposal of waste products that could occur as a result of its mineral exploration, development, and production. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with operations. Legislation may also require that facility sites and mines be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. The discharge of tailings or other pollutants into the air, soil or water may give rise to liabilities to domestic or foreign governments and third parties and may require the Company to incur costs to remedy such discharge. No assurance can be given that environmental laws will not result in a curtailment of production or a material increase in the costs of production, development or exploration activities or otherwise adversely affect the Company's financial condition, results of operations or prospects.

To the extent the Company is subject to environmental liabilities, the payment of such liabilities or the costs that it may incur to remedy environmental pollution would reduce funds otherwise available to it and could have a material adverse effect on the Company. If the Company is unable to fully remedy an environmental problem, it might be required to suspend operations or enter into interim compliance measures pending completion of the required remedy. The potential exposure may be significant and could have a material adverse effect on the Company.

In addition, certain types of operations may require the submission and approval of environmental impact assessments to be conducted before permits can be obtained and there can be no assurances that the Company will be able to obtain or maintain all necessary permits that may be required for operations to be conducted at economically justifiable costs. The cost of compliance has the potential to reduce the profitability of operations by increasing costs and delaying production.

Governments at all levels may be moving towards enacting legislation to address climate change concerns, such as requirements to reduce emission levels and increase energy efficiency, and political and economic events may significantly affect the scope and timing of climate change measures that are ultimately put in place. Where legislation has already been enacted, such regulations may become more stringent, which may result in increased costs of compliance. There is no assurance that compliance with such regulations will not have an adverse effect on the Company's results of operations and financial condition. Furthermore, given the evolving nature of the debate related to climate change and resulting requirements, it is not possible to predict the impact on the Company results of operations and financial condition.

### ***Reliance on Key Individuals***

The Company's success depends to a certain degree upon certain key members of the management. It is expected that these individuals will be a significant factor in the Company's growth and success. The loss of the service of members of the management and certain key employees could have a material adverse effect on the Company.

### ***Key Person Insurance***

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

### ***Uninsurable Risks***

In the course of exploration, development and production of mineral properties, certain risks may occur, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. These risks include environmental hazards, industrial accidents, explosions and third-party accidents, the encountering of unusual or unexpected geological formations, ground falls and cave-ins, mechanical failure, unforeseen metallurgical difficulties, power interruptions, flooding, earthquakes and periodic interruptions due to inclement or hazardous weather conditions. These occurrences could result in environmental damage and liabilities, work stoppages, delayed production and resultant losses, increased exploration costs, damage to, or destruction of, mineral properties or facilities used for exploration and resultant losses, personal injury or death and resultant losses, asset write downs, monetary losses, claims for compensation of loss of life and/or damages by third parties in connection with accidents (for loss of life and/or damages and related pain and suffering) that occur on company property, and punitive awards in connection with those claims and other liabilities. It is not always possible to fully insure against such risks and the Company may decide not to take out insurance against such risks as a result of high premiums or other reasons. Liabilities that the Company incurs may exceed the policy limits of insurance coverage or may not be covered by insurance, in which event the Company could incur significant costs that could adversely impact the Company's business, operations, potential profitability or value. Despite efforts to attract and retain qualified personnel, as well as the retention of qualified consultants, to manage the Company's interests, even when those efforts are successful, people are fallible and human error could result in significant uninsured losses to us. These could include loss or forfeiture of mineral interests or other assets for nonpayment of fees or taxes, significant tax liabilities in connection with any tax planning effort the Company might undertake and legal claims for errors or mistakes by the Company's personnel. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the Common Shares.

### ***Mineral Titles***

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

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

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

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

### ***Aboriginal Title***

The Property or other properties owned or optioned by the Company may in the future be the subject of First Nations land claims. The legal nature of aboriginal land claims is a matter of considerable complexity. The impact of any such claim on the Company's ownership interest in the properties optioned or owned by the Company cannot be predicted with any degree of certainty and no assurance can be given that a broad recognition of aboriginal rights in the area in which the properties optioned or purchased by the Company are located, by way of a negotiated settlement or judicial pronouncement, would not have an adverse effect on the Company's activities. Even in the absence of such recognition, the Company may at some point be required to negotiate with First Nations in order to facilitate exploration and development work on the properties optioned or owned by the Company.

### ***Fluctuating Mineral Prices***

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

### ***Competition***

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

### ***Management***

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

### ***Public Health Crises***

The Company may be adversely affected by public health crises and other events outside its control. Public health crises, such as epidemics and pandemics, acts of terrorism, war or other conflicts and other events outside of the Company's control, may adversely impact the activities of the Company as well as operating results. In addition to the direct impact that such events could have on the Company's facilities and workforce, these types of events could negatively impact capital expenditures and overall economic activity in impacted regions or, depending on the severity of the event, globally, which could impact the demand for and prices of commodities. The recent outbreak of the novel coronavirus known as COVID-19 initially impacted access to and from, and overall economic activity in, parts of China and has since spread globally. To date, the Company has not been materially adversely impacted by the outbreak. However, a prolonged continuance of this public health crisis, an increase in its breadth or in its overall severity, could adversely affect the Company's workforce and ability to operate generally as well as cause significant investment decisions to be delayed or postponed. A prolonged continuance of this public health crisis could also have a material adverse effect on overall economic growth and impact the stability of the financial markets and availability of credit. Any of these developments could have a material adverse effect on the Company's business, financial position, liquidity and results of operations.

### ***Financing Risks***

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

### ***Resale of Common Shares***

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

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

In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for the Common Shares will be subject to market trends generally, notwithstanding any potential success of the Company in creating revenues, cash flows or earnings.

There is currently no public trading market for the Common Shares, and the Company cannot assure that after Listing a public trading market will continue to develop or be sustained. If a market does not continue to develop or is not sustained, it may be difficult to sell Common Shares at an attractive price or at all. The Company cannot predict the prices at which its Common Shares will trade.

### ***Risks Relating to the Common Shares***

Securities of microcap and small-cap companies have experienced substantial volatility in the past, often based on factors unrelated to the companies' financial performance or prospects. These factors include macroeconomic developments in North America and globally and market perceptions of the attractiveness of particular industries. If the Common Shares are listed, the price of the Common Shares is also likely to be significantly affected by short-term changes in gold or other mineral prices or in the Company's financial condition or results of operations. Other factors unrelated to the Company's performance that may affect the price of the Common Shares include the following: the extent of analytical coverage available to investors concerning the Company's business may be limited if investment banks with research capabilities do not follow the Company; lessening in trading volume and general market interest in the Common Shares may affect an investor's ability to trade significant numbers of Common Shares; the size of the Company's public float may limit the ability of some institutions to invest in Common Shares; and a substantial decline in the price of the Common Shares that persists for a significant period of time could cause the Common Shares, if listed on an exchange, to be delisted from such exchange, further reducing market liquidity. As a result of any of these factors, the market price of the Common Shares at any given point in time may not accurately reflect the Company's long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Company may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources. The fact that no market currently exists for the Common Shares may affect the pricing of the Common Shares in the secondary market, the transparency and availability of trading prices and the liquidity of the Common Shares. The market price of the Common Shares is affected by many other variables which are not directly related to the success of the Company and are, therefore, not within the Company's control. These include other developments that affect the market for all resource sector securities, the breadth of the public market for the Company's Common Shares and the attractiveness of alternative investments. The effect of these and other factors on the market price of the Common Shares is expected to make the Share price volatile in the future, which may result in losses to investors.

### ***Shortages of Critical Parts, Equipment and Skilled Labour***

The Company's ability to acquire critical resources such as input commodities, drilling equipment, tires and skilled labour due to increased worldwide demand, may cause unanticipated cost increases and delays in delivery times, thereby impacting capital expenditures and exploration schedules.

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

Some of the directors and officers are engaged and will continue to be engaged in the search for additional business opportunities on behalf of other corporations, and situations may arise where these directors and officers will be in direct competition with the Company. Conflicts, if any, will be dealt with in accordance with the relevant provisions of *the Business Corporations Act* (British Columbia). Some of the directors and officers of the Company are or may become directors or officers of other companies engaged in other business ventures. In order to avoid the possible conflict of interest which may arise between the directors' duties to the Company and their duties to the other companies on whose boards they serve, the directors and officers of the Company have agreed to the following:

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

### ***Principal Shareholders***

As at the date of this Prospectus, one shareholder of the Company, being XT88, a company controlled by Gary R. Thompson, owns approximately 44.4% of the issued and outstanding Common Shares. In addition, Gary R. Thompson and Brenda Thompson, are spouses of one another and are considered "associates" for the purposes of applicable securities laws. Accordingly, each of these shareholders will be in a position to exert significant influence on the corporate actions that the Company may take, particularly when shareholder approval is required. These shareholders' controlling interests could have the effect of delaying or preventing a change of control of the Company or entrenching the Board or management, which could conflict with the interests of the other shareholders and, consequently, could adversely affect the market price of the Company's securities.

### ***Claims and Legal Proceedings***

The Company may be subject to claims or legal proceedings covering a wide range of matters that arise in the ordinary course of business activities, including claims relating to ex-employees. These matters may give rise to legal uncertainties or have unfavourable results. The Company will carry liability insurance coverage and mitigate risks that can be reasonably estimated. In addition, the Company may be involved in disputes with other parties in the future that may result in litigation or unfavourable resolution which could materially adversely impact the Company's financial position, cash flow and results of operations.

### ***Local Resident Concerns***

Exploration, development and mining of the Property could be subject to resistance from local residents that could either prevent or delay exploration and development of the Property.

### ***Tax Issues***

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

### ***Dividends***

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

## LEGAL PROCEEDINGS AND REGULATORY ACTIONS

To the Company's knowledge, there are no legal proceedings or regulatory actions material to the Company to which it is a party, or has been a party to, or of which any of its property is the subject matter of, or was the subject matter of, since Incorporation on January 29, 2021, and no such proceedings or actions are known by the Company to be contemplated.

There have been no penalties or sanctions imposed against the Company by a court or regulatory authority, and the Company has not entered into any settlement agreements before any court relating to provincial or territorial securities legislation or with any securities regulatory authority, since Incorporation.

## INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed elsewhere in this Prospectus, no director, executive officer or shareholder that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the issued Common Shares, or any of their respective associates or affiliates, has any material interest, direct or indirect, in any transaction within the three years before the date of this Prospectus which has materially affected or is reasonably expected to materially affect the Company.

## AUDITORS, TRANSFER AGENT AND REGISTRAR

The Company's auditors MNP LLP at Suite 2200 - 1021 Hastings St. W, MNP Tower, Vancouver, BC V6E 0C3.

The transfer agent and registrar for the Common Shares in Canada is Odyssey Trust Company at its principal offices at 1230 – 300 5<sup>th</sup> Ave SW, Calgary, AB T2P 3C4.

## MATERIAL CONTRACTS

There are no contracts of the Company that are material to the Company, other than as set forth below:

- The Purchase Agreement; See "*Description of the Business - History of the Company - Purchase Agreement*";
- The Escrow Agreement to be entered between the Company and the Escrow Agent.

Copies of the foregoing document will be available on SEDAR at [www.sedar.com](http://www.sedar.com).

MNP LLP, the auditor of the Financial Statements included in this Prospectus, has advised the Company that it is independent of the Company in accordance with the Code of Professional Conduct of the Chartered Professional Accountants of British Columbia.

Certain legal matters in respect of this Prospectus have been passed upon on behalf of Silver47 by DLA Piper (Canada) LLP.

As at the date of this Prospectus, neither the partners and associates of MNP LLP, as a group, nor the partners and associates of DLA Piper (Canada) LLP, as a group, hold any Common Shares of the Company.

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

## STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any

amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

**SCHEDULE A**  
**FINANCIAL STATEMENTS FOR THE COMPANY**

# **SILVER47 EXPLORATION CORP.**

FINANCIAL STATEMENTS  
FOR THE YEAR ENDED FROM  
INCORPORATION ON JANUARY 29, 2021 TO JULY 31, 2021  
(Expressed in Canadian Dollars)

## **To the Shareholders of Silver47 Exploration Corp.:**

### **Opinion**

We have audited the financial statements of Silver47 Exploration Corp. (the "Company"), which comprise the statement of financial position as at July 31, 2021, and the statements of loss and comprehensive loss, changes in equity and cash flows for the period from incorporation to July 31, 2021, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at July 31, 2021, and its financial performance and its cash flows for the period from incorporation to July 31, 2021 in accordance with International Financial Reporting Standards.

### **Basis for Opinion**

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

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

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

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

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

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

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Vancouver, British Columbia

October 18, 2021

*"DRAFT"*  
Chartered Professional Accountants

**Silver47 Exploration Corp.**  
Statement of Financial Position  
(Expressed in Canadian dollars)

	Notes	As at July 31, 2021 (\$)
<b>Assets</b>		
Current assets		
Cash	6	1,437,295
Prepays and other receivables	7	120,000
<b>Total Assets</b>		<b>1,557,295</b>
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities		65,306
<b>Shareholders' Equity</b>		
Share Capital	8	1,157,427
Contributed surplus	8	800,040
Accumulated deficit		(465,478)
<b>Total Shareholders' Equity</b>		<b>1,491,989</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>1,557,295</b>

**Nature of Operations** (Note 1)

**Commitments** (Note 14)

**Subsequent Event** (Note 15)

Approved by the Board of Directors:

/s/ "Gary Thompson"

**Gary Thompson**  
Director

/s/ "David Netherway"

**David Netherway**  
Director

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

**Silver47 Exploration Corp.**  
Statement of Loss and Comprehensive Loss  
(Expressed in Canadian dollars)

	Notes	Period from incorporation on January 29, 2021 to July 31, 2021 (\$)
<b>Expenses</b>		
Accounting expenses		10,673
Consulting fees		10,000
Exploration expenditures		16,874
General and administrative		10,601
Legal expenses		77,330
Management and directors' fees	11	125,000
Share-based compensation	11	215,000
<b>Net loss and comprehensive loss for the period</b>		<b>(465,478)</b>
<b>Net loss per share, basic and diluted</b>		<b>(0.03)</b>
<b>Weighted average number of common shares</b>		
<b>outstanding, basic and diluted</b>		<b>13,550,918</b>

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

**Silver47 Exploration Corp.**  
Statement of Changes in Equity  
(Expressed in Canadian dollars)

		Number of Common Shares	Share Capital (\$)	Warrant Reserves (\$)	Contributed Surplus Share-based payment (\$)	Accumulated Deficit (\$)	Total (\$)
	Notes	Shares	Capital (\$)	Warrant Reserves (\$)	Share-based payment (\$)	Accumulated Deficit (\$)	Total (\$)
<b>Balance at January 29, 2021</b>		-	-	-	-	-	-
Issued capital for cash	8	12,000,000	30,000	-	90,000	-	120,000
Issued capital for services	8	2,900,000	165,000	-	125,000	-	290,000
Private placement	8	2,840,000	852,000	568,000	-	-	1,420,000
Amalgamation	2	4,649,000	177,194	-	-	-	177,194
Share issuance costs	8	-	(66,767)	17,040	-	-	(49,727)
Net loss for the period		-	-	-	-	(465,478)	(465,478)
<b>Balance at July 31, 2021</b>		22,389,000	1,157,427	585,040	215,000	(465,478)	1,491,989

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

**Silver47 Exploration Corp.**  
Statement of Cash Flows  
(Expressed in Canadian dollars)

	Notes	Period from incorporation on January 29, 2021 to July 31, 2021 (\$)
<b>Operating activities</b>		
Net loss before tax for the period		(465,478)
Items not involving cash:		
Issued capital for services	8	165,000
Share-based compensation	8	215,000
Net changes in non-cash working capital items:		
Prepays and other receivables	7	(60,000)
Accounts payable and accrued liabilities		65,306
<b>Cash used in operating activities</b>		<b>(80,172)</b>
<b>Financing activities</b>		
Proceeds from private placement of common shares, net of share issuance costs		1,517,467
<b>Cash provided by financing activities</b>		<b>1,517,467</b>
<b>Net increase in cash</b>		<b>1,437,295</b>
<b>Cash, beginning of period</b>		<b>-</b>
<b>Cash, end of period</b>		<b>1,437,295</b>

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

## **1. Nature of Operations**

Silver47 Exploration Corp. ("S47" or "the Company") is a company incorporated in Canada on January 29, 2021. The Company is engaged in mineral exploration of precious metal in Canada. The Company's head office is located at Suite 551, 409 Granville Street, Vancouver, British Columbia, V6C 1T2, Canada.

These financial statements are prepared on a going concern basis, which assumes that the Company will continue its operations in the normal course of business. At present, the Company's operations do not generate cash flows. The cash balance will enable the Company to continue in operation and meet its obligations as and when they fall due, for at least the next twelve months.

The global outbreak of COVID-19 (coronavirus) has had a significant impact on businesses through the restrictions put in place by the Canadian provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

## **2. Amalgamation**

On March 11, 2021, Silver47 Exploration Corp. entered into the amalgamation agreement with Gastown Acquisition 2.0 Corp. ("Gastown") where the outstanding common shares of the two companies will be consolidated on the basis of one post-consolidation share for each pre-consolidation common shares.

On July 29, 2021, Silver47 Exploration Corp. has completed its amalgamation with Gastown Acquisitions 2.0 Corp. and the amalgamated company will adopt the name of Silver 47 Exploration Corp. The Company concluded that Gastown did not meet the definition of a business and accordingly the transaction was accounted for as an asset acquisition. The consideration transferred, assets acquired and liabilities assumed recognized is as follows:

<b>Consideration paid:</b>	\$
Shares issued	177,194
<b>Net assets acquired:</b>	\$
Cash	117,194
Share subscription receivables	60,000
Net value of net assets acquired	177,194

## **3. Basis of Preparation**

### **3.1 Statement of compliance**

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. These financial statements were authorized for issue by the Company's board of directors (the "Board") on September 1, 2021.

### **3. Basis of Preparation (continued)**

#### **3.2 Basis of presentation**

The Company's financial statements have been prepared on a historical cost basis, except for financial instruments which are classified as fair value through profit or loss ("FVTPL"), or fair value through other comprehensive income ("FVTOCI"). The Company's financial statements are presented in Canadian dollars ("\$" or "dollars"). All values are rounded to the nearest dollar except where otherwise indicated.

### **4. Significant Accounting Policies**

#### ***Cash and cash equivalents***

Cash and cash equivalents comprise of cash in bank.

#### ***Financial Instruments***

The Company classifies its financial instruments in the following categories: as FVTPL, FVTOCI, financial assets at amortized cost, and financial liabilities at amortized cost. The classification depends on the purpose for which the financial asset or liabilities were acquired. Management determines the classification of financial assets and liabilities at initial recognition.

#### ***Recognition***

Financial instruments are recognized in the statements of financial position on the trade date, being the date in which the Company becomes a party to the contractual provisions of the financial instrument.

#### ***Classification***

The Company classifies its financial assets and financial liabilities using the following measurement categories:

(a) Those to be measured subsequently at fair value (either through other comprehensive loss or through profit or loss); and (b) Those to be measured at amortized cost.

The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial liabilities are classified as those to be measured at amortized cost unless they are designed as those to be measured subsequently at fair value through profit or loss (an irrevocable election at the time of recognition). For assets and liabilities measured at the fair value, gains and losses are either recorded in profit or loss or other comprehensive loss.

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

Cash is classified as FVTPL and is accounted for at fair value. Accounts payable and accrued liabilities are classified as other financial liabilities and measured at amortized cost. Such financial liabilities are recognized initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest rate method. Interest expense is recorded in profit and loss.

The Company's financial instruments consist of cash and accounts payable and accrued liabilities. All financial instruments are initially recorded at fair value.

#### **4. Significant Accounting Policies (continued)**

##### ***Financial Instruments (continued)***

###### *Derecognition*

A financial asset or, where applicable, a part of a financial asset or part of a group of similar financial assets is derecognized when:

- the contractual rights to receive cash flows from the asset have expired; or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset; or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability obtained) is recognized in statement of loss and comprehensive loss.

###### *Fair value hierarchy*

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - Inputs for assets or liabilities that are not based on observable market data.

The Company's financial instruments classified as Level 1 in the fair value hierarchy is cash. The fair value of all other financial instruments which include accounts payable and accrued liabilities approximate their carrying values due to their short-term nature.

##### ***Exploration and evaluation expenditures***

The Company expenses exploration and evaluation expenditures as incurred. Exploration and evaluation expenditures include property option payments and other property acquisition and preservation costs and exploration and evaluation activities.

##### ***Related party transactions***

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

##### ***Share capital***

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects. Common shares issued for consideration other than cash, are valued based on their fair value at the date the shares are issued.

#### **4. Significant Accounting Policies (continued)**

##### ***Warrants***

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The Company considers the fair value of common shares issued in a private placement to be the more easily measurable component and the common shares are valued at their fair value, as determined by the closing quoted bid price on the announcement date (once a public listing has been obtained). The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded as contributed surplus.

##### ***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 is not a business combination and that affects neither accounting nor taxable profit or 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 on an undiscounted basis, 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.

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.

##### ***Earnings/Loss per share***

Basic earnings/loss per share is computed by dividing the net income or loss attributable to the owners of the Company by the weighted average number of common shares outstanding for the relevant period.

Diluted earnings/loss per share is determined by adjusting the earnings or loss attributable to the owners of the Company and the weighted average number of common shares outstanding for the effects of dilutive instruments, which includes stock options and common share purchase warrants, as if their dilutive effect was at the beginning of the period. The calculation of the diluted number of common shares assumes that proceeds received from the exercise of “in-the-money” stock options and common share purchase warrants are used to purchase common shares of the Company at their average market price for the period. In periods that the Company reports a net loss, per share amounts are not presented on a diluted basis as the result would be anti-dilutive.

#### **4. Significant Accounting Policies (continued)**

##### ***Business combination***

Business acquisitions are accounted for using the acquisition method as of the acquisition date, which is the date when control is transferred to the Company. The consideration transferred in a business combination is measured at fair value, calculated as the sum of the acquisition date fair values of the assets transferred, liabilities incurred by the Company, and the equity interests issued by the Company in exchange for control of the acquiree. Transaction costs that the Company incurs in connection with a business combination are recognized in the statements of loss and comprehensive loss as incurred. Goodwill is measured as the excess of the sum of the fair value of the consideration transferred over the net of the amounts of the identifiable assets acquired and the liabilities assumed on the acquisition date.

To identify if an acquisition meets the definition of a business, the Company may apply the optional ‘concentrate test’ to aid the assessment of whether a transaction represents a business combination or is simply in substance the purchase of a single asset or group of similar assets.

Acquisitions that do not meet the definition of a business combination are accounted for as asset acquisitions. Consideration paid for an asset acquisition is allocated to the individual identifiable assets acquired and liabilities assumed based on their relative fair values. Asset acquisitions do not give rise to goodwill. Business acquisitions are accounted for using the acquisition method as of the acquisition date, which is the date when control is transferred to the Company. The consideration transferred in a business combination is measured at fair value, calculated as the sum of the acquisition date fair values of the assets transferred, liabilities incurred by the Company, and the equity interests issued by the Company in exchange for control of the acquiree. Transaction costs that the Company incurs in connection with a business combination are recognized in the statements of loss and comprehensive loss as incurred. Goodwill is measured as the excess of the sum of the fair value of the consideration transferred over the net of the amounts of the identifiable assets acquired and the liabilities assumed on the acquisition date.

##### ***Use of estimates and judgements***

The preparation of financial statements in accordance with IFRS requires management to make estimates, judgements and assumptions that affect the measurements of assets, liabilities, revenues, expenses and certain disclosures reported in these financial statements. Actual results may vary from these estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

Significant estimates made by management include the following:

i. Valuation of warrants

Management uses the Black-Scholes option pricing model to determine the fair value of warrants issued. This model requires assumptions of the expected future volatility of the Company’s common shares, expected life of warrants, future risk-free interest rates and the dividend yield of the Company’s common shares.

ii. Income taxes

Provisions for income and other taxes are based on management’s interpretation of taxation laws, which may differ from the interpretation by taxation authorities. Such difference may result in eventual tax payments differing from amounts accrued. Reporting amounts for deferred tax assets and liabilities are based on management’s expectation for the timing and amounts of future taxable income or loss, as well as future taxation rates. Changes to these underlying estimates may result in changes to the carrying value, if any, of deferred income tax assets and liabilities.

#### **4. Significant Accounting Policies (continued)**

Significant areas requiring the use of management's judgments include:

i. **Going concern**

Management has applied judgements in the assessment of the Company's ability to continue as a going concern when preparing its financial statements for the period ended July 31, 2021. Management prepares the financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading or has no realistic alternative but to do so. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. Please refer to note 1 for additional information.

ii. **Business combination**

Judgment is used in determining whether an acquisition is a business combination, or an asset acquisition based on the facts and circumstances of the transaction in relation to the criteria listed in IFRS 3 Business Combinations.

#### **5. New Accounting Standards Pronouncements**

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after August 1, 2021. All future accounting changes are either not applicable or do not have a significant impact to the Company and have been excluded.

#### **6. Cash**

As at July 31, 2021, the Company has \$1,437,295 cash in bank. The majority of the cash was generated from the Company's private placement closed on July 8, 2021, see Note 8.

#### **7. Prepaids and Other Receivables**

As at July 31, 2021, the Company has \$60,000 prepaid marketing expenses to its marketing consultants and \$60,000 subscription receivable from Gastown Acquisition 2.0 Corp shareholders. The Company received \$60,000 subsequent payments of the subscription receivable.

#### **8. Share Capital**

a) *Authorized*

Unlimited number of common shares with no par value.

b) *Issued and Outstanding*

On January 29, 2021 upon incorporation, the Company issued founder shares of 10,000,000 common shares at \$0.001 per share to a company controlled by its sole director for gross proceeds of \$10,000 and 2,000,000 common shares at \$0.01 per share to the spouse of the sole director for gross proceeds of \$20,000. The fair value of the shares was determined to be \$0.01 per share. As a result, the common shares issued at \$0.001 were fair valued to \$0.01 per share and the Company recognized a share-based compensation of \$90,000.

On March 5, 2021, the Company issued 400,000 common shares at \$0.10 per share to its legal consultant for previous and ongoing legal services that were valued at \$40,000. On June 1, 2021, the Company issued 2,500,000 common shares at \$0.05 per share to its sole director for previous and ongoing management fee that were valued at \$125,000. Since there has been no significant transaction in the Company's operations, the fair value of the \$0.05 shares was determined to be \$0.10 per share and the Company recognized a share-based compensation of \$125,000.

**8. Share Capital (continued)**

*b) Issued and Outstanding (continued)*

On July 8, 2021 (“Closing Date”), the Company closed its private placement in which 2,840,000 units at \$0.50 per unit for a total cash consideration of \$1,420,000. Each unit consists of one common share and one common share warrant that entitles the holder to purchase one common share at a price of \$0.75 per share for a period of 36 months from the Closing Date. The fair value of the warrants was estimated to be \$568,000 using the Black-Scholes pricing model with the following assumptions: risk free interest rate of 0.65%, expected life of 3 years, expected dividend yield of 0%, and expected volatility 144.71%. As there is no trading history of the Company’s common shares, the expected volatility is based on the historical share price volatility of a group of comparable companies in the sector the Company operates over a period similar to the expected life of the warrants. Finder’s fee consisting of \$42,600 in cash and 85,200 finder’s warrants valued at \$17,040 using Black-Scholes pricing model. The Company also incurred \$7,012 in related share issuance costs.

On July 29, 2021, the Company completed its amalgamation with Gastown Acquisitions 2.0 Corp, in which 4,649,000 common shares were issued to Gastown Acquisition 2.0 Corp. shareholders on a ratio of one to one, see note 2.

As at July 31, 2021, the Company has issued a total of 22,389,000 common shares.

*c) Warrants*

The following is a summary of warrant transactions for the period ended July 31, 2021:

	July 31, 2021	
	Number of warrants	Weighted average exercise price \$
Warrants outstanding and exercisable, beginning of period	-	-
Issued	2,925,200	0.74
Warrants outstanding and exercisable, end of period	2,925,200	0.74

The following warrants were outstanding and exercisable as at July 31, 2021:

Expiry date	Exercise Price \$	Number of warrants outstanding and exercisable	Weighted average contractual life (years)
July 8, 2024	0.75	2,840,000	2.94
July 8, 2024	0.50	85,200	2.94
	0.74	2,925,200	2.94

**9. Income Taxes**

The following table reconciles the expected income taxes expense (recovery) at the Canadian statutory income tax rates to the amounts recognized in the statement of operations and comprehensive loss for the period from date of incorporation to July 31, 2021:

**9. Income Taxes (continued)**

	<b>July 31, 2021</b>
	<b>\$</b>
Net loss before tax	(465,478)
Statutory tax rate	27.00%
Expected income tax (recovery)	(125,679)
Non-deductible items	58,050
Share issuance costs	(22,146)
Change in deferred tax asset not recognized	89,775
Total tax expense (recovery)	<u>-</u>

The unrecognized deductible temporary differences as at July 31, 2021 are comprised of the following:

	<b>July 31, 2021</b>
	<b>\$</b>
Non-capital loss carryforwards	167,499
Share issuance costs	73,798
Exploration expense	16,874
Undepreciated capital costs	74,330
Total unrecognized deductible temporary differences	<u>332,501</u>

The Company has not recognized non-capital loss carryforwards of approximately \$167,499 which may be carried forward to apply against future income for Canadian income tax purposes, subject to the final determination by taxation authorities, expiring in the following year:

<b>Expiry</b>	<b>\$</b>
2041	167,499
<u>Total</u>	<u>167,499</u>

**10. Capital Risk Management**

The Company's objectives are to safeguard the Company's ability to continue as a going concern in order to support the Company's normal operating requirements and future acquisitions of mineral properties, and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares, debt, acquire or dispose of assets or adjust the amount of cash.

At July 31, 2021, the Company's capital structure consists of the equity of the Company. The Company is not subject to any externally imposed capital requirements. In order to maximize ongoing development efforts, the Company does not pay dividends.

## **11. Financial Instruments**

The Company's financial assets include cash. The Company's financial liabilities include accounts payable. The carrying value of the Company's financial liabilities approximate fair value due to their short term to maturity.

### ***11.1 Financial risk management objectives and policies***

The financial risk arising from the Company's operations are credit risk and liquidity risk. These risks arise from the normal course of operations and all transactions undertaken are to support the Company's ability to continue as a going concern. The risks associated with these financial instruments and the policies on how the Company mitigates these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

### ***11.2 Credit risk***

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. Credit risk for the Company is primarily associated with the Company's bank balances. The Company mitigates credit risk associated with its bank balance by holding cash with large, reputable financial institutions.

### ***11.3 Liquidity risk***

Liquidity risk is the risk that the Company will not be able to settle or manage its obligations associated with financial liabilities. To manage liquidity risk, the Company closely monitors its liquidity position and ensures it has adequate sources of funding to finance its projects and operations. The Company's working capital as at July 31, 2021 was \$1,491,989. The Company's accounts payable and accrued liabilities are expected to be realized or settled, respectively, within a one-year period.

## **12. Related Party Transactions**

See note 8 on common shares issued to the Company's sole director, a company controlled by its sole director, and spouse of the sole director.

## **13. Operating Segments**

The Company conducts its business as a single operating segment, being mineral exploration. Substantially all of the Company's assets and liabilities are held within Canada.

## **14. Commitments**

On February 23, 2021, the Company signed an asset purchase agreement ("Agreement") with Silver Range Resources Ltd. ("Silver Range") to acquire 100% interest in the Michelle Silver-Zinc-Lead Project located in central Yukon. Pursuant to the Agreement, the Company can purchase 100% interest in the Michelle Property by:

- Issuing to Silver Range 19.9% of the Company's shares following a listing on a Canadian securities exchange before March 1, 2022.
- Granting Silver Range a 1% Net Smelter Return. The Company will have a right of first refusal on the sale of the royalty.
- Making a one-time milestone payment of \$1,000,000 in cash or the Company's shares upon the declaration of National Instrument 43-101 Measured & Indicated resources or reserves in excess of 80,000,000 ounces of silver.

## **15. Subsequent Events**

On August 18, 2021, the Company issued 19,200 common shares at \$0.50/share to a consultant to settle the recruitment fee.

On August 18, 2021, the Company issued 120,000 common shares at \$0.50/share to its CFO as part of the compensation. These shares are reverse vested for 12 months.

On August 22, 2021, the Company has entered into a geological consulting contract at a budget of \$497,563 with Archer, Cathro & Associates (1981) Limited. The engagement commenced in late August 2021 and completed by September 30, 2021.

On September 30, 2021, the Company has implemented a share compensation plan (“the Plan”) in which 10% of the total number of common shares that are issued and outstanding can be granted. In connection with the adoption of the Plan, the Company granted 2,000,000 options to its directors and officers with exercise price of \$0.50/share, exercisable for 10 years until September 30, 2031. 50% of the options are vested immediately, and the other 50% will be vested on September 30, 2022.

**SCHEDULE B**

**MANAGEMENT DISCUSSION & ANALYSIS FOR THE COMPANY**

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of Silver47 Exploration Corp.'s ("Silver47" or the "Company") financial condition and results of operations should be read together with Silver47's financial statements for the period from incorporation to July 31, 2021 prepared in accordance with IFRS and the other financial information included elsewhere in this prospectus. Amounts for subtotals, totals and percentage variances included in tables may not sum or calculate using the numbers as they appear in the tables due to rounding.

This management's discussion and analysis ("MD&A") of financial condition and results of operations for the period from January 29, 2021, being the date of Silver47's incorporation, to July 31, 2021, should be read in conjunction with Silver47's audited financial statements and the related notes thereto, included elsewhere herein. The MD&A was prepared to conform to National Instrument 51-102F1 and was approved by the Board of Directors prior to its release. The information contained in this management's discussion and analysis is current as of the date hereof.

### *Overview*

Silver47 is a precious metal-focused exploration company incorporated in Canada on January 29, 2021. Silver47's head office is located at Suite 551 - 409 Granville Street Vancouver, BC, Canada and the registered and records office is located at 2800 Park Place, 666 Burrard Street Vancouver, BC, Canada.

On March 11, 2021, Silver47 entered into the amalgamation agreement with Gastown Acquisition 2.0 Corp. ("Gastown") where the outstanding common shares of the two companies will be consolidated on the basis of one post-consolidation share for each pre-consolidation common shares.

On July 29, 2021, Silver47 completed its amalgamation with Gastown Acquisitions 2.0 Corp. and the amalgamated company adopted the name of Silver 47 Exploration Corp. The Company concluded that Gastown did not meet the definition of a business and accordingly the transaction was accounted for as an asset acquisition. The consideration transferred, assets acquired and liabilities assumed recognized is as follows:

<b>Consideration paid:</b>	\$
Shares issued	177,194
<b>Net assets acquired:</b>	\$
Cash	117,194
Share subscription receivables	60,000
Net value of net assets acquired	177,194

On February 23, 2021, the Company signed an asset purchase agreement ("Agreement") with Silver Range Resources Ltd. ("Silver Range") to acquire 100% interest in the Michelle Silver-Zinc-Lead Project located in central Yukon. Pursuant to the Agreement, the Company can purchase 100% interest in the Michelle Property by:

- Issuing to Silver Range 19.9% of the Company's shares following a listing on a Canadian securities exchange ("CSE") before March 1, 2022.
- Granting Silver Range a 1% Net Smelter Return (the "Royalty"). The Company will have a right of first refusal on the sale of the Royalty.

Making a one-time milestone payment of \$1,000,000 in cash or the Company's shares upon the declaration of National Instrument - 43-101 ("NI 43-101") Measured & Indicated resources or reserves in excess of 80,000,000 ounces of silver.

### ***Selected Annual Financial Data***

The following chart summarizes selected annual financial information:

Total loss from continuing operations	\$465,478
Basic and diluted loss per share	\$0.03/share
Total assets	\$1,557,295

### ***Operating Results***

From the date of Silver47's incorporation, being January 29, 2021, to July 31, 2021, Silver47 incurred accounting expenses of \$10,673 which is the annual audit fee, consulting fees of \$10,000 which is related to marketing material and website design, exploration expenditure of \$16,874 which is the fee related to Michelle project technical report, general and administrative of \$10,601 which is the recruitment service fee related to CFO, legal expenses of \$77,330 which is related to the incorporation and other legal matters, management and directors' fees of \$125,000 which is the value of shares issued to CEO for previous and on-going management fee, share-based compensation of \$215,000 which is related to fair value adjustment of shares issued to CEO.

Silver47's net loss for the period since its incorporation to July 31, 2021 was \$465,678.

### ***Liquidity and Capital Resources***

Silver47's capital resources consist primarily of cash raised from the issuance of equity.

As at July 31, 2021, Silver47 had cash of \$1,437,295. On July 8, 2021, Silver47 closed a private placement in which 2,840,000 units at \$0.50 per unit for a total cash consideration of \$1,420,000. Each unit consists of one common share and one common share warrant that entitles the holder to purchase one common share at a price of \$0.75 per share for a period of 36 months from the Closing Date.

As at July 31, 2021, Silver47 had current liabilities of \$65,306, of which \$21,274 was subsequently paid.

Silver47 believes that its current financial resources will be adequate to cover anticipated expenditures for its activities for at least the next twelve months.

### ***Off – Balance Sheet Arrangements***

As at July 31, 2021, there were no off-balance sheet arrangements to which the Company was committed.

### ***Related Party Transactions***

On January 29, 2021 upon incorporation, the Company issued founder shares of 10,000,000 common shares at \$0.001 per share to a company controlled by its sole director for gross proceeds of \$10,000 and 2,000,000 common shares at \$0.01 per share to the spouse of the sole director for gross proceeds of \$20,000. The fair value of the shares was determined to be \$0.01 per share. As a result, the common shares issued at \$0.001 were fair valued to \$0.01 per share and the Company recognized a share-based compensation of \$90,000.

### ***Critical Accounting Estimates and Judgements***

The preparation of financial statements in accordance with IFRS requires management to make estimates, judgements and assumptions that affect the measurements of assets, liabilities, revenues, expenses and certain disclosures reported in these financial statements. Actual results may vary from these estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

Significant estimates made by management include the following:

i. Valuation of warrants

Management uses the Black-Scholes option pricing model to determine the fair value of warrants issued. This model requires assumptions of the expected future volatility of the Company's common shares, expected life of warrants, future risk-free interest rates and the dividend yield of the Company's common shares.

ii. Income taxes

Provisions for income and other taxes are based on management's interpretation of taxation laws, which may differ from the interpretation by taxation authorities. Such difference may result in eventual tax payments differing from amounts accrued. Reporting amounts for deferred tax assets and liabilities are based on management's expectation for the timing and amounts of future taxable income or loss, as well as future taxation rates. Changes to these underlying estimates may result in changes to the carrying value, if any, of deferred income tax assets and liabilities.

Significant areas requiring the use of management's judgments include:

i. Going concern

Management has applied judgements in the assessment of the Company's ability to continue as a going concern when preparing its financial statements for the period ended July 31, 2021. Management prepares the financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading or has no realistic alternative but to do so. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. Please refer to note 1 for additional information.

ii. Business combination

Judgment is used in determining whether an acquisition is a business combination, or an asset acquisition based on the facts and circumstances of the transaction in relation to the criteria listed in IFRS 3 Business Combinations.

### ***Summary of Cash Flows***

#### **Operating Activities**

The total amount Silver47 spent on the its operating activities during the period from its incorporation on January 29, 2021 to July 31, 2021 was \$80,172. The cash used in operations reflected a net loss of \$465,678 offset by non-cash items related to capital issued for services of \$165,000 and share-based compensation of \$215,000, non-cash changes in prepaids and other receivables of \$60,000, and an increase in accounts payable and accrued liabilities of \$65,306.

#### **Financing Activities**

Net cash provided by financing activities during the period from Silver47's incorporation on January 29, 2021 to July 31, 2021 was \$1,517,467, which is primarily related to net proceeds received from the issuance of common shares.

### ***Financial Instruments***

The Company's financial assets include cash. The Company's financial liabilities include accounts payable and accrued liabilities. The carrying value of the Company's financial liabilities approximate fair value due to their short term to maturity.

### ***Financial risk management objectives and policies***

The financial risk arising from the Company's operations are credit risk and liquidity risk. These risks arise from the normal course of operations and all transactions undertaken are to support the Company's ability to continue as a going concern. The risks associated with these financial instruments and the policies on how the Company mitigates these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

### ***Credit risk***

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. Credit risk for the Company is primarily associated with the Company's bank balances. The Company mitigates credit risk associated with its bank balance by holding cash with large, reputable financial institutions.

### ***Liquidity risk***

Liquidity risk is the risk that the Company will not be able to settle or manage its obligations associated with financial liabilities. To manage liquidity risk, the Company closely monitors its liquidity position and ensures it has adequate sources of funding to finance its projects and operations. The Company's working capital as at July 31, 2021 was \$1,491,989. The Company's accounts payable and accrued liabilities are expected to be realized or settled, respectively, within a one-year period.

### ***New Accounting Pronouncements***

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after August 1, 2021. All future accounting changes are either not applicable or do not have a significant impact to the Company and have been excluded.

### ***Disclosure of Outstanding Share Data***

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

*Issued and Outstanding:*

On January 29, 2021 upon incorporation, the Company issued founder shares of 10,000,000 common shares at \$0.001 per share to a company controlled by its sole director for gross proceeds of \$10,000 and 2,000,000 common shares at \$0.01 per share to the spouse of the sole director for gross proceeds of \$20,000. The fair value of the shares was determined to be \$0.01 per share. As a result, the common shares issued at \$0.001 were fair valued to \$0.01 per share and the Company recognized a share-based compensation of \$90,000.

On March 5, 2021, the Company issued 400,000 common shares at \$0.10 per share to its legal consultant for previous and ongoing legal services that were valued at \$40,000. On June 1, 2021, the Company issued 2,500,000 common shares at \$0.05 per share to its sole director for previous and ongoing management fee that were valued at \$125,000. Since there has been no significant transaction in the Company's operations, the fair value of the \$0.05 shares was determined to be \$0.10 per share and the Company recognized a share-based compensation of \$125,000.

On July 8, 2021 ("Closing Date"), the Company closed its private placement in which 2,840,000 units at \$0.50 per unit for a total cash consideration of \$1,420,000. Each unit consists of one common share and one common share warrant that entitles the holder to purchase one common share at a price of \$0.75 per share for a period of 36 months from the Closing Date. The fair value of the warrants was estimated to be \$568,000 using the Black-Scholes pricing model with the following assumptions: risk free interest rate of 0.65%, expected life of 3 years, expected dividend yield of 0%, and expected volatility 144.71%. As there is no trading history of the Company's common shares, the expected volatility is based on the historical share price volatility of a group of comparable companies in the sector the Company operates over a period similar to the expected life of the warrants. Finder's fee consisting of \$42,600 in cash and 85,200 finder's warrants valued at \$17,040 using Black-Scholes pricing model. The Company also incurred \$7,012 in related share issuance costs.

On July 29, 2021, the Company completed its amalgamation with Gastown Acquisitions 2.0 Corp, in which 4,649,000 common shares were issued to Gastown Acquisition 2.0 Corp. shareholders on a ratio of one to one, see note 2 to the audited financial statements.

As at July 31, 2021, the Company has issued a total of 22,389,000 common shares and 2,925,200 warrants.

On August 18, 2021, the Company issued 19,200 common shares at \$0.50/share to a consultant to settle the recruitment fee.

On August 18, 2021, the Company issued 120,000 common shares at \$0.50/share to its CFO as part of the compensation. These shares are reverse vested for 12 months.

On August 22, 2021, the Company has entered into a geological consulting contract at a budget of \$497,563 with Archer, Cathro & Associates (1981) Limited. The engagement commenced in late August 2021 and completed by September 30, 2021.

On September 30, 2021, the Company has implemented a share compensation plan (“the Plan”) in which 10% of the total number of common shares that are issued and outstanding can be granted. In connection with the adoption of the Plan, the Company granted 2,000,000 options to its directors and officers with exercise price of \$0.50/share, exercisable for 10 years until September 30, 2031. 50% of the options are vested immediately, and the other 50% will be vested on September 30, 2022.

The following is a breakdown of the share capital of the Company, on an annual basis and the date of this report:

	October 18, 2021	July 31, 2021	January 29, 2021 (Incorporation)
Common shares	22,528,200	22,389,000	-
Stock Options	2,000,000	-	-
Warrants	2,925,200	2,925,200	-
Fully Diluted Shares	27,453,400	25,314,200	-

For additional details of outstanding share capital, refer to the audited financial statements for the period from incorporation on January 29, 2021 to July 31, 2021.

### ***Risk Factors***

For a full discussion the risk factors affecting the Company, please refer to the Company’s prospectus.

### **Cautionary Statement on Forward-Looking Statements**

This MD&A contains “forward-looking information” and “forward-looking statements” (collectively, “forward-looking statements”) within the meaning of applicable securities legislation. The forward-looking statements herein are made as of the date of this MD&A only and the Company does not intend to and does not assume any obligation to update updated forward-looking information, except as required by applicable law. For this reason and the reasons set forth below, investors should not place undue reliance on forward looking statements.

All statements included herein that address events or developments that Silver47 expects to occur in the future are forward-looking statements. Generally forward-looking statements can be identified by the use of words such as “predicts”, “projects”, “targets”, “plans”, “expects”, “does not expect”, “budget”, “scheduled”, “estimates”, “forecasts”, “anticipate” or “does not anticipate”, “believe”, “intend” and similar expressions or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved, or the negative or grammatical variation thereof or other variations thereof, or comparable terminology have been used to identify forward looking statements.

Forward-looking statements in this MD&A include, but are not limited to, statements regarding:

- the timing of the closing of the Agreement and listing the Common Shares on the Canadian Stock Exchange, including the receipt, in a timely manner, of regulatory and other required approvals;

- the receipt of Conditional Approval and the subsequent Listing of the Common Shares on the CSE, including the Company fulfilling all applicable listing requirements;
- the Company's goals regarding development of its projects, and regarding raising capital and conducting further exploration and developments of its properties;
- the use of available funds;
- the Company's future business plans, business objectives and milestones;
- costs, timing and completion of future exploration and development activities;
- the Company's negative cash flows;
- expectations generally regarding the ability to raise further capital for corporate purposes;
- adequacy of financial resources;
- the Company's compensation policy and practices; and
- the Company's expected reliance on key management personnel, advisors and consultants.

Such forward-looking statements reflect management's current beliefs and are based on information currently available to management.

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 number of factors could cause actual events or results to differ materially from any forward-looking statements, including, without limitation:

- risks relating to listing on the CSE and the acquisition of the Michelle Property
- the Company's limited operating history;
- the Company has no history of earnings;
- there are no known commercial quantities of mineral reserves on any properties optioned by the Company;
- there is no guarantee that economic quantities of mineral reserves will be discovered on the Michelle Property by the Company in the near future or at all;
- the Company has a history of negative cash flows from operations;
- substantial capital requirements and liquidity risks;
- the speculative nature of mineral exploration;
- dilution of the Company's capital;
- the Michelle Property is in the exploration stage only and is without a known body of commercial ore;
- permits and government regulations;
- environmental risks;
- reliance on key individuals;
- risks relating to mineral titles and loss of interest in the Company's properties;
- risks relating to Aboriginal title;
- fluctuations of mineral prices;

- competition;
- public health crises;
- price volatility of publically traded securities;
- shortages of critical parts, equipment and skilled labour;
- conflicts of interest;
- claims and legal proceedings;
- tax issues; and
- other factors identified and as described in more detail under the heading “Risk Factors” in the Company’s prospectus.

While the Company considers its assumptions to be reasonable, the assumptions are inherently subject to significant business, social, economic, political, regulatory, competitive and other risks, uncertainties, contingencies and other factors that could cause actual actions, events, conditions, results, performance or achievements to be materially different from those projected in the forward looking statements. Many assumptions are based on factors and events that are not within the Company’s control and there is no assurance they will prove to be correct.

Although The Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those contained in forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Investors are cautioned that forward-looking statements are not guarantees of future performance. The Company cannot assure investors that actual results will be consistent with these forward-looking statements. Accordingly, investors should not place undue reliance on forward-looking statements or information.

## SCHEDULE C

### AUDIT COMMITTEE CHARTER

#### 1.0 PURPOSE

1.1 The Audit Committee (the “**Committee**”) is a standing committee of the board of directors (the “**Board**”) of Silver47 Exploration Corp. (the “**Company**”) charged with assisting 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. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Company’s policies, procedures and practices at all levels. The Committee’s primary duties and responsibilities are to:

- (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 appraise the performance of the Company’s external auditors; and
- (c) provide an open avenue of communication among the Company’s auditors, financial and senior management and the Board.

#### 2.0 COMMITTEE MEMBERSHIP

2.1 The Board shall annually elect a minimum of three (3) directors to the Committee, a majority of whom shall be financially literate, independent of management and free from any material relationship with the Company, that in the opinion of the Board, would interfere with the director’s exercise of independent judgment as a member of the Committee. Unless a chair of the Committee (“**Chair**”) is elected by the full Board, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

2.2 If the Company ceases to be a “venture issuer” (as that term is defined in National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”)), then all of the members of the Committee shall be independent (as that term is defined in NI 52-110).

2.3 If the Company ceases to be a “venture issuer” (as that term is defined in NI 52-110), then all members of the Committee shall be financially literate. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of this Charter of the Audit Committee (the “**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.

#### 3.0 MEETINGS

3.1 The Committee shall meet at least four (4) times annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually with the external auditors.

3.2 A quorum for the transaction of business at any meeting of the Committee shall be two (2) members.

## 4.0 RESPONSIBILITIES AND DUTIES

To fulfill its responsibilities and duties, the Committee shall:

### 4.1 *Documents/Reports Review*

- (a) review this Charter annually and recommend any changes to the Board; and
- (b) review the Company's financial statements, management discussion and analysis and any annual and interim earnings press releases before the Company publicly discloses this information, and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.

### 4.2 *External Auditors*

- (a) annually review the performance of the external auditors who shall be ultimately accountable to the Board and the Committee as representatives of the shareholders of the Company;
- (b) annually obtain a formal written statement of external auditors setting forth all relationships between the external auditors and the Company, consistent with Independence Standards Board Standard No. 1 – *Independence Discussions with Audit Committees*;
- (c) review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors;
- (d) take appropriate action to oversee the independence of the external auditors, including the resolution of disagreements between management and the external auditor regarding financial reporting;
- (e) recommend to the Board the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval;
- (f) recommend to the Board the compensation to be paid to the external auditors;
- (g) at least once per year, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements;
- (h) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company;
- (i) review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements; and
- (j) review and pre-approve all audit and audit-related services and the fees and other compensation related thereto;
- (k) review and pre-approve any non-audit services provided by the Company's external auditors, subject to the following:
  - (i) the pre-approval requirement shall be satisfied with respect to the provision of non-audit services if the following criteria (as set forth in Section 2.4 of NI 52-110) are met:
    - (A) the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of fees paid by the Company (and its subsidiary entities) to its external auditors during the fiscal year in which the non-audit services are provided;

- (B) such services were not recognized by the Company (or the subsidiary entity) at the time of the engagement to be non-audit services;
  - (C) such services are promptly brought to the attention of the Committee and approved, prior to the completion of the audit, by the Committee or by one or more members of the Committee who are members of the Board to whom authority to grant such approvals has been delegated by the Committee (with such delegation being in compliance with Section 2.5 of NI 52-110); and
- (ii) the Committee may delegate to the Chair or any other independent member of the Committee the authority to pre-approve non-audit services, provided such pre-approved non-audit services are presented to the Committee at the next scheduled Committee meeting following such pre-approval.

#### **4.3 *Financial Reporting Processes***

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

#### **4.4 *Internal Control***

- (a) consider the effectiveness of the Company's internal control system;
- (b) understand the scope of external auditors' review of internal control over financial reporting, and obtain reports on significant findings and recommendations, together with management's responses;
- (c) review external auditors' management letters and management's responses to such letters;

- (d) as requested by the Board, discuss with management and the external auditors the Company's major risk exposures (whether financial, operational or otherwise), the adequacy and effectiveness of the accounting and financial controls, and the steps management has taken to monitor and control such exposures;
- (e) annually review the Company's disclosure controls and procedures, including any significant deficiencies in, or material non-compliance with, such controls and procedures; and
- (f) discuss with the Chief Financial Officer and, as is in the Committee's opinion appropriate, the President and Chief Executive Officer, all elements of the certification required pursuant to National Instrument 52-109 - *Certification of Disclosure in Issuers' Annual and Interim Filings*.

**4.5 Other**

- (a) review any related-party transactions;
- (b) engage independent counsel and other advisors as it determines necessary to carry out its duties;
- (c) set and pay compensation for any independent counsel and other advisors employed by the Committee; and
- (d) communicate directly with the internal and external auditors.

**CERTIFICATE OF THE COMPANY**

Dated: October 18, 2021

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities previously issued by Silver47 Exploration Corp. as required by the securities legislation of British Columbia.

*“Gary R. Thompson” (signed)*

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Gary R. Thompson  
*Chief Executive Officer*

*“Kevin Chen” (signed)*

\_\_\_\_\_  
Kevin Chen  
*Chief Financial Officer*

On Behalf of the Board of Directors

*“Ryan Goodman” (signed)*

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Ryan Goodman  
*Director*

*“David Netherway” (signed)*

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David Netherway  
*Director*