



**FORM 2B  
LISTING APPLICATION**

**ARTEMIS GOLD INC.**

**Application for the listing of common shares in the capital of  
Artemis Gold Inc. on the TSX Venture Exchange**

**August 28, 2019**

*"No securities regulatory authority or the TSX Venture Exchange has expressed an opinion about the securities which are the subject of this application."*

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## **Item 1: Glossary**

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Unless otherwise indicated or the context otherwise indicates, the following definitions are used in this Listing Application. In the event of a conflict between a term defined in this Glossary and a term defined in the Corporate Finance Manual of the TSX-V, the Corporate Finance Manual of the TSX-V will govern.

<b>\$</b>	means Canadian dollars, unless otherwise specified.
<b>Arrangement</b>	means the arrangement under Section 288 of the BCBCA on the terms and subject to the conditions set out in the Plan of Arrangement.
<b>Arrangement Agreement</b>	means the arrangement agreement dated as of May 14, 2019 among Atlantic, St Barbara, Artemis and Subco.
<b>Arrangement Resolution</b>	means the special resolution of the Atlantic Securityholders approving the Plan of Arrangement.
<b>Artemis</b>	means Artemis Gold Inc., formerly 1193490 B.C. Ltd., a company incorporated pursuant to the BCBCA.
<b>Artemis Board</b>	means the board of directors of Artemis as the same is constituted from time to time.
<b>Artemis Liabilities</b>	has the meaning attributed to the term “SpinCo Liabilities” in the Circular.
<b>Artemis Options</b>	means options to purchase Artemis Shares granted pursuant to the Artemis Option Plan.
<b>Artemis Option Plan</b>	means the stock option plan of Artemis.
<b>Artemis Shareholder</b>	means a holder of Artemis Shares.
<b>Artemis Shares</b>	means common shares of Artemis.
<b>Artemis Units</b>	means units of Artemis comprised of one Artemis Share and one common share purchase warrant of Artemis.
<b>Atlantic</b>	means Atlantic Gold Corporation, a corporation existing under the BCBCA.
<b>Atlantic Meeting</b>	means the special meeting of Atlantic Securityholders held on July 15, 2019 to approve the Arrangement Resolution.
<b>Atlantic Options</b>	means options to purchase Atlantic Shares.
<b>Atlantic Optionholder</b>	means a holder of Atlantic Options.
<b>Atlantic Shareholder</b>	means a holder of Atlantic Shares.
<b>Atlantic Securityholder</b>	means Atlantic Shareholders and Atlantic Optionholders.
<b>Atlantic Securityholder Approval</b>	means the approval of the Arrangement Resolution by at least: (i) 66 2/3% of the votes cast on such resolution by Atlantic Shareholders present in person or represented by proxy at the Meeting; (ii) 66 2/3% of the votes cast on such resolution by Atlantic Securityholders present in person or represented by proxy at the Meeting voting together as a single class; and (iii) a majority of the votes cast by Atlantic Shareholders other

	than votes attached to Atlantic Shares required to be excluded pursuant to MI 61-101.
<b>Atlantic Shares</b>	means common shares of Atlantic.
<b>Audit Committee</b>	means the audit committee of the Artemis Board.
<b>Audit Committee Charter</b>	means the charter of the Audit Committee.
<b>BCBCA</b>	means the <i>Business Corporations Act</i> (British Columbia).
<b>CEO</b>	means Chief Executive Officer.
<b>CFO</b>	means Chief Financial Officer.
<b>Claim</b>	has the meaning ascribed to that term in this Listing Application under <i>Legal Proceedings and Regulatory Actions – Legal Proceedings</i> .
<b>Compensation Committee</b>	means the compensation committee of the Artemis Board.
<b>Convertible Debentures</b>	has the meaning attributed thereto under Item 4 of this Listing Application – <i>Description of the Business</i> .
<b>Counterclaim</b>	has the meaning ascribed to that term in this Listing Application under <i>Legal Proceedings and Regulatory Actions – Legal Proceedings</i> .
<b>Circular</b>	means, collectively, the Notice of Special Meeting and the Management Information Circular of Atlantic dated June 10, 2019, including all appendices thereto, sent to Atlantic Shareholders and Atlantic Optionholders in connection with the Atlantic Meeting.
<b>Code of Ethics</b>	means Artemis' Code of Business Ethics and Conduct.
<b>Court</b>	means the Supreme Court of British Columbia.
<b>Effective Date</b>	means July 19, 2019, the date that the Arrangement became effective.
<b>Effective Time</b>	means 12:01 a.m. (Pacific Time) on the Effective Date.
<b>Eligible Person</b>	has the meaning attributed thereto under Item 11 of this Listing Application - <i>Stock Option Plan</i> .
<b>Final Order</b>	means the final order of the Court pursuant to Section 291(4) of the BCBCA, after a hearing upon the procedural and substantive fairness of the terms and conditions of the Arrangement, approving the Arrangement.
<b>GK Technical Report</b>	means the technical report for the GK Project entitled "Technical Report on the GK Project, Telegraph Creek area, British Columbia" dated May 31, 2019 with an effective date of May 31, 2019.
<b>GK Project</b>	means the GK Project, located in the Telegraph Creek area of British Columbia.
<b>Investment Agreement</b>	means the investment agreement dated January 16, 2019 among Velocity, Artemis and Atlantic, as amended (the " <b>Investment</b>

**Agreement”).**

<b>Issuer</b>	means a company and its subsidiaries which have any of its securities listed for trading on the TSX-V and, as the context requires, any applicant company seeking a listing of its securities on the TSX-V.
<b>MD&amp;A</b>	means Management’s Discussion and Analysis.
<b>NCGC</b>	means the nominating and corporate governance committee of the Artemis Board.
<b>NI 43-101</b>	means National Instrument 43-101 - <i>Standards of Disclosure for Mineral Projects</i> of the Canadian Securities Administrators.
<b>NI 52-110</b>	means National Instrument 52-110 - <i>Audit Committees</i> of the Canadian Securities Administrators.
<b>Option Agreement</b>	means the agreement between Artemis and Strategic dated May 31, 2019 with respect to the GK Project.
<b>Plan of Arrangement</b>	means the plan of arrangement in the form attached as Appendix B to the Circular.
<b>Private Placement</b>	has the meaning attributed thereto under Item 2 of this Listing Application – <i>Summary</i> .
<b>SEDAR</b>	means the System for Electronic Document Analysis and Retrieval available at <a href="http://www.sedar.com">www.sedar.com</a> .
<b>St Barbara</b>	means St Barbara Limited, a corporation existing under the laws of Australia.
<b>Strategic</b>	Strategic Metals Ltd.
<b>Subco</b>	means 1207147 B.C. Ltd., a corporation existing under the laws of British Columbia.
<b>Tax Act</b>	means the Income Tax Act (Canada), as amended from time to time.
<b>Term</b>	has the meaning attributed thereto under Item 4 of this Listing Application – <i>Description of the Business</i> .
<b>TSX-V</b>	means TSX Venture Exchange.
<b>Velocity</b>	means Velocity Minerals Ltd.
<b>Velocity Investment</b>	has the meaning attributed thereto under Item 4 of this Listing Application – <i>Description of the Business</i> .
<b>Velocity Share</b>	has the meaning attributed thereto under Item 4 of this Listing Application – <i>Description of the Business</i> .
<b>Velocity Units</b>	has the meaning attributed thereto under Item 4 of this Listing Application

– Description of the Business.

**Velocity Warrant**

has the meaning attributed thereto under Item 4 of this Listing Application  
– *Description of the Business.*

**Item 2: Summary**

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The following is a summary of information relating to Artemis Gold Inc. (“**Artemis**”) and should be read together with the more detailed information and financial statements contained or referred to elsewhere in this Listing Application, the GK Technical Report or the Circular.

***The Business of Artemis***

Artemis is a mineral exploration company. Artemis was incorporated under the BCBCA under the name 1193490 B.C. Ltd. on January 10, 2019.

Artemis’ assets include the interest that it holds in Velocity Minerals Ltd. (“**Velocity**”) and its option to acquire a 100% interest in the GK Project located in the Telegraph Creek area of British Columbia (the “**GK Project**”).

Pursuant to the Arrangement, in addition to the cash consideration, all holders of Atlantic Shares received 0.05 Artemis Shares for each Atlantic Share held. The particulars of the Arrangement are set out in the Circular which is available under Atlantic’s profile on SEDAR. The Arrangement was completed on July 19, 2019.

***Management, Directors and Key Employees***

Steven G. Dean	Chairman, CEO and Director
Robert Atkinson	Director
David Black	Director
William Armstrong	Director
Ryan Beedie	Director
Chris Batalha	CFO and Corporate Secretary

See Item 15 – *Directors and Executive Officers.*

***Use of Proceeds***

On August 27, 2019, Artemis completed a non-brokered private placement financing for gross proceeds of \$32,641,566 (the “**Private Placement**”). Artemis expects to use the net proceeds from the Private Placement towards funding further exploration of its GK Project, to identify and finance further growth and development opportunities, as well as for general working capital.

The Private Placement resulted in Artemis issuing 36,268,407 units (the “**Artemis Units**”) at a price of \$0.90 per Artemis Unit. Each Artemis Unit consists of one Artemis Share and one common share purchase warrant, with each whole warrant entitling the holder to purchase one additional Artemis Share at a price of \$1.08 per share for a period of 60 months following closing of the Private Placement.

See Item 5 – *Financing.*

***Mineral Projects***

A detailed description of the GK Project is set out in the GK Technical Report, which is incorporated by reference into and enclosed with this Listing Application.

## **Risk Factors**

Artemis is a mineral exploration company. This industry is capital intensive, highly speculative, and is subject to fluctuations in commodity prices, market sentiment and exchange rates for currency, inflation and other risks (See Item 20 – *Risk Factors*).

## **Financial Information**

For financial information related to Artemis, please see the audited financial statements of Artemis for the period from incorporation on January 10, 2019 to May 14, 2019, which are attached hereto as Appendix “B” and are available for viewing under Atlantic’s profile on SEDAR.

## **Item 3: Corporate Structure**

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### ***Name, address and incorporation***

Artemis was incorporated under the BCBCA under the name 1193490 B.C. Ltd. on January 10, 2019.

Artemis’ head offices are located at Suite 3083, Three Bentall Centre, 595 Burrard Street, P.O. Box 49298, Vancouver, BC, V7X 1L3, Canada.

The registered and records office of Artemis is located at Suite 2600, Three Bentall Centre, 595 Burrard Street, P.O. Box 49314, Vancouver, BC, V7X 1L3, Canada.

Artemis is a reporting Issuer in British Columbia, Alberta, Ontario and Quebec.

### ***Intercorporate Relationships***

Artemis has no subsidiaries.

## **Item 4: Description of the Business**

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### ***General Development of the Business***

#### **General**

Artemis’ assets include the interest that it holds in Velocity and its option to acquire a 100% interest in the GK Project.

#### **Velocity Investment**

On March 14, 2019, Atlantic, through Artemis, its wholly owned subsidiary at such time, completed a \$9,000,000 strategic investment in Velocity (the “**Velocity Investment**”) pursuant to the Investment Agreement. A copy of the Investment Agreement is available on Velocity’s SEDAR profile at [www.SEDAR.com](http://www.SEDAR.com). The Velocity Investment was comprised of (i) 18,600,000 units of Velocity (the “**Velocity Units**”) issued at a price of \$0.21 per Velocity Unit, for \$3,906,000, and (ii) \$5,094,000 principal amount of secured convertible debentures of Velocity (the “**Convertible Debentures**”).

Each Velocity Unit consists of one common share in the capital of Velocity (“**Velocity Share**”) and one half of one common share purchase warrant (each whole warrant, a “**Velocity Warrant**”). Each Velocity Warrant is exercisable for an additional Velocity Share until March 14, 2022 at an exercise price of \$0.25 per Velocity Share. The Convertible Debentures will earn interest at a rate of 8.5% per annum over a 60-month term (the “**Term**”), payable semi-annually in cash or Velocity Shares at the discretion of Velocity. The principal amount of the Convertible Debentures is convertible into Velocity Shares during the Term at the election of Artemis at a conversion price of \$0.25. The Convertible Debentures are secured with a first ranking charge by way of a general security agreement and guarantee from the material subsidiary of Velocity.

Artemis has the right to designate one individual to be nominated and, if elected, to serve as a director of Velocity provided Artemis holds at least 15% of the issued and outstanding Velocity Shares, with the number of nominees increasing to two directors if Artemis holds 30% or more of the issued and outstanding Velocity Shares. If the size of the board of directors of Velocity is increased or decreased from the current four directors, Artemis' nomination rights will be adjusted in accordance with the provisions of the Investment Agreement.

All of Velocity's material projects are located in southeastern Bulgaria and are referred to collectively as the Balkan Gold Project. Velocity is focused on gold exploration and development. Velocity's management and Board include mining industry professionals with experience spanning Europe, Asia and the Americas as employees of major mining companies as well as founders and senior executives of junior to mid-tier public companies.

The monthly price ranges and volume traded for the Velocity Shares on the TSX-V for the 12-month period before the date of this Listing Application are set forth in the following table:

Month	High (\$)	Low (\$)	Volume
August 2019 (to August 26)	\$0.560	\$0.455	1,624,380
July 2019	\$0.580	\$0.375	2,766,166
June 2019	\$0.400	\$0.355	1,658,545
May 2019	\$0.380	\$0.240	2,165,418
April 2019	\$0.365	\$0.250	1,509,888
March 2019	\$0.295	\$0.260	1,519,090
February 2019	\$0.300	\$0.220	4,237,008
January 2019	\$0.240	\$0.185	1,500,010
December 2018	\$0.200	\$0.160	1,050,850
November 2018	\$0.175	\$0.150	503,106
October 2018	\$0.175	\$0.145	1,099,770
September 2018	\$0.165	\$0.135	1,051,329
August 2018	\$0.165	\$0.130	1,536,183
July 2018	\$0.170	\$0.150	164,975
June 2018	\$0.200	\$0.155	329,550

## **Material Property**

### **The GK Project**

#### **General**

On May 31, 2019, Artemis entered into an option agreement ("**Option Agreement**") with Strategic Metals Ltd. ("**Strategic**") whereby Artemis has the right to acquire a 100% interest, subject to certain royalty payments (2% net smelter returns on precious metals and 1% net smelter returns on other minerals), in

the GK Project. In order for Artemis to exercise its option under the Option Agreement, Artemis must pay Strategic: (i) \$125,000 in cash within 10 business days after the effective date of the Option Agreement (which payment was made on June 12, 2019); (ii) on or before 12 months after the effective date of the Option Agreement, an additional \$50,000 in cash and incur certain expenditures of not less than \$100,000 (which expenditure commitment is an irrevocable commitment); (iii) on or before 24 months after the effective date of the Option Agreement, \$100,000 in cash and incur certain additional expenditures of not less than \$500,000; (iv) on or before 36 months after the effective date of the Option Agreement, an additional \$500,000 in cash and incur certain additional expenditures of not less than \$1,300,000; (v) on or before 48 months after the effective date of the Option Agreement, an additional \$750,000 in cash and incur certain additional expenditures of not less than \$2,000,000; and (vi) on or before 60 months after the effective date of the Option Agreement, an additional \$1,000,000 in cash and incur certain additional expenditures of not less than \$3,000,000.

The GK Project is Artemis' material property for the purposes of National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“**NI 43-101**”).

For a complete description of the GK Project see the report entitled “Technical Report on the GK Project” (the “**GK Technical Report**”), prepared by Jean Pautler, P. Geo. The GK Technical Report will be filed with Canadian securities regulatory authorities on SEDAR (available at [www.sedar.com](http://www.sedar.com)). The information contained in this section has been derived from the GK Technical Report, is subject to certain assumptions, qualifications and procedures described in the GK Technical Report, some of which are not fully described herein, and is qualified in its entirety by the full text of the GK Technical Report. Reference should be made to the full text of the GK Technical Report, which will be available for viewing under Artemis' profile on SEDAR at [www.sedar.com](http://www.sedar.com). All capitalized terms used in the disclosure below that are not otherwise defined shall have the meanings ascribed thereto in the GK Technical Report.

The technical information contained in this Listing Application has been reviewed and approved by Jean Pautler, P. Geo who is a “*Qualified Person*” under NI 43-101.

## Summary

The GK Project is located at latitude 57°55'N and longitude 131°25'W on NTS map sheets 104G/13 & 14 and 104J/03 & 04, approximately 17 km west of the community of Telegraph Creek, northwestern British Columbia. Telegraph Creek lies approximately 113 km by road southwest of Dease Lake, British Columbia. The 27,458 hectare Project comprises 36 contiguous mineral tenures within the Liard Mining Division, which are 100% owned by Strategic of Vancouver, British Columbia, subject to an option agreement with Artemis. This report was prepared to comply with Artemis' obligations pursuant to NI 43-101. Road access exists across the extreme southeastern GK Project area, but helicopter access, available in Dease Lake, is required to access the main showings on the property.

Regionally the GK Project is situated within Stikinia, a predominantly intra-oceanic island arc terrane accreted to ancestral North America in the Early Mesozoic. Stikinia hosts numerous porphyry-type copper-gold occurrences, specifically in areas where Triassic and Lower Jurassic silica saturated plutons have intruded coeval oceanic island arcs. Examples of such alkalic porphyries in the regional area of the GK Project include the Red Chris mine, the Galore Creek deposit, and the Sheslay occurrences and the region also includes calc-alkalic porphyry-type copper-gold deposits such as Schaft Creek, GJ and KSM. Gold rich deposits such as Brucejack, Premier, Snip, Johnny Mountain, and Spectrum also occur within the area primarily as veins, stockworks and lesser breccias associated with the Late Triassic and Early Jurassic intrusive suites within the Golden Triangle of northwest Stikinia. Deposits are typically Early Jurassic in age. In addition an Early Jurassic age is inferred for the disseminated, limestone hosted, past-producing Golden Bear gold mine located 55 km northwest of the GK Project. Mineralization on the above-mentioned occurrences is not necessarily indicative of the mineralization on the GK Project.

The GK Project is primarily underlain by arc related volcano-sedimentary rocks of the Upper Triassic Stuhini Group, which is intruded by an approximate 20 km<sup>2</sup> granodiorite and diorite to quartz diorite pluton (informally named the Grass Mountain pluton in this report) and similar small plug of Upper Triassic to Jurassic age in the east-central property area, and quartz diorite of the Middle to Upper Triassic Tahltan Lake and Tahltan River plutons in the western property area.

Documented historical exploration on the GK Project area, undertaken from 1916 to 1991, has included mapping, prospecting, rock and stream sediment geochemistry, soil sampling, hand trenching, 116.6 km of ground magnetic surveying, and minor self potential ground geophysical surveying. Work by Strategic was completed between 2005 and 2018 and has included: prospecting; geological mapping; stream sediment and rock geochemical sampling; contour and grid soil sampling; minor hand trenching; an airborne magnetic and VTEM survey covering approximately 12% of the property; a 13.95 km induced polarization geophysical survey and; 927.81m of diamond drilling in two holes on the Winter Creek zone in 2010. Soil geochemistry now covers approximately 30% of the property and approximately 40% has been mapped. No work has been completed by Artemis. The GK Project is at an early exploration stage.

The GK Project covers nine Minfile occurrences as documented by the British Columbia Geological Survey, and an additional five occurrences were discovered by Strategic in 2013 and 2018. In the east-central GK Project area gold, copper and silver mineralization primarily occurs in veins, shears, fracture fillings and dykes cutting, and as disseminations in, volcanic and lesser volcanoclastic rocks of the Upper Triassic Stuhini Group along the margins of the Grass Mountain pluton, and to a lesser extent, within the pluton. Values from trace to 47.5 g/t Au and 120 g/t Ag, and from <0.01 to 15.85% Cu, and 0.214% Co were obtained from rock samples, with values from trace to 6.18 g/t Au and 59.9 g/t Ag and from <0.005 to 0.689% Cu and 92 ppm Co from soil samples.

Several veins occur at the Hungry Bear showing within the Winter Creek prospect just south of the Grass Mountain pluton, one of which has been traced for almost 90m, remaining open along strike. Chip samples from seven hand trenches averaged 6.22 g/t Au, 1.67% Cu and 4.4 g/t Ag over an average length of 1.0m, including one sample that returned 12.9 g/t Au, 4.76% Cu and 12.6 g/t Ag over 1.9m. The vein was successfully intersected in drill hole DDH10-01 about 75m downdip from surface, yielding 1.38 g/t Au and 6197 ppm Cu over 9.14m, including 13.1 g/t Au and 6.05% Cu over 0.74m.

A semi-discrete, ovoid magnetic high geophysical anomaly was identified in the 2008 airborne geophysical survey one kilometre west of the Winter Creek prospect in an area hosting strong gold and copper in soil values and underlain by Triassic to Jurassic aged diorite to granodiorite. A 3D IP survey performed over the area in 2018 defined a steeply west-dipping resistivity low and associated chargeability high, features characteristic of buried porphyry copper-gold mineralization, downdip of the ovoid magnetic high. Furthermore, the strongest gold-copper soil anomaly on the property (Anomaly A) covers a 4000 by 2000m area that extends to the west and northeast beyond the 1000 by 800m Winter Creek prospect and ovoid magnetic high geophysical anomaly.

The Poppa Bear showing, proximal to the central pluton area, primarily consists of a 400m wide by 800m long well fractured zone of northeast trending gold and copper bearing structures and numerous faults and dykes, remaining open along strike. A chip sample over 3.5m returned 15.85 g/t Au, 1.74% Cu and 13.6 g/t Ag from a 050°/73°SE trending dioritic dyke with chalcocite, chalcopyrite and malachite. Gold ±copper soil geochemistry implies an extension of the showing to the northeast.

The Growly Bear showing comprises an area of gold bearing semi-massive chalcopyrite mineralization in calcite veins hosted by the pluton between the Hungry Bear and Poppa Bear showings. Four trenches exposed an easterly trending vein that is open along strike under talus cover and contains 7.44 g/t Au and 3.24% Cu over an average width of 2.9m along a 20m strike length, including 17.2 g/t Au and 2.77% Cu

over 3.0m. Another vein occurs to the northeast and a subsequent self potential survey detected several more anomalies prospective for the discovery of sulphide mineralization. The showing lies within a 350 by 1700m northeast trending copper±gold-silver soil anomaly (Anomaly D).

The Honey Pot showing, just north of the pluton, covers a rusty, east-northeast dipping quartz-sericite-arsenopyrite-chalcopyrite vein hosted by strongly fractured phyllite within soil Anomaly E. Sampling returned 20.2 g/t Au, 0.32% Cu and 16.9 g/t Ag over 0.70m.

A broad, 400 by 600m copper-gold-silver soil anomaly (Anomaly F), with negligible values to 1005 ppm Cu, 265 ppm Au and 39 ppm Ag, was delineated in 2018 about 700m northeast of the Honey Pot showing and does not correspond to any known mineralization. It is underlain by volcanic rocks sandwiched between intrusive rocks to the north and south on a steep, east-facing cirque.

In the western GK Project area, acquired by Strategic in 2017, several chloritic shear zones were found along a 200m strike length and yielded 2.54 g/t Au and 0.14% Cu over 1.5m at the Frosty showing. Mineralized calcite vein float occurrences, located 450m to the southeast and 400m to the north, yielded 2.74 g/t Au, and 1.65 g/t Au with 59.4 g/t Ag and 1.34% Cu, respectively (Kasper, 1991). In 1989, a sample of mineralized quartz float, collected two km northeast of the Frosty showing, assayed 8.37 g/t Au. This work has not been followed up.

The GK Project constitutes a property of merit based on: favourable geological setting within the well mineralized Stikine Arch; significant vein and possible porphyry style mineralization; untested soil and stream sediment anomalies and; untested geophysical targets. A contingent two phase exploration program is recommended to follow up significant mineralized zones and soil geochemical and geophysical anomalies with a Phase 1 program consisting of extension of the helicopter-borne magnetic/VTEM survey to cover the entire Grass Mtn. pluton, proximal plug and margins additional soil geochemistry, detailed mapping, prospecting, and hand trenching with a budget of \$400,000. Contingent on results from Phase 1, a Phase 2 diamond drill program with a \$500,000 budget is proposed to follow up results from Phase 1 and earlier work programs.

## **Item 5: Financings**

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### ***Other Sources of Financing***

On August 27, 2019, Artemis completed the Private Placement financing for gross proceeds of \$32,641,566. Artemis expects to use the net proceeds from the Private Placement towards funding further exploration of its GK Project, to identify and finance further growth and development opportunities, as well as for general working capital.

The Private Placement resulted in Artemis issuing 36,268,407 Units at a price of \$0.90 per Artemis Unit. Each Artemis Unit consists of one Artemis Share and one common share purchase warrant, with each whole warrant entitling the holder to purchase one additional Artemis Share at a price of \$1.08 per share for a period of 60 months following closing of the Private Placement.

### ***Use of Proceeds***

As of the date of this Listing Application, Artemis has available funds of \$32.5 million.

## **Item 6: Dividends and Other Distributions**

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Artemis has not paid dividends since its incorporation. While there are no restrictions precluding Artemis from paying dividends, it has no source of cash flow and anticipates using all available cash resources

toward its stated business objectives. At present, Artemis' policy is to retain earnings, if any, to finance its business operations. The Artemis Board will determine if and when dividends should be declared and paid in the future based on Artemis' financial position at the relevant time.

## **Item 7: Management's Discussion and Analysis**

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Please see the MD&A of Artemis for the period from incorporation to May 14, 2019 which is included in the Circular enclosed with this Listing Application and under Atlantic's profile on SEDAR.

## **Item 8: Disclosure of Outstanding Security Data on Fully Diluted Basis**

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### **Artemis Shares and Securities Exercisable into Artemis Shares**

The following table and the notes thereto set forth the share capital of Artemis as at the date of this Listing Application.

<b>Designation of Security</b>	<b>Amount Authorized</b>	<b>Amount Outstanding<sup>(1)</sup></b>	<b>Terms</b>
Common shares	unlimited	48,180,105	As set out in Artemis' constating documents
Stock options <sup>(2)</sup>	10% of the issued and outstanding Artemis Shares <sup>(3)</sup>	Nil	As set out in the Artemis Option Plan
Warrants	unlimited	36,268,407	As set out in the warrant certificates issued in connection with the Private Placement
<b>Total</b>		<b>84,448,512</b>	

<sup>(1)</sup> As of the date of this Listing Application.

<sup>(2)</sup> Exercisable into Artemis Shares.

<sup>(3)</sup> Pursuant to the Artemis Option Plan. See Item 11 – *Stock Option Plan*.

### **Artemis Authorized Capital**

Artemis' authorized share capital consists of an unlimited number of common shares without par value, of which 48,180,105 Artemis Shares are issued and outstanding as fully paid and non-assessable as of the date of this Listing Application.

### **Artemis Stock Options**

Artemis has adopted the Artemis Option Plan which was approved by the Artemis Board on June 5, 2019. The Artemis Board does not intend to grant any stock options until following listing of the Artemis Shares on the TSX-V.

### **Artemis Warrants**

As of the date of this Listing Application, Artemis has 36,268,407 warrants outstanding.

## **Item 9: Description of Securities to be Listed**

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The following is a summary of the rights, privileges, restrictions and conditions attaching to the Artemis Shares intended to be listed on the TSX-V:

Artemis Shares are not subject to any future call or assessment and do not have any pre-emptive, conversion or redemption rights, and all have equal voting rights. There are no special rights or restrictions of any nature attached to any of the Artemis Shares, all of which rank equally as to all benefits which might accrue to the holders of the Artemis Shares. All holders of Artemis Shares are entitled to receive a notice of any general meeting to be convened by Artemis. At any general meeting of Artemis, subject to the restrictions on joint registered owners of Artemis Shares, every Artemis Shareholder has one vote for each Artemis Share of which he or she is the registered owner. Voting rights may be exercised in person or by proxy.

The Artemis Shareholders are entitled to share pro rata in any: (i) dividends if, as and when declared by the Artemis Board, and (ii) such assets of Artemis as are distributable to shareholders upon liquidation of Artemis. The aggregate Artemis Shares outstanding are fully paid and non-assessable.

## **Item 10: Consolidated Capitalization**

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The following table sets out the share and loan capital of Artemis.

Refer to Item 12 - *Prior Sales* below for further details on the prior issuances of securities.

<b>Capital</b>	<b>Authorized</b>	<b>Amount outstanding as of May 14, 2019</b>	<b>Amount outstanding as of the date of the Listing Application</b>
Artemis Shares	Unlimited	3,906,001 Artemis Shares	48,180,105 Artemis Shares
Long term debt	N/A	Nil	Nil

## **Item 11: Stock Option Plan**

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The Artemis Board has adopted a stock option incentive plan (the “**Artemis Option Plan**”) that will be implemented upon acceptance by the TSX-V in conjunction with the proposed listing of the Artemis Shares on the TSX-V. The Artemis Option Plan is a rolling stock option plan that sets the number of Artemis Shares issuable under the Artemis Option Plan at a maximum of 10% of the Artemis Shares issued and outstanding at the time of any grant under the Artemis Option Plan. As of the date of this Listing Application, Artemis has not granted any incentive stock options under the Artemis Option Plan, or otherwise, nor has it issued any other rights or securities to purchase Artemis Shares. The Artemis Board does not intend to grant any incentive stock options until following listing of the Artemis Shares on the TSX-V.

### **Summary of the Artemis Option Plan**

The Artemis Option Plan reserves for issuance a maximum of 10% of the Artemis Shares at the time of a grant of options under the Artemis Option Plan. The Artemis Option Plan will be administered by the Artemis Board and provide for grants of non-transferable options under the Artemis Option Plan at the discretion of the Artemis Board, to directors, officers, employees, management company employees of, or consultants to, Artemis and its subsidiaries, or their permitted assigns (each an “**Eligible Person**”).

The exercise price of options granted under the Artemis Option Plan will be determined by the Artemis Board. Following listing of the Artemis Shares on the TSX-V, the exercise price must not be lower than the last closing sales price for the Artemis Shares as quoted on the TSX-V for the market trading day immediately prior to the date of grant of the option, less any discount permitted by the TSX-V.

Options to acquire more than 2% of the issued and outstanding Artemis Shares may not be granted to any one consultant in any 12-month period and options to acquire more than an aggregate of 2% of the issued and outstanding Artemis Shares may not be granted to persons employed to provide Investor Relations Activities (as such term is defined by the policies of the TSX-V) in any 12-month period. Options granted to acquire more than 5% of the issued and outstanding Artemis Shares may not be granted to any one individual in any 12-month period.

The term of any options granted under the Artemis Option Plan will be fixed by the Artemis Board and may not exceed ten years. Should an Eligible Person cease to qualify as an Eligible Person under the Artemis Option Plan prior to expiry of the term of their respective options, those options will terminate at the earlier of (i) the end of the period of time permitted for exercise of the option or, (ii) 90 days after the option holder ceases to be an Eligible Person for any reason other than death, disability or just cause. If an option holder providing Investor Relations Activities ceases to provide such Investor Relations Activities to Artemis, options granted to such option holder will expire on the 30th day after such cessation. If such cessation as an Eligible Person is on account of disability or death, the options terminate on the first anniversary of such cessation, and if it is on account of termination of employment for just cause, the options terminate immediately.

The Artemis Option Plan also provides for adjustments to outstanding options in the event of alteration in the capital structure of Artemis, merger or amalgamation involving Artemis or Artemis' entering into a plan of arrangement. Moreover, upon a change of control, all options outstanding under the Artemis Option Plan shall become immediately exercisable.

The directors of Artemis may, at their discretion at the time of any grant, impose a schedule over which period of time options will vest and become exercisable by the optionee; however, options granted to persons performing Investor Relations Activities must vest in stages over a 12-month period with no more than one quarter of the options vesting in any three month period.

The Artemis Board may terminate, suspend or amend the terms of the Artemis Option Plan, provided that for certain amendments, the Artemis Board must obtain shareholder approval, and, where required, Disinterested Shareholder Approval (as such term is defined in the Artemis Option Plan).

TSX-V policy requires that the Artemis Option Plan be approved and ratified by Artemis' shareholders and submitted to the TSX-V for acceptance on an annual basis. Further shareholder approval will not be required for option grants made in accordance with the Artemis Option Plan, except in certain circumstances as required by the policies of the TSX-V.

## **Item 12: Prior Sales**

During the 12 month period prior to the date of filing this Listing Application, Artemis issued 48,180,105 Artemis Shares, the particulars of which are set out in the following table:

<b>Date</b>	<b>Number of Shares</b>	<b>Issue price per Share</b>
January 10, 2019	1	\$1
March 14, 2019	3,906,000	\$3,906,000
June 12, 2019	1	\$125,000
July 18, 2019	5,242,591	\$5,242,591
July 18, 2019	2,763,105	N/A
August 27, 2018	36,268,407	\$0.90

<b>Total:</b>	48,180,105 *
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Note: The Artemis Shares were subdivided on July 18, 2019, resulting in there being 11,911,698 Artemis Shares issued and outstanding.

### **Item 13: Escrowed Securities and Securities Subject to Restriction on Transfer**

As of the date of this Listing Application and in connection with the Private Placement, 17,889,155 Artemis Shares which were subscribed for by insiders of Artemis will be subject to a Tier 2 Value Security Escrow Agreement.

### **Item 14: Principal Securityholders**

To the knowledge of Artemis' directors and officers, no person beneficially owns, directly or indirectly, or exercises control or direction over more than 10% of the issued and outstanding Artemis Shares, except for the following:

<b>Name</b>	<b>Number of Artemis Shares</b>	<b>Percentage of outstanding Artemis Shares undiluted</b>
Ryan Beedie	14,378,774	29.84%

### **Item 15: Directors and Executive Officers**

The names, province or state and country of residence, positions and offices, and principal occupations of each of the directors and executive officers of Artemis are as follows:

<b>Name and place of residence</b>	<b>Principal occupation<sup>(1)</sup></b>	<b>Number and Percentage of Artemis Shares owned<sup>(2)</sup></b>	<b>Director and/or Officer since</b>
<b>Steven G. Dean</b> British Columbia, Canada <i>CEO and Director</i>	Director, Chairman and Chief Executive Officer of Artemis	3,656,174 (7.58%)	June 10, 2019
<b>Robert G. Atkinson<sup>(3)(4)(5)(6)</sup></b> British Columbia, Canada <i>Director</i>	Director of Artemis	1,844,050 (3.82%)	June 10, 2019
<b>W. David Black<sup>(3)(4)(5)(7)</sup></b> British Columbia, Canada <i>Director</i>	Director of Artemis; retired Partner, DuMoulin Black LLP, Barristers and Solicitors	608,640 (1.26%)	June 10, 2019
<b>William P. Armstrong<sup>(3)(4)(5)(8)</sup></b> British Columbia, Canada <i>Director</i>	Director of Artemis; Mining Consultant; Principal of Metallica Consulting Co.	121,111 (0.25%)	June 10, 2019

<b>Chris Batalha</b> British Columbia, Canada <i>Chief Financial Officer</i>	Chief Financial Officer and Corporate Secretary of Artemis	567,500 (1.17%)	June 10, 2019
<b>Ryan Beedie</b> British Columbia, Canada <i>Director</i>	Director of Artemis; President of Beedie Development Group	14,378,773 (29.8 %)	July 17, 2019

**Notes:**

- (1) The information as to principal occupation has been furnished by each director and/or officer individually.
- (2) Figures calculated based on 48,180,105 Artemis Shares issued and outstanding.
- (3) Member of the Audit Committee.
- (4) Proposed member of the Compensation Committee
- (5) Proposed member of the Nominating and Corporate Governance Committee.
- (6) Chair of Audit Committee.
- (7) Proposed Chair of the Nominating and Corporate Governance Committee.
- (8) Proposed Chair of Compensation Committee.

**Director and Officer Profiles**

The following profiles provide information about the directors and officers of Artemis.

*Steven G. Dean*

Mr. Dean has extensive experience internationally in mining, including as President of Teck Cominco Limited (now Teck Resources Ltd.). Prior to joining Teck, Mr. Dean was a founding member of management of the Normandy Poseidon Group, (which became Normandy Mining) a co-founder of PacMin Mining Corporation which became a subsidiary of Teck Corporation in 1999. He was also a co-founder and former chairman of Amerigo Resources Ltd. More recently, Mr. Dean was Chairman, and founder of Atlantic Gold Corporation, focused on gold exploration, development and production in Nova Scotia, which was sold to St Barbara Limited in 2019 for \$802 million after building its Moose River Consolidated Mine on time and on budget and operating at the lowest decile cost profile in the gold sector.

Mr. Dean is the former Chairman and a director of Sierra Metals Inc. (TSX:SMT), Chairman of Oceanic Iron Ore Corp. (TSX-V:FEO) and a director of St Barbara Limited (ASX:SBM).

*Ryan Beedie*

Mr. Beedie is the President of Beedie Development Group, a leader in industrial and residential real estate development in British Columbia. Ryan also supports multiple philanthropic causes, including, with his father Keith, establishing the Beedie School of Business at Simon Fraser University. Ryan is the recipient of a variety of awards and acknowledgements including the 2004 Business in Vancouver's '40 under 40', the Ernst & Young 2009 BC Entrepreneur of the Year Award, the Queen Elizabeth II Diamond Jubilee Medal in 2013 and Simon Fraser University's Corporate Impact Award in 2015. He completed his undergraduate degree at Simon Fraser University, followed by an MBA at University of British Columbia.

*Robert G. Atkinson*

Mr. Atkinson has been in the investment industry for over 30 years. He is former President and CEO of Loewen Ondaatje McCutcheon & Co Ltd., a Canadian investment dealer. Mr. Atkinson also serves as a director of Cassius Ventures Ltd. and Hansa Resources Ltd. Mr. Atkinson received a B.Comm.

degree from the University of British Columbia in 1963.

*W. David Black*

Mr. Black is a retired corporate and securities lawyer and former partner and associate counsel with DuMoulin Black, a law firm established in 1966 specializing in the provision of corporate, securities and finance legal services to natural resource and commercial/industrial companies. Mr. Black was a director of a number of public companies primarily engaged in the exploration and mining industry.

*William P. Armstrong*

Mr. Armstrong earned his Bachelors and Masters degrees in Geological Engineering from the University of British Columbia and has more than 45 years experience in the mining industry. He recently retired from Teck Cominco Ltd., where he was General Manager, Resource Evaluations, and responsible for evaluation of potential acquisitions and divestitures. He was also responsible for the company's mineral reserves and resources. During his career with Cominco Ltd., and Teck Cominco Ltd., Mr. Armstrong has been involved in feasibility studies, construction and operation of a large number of mines, including coal deposits, underground and open pit base metal mines and precious metal mines. In addition, Mr. Armstrong served on the audit committee of Taseko Mines Ltd. Mr. Armstrong is fluent in English and Spanish.

*Chris Batalha*

Mr. Batalha is a Certified Professional Accountant with over seven years' experience in accounting, finance, corporate governance and M&A with a number of mining exploration and development companies in the gold and iron ore space. Over the past several years, Mr. Batalha was the CFO of Atlantic Gold Corporation, managing financial planning, financial risk and financial reporting until its sale to St Barbara Limited in 2019. Mr. Batalha also spent five years with PwC in the audit and assurance group and holds his CPA and CA designations.

### **Other Directorships**

Certain of the directors and officers of Artemis are also directors and officers of other Issuers that are "reporting issuers" as that term is defined in and for the purposes of securities legislation, which positions are summarized as follows:

<b>Name of Director</b>	<b>Other Reporting Issuer</b>	<b>Market</b>	<b>Position</b>	<b>From</b>	<b>To</b>
<b>Steven Dean</b>	Oceanic Iron Ore Corp.	TSX-V	Executive Chairman and Director	September 27, 2010	Present
	Sierra Metals Inc.	TSX, AMEX	Director	October 4, 2011	Present
<b>Robert G. Atkinson</b>	Cassius Ventures Ltd.	TSX-V	Director	June 21, 2011	Present
	Hansa Resources Ltd.	TSX-V	Director	December 4, 2000	Present

### **Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions or Individual Bankruptcies**

As at the date of this Listing Application, no director or executive officer of Artemis is, or within the ten years prior to the date of the Listing Application has been, a director, chief executive officer or chief financial officer of any company (including Artemis), that while that person was acting in that capacity:

- (a) was subject to:
  - (i) a cease trade order (including any management cease trade order which applied to directors or executive officers of a company, whether or not the person is named in the order), or
  - (ii) an order similar to a cease trade order, or
  - (iii) an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days (an “**Order**”); or
- (b) was subject to an Order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

To the knowledge of Artemis, as at the date of this Listing Application no director, executive officer, or shareholder holding a sufficient number of securities of Artemis to affect materially the control of Artemis is, or within the ten years prior to the date of this Listing Application has:

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

To the knowledge of Artemis, as at the date of this Listing Application no director, executive officer, or shareholder holding a sufficient number of securities of Artemis to affect materially the control of Artemis has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

### **Conflicts of Interest**

Certain directors and officers of Artemis are also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploiting natural resource properties, including Atlantic. Such associations to other public companies in the resource sector may give rise to conflicts of interest from time to time. As a result, opportunities provided to a director of Artemis may not be made available to Artemis, but rather may be offered to a company with competing interests. The directors and senior officers of Artemis are required by law to act honestly and in good faith with a view to the best interests of Artemis and to disclose any personal interest which they may have in any project or opportunity of Artemis, and to abstain from voting on such matters.

The directors and officers of Artemis are aware of the existence of laws governing the accountability of directors and officers for corporate opportunity and requiring disclosure by the directors of conflicts of interests and Artemis will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors and officers.

## **Item 16: Executive Compensation**

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### ***Compensation Discussion and Analysis***

Artemis was incorporated on January 10, 2019 and, accordingly, has not yet completed a financial year and has not yet developed a compensation program. It is anticipated that Artemis will establish a compensation committee (the "**Compensation Committee**") which will recommend how directors will be compensated for their services as directors. The Compensation Committee is expected to recommend the granting of stock options in such amounts and upon such terms as may be recommended by the Compensation Committee and approved by Artemis' directors from time to time.

The Compensation Committee will also consider and make recommendations with respect to the compensation of the executive officers of Artemis. It is anticipated that all executive officers of Artemis will receive cash compensation and stock option grants in line with market practice for public Issuers in the same industry and market and of the same size as Artemis.

### ***Long Term Incentive Plan***

Artemis does not have any long-term incentive plan.

### ***Option-Based Awards***

Artemis does not have any Artemis Options outstanding.

## **Item 17: Indebtedness of Directors and Executive Officers**

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Since its incorporation and as of the date of this Listing Application, no director, officer or employee, or former director, officer or employee, of Artemis or any of its subsidiaries, or any associate or affiliate of any such director, officer or employee, has been indebted to Artemis.

## **Item 18: Audit Committees and Corporate Governance**

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### ***Corporate Governance***

Corporate governance relates to the activities of the Artemis Board, the members of which are elected by and are accountable to Artemis Shareholders, and takes into account the role of the individual members of management who are appointed by the Artemis Board and who are charged with the day-to-day management of Artemis. The Artemis Board is committed to sound corporate governance practices, which are both in the interest of its shareholders and contribute to effective and efficient decision making. The following is a summary of Artemis' approach to corporate governance.

### **Board of Directors**

National Instrument 52-110 – *Audit Committees* ("**NI 52-110**") sets out the standard for director independence. Under NI 52-110, a director is independent if he or she has no direct or indirect material relationship with Artemis. A material relationship is a relationship which could, in the view of the Artemis Board, be reasonably expected to interfere with the exercise of a director's independent judgment. NI 52-110 also sets out certain situations where a director will automatically be considered to have a material relationship with Artemis. Applying the definition set out in NI 52-110, Robert Atkinson, David Black and William Armstrong are independent members of the Artemis Board. Steven G. Dean, being the Chief Executive Officer, is not independent. Ryan Beedie, due to his material relationship with Artemis,

including his ownership of Beedie Investments Ltd., an entity which holds 27.5% of the Artemis Shares, is not independent.

The Artemis Board as a whole has responsibility for developing Artemis' approach to: (i) financial reporting and internal controls; (ii) issues relating to compensation of directors, officers and employees; (iii) corporate governance issues and matters relating to nomination of directors; and (iv) administration of timely and accurate disclosure, confidentiality and insider trading policy, certain of which responsibilities are delegated to Artemis' Audit Committee (see "*Board Committees*" and "*Audit Committee*" which follow).

The Artemis Board is responsible for approving long-term strategic plans and annual operating plans and budgets recommended by management. The Artemis Board's consideration and approval is also required for material contracts and business transactions, and all debt and equity financing transactions. The Artemis Board delegates to management responsibility for meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on Artemis' business in the ordinary course, managing Artemis' cash flow, evaluating new business opportunities, recruiting staff and complying with applicable regulatory requirements. The Artemis Board also looks to management to furnish recommendations respecting corporate objectives, long-term strategic plans and annual operating plans.

The independent directors do not hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. However, where deemed necessary by the independent directors, the independent directors hold in-camera sessions exclusive of non-independent directors and members of management, which process facilitates open and candid discussion amongst the independent directors.

### **Orientation and Continuing Education**

As it was only recently incorporated, Artemis has not yet developed an official orientation or training program for new directors, and this has not, to date, been necessary as the directors of Artemis were also directors of Atlantic and are familiar with the role of a director of a publicly listed mineral resource company. However, going forward, new directors will be provided the opportunity to become familiar with Artemis by meeting with the other directors and with officers and employees. Orientation activities will be tailored to the particular needs and experience of each director and the overall needs of the Artemis Board. Potential candidates will be provided with publicly available materials in order to acquaint themselves with Artemis, including recent press releases, financial reports and other relevant materials.

The Artemis Board encourages each of the directors to stay current on developing corporate governance requirements through continuous improvement and education. Directors are routinely provided information and publications on developing regulatory issues.

### **Ethical Business Conduct**

It is anticipated that the Artemis Board will adopt a Code of Business Ethics and Conduct (the "**Code of Ethics**"), applicable to all of its directors, officers and employees, including the CEO, the CFO and other person performing financial reporting functions. The Code of Ethics will communicate to directors, officers and employees standards for business conduct in the use of Artemis company time, resources and assets, and will identify and clarify proper conduct in areas of potential conflict of interest. Each director, officer and employee will be provided with a copy of the Code of Ethics and will be asked to sign an acknowledgement that the standards and principles of the Code of Ethics will be maintained at all times on Artemis business. The Code of Ethics is designed to deter wrongdoing and promote: (a) honest and ethical conduct; (b) compliance with laws, rules and regulations; (c) prompt internal reporting of Code of Ethics violations; and (d) accountability for adherence to the Code of Ethics. Violations from standards established in the Code of Ethics, and specifically under internal accounting controls, are reported to the Chairperson of Audit Committee and can be reported anonymously. The Audit Committee will report to

the Artemis Board any reported violations at least quarterly, or more frequently depending on the specifics of the reported violation.

A copy of Artemis' Code of Conduct will be electronically filed with regulators and will be available for viewing under Artemis' profile on SEDAR at [www.sedar.com](http://www.sedar.com).

### **Nomination of Directors**

It is anticipated that the Artemis Board will form a Nominating and Corporate Governance Committee (the "NCGC") comprised of David Black (Chair), Robert Atkinson and William Armstrong for the purpose of identifying new candidates for election to the Artemis Board. It is expected that the NCGC prepare a shortlist of potential candidates through discussion with respected financial, legal and commercial institutions and will interview the interested candidates. In recommending candidates to the Artemis Board, it is expected that the NCGC shall consider such factors as it deems appropriate including potential conflicts of interest, professional experience, personal character, diversity, outside commitments (including service on other boards or committees) and particular areas of expertise.

The Artemis Board will review the recommendations of the NCGC and make the final determination about director nominations and appointments. Where appropriate, independent consultants will be engaged to identify possible new candidates for the Artemis Board.

### **Board Mandate**

The board of directors has not yet adopted a written mandate however it is required to monitor the management of the business and affairs of Artemis and to act with a view to the best interests of Artemis. The board of directors will oversee the development, adoption and implementation of Artemis' strategies and plans.

### **Board Committees**

The Artemis Board has appointed the Audit Committee comprised of Robert Atkinson (Chair), David Black and William Armstrong and shortly after listing, will establish the NCGC (described above) and will establish a Compensation Committee comprised of William Armstrong (Chair), David Black and Robert Atkinson. A description of the authority, responsibilities, duties and function of the Audit Committee can be found in this Listing Application under the heading "*Audit Committee*".

### **Assessments**

The Artemis Board does not consider that formal assessments would be useful at this stage of Artemis' development. The Artemis Board, at least annually, will conduct informal assessments of the Artemis Board's effectiveness, the individual directors and reports from each committee representing its own effectiveness. As part of the assessments, the Artemis Board or the individual committee may review their respective mandate or charter and conduct reviews of applicable policies.

### ***Audit Committee***

#### **Audit Committee Charter**

The Audit Committee is ultimately responsible for the policies and practices relating to integrity of financial and regulatory reporting, as well as internal controls to achieve the objectives of safeguarding of corporate assets, reliability of information, and compliance with laws. It is anticipated that the Artemis Board has adopted an Audit Committee Charter mandating the role of the Audit Committee in supporting the Artemis Board in meeting its responsibilities to its shareholders.

## **Audit Committee Members**

The Audit Committee will be comprised of at least three members, all of whom shall be directors of Artemis. Whenever reasonably feasible members of the Audit Committee should be independent and shall have no direct or indirect material relationship with Artemis. If less than a majority of the Artemis Board are independent, then a majority of the members of the Audit Committee may be made of members that are not independent of Artemis, provided that there is an exemption in the applicable securities law, rule, regulation, policy or instrument (if any).

## **Relevant Education and Experience**

All of the Artemis Audit Committee members are experienced businessmen with experience in financial matters; each has a broad understanding of accounting principles used to prepare financial statements and varied experience as to general application of such accounting principles, as well as the internal controls and procedures necessary for financial reporting, garnered from working in their individual fields of endeavour. In addition, each of the members of the Artemis Audit Committee has knowledge of the role of an audit committee in the realm of reporting companies. Set out below is a description of the education and experience of each member of the Artemis Audit Committee.

*Robert G. Atkinson* Mr. Atkinson has been in the investment industry for over 30 years. He is former President and CEO of Loewen Ondaatje McCutcheon & Co Ltd., a Canadian investment dealer. Mr. Atkinson also serves as a director of Cassius Ventures Ltd. and Hansa Resources Ltd. Mr. Atkinson received a B.Comm. degree from the University of British Columbia in 1963.

*W. David Black* Mr. Black is a retired corporate and securities lawyer and former partner and associate counsel with DuMoulin Black, a law firm established in 1966 specializing in the provision of corporate, securities and finance legal services to natural resource and commercial/industrial companies. Mr. Black was a director of a number of public companies primarily engaged in the exploration and mining industry.

*William P. Armstrong* Mr. Armstrong earned his Bachelors and Masters degrees in Geological Engineering from the University of British Columbia and has more than 45 years experience in the mining industry. He recently retired from Teck Cominco Ltd., where he was General Manager, Resource Evaluations, and responsible for evaluation of potential acquisitions and divestitures. He was also responsible for the company's mineral reserves and resources. During his career with Cominco Ltd., and Teck Cominco Ltd., Mr. Armstrong has been involved in feasibility studies, construction and operation of a large number of mines, including coal deposits, underground and open pit base metal mines and precious metal mines. In addition, Mr. Armstrong served on the audit committee of Taseko Mines Ltd. Mr. Armstrong is fluent in English and Spanish.

## **Pre-Approved Policies and Procedures for Non-Audit Services**

The Audit Committee Charter requires that management seek approval from the Audit Committee of all non-audit services to be provided to Artemis or any of its subsidiaries by Artemis' external auditor, prior to engaging the external auditor to perform those non-audit services.

## External Auditor Service Fees

Since Artemis' incorporation on January 10, 2019, no fees, audit or otherwise, have been billed to Artemis by its auditor, PricewaterhouseCoopers LLP, Chartered Professional Accountants.

## Reliance on Exemption

As Artemis is an "venture issuer" for purposes of applicable securities legislation, Artemis is relying on the exemption in Section 6.1 of NI 52-110 from the requirements of Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*).

## Item 19: Agent, Sponsor or Advisor

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No agent, sponsor or advisor has been retained by Artemis in connection with this Listing Application.

## Item 20: Risk Factors

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**Any investment in Artemis Shares, as well as Artemis' prospects, are highly speculative due to the high-risk nature of its business and the present stage of its development. Shareholders of Artemis may lose their entire investment.** The risks described below are not the only ones facing Artemis. Additional risks not currently known to Artemis, or that Artemis currently deems immaterial, may also impair Artemis' operations. If any of the following risks actually occur, Artemis' business, financial condition and operating results could be adversely affected.

### Investment in Velocity

Artemis is dependant on its investment in Velocity. In recent years, the securities markets have experienced a high level of price and volume volatility, and the market price of securities of many companies have experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that such fluctuations will not affect the price of the Velocity's securities.

Artemis is subject to the risk that Velocity may fail to perform its obligations pursuant to the terms and conditions under the Convertible Debentures. If Velocity fails to perform such obligations, there can be no assurance that Artemis may be able to fully recover upon realization of such security or to mitigate any losses that result from such failure to perform and/or prevent any collateral losses, which could have a material adverse effect on Artemis.

Artemis is subject to Velocity's own risk factors. Historically, Velocity's sole source of funding has been advances from related individuals and entities. Velocity's access to financing is always uncertain. There can be no assurance of continued access to funding. Velocity is also exposed to foreign currency risk on fluctuations related to assets and liabilities that are denominated in United States dollars and Bulgarian Lev. Velocity is also exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on Velocity's profit or loss, the ability to obtain financing, or the ability to obtain a public listing due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on profit or loss and economic value due to commodity price movements and volatilities. Velocity closely monitors commodity prices, individual equity movements and the stock market to determine the appropriate course of action to be taken by Velocity. Fluctuations in value may be significant which will affect the value of Artemis' equity interest in Velocity.

## Listing of Artemis Shares

Currently, there is no market for Artemis Shares. Artemis Shares are not listed or posted for trading on any stock exchange. Until the Artemis Shares are listed on a stock exchange, Artemis Shareholders may not be able to sell their Artemis Shares. No assurance can be given as to if, or when, the Artemis Shares will be listed or traded on any such stock exchange, including whether such listing will be completed on or before the date for Artemis' first income tax return.

### **Qualification under the Tax Act for a Registered Plan**

If the Artemis Shares are not listed on a designated stock exchange in Canada before the due date for Artemis' first income tax return or if Artemis does not otherwise satisfy the conditions in the *Tax Act* to be a "public corporation", the Artemis Shares will not be considered to be a qualified investment for a Registered Plan from their date of issue. Where a Registered Plan acquires a Artemis Share in circumstances where the Artemis Share is not a qualified investment under the *Tax Act* for the Registered Plan, adverse tax consequences may arise for the Registered Plan and the annuitant under the Registered Plan, including that the Registered Plan may become subject to penalty taxes, the annuitant of such Registered Plan may be subject to a penalty tax or, in the case of a registered education savings plan, such plan may have its tax exempt status revoked.

### **Limited Business History**

Artemis has a seven month history of operations and has no history of earnings. The likelihood of success of Artemis must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any business. Artemis has limited financial resources and there is no assurance that funding will be available to it when needed. There is also no assurance that Artemis can generate revenues, operate profitably, or provide a return on investment, or that it will successfully implement its plans.

### **Unknown Environmental Risks for Past Activities**

Exploration and mining operations incur risks of releases to soil, surface water and groundwater of metals, chemicals, fuels, liquids having acidic properties and other contaminants. In recent years, regulatory requirements and improved technology have significantly reduced those risks. However, those risks have not been eliminated, and the risk of environmental contamination from present and past exploration or mining activities exists for mining companies. Companies may be liable for environmental contamination and natural resource damages relating to properties that they currently own or operate or at which environmental contamination occurred while or before they owned or operated the properties. No assurance can be given that potential liabilities for such contamination or damages caused by past activities at Artemis' mineral interests do not exist.

### **Artemis Indemnified Liability Risk**

Pursuant to the Arrangement Agreement, Artemis has covenanted and agreed that, following the Effective Time, it will indemnify St Barbara and Atlantic, and their respective directors, officers, employees and agents from all Claims and Losses, including relating to Taxes, arising, whether before or after the Effective Date suffered or incurred by St Barbara and Atlantic as a result of or arising directly or indirectly out of or in connection with an Artemis Liability (as such term is defined in this Listing Application).

Any liability of Atlantic for Taxes cannot be determined for certain at this time because Atlantic's tax liability will depend on the fair market value of the Artemis Shares on the Effective Date and other factors including, but not limited to, the other deductions or credits available to Atlantic such as loss carry forwards in the taxation year of Atlantic that includes the distribution of the Artemis Shares. A successful indemnification claim made by St Barbara, Atlantic or their subsidiaries against Artemis pursuant to the Arrangement Agreement could have a material adverse effect on Artemis.

## **Acquisitions and Joint Ventures**

Artemis will evaluate from time to time opportunities to acquire or enter into a joint venture in respect of mining assets and businesses, including the exercise of its option to acquire the GK Project pursuant to the Option Agreement. These acquisitions and joint ventures may be significant in size, may change the scale of Artemis' business and may expose it to new geographic, political, operating, financial and geological risks. Artemis' success in its acquisition and joint venture activities will depend on its ability to identify suitable acquisition and joint venture candidates and partners, acquire or enter into a joint venture with them on acceptable terms and integrate their operations successfully with those of Artemis. Any acquisitions or joint ventures would be accompanied by risks, such as the difficulty of assimilating the operations and personnel of any acquired companies; the potential disruption of Artemis' ongoing business; the inability of management to maximize the financial and strategic position of Artemis through the successful incorporation of acquired assets and businesses or joint ventures; additional expenses associated with amortization of acquired intangible assets; the maintenance of uniform standards, controls, procedures and policies; the impairment of relationships with employees, customers and contractors as a result of any integration of new management personnel; dilution of Artemis' present shareholders or of its interests in its subsidiaries or assets as a result of the issuance of shares to pay for acquisitions or the decision to grant earning or other interests to a joint venture partner; and the potential unknown liabilities associated with acquired assets and businesses. There can be no assurance that Artemis would be successful in overcoming these risks or any other problems encountered in connection with such acquisitions or joint ventures. There may be no right for shareholders to evaluate the merits or risks of any future acquisition or joint venture undertaken except as required by applicable laws and regulations.

## **Additional Financing and Dilution**

Artemis plans to focus on exploring for minerals and will use its working capital to carry out such exploration. However, Artemis will require additional funds to further such activities. To obtain such funds, Artemis may sell additional securities including, but not limited to, its common shares or some form of convertible security, the effect of which would result in a substantial dilution of the equity interests of Artemis' shareholders.

There is no assurance that additional funding will be available to Artemis for additional exploration or for the substantial capital that is typically required in order to bring a mineral project to the production decision or to place a property into commercial production. There can be no assurance that Artemis will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and development of its properties.

## **Economics of Developing Mineral Properties**

Mineral exploration and development is speculative and involves a high degree of risk. While the discovery of an ore body may result in substantial rewards, few properties which are explored are commercially mineable and ultimately developed into producing mines. There is no assurance that Artemis' mineral deposits are commercially mineable.

Should any mineral resources and reserves exist, substantial expenditures will be required to confirm mineral reserves which are sufficient to commercially mine and to obtain the required environmental approvals and permitting required to commence commercial operations. The decision as to whether a property contains a commercial mineral deposit and should be brought into production will depend upon the results of exploration programs and/or feasibility studies, and the recommendations of duly qualified engineers and/or geologists, all of which involves significant expense. This decision will involve consideration and evaluation of several significant factors including, but not limited to: (1) costs of bringing a property into production, including exploration and development work, preparation of production feasibility studies and construction of production facilities; (2) availability and costs of

financing; (3) ongoing costs of production; (4) mineral prices; (5) environmental compliance regulations and restraints (including potential environmental liabilities associated with historical exploration activities); and (6) political climate and/or governmental regulation and control. Development projects are also subject to the successful completion of engineering studies, issuance of necessary governmental permits, and availability of adequate financing. Development projects have no operating history upon which to base estimates of future cash flow.

The ability to sell, and profit from the sale of any eventual mineral production from any property will be subject to the prevailing conditions in the minerals marketplace at the time of sale. The global minerals marketplace is subject to global economic activity and changing attitudes of consumers and other end-users' demand for mineral products. Many of these factors are beyond the control of a mining company and therefore represent a market risk which could impact the long term viability of Artemis and its operations.

### **Factors Beyond the Control of Artemis**

The potential profitability of mineral properties is dependent upon many factors beyond Artemis' control. For instance, world prices of and markets for minerals are unpredictable, highly volatile, potentially subject to governmental fixing, pegging and/or controls and respond to changes in domestic, international, political, social and economic environments. Another factor is that rates of recovery of minerals from mined ore (assuming that such mineral deposits are known to exist) may vary from the rate experienced in tests and a reduction in the recovery rate will adversely affect profitability and, possibly, the economic viability of a property. Profitability also depends on the costs of operations, including costs of labour, equipment, electricity, environmental compliance or other production inputs. Such costs will fluctuate in ways Artemis cannot predict and are beyond Artemis' control, and such fluctuations will impact on profitability and may eliminate profitability altogether. Additionally, due to worldwide economic uncertainty, the availability and cost of funds for development and other costs have become increasingly difficult, if not impossible, to project. These changes and events may materially affect the financial performance of Artemis.

The mining industry is intensely competitive and there is no assurance that, even if commercial quantities of a mineral resource are discovered, a profitable market will exist for the sale of the same. There can be no assurance that metal prices will be such that Artemis' properties can be mined at a profit. Factors beyond the control of Artemis may affect the marketability of any minerals discovered. Metal prices are subject to volatile price changes from a variety of factors including international economic and political trends, expectations of inflation, global and regional demand, currency exchange fluctuations, interest rates and global or regional consumption patterns, international investment patterns, national fiscal policies, monetary systems, speculative activities and increased production due to improved mining and production methods. The supply of, and demand for, Artemis' principal products and exploration targets, gold, is affected by various factors, including political events, economic conditions and production costs. The price of gold, silver and other metals has fluctuated widely in recent years. Future price declines could cause commercial production to be impracticable, thereby having a material adverse effect on Artemis' business, financial condition and result of operations. Moreover, the ability of Artemis to fund its activities and the valuation of investor companies will depend significantly upon the market price of precious and other metals. The effect of these factors, individually or in the aggregate, is impossible to predict with accuracy.

### **Artemis' Proposed Operations Will Require Access to Adequate Infrastructure**

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

## **Regulatory Requirements**

The current or future operations of Artemis, including development activities and possible commencement of production on its properties, requires permits from various federal and local governmental authorities, and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. Companies engaged in the development and operation of mines and related facilities generally experience increased costs and delays in production and other schedules as a result of the need to comply with the applicable laws, regulations and permits. There can be no assurance that all permits which Artemis may require for the development and construction of mining facilities and conduct of mining operations will be obtainable on reasonable terms or that such laws and regulations would not have an adverse effect on any mining project which Artemis might undertake.

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

Amendments or changes to current laws, regulations government policies and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on Artemis and cause increases in costs or require abandonment or delays in the development of new mining properties.

## **Insurance**

Artemis' business is capital intensive and subject to a number of risks and hazards, including environmental pollution, accidents or spills, industrial and transportation accidents, labour disputes, changes in the regulatory environment, natural phenomena (such as inclement weather conditions, earthquakes, pit wall failures and cave-ins) and encountering unusual or unexpected geological conditions. Many of the foregoing risks and hazards could result in damage to, or destruction of, Artemis' mineral properties or future processing facilities, personal injury or death, environmental damage, delays in or interruption of or cessation of their exploration or development activities, delay in or inability to receive necessary regulatory approvals, or costs, monetary losses and potential legal liability and adverse governmental action. Artemis may be subject to liability or sustain loss for certain risks and hazards against which are not or cannot be insured or which Artemis may reasonably elect not to insure because of the cost. This lack of insurance coverage could result in material economic harm to Artemis.

## **Current Global Financial Condition**

Artemis will be required to raise additional funds in the future for the development of its projects and other activities through the issuance of additional equity or debt. Current financial and economic conditions globally have been subject to increased uncertainties. Access to financing has been negatively affected by these economic uncertainties. These factors may affect the ability of Artemis to obtain equity and/or debt financing in the future and, if obtained, influence the terms available to Artemis. If these increased levels of volatility and market turmoil continue, Artemis may not be able to secure appropriate debt or equity financing. If additional capital is raised by the issuance of shares from the treasury of Artemis, shareholders may suffer dilution. Future borrowings by Artemis may increase the level of financial and interest rate risk to Artemis as Artemis will be required to service future indebtedness.

## **Environmental Risks and Hazards**

All phases of Artemis' operations are subject to environmental regulation in the jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the general, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect Artemis' operations. Environmental hazards may exist on the properties which are unknown to Artemis at present and which have been caused by previous or existing owners or operators of the properties. Reclamation costs are uncertain and planned expenditures estimated by management may differ from the actual expenditures required.

Artemis is not insured against most environmental risks. Insurance against environmental risks (including potential liability for pollution and other hazards as a result of the disposal of waste products occurring from exploration and production) has not been generally available to companies within the industry. Artemis will periodically evaluate the cost and coverage of the insurance against certain environmental risks that is available to determine if it would be appropriate to obtain such insurance.

Without such insurance, and if Artemis becomes subject to environmental liabilities, the payment of such liabilities would reduce or eliminate its available funds or could exceed the funds Artemis has to pay such liabilities and result in bankruptcy. Should Artemis be unable to fund fully the remedial cost of an environmental problem, Artemis might be required to enter into interim compliance measures pending completion of the required remedy.

### **Litigation Risk**

All industries, including the mining industry, are subject to legal claims, with and without merit. Defence and settlement costs can be substantial, even with respect to claims that have no merit.

### **Costs of Land Reclamation Risk**

It is difficult to determine the exact amounts which may be required to complete any land reclamation activities in connection with the properties in which Artemis holds an interest. Reclamation bonds and other forms of financial assurance represent only a portion of the total amount of money that will be spent on reclamation activities over the life of a mine. Accordingly, it may be necessary to revise planned expenditures and operating plans in order to fund reclamation activities. Such costs may have a material adverse impact upon the financial condition and results of operations of Artemis.

### **No Assurance of Title to Property**

There may be challenges to title to the mineral properties in which Artemis holds a material interest. If there are title defects with respect to any properties, Artemis might be required to compensate other persons or perhaps reduce its interest in the affected property. Also, in any such case, the investigation and resolution of title issues would divert management's time from ongoing exploration and development programs.

### **Dependence on Key Individuals**

Artemis is dependent on a relatively small number of key personnel, particularly Steven Dean, its CEO, and Chris Batalha, its CFO, the loss of any one of whom could have an adverse effect on Artemis. At this time, Artemis does not maintain key-person insurance on the lives of any of its key personnel. In addition, while certain of Artemis' officers and directors have experience in the exploration of mineral producing properties, Artemis will remain highly dependent upon contractors and third parties in the performance of its exploration and development activities. There can be no guarantee that such contractors and third

parties will be available to carry out such activities on behalf of Artemis or be available upon commercially acceptable terms.

### **Risk of Amendments to Laws**

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

### **Conflicts of Interest**

Some of the directors and officers of Artemis are directors and officers of other companies, some of which are in the same business as Artemis. Some of Artemis' directors and officers will continue to pursue the acquisition, exploration and, if warranted, the development of mineral resource properties on their own behalf and on behalf of other companies, and situations may arise where they will be in direct competition with Artemis. Artemis' directors and officers are required by law to act in the best interests of Artemis. They may have the same obligations to the other companies in respect of which they act as directors and officers. Discharge of their obligations to Artemis may result in a breach of their obligations to the other companies and, in certain circumstances, this could expose Artemis to liability to those companies. Similarly, discharge by the directors and officers of their obligations to the other companies could result in a breach of their obligation to act in the best interests of Artemis. Such conflicting legal obligations may expose Artemis to liability to others and impair its ability to achieve its business objectives.

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

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

### **Substantial Number of Authorized but Unissued Artemis Shares**

Artemis has an unlimited number of common shares which may be issued by the Artemis Board without further action or approval of Artemis' shareholders. While the Artemis Board is required to fulfill its fiduciary obligations in connection with the issuance of such shares, Artemis Shares may be issued in transactions with which not all shareholders agree, and the issuance of such shares will cause dilution to the ownership interests of Artemis' shareholders.

### **Item 21: Promoters**

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Atlantic took the initiative of founding and organizing Artemis and its business and operations and, as such, may be considered to be the promoter of Artemis for the purposes of applicable securities legislation.

During the 10 years prior to the date of this Listing Application, Atlantic has not been subject to:

- (a) a cease trade order (including any management cease trade order which applied to directors or executive officers of a company, whether or not the person is named in the order), or
- (b) an order similar to a cease trade order, or

- (c) an order that denied the relevant company access to any exemption under securities legislation,

that was in effect for a period of more than 30 consecutive days; nor has Atlantic been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision;

nor has Atlantic become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver manager or trustee appointed to hold its assets.

## **Item 22: Legal Proceedings and Regulatory Actions**

### **Legal Proceedings**

Artemis is not aware of any material legal proceedings to which Artemis or a proposed subsidiary is a party or to which the GK Project is subject, nor is Artemis aware that any such proceedings are contemplated

### **Regulatory Actions**

There are currently no: (a) penalties or sanctions imposed against Artemis by a court relating to securities legislation or by a securities regulatory authority; (b) other penalties or sanctions imposed by a court or regulatory body against Artemis that would likely be considered important to a reasonable investor in making an investment decision in Artemis; and (c) settlement agreements Artemis entered into before a court relating to securities legislation or with a securities regulatory authority since Artemis was incorporated.

## **Item 23: Interests of Management and Others in Material Transactions**

Other than the Arrangement, which is described in the Circular, none of the directors, senior officers nor principal shareholders of Artemis, or any associate or affiliate of the foregoing, have had any material interest, direct or indirect, in any transactions in which Artemis has participated within the three year period prior to the date of this Listing Application.

## **Item 24: Investor Relations Arrangements**

Artemis has not entered into any written or oral agreement or understanding with any person to provide any promotional or investor relations services for Artemis.

## **Item 25: Auditors, Transfer Agents and Registrars**

The auditor of Artemis is PricewaterhouseCoopers LLP, Chartered Professional Accountants of Vancouver, British Columbia, which was appointed on March 30, 2019.

The registrar and transfer agent of Artemis and for the Artemis Shares is Computershare Investor Services Inc. with offices at 3<sup>rd</sup> Floor, 510 Burrard Street, Vancouver, British Columbia V6C 3A8 Canada.

## **Item 26: Material Contracts**

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The Investment Agreement with Velocity. The Investment Agreement is currently available on Velocity's SEDAR profile and will be filed on Artemis' SEDAR profile at [www.sedar.com](http://www.sedar.com) in due course.

The Option Agreement with Strategic. The Option Agreement will be filed on Artemis' SEDAR profile at [www.sedar.com](http://www.sedar.com) in due course.

## **Item 27: Experts**

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Certain legal matters relating to the Arrangement and Artemis will be passed upon by Blake, Cassels & Graydon LLP of Vancouver, British Columbia, legal counsel to Artemis.

None of the aforementioned persons nor any directors, officers, employees or partners, as applicable, of each of the aforementioned companies and partnerships, has received or will receive as a result of the Arrangement a direct or indirect interest in a property of Artemis or any associate or affiliate of Artemis, nor is currently expected to be elected, appointed or employed as a director, officer or employee of Artemis or any associate or affiliate of Artemis.

PricewaterhouseCoopers LLP, the auditor of Artemis, has confirmed that it is independent with respect to Artemis within the meaning of the Rules of Professional Conduct of the Institute of Chartered Professional Accountants of British Columbia.

## **Item 28: Other Material Facts**

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To the best of Artemis' knowledge, there are no other material facts in respect of Artemis which are not disclosed elsewhere in this Listing Application.

## **Item 29: Additional Information – Mining or Oil and Gas Applicants**

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Please see the GK Technical Report which is incorporated by reference into this Listing Application and will be available for viewing under Artemis' profile on SEDAR.

## **Item 30: Exemptions**

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No exemption from a securities regulator or securities regulatory authority has been received by Artemis.

## **Item 31: Financial Statement Disclosure for Issuers**

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The audited financial statements of Artemis for the period from incorporation on January 10, 2019 to May 14, 2019 are attached hereto as Appendix "B" and available for viewing under Atlantic's profile on SEDAR.

## **Item 32: Significant Acquisitions**

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Artemis has completed no significant acquisitions requiring disclosure under this Item.

**Item 33: Certificates**

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**33.1 Certificate of Applicant**

Follows on next page.

**33.2 Certificate of Sponsor**

Not applicable.

**CERTIFICATE OF ARTEMIS GOLD INC.**

Each of the undersigned hereby certifies that the foregoing constitutes full, true and plain disclosure of all information required to be disclosed under each item of this Listing Application and of any material fact not otherwise required to be disclosed under an item of this Listing Application.

Dated August 28, 2019.

*(Signed "Steven Dean")*  
\_\_\_\_\_  
Steven G. Dean  
CEO, Chairman and Director

*(Signed "Chris Batalha")*  
\_\_\_\_\_  
Chris Batalha  
CFO

**ON BEHALF OF THE BOARD OF DIRECTORS OF  
ARTEMIS GOLD INC.**

*(Signed "William Armstrong")*  
\_\_\_\_\_  
William Armstrong  
Director

*(Signed "Robert Atkinson")*  
\_\_\_\_\_  
Robert Atkinson  
Director

### **34.3: Acknowledgement – Personal Information**

“Personal Information” means any information about an identifiable individual.

The Applicant hereby represents and warrants that it has obtained all consents required under applicable law for the collection, use and disclosure by the Exchange of the Personal Information contained in or submitted pursuant to this Listing Application for the purposes described in Appendix “A” to this Listing Application.

Dated August 28, 2019.

**ARTEMIS GOLD INC.**

*(Signed “Chris Batalha”)* \_\_\_\_\_

By: Chris Batalha

Chief Financial Officer

**APPENDIX "A"**  
**FORM 2B PERSONAL INFORMATION COLLECTION POLICY**

**Collection, Use and Disclosure**

TSX Venture Exchange Inc. and its affiliates, authorized agents, subsidiaries and divisions, including TSX Venture Exchange and Toronto Stock Exchange, (collectively referred to as the "Exchange") collect the information contained in or submitted pursuant to Form 2B (which may include personal, confidential, non-public or other information) and use it for the following purposes:

- to conduct background checks,
- to verify the Personal Information that has been provided about each individual,
- to consider the suitability of the individual to act as an officer, director, insider, promoter, investor relations provider or, as applicable, an employee or consultant, of the Applicant,
- to consider the eligibility of the Applicant to list on the Exchange,
- to provide disclosure to market participants as to the security holdings of directors, officers, other insiders and promoters of the Applicant, or its associates or affiliates, including information as to such individuals' involvement with any other reporting issuers
- to detect and prevent fraud, and
- to perform other investigations as required by and to ensure compliance with all applicable rules, policies, rulings and regulations of the Exchange, securities legislation and other legal and regulatory requirements governing the conduct and protection of the capital markets in Canada.

Personal Information the Exchange collects may also be disclosed:

- (a) to securities regulators and regulatory authorities in Canada or elsewhere, investigative, law enforcement or self-regulatory organizations, and each of their subsidiaries, affiliates, regulators and authorized agents, for the purposes described above, and these agencies and organizations may use the information in their own investigations;
- (b) on the Exchange's website or through printed materials published by or pursuant to the directions of the Exchange for the purposes described above; and
- (c) as otherwise permitted or required by law.

The Exchange may from time to time use third parties to process information or provide other administrative services. In this regard, the Exchange may share the information with such third party service providers for the purposes described above.

**Questions**

If you have any questions or enquiries regarding the policy outlined above or about our privacy practices, please send a written request to: Chief Privacy Officer, TMX Group, The Exchange Tower, 130 King Street West, Toronto, Ontario, M5X 1J2.

**APPENDIX "B"**  
**FINANCIAL STATEMENTS OF ARTEMIS GOLD INC.**

# **AUDITED FINANCIAL STATEMENTS**

For the period January 10, 2019 to May 14, 2019

**1193490 B.C. LTD.**



## *Independent auditor's report*

To the Directors of 1193490 B.C. Ltd.

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### *Our opinion*

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of 1193490 B.C. Ltd. (the Company) as at May 14, 2019, and its financial performance and its cash flows for the period from January 10, 2019 to May 14, 2019 in accordance with International Financial Reporting Standards (IFRS).

#### **What we have audited**

The Company's financial statements comprise:

- the balance sheet as at May 14, 2019;
- the statement of income and comprehensive income for the period from January 10, 2019 to May 14, 2019;
- the statement of changes in equity for the period from January 10, 2019 to May 14, 2019;
- the statement of cash flows for the period from January 10, 2019 to May 14, 2019; and
- the notes to the financial statements, which include a summary of significant accounting policies.

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

#### **Independence**

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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*PricewaterhouseCoopers LLP*  
*PricewaterhouseCoopers Place, 250 Howe Street, Suite 1400, Vancouver, British Columbia, Canada V6C 3S7*  
*T: +1 604 806 7000, F: +1 604 806 7806*

"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



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### *Material uncertainty related to going concern*

We draw attention to Note 1 in the financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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### *Other information*

Management is responsible for the other information. The other information comprises the information, other than the financial statements and our auditor's report thereon, included in the Notice and Management Information Circular for the Special Meeting of Securityholders of Atlantic Gold Corporation to be held on July 15, 2019.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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### *Responsibilities of management and those charged with governance for the financial statements*

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

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

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



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## *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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.



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

**(signed) PricewaterhouseCoopers LLP**

Chartered Professional Accountants

Vancouver, British Columbia  
June 3, 2019

# 1193490 B.C. Ltd.

## Balance Sheet

As at

(Expressed in Canadian Dollars)

	Notes	As at May 14, 2019
<b>Non-current assets</b>		
Investment in associate	5	\$ 5,432,017
Convertible debenture	5	6,901,313
Warrants	5	866,465
<b>TOTAL ASSETS</b>		<b>13,199,795</b>
<b>Liabilities</b>		
Current liabilities		
Due to related parties		225,973
Convertible debenture liability	6	5,165,937
		<b>5,391,910</b>
Deferred income tax liability	7	526,697
<b>TOTAL LIABILITIES</b>		<b>5,918,607</b>
<b>Shareholders' Equity</b>		
Share capital	8	3,906,001
Retained earnings		3,375,187
Total Shareholders' Equity		7,281,188
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>\$ 13,199,795</b>

Nature of operations and going concern

1

Subsequent events

11

Approved for Issuance by the Board of Directors:

"Chris Batalha"

Director

# 1193490 B.C. Ltd.

## Statement of Income and Comprehensive Income

For the period January 10, 2019 to May 14, 2019

(Expressed in Canadian Dollars)

	Notes	For the period January 10, 2019 to May 14, 2019
<b>Operating Expenses</b>		
Professional fees		(119,234)
<b>Net loss from operations</b>		<b>(119,234)</b>
<b>Other Income/ (Expense)</b>		
Convertible debenture interest expense	6	(71,937)
Equity pickup on investment in Associate	5	(68,723)
Gain on investment in Velocity Minerals Ltd.	5	4,161,778
<b>Net income before income taxes</b>		<b>3,901,884</b>
Deferred Income tax expense	7	(526,697)
<b>Net Income and comprehensive income for the period</b>		<b>\$ 3,375,187</b>
<b>Income per common share</b>		
Basic		\$ 1.76
Diluted		\$ 0.76
<b>Weighted average number of common shares outstanding</b>		
Basic		1,921,500
Diluted		4,427,420

The accompanying notes are an integral part of these financial statements

# 1193490 B.C. Ltd.

## Statement of Changes in Equity

For the period January 10, 2019 to May 14, 2019

*(Expressed in Canadian Dollars)*

	Notes	Share capital		Retained Earnings	Total equity
		Number of shares	Amount		
<b>Balance - January 10, 2019</b>		-	\$ -	\$ -	-
Share issuance - March 14, 2019	8	3,906,001	3,906,001	-	3,906,001
Net income for the period		-	-	3,375,187	3,375,187
<b>Balance - May 14, 2019</b>		<b>3,906,001</b>	<b>\$ 3,906,001</b>	<b>\$ 3,375,187</b>	<b>\$ 7,281,188</b>

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

# 1193490 B.C. Ltd.

## Statement of Cash Flows

For the period January 10, 2019 to May 14, 2019

*(Expressed in Canadian Dollars)*

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	<b>For the period January 10, 2019 to May 14, 2019</b>
<b>Operating activities</b>	
Net income for the period	\$ 3,375,187
Items not involving cash:	
Deferred tax expense	526,697
Convertible debenture interest expense	71,937
Equity pickup on investment in associate	68,723
Gain on investment	(4,161,778)
Change in due to related party	119,233
<b>Net cash used in operating activities</b>	<b>(1)</b>
<b>Investment activities</b>	
Investment in Velocity	(9,000,000)
<b>Net cash used in financing activities</b>	<b>(9,000,000)</b>
<b>Financing activities</b>	
Convertible debenture proceeds	5,094,000
Share issuance proceeds	3,906,001
<b>Net cash provided by financing activities</b>	<b>9,000,001</b>
Change in cash during the period	-
Cash, beginning of period	-
<b>Cash, end of period</b>	<b>\$ -</b>

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

# 1193490 B.C. Ltd.

## Notes to the Audited Financial Statements

For the period January 10, 2019 to May 14, 2019

*(Expressed in Canadian Dollars)*

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### 1. NATURE OF OPERATIONS AND GOING CONCERN

1193490 BC Ltd. (the "Company") is an exploration stage company currently focused on its investment in Velocity Minerals Ltd. ("VLC") (Note 5), as well as, acquiring exploration and/or development stage mineral properties for the purposes of further exploration and development. VLC is in the business of acquiring, exploring, and evaluating mineral resource properties in Bulgaria. 1193490 BC Ltd. was incorporated under the Business Corporations Act (British Columbia) on January 10, 2019. The Company maintains its head office at 595 Burrard Street, Suite 3083, Vancouver, B.C. Canada. The Company's registered and records office is located at 595 Burrard Street, Suite 2600, Vancouver, B.C., Canada. The Company is a privately held company, that is 100% owned by Atlantic Gold Corporation, and operates in one operating segment.

These financial statements have been prepared on a going concern basis, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

The Company has yet to generate any revenues from operations and had a cash balance of nil as at May 14, 2019 and a working capital deficit of \$5,391,911. The above conditions, along with other factors indicate the existence of material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. The Company's ability to continue operations in the normal course of business is dependent on several factors, including its investment in VLC, as well as the ability to secure additional financing. The Company will be required to raise additional funds in the future for the development of its projects and other activities through the issuance of additional equity or debt. Following completion of the Arrangement Agreement (Subsequent Events - Note 11), the Company intends to apply for a listing on the TSX Venture Exchange as well as raise funds through a private placement financing.

Although management is of the opinion that sufficient working capital will be obtained from a source of financing to meet the Company's liabilities, future and current, as they become due, there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. The financial statements do not include any additional adjustments to the recoverability and classification of certain recorded asset amounts, and changes to the statements of income and comprehensive income that might be necessary if the Company was unable to continue as a going concern. Any such adjustments could be material.

### 2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These financial statements are presented in Canadian dollars, which is the Company's functional currency.

The Company has adopted IFRS from the date of incorporation. These IFRS financial statements have been prepared in accordance with the requirements of IFRS, including IFRS 1 First Time Adoption of IFRS. The Company did not apply any optional elections on first time adoption. There was no opening balance sheet impact of adoption and, therefore, no opening balance sheet or reconciliation has been provided.

These financial statements were approved by the board of directors on June 3, 2019.

# 1193490 B.C. Ltd.

## Notes to the Audited Financial Statements

For the period January 10, 2019 to May 14, 2019

*(Expressed in Canadian Dollars)*

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### 3. SIGNIFICANT ACCOUNTING POLICIES

#### **Investment in Associates**

An associate is an entity over which the Company has significant influence and is neither a subsidiary nor a joint arrangement. The Company has significant influence when it has the power to participate in the financial and operating policy decisions of the associate but does not have control or joint control over those policies. The Company's investment in the common shares of Velocity Minerals Ltd. (Note 5) has been treated as an investment in associates and has been accounted for using the equity method.

Under the equity method, the Company's investment in the common shares of the associate is initially recognized at cost and subsequently increased or decreased to recognize the Company's share of net income and losses of the associate, after any adjustments necessary to give effect to uniform accounting policies, any other movement in the associate's reserves, and for impairment losses after the initial recognition date. The Company's share of income and losses of the associate is recognized in net income during the period.

Dividends and repayment of capital received from an associate are accounted for as a reduction in the carrying amount of the Company's investment. Intercompany balances and interest expense and income arising on loans and borrowings between the Company and its associates are not eliminated.

At the end of each reporting period, the Company assesses whether there is any objective evidence that an investment in an associate is impaired. Objective evidence includes observable data indicating there is a measurable decrease in the estimated future cash flows of the investee's operations. When there is objective evidence that an investment is impaired, the carrying amount of such investment is compared to its recoverable amount, being the higher of its fair value less costs of disposal ("FVLCD") and value-in-use ("VIU"). If the recoverable amount of an investment is less than its carrying amount, the carrying amount is reduced to its recoverable amount and an impairment loss, being the excess of carrying amount over the recoverable amount, is recognized in the period in which the relevant circumstances are identified. When an impairment loss reverses in a subsequent period, the carrying amount of the investment is increased to the revised estimate of recoverable amount to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had an impairment loss not been previously recognized. A reversal of an impairment loss is recognized in net income in the period in which the reversal occurs.

#### **Convertible debenture**

The Company's convertible debenture is classified as a liability, less the portion relating to the conversion feature which is classified as a component of equity. The liability was initially recorded at fair value and is subsequently carried at amortised cost using the effective interest rate method; the liability is accreted to the face value over the term of the convertible debenture and expensed to the statement of income and comprehensive income. As a result of the demand feature of the convertible debenture, the fair value of the liability at inception was equal to the principal amount owing on the convertible debenture, resulting in no value being attributed to the equity component of the debenture.

# 1193490 B.C. Ltd.

Notes to the Audited Financial Statements  
For the period January 10, 2019 to May 14, 2019  
(Expressed in Canadian Dollars)

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## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

### Current and deferred income taxes

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income.

The Company follows the asset and liability method for accounting for income taxes. Under this method, deferred income tax assets and liabilities are determined based on the differences between the tax basis of assets and liabilities and the amounts reported in the financial statements. The deferred tax assets or liabilities are calculated using the tax rates enacted or substantially enacted for the periods in which the differences are expected to be settled. Deferred tax assets are recognized to the extent that they are considered more likely than not to be realized.

### Earnings per common share

The basic earnings per share is computed by dividing the earning by the weighted average number of common shares outstanding during the period. The diluted earnings per share reflects the potential dilution of common share equivalents, such as outstanding stock options, in the weighted average number of common shares outstanding during the year, if exercised. For this purpose, the treasury stock method is used whereby the assumed proceeds upon the exercise of stock options and warrants are used to purchase common shares at the average market price during the period.

### IFRS 9 - Financial Instruments

IFRS 9 establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The Company determines the classification of the financial assets at initial recognition. The basis of classification depends on the Company's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. A financial asset that is a debt instrument is measured at amortised cost if it meets both of the following conditions and is not designated at Fair Value through Profit or Loss ("FVPL"):

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Investments in equity instruments are required to be measured by default at fair value through profit or loss. However, on the day of acquisition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as fair value through other comprehensive income.

All financial assets not classified as measured at amortised cost or Fair Valued through Other Comprehensive Income ("FVOCI") are measured at FVPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVPL as FVOCI, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVPL, transaction costs that are directly attributed to its acquisition.

# 1193490 B.C. Ltd.

## Notes to the Audited Financial Statements

For the period January 10, 2019 to May 14, 2019

*(Expressed in Canadian Dollars)*

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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### **IFRS 9 - Financial Instruments (continued)**

Financial liabilities are classified as measured at amortised cost, unless they are classified as measured at FVPL. In cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income (loss) rather than in net earnings.

Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through profit or loss.

The Company's convertible debenture and warrants issued by Velocity Minerals Ltd. (Note 5) have been classified as FVPL. The Company's convertible debenture liability (Note 6) and amounts due to a related party are classified at amortised cost.

#### **Statement of cash flows**

The Company's parent undertook cash transactions on the Company's behalf during the period, principally to acquire the investments in Velocity using the proceeds from the convertible debt and share issuance by the Company to its parent. Accordingly, these cash transactions have been recognised in the Company's cash flow statement on the basis that the Company's parent was acting as its agent in this respect.

### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements requires management to use judgment in applying its accounting policies and estimates and assumptions about the future. Estimates and other judgments are regularly evaluated and are based on management's experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances. The following discusses the most significant accounting judgments and estimates that the Company has made in the preparation of the financial statements that could result in a material effect in the next financial year on the carrying amounts of assets and liabilities:

#### **Fair Value of investments in Velocity Minerals Ltd.**

The Company applied judgment when determining the fair value of its convertible debenture investment and warrants held in Velocity Minerals Ltd. (Note 5). The Company applied the Black-Scholes Stock Option pricing model to determine the fair value of the warrants on May 14, 2019. The assumptions used in preparing the Black-Scholes Stock Option pricing model included volatility of 60% and an expected life of the warrants of three years. The expected life of the warrants represents the period of time that the warrants are expected to be outstanding.

# 1193490 B.C. Ltd.

Notes to the Audited Financial Statements  
For the period January 10, 2019 to May 14, 2019  
(Expressed in Canadian Dollars)

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## 5. INVESTMENTS

### Investment in Velocity Minerals Ltd.

	<b>May 14, 2019</b>
Convertible debentures	<b>\$ 6,901,313</b>
Investment in associate - common shares	<b>5,432,017</b>
Warrants	<b>866,465</b>
<b>Total investment</b>	<b>\$ 13,199,795</b>

On March 14, 2019, the Company completed an investment in VLC for a total consideration of \$9,000,000. Included in the investment was a \$5,094,000 secured convertible debenture in VLC, plus an equity component comprising 18,600,000 Units of VLC for cash consideration of \$3,906,000. Further, as part of the investment agreement, the Company has the right to designate one individual to be nominated, and if elected, to serve as a director of VLC provided the Company holds at least 15% of the issued and outstanding common shares of VLC, with the number of nominees increasing to two directors if the Company holds 30% or more of the issued and outstanding common shares of VLC.

The convertible debenture earns interest at an annual rate of 8.5% payable semi-annually, over a five-year term. The interest can be paid in cash or common shares of VLC, at the discretion of VLC. The principal amount of the convertible debentures is convertible into common shares of VLC at the election of the Company at a conversion price of \$0.25. The convertible debentures are secured with a first ranking charge at any time by way of general security agreement and guarantee from the material subsidiary of VLC.

For accounting purposes, the convertible debenture investment is recognised as FVPL. At inception, the convertible debenture was recorded at the equivalent of cash consideration paid. As at May 14, 2019, the fair value of the convertible debenture increased to \$6,901,313, resulting in a gain of \$1,807,313.

The equity component of VLC comprised 18,600,000 Units of VLC, with each Unit consisting of one common share and 1/2 warrant. The warrants are exercisable into common shares of VLC at an exercise price of \$0.25, with an expiry date of March 14, 2022.

For accounting purposes, the Company applied equity accounting over the common shares of VLC as it was concluded that the Company has significant influence over VLC due to its share ownership in the Company and its ability to have board representation. As a result, at inception of the investment, the common shares were recognized at cost, with the carrying amount of the investment increasing or decreasing to recognise the Company's share of the profit or loss of VLC at each reporting period. The attributed cost of the common shares at the date of inception was determined using the traded stock price of VLC on March 14, 2019 which was \$0.29 per common share by the number of common shares held, in addition to \$106,740 of transaction costs. The carrying value of the common shares of VLC at inception was \$5,500,740. As at May 14, 2019, the Company had approximately 19% ownership interest in VLC.

# 1193490 B.C. Ltd.

Notes to the Audited Financial Statements  
For the period January 10, 2019 to May 14, 2019  
(Expressed in Canadian Dollars)

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## 5. INVESTMENTS (continued)

### Investment in Velocity Minerals Ltd. (continued)

The following table summarizes the change in the carrying amount of the Company's equity investment in VLC:

		<b>May 14, 2019</b>
At March 14, 2019	\$	5,500,740
Company's share of net loss for the period		(68,723)
	<b>\$</b>	<b>5,432,017</b>

The assets and liabilities of VLC are summarized in the following table and are taken from VLC's most recently available financial statements as at March 31, 2019. The reporting period of VLC is different from the current reporting period of the Company.

		<b>Three months ended, March 31, 2019</b>
Current assets	\$	8,030,863
Non-current assets		4,138,461
		<b>12,169,324</b>
Current liabilities		562,890
Non-current liabilities		3,991,609
		<b>4,554,499</b>
Net assets	<b>\$</b>	<b>7,614,825</b>
Company's equity share of net assets	<b>\$</b>	<b>1,467,137</b>
Loss and comprehensive loss for the period	<b>\$</b>	<b>(1,313,473)</b>

The warrants have been accounted for as FVPL. The Company used the Black-Scholes option pricing model to calculate the fair value of the warrants held in VLC. The Company used the following assumptions:

	<b>May 14, 2019</b>	<b>March 14, 2019</b>
<b>Volatility</b>	60%	60%
<b>Expected Life in Years</b>	2.84	3.00
<b>Dividend Rate</b>	0.00%	0.00%
<b>Risk-free-rate</b>	1.600%	1.600%

At inception, the fair value of the warrants was \$1,230,531. The Company realised a gain of \$2,718,531 attributable to the fair value changes between the contract date and the initial recognition of the equity investment and warrants. As at May 14, 2019, the fair value of the warrants decreased to \$866,465, resulting in a loss on investment of \$364,066.

# 1193490 B.C. Ltd.

Notes to the Audited Financial Statements  
For the period January 10, 2019 to May 14, 2019  
(Expressed in Canadian Dollars)

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## 6. CONVERTIBLE DEBENTURES

On March 14, 2019, the Company issued convertible debentures (the "Debentures") of \$5.094 million to the Company's parent, Atlantic Gold Corporation. The Debentures carry an interest rate of 8.4% (due semi-annually in March and September). The principal amount of the Debentures is due and payable on demand. At any time, the subscriber may, at its option, convert the debenture into common shares of the Company at a conversion price of \$1.00 per share.

For accounting purposes, the Debentures are separated into their liability and equity components by first valuing the liability component. Because the debenture is payable on demand, the fair value of the liability component at the time of issue was calculated as the principal amount owing on the convertible debenture liability, being \$5,094,000. This resulted in no residual value being attributed to the equity component of the financial instrument.

Interest expense for the period ending May 14, 2019 was \$71,937 and has been expensed to the statement of income and comprehensive income.

## 7. INCOME TAXES

Income tax expense differs from the amount that would result from applying the Canadian and federal and provincial income tax rates to earnings before income taxes. These differences result from the following items:

	<b>May 14, 2019</b>
Income before income taxes	\$ 3,901,884
Combined federal and provincial income tax rates	27.00%
Expected income tax expense	1,053,509
Decrease due to:	
Non-taxable portion of unrealized gains	(526,812)
<b>Deferred income tax expense</b>	<b>\$ 526,697</b>

The components of the deferred tax liability are as follows:

	<b>May 14, 2019</b>
Investments	\$ 526,697
	<b>\$ 526,697</b>

## 8. EQUITY

### Authorized share capital

Unlimited number of common shares without par value.

On March 14, 2019, the Company issued 3,906,001 common shares to Atlantic Gold Corporation, for total proceeds of \$3,906,001.

# 1193490 B.C. Ltd.

Notes to the Audited Financial Statements  
For the period January 10, 2019 to May 14, 2019  
(Expressed in Canadian Dollars)

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## 9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's financial instruments consist of an investment in a convertible debenture issued by VLC and an investment in VLC warrants, both of which are designated as FVPL.

The Company's financial instruments also include amounts due to a related party and the liability component of the convertible debenture, which are measured at amortised cost.

### Financial instrument risk exposure

The Company is exposed in varying degrees to a variety of financial instrument related risks. The board approves and monitors the risk management processes.

#### Credit risk

Credit risk arises from the potential for non-performance by counterparties of contractual financial obligations. The Company's exposure to credit risk is low, as both the convertible debenture investment, including interest receivable, and warrants are convertible into common shares of VLC at the discretion of the Company.

#### Liquidity risk

Liquidity risk is the risk that the Company cannot meet its obligations as they fall due. The Company's obligations include amounts due to a related party as well as interest and principal owing on the convertible debenture, both of which are due to the Company's parent, Atlantic Gold Corporation.

Contractual undiscounted cash flow requirements for financial liabilities as at May 14, 2019 are presented below:

	<b>Less than 1 year</b>	<b>1 - 3 years</b>	<b>4 - 5 years</b>	<b>Total</b>
Amounts due to a related party	\$ 225,974	\$ -	\$ -	\$ 225,974
Convertible debenture liability	5,524,443	-	-	5,524,443

The Company's ability to continue operations in the normal course of business is dependent on the Company's ability to secure additional financing.

#### Market risk

Market risk is the risk that the fair market value of the Company's financial instruments will significantly fluctuate due to changes in market prices. The value of the financial instruments can be affected by changes in interest rates, foreign exchange rates and equity and commodity prices. The fair value of the Company's convertible debenture receivable and investment in warrants of VLC are affected by changes in the share price of VLC. The interest rate charge on the Company's convertible debenture liability is fixed, therefore not exposed to market risk.

# 1193490 B.C. Ltd.

Notes to the Audited Financial Statements  
For the period January 10, 2019 to May 14, 2019  
(Expressed in Canadian Dollars)

## 9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

### Fair value

A three-level hierarchy for fair value measurements exists based upon the significance of inputs used in making fair value measurements:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 – Inputs for the asset or liability that are not based on observable market data.

The fair value of the Company's financial instruments as at May 14, 2019 are summarized as follows:

	May 14, 2019	
	Carrying amount	Fair value
<b>Financial assets</b>		
Velocity Minerals Ltd. - convertible debentures	\$ 6,901,313	\$ 6,901,313
Velocity Minerals Ltd. - warrants	866,465	866,465
<b>Financial liabilities</b>		
Convertible debenture liability	5,165,937	5,165,937
Due to related parties	\$ 225,974	\$ 225,974

Fair value is based on available public market information or, when such information is not available, estimated using present value techniques and assumptions concerning the amount and timing of future cash flows and discount rates which factor in the appropriate credit risk.

The Company's investment in the VLC convertible debentures, the investment in VLC warrants and the convertible debenture liability is categorized as Level 3 in the fair value hierarchy as observable market data for this investment is not available. All other financial instruments are categorized as Level 1.

## 10. CAPITAL MANAGEMENT

Capital includes all components of shareholders' equity. The Company's objective in managing capital is to safeguard the Company's ability to continue as a going concern, to maintain a flexible capital structure which optimizes cost of capital at acceptable risk, and to provide reasonable returns to shareholders.

The Company manages the capital structure and makes adjustments in light of changes in economic conditions, foreign exchange rates and the risk characteristics of the Company's assets. In order to maintain or adjust the capital structure, the Company may issue new shares, or sell assets to improve working capital. Other than what has already been disclosed in Note 6 in respect of convertible debentures, the Company has no other externally imposed capital requirements.

# 1193490 B.C. Ltd.

## Notes to the Audited Financial Statements

For the period January 10, 2019 to May 14, 2019

*(Expressed in Canadian Dollars)*

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### 11. SUBSEQUENT EVENTS

- On May 14, 2019, the Company's publicly traded parent, Atlantic Gold Corporation ("Atlantic"), announced that it had entered into an arrangement agreement with St. Barbara Ltd. ("St. Barbara") to which St Barbara will acquire 100% of all issued and outstanding shares of Atlantic (the "Arrangement Agreement"). As part of the Arrangement Agreement, Atlantic will distribute 100% of the common shares of 1194390 B.C. Ltd. to Atlantic shareholders at an assumed value of \$0.05 per share. Atlantic's special shareholders meeting to approve the Arrangement Agreement will take place on July 15, 2019.
- On May 31, 2019, the Company entered into an option agreement ("Option Agreement") with Strategic Metals Ltd. ("Strategic") whereby the Company has the right to acquire a 100% interest, subject to certain royalty payments, in a mineral property project located in northwestern BC. In order for the Company to exercise its option under the Option Agreement, the Company must pay Strategic: (i) \$125,000 in cash upon execution of the Option Agreement; (ii) on or before 12 months after the effective date of the Option Agreement, \$50,000 in cash and incur certain expenditures on not less than \$100,000; (iii) on or before 24 months after the effective date of the Option Agreement, \$100,000 in cash and incur certain expenditures on not less than \$500,000; (iv) on or before 36 months after the effective date of the Option Agreement, \$500,000 in cash and incur certain expenditures on not less than \$1,300,000; (v) on or before 48 months after the effective date of the Option Agreement, \$750,000 in cash and incur certain expenditures on not less than \$2,000,000; and (vi) on or before 60 months after the effective date of the Option Agreement, \$1,000,000 in cash and incur certain expenditures on not less than \$3,000,000.