

GREENCASTLE RESOURCES LTD.

82 Richmond Street East
Toronto, Ontario M5C 1P1

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual meeting (the "**Meeting**") of shareholders of **Greencastle Resources Ltd.** (the "**Corporation**") will be held on **Thursday, July 23, 2020**, at the hour of 10:00 a.m. (Eastern time), at the office of Irwin Lowy LLP at Suite 401, 217 Queen Street West, Toronto, Ontario M5V 0R2 for the following purposes:

1. to receive and consider the audited consolidated financial statements of the Corporation for the year ended December 31, 2019, and the report of the auditor thereon;
2. to appoint the auditors of the Corporation and to authorize the directors of the Corporation to fix their remuneration;
3. to elect the directors of the Corporation; and
4. to transact such other business as may properly come before the Meeting or any adjournments or postponements thereof.

A shareholder wishing to be represented by proxy at the Meeting or any adjournment thereof must deposit his or her duly executed form of proxy with the Corporation's transfer agent and registrar, TSX Trust Company, at Suite 301, 100 Adelaide Street West, Toronto, Ontario M5H 4H1 not later than 10:00 a.m. (Eastern time) on Tuesday, July 21, 2020 or, if the Meeting is adjourned, not later than 48 hours, excluding Saturdays, Sundays and holidays, preceding the time of such adjourned meeting.

Shareholders who are unable to attend the Meeting in person, are requested to date, complete, sign and return the enclosed form of proxy so that as large a representation as possible may be had at the Meeting.

The board of directors of the Corporation has by resolution fixed the close of business on Friday, June 12, 2020 as the record date, being the date for the determination of the registered holders of common shares of the Corporation entitled to receive notice of, and to vote at, the Meeting and any adjournment thereof.

COVID-19 GUIDANCE

In the context of the effort to mitigate potential risk to the health and safety associated with COVID-19 and in compliance with the orders and directives of the Government of Canada, the Province of Ontario and the City of Toronto, the shareholders are being discouraged from attending the Meeting in person. All shareholders are encouraged to vote on the matters before the Meeting by proxy in the manner set out herein and in the accompanying management information circular dated June 12, 2020 of the Corporation.

NOTICE-AND-ACCESS

Notice is also hereby given that the Corporation has decided to use the notice-and-access method of delivery of meeting materials for the Meeting for beneficial owners of common shares of the Corporation (the "**Non-Registered Holders**") and for registered shareholders. The notice-and-access method of delivery of meeting materials allows the Corporation to deliver the meeting materials over the internet in accordance with the notice-and-access rules adopted by the Ontario Securities Commission under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*. Under the notice-and-access system, registered shareholders will receive a form of proxy and the Non-Registered Holders will receive a voting instruction form enabling them to vote at the Meeting. However, instead of a paper copy of the notice of Meeting, the management information circular, the annual consolidated financial statements of the Corporation for the financial year ended December 31, 2019 and related management's discussion and analysis and other meeting materials (collectively the "**Meeting Materials**"),

shareholders receive a notification with information on how they may access such materials electronically. The use of this alternative means of delivery is more environmentally friendly as it will help reduce paper use and will also reduce the cost of printing and mailing the Meeting Materials to shareholders. Shareholders are reminded to view the Meeting Materials prior to voting. The Corporation will not be adopting stratification procedures in relation to the use of notice-and access provisions.

Websites Where Meeting Materials Are Posted:

Meeting Materials can be viewed online under the Corporation's profile at www.sedar.com or on the website of TSX Trust Company, the Corporation's transfer agent and registrar, at <https://docs.tsxtrust.com/2030>. The Meeting Materials will remain posted on the TSX Trust Company's website at least until the date that is one year after the date the Meeting Materials were posted.

How to Obtain Paper Copies of the Meeting Materials

Shareholders may request paper copies of the Meeting Materials be sent to them by postal delivery at no cost to them. Requests may be made up to one year from the date the Meeting Materials are posted on the TSX Trust Company's website. In order to receive a paper copy of the Meeting Materials or if you have questions concerning notice-and-access, please contact the Corporation's transfer agent and registrar, TSX Trust Company, by calling toll free at 1-866-600-5869 or by email at TMXEInvestorServices@tmx.com. **Requests should be received by 4:00 p.m. (Eastern time) on July 14, 2020 in order to receive the Meeting Materials in advance of the Meeting.**

The accompanying management information circular provides additional detailed information relating to the matters to be dealt with at the Meeting and is supplemental to, and expressly made a part of, this notice of annual meeting. Additional information about the Corporation and its financial statements are also available on the Corporation's profile at www.sedar.com.

DATED at Toronto, Ontario this 12th day of June, 2020.

BY ORDER OF THE BOARD

"Anthony R. Roodenburg" (signed)
Chief Executive Officer and Director

GREENCASTLE RESOURCES LTD.

82 Richmond Street East
Toronto, Ontario M5C 1P1

MANAGEMENT INFORMATION CIRCULAR

This information is given as of June 12, 2020, unless stated otherwise

SOLICITATION OF PROXIES

THIS MANAGEMENT INFORMATION CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION BY THE MANAGEMENT OF GREENCASTLE RESOURCES LTD. (the "**Corporation**") of proxies to be used at the annual meeting of shareholders of the Corporation to be held on Thursday, July 23, 2020 at the office of Irwin Lowy LLP at Suite 401, 217 Queen Street West, Toronto, Ontario M5V 0R2 at 10:00 a.m. (Eastern time), and at any adjournment or postponement thereof (the "**Meeting**") for the purposes set out in the accompanying notice of meeting (the "**Notice of Meeting**"). Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally or by telephone, facsimile or other proxy solicitation services. In accordance with National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**"), arrangements have been made with brokerage houses and clearing agencies, custodians, nominees, fiduciaries or other intermediaries to send the Notice of Meeting, this management information circular (the "**Management Information Circular**"), the annual consolidated financial statements of the Corporation for the financial year ended December 31, 2019 and related management's discussion and analysis and other meeting materials, if applicable (collectively the "**Meeting Materials**") to the beneficial owners of the common shares of the Corporation (the "**Common Shares**") held of record by such parties. The Corporation may reimburse such parties for reasonable fees and disbursements incurred by them in doing so. The costs of the solicitation of proxies will be borne by the Corporation. The Corporation may also retain, and pay a fee to, one or more professional proxy solicitation firms to solicit proxies from the shareholders of the Corporation in favour of the matters set forth in the Notice of Meeting.

COVID-19 GUIDANCE

In the context of the effort to mitigate potential risk to the health and safety associated with COVID-19 and in compliance with the orders and directives of the Government of Canada, the Province of Ontario and the City of Toronto, the shareholders are being discouraged from attending the Meeting in person. All shareholders are encouraged to vote on the matters before the Meeting by proxy in the manner set out in the Notice of Meeting and this Management Information Circular.

NOTICE-AND-ACCESS

The Corporation has decided to use the notice-and-access ("**Notice-and-Access**") rules provided under NI 54-101 for the delivery of the Meeting Materials to holders of Common Shares who appear on the records maintained by the Corporation's registrar and transfer agent as registered holders of Common Shares ("**Registered Shareholders**") and beneficial owners of Common Shares (the "**Non-Registered Holders**") for the Meeting. The Notice-and-Access method of delivery of Meeting Materials allows the Corporation to deliver the Meeting Materials over the internet in accordance with the Notice-and-Access rules adopted by the Ontario Securities Commission under NI 54-101.

Registered Shareholders will receive a form of proxy and Non-Registered Holders will receive a voting instruction form, enabling them to vote at the Meeting. However, instead of a paper copy of the Meeting Materials, shareholders receive

Shareholders may always request paper copies of the Meeting Materials be sent to them by postal delivery at no cost to them. Requests may be made up to one year from the date the Meeting Materials are posted on the TSX Trust Company's website. In order to receive a paper copy of the Meeting Materials or if you have questions concerning Notice-and-Access, please contact TSX Trust Company, the Corporation's transfer agent and registrar, by calling toll free at **1-866-600-5869** or by email at **TMXEInvestorServices@tmx.com**. Requests should be received by **July 14, 2020** in order to receive the Meeting Materials in advance of the Meeting date.

only a notice with information on the date, location and purpose of the Meeting, as well as information on how they may access such materials electronically. The use of this alternative means of delivery is more environmentally friendly as it will help reduce paper use and will also reduce the cost of printing and mailing the Meeting Materials to shareholders. Shareholders are reminded to view the Meeting Materials prior to voting. Materials can be viewed online under the Corporation's profile at www.sedar.com or on the website of TSX Trust Company, the Corporation's transfer agent and registrar, at <https://docs.tsxtrust.com/2030>. The Meeting Materials will remain posted on the TSX Trust Company's website at least until the date that is one year after the date the Meeting Materials were posted. The Corporation will not be adopting stratification procedures in relation to the use of Notice-and-Access provisions.

APPOINTMENT AND REVOCATION OF PROXIES

A Registered Shareholder may vote in person at the Meeting or may appoint another person to represent such Registered Shareholder as proxy and to vote the Common Shares of such Registered Shareholder at the Meeting. In order to appoint another person as proxy, a Registered Shareholder must complete, execute and deliver the form of proxy accompanying this Management Information Circular, or another proper form of proxy, in the manner specified in the Notice of Meeting.

The purpose of a form of proxy is to designate persons who will vote on the shareholder's behalf in accordance with the instructions given by the shareholder in the form of proxy. The persons named in the enclosed form of proxy are officers or directors of the Corporation. **A REGISTERED SHAREHOLDER DESIRING TO APPOINT SOME OTHER PERSON, WHO NEED NOT BE A SHAREHOLDER OF THE CORPORATION, TO REPRESENT HIM OR HER AT THE MEETING MAY DO SO BY FILLING IN THE NAME OF SUCH PERSON IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY OR BY COMPLETING ANOTHER PROPER FORM OF PROXY.** A Registered Shareholder wishing to be represented by proxy at the Meeting or any adjournment thereof must, in all cases, deposit the completed form of proxy with the Corporation's transfer agent and registrar, TSX Trust Company (the "**Transfer Agent**"), not later than 10:00 a.m. (Eastern time) on Tuesday, July 21, 2020 or, if the Meeting is adjourned, not later than 48 hours, excluding Saturdays, Sundays and holidays, preceding the time of such adjourned Meeting at which the form of proxy is to be used. A form of proxy should be executed by the Registered Shareholder or his or her attorney duly authorized in writing or, if the Registered Shareholder is a corporation, by an officer or attorney thereof duly authorized.

Proxies may be deposited with the Transfer Agent using one of the following methods:

By Mail or Hand Delivery:	TSX Trust Company Suite 301 100 Adelaide Street West Toronto, Ontario M5H 4H1
By Fax:	416-595-9593
By Internet:	www.voteproxyonline.com You will need to provide your 12 digit control number (located on the form of proxy accompanying this Management Information Circular)

A Registered Shareholder attending the Meeting has the right to vote in person and, if he or she does so, his or her form of proxy is nullified with respect to the matters such person votes upon at the Meeting and any subsequent matters thereafter to be voted upon at the Meeting or any adjournment thereof.

A Registered Shareholder who has given a form of proxy may revoke the form of proxy at any time prior to using it: (a) by depositing an instrument in writing, including another completed form of proxy, executed by such Registered Shareholder or by his or her attorney authorized in writing or by electronic signature or, if the Registered Shareholder is a corporation, by an authorized officer or attorney thereof at, or by transmitting by telephone or electronic means, a revocation signed, subject to the *Business Corporations Act* (Ontario), by electronic signature, to (i) the registered office of the Corporation, located at 82 Richmond Street East, Toronto, Ontario M5C 1P1, at any time prior to 5:00 p.m. (Eastern time) on the last business day preceding the day of the Meeting or any adjournment thereof or (ii) with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof; or (b) in any other manner permitted by law.

EXERCISE OF DISCRETION BY PROXIES

The Common Shares represented by proxies in favour of management nominees will be voted or withheld from voting in accordance with the instructions of the Registered Shareholder on any ballot that may be called for and, if a Registered Shareholder specifies a choice with respect to any matter to be acted upon at the meeting, the Common Shares represented by the proxy shall be voted accordingly. Where no choice is specified, the proxy will confer discretionary authority and will be voted for the election of directors, for the appointment of auditors and the authorization of the directors to fix their remuneration and for each item of special business, as stated elsewhere in this Management Information Circular.

The enclosed form of proxy also confers discretionary authority upon the persons named therein to vote with respect to any amendments or variations to the matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting in such manner as such nominee in his judgment may determine. At the time of printing this Management Information Circular, the management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting.

ADVICE TO NON-REGISTERED SHAREHOLDERS

The information set forth in this section is of significant importance to many shareholders of the Corporation, as a substantial number of shareholders of the Corporation do not hold Common Shares in their own name. Only Registered Shareholders or the persons they appoint as their proxies are permitted to attend and vote at the Meeting and only forms of proxy deposited by Registered Shareholders will be recognized and acted upon at the Meeting. Common Shares beneficially owned by a Non-Registered Holder are registered either: (i) in the name of an intermediary (an "**Intermediary**") with whom the Non-Registered Holder deals in respect of the Common Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (ii) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc.) (each a "**Clearing Agency**") of which the Intermediary is a participant. Accordingly, such Intermediaries and Clearing Agencies would be the Registered Shareholders and would appear as such on the list maintained by the Transfer Agent. Non-Registered Holders do not appear on the list of the Registered Shareholders maintained by the Transfer Agent.

Distribution of Meeting Materials to Non-Registered Holders

In accordance with the requirements of NI 54-101, the Corporation has distributed copies of the Meeting Materials to the Clearing Agencies and Intermediaries for onward distribution to Non-Registered Holders as well as directly to NOBOs (as defined below).

Non-Registered Holders fall into two categories - those who object to their identity being known to the issuers of securities which they own ("**OBOS**") and those who do not object to their identity being made known to the issuers of the securities which they own ("**NOBOs**"). Subject to the provisions of NI 54-101, issuers may request and obtain a list of their NOBOs from Intermediaries directly or via their transfer agent and may obtain and use the NOBO list for the distribution of proxy-related materials to such NOBOs. If you are a NOBO and the Corporation or its agent has sent the Meeting Materials directly to you, your name, address and information about your holdings of Common Shares have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding the Common Shares on your behalf.

The Corporation's OBOs can expect to be contacted by their Intermediary. The Corporation does not intend to pay for Intermediaries to deliver the Meeting Materials to OBOs and it is the responsibility of such Intermediaries to ensure delivery of the Meeting Materials to their OBOs.

Voting by Non-Registered Holders

The Common Shares held by Non-Registered Holders can only be voted or withheld from voting at the direction of the Non-Registered Holder. Without specific instructions, Intermediaries or Clearing Agencies are prohibited from voting Common Shares on behalf of Non-Registered Holders. Therefore, each Non-Registered Holder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.

The various Intermediaries have their own mailing procedures and provide their own return instructions to Non-Registered Holders, which should be carefully followed by Non-Registered Holders in order to ensure that their Common Shares are voted at the Meeting.

Non-Registered Holders will receive either a voting instruction form or, less frequently, a form of proxy. The purpose of these forms is to permit Non-Registered Holders to direct the voting of the Common Shares they beneficially own. Non-Registered Holders should follow the procedures set out below, depending on which type of form they receive.

Voting Instruction Form. In most cases, a Non-Registered Holder will receive, as part of the Meeting Materials, a voting instruction form (a "**VIF**"). If the Non-Registered Holder does not wish to attend and vote at the Meeting in person (or have another person attend and vote on the Non-Registered Holder's behalf), the VIF must be completed, signed and returned in accordance with the directions on the form.

or,

Form of Proxy. Less frequently, a Non-Registered Holder will receive, as part of the Meeting Materials, a form of proxy that has already been signed by the Intermediary (typically by a facsimile, stamped signature) which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Holder but which is otherwise not completed. If the Non-Registered Holder does not wish to attend and vote at the Meeting in person (or have another person attend and vote on the Non-Registered Holder's behalf), the Non-Registered Holder must complete and sign the form of proxy and in accordance with the directions on the form.

Voting by Non-Registered Holders at the Meeting

Although a Non-Registered Holder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of an Intermediary or a Clearing Agency, a Non-Registered Holder may attend the Meeting as proxyholder for the Registered Shareholder who holds Common Shares beneficially owned by such Non-Registered Holder and vote such Common Shares as a proxyholder. A Non-Registered Holder who wishes to attend the Meeting and to vote their Common Shares as proxyholder for the Registered Shareholder who holds Common Shares beneficially owned by such Non-Registered Holder, should (a) if they received a VIF, follow the directions indicated on the VIF; or (b) if they received a form of proxy strike out the names of the persons named in the form of proxy and insert the Non-Registered Holder's or its nominees name in the blank space provided. Non-Registered Holders should carefully follow the instructions of their Intermediaries, including those instructions regarding when and where the VIF or the form of proxy is to be delivered.

All references to shareholders in the Meeting Materials are to Registered Shareholders as set forth on the list of registered shareholders of the Corporation as maintained by the Transfer Agent, unless specifically stated otherwise.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The holders of Common Shares of record at the close of business on the record date, set by the directors of the Corporation to be Friday, June 12, 2020 (the "**Record Date**"), are entitled to vote such Common Shares at the Meeting on the basis of one vote for each Common Share held.

The authorized share capital of the Corporation consists of an unlimited number of Common Shares without par value, of which as at the Record Date 38,622,671 Common Shares are issued and outstanding, and an unlimited number of special shares, of which none are issued and outstanding.

Only Registered Shareholders as of the Record Date are entitled to receive notice of, and to attend and vote at, the Meeting or any adjournment or postponement of the Meeting. On a show of hands, every Registered Shareholder and proxy holder will have one vote and, on a poll, every Registered Shareholder present in person or represented by proxy will have one vote for each Common Share held.

To the knowledge of the directors and executive officers of the Corporation, as of the date hereof, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, Common Shares carrying more than 10% of the voting rights attached to the outstanding Common Shares, other than as set forth below:

Name ⁽¹⁾	Number of Common Shares	Percentage of Issued and Outstanding Common Shares
Anthony R. Roodenburg	5,915,449	15.32%

Notes:

(1) The above information is based upon information supplied by the Transfer Agent and the Corporation's management.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED ON

Other than as otherwise disclosed herein, no director or executive officer of the Corporation who was a director or executive officer at any time since the beginning of the last financial year of the Corporation, or any associate or affiliates of any such directors or officers, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of the board of directors of the Corporation (the "**Board**"), the matters to be brought before the Meeting are those matters set forth in the accompanying Notice of Meeting.

1. PRESENTATION OF FINANCIAL STATEMENTS

The audited consolidated financial statements of the Corporation for the year ended December 31, 2019 and the report of the auditors will be placed before the shareholders at the Meeting. No vote will be taken on the consolidated financial statements. The consolidated financial statements and additional information concerning the Corporation are available under the profile of the Corporation on SEDAR at www.sedar.com.

2. APPOINTMENT OF AUDITOR

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE APPOINTMENT OF CLEARHOUSE LLP, CHARTERED PROFESSIONAL ACCOUNTANTS, AS AUDITORS OF THE CORPORATION TO HOLD OFFICE UNTIL THE NEXT ANNUAL MEETING OF SHAREHOLDERS AND THE AUTHORIZATION OF THE DIRECTORS TO FIX THEIR REMUNERATION, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER ITS SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF. Clearhouse LLP, Chartered Professional Accountants (formerly SDVC LLP, Chartered Accountants), were first appointed as the auditors of the Corporation on October 9, 2018.

3. ELECTION OF DIRECTORS

The Board currently consists of four directors to be elected annually. At the Meeting, four directors will be nominated by management for election as directors for the ensuing year. The following table states the names of the persons nominated by management for election as directors, any offices with the Corporation currently held by them, their principal occupations or employment, the period or periods of service as directors of the Corporation and

the approximate number of voting securities of the Corporation beneficially owned, directly or indirectly, or over which control or direction is exercised as of the date hereof.

Name, province or state and country of residence and position, if any, held in the Corporation	Principal Occupation	Served as Director of the Corporation since	Number of Common Shares beneficially owned, directly or indirectly, or controlled or directed at present ⁽¹⁾	Percentage of Voting Shares Owned or Controlled
Anthony R. Roodenburg ⁽³⁾ Ontario, Canada Chief Executive Officer and Director	Chief Executive Officer of the Corporation	October 25, 1999	5,915,449	15.32%
James Pirie ⁽²⁾ Ontario, Canada President, Secretary and Director	President, Secretary and Director of the Corporation	October 31, 2003	540,000	1.40%
Michael Power ⁽²⁾⁽³⁾ Ontario, Canada Director	Corporate Director and mining consultant to various companies	May 29, 2014	nil	n/a
Chris Irwin ⁽²⁾⁽³⁾ Ontario, Canada Director	Partner of Irwin Lowy LLP, a law firm	June 4, 2013	333,501 ⁽⁴⁾	0.86%

Notes:

- (1) The information as to voting securities beneficially owned, controlled or directed, not being within the knowledge of the Corporation, has been furnished by the respective nominees individually.
- (2) Member of the Compensation, Human Resources, Corporate Governance and Nominating Committee.
- (3) Member of the Audit Committee.
- (4) Mr. Irwin holds 501 Common Shares directly and 333,000 Common Shares indirectly through Irwin Professional Corporation, a corporation which he controls.

The term of office of each director will be from the date of the Meeting at which he is elected until the next annual meeting, or until his successor is elected or appointed.

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE ELECTION OF THE ABOVE-NAMED NOMINEES, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF. Management has no reason to believe that any of the nominees will be unable to serve as a director but, **IF A NOMINEE IS FOR ANY REASON UNAVAILABLE TO SERVE AS A DIRECTOR, PROXIES IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE REMAINING NOMINEES AND MAY BE VOTED FOR A SUBSTITUTE NOMINEE UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT OF THE ELECTION OF DIRECTORS.**

Corporate Cease Trade Orders or Bankruptcies

Other than as set forth below, no proposed director, within 10 years before the date of this Management Information Circular, has been a director, chief executive officer or chief financial officer of any company that:

- (a) was subject to: (i) a cease trade order; (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 (collectively, an "**Order**") and that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to an Order that was issued after the proposed director 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.

Other than as set forth below, no proposed director, within 10 years before the date of this Management Information Circular, has been a director or executive officer of any company that, while the proposed director was acting in that capacity, or within a year of the proposed director ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Mr. Power was a former Director of Red Tiger Mining Inc., formerly Zaruma Resources Inc. ("**Zaruma**"). In May 2010 the Ontario Securities Commission (the "**OSC**") and British Columbia Securities Commissions (the "**BCSC**") issued cease trade orders in respect of Zaruma, as a result of not filing its audited financial statements for the year ended December 31, 2009 within the prescribed period. The cease trade orders were rescinded on August 10, 2010, after Zaruma filed its audited financial statements and held an annual meeting of shareholders.

Mr. Power was a former Director of San Gold Corporation ("**San Gold**"). On December 22, 2014, San Gold filed a Notice of Intention to Make a Proposal under the *Bankruptcy and Insolvency Act* (Canada). On December 23, 2014, trading of the common shares and subordinated unsecured convertible debentures of San Gold was suspended by the Investment Industry Regulatory Organization of Canada and the Toronto Stock Exchange.

Mr. Irwin was a director, President and Secretary of Brighter Minds Media Inc. ("**Brighter Minds**") from March 2009 to July 2014. Brighter Minds is subject to cease trade orders resulting from a failure to file financial statements as issued on May 11, 2009 by the BCSC, May 13, 2009 by the Manitoba Securities Commission, May 8, 2009 and May 20, 2009 by the OSC and August 19, 2009 by the Alberta Securities Commission. As of the date of this Management Information Circular, the cease trade orders have not been revoked or rescinded.

Mr. Irwin was a director from June 2015 to December 2017 and an officer from September 2015 to April 2016 of Blocplay Entertainment Inc. (formerly Stompy Bot Corporation) ("**Blocplay**"), which was subject to a management cease trade order resulting from a failure to file financial statements as issued on May 2, 2016 by the BCSC and May 4, 2016 and May 16, 2016 by the OSC. These cease trade orders were revoked on July 5, 2016 by the BCSC and July 6, 2016 by the OSC. Blocplay was subject to a management cease trade order resulting from a failure to file financial statements as issued on May 2, 2017 by the BCSC and May 4, 2017 by the OSC. These cease trade orders were revoked on July 5, 2017 by the BCSC and July 6, 2017 by the OSC.

Mr. Irwin was appointed as the President, Chief Executive Officer, Secretary and a director of Blocplay on September 28, 2018. Blocplay was subject to a management cease trade order resulting from a failure to file financial statements as issued on December 3, 2018 and amended on December 4, 2018 by the BCSC and December 4, 2018 by the OSC. These cease trade orders were revoked on February 6, 2019.

Mr. Irwin is a director and an officer of Intercontinental Gold and Metals Ltd. ("**Intercontinental**") which was subject to a management cease trade order resulting from a failure to file financial statements as issued by the BCSC on July 30, 2015. The cease trade order was revoked on September 22, 2015.

Mr. Irwin is a director and an officer of Intercontinental which was subject to a management cease trade order resulting from a failure to file financial statements as issued on August 2, 2018 by the BCSC. Intercontinental was subject to a cease trade order from a failure to file financial statements as issued on October 5, 2018 by the BCSC. These cease trade orders were revoked on October 9, 2018.

Mr. Pirie was a former Director of Seafield Resources Ltd. ("**Seafield**"). On September 9, 2014, Seafield announced that pursuant to an order of the Ontario Superior Court of Justice that KPMG Inc. had been appointed as a receiver and manager of Seafield pursuant to an application brought by Seafield's secured creditor.

Personal Bankruptcies

None of the proposed directors of the Corporation have, within the 10 years before the date of this Management Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such person.

Penalties and Sanctions

None of the proposed directors of the Corporation have been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

STATEMENT OF EXECUTIVE COMPENSATION

Under applicable securities legislation, the Corporation is required to disclose certain financial and other information relating to the compensation of the Chief Executive Officer, the Chief Financial Officer and the most highly compensated executive officer of the Corporation as at December 31, 2019 whose total compensation was more than \$150,000 for the financial year of the Corporation ended December 31, 2019 (collectively the "Named Executive Officers") and for the directors of the Corporation.

The following table provides a summary of compensation paid, directly or indirectly, for each of the two most recently completed financial years to the Named Executive Officers and the directors of the Corporation:

TABLE OF COMPENSATION EXCLUDING COMPENSATION SECURITIES ⁽¹⁾							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Anthony R. Roodenburg ⁽²⁾ Chief Executive Officer and Director	2019	216,000	nil	nil	nil	nil	216,000
	2018	216,000	nil	nil	nil	nil	216,000
James Pirie ⁽²⁾ President, Secretary and Director	2019	30,000	nil	nil	nil	nil	30,000
	2018	30,000	nil	nil	nil	nil	30,000
Carmelo Marrelli ⁽³⁾ Chief Financial Officer	2019	18,000	nil	nil	nil	nil	18,000
	2018	18,000	nil	nil	nil	nil	18,000
Michael E. Power Director	2019	15,000	nil	nil	nil	nil	15,000
	2018	15,000	nil	nil	nil	nil	15,000
Chris Irwin ⁽⁴⁾ Director	2019	15,000	nil	nil	nil	nil	15,000
	2018	15,000	nil	nil	nil	nil	15,000

Notes:

- (1) This table does not include any amount paid as reimbursement for expenses.
- (2) None of the compensation paid to Mr. Roodenburg and Mr. Pirie was paid for their services as directors of the Corporation.
- (3) For the year ended December 31, 2019, the Corporation expensed \$42,788 to Marrelli Support Services Inc. ("Marrelli Support") for bookkeeping services to the Corporation. Mr. Marrelli, the Chief Financial Officer of the Corporation, is the President of Marrelli Support. In addition, for the year ended December 31, 2019 the Corporation expensed \$14,104 to DSA Corporate Services Inc. ("DSA") for corporate secretarial services. DSA is a private company controlled by Mr. Marrelli. Mr. Marrelli is the Corporate Secretary and sole director of DSA. For the year ended December 31, 2018, the Corporation expensed \$51,151 to Marrelli Support for bookkeeping services to the Corporation. In addition, for the year ended December 31, 2018 the Corporation expensed \$11,268 to DSA for corporate secretarial services.
- (4) During the financial year ended December 31, 2019, Irwin Lowy LLP, a limited liability partnership of which Mr. Irwin is a partner, was paid fees of \$10,738 for legal services. During the financial year ended December 31, 2018, Irwin Lowy LLP was paid fees of \$11,936 for legal services.

Stock Options and Other Compensation Securities

The Corporation did not grant any compensation securities to the Named Executive Officers or the directors of the Corporation during the most recently completed financial year of the Corporation.

As at December 31, 2019, the Named Executive Officers and directors of the Corporation held compensation securities as set out in the table below.

COMPENSATION SECURITIES HELD BY DIRECTORS AND NAMED EXECUTIVES OFFICERS			
Name and position	Type of compensation security	Number of compensation securities	Number of underlying securities exercised or exchanged
Anthony R. Roodenburg Chief Executive Officer and Director	stock options	2,500,000	2,500,000 Common Shares
James Pirie President, Secretary and Director	stock options	1,000,000	1,000,000 Common Shares
Carmelo Marrelli Chief Financial Officer	stock options	250,000	250,000 Common Shares
Michael E. Power Director	stock options	650,000	650,000 Common Shares
Chris Irwin Director	stock options	450,000	450,000 Common Shares

None of the Named Executive Officers or directors of the Corporation exercised any compensation securities during the most recently completed financial year of the Corporation.

Stock Option Plan and other Incentive Plans

The Corporation has in place the Stock Option Plan which was last approved by the shareholders on June 5, 2019. The Stock Option Plan is a "fixed" stock option plan whereby the maximum number of Common Shares that may be reserved for issue pursuant to the Stock Option Plan is limited to 7,500,000 Common Shares, representing 19.42% of the outstanding number of Common Shares.

The purpose of the Stock Option Plan is to, among other things, encourage Common Share ownership in the Corporation by directors, officers, employees and consultants of the Corporation and its affiliates and other designated persons. Options may be granted under the Stock Option Plan only to directors, officers, employees and consultants of the Corporation and its subsidiaries and other designated persons as designated from time to time by the Board. Any Common Shares subject to an option which is exercised or, for any reason, is cancelled or terminated prior to exercise, will be available for a subsequent grant under the Stock Option Plan. The option price of any Common Shares cannot be less than the market price of the Common Shares. Options granted under the Stock Option Plan may be exercised during a period not exceeding five years, subject to earlier termination upon the termination of the optionee's employment, upon the optionee ceasing to be an employee, officer, director or consultant of the Corporation or any of its subsidiaries or ceasing to have a designated relationship with the Corporation, as applicable, or upon the optionee retiring, becoming permanently disabled or dying. The options are non-transferable. The Stock Option Plan contains provisions for adjustment in the number of Common Shares issuable thereunder in the event of a subdivision, consolidation, reclassification or change of the Common Shares, a merger or other relevant changes in the capitalization of the Corporation. Subject to shareholder approval in certain

circumstances, the Board may from time to time amend or revise the terms of the Stock Option Plan or may terminate the Stock Option Plan at any time. The Stock Option Plan does not contain any provision for financial assistance by the Corporation in respect of options granted under the Stock Option Plan.

The Corporation has no equity compensation plans other than the Stock Option Plan.

Employment, Consulting and Management Agreements

The Corporation has in place the following employment agreements between the Corporation or any subsidiary or affiliate thereof and its Named Executive Officers:

Anthony Roodenburg – Chief Executive Officer and Director

Pursuant to an employment agreement made as of February 1, 2014, the Corporation engaged the services of Anthony Roodenburg as Chief Executive Officer of the Corporation at a salary of \$216,000 per year. Pursuant to this agreement, Mr. Roodenburg will devote 75 per cent of his time to the business affairs of the Corporation. Mr. Roodenburg will also be eligible to participate in the Stock Option Plan and may receive incentive stock options and an annual bonus as determined by the Board or the Compensation Committee and in accordance with the Stock Option Plan. In the event Mr. Roodenburg's employment is terminated without cause or upon the occurrence of a change of control of the Corporation, Mr. Roodenburg will be entitled to receive an amount equal to the greater of \$650,000 or the amount of his salary and bonus remuneration received for the previous 36 months. In addition, any unvested stock options held by Mr. Roodenburg will vest upon termination of employment without cause or upon change of control and will be exercisable on the terms granted. Any provisions of the Stock Option Plan restricting the number of stock options which may be purchased before a particular date will be waived.

James Pirie – President, Secretary and Director

Pursuant to an employment agreement made as of July 1, 2017, the Corporation engaged the services of James Pirie as President of the Corporation at a salary of \$2,500 per month. Pursuant to this agreement, Mr. Pirie will devote three days a month of his time to the business affairs of the Corporation. Mr. Pirie will also be eligible to participate in the Stock Option Plan and may receive incentive stock options and an annual bonus as determined by the Board or the Compensation Committee and in accordance with the Stock Option Plan. In the event Mr. Pirie's employment is terminated without cause, Mr. Pirie is entitled to all remuneration to which he is ordinarily entitled, including, without limitation, any benefits, bonuses or shares, and which has accrued to the date on which the termination occurred, including any notice period given to or provided by Mr. Pirie, if applicable.

There are no employment agreements in place with any of the independent directors of the Corporation.

Oversight and Description of Director and Named Executive Officer Compensation

Compensation of Directors

The Board, at the recommendation of the management of the Corporation, determines the compensation payable to the directors of the Corporation and reviews such compensation periodically throughout the year. For their role as directors of the Corporation, each director of the Corporation who is not a Named Executive Officer receives fees in the amount of \$15,000 a year and may, from time to time, be awarded stock options under the provisions of the Stock Option Plan. There are no other arrangements under which the directors of the Corporation who are not Named Executive Officers were compensated by the Corporation or its subsidiaries during the most recently completed financial year end for their services in their capacity as directors of the Corporation.

Compensation of Named Executive Officers

Principles of Executive Compensation

The Corporation believes in linking an individual's compensation to his or her performance and contribution as well as to the performance of the Corporation as a whole. The primary components of the Corporation's executive

compensation are base salary and option-based awards. The Board believes that the mix between base salary and incentives must be reviewed and tailored to each executive based on their role within the organization as well as their own personal circumstances. The overall goal is to successfully link compensation to the interests of the shareholders. The following principles form the basis of the Corporation's executive compensation program:

1. align interest of executives and shareholders;
2. attract and motivate executives who are instrumental to the success of the Corporation and the enhancement of shareholder value;
3. pay for performance;
4. ensure compensation methods have the effect of retaining those executives whose performance has enhanced the Corporation's long-term value; and
5. connect, if possible, the Corporation's employees into principles 1 through 4 above.

The Board is responsible for the Corporation's compensation policies and practices. The Board has the responsibility to review and make recommendations concerning the compensation of the directors of the Corporation and the Named Executive Officers within the constraints of the agreements described under "*Employment, Consulting and Management Agreements*". The Board also has the responsibility to make recommendations concerning annual bonuses and grants to eligible persons under the Stock Option Plan. The Board also reviews and approves the hiring of executive officers.

Base Salary

The Board approves the salary ranges for the Named Executive Officers. The base salary review for each Named Executive Officer is based on assessment of factors such as current competitive market conditions, compensation levels within the peer group and particular skills, such as leadership ability and management effectiveness, experience, responsibility and proven or expected performance of the particular individual. Comparative data for the Corporation's peer group is also accumulated from a number of external sources including independent consultants. The Corporation's policy for determining salary for executive officers of the Corporation is consistent with the administration of salaries for all other employees.

Annual Incentives

The Corporation is not currently awarding any annual incentives by way of cash bonuses. However, the Corporation, in its discretion, may award such incentives in order to motivate executives to achieve short-term corporate goals. The Board approves annual incentives.

The success of Named Executive Officers in achieving their individual objectives and their contribution to the Corporation in reaching its overall goals are factors in the determination of their annual bonus. The Board assesses each Named Executive Officers' performance on the basis of his or her respective contribution to the achievement of the predetermined corporate objectives, as well as to needs of the Corporation that arise on a day to day basis. This assessment is used by the Board in developing its recommendations with respect to the determination of annual bonuses for the Named Executive Officers.

Compensation and Measurements of Performance

It is the intention of the Board to approve targeted amounts of annual incentives for each Named Executive Officer at the beginning of each financial year. The targeted amounts will be determined by the Board based on a number of factors, including comparable compensation of similar companies.

Achieving predetermined individual and/or corporate targets and objectives, as well as general performance in day to day corporate activities, will trigger the award of a bonus payment to the Named Executive Officers. The Named Executive Officers will receive a partial or full incentive payment depending on the number of the predetermined

targets met and the Board's assessment of overall performance. The determination as to whether a target has been met is ultimately made by the Board and the Board reserves the right to make positive or negative adjustments to any bonus payment if they consider them to be appropriate.

Long Term Compensation

The Corporation currently has no long-term incentive plans, other than stock options granted from time to time by the Board under the provisions of the Stock Option Plan.

Pension Disclosure

There are no pension plan benefits in place for the Named Executive Officers or the directors of the Corporation.

Termination and Change of Control Benefits

The Corporation does not have in place any pension or retirement plan. The Corporation has not provided compensation, monetary or otherwise, during the preceding fiscal year, to any person who now acts or has previously acted as a Named Executive Officer or director of the Corporation in connection with or related to the retirement, termination or resignation of such person. The Corporation has not provided any compensation to such persons as a result of a change of control of the Corporation, its subsidiaries or affiliates. Other than as disclosed in the section entitled "*Statement of Executive Compensation – Employment, Consulting and Management Agreements*" in this Management Information Circular, the Corporation is not party to any compensation plan or arrangement with Named Executive Officers or directors of the Corporation resulting from the resignation, retirement or the termination of employment of such person.

SECURITIES AUTHORIZED FOR ISSUE UNDER EQUITY COMPENSATION PLAN

The following table sets forth information with respect to all compensation plans of the Corporation under which equity securities are authorized for issuance as of December 31, 2019:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (#)	Weighted-average exercise price of outstanding options, warrants and rights (\$)	Number of securities remaining available for future issuance under equity compensation plans (#)
Equity compensation plans approved by securityholders	5,900,000	0.10	1,600,000
Equity compensation plans not approved by securityholders	n/a	n/a	n/a
Total	5,900,000	0.10	1,600,000

Notes:

- (1) The Stock Option Plan is a "fixed" stock option plan whereby the maximum number of Common Shares that may be reserved for issue pursuant to the Stock Option Plan is limited to 7,500,000 Common Shares. As at the date of this Management Information Circular, 7,500,000 stock options may be issued under the Stock Option Plan, 4,000,000 stock options are outstanding and an additional 3,500,000 Common Shares are reserved for issue and remain available for future issue under the Stock Option Plan.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as already disclosed herein, no director, executive officer or principal shareholder of the Corporation, or associate or affiliate of any of the foregoing, has had any material interest, direct or indirect, in any transaction within the preceding three years or in any proposed transaction that has materially affected or will materially affect the Corporation.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director or officer of the Corporation or person who acted in such capacity in the last financial year of the Corporation, or any other individual who at any time during the most recently completed financial year of the Corporation was a director of the Corporation or any associate of the Corporation, is indebted to the Corporation, nor is any indebtedness of any such person to another entity the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation.

AUDIT COMMITTEE INFORMATION REQUIRED IN THE INFORMATION CIRCULAR OF A VENTURE ISSUER

National Instrument 52-110 - *Audit Committees* ("**NI 52-110**") requires that certain information regarding the Audit Committee of a "venture issuer" (as that term is defined in NI 52-110) be included in the management information circular sent to shareholders in connection with the issuer's annual shareholder meeting. The Corporation is a "venture issuer" for the purposes of NI 52-110.

Audit Committee Charter

The full text of the charter of the Corporation's Audit Committee is attached hereto as appendix A (the "**Audit Committee Charter**").

Composition of the Audit Committee

The Audit Committee members are currently Anthony R. Roodenburg, Chris Irwin and Michael Power, each of whom is a director and financially literate. Messrs. Irwin and Power are each independent in accordance with NI 52-110.

Relevant Education and Experience

The following is a description of the education and experience of each member of the Audit Committee that is relevant to the performance of his responsibilities as an Audit Committee member and, in particular, any education or experience that would provide the member with:

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

Anthony R. Roodenburg, Chief Executive Officer and Director – Mr. Roodenburg began his career in capital markets and finance in 1987 as an Investment Executive with National Bank Financial ("**NBF**"). Since leaving NBF in 1991, Mr. Roodenburg has been involved in the creation and financing of several start-up companies and has served as an officer and director of a number of public companies, primarily in the mineral exploration industry.

Chris Irwin, Director – Mr. Irwin is a graduate of Bishop's University (B.A., 1990), the University of New Brunswick (Bachelor of Laws, 1994) and Osgoode Hall Law School (Masters of Laws, 2009). He was called to the Bar of Ontario in 1996. Mr. Irwin represents several public companies, is an officer and/or director of several public companies and serves or has served on the audit committee of several public companies.

Michael Power, Director – Mr. Power holds a Bachelor of Science from the University of Toronto and is a professional engineer and also a Chartered Financial Analyst. Mr. Power has been the Vice-President, Secretary and a director of Moydow Mines International Inc. from 1998 to January 2010 and is currently a director of several public companies in the mining industry.

Audit Committee Oversight

Since the commencement of the Corporation's most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the Board.

Reliance on Exemptions in NI 52-110

Since the commencement of the Corporation's most recently completed financial year, the Corporation has not relied on:

1. the exemption in section 2.4 (*De Minimis Non-audit Services*) of NI 52-110 (which exempts all non-audit services provided by the Corporation's auditor from the requirement to be pre-approved by the Audit Committee if such services are less than 5% of the auditor's annual fees charged to the Corporation, are not recognized as non-audit services at the time of the engagement of the auditor to perform them and are subsequently approved by the Audit Committee prior to the completion of that year's audit);
2. the exemption in subsection 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer*) of NI 52-110 (an exemption from the requirement that a majority of the members of the Audit Committee must not be executive officers, employees or control persons of the Corporation or of an affiliate of the Corporation if a circumstance arises that affects the business or operations of the Corporation and a reasonable person would conclude that the circumstance can be best addressed by a member of the Audit Committee becoming an executive officer or employee of the Corporation);
3. the exemption in subsection 6.1.1(5) (*Events Outside Control of Member*) (an exemption from the requirement that a majority of the members of the Audit Committee must not be executive officers, employees or control persons of the Corporation or of an affiliate of the Corporation if an Audit Committee member becomes a control person of the Corporation or of an affiliate of the Corporation for reasons outside the member's reasonable control);
4. the exemption in subsection 6.1.1(6) (*Death, Incapacity or Resignation*) (an exemption from the requirement that a majority of the members of the Audit Committee must not be executive officers, employees or control persons of the Corporation or of an affiliate of the Corporation if a vacancy on the Audit Committee arises as a result of the death, incapacity or resignation of an Audit Committee member and the Board was required to fill the vacancy); or
5. an exemption from the requirements of NI 52-110, in whole or in part, granted by a securities regulator under Part 8 (*Exemptions*) of NI 52-110.

The Corporation is a "venture issuer" for the purposes of NI 52-110. Accordingly, the Corporation is relying upon the exemption in section 6.1 of NI 52-110 providing that the Corporation is exempt from the application of Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110.

Pre-Approval Policies and Procedures

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

Audit Fees

The following table provides details in respect of audit, audit related, tax and other fees billed by the external auditor of the Corporation for professional services rendered to the Corporation during the fiscal years ended December 31, 2019 and December 31, 2018:

	Audit Fees (\$)	Audit-Related Fees (\$)	Tax Fees (\$)	All Other Fees (\$)
Year ended December 31, 2019	19,500	nil	2,200	nil
Year ended December 31, 2018	19,000	nil	2,200	nil

Audit Fees – aggregate fees billed for professional services rendered by the auditor for the audit of the Corporation's annual consolidated financial statements as well as services provided in connection with statutory and regulatory filings.

Audit-Related Fees – aggregate fees billed for professional services rendered by the auditor and were comprised primarily of audit procedures performed related to the review of quarterly consolidated financial statements and related documents.

Tax Fees – aggregate fees billed for tax compliance, tax advice and tax planning professional services. These services included reviewing tax returns and assisting in responses to government tax authorities.

All Other Fees – aggregate fees billed for professional services which included accounting advice and association fees.

REPORT ON CORPORATE GOVERNANCE

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

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

Board of Directors

The Board is currently composed of four directors. *Form 58-101F2 – Corporate Governance Disclosure (Venture Issuers)* ("**Form 58-101F2**") requires disclosure regarding how the Board facilitates its exercise of independent supervision over management of the Corporation by providing the identity of directors who are independent and the identity of directors who are not independent and the basis for that determination. NI 52-110 provides that a director is independent if he or she has no direct or indirect "material relationship" with the company. "Material relationship" is defined as a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment. In addition, under NI 52-110, an individual who is, or has been within the last three years an employee or executive officer of an issuer, is deemed to have a "material relationship" with the issuer. Accordingly, of the proposed nominees, James Pirie, President and Anthony Roodenburg, Chief Executive Officer,

are executive officers of the Corporation and are considered not to be "independent". The remaining two proposed directors, Mr. Power and Mr. Irwin, are considered by the Board to be "independent", within the meaning of NI 52-110. In assessing Form 58-101F2 and making the foregoing determinations, the Board has examined the circumstances of each director in relation to a number of factors.

Directorships

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

Name of Director	Reporting Issuer
Chris Irwin	Minnova Corp., Hornby Bay Minerals Exploration Ltd., Roscan Minerals Corporation, Deveron UAS Corp., Intercontinental Gold and Metals Ltd., Drone Delivery Canada Corp., Blocplay Entertainment Inc, American Aires Inc. and Valens GroWorks Corp.
Anthony Roodenburg	Quinsam Capital Corporation
James Pirie	Deveron UAS Corp.
Michael Power	Buchans Resources Limited and Minco Exploration plc.

Orientation and Continuing Education

The Board does not have a formal orientation or education program for its members. The Board's continuing education is typically derived from correspondence with the Corporation's legal counsel to remain up to date with developments in relevant corporate and securities law matters. Additionally, historically board members have been nominated who are familiar with the Corporation and the nature of its business.

Ethical Business Conduct

The Board has not adopted guidelines or attempted to quantify or stipulate steps to encourage and promote a culture of ethical business conduct, but does promote ethical business conduct through the nomination of Board members it considers ethical, through avoiding or minimizing conflicts of interest, and by having at least two of its Board members independent of corporate matters.

Nomination of Directors

The recruitment of new directors has generally resulted from recommendations made by directors and shareholders. The assessment of the contributions of individual directors has principally been the responsibility of the Board. Prior to standing for election, new nominees to the Board are reviewed by the entire Board.

Other Board Committees

The Board has established an Audit Committee and a Compensation, Human Resources, Corporate Governance and Nominating Committee.

Assessments

Currently the Board has not implemented a formal process for assessing directors.

OTHER MATTERS

The management of the Corporation knows of no other matters to come before the Meeting other than as set forth in the Notice of Meeting. **However, if other matters which are not known to management should properly come before the Meeting, the accompanying form of proxy will be voted on such matters in accordance with the best judgment of the person or persons voting the proxy.**

ADDITIONAL INFORMATION

Additional Information relating to the Corporation is available on SEDAR at www.sedar.com. Shareholders may contact the Corporation in order to request copies of: (i) this Management Information Circular; and (ii) the Corporation's consolidated financial statements and the related management's discussion and analysis (the "MD&A") which will be sent to the shareholder without charge upon request. Financial information is provided in the Corporation's consolidated financial statements and MD&A for its financial year ended December 31, 2019.

APPROVAL OF THE BOARD OF DIRECTORS

The contents of this Management Information Circular have been approved, and the delivery of it to each shareholder entitled thereto and to the appropriate regulatory agencies has been authorized by the Board.

DATED at Toronto, Ontario, on the 12th day of June, 2020.

BY ORDER OF THE BOARD

"Anthony R. Roodenburg" (signed)
Chief Executive Officer and Director

APPENDIX A

GREENCASTLE RESOURCES LTD.

CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

I. PURPOSE

The Audit Committee (the "**Committee**") is appointed by the Board of Directors (the "**Board**") of Greencastle Resources Ltd. (the "**Corporation**") to assist the Board in fulfilling its oversight responsibilities relating to financial accounting and reporting process and internal controls for the Corporation. The Committee's primary duties and responsibilities are to:

- conduct such reviews and discussions with management and the external auditors relating to the audit and financial reporting as are deemed appropriate by the Committee;
- assess the integrity of internal controls and financial reporting procedures of the Corporation and ensure implementation of such controls and procedures;
- ensure that there is an appropriate standard of corporate conduct including, if necessary, adopting a corporate code of ethics for senior financial personnel;
- review the quarterly and annual consolidated financial statements and management's discussion and analysis of the Corporation's financial position and operating results and report thereon to the Board for approval of same;
- select and monitor the independence and performance of the Corporation's external auditors, including attending at private meetings with the external auditors and reviewing and approving all renewals or dismissals of the external auditors and their remuneration; and
- provide oversight to related party transactions entered into by the Corporation.

The Committee has the authority to conduct any investigation appropriate to its responsibilities, and it may request the external auditors as well as any officer of the Corporation, or outside counsel for the Corporation, to attend a meeting of the Committee or to meet with any members of, or advisors to, the Committee. The Committee shall have unrestricted access to the books and records of the Corporation and has the authority to retain, at the expense of the Corporation, special legal, accounting, or other consultants or experts to assist in the performance of the Committee's duties.

The Committee shall review and assess the adequacy of this Charter annually and submit any proposed revisions to the Board for approval.

In fulfilling its responsibilities, the Committee will carry out the specific duties set out in Part IV of this Charter.

II. AUTHORITY OF THE AUDIT COMMITTEE

The Committee shall have the authority to:

- (a) engage independent counsel and other advisors as it determines necessary to carry out its duties;
- (b) set and pay the compensation for advisors employed by the Committee; and
- (c) communicate directly with the internal and external auditors.

III. COMPOSITION AND MEETINGS

1. The Committee and its membership shall meet all applicable legal, regulatory and listing requirements, including, without limitation, those of the Ontario Securities Commission ("**OSC**"), the TSX Venture Exchange, the *Business Corporations Act* (Ontario) and all applicable securities regulatory authorities.
2. The Committee shall be composed of three or more directors as shall be designated by the Board from time to time. The members of the Committee shall appoint from among themselves a member who shall serve as Chair.
3. A majority of the members of the Committee shall not be officers or employees of the Corporation or any of its affiliates.
4. The Committee shall meet at least quarterly, at the discretion of the Chair or a majority of its members, as circumstances dictate or as may be required by applicable legal or listing requirements. A minimum of two and at least fifty percent (50%) of the members of the Committee present either in person or by telephone shall constitute a quorum.
5. If within one hour of the time appointed for a meeting of the Committee, a quorum is not present, the meeting shall stand adjourned to the same hour on the next business day following the date of such meeting at the same place. If at the adjourned meeting a quorum as hereinbefore specified is not present within one hour of the time appointed for such adjourned meeting, such meeting shall stand adjourned to the same hour on the second business day following the date of such meeting at the same place. If at the second adjourned meeting a quorum as hereinbefore specified is not present, the quorum for the adjourned meeting shall consist of the members then present.
6. If and whenever a vacancy shall exist, the remaining members of the Committee may exercise all of its powers and responsibilities so long as a quorum remains in office.
7. The time and place at which meetings of the Committee shall be held, and procedures at such meetings, shall be determined from time to time by the Committee. A meeting of the Committee may be called by letter, telephone, facsimile, email or other communication equipment, by giving at least 48 hours notice, provided that no notice of a meeting shall be necessary if all of the members are present either in person or by means of conference telephone or if those absent have waived notice or otherwise signified their consent to the holding of such meeting.
8. Any member of the Committee may participate in the meeting of the Committee by means of conference telephone or other communication equipment, and the member participating in a meeting pursuant to this paragraph shall be deemed, for purposes hereof, to be present in person at the meeting.
9. The Committee shall keep minutes of its meetings which shall be submitted to the Board. The Committee may, from time to time, appoint any person who need not be a member, to act as a secretary at any meeting.
10. The Committee may invite such officers, directors and employees of the Corporation and its subsidiaries as the Committee may see fit, from time to time, to attend at meetings of the Committee.
11. Any matters to be determined by the Committee shall be decided by a majority of votes cast at a meeting of the Committee called for such purpose. Actions of the Committee may be taken by an instrument or instruments in writing signed by all of the members of the Committee, and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting of the Committee called for such purpose. All decisions or recommendations of the Committee shall require the approval of the Board prior to implementation.

The Committee members will be elected annually at the first meeting of the Board following the annual general meeting of shareholders.

IV. RESPONSIBILITIES

A. Financial Accounting and Reporting Process and Internal Controls

1. The Committee shall review the annual audited financial statements to satisfy itself that they are presented in accordance with applicable international financial reporting standards ("**IFRS**") and report thereon to the Board and recommend to the Board whether or not same should be approved prior to their being filed with the appropriate regulatory authorities. The Committee shall also review the interim financial statements. With respect to the annual audited financial statements, the Committee shall discuss significant issues regarding accounting principles, practices, and judgments of management with management and the external auditors as and when the Committee deems it appropriate to do so. The Committee shall satisfy itself that the information contained in the annual audited financial statements is not significantly erroneous, misleading or incomplete and that the audit function has been effectively carried out.
2. The Committee shall review any internal control reports prepared by management and the evaluation of such report by the external auditors, together with management's response.
3. The Committee shall be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, management's discussion and analysis and interim earnings press releases, and periodically assess the adequacy of these procedures.
4. The Committee shall review management's discussion and analysis relating to annual and interim financial statements and any other public disclosure documents, including interim earnings press releases, that are required to be reviewed by the Committee under any applicable laws before the Corporation publicly discloses this information.
5. The Committee shall meet no less frequently than annually with the external auditors and the Chief Financial Officer or, in the absence of a Chief Financial Officer, with the officer of the Corporation in charge of financial matters, to review accounting practices, internal controls and such other matters as the Committee, Chief Financial Officer or, in the absence of a Chief Financial Officer, the officer of the Corporation in charge of financial matters, deem appropriate.
6. The Committee shall inquire of management and the external auditors about significant risks or exposures, both internal and external, to which the Corporation may be subject, and assess the steps management has taken to minimize such risks.
7. The Committee shall review the post-audit or management letter containing the recommendations of the external auditors and management's response and subsequent follow-up to any identified weaknesses.
8. The Committee shall ensure that there is an appropriate standard of corporate conduct including, if necessary, adopting a corporate code of ethics for senior financial personnel.
9. The Committee shall establish procedures for:
 - (a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and
 - (b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

10. The Committee shall provide oversight to related party transactions entered into by the Corporation.

B. Independent Auditors

1. The Committee shall recommend to the Board the external auditors to be nominated, shall set the compensation for the external auditors, provide oversight of the external auditors and shall ensure that the external auditors report directly to the Committee.
2. The Committee shall be directly responsible for overseeing the work of the external auditors, including the resolution of disagreements between management and the external auditors regarding financial reporting.
3. The Committee shall pre-approve all audit and non-audit services not prohibited by law to be provided by the external auditors in accordance with the terms of this charter.
4. The Committee shall monitor and assess the relationship between management and the external auditors and monitor, support and assure the independence and objectivity of the external auditors.
5. The Committee shall review the external auditors' audit plan, including the scope, procedures and timing of the audit.
6. The Committee shall review the results of the annual audit with the external auditors, including matters related to the conduct of the audit.
7. The Committee shall obtain timely reports from the external auditors describing critical accounting policies and practices, alternative treatments of information within IFRS that were discussed with management, their ramifications, and the external auditors' preferred treatment and material written communications between the Corporation and the external auditors.
8. The Committee shall review fees paid by the Corporation to the external auditors and other professionals in respect of audit and non-audit services on an annual basis.
9. The Committee shall review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former auditors of the Corporation.
10. The Committee shall monitor and assess the relationship between management and the external auditors and monitor and support the independence and objectivity of the external auditors.

C. Other Responsibilities

The Committee shall perform any other activities consistent with this Charter and governing law, as the Committee or the Board deems necessary or appropriate.

GREENCASTLE RESOURCES LTD.

(the "Corporation")

Procedures for Receipt of Complaints and Submissions

Relating to Accounting Matters

1. The Corporation shall inform employees on the Corporation's intranet, if there is one, or via a newsletter or e-mail that is disseminated to all employees at least annually, of the officer (the "**Complaints Officer**") designated from time to time by the audit committee (the "**Committee**") to whom complaints and submissions can be made regarding accounting, internal accounting controls or auditing matters or issues of concern regarding questionable accounting or auditing matters.
2. The Complaints Officer shall be informed that any complaints or submissions so received must be kept confidential and that the identity of employees making complaints or submissions shall be kept confidential and shall only be communicated to the Committee or the Chair of the Committee.
3. The Complaints Officer shall be informed that he or she must report to the Committee as frequently as such Complaints Officer deems appropriate, but in any event no less frequently than on a quarterly basis prior to the quarterly meeting of the Committee called to approve interim and annual financial statements of the Corporation.
4. Upon receipt of a report from the Complaints Officer, the Committee shall discuss the report and take such steps as the Committee may deem appropriate.
5. The Complaints Officer shall retain a record of a complaint or submission received for a period of six years following resolution of the complaint or submission.

GREENCASTLE RESOURCES LTD.

(the "Corporation")

Procedures for Approval of Non-Audit Services

1. The Corporation's external auditors shall be prohibited from performing for the Corporation the following categories of non-audit services:
 - (a) bookkeeping or other services related to the Corporation's accounting records or financial statements;
 - (b) financial information systems design and implementation;
 - (c) appraisal or valuation services, fairness opinion or contributions-in-kind reports;
 - (d) actuarial services;
 - (e) internal audit outsourcing services;
 - (f) management functions;
 - (g) human resources;
 - (h) broker or dealer, investment adviser or investment banking services;
 - (i) legal services;
 - (j) expert services unrelated to the audit; and
 - (k) any other service that the Canadian Public Accountability Board determines is impermissible.
2. In the event that the Corporation wishes to retain the services of the Corporation's external auditors for tax compliance, tax advice or tax planning, the Chief Financial Officer of the Corporation shall consult with the Chair of the audit committee (the "**Committee**"), who shall have the authority to approve or disapprove on behalf of the Committee, such non-audit services. All other non-audit services shall be approved or disapproved by the Committee as a whole.
3. The Chief Financial Officer of the Corporation shall maintain a record of non-audit services approved by the Chair of the Committee or the Committee for each fiscal year and provide a report to the Committee no less frequently than on a quarterly basis.

GREENCASTLE RESOURCES LTD.

Consolidated Financial Statements

(Expressed in Canadian Dollars)

Years Ended December 31, 2019 and 2018

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Greencastle Resources Ltd.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Greencastle Resources Ltd. (the Company), which comprise the consolidated statements of financial position as at December 31, 2019 and 2018, and the consolidated statements of net loss, consolidated statements of comprehensive loss, consolidated statements of cash flows and consolidated statements of changes in equity for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2019 and 2018, and its financial performance and its cash flows for the years then ended, in accordance with International Financial Reporting Standards.

Basis for Opinion

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

Material Uncertainty Relating to Going Concern

We draw your attention to Note 1 in the consolidated financial statements, which indicates that the Company incurred a comprehensive loss of \$517,206 during the year ended December 31, 2019. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the management's discussion and analysis, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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.

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



CLEARHOUSE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

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

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

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

Clearhouse LLP

Chartered Professional Accountants
Licensed Public Accountants

Mississauga, Ontario
April 27, 2020

Greencastle Resources Ltd.

Consolidated Statements of Financial Position (Expressed in Canadian Dollars)

	As at December 31, 2019	As at December 31, 2018
Assets		
Current assets		
Cash and cash equivalents (Note 6)	\$ 474,482	\$ 838,229
Marketable securities (Note 7)	2,203,639	2,056,274
Sundry receivable (Note 8)	7,749	15,214
Prepaid expenses	20,930	20,457
Total current assets	2,706,800	2,930,174
Non-current assets		
Right-of-use assets (Note 9)	84,751	118,651
Oil and gas interests (Note 10)	1	1
Investment in and loans to associate (Note 11)	1,927,162	2,377,531
Total non-current assets	2,011,914	2,496,183
Total assets	\$ 4,718,714	\$ 5,426,357
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 12)	\$ 59,499	\$ 70,239
Lease liabilities (Note 13)	34,419	27,388
Securities to be sold under repurchase agreements (Note 14)	-	86,800
Total current liabilities	93,918	184,427
Non-current liabilities		
Lease liabilities (Note 13)	68,620	103,039
Total non-current liabilities	68,620	103,039
Total liabilities	162,538	287,466
Equity		
Share capital (Note 15)	6,364,106	6,551,920
Reserves	2,373,185	2,356,656
Deficit	(4,181,115)	(3,769,685)
Total equity	4,556,176	5,138,891
Total liabilities and equity	\$ 4,718,714	\$ 5,426,357

The notes to the consolidated financial statements are an integral part of these statements.

Nature of operations and going concern (Note 1)

Event after the reporting period (Note 22)

Approved by the Board of Directors:

"James Pirie" _____ Director

"Anthony Roodenburg" _____ Director

Greencastle Resources Ltd.

Consolidated Statements of Loss (Expressed in Canadian Dollars)

	Year Ended December 31,	
	2019	2018
Revenues		
Royalty income - oil and gas (Note 10)	\$ 66,597	\$ 13,033
Other items		
Change in fair value of derivative liability (Note 14)	86,800	257,200
Gain (loss) on foreign exchange	(27,811)	169,382
Interest and dividend income (Note 7)	67,302	96,806
Loss from investment in and loans to associate (Note 11)	(515,099)	(332,918)
Unrealized (loss) gain on marketable securities (Note 7)	257,028	(634,544)
Realized gain on marketable securities (Note 7)	50,988	199,851
Other income (Note 17(b)(iii)(iv))	9,000	-
Rental revenue	37,500	29,143
	32,305	(202,047)
Expenses		
Office and general (Note 17(a)(ii)(iii))	317,479	324,591
Share-based payments (Note 16(i))	-	299,200
Exploration expenditures (Note 19)	25,323	54,406
Accounting (Notes 17(a)(i) and (b)(i))	34,464	43,183
Depreciation (Notes and 9)	33,900	33,900
Professional fees (Note 17(b)(ii))	31,596	33,568
Interest expense (Note 13)	26,607	30,734
Payments to directors (Note 17(a)(iv))	30,000	30,000
Shareholder relations	26,395	28,380
Consulting fees	38,206	20,444
Travel	2,070	4,318
	566,040	902,724
Net (loss) income for the year	\$ (533,735)	\$ (1,104,771)
Basic and diluted (loss) income per share (Note 18)		
- basic	\$ (0.01)	\$ (0.03)
- diluted	\$ (0.01)	\$ (0.03)
Weighted average number of common shares outstanding - basic and diluted	40,117,671	40,270,556

The notes to the consolidated financial statements are an integral part of these statements.

Greencastle Resources Ltd.

Consolidated Statements of Comprehensive (Loss) Income (Expressed in Canadian Dollars)

	Year Ended December 31,	
	2019	2018
Net (loss) income for the year	\$ (533,735)	\$ (1,104,771)
Other comprehensive (loss) income		
Items that will be reclassified subsequently to the profit or loss statements		
Exchange differences on translating foreign operations	16,529	(147,402)
Total comprehensive (loss) income for the year	\$ (517,206)	\$ (1,252,173)

The notes to the consolidated financial statements are an integral part of these statements.

Greencastle Resources Ltd.

Consolidated Statements of Cash Flows (Expressed in Canadian Dollars)

	Year Ended December 31,	
	2019	2018
Cash (used in) provided by		
Operating activities		
Net (loss) income for the year before interest and dividend income	\$ (601,037)	\$ (1,201,577)
Adjustments for non-cash items:		
Depreciation	33,900	33,900
Share-based payments	-	299,200
Change in fair value of derivative liability	(86,800)	(257,200)
Loss (gain) on marketable securities	(258,071)	434,693
Interest expense	26,607	30,734
Realized gain on marketable securities	(50,988)	-
Loss from investment in and loans to associate	515,099	332,918
Changes in non-cash working capital:		
Sundry receivable	7,465	(6,936)
Royalties receivable	-	2,148
Prepaid expenses	(473)	(5,176)
Accounts payable and accrued liabilities	(10,741)	(5,641)
Lease payments	(52,858)	(52,858)
Total cash used in operating activities	(477,897)	(395,795)
Financing activities		
Share repurchase	(65,509)	(96,275)
Total cash used in financing activities	(65,509)	(96,275)
Investing activities		
Proceeds from sale of marketable securities	589,386	863,585
Purchase of marketable securities	(469,981)	(444,406)
Purchase of shares in investment in associate	(64,730)	(31,779)
Loan repayment from associate	-	500,000
Interest received	15,042	61,898
Dividends received	52,260	45,754
Total cash provided by (used in) investing activities	121,977	995,052
Foreign exchange	57,682	(147,402)
Net increase (decrease) in cash and cash equivalents	(363,747)	355,580
Cash and cash equivalents, beginning of year	838,229	482,649
Cash and cash equivalents, end of year	\$ 474,482	\$ 838,229

The notes to the consolidated financial statements are an integral part of these statements.

Greencastle Resources Ltd.

Consolidated Statements of Changes in Shareholders' Equity (Expressed in Canadian Dollars)

	Reserves					
	Share capital	Equity settled share-based payments reserve	Foreign currency translation reserve	Contributed surplus on dilution	Deficit	Total attributable to parent equity
Balance, December 31, 2017	\$ 6,680,790	\$ 1,655,582	\$ (137,233)	\$ 686,509	\$ (2,697,509)	\$ 6,188,139
Share-based compensation	-	299,200	-	-	-	299,200
Share repurchase	(128,870)	-	-	-	32,595	(96,275)
Net income for the year	-	-	-	-	(1,104,771)	(1,104,771)
Exchange differences on translating foreign operations	-	-	(147,402)	-	-	(147,402)
Balance, December 31, 2018	6,551,920	1,954,782	(284,635)	686,509	(3,769,685)	5,138,891
Share repurchase (Note 15(ii))	(187,814)	-	-	-	122,305	(65,509)
Net loss for the year	-	-	-	-	(533,735)	(533,735)
Exchange differences on translating foreign operations	-	-	16,529	-	-	16,529
Balance, December 31, 2019	\$ 6,364,106	\$ 1,954,782	\$ (268,106)	\$ 686,509	\$ (4,181,115)	\$ 4,556,176

The notes to the consolidated financial statements are an integral part of these statements.

Greencastle Resources Ltd.

Notes to Consolidated Financial Statements

December 31, 2019 and 2018

(Expressed in Canadian Dollars)

1. Nature of operations and going concern

The consolidated statements incorporate the financial statements of Greencastle Resources Ltd. and its subsidiaries (the "Company" or "Greencastle"). The Company is a diversified company with interests in gold and base metals exploration and oil and gas exploration and royalties, as well as in strategic investments in other companies that are traded on the North American exchanges. The Company's common shares are listed on the TSX Venture Exchange ("TSXV") under the symbol VGN. The primary office is located at The Canadian Venture Building, 82 Richmond Street East, Toronto, Ontario, Canada, M5C 1P1.

On July 14, 2016, one of the Company's subsidiaries, Deveron UAS Corp. ("Deveron"), completed the acquisition of 2487473 Ontario Inc. and Deveron's common shares were delisted from the TSXV. On July 19, 2016, Deveron's common shares were accepted for listing on the Canadian Securities Exchange ("CSE"), and its common shares commenced trading on the CSE under its existing symbol "DVR". During the year ended December 31, 2017, Deveron ceased to be a subsidiary of the Company and became an investment in associate (refer to Note 11). On September 14, 2018, Deveron completed the acquisition of Veritas Farm Management Inc.

These consolidated financial statements have been prepared on the basis that the Company is a going concern, which contemplates the realization of its assets and the settlement of its liabilities in the normal course of operations. Certain principal conditions and events are prevalent which indicate that there could be significant doubt about the Company's ability to continue as a going concern for a reasonable period of time. These include: (i) recurring operating losses and (ii) inability to obtain additional financing. Furthermore, additional funding may be required to carry on the exploration and evaluation of the Company's mineral properties and oil and gas interests. The ability of the Company to continue operations is dependent upon obtaining the necessary financing to complete the development of its properties if they are proven successful and/or the realization of proceeds from the sale of one or more of its properties or marketable securities. As at December 31, 2019, the Company had a deficit of \$4,181,115 (December 31, 2018 - \$3,769,685). Comprehensive loss for the year ended December 31, 2019 was \$517,206 (2018 income - \$1,252,173). These conditions raise material uncertainties which cast significant doubt as to whether the Company will be able to continue as a going concern. These consolidated financial statements do not include any adjustments related to the carrying values and classifications of assets and liabilities that would be necessary should the Company be unable to continue as a going concern. These adjustments could be material.

2. Summary of significant accounting policies

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), effective for the Company's reporting for the year ended December 31, 2019. The policies set out below are based on IFRS issued and outstanding as of April 27, 2020, the date the Board of Directors approved the statements.

(b) Basis of presentation

These consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments classified as fair value through profit or loss ("FVTPL") that are carried at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

In the preparation of these consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from these estimates. Of particular significance are the estimates and assumptions used in the recognition and measurement of items included in Note 2(d).

Greencastle Resources Ltd.

Notes to Consolidated Financial Statements

December 31, 2019 and 2018

(Expressed in Canadian Dollars)

2. Summary of significant accounting policies (continued)

(c) Basis of consolidation

These consolidated financial statements incorporate the financial statements of the Company and its subsidiaries.

The subsidiaries are consolidated from the date of acquisition, being the date on which the Company obtains control, and continues to be consolidated until the date that such control ceases. Control is achieved when an investor has power over an investee to direct its activities, exposure to variable returns from an investee, and the ability to use the power to affect the investor's returns.

The results of subsidiaries acquired or disposed of during the years presented are included in the consolidated statements of (loss) income from the effective date of control and up to the effective date of disposal or loss of control, as appropriate. All intercompany transactions, balances, income and expenses are eliminated upon consolidation.

The following companies have been consolidated within the consolidated financial statements:

Company	Registered	Principal activity
Greencastle Resources Ltd.	Ontario, Canada	Parent company
Greencastle U.S.A. Ltd. ⁽¹⁾	Nevada, United States	Exploration company

⁽¹⁾ 100% owned by Greencastle Resources Ltd.

(d) Critical accounting estimates and judgments

The preparation of the consolidated financial statements using accounting policies consistent with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. The preparation of the consolidated financial statements also requires management to exercise judgment in the process of applying the accounting policies.

i) Critical accounting estimates

Royalties receivable – management is required to estimate the recoverable amount of royalties receivable by assessing whether or not there is reasonable assurance of the collection.

Securities to be sold under repurchase agreements – management is required to make a number of estimates when determining the fair value of the derivative financial liability, including volatility, the forfeiture rate and expected life of the instruments.

Share-based payments – management is required to make a number of estimates when determining the compensation expense resulting from share-based transactions, including the forfeiture rate and expected life of the instruments.

ii) Critical judgments in applying accounting policies

Going concern – the assessment of the Company's ability to continue as a going concern involves judgment regarding future funding available for its operations and working capital requirements as discussed in Note 1.

Fair value of marketable securities - the Company has investments in marketable securities and is required to make judgments to determine their fair value subsequent to initial recognition. Management also required to determine on whether those marketable securities have sufficient trading volume and reasonable bid-ask spread to determine if they are active enough to be measured at Level 1 of the fair value hierarchy or if other levels are more appropriate.

Greencastle Resources Ltd.

Notes to Consolidated Financial Statements

December 31, 2019 and 2018

(Expressed in Canadian Dollars)

2. Summary of significant accounting policies (continued)

(d) Critical accounting estimates and judgments (continued)

ii) Critical judgments in applying accounting policies (continued)

Impairment assessment of investment in associate - Management's assessment as to whether there is any objective evidence that its net investment in the associate is impaired. Management must determine whether there has been a loss event that has an impact of the estimated future cash flows from the net investment that can be reliably estimated. Objective evidence that the net investment is impaired includes observable data that comes to the attention of the entity.

Impairment of property, plant and equipment and right-of-use assets - assessing whether indicators of impairment exist at reporting period ends and, if required, determining recoverable amounts including assumptions and inputs thereto.

Income taxes – measurement of income taxes payable and deferred income tax assets and liabilities requires management to make judgments in the interpretation and application of the relevant tax laws. The actual amount of income taxes only become final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the consolidated financial statements.

Valuation of lease liability loan - the Company's lease liability is valued using the present value of the future cash flows. This method is based on underlying factors such as the current interest rate and Company's ability to make all lease payments on a timely basis. Changes in the inputs to the calculation could impact the carrying value of the lease liability and the amount of interest expense recognized in profit or loss.

(e) Financial instruments

Financial assets

Financial assets are classified as either financial assets at FVTPL, amortized cost, or FVTOCI. The Company determines the classification of its financial assets at initial recognition.

i. Financial assets recorded at FVTPL

Financial assets are classified as FVTPL if they do not meet the criteria of amortized cost or FVTOCI. Gains or losses on these items are recognized in profit or loss. The Company's cash and cash equivalents and marketable securities are classified as financial assets measured at FVTPL.

ii. Amortized cost

Financial assets are classified as measured at amortized cost if both of the following criteria are met and the financial assets are not designated as at FVTPL: 1) the object of the Company's business model for these financial assets is to collect their contractual cash flows; and 2) the asset's contractual cash flows represent "solely payments of principal and interest".

The Company's sundry receivable are classified as financial assets measured at amortized cost.

iii. Financial assets recorded at FVTOCI

Financial assets are recorded at FVTOCI when the change in fair value is attributable to changes in the Company's credit risk.

Greencastle Resources Ltd.

Notes to Consolidated Financial Statements

December 31, 2019 and 2018

(Expressed in Canadian Dollars)

2. Summary of significant accounting policies (continued)

(e) *Financial instruments (continued)*

Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or at amortized cost. The Company determines the classification of its financial liabilities at initial recognition.

i. Amortized cost

Financial liabilities are classified as measured at amortized cost unless they fall into one of the following categories: financial liabilities at FVTPL, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition, financial guarantee contracts, commitments to provide a loan at a below-market interest rate, or contingent consideration recognized by an acquirer in a business combination.

The Company's accounts payable and accrued liabilities do not fall into any of the exemptions and are therefore classified as measured at amortized cost.

ii. Financial liabilities recorded FVTPL

Financial liabilities are classified as FVTPL if they fall into one of the five exemptions detailed above.

The Company's securities to be sold under repurchase agreements are classified as financial liabilities measured at FVTPL.

Transaction costs

Transaction costs associated with financial instruments, carried at FVTPL, are expensed as incurred, while transaction costs associated with all other financial instruments are included in the initial carrying amount of the asset or the liability.

Subsequent measurement

Instruments classified as FVTPL are measured at fair value with unrealized gains and losses recognized in profit or loss. Instruments classified as amortized cost are measured at amortized cost using the effective interest rate method. Instruments classified as FVTOCI are measured at fair value with unrealized gains and losses recognized in other comprehensive income.

Derecognition

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled, or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Greencastle Resources Ltd.

Notes to Consolidated Financial Statements

December 31, 2019 and 2018

(Expressed in Canadian Dollars)

2. Summary of significant accounting policies (continued)

(e) *Financial instruments (continued)*

Financial liabilities (continued)

Expected credit loss impairment model

IFRS 9 introduced a single expected credit loss impairment model, which is based on changes in credit quality since initial application. The adoption of the expected credit loss impairment model had no impact on the Company's consolidated financial statements.

For amounts receivable, the Company applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. Amounts receivable are written off when there is no reasonable expectation of recovery.

(f) *Cash and cash equivalents*

Cash and cash equivalents consists of cash on hand and balances with banks, including guaranteed investment certificates with original maturity dates of 3 months or less that are readily convertible to known amounts of cash and subject to an insignificant risk of change in value or which are cashable without penalty.

(g) *Investment in and loans to associate*

Investments in associates are those entities over which the Company has or is deemed to have significant influence, but not control over, the financial and operating policies. The Company also provides loans to these entities. Investment in and loans to associate are carried in the consolidated statement of financial position using the equity method. The equity method is the basis of accounting for investments whereby the investment is initially recorded at cost and the carrying value is adjusted thereafter to include the investor's pro-rata share of post-acquisition earnings and other comprehensive income of the investee. Funding advances to the investee increase the carrying value of the investment and profit distributions from the investment, if any, reduce the carrying value of the investment. Refer to Note 11 for details of investments where the Company exerts significant influence.

(h) *Revenue recognition*

Royalty income is recognized when earned, on an accrual basis. Royalty income is considered earned when the oil and gas operators have completed the extraction of oil and gas from the wells and transfer the rights, obligations, control and benefits to the oil and gas to the purchasers of these commodities.

Interest and dividend income includes interest earned on bank deposits and money market investments and dividends earned from marketable securities. The Company recognized interest when earned using the effective interest rate method. Dividend income is recognized when declared.

(i) *Oil and gas interests*

The costs of acquiring interests in oil and gas properties are recognized at fair value at the date of acquisition.

Oil and gas exploration and evaluation:

All costs related to exploration and evaluation activities are expensed as incurred. Once technical feasibility and commercial viability is established for a property, future expenditures related to the development of the property are capitalized. The carrying value of any capitalized costs are assessed at each reporting date for potential impairment. No such exploration and evaluation expenditures have been identified and capitalized.

Greencastle Resources Ltd.

Notes to Consolidated Financial Statements

December 31, 2019 and 2018

(Expressed in Canadian Dollars)

2. Summary of significant accounting policies (continued)

(j) Mining interests

The Company expenses exploration and evaluation expenditures as incurred in mineral properties not commercially viable and technically feasible. Exploration and evaluation expenditures include acquisition costs of mineral properties, property option payments and exploration and evaluation activities. Once a project has been established as commercially viable and technically feasible, related development expenditures are capitalized. This includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production, with the exception of development costs that give rise to a future benefit. Exploration and evaluation expenditures are capitalized if the Company can demonstrate that these expenditures meet the criteria of an identifiable intangible or tangible asset. To date, no such exploration and evaluation expenditures have been identified and capitalized.

(k) Decommissioning liability

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the Company's exploration and evaluation activities. Discount rates using a pretax rate that reflects the risk and the time value of money are used to calculate the net present value. These costs are charged against profit or loss as exploration and evaluation expenditures and the related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation.

(l) Leases and right-of-use assets

The Company has applied IFRS 16 in accordance with the modified retrospective approach only to contracts that were previously identified as leases. Contracts that were not identified as leases under previous standards were not reassessed for whether there is a lease. Therefore, the definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after January 1, 2018. The Company has determined that there is no change to the comparative periods or transitional adjustments required as a result of the adoption of this standard. The Company's accounting policy for leases under IFRS 16 is as follows:

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. Contracts that convey the right to control the use of an identified asset for a period of time in exchange for consideration are accounted for as leases giving rise to right-of-use assets.

At the commencement date, a right-of-use asset is measured at cost, where cost comprises: (a) the amount of the initial measurement of the lease liability; (b) any lease payments made at or before the commencement date, less any lease incentives received; (c) any initial direct costs incurred by the Company; and (d) an estimate of costs to be incurred by the Company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Greencastle Resources Ltd.

Notes to Consolidated Financial Statements

December 31, 2019 and 2018

(Expressed in Canadian Dollars)

2. Summary of significant accounting policies (continued)

(l) Leases and right-of-use assets (continued)

A lease liability is initially measured at the present value of the unpaid lease payments. Subsequently, the Company measures a lease liability by: (a) increasing the carrying amount to reflect interest on the lease liability; (b) reducing the carrying amount to reflect the lease payments made; and (c) remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease payments. Each lease payment is allocated between repayment of the lease principal and interest. Interest on the lease liability in each period during the lease term is allocated to produce a constant periodic rate of interest on the remaining balance of the lease liability. Except where the costs are included in the carrying amount of another asset, the Company recognizes in profit or loss (a) the interest on a lease liability and (b) variable lease payments not included in the measurement of a lease liability in the period in which the event or condition that triggers those payments occurs. The Company subsequently measures a right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses; and adjusted for any re-measurement of the lease liability. Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term.

The Company did not apply IFRS 16 on a fully retrospective basis. The weighted average incremental borrowing rate applied to the lease liabilities on January 1, 2018 was 10%. The aggregate lease liability recognized in the consolidated statement of financial position at January 1, 2018 and Company's operating lease commitment at January 1, 2018 can be reconciled as follows:

Operating lease commitment at January 1, 2018	\$	239,969
Effect of discounting those lease commitments at an annual rate of 22%		(87,418)
	\$	152,551

(m) Income taxes

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive (loss) income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Greencastle Resources Ltd.

Notes to Consolidated Financial Statements

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(Expressed in Canadian Dollars)

2. Summary of significant accounting policies (continued)

(n) Foreign currency translation

The Canadian dollar is the functional and presentation currency of the parent Company. Functional currency is also determined for each of the company's subsidiaries, and items included in the financial statements of the subsidiary are measured using that functional currency. The functional currency of the subsidiary Greencastle U.S.A. Ltd. is the United States dollar ("US dollar").

Transactions in currencies other than the functional currency are translated into the functional currency using the exchange rates prevailing at the dates of the transaction. Monetary assets and liabilities not denominated in the functional currency are translated at the year end rates of exchange. Foreign exchange gains and losses are recognized in the consolidated statements of (loss) income. Intercompany amounts with foreign operations for which settlement is neither planned nor likely to occur in the foreseeable future are part of the Company's net investment in the foreign operation. Foreign exchange gains and losses related to these intercompany amounts and its net investment are included in the consolidated other comprehensive (loss) income.

Assets and liabilities of entities with functional currencies other than Canadian dollars are translated at the period end rates of exchange, and the results of their operations are translated at average rates of exchange for the year. The resulting translation adjustments are included in the consolidated other comprehensive (loss) income in shareholders' equity.

(o) Share-based payments

The Company operates a stock option plan under which it receives services from employees, and others providing similar services, as consideration for stock option over the equity instruments of the Company.

Stock options granted may be settled with shares of the Company. The expense is determined based on the fair value of the award granted and recognized over the period which services are received, which is the vesting period. For awards with graded vesting, the fair value of each tranche is recognized over its respective vesting period. At the end of each reporting period, the Company re-assesses its estimates of the number of awards that are expected to vest and recognizes the impact of the revisions in the consolidated statement of (loss) income.

(p) (Loss) income per share

The Company presents basic and diluted (loss) income per share data for its common shares, calculated by dividing the (loss) income attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. Diluted (loss) income per share is computed similarly to basic (loss) income per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the years. Options are anti-dilutive and, therefore, have not been taken into account in the per share calculation.

(q) Provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

Greencastle Resources Ltd.

Notes to Consolidated Financial Statements

December 31, 2019 and 2018

(Expressed in Canadian Dollars)

2. Summary of significant accounting policies (continued)

(q) Provisions (continued)

The Company had no provisions at December 31, 2019 and 2018.

(r) Repurchase of shares

Repurchase of shares is recorded using the constructive retirement method which is used under the assumption that the repurchased stock will not be reissued in the future. Under this approach, the amount by which the repurchased amount was less than the stated capital of the shares has been credited to deficit. The stated capital of the repurchased shares is determined based on the average cost of the particular share class at the time of repurchase.

(s) New accounting standards not yet effective

On June 7, 2017, the IASB issued IFRIC 23 - Uncertainty Over Income Tax Treatments ("IFRIC 23"). IFRIC 23 provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments. IFRIC 23 is applicable for annual periods beginning on or after January 1, 2019. As at January 1, 2019, the Company adopted this standard and there was no material impact on the Company's consolidated financial statements.

3. Capital management

The Company manages its capital with the following objectives:

- (i) To ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- (ii) To maximize shareholder return.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets.

The capital structure is reviewed by management and the Board of Directors on an ongoing basis. The Company considers its capital to be equity, comprising share capital, reserves and deficit which at December 31, 2019, totaled \$4,556,176 (December 31, 2018 - \$5,138,891). The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on the Company's exploration and evaluation activities and oil and gas activities. Information is provided to the Board of Directors. The Company's capital management objectives, policies and processes have remained unchanged during the year ended December 31, 2019. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than Policy 2.5 of the TSXV which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As of December 31, 2019, management believes it is compliant with known requirements.

Greencastle Resources Ltd.

Notes to Consolidated Financial Statements

December 31, 2019 and 2018

(Expressed in Canadian Dollars)

4. Financial risk factors

(a) Financial risk

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign currency rate and price risk).

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

(i) Credit risk

Credit risk is the risk of loss associated with a counterpart's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents, marketable securities, sundry receivable, royalties receivable and investment in and loans to associate. Cash and cash equivalents consist of money market investments, which have been invested with Canadian financial institutions. Marketable securities includes investments in equity of companies listed on the North American markets and which investments are held in a Canadian financial institution. Financial instruments included in sundry receivable consist of sales taxes receivable from government authorities in Canada. Royalties receivable consist of amounts owed to the Company by the operators of the Primate Property in Saskatchewan and the Spirit River property in Alberta. Sundry receivable and royalties receivable are in good standing as of December 31, 2019. Investment in and loans to associate consists of investment in Deveron and amounts owed by Deveron. Management believes that the credit risk concentration with respect to financial instruments is minimal.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they become due, or can only do so at excessive cost. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. As at December 31, 2019, the Company had a cash and cash equivalents balance of \$474,482 (December 31, 2018 - \$838,229) to settle current liabilities of \$93,918 (December 31, 2018 - \$184,427). All of the Company's financial liabilities have contractual maturities of less than 90 days and are subject to normal trade terms, except for the securities to be sold under repurchase agreements. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity.

(iii) Market risk

Interest rate risk

Interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. The Company has cash balances and no interest-bearing debt, except for the lease liability. The Company's current policy is to invest surplus cash in money market investments that pay out interest income. The Company periodically monitors the money market investment it makes and is satisfied with the creditworthiness of these investments.

Greencastle Resources Ltd.

Notes to Consolidated Financial Statements

December 31, 2019 and 2018

(Expressed in Canadian Dollars)

4. Financial risk factors (continued)

(a) Financial risk (continued)

(iii) Market risk (continued)

Foreign currency risk

Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using cash flow forecasting. The Company's functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company funds certain operations, exploration and administrative expenses in the United States on a cash call basis using US dollar converted from its Canadian dollar bank accounts held in Canada. The Company maintains US dollar bank accounts in Canada. The Company is subject to gains and losses due to fluctuations in the US dollar against the Canadian dollar. See Note 4(b)(ii) for sensitivity analysis.

Price risk

The Company is exposed to price risk with respect to equity prices and commodity prices. Equity price risk is defined as the potential adverse impact on the Company's loss due to movements in individual equity prices or general movements in the level of stock market. Commodity price risk is defined as the potential adverse impact and economic value due to commodity price movements and volatilities.

The Company has approximately \$2.2 million invested in marketable securities. These investments are classified as FVTPL and are subject to equity price risk. The fluctuation in the price of these marketable securities could have a significant impact on the Company's profit or loss for the year ended December 31, 2019. The Company's year end equity would also increase or decrease by the additional profit or loss amount. See Note 4(b)(iv) for sensitivity analysis.

(b) Sensitivity analysis

The sensitivity analysis shown in the notes below may differ materially from actual results. Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over a twelve month period.

- (i) The Company receives no interest on its cash balances and, as such, does not have significant interest rate risk.
- (ii) The Company is exposed to foreign currency risk on fluctuations of financial instruments related to cash and cash equivalents that are denominated in US dollars. As at December 31, 2019, had the US dollar decreased/increased by 10% against the Canadian dollar with all other variables held constant, the Company's reported net loss for the year ended December 31, 2019, would have been approximately \$17,500 higher/lower. Similarly, as at December 31, 2019, the Company's reported shareholders' equity would have been approximately \$17,500 lower/higher as a result of a 10% decrease/increase in the US dollar.

Greencastle Resources Ltd.

Notes to Consolidated Financial Statements

December 31, 2019 and 2018

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4. Financial risk factors (continued)

(b) Sensitivity analysis (continued)

- (iii) Royalty revenue from oil and gas and receivable from royalty revenue are impacted by changes in oil and natural gas price because the increase or decrease in oil and gas price will increase or decrease the Company's revenue and the amount of royalties receivable accordingly. Had oil and gas prices increased/decreased by 10% with all other variables held constant, the Company's reported net loss for the year ended December 31, 2019, would have been approximately \$6,600 higher/lower. Similarly, as at December 31, 2019, reported shareholders' equity would have been approximately \$6,600 higher/lower as a result of a 10% increase/decrease in oil and natural gas prices.

Commodity prices for gold, silver, oil, gas and other metals and materials could also adversely affect the Company. In particular, the Company's future profitability and viability depends upon the world market price of these commodities. Commodity prices have fluctuated significantly in recent years. There is no assurance that, even if commercial quantities of these commodities can be discovered in the future, a profitable market will exist for them. As at December 31, 2019, the Company was not a producer of any commodities. Even so, commodity price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options.

- (iv) The Company's marketable securities are denominated in Canadian and US dollars and are subject to fair value fluctuations. As at December 31, 2019, if the fair value of the Company's marketable securities had increased/decreased by 10% with all other variables held constant, loss for the year ended December 31, 2019, would have been approximately \$206,000 lower/higher. Similarly, as at December 31, 2019, the Company's reported shareholders' equity would have been approximately \$206,000 higher/lower as a result of a 10% increase/decrease in marketable securities.

5. Categories of financial instruments

As at December 31,	2019	2018
Financial assets:		
FVTPL		
Cash and cash equivalents	\$ 474,482	\$ 838,229
Marketable securities	2,203,639	2,056,274
Amortized cost		
Sundry receivable	7,749	15,214
Financial liabilities:		
FVTPL		
Securities to be sold under repurchase agreements	-	86,800
Amortized cost		
Accounts payable and accrued liabilities	59,499	70,239

As of December 31, 2019 and 2018, the fair value of all the Company's financial instruments carried at amortized cost approximates the carrying value, due to their short-term nature.

Greencastle Resources Ltd.

Notes to Consolidated Financial Statements

December 31, 2019 and 2018

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5. Categories of financial instruments (continued)

Fair value measurements

Fair value is the price that would be received to dispose of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. Level 2 inputs are inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly, Level 3 inputs are unobservable inputs for the asset or liability. The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

(a) Assets and liabilities measure at fair value on a recurring basis:

	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Aggregate fair value
As at December 31, 2019				
Cash and cash equivalents	\$ 474,482	\$ -	\$ -	\$ 474,482
Marketable securities	2,203,639	-	-	2,203,639
	\$ 2,678,121	\$ -	\$ -	\$ 2,678,121
As at December 31, 2018				
Cash and cash equivalents	\$ 838,229	\$ -	\$ -	\$ 838,229
Marketable securities	2,056,274	-	-	2,056,274
Securities to be sold under repurchase agreements	-	-	(86,800)	(86,800)
	\$ 2,894,503	\$ -	\$ (86,800)	\$ 2,807,703

The Company's investment in marketable securities is measured using the fair value hierarchy as follows:

Level 1: Common shares of companies and other equity instruments listed on the Toronto Stock Exchange ("TSX") and TSXV that are actively traded and with readily and reliable fair value information at the reporting date.

Level 2: Common shares of companies and other equity instruments listed on the TSX and TSXV that are not actively traded. These marketable securities are only traded thinly (ranging from couple thousands to ten thousands on a weekly basis) but with stable price range at close to the reporting date. The Company uses the last bid price of the securities at the reporting date to determine if the closing price of those securities are reasonable approximation of their fair value after considering other factors such as the price range of the securities prior and subsequent to the reporting date, the volume of trades which occurred prior to and subsequent to the reporting date.

Level 3: These are common shares of privately held companies where shares of those companies are not listed on any exchange. These investments have no active market information to determine their fair value. The Company uses other factors such as recently completed placements by these private companies, discounted future cash flows, discounted future net incomes, or discounted future dividends based on the most up to date financial statements (if available) of these inverses.

When actively traded securities become inactive (thinly traded securities), their fair values will be measured using Level 2 or Level 3 inputs rather than Level 1 observable inputs, and vice versa for an inactive securities becoming actively traded securities.

Greencastle Resources Ltd.

Notes to Consolidated Financial Statements

December 31, 2019 and 2018

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5. Categories of financial instruments (continued)

Fair value measurements (continued)

(a) Assets and liabilities measure at fair value on a recurring basis (continued):

For assets and liabilities that are recognised in the consolidated financial statements, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. There was no transfer between level during the period.

(b) Categories of financial instruments:

As at December 31,	2019 Carrying amount	2018 Carrying amount
Financial assets		
Cash and cash equivalents	\$ 474,482	\$ 838,229
Marketable securities	2,203,639	2,056,274
Sundry receivable	7,749	15,214
	\$ 2,685,870	\$ 2,909,717
Financial liabilities		
Accounts payable and accrued liabilities	\$ 59,499	\$ 70,239
Securities to be sold under repurchase agreements	-	86,800
	\$ 59,499	\$ 157,039

The Company has not offset financial assets with financial liabilities.

6. Cash and cash equivalents

As at December 31	2019	2018
Cash	\$ 227,360	\$ 738,485
Money market investments	247,122	99,744
Total cash and cash equivalents	\$ 474,482	\$ 838,229

7. Marketable securities

The Company's marketable securities include common shares and other equity instruments of Canadian and US companies that are listed on the TSX, TSXV or on other stock exchanges of the United States of America.

During the year ended December 31, 2019, the Company recognized an unrealized gain of \$257,028 (year ended December 31, 2018 - unrealized loss of \$634,544) on trading in marketable securities and a realized gain of \$50,988 (year ended December 31, 2018 - realized gain of \$199,851). During the year ended December 31, 2019, the Company also earned interest and dividend income of \$67,302 (year ended December 31, 2018 - \$96,806) from investment activity.

Marketable securities have been designated as FVTPL and are recorded at fair value using the last bid price, with changes recognized in the consolidated statements of (loss) income.

Greencastle Resources Ltd.

Notes to Consolidated Financial Statements
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7. Marketable securities (continued)

Marketable securities are composed of:

As at December 31	2019	2018
Marketable securities	\$ 2,203,639	\$ 2,056,274

8. Sundry receivable

As at December 31	2019	2018
Sales tax receivable - (Canada) (i)	\$ 7,749	\$ 15,214
	\$ 7,749	\$ 15,214

(i) Sales tax receivable is not past due.

9. Right-of-use assets

Balance, January 1, 2018	\$ 152,551
Depreciation	(33,900)
Balance, December 31, 2018	\$ 118,651
Balance, January 1, 2019	\$ 118,651
Depreciation	(33,900)
Balance, December 31, 2019	\$ 84,751

Right-of-use assets consist of office spaces. Right-of-use assets are depreciated over 54 months.

10. Oil and gas interests

The carried value of \$1 is tested for impairment on a quarterly basis. It was determined that no impairment is necessary because these wells are still generating revenue to the Company.

As at December 31,	2019	2018
Primate project, Saskatchewan		
Acquisition costs	\$ 440,350	\$ 440,350
Drilling	595,342	595,342
Consulting	75,846	75,846
Other	199,590	199,590
Asset reclamation	3,000	3,000
	1,314,128	1,314,128
Accumulated depletion	(1,045,633)	(1,045,633)
Salvador dry well capped and abandoned	(268,494)	(268,494)
Net carrying value of oil and gas interest	\$ 1	\$ 1

During the year ended December 31, 2019, the Company also received \$66,597 (year ended December 31, 2018 - \$13,033) from the Spirit River prospect in Alberta.

Greencastle Resources Ltd.

Notes to Consolidated Financial Statements

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11. Investment in and loans to associate

The Company has accounted for the transactions below as an investment in Deveron UAS Corp, with an initial aggregate acquisition cost carrying value in the amount of \$3,091,381 (December 31, 2018 - \$3,091,381), loans advanced of \$nil (December 31, 2018 - \$nil) and accrued interest of \$nil (December 31, 2018 - \$nil), and will follow equity accounting, with a provision for write-downs, if required, in the future. Management determined that the Company has significant influence over these investments. The Company continues to review the accounting treatment for this investment and will make any adjustment in the future as required under IFRS.

As at December 31	2019	2018
Acquisition costs	\$ 3,477,492	\$ 3,412,762
Loss from investment in associate	(1,550,330)	(1,035,231)
	\$ 1,927,162	\$ 2,377,531

The changes to the carrying amounts presented in the consolidated statement of financial position can be summarized as follows:

December 31	2019	2018
Balance, beginning of year	\$ 2,377,531	\$ 3,189,381
Loans to associate	-	(500,000)
Accrued interest	-	(10,712)
Acquisition costs	64,730	31,780
Loss from investment in associate	(515,099)	(332,918)
Balance, end of year	\$ 1,927,162	\$ 2,377,531

The following is a summary of the financial information of Deveron on a 100% basis as at the specified date and for the period then ended, as disclosed in the table below, which is the most recent publicly available information for Deveron.

As at December 31	2019	2018
Cash	\$ 1,277,904	\$ 2,923,191
Total current assets	2,023,463	3,359,876
Total non-current assets	1,831,944	1,541,740
Loan payable to the Company	-	-
Total current liabilities	(520,761)	(392,824)
Total non-current liabilities	(736,336)	(22,624)
Net loss	\$ 1,937,398	\$ 1,479,416
Proportionate share of net loss	(515,099)	(332,918)

Greencastle Resources Ltd.

Notes to Consolidated Financial Statements

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(Expressed in Canadian Dollars)

12. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities of the Company are principally comprised of amounts outstanding for purchases relating to general operating activities and professional fees.

As at December 31	2019	2018
Accounts payable	\$ 26,051	\$ 17,554
Accrued liabilities	33,448	52,685
Total accounts payable and accrued liabilities	\$ 59,499	\$ 70,239

The following is an aged analysis of the accounts payable and accrued liabilities:

As at December 31	2019	2018
Less than 3 months	\$ 48,288	\$ 59,264
More than 3 months	11,211	10,975
Total accounts payable and accrued liabilities	\$ 59,499	\$ 70,239

13. Lease liabilities

The Company lease ends on June 30, 2022. The lease payment is \$4,405 per month until June 30, 2020 and is \$4,493 from July 1, 2020 to June 30, 2022.

At the commencement date of the lease, the lease liability was measured at the present value of the lease payments that were not paid at that date. The lease payments are discounted using an interest rate of 10%, which is the Company's incremental borrowing rate. Effective interest rate is 22%. The continuity of the lease liability is presented in the table below:

As at December 31	2018
Balance, January 1, 2018	\$ -
Additions	152,551
Interest expense	30,734
Lease payments	(52,858)
Balance, December 31, 2018	\$ 130,427

As at December 31	2019
Balance, January 1, 2019	\$ 130,427
Additions	-
Interest expense	25,469
Lease payments	(52,858)
Balance, December 31, 2019	\$ 103,038

Allocated as:

Current	34,419
Long-term	68,619
Balance, December 31, 2019	103,038

Greencastle Resources Ltd.

Notes to Consolidated Financial Statements

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14. Securities to be sold under repurchase agreements

On December 31, 2018, the fair value of the 2,000,000 options was remeasured using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 133% (based on the historical price history of the Company's common shares); risk-free interest rate of 1.85%; and an expected life of 0.5 years. As a result, the fair value of the options was calculated to be \$86,800 and the Company recorded the change in fair value of derivative financial liability for the year ended December 31, 2018 of \$257,200 under change in fair value of derivative liability in the consolidated statements of (loss) income. For the year ended December 31, 2019, the fair value of these options had expired and the associated liability balances were charged to operations.

Movement in the derivative financial liability was as follows:

Balance, December 31, 2017	\$ 344,000
Issued	-
Change in fair value	(257,200)
Balance, December 31, 2018	86,800
Issued	-
Change in fair value	(86,800)
Balance, December 31, 2019	\$ -

15. Share capital

Authorized

Unlimited - special shares with no par value

Unlimited - common shares with no par value

Issued

Special shares - none

Common shares:

	Shares	Amount
Balance, December 31, 2017	41,421,171	\$ 6,680,790
Share repurchase (i)(ii)	-	(128,870)
Cancellation of shares repurchased (i)	(1,303,500)	-
Balance, December 31, 2018	40,117,671	6,551,920
Share repurchase (ii)	-	(187,814)
Balance, December 31, 2019	40,117,671	\$ 6,364,106

(i) During the year ended December 31, 2018, 799,000 common shares were purchased for cash consideration of \$96,275 in accordance with the current Issuer Bid. The amount by which the repurchased amount was less than the stated capital of the shares has been credited to deficit.

On August 24, 2018, the common shares repurchased by the Company but not cancelled being 1,303,500 will be returned to treasury for cancellation and accordingly, they are not considered to be outstanding shares for the purposes of loss per share calculations.

Greencastle Resources Ltd.

Notes to Consolidated Financial Statements

December 31, 2019 and 2018

(Expressed in Canadian Dollars)

15. Share capital (continued)

Issued (continued)

(ii) On May 10, 2019, the Company announced that, subject to regulatory approval, it will conduct a normal course issuer bid (the "Second Bid"). The Second Bid will be for up to 3,332,872 common shares of the Company over a period of one year (the "Bid Period"), being approximately 8.3% of Company's issued and outstanding common shares and being 10% of the Public Float (as that term is defined in the policies of the TSXV) of the Company's issued and outstanding common shares, with up to 802,353 common shares of the Company purchasable over any 30-day period within the Bid Period, being 2% of Company's issued and outstanding common shares. The Bid Period will commence on May 13, 2019, and will continue until the earlier of May 13, 2020, or the date by which the Company has acquired the maximum number of common shares which may be purchased under the Second Bid.

During the year ended December 31, 2019, 1,150,000 common shares were purchased for cash consideration of \$65,510 in accordance with the Second Bid. The amount by which the repurchased amount was less than the stated capital of the shares has been credited to deficit.

As of December 31, 2019, the common shares repurchased by the Company but not cancelled being 1,150,000 will be returned to treasury for cancellation and accordingly, they are not considered to be outstanding shares for the purposes of loss per share calculations.

16. Share-based payments

The following table reflects the continuity of stock options for the years ended December 31, 2019 and 2018:

	Number of stock options	Weighted average exercise price (\$)
Balance, December 31, 2017	3,300,000	0.10
Granted (i)	4,000,000	0.10
Exercised	-	0.10
Balance, December 31, 2018	7,300,000	0.10
Expired/cancelled	(1,400,000)	0.10
Balance, December 31, 2019	5,900,000	0.10

The following table reflects the Company's stock options outstanding and exercisable as at December 31, 2019:

Weighted average remaining contractual life (years)	Options outstanding		Options exercisable		Expiry date
	Number of options	Weighted average exercise price (\$)	Number of options	Weighted average exercise price (\$)	
0.33	1,900,000	0.10	1,900,000	0.10	January 28, 2020
3.28	4,000,000	0.10	4,000,000	0.10	January 10, 2023
2.33	5,900,000	0.10	5,900,000	0.10	

(i) On January 10, 2018, the Company granted 4,000,000 stock options to certain officers, directors and consultants of the Company at an exercise price of \$0.10, expiring on January 10, 2023, pursuant to the terms of the Company's stock option plan. The options were assigned a fair value of \$299,200 using the Black-Scholes option pricing model with the following assumptions: share price \$0.10, dividend yield 0%, expected volatility 99.85% (based on the historical price history of the Company's common shares), risk-free interest rate 1.95%, and an expected life of 5 years. The options vested immediately, resulting in a share-based payment charge of \$299,200 for the year ended December 31, 2018 (year ended December 31, 2017 - \$nil).

Greencastle Resources Ltd.

Notes to Consolidated Financial Statements

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17. Major shareholder and related party disclosures

Major shareholder

To the knowledge of the directors and senior officers of the Company, as at December 31, 2019, no person or corporation beneficially owns or exercises control or direction over common shares of the Company carrying more than 10% of the voting rights attached to all common shares of the Company other than as set out below:

Major shareholder	Number of common shares	Percentage of outstanding common shares
Anthony Roodenburg, CEO and a director	5,915,499	14.74 %

None of the Company's major shareholders have different voting rights than other holders of the Company's common shares.

The Company is not aware of any arrangements the operation of which may at a subsequent date result in a change in control of the Company.

Related party disclosures

Related parties include the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

The below noted transactions are in the normal course of business and are measured at the fair value, as agreed to by the parties, and approved by the Board of Directors in strict adherence to conflict of interest laws and regulations.

(a) Remuneration of key management of the Company was as follows:

The Company defines key management as its CEO, CFO and Board of Directors.

	Year Ended December 31,	
	2019	2018
Carmelo Marrelli (Chief Financial Officer ("CFO")) (i)	\$ 42,788	\$ 51,151
Anthony Roodenburg, CEO (ii)	216,000	216,000
James Pirie (iii)	30,000	30,000
Share-based payments (Note 16(i))	-	231,880
Director fees (iv)	30,000	30,000

(i) During the year ended December 31, 2019, the Company incurred professional fees and disbursements of \$42,788 (year ended December 31, 2018 - \$51,151) to Marrelli Support Services Inc. ("Marrelli Support"), an organization of which Carmelo Marrelli is president. Mr. Marrelli is the CFO of Greencastle. These services were incurred in the normal course of operations for general accounting and financial reporting matters. Marrelli Support also provides bookkeeping services to the Company. All services were made on terms equivalent to those that prevail with arm's length transactions. As at December 31, 2019, Marrelli Support was owed \$2,155 (December 31, 2018 - \$11,210) and this amount was included in accounts payable and accrued liabilities.

(ii) During the year ended December 31, 2019, the Company paid management fees of \$216,000 (year ended December 31, 2018 - \$216,000) to Anthony Roodenburg as CEO of Greencastle, included in office and general. The amounts charged by Anthony Roodenburg are conducted on normal market terms and are recorded at their exchange value. As at December 31, 2019, Anthony Roodenburg was owed \$9,925 (December 31, 2018 - \$9,886) and this amount was included in accounts payable and accrued liabilities.

Greencastle Resources Ltd.

Notes to Consolidated Financial Statements

December 31, 2019 and 2018

(Expressed in Canadian Dollars)

17. Major shareholder and related party disclosures (continued)

Related party disclosures (continued)

(iii) For the year ended December 31, 2019, the Company paid management fees of \$30,000 (year ended December 31, 2018 - \$30,000) to James Pirie for performing the duties of president of Greencastle, included in office and general. The amounts charged by James Pirie are conducted on normal market terms and are recorded at their exchange value. As at December 31, 2019, James Pirie was owed \$nil (December 31, 2018 - \$2,024) and this amount was included in accounts payable and accrued liabilities.

(iv) During the year ended December 31, 2019, directors of Greencastle received \$30,000 (year ended December 31, 2018 - \$30,000) in director fees.

(b) Other related party disclosures:

		Year Ended December 31,	
		2019	2018
DSA Corporate Services Inc. ("DSA")	(i)	\$ 14,104	\$ 11,268
Irwin Lowy LLP ("Irwin")	(ii)	10,738	11,936

(i) During the year ended December 31, 2019, the Company incurred professional fees and disbursements of \$14,104 (year ended December 31, 2018 - \$11,268) to DSA, an organization which Mr. Marrelli controls. Mr. Marrelli is also the corporate secretary and sole director of DSA. These services were incurred in the normal course of operations of corporate secretarial matters. All services were made on terms equivalent to those that prevail with arm's length transactions. As at December 31, 2019, DSA was owed \$1,978 (December 31, 2018 - \$908) and this amount was included in accounts payable and accrued liabilities.

(ii) Legal fees paid to Irwin, a company controlled by Chris Irwin, a director of Greencastle. As at December 31, 2019, Irwin was owed \$nil (December 31, 2018 - \$1,057) and this amount was included in accounts payable and accrued liabilities.

(iii) During the year ended December 31, 2019, the Company received rental income fees of \$37,500 (year ended December 31, 2018 - \$29,143) from Deveron which is included as other income in the consolidated statements of (loss) income.

18. Net loss per common share

The calculation of basic and diluted loss per share for the year ended December 31, 2019 was based on the loss attributable to common shareholders of \$533,735 (year ended December 31, 2018 - loss of \$1,104,771) and the weighted average number of common shares outstanding of 40,117,671 (year ended December 31, 2018 - 40,270,556). Diluted loss per share for the years presented did not include the effect of 5,900,000 stock options (December 31, 2018 - 7,300,000) as they are anti-dilutive. The common shares repurchased by the Company but not cancelled being 1,150,000 (December 31, 2018 - nil) will be returned to treasury for cancellation and accordingly, they are not considered to be outstanding shares for the purposes of (loss) income per share calculations.

Greencastle Resources Ltd.

Notes to Consolidated Financial Statements

December 31, 2019 and 2018

(Expressed in Canadian Dollars)

19. Exploration expenditures

	Year Ended December 31,	
	2019	2018
<u>Jewel Ridge Prospect, Nevada (a)</u>		
Claim maintenance	\$ 43,920	\$ 39,463
Cash received for option	(25,000)	-
Consulting fees	-	3,444
Other	-	920
	\$ 18,920	\$ 43,827
<u>Indian Creek Project, Nevada</u>		
Claim maintenance	\$ 4,609	\$ 4,341
<u>Boggy Lake - Cabri Area, south-western Saskatchewan</u>		
	\$ -	\$ 288
<u>Primate project, Saskatchewan</u>		
Lease maintenance	\$ 1,794	\$ 906
<u>Ferrier Project - Alberta</u>		
Insurance	\$ -	\$ 768
Lease maintenance	-	4,165
Travel	-	111
	\$ -	\$ 5,044
Total	\$ 25,323	\$ 54,406

(a) Jewel Ridge Property

On November 1, 2019, Greencastle ("Optioner") entered into an option agreement with Golden Lake Exploration Inc. ("Golden Lake") to acquire all of Greencastle's legal and beneficial interest in and to certain mining interests located near Eureka Nevada, known as the "Jewel Ridge Property" ("Property"). Per the agreement, Greencastle shall grant Golden Lake an option to acquire all of the Company's legal and beneficial interest in and obligations under its original option agreement in exchange for cash payments in aggregate of \$155,000 (\$25,000 paid), shares in aggregate of 5,000,000 (1,000,000 issued) and aggregate exploration commitments of \$750,000.

Golden Lake is required to pay 4% NSR on any further production from the property if it comes into production. Following the exercise of the option and the acquisition of 100% of the Property, Golden Lake is to pay an advanced royalty of \$50,000 per annum.

Greencastle Resources Ltd.

Notes to Consolidated Financial Statements

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(Expressed in Canadian Dollars)

20. Income taxes

The following represent the temporary differences for which no deferred tax asset has been recorded:

	2019		
	Temporary difference Canada 26.50%	Temporary difference USA 35%	Tax amount
Marketable securities	\$ (369,938)	\$ -	\$ (98,034)
Right-of-use assets	(84,751)	-	(22,459)
Oil and gas and mining interests	1,844,337	1,565,421	903,586
Investment in associate	1,550,330	-	410,837
Lease liabilities	103,039	-	27,305
Non-capital losses carry forward	3,135,772	27,290	838,211
Capital loss carry forward	35,452	-	9,395
Deferred tax assets	6,214,241	1,592,711	2,068,841
Impairment allowance	(6,214,241)	(1,592,711)	(2,068,841)
Net deferred tax assets	\$ -	\$ -	\$ -

	2018		
	Temporary difference Canada 26.5%	Temporary difference USA 35%	Tax amount
Marketable securities	\$ 10,093	\$ -	\$ 2,675
Right-of-use assets	(118,651)	-	(31,443)
Oil and gas and mining interests	1,874,247	1,516,005	898,416
Investment in an associate	1,035,231	-	274,336
Lease liabilities	130,427	-	34,563
Derivative liability	86,800	-	23,002
Non-capital losses carried forward	1,149,292	42,732	315,886
Deferred tax assets	4,167,439	1,558,737	1,517,435
Impairment allowance	(4,167,439)	(1,558,737)	(1,517,435)
Net deferred tax assets	\$ -	\$ -	\$ -

Greencastle Resources Ltd.

Notes to Consolidated Financial Statements

December 31, 2019 and 2018

(Expressed in Canadian Dollars)

20. Income taxes (continued)

The Company's actual income tax expense for each of the years ended is made up as follows:

For the year ended December 31,	2019	2018
Net (loss) income before income taxes	\$ (533,735)	\$ (1,104,771)
Expected income tax expense at statutory rate of 26.50% (2018 - 26.50%)	(141,440)	(292,764)
Non-taxable unrealized loss (gain) on marketable securities	(68,112)	168,154
Realized gain on marketable securities	(6,756)	(26,480)
Non-taxable (gain) loss on foreign exchange	-	(44,886)
Depreciation, net of principal payments on right of use assets	1,725	-
Non-taxable change in fair value of derivative liability	(86,800)	(68,158)
Non-deductible meals and entertainment	-	3,756
Reassessment of Canadian Tax Losses	(429,426)	540,808
Reassessment of US Tax Losses	-	234,474
Share-based payment expense	-	79,288
Non-taxable loss from investment in associate	136,501	88,223
Permanent differences and other	42,901	(188,829)
Tax benefit not recognized	551,407	(493,586)
Total income tax recovery	\$ -	\$ -

The non-capital losses that have not been recognized in the consolidated financial statements will expire as follows:

Year	Canada	USA
(i)	\$ 2,769,769	\$ 27,290
2039	366,003	-
	<u>\$ 3,135,772</u>	<u>\$ 27,290</u>

(i) These losses expire on various dates between 2027 and 2038.

21. Segmented information

As at December 31, 2019, the Company has four reportable segments: investments in private and public companies, oil and gas interests, mining interests.

The Company's investment segment comprises its investment in marketable securities and investment in private and public companies. The oil and gas segment is comprised of its oil and gas interests. The mining segment is comprised of its mining interests in Canada and in the USA.

The Company evaluates performance and allocates resources based on profit or loss from operations before income taxes as well as results from exploration. The accounting policies of the segments are the same as disclosed in Note 2. There are no inter-segment transactions.

Greencastle Resources Ltd.

Notes to Consolidated Financial Statements

December 31, 2019 and 2018

(Expressed in Canadian Dollars)

21. Segmented information (continued)

Information on reportable segments is as follows:

As at December 31, 2019	Investments	Oil and gas	Mining	Corporate	Consolidated
Royalty Income	\$ -	\$ 66,597	\$ -	\$ -	\$ 66,597
Rental revenue	\$ -	\$ -	\$ -	\$ 37,500	\$ 37,500
Other income	\$ -	\$ -	\$ -	\$ 9,000	\$ 9,000
Interest and dividend income	67,302	-	-	-	67,302
Loss on marketable securities	308,016	-	-	-	308,016
Change in fair value of derivative liability	-	-	-	86,800	86,800
Exploration expenses - CAD	-	-	(24,095)	-	(24,095)
Exploration expenses - USA	-	-	49,416	-	49,416
Foreign Exchange gain/loss	-	-	-	(27,811)	(27,811)
Loss from investment in and loans to associate	(515,099)	-	-	-	(515,099)
Segment (loss) income	(139,782)	66,597	(25,321)	(435,229)	(533,735)
Segment assets	2,203,639	1	-	2,515,074	4,718,714

As at December 31, 2018	Investments	Oil and gas	Mining	Corporate	Consolidated
Revenues	\$ -	\$ 13,033	\$ -	\$ -	\$ 13,033
Interest and dividend income	96,806	-	-	-	96,806
Loss on marketable securities	(434,693)	-	-	-	(434,693)
Change in fair value of derivative liability	-	-	-	257,200	257,200
Loss from investment in and loans to associate	(332,918)	-	-	-	(332,918)
Segment income (loss)	(670,805)	13,033	(54,406)	(392,593)	(1,104,771)
Segment assets	4,433,805	1	-	992,551	5,426,357

Geographic information

All of the Company's revenues are earned in Canada. The Company has agreements on 2 (2 as at December 31, 2018) mining properties in United States of America and nil (nil as at December 31, 2018) in Canada. The book value of those 2 (2 as at December 31, 2018) properties is \$nil (December 31, 2018 - \$nil). All of the rest of the Company's assets and operations are located in Canada.

22. Event after the reporting period

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Corporation and its operating subsidiaries in future periods.

Greencastle Resources Ltd.

Notes to Consolidated Financial Statements

December 31, 2019 and 2018

(Expressed in Canadian Dollars)

22. Event after the reporting period (continued)

On January 28, 2020, 1,900,000 options with an exercise price of \$0.10 expired unexercised.

GREENCASTLE RESOURCES LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2019
(EXPRESSED IN CANADIAN DOLLARS)

Introduction

The following management's discussion and analysis ("MD&A") of the financial condition and results of the operations of Greencastle Resources Ltd. ("Greencastle" or the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the year ended December 31, 2019. This MD&A was written to comply with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited annual consolidated financial statements of the Company for the years ended December 31, 2019 and 2018, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company's consolidated financial statements and the financial information contained in this MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC"). Information contained herein is presented as of April 27, 2020, unless otherwise indicated.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors (the "Board"), considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of Greencastle common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Information about the Company and its operations can be obtained from the offices of the Company or on the System for Electronic Documents Analysis and Retrieval ("SEDAR") and is available for review under the Company's profile on the SEDAR website (www.sedar.com).

Cautionary Note Regarding Forward-Looking Statements

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or statements that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements.

Forward-looking statements	Assumptions	Risk factors
Potential of the Company's properties to contain economic deposits of gold or silver and/or other metals, as well as economic deposits of oil and gas	Financing will be available for future exploration and development of the Company's properties; the actual results of the Company's	Gold or silver price volatility; oil and gas price volatility; uncertainties involved in interpreting geological data and

Greencastle Resources Ltd.
Management's Discussion and Analysis
Year Ended December 31, 2019
Discussion dated: April 27, 2020

	exploration and evaluation activities will be favourable; operating, exploration and evaluation costs will not exceed the Company's expectations; the Company will be able to retain and attract skilled staff; all requisite regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to the Company, and applicable political and economic conditions will be favourable to the Company; the price of gold or silver and/or other applicable metals and the price of oil and gas and applicable interest and exchange rates will be favourable to the Company; no title disputes exist with respect to the Company's properties	confirming title to acquired properties; the possibility that future exploration results will not be consistent with the Company's expectations; availability of financing for and actual results of the Company's exploration and evaluation activities; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Company's ability to retain and attract skilled staff
The Company's ability to meet its working capital needs at the current level for the twelve-month period ending December 31, 2020	The operating and exploration activities of the Company for the twelve-month period ending December 31, 2020, and the costs associated therewith, will be consistent with the Company's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions will be favourable to the Company	Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions
The Company's ability to carry out anticipated exploration on its property interests	The exploration activities of the Company for the twelve months ended December 31, 2020, and the costs associated therewith, will be consistent with the Company's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions are favourable to the Company	Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions; receipt of applicable permits
Management's outlook regarding future trends	Financing will be available for the Company's exploration and operating activities; the price of gold or silver and/or other applicable metals and oil and gas will be favourable to the Company	Gold or silver price volatility; oil and gas price volatility; changes in debt and equity markets; interest rate and exchange rate fluctuations; changes in economic and political conditions
A total of \$10,000 has been estimated for the Company's plans for its oil and gas projects	Actual costs of the various line items of the budget are consistent with the costs that management	Costs could vary from management's expectations

Greencastle Resources Ltd.
Management's Discussion and Analysis
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A total of \$22,000 has been estimated for the Company's plans for its mineral properties A total of \$125,000 is estimated per quarter for corporate expenses	anticipates	
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Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control. Please see the risk factors outlined in the "Risk Factors" section below. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments of the business are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Description of Business

The Company is a diversified company with interests in gold and base metal exploration and oil and gas exploration and royalties. It also has strategic investments in other companies.

The Company has a royalty interest in one oil and gas property in Alberta where the operator completed a new well in Q1 2019. The well was in production and generated modest income for the remainder of the year. There has been no income received from the Primate property in Saskatchewan since 2016. The Company's gold and base metal properties are at the exploration stage and, therefore, produce no revenues.

The Company is a reporting issuer under applicable securities legislation in the provinces of Alberta, British Columbia and Ontario, and its outstanding shares are listed on the TSX Venture Exchange ("TSXV") under the symbol "VGN".

Trends

Management regularly monitors economic conditions and estimates their impact on the Company's operations and incorporates these estimates in both short-term operating and longer-term strategic decisions.

Strong equity markets are favourable conditions for completing a public merger, financing or acquisition transaction.

Apart from these and the risk factors noted under the heading "Events After The Reporting Period", "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements", management is not

aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations.

Investment Strategies and Oversight

Greencastle evaluates securities of an entity by considering a variety of factors and will make an investment if it believes the entity falls in one of these categories:

(a) The entity will have attractive growth characteristics, a reasonable valuation, and management that has strong shareholder value orientation, all of which will be listed on the Toronto Stock Exchange ("TSX"), TSXV, Commission Securities Exchange ("CSE") or on other stock exchanges in North America;

(b) Investments will be made with an anticipated 1 year hold period and will depend on when funds are required for exploration;

(c) Investee companies will become self-financing;

(d) Due to the concentration of investments, the Company relies on the technical expertise of certain Board members and consultants to evaluate investee reports (specific mineral reports and financial reports filed on regulatory sites, or reports to shareholders, if the entity is private) made available to the public as well as discussions with investee management;

Notwithstanding the foregoing, from time to time, the Board may authorize any particular investment or series of investments that may not comply with these strategies.

Financial and Operational Highlights

Corporate

On January 14, 2019, 1,400,000 options with an exercise price of \$0.10 expired unexercised.

On May 10, 2019, the Company announced that, subject to regulatory approval, it will conduct a normal course issuer bid (the "Bid"). The Bid will be for up to 3,332,872 common shares of the Company over a period of one year (the "Bid Period"), being approximately 8.3% of Company's issued and outstanding common shares and being 10% of the Public Float (as that term is defined in the policies of the TSXV) of the Company's issued and outstanding common shares, with up to 802,353 common shares of the Company purchasable over any 30-day period within the Bid Period, being 2% of Company's issued and outstanding common shares. The Bid Period will commence on May 13, 2019, and will continue until the earlier of May 13, 2020, or the date by which the Company has acquired the maximum number of common shares which may be purchased under the Bid.

During the year ended December 31, 2019, 1,150,000 common shares were purchased for cash consideration of \$65,510 in accordance with the Bid. As at December 31, 2019, the common shares repurchased by the Company but not cancelled being 1,150,000 will be returned to treasury for cancellation and accordingly, they are not considered to be outstanding shares for the purposes of loss per share calculations.

Oil and Gas

Saskatchewan and Alberta

The Company currently holds interests in two oil and gas properties in west central Saskatchewan. There has been no activity on the Primate North property for the past several years. At Primate, where Greencastle discovered a heavy oil pool in 2003, there are eight heavy oil wells and one gas well, none of which are currently producing. To date the Primate heavy oil pool has produced over 1.5 million barrels. On February 1, 2012, the Primate section and other assets in the vicinity were acquired by Edge Resources Inc. ("Edge"), which planned to continue to develop the oil potential of the area. Initially, Edge drilled one hole on the prospect. Since early 2013, average monthly production at Primate has trended substantially lower. During 2016, Edge went into receivership and the Primate property was sold along with other Edge assets late in the year. Due to these financial challenges, no maintenance was carried out on the well operations. No production or revenue has come from the Primate section since 2016. With better prices and some investment in cleaning up some of the wells, there continues to be potential for oil production.

At the Spirit River prospect in NW Alberta, on December 17, 2013, the Company reported that it and its partner, Softrock, had jointly farmed out their 100% working interest in their lease to an operator ("Centrica"), which is active in the area. The terms of the agreement included an upfront payment to Greencastle of \$200,000 (received) along with a 2.5% gross overriding royalty on future production with no deductions, plus a commitment to drill and complete (or abandon) one horizontal well.

In February 2014, Centrica set production casing on its first well (DEML HZ SPIRITR 15-11-78-07W6) on the lease after reaching a total measured depth of 3,006 metres with the last 1,420 metres being lateral (horizontal south-north from LSD 02 to LSD 15) in the targeted Charlie Lake formation. During the well drilling, three shallower horizons in the well also showed hydrocarbon possibilities. Also of interest is that the Alberta government had recently announced that spacing units on the Charlie Lake formation could be two wells per 160 acres.

Completion of the well was delayed because of the lack of local capacity to process any potential production. Late in 2014, Centrica reported that the well was completed. Significant production finally commenced in March 2015. Unfortunately, the well was shut in for most of the fourth quarter due to lack of access at the local processing facility. More recently, Centrica sold its interest in the lease along with other assets in the area to the main operator in the area, Tourmaline Oil, but production was again been reduced. In early 2019, Tourmaline drilled well Tourmaline HZ 102 Valhalla 16-11-78-7 which began producing in March 2019. During the year ended December 31, 2019, Greencastle received royalty income from the Spirit River prospect of \$66,597 (year ended December 31, 2018 – \$13,033)

In Q1 2014, Greencastle acquired a 50% interest in a 95% interest held by Softrock in a quarter section of land in Alberta, Canada, called the Ferrier Project. Greencastle paid \$72,395 for its 50% interest. Greencastle and Softrock continue to seek a joint venture partner to drill the property to earn an interest.

Future programs

Following is the anticipated plan for the Company's Saskatchewan and Alberta oil and gas projects:

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Project Name	Plans for Project	Planned Expenditures for Fiscal 2020 (approx.)	Timing for Completion of Planned Activities (approx.)
Primate and Primate North	Oil and gas consulting, fees	\$2,000 ⁽¹⁾	December 2020
Ferrier Project	Lease maintenance find a JV partner	\$8,000 ⁽¹⁾	Undetermined

⁽¹⁾ Discretionary and subject to change

Revenues from the Company's Primate royalty income decreased to zero in 2016, due to the operator, Edge, being forced into receivership and its assets in the area sold. For 2020, with the current low and discounted price for Primate heavy oil and the lack of information on plans for Spirit River, management cannot estimate what the royalty income will be.

Mining Interests

Jewel Ridge

The following table summarizes the Company's current exploration programs at the Jewel Ridge Prospect, total estimated cost to complete each exploration program and total expenditures incurred to date. For more information about expenditures incurred by category for the year ended December 31, 2019 and 2018, please see "Exploration Expenditures" below.

Summary of Completed Activities (Year ended December 31, 2019)	(A) Spent During the Year Ended December 31, 2019	Plans for the Project	(B) Planned Expenditures
Year ended December 31, 2019 – claim maintenance and property report update were recently completed The project claims are in good standing until August 31, 2020	\$43,920	The property has been optioned to Golden Lake Exploration Inc. ("GLM") which plans to conduct exploration in 2020	\$nil
Subtotals	\$43,920		\$nil
Total (A+B)			\$43,920

On November 1, 2019, the Company entered into an option agreement with GLM for the 100% interest acquisition of the Company's Jewel Ridge gold property lease near Eureka, Nevada. GLM can earn a 100% interest in the Jewel Ridge property lease by paying Greencastle cash in aggregate of \$155,000 (\$25,000 paid), shares in aggregate of 5,000,000 (1,000,000 issued) and aggregate exploration commitments of \$750,000 over three years. GLM will also cover the costs of the underlying lease (US \$10,000 per year) and all GLM and county annual claim fees.

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Costs

The following is a detailed list of expenditures incurred to date on the Company's mineral property as at December 31, 2019 and 2018:

Jewel Ridge Prospect	Total December 31, 2019	Total December 31, 2018
Acquisition costs	\$180,823	\$180,823
Claim staking, maintenance fees	402,348	358,428
Consulting fees	468,542	468,542
Geologists, consulting fees	75,375	75,375
Geochemical surveys	79,996	79,996
Geophysical surveys	1,630	1,630
Laboratory and analysis	1,215	1,215
Legal fees	4,205	4,205
Mapping	45,758	45,758
Permit, rehabilitation fees	14,869	14,869
Property option recovery	(172,120)	(147,120)
Travel and accommodation	24,395	24,395
Other	6,110	6,110
Total	\$1,133,146	\$1,114,226

Indian Creek

The following table summarizes the Company current exploration programs at the Indian Creek Project, total estimated cost to complete each exploration program and total expenditures incurred to date. For more information about expenditures incurred by category for the year ended December 31, 2019 and 2018, please see "Exploration Expenditures" below.

Summary of Completed Activities (Year Ended December 31, 2019)	(A) Spent During the Year Ended December 31, 2019	Plans for the Project	(B) Planned Expenditures
Year ended December 31, 2019 – no activities were completed The project claims are in good standing until August 31, 2020	\$4,609	Care and maintenance until the Company completes a financing Seeking a joint venture partner to undertake a new exploration program	\$7,000
Subtotals	\$4,609		\$7,000
Total (A+B)			\$11,609

Costs

The following is a detailed list of expenditures incurred to date on the Company's mineral property as at December 31, 2019 and 2018:

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Indian Creek Project	Total December 31, 2019	Total December 31, 2018
Acquisition costs	\$154,946	\$154,946
Claim staking, maintenance fees	53,477	48,868
Geological costs	26,406	26,406
Total	\$234,829	\$230,220

Project Generation

The Company expects to spend \$15,000 on its other projects. The Company's estimated cost of \$15,000 will be spent on project generation in currently prospective metal and minerals.

Technical Disclosure

Information relating to exploration results is based on data collected under the supervision of James Pirie, Ph.D., P. Eng., the President and a director of the Company and is a Qualified Person within the meaning of National Instrument 43-101. Mr. Pirie has approved the disclosure contained under the subheading "Mining Interests" and has verified the scientific and technical data contained herein.

Environmental Liabilities

The Company is not aware of any significant environmental liabilities, obligations or responsibilities associated with its oil and gas properties and mining interests.

Overall Objective

The Company's business objective is to continue to invest across a diversified number of sectors with an emphasis on natural resources.

Summary of Quarterly Results

Three Months Ended	Total Assets \$	Income (Loss) \$	Basic and Diluted Income (Loss) Per Share ⁽⁹⁾ \$
2019-December 31	4,718,714	15,111 ⁽¹⁾	0.00
2019-September 30	4,724,335	(276,823) ⁽²⁾	(0.01)
2019-June 30	5,028,265	(99,263) ⁽³⁾	(0.00)
2019-March 31	5,280,088	(172,760) ⁽⁴⁾	(0.00)
2018-December 31	5,426,357	(421,482) ⁽⁵⁾	(0.01)
2018-September 30	5,798,233	(36,533) ⁽⁶⁾	(0.00)
2018-June 30	5,786,717	(88,633) ⁽⁷⁾	(0.00)
2018-March 31	6,223,059	(558,123) ⁽⁸⁾	(0.01)

Notes:

- (1) Net income of \$15,111 principally relates to (i) royalty income of \$21,865, (ii) interest and dividend income of \$17,903, (iii) unrealized gain on marketable securities of \$257,620, and (iv) exploration expenditures recovery of \$24,914. This was offset by, (v) loss on foreign exchange of \$2,660 (vi) loss from investment in and loans to associate of \$194,731, (vii) professional fees of \$4,875, (viii) office and general expenses of \$84,429, (ix) depreciation of \$8,475, and (x) interest expense of \$7,000. All other expenses relate to general working capital purposes.
- (2) Net loss of \$276,823 principally relates to (i) unrealized loss on marketable securities of \$28,209 (ii) loss on foreign exchange of \$14,713, (iii) professional fees of \$6,201, (iv) office and general expenses of \$82,564, (v) exploration expenditures of \$36,208, and (vi) loss from investment in and loans to associate of \$95,554. This was offset by (vii) interest and dividend income of \$17,824. All other expenses relate to general working capital purposes.
- (3) Net loss of \$99,263 principally relates to (i) royalty income of \$33,719, (ii) interest and dividend income of \$15,844, (iii) gain on foreign exchange of \$32,783, and (iv) change in fair value of derivative liability of \$75,800. This was offset by (v) unrealized loss on marketable securities of \$141,255, (vi) loss from investment in and loans to associate of \$23,214, (vii) professional fees of \$14,788, (viii) office and general expenses of \$84,077, and (ix) exploration expenditures of \$906. All other expenses relate to general working capital purposes.
- (4) Net loss of \$172,760 principally relates to (i) royalty income of \$3,150, (ii) interest and dividend income of \$15,731, (iii) gain on marketable securities of \$13,875 and (iv) change in fair value of derivative liability of \$11,000. This was offset by (v) loss on foreign exchange of \$43,221, (vi) loss from investment in and loans to associate of \$201,600, (vii) interest expense of \$6,815, (viii) professional fees of \$5,732, (ix) office and general expenses of \$75,409, and (x) exploration expenditures of \$13,295. All other expenses relate to general working capital purposes.
- (5) Net loss of \$421,482 principally relates to (i) royalty income of \$9,475, (ii) interest and dividend income of \$23,497, (iii) gain on foreign exchange of \$107,410, and (iv) change in fair value of derivative liability of \$11,400. This was offset by (v) loss on marketable securities of \$282,027, (vi) loss from investment in and loans to associate of \$131,150, (vii) professional fees of \$6,614, (viii) office and general expenses of \$89,258, (ix) exploration expenditures of \$11,521, (x) depreciation of \$33,900, and (xi) interest expense of \$30,734. All other expenses relate to general working capital purposes.
- (6) Net loss of \$36,533 principally relates to (i) interest and dividend income of \$21,823, (ii) gain on marketable securities of \$9,539, and (iii) gain from investment in and loans to associate of \$114,507. This was offset by (iv) change in fair value of derivative liability of \$2,600, (v) loss on foreign exchange of \$34,459, (vi) professional fees of \$5,742, (vii) office and general expenses of \$77,883, and (viii) exploration expenditures of \$23,502. All other expenses relate to general working capital purposes.
- (7) Net loss of \$88,633 principally relates to (i) interest and dividend income of \$28,036, (ii) gain on foreign exchange of \$42,348, and (iii) change in fair value of derivative liability of \$229,000. This was offset by (iv) loss on marketable securities of \$138,662, (v) loss from investment in and loans to associate of \$137,846, (vi) professional fees of \$14,691, (vii) office and general expenses of \$75,814, and (viii) exploration expenditures of \$2,611. All other expenses relate to general working capital purposes.
- (8) Net loss of \$558,123 principally relates to (i) royalty income of \$3,558, (ii) interest and dividend income of \$23,450, (iii) gain on foreign exchange of \$54,083, and (iv) change in fair value of derivative liability of \$19,400. This was offset by (v) loss on marketable securities of \$23,543, (vi) loss from investment in and loans to associate of \$178,429, (vii) share-based payments of \$299,200, (viii) professional fees of \$6,521, (ix) office and general

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expenses of \$81,636, and (x) exploration expenditures of \$16,772. All other expenses relate to general working capital purposes.

Selected Annual Financial Information

The following is selected financial data derived from the audited annual consolidated financial statements of the Company as at December 31, 2019, 2018 and 2017 and for the years then ended.

	Year ended December 31, 2019	Year ended December 31, 2018	Year ended December 31, 2017
Total revenues	\$66,597	\$13,033	\$13,819
Total (loss) income ⁽¹⁾⁽²⁾	\$(533,735)	\$(1,104,771)	\$2,599,231
Net (loss) income per share – basic ⁽³⁾⁽⁴⁾	\$(0.01)	\$(0.03)	\$0.06
Net (loss) income per share – diluted ⁽³⁾⁽⁴⁾	\$(0.01)	\$(0.03)	\$0.06
	As at December 31, 2019	As at December 31, 2018	As at December 31, 2017
Total assets	\$4,718,714	\$5,426,357	\$6,608,019
Total non-current financial liabilities	\$68,620	\$103,039	\$nil
Distribution of cash dividends ⁽⁵⁾	\$nil	\$nil	\$nil

- (1) (Loss) income from continuing operations attributable to owners of the parent, in total;
(2) (Loss) income attributable to owners of the parent, in total;
(3) (Loss) income from continuing operations attributable to owners of the parent, on a per-share and diluted per share basis;
(4) (Loss) income attributable to owners of the parent, on a per-share and diluted per-share basis; and
(5) Declared per-share for each class of share.

- The net loss for the year ended December 31, 2019, consisted primarily of (i) royalty income – oil and gas of \$66,597; (ii) interest and dividend income of \$67,302; (iii) gain on marketable securities of \$257,028, and (iv) change in fair value of derivative liability of \$86,800. These amounts were offset by; (i) loss from investment in and loans to associate of \$515,099; (ii) exploration expenditure of \$25,323; (iii) payments to directors of \$30,000; (iv) depreciation of \$33,900, (v) interest expense of \$26,607; (vi) loss on foreign exchange of \$27,811; and (vi) other working capital expenditures incurred to maintain the operations of the Company.
- The net loss for the year ended December 31, 2018, consisted primarily of (i) royalty income – oil and gas of \$13,033; (ii) interest and dividend income of \$96,806; (iii) change in fair value of derivative liability of \$257,200 and (iv) gain on foreign exchange of \$169,382. These amounts were offset by (i) loss from investment in and loans to associate of \$332,918; (ii) Share-based payments of \$299,200 (iii) loss on marketable securities of \$434,693 (iv) office and general of \$295,448, (v) exploration expenditure of \$54,406; (vi) depreciation of \$33,900, and (vii) other working capital expenditures incurred to maintain the operations of the Company.
- The net income for the year ended December 31, 2017, consisted primarily of (i) royalty income – oil and gas of \$13,819; (ii) interest and dividend income of \$77,702; (iii) gain on marketable

securities of \$917,908; (iv) gain on debt settlement of \$240,000; (v) gain on deconsolidation of subsidiary of \$2,904,618 and (vi) other income of \$198,000. These amounts were offset by (i) loss on foreign exchange of \$159,939; (ii) change in fair value of derivative liability of \$82,400; (iii) loss from investment in and loans to associate of \$702,313; (iv) exploration expenditure of \$63,233; (v) depreciation of \$16,268, and (vi) other working capital expenditures incurred to maintain the operations of the Company.

The Company's ability to fund its operations is dependent upon its securing financing by issuing equity, by selling assets or from royalty income. The value of any oil and gas interest or mining interests is dependent upon the existence of economically recoverable reserves, the ability to obtain the necessary financing to complete exploration and development if such properties are proven successful, and the future profitable production or proceeds from disposition of such oil and gas interest or mining interests. See "Trends" above and "Risk Factors" below.

Major Shareholder and Related Party Disclosures

Major Shareholder

To the knowledge of the directors and senior officers of the Company, as at December 31, 2019, no person or corporation beneficially owns or exercises control or direction over common shares of the Company carrying more than 10% of the voting rights attached to all common shares of the Company other than as set out below:

Major shareholder	Number of common shares	Percentage of outstanding common shares
Anthony Roodenburg, Chief Executive Officer ("CEO") and a director	5,915,499	14.74%

None of the Company's major shareholders have different voting rights than other holders of the Company's common shares.

The Company is not aware of any arrangements the operation of which may at a subsequent date result in a change in control of the Company.

Related Party Disclosures

Related parties include the Board, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

The below noted transactions are in the normal course of business and are measured at the fair value, as agreed to by the parties, and approved by the Board in strict adherence to conflict of interest laws and regulations.

(a) Remuneration of key management of the Company was as follows:

The Company defines key management as its CEO, Chief Financial Officer ("CFO") and Board.

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Names	Year ended December 31, 2019 \$	Year ended December 31, 2018 \$
Carmelo Marrelli, CFO ⁽ⁱ⁾	42,788	51,151
Anthony Roodenburg, CEO and a director ⁽ⁱⁱ⁾	216,000	216,000
James Pirie, President and a director ⁽ⁱⁱⁱ⁾	30,000	30,000
Total	288,788	297,151

Director fees	Year ended December 31, 2019 \$	Year ended December 31, 2018 \$
Chris Irwin, director ^(iv)	15,000	15,000
Michael Power, director ^(iv)	15,000	15,000
Total	30,000	30,000

(i) During the year ended December 31, 2019, the Company incurred professional fees and disbursements of \$42,788 (year ended December 31, 2018 - \$51,151) to Marrelli Support Services Inc. ("Marrelli Support"), an organization of which Carmelo Marrelli is president. Mr. Marrelli is the CFO of Greencastle. These services were incurred in the normal course of operations for general accounting and financial reporting matters. Marrelli Support also provides bookkeeping services to the Company. All services were made on terms equivalent to those that prevail with arm's length transactions. As at December 31, 2019, Marrelli Support was owed \$2,155 (December 31, 2018 - \$11,210) and this amount was included in accounts payable and accrued liabilities.

(ii) For the year ended December 31, 2019, the Company paid management fees of \$216,000 (year ended December 31, 2018 - \$216,000) to Anthony Roodenburg as CEO of Greencastle, included in office and general. The amounts charged by Anthony Roodenburg are conducted on normal market terms and are recorded at their exchange value. As at December 31, 2019, Anthony Roodenburg was owed \$9,925 (December 31, 2018 - \$9,886) and this amount was included in accounts payable and accrued liabilities.

(iii) For the year ended December 31, 2019, the Company paid management fees of \$30,000 (year ended December 31, 2018 - \$30,000) to James Pirie for performing the duties of president of Greencastle, included in office and general. The amounts charged by James Pirie are conducted on normal market terms and are recorded at their exchange value. As at December 31, 2019, James Pirie was owed \$nil (December 31, 2018 - \$2,024) and this amount was included in accounts payable and accrued liabilities.

(iv) During the year ended December 31, 2019, directors of Greencastle received \$30,000 (year ended December 31, 2018 - \$30,000) in director fees.

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(v) Share-based payments:

Names	Year ended December 31, 2019 \$	Year ended December 31, 2018 \$
Anthony Roodenburg, CEO and a director	nil	149,600
James Pirie, President and a director	nil	37,400
Chris Irwin, director	nil	18,700
Michael Power, director	nil	18,700
Carmelo Marrelli, CFO	nil	7,480
Total	nil	231,880

(b) Other related party disclosures:

Names	Year ended December 31, 2019 \$	Year ended December 31, 2018 \$
DSA Corporate Services Inc. ("DSA") ⁽ⁱ⁾	14,104	11,268
Irwin Lowy LLP ("Irwin") ⁽ⁱⁱ⁾	10,738	11,936
Total	24,842	23,204

(i) During the year ended December 31, 2019, the Company incurred professional fees and disbursements of \$14,104 (year ended December 31, 2018 - \$11,268) to DSA, an organization of which Mr. Marrelli is also the corporate secretary and sole director of DSA. These services were incurred in the normal course of operations of corporate secretarial matters. All services were made on terms equivalent to those that prevail with arm's length transactions. As at December 31, 2019, DSA was owed \$1,978 (December 31, 2018 - \$908) and this amount was included in accounts payable and accrued liabilities.

(ii) Legal fees paid to Irwin, a company controlled by Chris Irwin, a director of Greencastle. As at December 31, 2019, Irwin was owed \$nil (December 31, 2018 - \$1,057) and this amount was included in accounts payable and accrued liabilities.

(iii) During the year ended December 31, 2019, the Company received rental income fees of \$37,500 (year ended December 31, 2018 - \$29,143) from Deveron UAS ("Deveron") which is included as other income in the consolidated statements of (loss) income.

Discussion of Operations

Year ended December 31, 2019, compared with year ended December 31, 2018

Greencastle's net loss totalled \$533,735 for the year ended December 31, 2019, with basic and diluted loss per share of \$0.01. This compares with a net loss of \$1,104,771 with basic and diluted loss per share of \$0.03 for the year ended December 31, 2018. The decrease of \$571,036 in net loss was principally due to the following:

- Gain on marketable securities for the year ended December 31, 2019, was \$308,016 (year ended December 31, 2018 – loss on marketable securities of \$434,693). This increase in gain of \$742,709 during the year was attributable to the change in fair market value of investments that created a higher gain during the year ended December 31, 2019, compared to the year ended December 31, 2018.
- Loss from investment in and loans to associate for the year ended December 31, 2019, was \$515,099 (year ended December 31, 2018 - \$332,918). This increase of \$182,181 was attributable to the retained investment in Deveron which was attributed to the retained investment in Deveron which is accounted for as an equity investment.
- Share-based payments decreased by \$299,200 for the year ended December 31, 2019 compared to the year ended December 31, 2018. The decrease is due to the timing of expensing the estimated fair value of stock options granted in current period. The Company expenses its stock options in accordance with the vesting terms of the stock options granted.
- Exploration expenditures for the year ended December 31, 2019, were \$25,323 (year ended December 31, 2018 – \$54,408). The change for the year ended December 31, 2019, was a decrease in exploration expenditures of \$29,083 compared to the same period in 2017. The decrease was attributable to lower expenditures during the year ended December 31, 2019.
- All other expenses related to working capital expenditures.

Three months ended December 31, 2019, compared with three months ended December 31, 2018

Greencastle's net income totalled \$15,111 for the three months ended December 31, 2019, with basic and diluted income per share of \$0.00. This compares with a net loss of \$421,482 with basic and diluted loss per share of \$0.01 for the three months ended December 31, 2018. The increase of \$436,593 in net income was principally due to the following:

- Gain on marketable securities for the three months ended December 31, 2018, was \$255,557 (three months ended December 31, 2018 – loss on marketable securities of \$282,027). This increase in gain of \$539,647 during the period was attributable to the change in fair market value of investments that created a higher gain during the three months ended December 31, 2019, compared to the three months ended December 31, 2018.
- Loss from investment in and loans to associate for the three months ended December 31, 2019, was \$194,731 (three months ended December 31, 2018 - \$131,150). This increase of \$63,581 was attributable to the retained investment in Deveron which was accounted for as an equity investment.

- Exploration expenditures for the three months ended December 31, 2019, were a recovery of \$24,914 (year ended December 31, 2018 – \$11,521). The change for the three months ended December 31, 2018, was an increase in exploration expenditures recovery of \$36,435 compared to the same period in 2018.
- All other expenses related to working capital expenditures.

Greencastle's total assets at December 31, 2019 were \$4,718,714 (December 31, 2018 - \$5,426,357) against total liabilities of \$162,538 (December 31, 2018 - \$287,466). The decrease in total assets of \$707,643 resulted from cash inflows from proceeds from sale of marketable securities, loan repayment from associate and interest and dividends received which was offset by cashoutflows on investment in associate, operating costs, share repurchase and purchase of marketable securities. The Company has sufficient current assets to pay its existing liabilities of \$162,538 at December 31, 2019.

Cash Flow

At December 31, 2019, the Company had cash and cash equivalents of \$474,482. The decrease in cash and cash equivalents of \$363,747 from the December 31, 2018 cash and cash equivalents balance of \$838,229 was as a result of cash outflow in operating activities of \$477,896, cash outflow from financing activities of \$65,510 and cash inflow from investing activities of \$121,977. Operating activities were affected by adjustments of depreciation of \$33,900, change in fair value of derivative liability of \$86,800, gain on marketable securities of \$258,071, interest expense of \$26,607, loss from investment in and loans to associate of \$515,099 and net change in non-cash working capital balances of \$56,606 because of a decrease in sundry receivable of \$7,465, an increase in prepaid expenses of \$473, a decrease in accounts payable and accrued liabilities of \$10,740 and lease payments of \$52,858. Financing activities were affected by share repurchase of \$65,510. Investing activities were affected by proceeds from sale of marketable securities of \$589,386, interest and dividends received of \$67,302, which was offset by purchase of marketable securities of \$589,386 and purchase of shares in investment in associate of \$64,730.

Liquidity and Financial Position

The Company expects to be financed through the completion of equity transactions such as equity offerings and the exercise of stock options and warrants. There is no assurance that future equity capital will be available to the Company in the amounts or at the times desired by the Company or on terms that are acceptable to it, if at all. See "Cautionary Note Regarding Forward-Looking Statements" and "Risk Factors".

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than Policy 2.5 of the TSXV which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As of December 31, 2019, the Company is compliant with TSXV Policy 2.5.

During fiscal 2019, the Company's corporate head office costs are estimated to average \$125,000 per quarter. Head office costs include professional fees, reporting issuer costs, business development costs and general and administrative costs. Head office costs exclude exploration expenses. The cost of acquisition and work commitments on the new acquisitions cannot be accurately estimated.

See "Risk Factors".

Based on the Company working capital of \$2,612,882 at December 31, 2019 (December 31, 2018 - \$2,745,747), it is anticipated the Company will have sufficient funds to fund its exploration budget of \$22,000, plans for its oil and gas prospects of \$10,000, current liabilities of \$93,918 and estimated remaining operating expenses of \$500,000 (\$125,000 per quarter), for fiscal 2020.

Management of Capital

The Company manages its capital with the following objectives:

- (i) To ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- (ii) To maximize shareholder return.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets.

The capital structure is reviewed by management and the Board on an ongoing basis. The Company considers its capital to be equity, comprising share capital, reserves and deficit which at December 31, 2019, totaled \$4,556,176 (December 31, 2018 - \$5,138,891). The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on the Company's exploration and evaluation activities and oil and gas activities. Information is provided to the Board. The Company's capital management objectives, policies and processes have remained unchanged during the year ended December 31, 2019. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than Policy 2.5 of the TSXV which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As of December 31, 2019, management believes it is compliant with known requirements.

Share Capital

The Company is authorized to issue an unlimited number of common shares and special shares. As of the date of this MD&A, the Company had 40,117,671 common shares outstanding and no warrants.

As of the date of this MD&A, the following stock options were outstanding:

Options	Expiry Date	Exercise Price
4,000,000	January 10, 2023	\$0.10
4,000,000		

Financial Instruments

(a) Financial risk

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign currency rate and price risk).

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board. The Board also provides regular guidance for overall risk management.

(i) Credit risk

Credit risk is the risk of loss associated with a counterpart's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents, marketable securities, sundry receivable, royalties receivable and investment in and loans to associate. Cash and cash equivalents consist of money market investments, which have been invested with Canadian financial institutions. Marketable securities includes investments in equity of companies listed on the North American markets and which investments are held in a Canadian financial institution. Financial instruments included in sundry receivable consist of sales taxes receivable from government authorities in Canada. Royalties receivable consist of amounts owed to the Company by the operators of the Primate Property in Saskatchewan and the Spirit River property in Alberta. Sundry receivable is in good standing as of December 31, 2019. Investment in and loans to associate consists of investment in Deveron and amounts owed by Deveron. Management believes that the credit risk concentration with respect to financial instruments is minimal.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they become due, or can only do so at excessive cost. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. As at December 31, 2019, the Company had a cash and cash equivalents balance of \$474,482 (December 31, 2018 - \$838,229) to settle current liabilities of \$93,918 (December 31, 2018 - \$184,427). All of the Company's financial liabilities have contractual maturities of less than 90 days and are subject to normal trade terms, except for the securities to be sold under repurchase agreements. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity.

(iii) Market risk

Interest rate risk

Interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. The Company has cash balances and no interest-bearing debt, except for the lease liability. The Company's current policy is to invest surplus cash in money market investments that pay out interest income. The Company periodically monitors the money market investment it makes and is satisfied with the creditworthiness of these investments.

Foreign currency risk

Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using cash flow forecasting. The Company's functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company funds certain operations, exploration and administrative expenses in the United States on a cash call basis using US dollar converted from its Canadian dollar bank accounts held in Canada. The Company maintains US dollar bank accounts in Canada. The Company is subject to gains and losses due to fluctuations in the US dollar against the Canadian dollar.

Price risk

The Company is exposed to price risk with respect to equity prices and commodity prices. Equity price risk is defined as the potential adverse impact on the Company's loss due to movements in individual equity prices or general movements in the level of stock market. Commodity price risk is defined as the potential adverse impact and economic value due to commodity price movements and volatilities.

The Company has approximately \$2.2 million invested in marketable securities. These investments are classified as fair value through profit and loss ("FVTPL") and are subject to equity price risk. The fluctuation in the price of these marketable securities could have a significant impact on the Company's profit or loss for the year ended December 31, 2019. The Company's year end equity would also increase or decrease by the additional profit or loss amount.

(b) Sensitivity analysis

The sensitivity analysis shown in the notes below may differ materially from actual results. Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over a twelve month period.

(i) The Company receives no interest on its cash balances and, as such, does not have significant interest rate risk.

(ii) The Company is exposed to foreign currency risk on fluctuations of financial instruments related to cash and cash equivalents that are denominated in US dollars. As at December 31, 2019, had the US dollar decreased/increased by 10% against the Canadian dollar with all other variables held constant, the Company's reported net loss for the year ended December 31, 2019, would have been approximately \$17,500 higher/lower. Similarly, as at December 31, 2019, the Company's reported shareholders' equity would have been approximately \$17,500 lower/higher as a result of a 10% decrease/increase in the US dollar.

(iii) Royalty revenue from oil and gas and receivable from royalty revenue are impacted by changes in oil and natural gas price because the increase or decrease in oil and gas price will increase or decrease the Company's revenue and the amount of royalties receivable accordingly. Had oil and gas prices increased/decreased by 10% with all other variables held constant, the Company's reported net loss for the year ended December 31, 2019, would have been approximately \$6,600 higher/lower. Similarly, as at December 31, 2019, reported shareholders' equity would have been approximately \$6,600 higher/lower as a result of a 10% increase/decrease in oil and natural gas prices.

Commodity prices for gold, silver, oil, gas and other metals and materials could also adversely affect the Company. In particular, the Company's future profitability and viability depends upon the world market price of these commodities. Commodity prices have fluctuated significantly in recent years. There is no assurance that, even if commercial quantities of these commodities can be discovered in the future, a profitable market will exist for them. As at December 31, 2019, the Company was not a producer of any commodities. Even so, commodity price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options.

The Company's marketable securities are denominated in Canadian and US dollars and are subject to fair value fluctuations. As at December 31, 2019, if the fair value of the Company's marketable securities had increased/decreased by 10% with all other variables held constant, loss for the year ended December 31, 2019, would have been approximately \$206,000 lower/higher. Similarly, as at December 31, 2019, the Company's reported shareholders' equity would have been approximately \$206,000 higher/lower as a result of a 10% increase/decrease in marketable securities.

Equity Investments

During the year ended December 31, 2017, the Company concluded that in accordance with IFRS it no longer has control of Deveron since the number of common shares held by the Company decreased from 42.04% to 28%. As a result of the deemed loss of control the Company no longer consolidates Deveron's financial position and performance. After deconsolidation, the retained investment in Deveron is accounted for as an equity investment.

As at December 31, 2019, Greencastle's holdings in Deveron was 28% (December 31, 2018 – 22.5%).

The Company is considered to have significant influence over Deveron due to the percentage of its equity interest in Deveron and its representation on Deveron's board of directors. Accordingly, Greencastle accounts for its investment in Deveron using the equity method.

Under the equity method, the Company's investments are initially recognized at cost, and the carrying amounts are increased or decreased to recognize the Company's share of the profit or loss after the date of acquisition. Loss on the equity investment was \$515,099 for the year ended December 31, 2019.

The carrying value of the equity investment in Deveron is \$1,927,162 as at December 31, 2019 (December 31, 2018 - \$2,377,531).

The fair value of the Company's equity investment in Deveron is \$1,934,910 based on the closing share price, as at December 31, 2019.

Description of Deveron

At present, Deveron is a leading agriculture technology company focused on providing data acquisition services and data analytics to the farming sector in North America. Through its on-demand network of drone pilots and soil sampling technicians, the company is providing scalable data acquisition solutions in the imagery and soil space. Additionally, through its wholly owned subsidiary Veritas Farm Business Management ("Veritas"), the company provides growers in North America with independent data insight on the data it collects and is being generated on today's farm. On July 19, 2016, Deveron's common shares started trading on the CSE under the symbol "DVR". The primary office is located at The Canadian Venture Building, 82 Richmond Street East, Toronto, Ontario, M5C 1P1.

Corporate Update

On March 25, 2019, Deveron granted 2,575,000 stock options to certain officers, employees and advisors to Deveron. The stock options, at a price of \$0.30 per share, will expire in three and five years from the issue date.

On March 31, 2019, 500,000 stock options with an exercise price of \$0.37 were cancelled.

On July 1, 2019, Deveron granted 660,000 options to employees and advisors of Deveron. The options, at prices ranging from \$0.30 - \$0.375 per share, vest immediately and will expire on March 18, 2020 and November 22, 2022.

On July 14, 2019, 400,000 options with an exercise price of \$0.25 expired unexercised.

On September 6, 2019, Deveron acquired all of the issued and outstanding shares of Atlas Team Ltd. ("Atlas"). Deveron issued an aggregate of 250,000 common shares of the capital of Deveron.

On January 7, 2020, Deveron and Huron Tractor Limited ("Huron Tractor") limited jointly announced a continuation of the collaborative initiative between Huron Tractor and Veritas, a wholly owned subsidiary of Deveron.

On April 7, 2020, Deveron closed a non-brokered private placement (the "Offering") of units ("Units") with a group of strategic investors led by Bill Linton. The Offering was completed at a price of \$0.10 per Unit for gross proceeds of \$655,000 and a total of 6,550,000 Units issued.

On April 17, 2020, Deveron announced the closing of a second and final tranche of a non-brokered private placement ("Second Offering") of units ("Second Units") with a group of strategic investors. The final tranche was completed at a price of \$0.10 per Unit for gross proceeds of \$700,000 and a total of 7,000,000 Units issued. Deveron issued a total of 13,550,000 Units for aggregate gross proceeds of \$1,355,000 in connection with the Offering.

UAS Update

Deveron continues to develop a drone data network to provide on-demand, field level data to enterprises in the agricultural industry. The focus of Deveron is to work with leading hardware, sensor and analytics providers to provide a scalable solution for using drones on the farm. Deveron continues to develop relationships with leading players in the agricultural space that see the value of working with a service based, standardized drone network.

On January 3, 2019, Deveron and agriculture retailer South West Agromart ("South West"), a member of the Agromart Company of Canada, jointly announced a collaborative initiative between South West and Veritas. This joint initiative is a fresh approach to introducing value-added data solutions to farmers in south western Ontario, including precision farming applications.

On January 23, 2019, Deveron announced the launch of new product offerings for crop researchers and breeders. These tools enable the rapid collection of measurements across research trials for more efficient and insightful monitoring.

On January 29, 2019, Deveron announced that it entered into a service agreement with A & L Canada Laboratories Inc. ("A & L") in which A & L will engage Deveron to administer, manage and execute A & L's soil sampling collection business. The initial term of the agreement is for 5 years and has an anticipated value of \$3.8M over the term of the agreement.

On March 11, 2019, Deveron announced that it was awarded an artificial intelligence ("AI") for Earth grant from Microsoft to help further Deveron efforts in AI and making recommendations and predictions using agricultural data.

On May 7, 2019, Deveron announced that it entered into a partnership and distribution agreement with AIRINOV to provide North American growers with a solution for managing in-season crop nutrient applications. The offering will use high-resolution in-season imagery collected by Unmanned Aerial Vehicle ("UAV") to drive nitrogen placement decisions in crops such as wheat, barley, oats and canola. AIRINOV, based in France, is a pioneer in drone-based digital agriculture solutions and has demonstrated the success of its algorithms to drive increased profits ranging from \$42 to \$61 per acre across multiple crops.

On May 16, 2019, Deveron announced that it partnered with World Class Extractions to provide its network of hemp growers and affiliates with best in class data insights through a custom data program in the United States and Canada.

On June 11, 2019, Deveron announced the engagement of several global leaders in agricultural research to service high-value research plots on the Canadian Prairies and US Midwest for the 2019 agricultural season. The work will use imagery collected by UAV to enable new efficiencies in high-throughput phenotyping and crop protection research for the advancement of various crop technologies. The projects will cover a wide range of growing environments, including Missouri, North Dakota, Ohio, and Saskatchewan. The development of these pilot projects will be evaluated for future years after data from this season has been analyzed.

On August 13, 2019, Deveron announced it has entered into an agreement to acquire Kansas City, Missouri based digital agriculture provider Atlas. On September 6, 2019, Deveron completed the acquisition of all of the issued and outstanding membership interest of Atlas.

Outlook

The Company intends to continue exploring properties that have the potential to contain economic deposits of gold or silver and/or other metals. In addition, management will review project submissions, and conduct independent research, for projects in such jurisdictions and commodities as it may consider prospective.

The Company continues to monitor its spending and will amend its plans based on business opportunities that may arise in the future.

There is no assurance that equity capital will be available to the Company in the future in the amounts or at the times desired or on terms that are acceptable to the Company, if at all. See "Risk Factors" below.

Proposed Transactions

There are no proposed transactions of a material nature being considered by the Company.

New Accounting Standards Adopted

On June 7, 2017, the IASB issued IFRIC 23 - Uncertainty Over Income Tax Treatments ("IFRIC 23"). IFRIC 23 provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments. IFRIC 23 is applicable for annual periods beginning on or after January 1, 2019. As at January 1, 2019, the

Company adopted this standard and there was no material impact on the Company's consolidated financial statements.

Risk Factors

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Only investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment should undertake such investment. Prospective investors should carefully consider the risk factors described below.

Oil and Gas Operations

Oil and gas operations generally involve a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Hazards such as unusual or unexpected formations and other conditions are involved. Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production in oil and gas, any of which could result in work stoppages, damage to or destruction of wells and other producing facilities, damage to life and property, environmental damage and possible legal liability for any or all damage.

Exploration Stage Company and Exploration Risks

As well as its investment and oil and gas activities, the Company also focuses on the acquisition and exploration of mineral properties located in Canada and USA. Its properties have no established reserves. There is no assurance that any of the projects can be mined profitably. Accordingly, it is not assured that the Company will realize any profits in the short to medium term, if at all, from its mineral properties. Any profitability in the future from the business of exploration will be dependent upon developing and commercially mining an economic deposit of minerals, which in itself is subject to numerous risk factors. The exploration and evaluation of mineral deposits involve a high degree of financial risk over a significant period of time that even a combination of management's careful evaluation, experience and knowledge may not eliminate. While discovery of mineralized structures may result in substantial rewards, few properties that are explored are ultimately developed into producing mines. Major expenses may be required to establish reserves by drilling and to construct mining and processing facilities at a particular site. It is impossible to ensure that the current exploration programs of the Company will result in profitable commercial mining operations. The profitability of the Company's operations will be, in part, directly related to the cost and success of its exploration and evaluation programs, which may be affected by a number of factors. Substantial expenditures are required to establish reserves that are sufficient to commercially mine some of the Company's properties and to construct, complete and install mining and processing facilities on those properties that are actually mined and developed.

No History of Profitability from Mineral Exploration

The Company is an exploration stage company with no history of profitability from mineral exploration. There can be no assurance that its operations will be profitable in the future. The Company has limited financial resources and will require additional financing to further explore, acquire, retain, develop (if properties are proven successful) and engage in commercial production on its property interests and, if financing is unavailable for any reason, the Company may become unable to acquire and retain its mineral concessions and carry out its business plan.

Government Regulations

The Company's exploration operations are subject to government legislation, policies and controls relating to prospecting, development, production, environmental protection, mining taxes and labour standards. In order for the Company to carry out its mining activities, its exploitation licences must be kept current. There is no guarantee that the Company's exploitation licences will be extended or that new exploitation licences will be granted. In addition, such exploitation licences could be changed and there can be no assurances that any application to renew any existing licences will be approved. The Company may be required to contribute to the cost of providing the required infrastructure to facilitate the development of its properties when such properties are proven successful. The Company will also have to obtain and comply with permits and licences that may contain specific conditions concerning operating procedures, water use, waste disposal, spills, environmental studies, abandonment and restoration plans and financial assurances. There can be no assurance that the Company will be able to comply with any such conditions.

Market Fluctuations and Commercial Quantities

The market for minerals is influenced by many factors beyond the Company's control, such as changing production costs, the supply and demand for minerals, the rate of inflation, the inventory of mineral producing companies, the international economic and political environment, changes in international investment patterns, global or regional consumption patterns, costs of substitutes, currency availability and exchange rates, interest rates, speculative activities in connection with minerals, and increased production due to improved mining and production methods. The metals industry in general is intensely competitive and there is no assurance that, even if commercial quantities and qualities of metals are discovered, a market will exist for the profitable sale of such metals. Commercial viability of precious and base metals and other mineral deposits may be affected by other factors that are beyond the Company's control, including particular attributes of the deposit such as its size, quantity and quality, the cost of mining and processing, proximity to infrastructure and the availability of transportation and sources of energy, financing, government legislation and regulations including those relating to prices, taxes, royalties, land tenure, land use, import and export restrictions, exchange controls, restrictions on production, as well as environmental protection. It is impossible to assess with certainty the impact of various factors that may affect commercial viability so any adverse combination of such factors may result in the Company's not receiving an adequate return on invested capital.

Mining Risks and Insurance

The Company is subject to risks normally encountered in the mining industry, such as unusual or unexpected geological formations, cave-ins or flooding. The Company may become subject to liability for pollution, damage to life or property and other hazards of mineral exploration against which it or the operator if its exploration programs cannot insure or against which it or such operator may elect not to insure because of high premium costs or other reasons. Payment of such liabilities would reduce funds available for acquisition of mineral prospects or exploration and evaluation and would have a material adverse effect on the financial position of the Company.

Environmental Protection

The mining and mineral processing industries are subject to extensive governmental regulations for the protection of the environment, including regulations relating to air and water quality, mine reclamation, solid and hazardous waste handling and disposal and the promotion of occupational health and safety, which may adversely affect the Company or require it to expend significant funds.

Capital Investment

The ability of the Company to continue exploration and evaluation of its property interests will be dependent upon its ability to raise significant additional financing. There is no assurance that adequate financing will be available to the Company or that the terms of such financing will be favourable. Should the Company not be able to obtain such financing, its properties may be lost entirely.

Conflicts of Interest

Certain of the directors and officers of the Company may also serve as directors and officers of other companies involved in base and precious metal exploration and evaluation and consequently, the possibility of conflict exists. Any decisions made by such directors involving the Company will be made in accordance with the duties and obligations of directors to deal fairly and in good faith with the Company and such other companies. In addition, such directors will declare, and refrain from voting on, any matters in which they may have a conflict of interest.

Management

The success of the Company is currently largely dependent on the performance of its management. Shareholders will be relying on the good faith, experience and judgment of the Company's management and advisers in supervising and providing for the effective management of the Company's business. The loss of the services of these persons could have a materially adverse effect on the Company's business and prospects. There is no assurance the Company can maintain the services of its management or other qualified personnel required to operate its business. Failure to do so could have a materially adverse effect on the Company and its prospects.

Additionally, directors and officers of the Company may also serve as directors and/or officers of other reporting issuers from time to time.

Consequently, such directors and officers will be dividing their time between their duties to the Company and their duties to their other reporting issuers.

The Company has not purchased "key-man" insurance, nor has it entered into non-competition and non-disclosure agreements with management and has no current plans to do so.

Financial Markets

Greencastle has identified the extreme volatility occurring in the financial markets as a significant risk for the Company. As a result of the market turmoil, investors are moving away from assets they perceive as risky to those they perceive as less so. Companies like Greencastle are considered risk assets and as mentioned above are highly speculative. The volatility in the markets and investor sentiment may make it difficult for Greencastle to access the capital markets in order to raise the capital it will need to fund its current level of expenditures.

Share Prices of Investments

The Company's investments in securities of public companies are subject to volatility in the share prices of the companies. There can be no assurance that an active trading market for any of the shares is sustainable. The trading prices of the shares could be subject to wide fluctuations in response to various factors beyond the control of Greencastle, including: quarterly variations in the investee companies' results of operations; changes in earnings, if any; estimates or commentaries provided by research analysts; conditions in the emerging resource exploration mining sector; and

general market or economic conditions. In recent years, equity markets have experienced extreme price and trading volume fluctuations. These fluctuations have had a substantial effect on market prices, sometimes unrelated to the operating performance of the specific companies. Such market fluctuations could adversely affect the market price of the Company's investments, which would have a significant negative impact on the Company's operating results.

Public Health Crises

The Company faces risks related to pandemics and epidemics, such as the outbreak of the coronavirus that surfaced in December 2019 in Wuhan, Hubei Province, China and has spread to other countries around the world, including Canada and the United States, which could significantly disrupt the Company's operations and may materially and adversely affect its business and financial condition. The extent to which the coronavirus impacts the Company's business, including its operations and the market for its securities, will depend on future developments which are highly uncertain and cannot be predicted at this time, including the duration, severity and scope of the coronavirus outbreak and the actions taken by various government authorities to contain or treat the outbreak. In particular, the continued spread of the coronavirus could materially and adversely impact the Company's business, including without limitation, employee health, workforce productivity, increased insurance premiums and medical costs, restrictions on travel by the Company's personnel and by the personnel of the Company's various optionees, the availability of industry experts and personnel, and other factors that will depend on future developments beyond the Company's control, all or some of which may have a material adverse effect on the Company's business, financial condition and results of operations.

In addition, a significant outbreak of coronavirus could result in a widespread global health crisis that could adversely affect global economies and financial markets resulting in an economic downturn that could have an adverse effect on the Company's business, financial condition and results of operations.

The management of the Company rests on some key personnel and mostly on its CEO. The loss of the CEO could have a negative impact on the development and the success of its operations.

Disclosure of Internal Controls

Management has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence to ensure that (i) the consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the years presented by the consolidated financial statements; and (ii) the consolidated financial statements fairly present in all material respects the financial condition, financial performance and cash flows of the Company, as of the date of and for the years presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate filed by the Company does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing such certificate are not making any representations relating to the establishment and maintenance of:

- i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of unaudited condensed interim consolidated financial statements for external purposes in accordance with the issuer's generally accepted accounting principles (IFRS).

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in such certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Additional Information

Additional information concerning the Company is available on Sedar at www.sedar.com.

Office and General

	Year ended December 31, 2019 \$	Year ended December 31, 2018 \$
Office and general	66,478	73,385
Salaries and benefits	251,001	251,206
	317,479	324,591

Exploration Expenditures

Jewel Ridge Prospect, Nevada

	Year ended December 31, 2019 \$	Year ended December 31, 2018 \$
Claim maintenance	43,920	39,463
Cash received for option	(25,000)	nil
Consulting fees	nil	3,444
Other	nil	920
	18,920	43,827

Greencastle Resources Ltd.
Management's Discussion and Analysis
Year Ended December 31, 2019
Discussion dated: April 27, 2020

Indian Creek Project, Nevada

	Year ended December 31, 2019 \$	Year ended December 31, 2018 \$
Claim maintenance	4,609	4,343
	4,609	4,343

Boggy Lake – Cabri Area, southwestern Saskatchewan

	Year ended December 31, 2019 \$	Year ended December 31, 2018 \$
Well abandonment and site cleanup reversal	nil	nil
Other	nil	288
	nil	288

Primate project - Saskatchewan

	Year ended December 31, 2019 \$	Year ended December 31, 2018 \$
Lease maintenance	1,794	906
	1,794	906

Ferrier Project - Alberta

	Year ended December 31, 2019 \$	Year ended December 31, 2018 \$
Insurance	nil	768
Lease maintenance	nil	4,165
Travel	nil	111
	nil	5,044

Events After The Reporting Period

(i) Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses

globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operating subsidiaries in future periods.

(ii) On January 28, 2020, 1,900,000 options with an exercise price of \$0.10 expired unexercised.

