

A copy of this preliminary short form prospectus has been filed with the securities regulatory authorities in every province of Canada (except Québec) but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary short form prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the short form prospectus is obtained from the securities regulatory authorities.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons authorized to sell such securities. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any state securities laws. Accordingly, these securities may not be offered or sold within the "United States" or to "U.S. Persons" (as such terms are defined in Regulation S under the U.S. Securities Act) unless registered under the U.S. Securities Act and all applicable state securities laws or pursuant to exemptions from such registration requirements. See "Plan of Distribution".

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Financial Officer of SRHI Inc. at, 18 King St. East, Suite 902, Toronto, Ontario M5C 1C4, telephone: (416) 943-7107 and are also available electronically at www.sedar.com.

PRELIMINARY SHORT FORM PROSPECTUS

New Issue

March 19, 2021



SRHI INC.

\$10,010,000
18,200,000 Units

This short form prospectus qualifies the distribution of 18,200,000 units (the "**Units**") of SRHI Inc. (the "**Company**") at a price of \$0.55 per Unit (the "**Offering Price**") for aggregate gross proceeds of \$10,010,000 (the "**Offering**"). Each Unit will consist of one Class A common share in the capital of the Company (a "**Unit Share**") and one transferable class A common share purchase warrant of the Company (a "**Unit Warrant**"). Each Unit Warrant will entitle the holder thereof to acquire, subject to adjustment in certain circumstances, one additional class A common share in the capital of the Company (each a "**Warrant Share**") at an exercise price of \$0.70 per Warrant Share at any time prior to 4:00 p.m. (Toronto time) on the date that is eighteen (18) months following the Closing Date (as hereinafter defined). The terms of the Offering, including the Offering Price, were determined by negotiation between the Company, PI Financial Corp. and Eight Capital as co-lead underwriters and co-book runners, on their own behalf and on behalf of Red Cloud Securities Inc. (collectively, the "**Underwriters**").

The outstanding class A common shares of the Company (the "**Common Shares**") are listed and posted for trading on the Toronto Stock Exchange (the "**TSX**") under the symbol "SRHI". The Company has applied to list the Unit Shares to be distributed under this short form prospectus on the TSX, as well as the Warrant Shares issuable upon exercise of the Unit Warrants and the Common Shares issuable upon exercise of the Compensation Warrants (as defined herein). Listing will be subject to the Company fulfilling all of the listing requirements of the TSX. On March 15, 2021, the last trading day prior to the announcement of the Offering, the closing price of the Common Shares on the TSX was \$0.67 per Common Share. On March 18, 2021, the last trading day prior to the date of this short form prospectus, the closing price of the Common Shares on the TSX was \$0.57 per Common Share.

PRICE: \$0.55 PER UNIT

	Price to the Public	Underwriters' Fee ⁽¹⁾	Net Proceeds to the Company ⁽²⁾
Per Unit	\$0.55	\$0.03	\$0.52
Total Offering ⁽³⁾	\$10,010,000	\$600,600	\$9,409,400

Notes:

- (1) Upon the closing of the Offering, the Company will: (a) pay the Underwriters a cash commission (the "**Underwriters' Fee**") equal to 6% of the gross proceeds of the Offering, including proceeds realized from the sale of any Units sold pursuant to the exercise of the Over-Allotment Option (as defined below); and (b) subject to compliance with all required regulatory approvals, issue to the Underwriters Compensation Warrants (the "**Compensation Warrants**") entitling the Underwriters to purchase that number of Common Shares equal to 6% of the aggregate number of Units sold under the Offering at a price equal to the Offering Price for a period of 18 months from the Closing Date (as defined below). This prospectus also qualifies the distribution of the Compensation Warrants. See "*Plan of Distribution*".
- (2) After deducting the Underwriters' Fee but before deducting expenses of the Offering estimated to be \$200,000, which, together with the Underwriters' Fee, will be paid from the proceeds of the Offering.
- (3) The Company has granted the Underwriters an over-allotment option (the "**Over-Allotment Option**"), exercisable in whole or in part, from time to time, for a period of 30 days from closing of the Offering (including the date thereof), to purchase up to an additional 2,730,000 Units (the "**Additional Units**") at the Offering Price per Additional Unit to cover over-allotments, if any, and for market stabilization purposes. The Over-Allotment Option may be exercised by the Underwriters: (i) to acquire Additional Units at the Offering Price; or (ii) to acquire additional Unit Shares (the "**Additional Shares**") at a price of \$0.51 per Additional Share; or (iii) to acquire additional Warrants (the "**Additional Warrants**") at a price of \$0.04 per Additional Warrant; or (iv) to acquire any combination of Additional Units, Additional Shares and Additional Warrants, so long as the aggregate number of Additional Shares and Additional Warrants that may be issued under such Over-Allotment Option does not exceed 2,730,000 Additional Shares and 2,730,000 Additional Warrants. The Additional Units, Additional Shares and Additional Warrants are collectively referred to herein as the "**Over-Allotment Securities**". This Prospectus qualifies the grant of the Over-Allotment Option and the distribution of the Over-Allotment Securities issuable upon exercise of the Over-Allotment Option. A purchaser who acquires Over-Allotment Securities forming part of the Underwriter's over-allocation position acquires those Over-Allotment Securities under this Prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. If the Over-Allotment Option is exercised in full, the total price to the public, Underwriters' Fee and net proceeds to the Company (before deducting expenses of the Offering) in respect of the Offering will be \$11,511,500, \$690,690 and \$10,820,810, respectively. Where applicable, references to "Offering", "Units", "Unit Shares", "Unit Warrants" and "Warrant Shares" include the Over-Allotment Securities issuable upon the exercise of the Over-Allotment Option. See "*Plan of Distribution – Over-Allotment Option*".

The following table sets forth the number of securities that may be issued by the Company pursuant to the exercise of the Over-Allotment Option:

Underwriters' Position	Maximum Size or Number of Securities Available	Exercise Period	Exercise Price
Over-Allotment Option	2,730,000 Additional Units	For a period of 30 days from closing of the Offering	\$0.55 per Additional Unit

The Underwriters, as principals, conditionally offer the Units, subject to prior sale, if, as and when issued by the Company and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement referred to under "Plan of Distribution" and subject to the approval of certain legal matters on behalf of the Company by Peterson McVicar LLP and on behalf of the Underwriters by Blake, Cassels & Graydon LLP.

Subject to applicable law, the Underwriters may, in connection with the Offering, over-allocate or effect transactions that stabilize or maintain the market price of the Common Shares at levels other than those that otherwise might prevail on the open market. Such transactions, if commenced, may be discontinued at any time. See "*Plan of Distribution*".

Subscriptions for Units will be received subject to rejection or allotment in whole or in part and the Underwriters reserve the right to close the subscription books at any time without prior notice. Closing of the Offering (the "**Closing**") is expected to take place on April 7, 2021 or such other date as may be agreed upon by the Company and the Underwriters (the "**Closing Date**"). The Units are to be taken up by the Underwriters, if at all, on or before the date that is not later than 42 days after the date of the receipt for the final short form prospectus related to the Offering. The Offering will be conducted under the book-based system (subject to certain limited exceptions). Except in certain limited circumstances, a subscriber who purchases Units will receive a customer confirmation from the registered dealer from or through whom Units are purchased and who is a CDS Clearing and Depository Services Inc. ("**CDS**") depository service participant. CDS will record the CDS participants who hold Units on behalf of owners

who have purchased Units in accordance with the book-based system. No certificates evidencing the Units will be issued, except in certain limited circumstances, and registration will be made in the name of the nominee of CDS. See "*Plan of Distribution*".

The Underwriters propose to offer the Units initially at the Offering Price specified above. After a reasonable effort has been made to sell all of the Units at the Offering Price, the Underwriters may subsequently reduce the selling price to investors from time to time in order to sell any of the Units remaining unsold. Any such reduction will not affect the proceeds received by the Company. The Underwriters will inform the Company if the Offering Price is reduced. See "*Plan of Distribution*".

There is currently no market through which the Unit Warrants can be sold and purchasers may not be able to resell the Unit Warrants purchased under this short form prospectus. This may affect the pricing of the Unit Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Unit Warrants, and the extent of issuer regulation. See "*Risk Factors*".

An investment in the Units is subject to various risks that should be considered by prospective subscribers including those risks inherent to the industries in which the Company operates. Prospective subscribers should carefully consider the risks described under "*Risk Factors*" before deciding whether to invest in any Units.

Bo Liu is a director of the Company residing outside of Canada and has appointed the Company at its registered office set forth below as his agent for service of process. Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person that resides outside of Canada, even if the person has appointed an agent for service of process.

The Company's registered and head office is located at c/o Peterson McVicar LLP, 18 King St. East, Suite 902, Toronto, Ontario M5C 1C4.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This short form prospectus contains or incorporates by reference "forward-looking statements" and "forward-looking information" (collectively, "**forward-looking statements**") within the meaning of applicable Canadian securities legislation and applicable U.S. securities laws concerning the Company's plans for its properties, operations and other matters. Except for statements of historical fact relating to the Company, certain statements contained herein or incorporated by reference constitute forward-looking statements including, but not limited to, statements regarding the completion of the Offering and the timing thereof, the use of the proceeds of the Offering, expectations regarding the costs, timing and benefits of constructing and mining of the Company's mineral interests, development and production estimates, the anticipated success of mineral processing procedures, proposed business plans, anticipated business trends and metal prices, future anticipated operating costs, reclamation cost estimates, revenues, cash flow and the effects of the novel coronavirus ("**COVID-19**") outbreak as a global pandemic, and may relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "expects" or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "estimates", "believes", "proposed", "intends" or "does not intend", or stating that certain actions, events or results "may", "could", "would", "might" or "will" be, or not be, taken, occur or be or not be achieved) are not statements of fact and may be forward-looking statements.

Forward-looking statements are subject to a variety of risks and uncertainties, many of which are beyond the Company's control, which could cause actual events or results to differ materially and adversely from those reflected in the forward-looking statements. These risks are described or referred to below under the heading "*Risk Factors*" in this short form prospectus, and under the heading "*Risk Factors*" in the annual information form of the Company dated March 3, 2021 for the year ended December 31, 2020 and under the heading "*Risk Management*" in the management's discussion and analysis of consolidated results of operations and financial condition dated March 3, 2021 for the year ended December 31, 2020 both of which are incorporated herein by reference. Should one or more of the risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially and adversely from those described in the forward-looking statements. Forward-looking statements are made based on management's beliefs, estimates, assumptions and opinions on the date the statements are made and, other than as required by applicable law, the Company undertakes no obligation to update the forward-looking statements if these beliefs, estimates, assumptions and opinions or other circumstances should change. Investors are cautioned against attributing undue certainty or weight to forward-looking statements. Forward-looking statements made in a document incorporated by reference in the short form prospectus are made as at the date of the original document and have not been updated except as expressly provided for in this short form prospectus.

Readers are also cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. The Company's actual results, programs and financial position could differ materially from those expressed in or implied by these forward-looking statements, and accordingly, no assurance can be given that the events anticipated by the forward-looking statements will transpire or occur, or that, if any of them do so, what benefits the Company will derive therefrom.

GENERAL MATTERS

In evaluating whether or not to purchase Units pursuant to the Offering, a prospective investor should rely only on the information contained or incorporated by reference in this short form prospectus. In addition, prospective investors should not rely on part of the information contained in or incorporated by reference in this short form prospectus to the exclusion of other. Neither the Company nor the Underwriters have authorized anyone to provide you with different or additional information. If anyone provides you with different or additional information, you should not rely on it. The

Company and the Underwriters are not making an offer to sell or seeking an offer to purchase the securities offered pursuant to this short form prospectus in any jurisdiction where to offer or sell is not permitted. You should assume that the information contained in this short form prospectus is accurate only as of the date of those documents and that information contained in any document incorporated by reference is accurate only as of the date of that document or other date specified in that document. Subject to the Company's obligations under applicable securities laws, the information contained in this short form prospectus is accurate only as of the date of this short form prospectus regardless of the time of delivery of this short form prospectus or of any sale of the Units.

Unless the context otherwise requires, all references in this short form prospectus to the "Company", "we", "us" and "our" refer to SRHI Inc.

FINANCIAL INFORMATION AND ACCOUNTING PRINCIPLES

The audited consolidated financial statements of the Company incorporated by reference in this short form prospectus are reported in United States Dollars and have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

CURRENCY PRESENTATION AND EXCHANGE RATE INFORMATION

In this short form prospectus, unless otherwise specified or the context otherwise requires, all dollar amounts are expressed in Canadian dollars. All references to "dollars", "\$" or "C\$" are to Canadian dollars and all references to "US\$" are to United States dollars. On March 18, 2021, the rate of exchange for the Canadian dollar, expressed in United States dollars, based on the Bank of Canada daily exchange rate, was US\$1.00=C\$1.2458 (or C\$1.00=US\$0.8027).

SCIENTIFIC AND TECHNICAL INFORMATION

Certain of the scientific and technical information relating to the Company's Minera Tres Valles SpA ("**MTV**") Copper Project (the "**MTV Project**") contained in this short form prospectus or incorporated by reference herein, is derived from the technical report entitled "Minera Tres Valles Copper Project, Salamanca, Coquimbo Region, Chile" dated October 4, 2018 (the "**Consolidated MTV Technical Report**") and prepared by Dr. Antonio Luraschi, RM CMC, Manager of Metallurgic Development and Senior Financial Analyst, Wood Independent Mining Consultants, Inc.; Mr Sergio Navarrete, RM CMC, Mining Engineer, Wood Independent Mining Consultants, Inc.; Mr Alfonso Ovalle, RM CMC, Mining Engineer, Wood Independent Mining Consultants, Inc.; Mr Michael G. Hester, FAusIMM, Vice President and Principal Mining Engineer, Independent Mining Consultants, Inc.; Mr Enrique Quiroga, RM CMC, Mining Engineer, Q&Q Ltda.; Mr Gabriel Vera, RM CMC, Metallurgical Process Consultant, GVMetallurgy; and Mr Sergio Alvarado, RM CMC, Consultant Geologist, General Manager and Partner, Geoinvestment Sergio Alvarado Casas E.I.R.L., all of whom are independent "Qualified Persons" as such term is defined in National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("**NI 43-101**").

CAUTIONARY NOTE TO UNITED STATES INVESTORS CONCERNING ESTIMATES OF MEASURED, INDICATED AND INFERRED RESOURCES

The terms "Measured", "Indicated" and "Inferred" Mineral Resources used or referenced in this short form prospectus are defined in accordance with NI 43-101 under the guidelines set out in the CIM Standards on Mineral Resources and Mineral Reserves.

For United States reporting purposes, the Securities and Exchange Commission (the "**SEC**") has adopted amendments to its disclosure rules to modernize the mineral property disclosure requirements for issuers whose securities are registered with the SEC under the U.S. Securities Exchange Act of 1934, as amended (the "**Exchange Act**"). These amendments became effective February 25, 2019 (the "**SEC Modernization Rules**") with compliance required for the first fiscal year beginning on or after January 1, 2021. The SEC Modernization Rules replace the historical property disclosure requirements for mining registrants that were

included in SEC Industry Guide 7, which will be rescinded from and after the required compliance date of the SEC Modernization Rules. The Company is not required to provide disclosure on its mineral properties under the SEC Modernization Rules as the Company is presently a “foreign private issuer” under the Exchange Act and entitled to file reports with the SEC under the multi-jurisdictional disclosure system between Canada and the United States.

The SEC Modernization Rules include the adoption of terms describing mineral reserves and mineral resources that are substantially similar to the corresponding terms under the CIM Standards. As a result of the adoption of the SEC Modernization Rules, SEC will now recognize estimates of “measured mineral resources”, “indicated mineral resources” and “inferred mineral resources”.

United States investors are cautioned that while the above terms are substantially similar to CIM Standards, there are differences in the definitions under the SEC Modernization Rules and the CIM Standards. Accordingly, there is no assurance any mineral resources that the Company may report as “measured mineral resources”, “indicated mineral resources” and “inferred mineral resources” under NI 43-101 would be the same had the Company prepared the reserve or resource estimates under the standards adopted under the SEC Modernization Rules.

United States investors are also cautioned that while the SEC will now recognize “measured mineral resources”, “indicated mineral resources” and “inferred mineral resources”, investors should not to assume that any part or all of the mineralization in these categories will ever be converted into a higher category of mineral resources or into mineral reserves. Mineralization described using these terms has a greater amount of uncertainty as to their existence and feasibility than mineralization that has been characterized as reserves. Accordingly, investors are cautioned not to assume that any “measured mineral resources”, “indicated mineral resources”, or “inferred mineral resources” that the Company reports are or will be economically or legally mineable.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Financial Officer of the Company at c/o Peterson McVicar LLP, 18 King St. East, Suite 902, Toronto, Ontario M5C 1C4, or by accessing the Company's disclosure documents available through the Internet on the Canadian System for Electronic Document Analysis and Retrieval ("**SEDAR**") at www.sedar.com.

Under the short form prospectus system adopted by the securities commissions and similar securities regulatory authorities in the relevant provinces of Canada, the Company is permitted to incorporate by reference the information filed with securities commissions and similar securities regulatory authorities in Canada, which means that the Company can disclose important information by referring to those documents. Information that is incorporated by reference is an important part of this short form prospectus. The following documents were filed with the securities commission or other similar securities regulatory authority in each of the Provinces of Canada (except Québec) and are specifically incorporated by reference in, and form an integral part of, this short form prospectus:

- (a) the annual information form dated March 3, 2021, for the fiscal year ended December 31, 2020 (the "**Annual Information Form**");
- (b) the management information circular dated May 12, 2020 prepared for the annual and special meeting of our shareholders held on June 23, 2020;
- (c) the audited consolidated financial statements as at and for the years ended December 31, 2020 and December 31, 2019, together with the notes thereto and the auditor's reports thereon (the "**Audited Financial Statements**");

- (d) the management's discussion and analysis of consolidated results of operations and financial condition for the fiscal year ended December 31, 2020 (the "MD&A"); and
- (e) the material change report dated March 16, 2021 with respect to the announcement of the Offering.

Any documents of the type required by National Instrument 44-101 – *Short Form Prospectus Distributions* to be incorporated by reference in a short form prospectus, including any material change reports (excluding material change reports filed on a confidential basis), interim financial statements, annual financial statements and the auditor's report thereon, management's discussion and analysis, information circulars, annual information forms and business acquisition reports filed by the Company with securities commissions or similar regulatory authorities in Canada subsequent to the date of this short form prospectus and prior to the termination of this distribution are deemed to be incorporated by reference in this short form prospectus.

Any statement contained herein or in a document incorporated or deemed to be incorporated by reference herein will be deemed to be modified or superseded for purposes of this short form prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such prior statement. Any statement or document so modified or superseded will not, except to the extent so modified or superseded, be incorporated by reference and constitute a part of this short form prospectus. The making of a modifying or superseding statement will not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances in which they were made.

MARKETING MATERIALS

Any "template version" of "marketing materials" (each as defined in National Instrument 41-101 – *General Prospectus Requirements*) will be incorporated by reference in the final short form prospectus. However, such "template version" of "marketing materials" will not form part of this short form prospectus to the extent that the contents of the "template version" of such "marketing materials" are modified or superseded by a statement contained in the final short form prospectus. Any "template version" of "marketing materials" filed on SEDAR after the date of the final short form prospectus and before the termination of the distribution under the Offering will be deemed to be incorporated into the final short form prospectus.

SUMMARY DESCRIPTION OF THE BUSINESS

Overview

The Company was formed by amalgamation, under the laws of British Columbia effective November 1, 1997 under the name, Agro Pacific Industries Ltd., and was continued under the CBCA on May 21, 2002. The Company changed its name from Agro Pacific Industries Ltd. to Adriana Ventures Inc. on July 12, 2004 and then to Adriana Resources Inc. ("**ADI**") on July 22, 2005. By articles of amendment dated April 14, 2014, the Company changed its registered office to Ontario.

On February 9, 2017, Sprott Resource Corp. ("**SRC**"), at the time, a publicly listed company, completed a Plan of Arrangement (the "**Arrangement**") with ADI. Under the Arrangement, all existing SRC common shares were exchanged into ADI common shares at a ratio of 1:3. SRC became a wholly-owned subsidiary of ADI which thereafter continued as Sprott Resource Holdings Inc.

On June 23, 2020, the Company completed a vertical short-form amalgamation with its wholly-owned subsidiary, Sprott Resource Coal Holdings Corp., and the continuing company changed its name to "SRHI Inc".

The Company's registered and head office is located at c/o Peterson McVicar LLP, 18 King St. East, Suite 902, Toronto, Ontario M5C 1C4.

The Company's principal operating business is its 70% equity interest in the Chilean producing copper mine company, MTV, that was acquired in October of 2017. MTV's main asset is the MTV Project, in the Region of Coquimbo, Province of Choapa, Chile and includes fully integrated processing operations, two active mines and several ancillary deposits. Mineralized material is primarily extracted from the Don Gabriel open pit mine ("**Don Gabriel**") and the Papomono underground mine ("**Papomono**"), both of which are located approximately 10 kilometers north of Salamanca, Chile with the heap leach pads and solvent-extraction and electrowinning processing plant located approximately 7 kilometers north of Salamanca.

The Common Shares of the Company are listed on the TSX under the symbol "SRHI". The class A common share purchase warrants (the "**Warrants**") of the Company are listed on the TSX under the symbol "SRHI.WT".

For further information regarding the Company, see the Annual Information Form and other documents incorporated by reference in the short form prospectus available under the Company's profile at www.sedar.com.

CONSOLIDATED CAPITALIZATION

Since the Audited Financial Statements, the Company issued 37 Common Shares on the exercise of 740 Warrants.

As at the close of business on March 18, 2021, the Company had 34,083,042 Common Shares, 2,500,000 stock options to acquire Common Shares and 201,137,560 Warrants outstanding.

The following table sets forth the consolidated capitalization of the Company as at the date of the Audited Financial Statements and as at such date on an adjusted basis after giving effect to the Offering. The following table should be read in conjunction with the Audited Financial Statements and MD&A, each of which is incorporated by reference into this Prospectus.

	Authorized	As at December 31, 2020⁽¹⁾	As at December 31, 2020 after giving effect to the Offering^{(1) (2)}
Common Shares	Unlimited	US\$303,990,000 (34,083,005 Common Shares)	US\$310,775,000 (52,283,005 Common Shares)
Warrants	-	US\$6,026,000 ⁽²⁾ (201,138,300 warrants)	US\$6,609,000 ⁽²⁾ (219,338,300 warrants)

Notes:

- (1) Does not include (i) 2,500,000 Common Shares issuable on the exercise of 2,500,000 incentive stock options which are outstanding as of the date of this short form prospectus; (ii) the exercise of any part of the Over-Allotment Option; and (iii) Common Shares issuable upon the exercise of Compensation Warrants that will be granted to the Underwriters upon completion of the Offering.
- (2) The book value of the existing warrants is US\$6,026,000.

USE OF PROCEEDS

The net proceeds to the Company from the Offering will be approximately \$9,200,000 (US\$7,300,000) after deducting the Underwriters' Fee of \$600,600 and the expenses of the Offering estimated to be \$200,000. If the Over-Allotment Option is exercised in full, the net proceeds to the Company from the Offering will be approximately \$10,600,000 (US\$8,400,000) after deducting the Underwriters' Fee of \$690,690 and the expenses of the Offering of \$200,000. The Underwriters' Fee and the expenses of the Offering will be paid from the proceeds of the Offering.

The Company intends to use the net proceeds of the Offering for: (i) working capital purposes at MTV as that operation proceeds towards full production, (ii) exploration and infill drilling in, around and between MTV's two main orebodies, and (iii) corporate, public company overheads and working capital purposes.

Activity or Nature of Expenditure	Estimated Use of Net Proceeds (US\$) ⁽¹⁾
Working capital purposes at MTV to proceed towards full production ⁽²⁾	\$4,300,000
Exploration and drilling in, around and between MTV's two main orebodies ⁽³⁾	\$2,500,000
Corporate, public company overheads and working capital purposes	\$500,000
Total Net Proceeds (exclusive of Over-Allotment Option)	\$7,300,000

Notes:

- (1) Assumes Over-Allotment Option is not exercised.
- (2) It is anticipated that MTV will operate below its capacity for the remainder of 2021 and into 2022 and subject to the prevailing market price of copper during this period, an amount in excess or below the working capital as stated may be needed to support MTV's production goals including any incremental cost to support the construction and development of Papomono Masivo should delays or complications arise. Papomono Masivo is critical to the success of the MTV Project and is approximately 30% complete. To date, the construction and development of the inclined block caving mine at its Papomono Masivo deposit remains on schedule and on budget to be in commercial production by early 2022.
- (3) Dr. John Mortimer who is a "qualified person" for the purposes of NI 43-101 is responsible for the exploration and development of the MTV Project program and budget, which were prepared by him or under his supervision.

Until utilized for the above purposes, the Company may invest the net proceeds that it does not immediately require in short-term marketable debt securities, cash balances, certificates of deposit, and other instruments issued by banks or guaranteed by the Government of Canada.

Although the Company intends to expend the net proceeds from the Offering as set forth above, there may be circumstances where, for sound business reasons, a reallocation of funds may be deemed prudent or necessary and may vary materially from that set forth above, as the amounts actually allocated and spent will depend on a number of factors, including the Company's ability to execute on its business plan. While actual expenditures may differ from the above amounts and allocations, the net proceeds will be used by

the Company in furtherance of, and for activities at, the MTV Project and for corporate development and for general corporate purposes. The future impacts of the COVID-19 pandemic on the operations of the Company cannot be accurately predicted as many of the factors are not within the control of the Company. Potential delays in production at the MTV Project could result in additional costs, project delays, cost overruns, and operational restart costs. See "*Risk Factors – Risks Related to the Offering – Use of Proceeds*".

If the Over-Allotment Option, Unit Warrants or Compensation Warrants are exercised, the Company intends to use the proceeds of such exercise to further fund development at the MTV Project, capital and corporate development expenditures and for general corporate purposes. However, there can be no assurance that all or any of the Unit Warrants or Compensation Warrants will be exercised prior to their expiry.

The Company may require additional financing over and above the Offering in order to meet its longer-term business objectives and there can be no assurances that such financing sources will be available as and when needed. Historically, capital requirements have been primarily funded through revenue from the MTV Project, monetization of the Company's portfolio investments, issuances of equity securities and debt arrangements. Factors that could affect the availability of financing include the risks related to the ongoing operations of the MTV Project, risks related to COVID-19, the state of international debt and equity markets, and investor perceptions and expectations of the copper market. There can be no assurance that such financing will be available in the amount required at any time or for any period or, if available, that it can be obtained on terms satisfactory to the Company. Based on the amount of funding raised, the Company's plans for its use of proceeds may be postponed, or otherwise revised, as necessary. See "*Risk Factors – Liquidity and Capital Resources*".

The Company is in the production and development stage with negative operating cash flows for the financial year ended December 31, 2020. Although both the Company and MTV currently have working capital, MTV has incurred significant operating losses and negative cash flows from operations in recent years and the Company has an accumulated deficit. Whether and when MTV can attain profitability from sustained positive cash flows, currently challenged by MTV's low-capacity utilization and resulting high unit operating costs will depend on the potential for Chile's social unrest, ongoing drought risk and COVID-19 impacts to interrupt operations, as well as the copper price. It is expected that with the successful completion of the construction and development of MTV's inclined block caving mine at its Papomono Masivo deposit and the subsequent production ramp-up, profitable and growing cash flows will be experienced by the Company during the second half of 2022. As a result, some of the net proceeds from the Offering may be used to fund such negative cash flow from operating activities in future periods. See "*Risk Factors – Negative Operating Cash Flow and Additional Funding*".

Business Objectives and Milestones

The construction and development of MTV's inclined block caving mine at its Papomono Masivo deposit is currently underway with an expected completion date late in 2021. It is expected that the Papomono Masivo mine will ramp up production during 2022, and by the second half of 2022, provide the necessary ore grade and tonnage to bring the MTV Project closer to full utilization with reduced unit costs.

The Company is currently operating at less than its production capacity and will continue this way for most of the next 18 months due to insufficient ore availability during the construction and development of the Papomono inclined block caving mine, resulting in temporarily high unit costs. During this interim period, the Company anticipates requiring approximately US\$4.3 million for working capital purposes at MTV until it can increase its production from the ramp-up of the Papomono Masivo mine including a reserve for contingencies in the event any unforeseen challenges result in cost overruns or delays. At this time, there is no certainty that the 30% minority shareholder of MTV (the "**Minority Shareholder**") will provide financial support to MTV and the Minority Shareholder has no obligation to do so. However, in accordance with the funding mechanism established in the MTV shareholders' agreement, the Company may subscribe and pay, with the proceeds of the Offering, all or part of the Minority Shareholder requested capital contribution thereby diluting the Minority Shareholder's interest in MTV to below 30%.

Shortly after receipt of the net proceeds of the Offering, the Company intends to formalize its ongoing and advanced discussions with a senior exploration geologist in order to advance the Company's existing exploration and geologic knowledge, and also undertake the necessary recruitment of certain geologic expertise to be able to execute the exploration program. Management anticipates focusing exploration efforts adjacent to, between and nearby the current mining areas and other nearby targets. In addition to identifying potential for upgrading inferred resources by infill drilling, existing geoscience data will be reviewed, and complemented with new data where deemed advantageous with a view to identifying extensions to the known mineralization that have potential to contribute to future production. It is expected that between 20 and 30 holes will be drilled during the program. Management estimates that the exploration and drill program will cost US\$2.5 million and expects that it will be completed by September 2022. It is also expected that this program will be scalable by several million dollars and increase in duration should funds be available from the use of net proceeds that are initially expected to be utilized elsewhere.

The remaining net proceeds of approximately US\$0.5 million from the Offering will be used for corporate overhead, including most notably, corporate head office personnel costs, public company maintenance and disclosure costs, general and administrative costs and expanding the Company's investor relations initiatives, pursuant to the plans and budgets which are overseen by the Company's Board of Directors.

If the Over-Allotment Option is exercised in full, pursuant to the Offering, the Company will receive additional net proceeds of approximately US\$1.1 million after deducting the Underwriter's Fee and additional expenses. The net proceeds from the exercise of the Over-Allotment Option, if any, will likely be used to strengthen the Company's working capital position and added to the funds available to support work programs at the MTV Project beyond the 2021-2022 exploration program, as mentioned above.

While the Company intends to pursue these milestone events, there may be circumstances when, for valid business reasons, a re-allocation of efforts may be necessary or advisable.

DESCRIPTION OF SECURITIES BEING DISTRIBUTED

Units

Each Unit will be comprised of one Unit Share (being a Common Share forming a part of each Unit) and one transferable Unit Warrant, with each Unit Warrant entitling the holder to purchase one Warrant Share at a price of \$0.70 prior to 4:00 p.m. (Toronto time) on the date that is eighteen (18) months from the Closing Date. The Units will separate into Unit Shares and Unit Warrants immediately upon issue.

Common Shares

Each Common Share entitles its holder to notice of, and to one vote at, all meetings of shareholders. Each Common Share carries an entitlement to receive dividends if, as and when declared by the board of directors of the Company. In the event of the liquidation, dissolution or winding-up of the Company, the assets available for distribution to shareholders will be distributed rateably among the holders of Common Shares.

The authorized share capital of the Company consists of an unlimited number of Common Shares of which 34,083,042 Common Shares are issued and outstanding as of the date hereof.

Warrants

The Unit Warrants will be issued under, and be governed by, the terms of a warrant indenture (the "**Warrant Indenture**") to be entered into between the Company and TSX Trust Company (the "**Warrant Agent**"). The Company will appoint the principal transfer offices of the Warrant Agent in Toronto, Ontario as the location at which Unit Warrants may be surrendered for exercise or transfer. The following summary of certain provisions of the Warrant Indenture contains all the material attributes and characteristics of the Unit

Warrants but does not purport to be complete and is qualified in its entirety by reference to the provisions of the Warrant Indenture, which will be available on SEDAR.

Each Unit Warrant will entitle the holder to purchase one Warrant Share at a price of \$0.70. The exercise price and the number of Warrant Shares issuable upon exercise are both subject to adjustment in certain circumstances as more fully described below. Unit Warrants will be exercisable at any time prior to 4:00 p.m. (Toronto time) on the date that is eighteen (18) months from the Closing Date, after which time the Unit Warrants will expire and become null and void.

The Warrant Indenture will provide for adjustment to the exercise price of the Unit Warrants and/or to the number or kind of securities issuable upon the exercise of the Unit Warrants upon the occurrence of certain events, including:

- (a) a subdivision of the Common Shares into a greater number of Common Shares or a consolidation of the Common Shares into a lesser number of Common Shares;
- (b) a reclassification of the Common Shares, a change of the Common Shares into other shares, securities or property or any other capital reorganization, an amalgamation, arrangement, merger, consolidation or other form of business combination of the Company with or into any other corporation resulting in any reclassification of the outstanding Common Shares or in any holders of the outstanding Common Shares receiving other shares, securities or property, or a sale, lease, exchange or transfer of all or substantially all of the assets of the Company to another corporation or entity; and
- (c) subject to certain exceptions, a distribution by the Company to all or substantially all the holders of the Common Shares (other than as a dividend paid in the ordinary course) of Common Shares or shares of any class (whether of the Company or any other corporation) other than Common Shares, rights, options or warrants, evidences of indebtedness, or cash, securities, or other property or assets.

The Warrant Indenture will also provide for adjustment in the class and/or number of securities issuable upon the exercise of the Unit Warrants and/or exercise price per security in the event of the following additional events:

- (a) a reclassification of the Common Shares;
- (b) a consolidation, amalgamation, plan of arrangement or merger of the Company with or into another entity (other than a consolidation, amalgamation, plan of arrangement or merger which does not result in any reclassification of the Common Shares or a change of the Common Shares into other shares); or
- (c) a transfer (other than to one of the Company's subsidiaries) of the undertaking or assets of the Company as an entirety or substantially as an entirety to another corporation or other entity.

No adjustment in the exercise price or the number of Warrant Shares purchasable upon the exercise of the Unit Warrants will be required to be made unless the cumulative effect of such adjustment or adjustments would change the exercise price by at least 1% or the number of Common Shares purchasable upon exercise by at least one one-hundredth of a Common Share.

The Company will also covenant in the Warrant Indenture that, during the period in which the Unit Warrants are exercisable, it will give notice to holders of Unit Warrants of certain stated events, including events that would result in an adjustment to the exercise price for the Unit Warrants or the number of Warrant Shares issuable upon exercise of the Unit Warrants, at least 14 days prior to the record date or effective date, as the case may be, of such event.

No fractional Warrant Shares will be issuable upon the exercise of any Unit Warrants, and no cash or other consideration will be paid in lieu of fractional shares. Holders of Unit Warrants will not have any voting or pre-emptive rights or any other rights which a holder of Common Shares would have.

From time to time, the Company and the Warrant Agent, without the consent of or notice to the holders of Unit Warrants, may amend or supplement the Warrant Indenture for certain purposes, including curing defects or inconsistencies or making any change that does not adversely affect the rights of any holder of Unit Warrants. Any amendment or supplement to the Warrant Indenture that adversely affects the interests of the holders of the Unit Warrants may only be made by "extra ordinary resolution", which will be defined in the Warrant Indenture as a resolution either: (i) passed at a meeting of the holders of Unit Warrants at which there are holders of Unit Warrants present in person or represented by proxy representing at least 10% of the aggregate number of the then outstanding Unit Warrants and passed by the affirmative vote of holders of Unit Warrants representing not less than 66 2/3% of the aggregate number of all the then outstanding Unit Warrants represented at the meeting and who voted on such resolution; or (ii) adopted by an instrument in writing signed by the holders of Unit Warrants representing not less than 66 2/3% of the aggregate number of all the then outstanding Unit Warrants.

The Unit Warrants and the Warrant Shares have not been registered under the U.S. Securities Act and the Unit Warrants will not be exercisable in the United States or by or on behalf of, or for the account or benefit of, a U.S. Person, nor will certificates representing the Warrant Shares issuable upon exercise of the Unit Warrants be registered or delivered to an address in the United States, unless an exemption from registration under the U.S. Securities Act and any applicable state securities laws is available and the Company has received an opinion of counsel of recognized standing or other evidence to such effect in form and substance reasonably satisfactory to the Company.

The foregoing summary of certain provisions of the Warrant Indenture does not purport to be complete and is qualified in its entirety by reference to the provisions of the Warrant Indenture, which will be filed by the Company on SEDAR following the closing of the Offering.

PRIOR SALES

During the twelve (12) month period before the date of this short form prospectus, the Company has issued Common Shares and securities convertible into Common Shares as follows:

<u>Date Issued</u>	<u>Nature of Transaction</u>	<u>Number and Type of Security Issued</u>	<u>Issue/ Exercise Price</u>
July 2020	Exercise of Warrants	13 Common Shares	20 Warrants + CAD\$6.66 = 1 Common Share
March 2021	Exercise of Warrants	37 Common Shares	20 Warrants + CAD\$6.66 = 1 Common Share

TRADING PRICE AND VOLUME

The following table sets forth the high and low closing prices and the aggregate volume of trading of our Common Shares on the TSX during the twelve (12) month period before the date of this short form prospectus:

Month	Price Range (\$)		Aggregate Volume
	High	Low	
March 1, 2021 - March 18, 2021	0.70	0.54	1,407,741
February 2021	0.76	0.45	1,189,351
January 2021	0.455	0.30	1,313,296
December 2020	0.34	0.265	932,901
November 2020	0.32	0.19	748,819
October 2020	0.26	0.22	189,891
September 2020	0.32	0.255	431,803
August 2020	0.335	0.275	475,624
July 2020	0.34	0.27	281,560
June 2020	0.33	0.245	439,603
May 2020	0.35	0.22	1,364,438
April 2020	0.34	0.25	1,182,625
March 2020	0.68	0.31	1,082,562

The closing price of the Common Shares on the TSX on March 15, 2021, the last trading day prior to the announcement of the Offering, was \$0.67 per Common Share. The closing price of the Common Shares on the TSX on March 18, 2021, the last trading day prior to the filing of this short form prospectus, was \$0.57 per Common Share.

The following table sets forth the high and low closing prices and the aggregate volume of trading of our Warrants on the TSX during the twelve (12) month period before the date of this short form prospectus:

Month	Price Range (\$)		Aggregate Volume
	High	Low	
March 1, 2021 - March 18, 2021	0.01	0.005	3,089,412
February, 2021	0.01	0.005	6,785,084
January 2021	0.005	0.005	1,991,700
December 2020	0.005	0.005	6,410,607
November 2020	0.005	0.005	3,881,000
October 2020	0.005	0.005	60,000
September 2020	0.005	0.005	55,100
August 2020	0.005	0.005	886,125
July 2020	0.005	0.005	15,010
June 2020	0.005	0.005	29,500
May 2020	0.005	0.005	1,285,000
April 2020	0.005	0.005	152,500
March 2020	0.005	0.005	59,000

The closing price of the Warrants on the TSX on March 15, 2021, the last trading day prior to the announcement of the Offering, was \$0.005 per Warrant. The closing price of the Warrants on the TSX on March 18, 2021, the last trading day prior to the filing of this short form prospectus, was \$0.005 per Warrant.

There is no market through which the Unit Warrants may be sold and purchasers may not be able to resell the Unit Warrants purchased under this Prospectus. This may affect the pricing of the Unit Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Unit Warrants, and the extent of issuer regulation. See *"Risk Factors - No Market for the Unit Warrants Currently Exists"*.

PLAN OF DISTRIBUTION

Pursuant to an underwriting agreement dated March 19, 2021 (the "**Underwriting Agreement**") between the Company and the Underwriters, the Company has agreed to sell, and the Underwriters have agreed to purchase, as principals, on the Closing Date, an aggregate of 18,200,000 Units at the Offering Price for gross proceeds of \$10,010,000, payable in cash to the Company against delivery of the Units. The Offering Price was determined by negotiation among the Company and the Underwriters.

Each Unit will consist of one Unit Share and one Unit Warrant. Each Unit Warrant will entitle the holder thereof to acquire, subject to adjustment in accordance with the Warrant Indenture, one Warrant Share at an exercise price of \$0.70 per Warrant Share at any time prior to 4:00 p.m. (Toronto time) on the date that is eighteen (18) months from the Closing Date. The Unit Warrants will be created and issued pursuant to the terms of the Warrant Indenture to be dated as of the Closing Date between the Company and the Warrant Agent. The Warrant Indenture will contain provisions designed to protect holders of the Unit Warrants against dilution upon the happening of certain events. No fractional Unit Warrants will be issued.

Pursuant to the Underwriting Agreement, the Company has granted to the Underwriters the Over-Allotment Option, exercisable in whole or in part, at any time and from time to time, in the sole discretion of the Underwriters, for a period of 30 days from the Closing Date, to purchase up to an additional amount of Units equal to 15% of the Units sold pursuant to the Offering, being 2,730,000, at the Offering Price, to cover over-allotments, if any, and for market stabilization purposes. The Over-Allotment Option may be exercised by the Underwriters: (i) to acquire Additional Units at the Offering Price; or (ii) to acquire additional Unit Shares at a price of \$0.51 per Additional Share; or (iii) to acquire additional Unit Warrants at a price of \$0.04 per Additional Warrant; or (iv) to acquire any combination of Additional Units, Additional Shares and Additional Warrants, so long as the aggregate number of Additional Shares and Additional Warrants that may be issued under such Over-Allotment Option does not exceed 2,730,000 Additional Shares and 2,730,000 Additional Warrants. This Prospectus qualifies the grant of the Over-Allotment Option and the distribution of the Over-Allotment Securities issuable upon exercise of the Over-Allotment Option. A purchaser who acquires Over-Allotment Securities forming part of the Underwriter's over-allocation position acquires those Over-Allotment Securities under this Prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. If the Over-Allotment Option is exercised in full, the total price to the public, Underwriters' Fee and net proceeds to the Company (before deducting expenses of the Offering) in respect of the Offering will be \$11,511,500, \$690,690 and \$10,820,810, respectively.

Subject to applicable law, the Underwriters may, with the consent of the Company, offer to sell the Units outside of Canada, in each case in accordance with applicable laws provided that no prospectus, registration statement or similar document is required to be filed in any such jurisdiction.

The Company has applied to list the Unit Shares to be distributed under this short form prospectus on the TSX, as well as the Warrant Shares issuable upon exercise of the Warrants and the Common Shares issuable upon exercise of the Compensation Warrants. Listing will be subject to the Company fulfilling all of the listing requirements of the TSX.

Pursuant to the Underwriting Agreement, the Company has agreed to pay to the Underwriters the Underwriters' Fee which will be 6% of the gross proceeds from the issue and sale of the Units and Additional

Units, if any, in consideration of the services rendered to the Company in connection with the Offering. Pursuant to the Underwriting Agreement, the Company has also agreed, subject to compliance with all required regulatory approvals, to issue to the Underwriters the Compensation Warrants on the Closing Date, entitling the Underwriters to purchase that number of Common Shares equal to 6% of the aggregate number of Units issued by the Company under the Offering, with an exercise price per Compensation Warrant that is equal to the Offering Price with a term of eighteen (18) months from the Closing Date. This Prospectus also qualifies the distribution of the Compensation Warrants. The Company has also agreed to reimburse the Underwriters for their out-of-pocket fees and expenses, including the fees and expenses of their legal counsel, whether or not the Offering is completed. All amounts payable to the Underwriters will be paid from the proceeds of the Offering.

The Company has agreed not to, directly or indirectly, sell, or announce its intention to sell, nor authorize or issue, or announce its intention to authorize or issue, any Common Shares or securities or other financial instruments convertible or exchangeable for or exercisable into Common Shares, or publicly announce an intention to effect any such a transaction (except in conjunction with: (1) the issuance of Units or Additional Units in connection with the Offering and Over-Allotment Option; (2) the grant or exercise of stock options and other similar issuances pursuant to the stock option plan of the Company and other share compensation arrangements; (3) the exercise of outstanding warrants, convertible securities or other existing contractual rights; or (4) the issuance of securities in connection with previously scheduled property payments or other corporate acquisitions by the Company) for a period starting on the Closing Date and ending on the date that is 90 days from the Closing Date without the prior written consent of the Underwriters, such consent not to be unreasonably withheld or delayed.

The Company has agreed to deliver on the Closing Date lock-up agreements executed by each of the Company's directors and senior officers pursuant to which they agree not to, directly or indirectly, sell, offer to sell, or otherwise dispose of, any securities of the Company during the period commencing on the Closing Date and ending 90 days thereafter without the prior written consent of the Underwriters, such consent not to be unreasonably withheld.

Pursuant to rules and policy statements of certain Canadian securities regulatory authorities, the Underwriters may not, throughout the period of distribution under the Offering, bid for or purchase Common Shares for its own account or for accounts over which it exercises control or direction. The foregoing restriction is subject to certain exceptions, on the condition that the bid or purchase not be engaged in for the purpose of creating actual or apparent active trading in or raising the price of the Common Shares. Such exceptions include a bid or purchase permitted under Universal Market Integrity Rules for Canadian Marketplaces of the Investment Industry Regulatory Organization of Canada relating to market stabilization and passive market making activities, and a bid or purchase made for or on behalf of a customer where the order was not solicited during the period of distribution. Subject to applicable laws and in connection with the Offering, the Underwriters may over-allot and effect transactions which stabilize or maintain the market price of the Common Shares at levels other than those which otherwise might prevail on the open market, including: stabilizing transactions; short sales; purchases to cover positions created by short sales; imposition of penalty bids; and syndicate covering transactions. Stabilizing transactions consist of bids or purchases made for the purpose of preventing or retarding a decline in the market price of the Common Shares while the Offering is in progress. These transactions may also include making short sales of Common Shares, which involve the sale by the Underwriters of a greater number of Common Shares than they are required to purchase in the Offering. Short sales may be "covered short sales", which are short positions in an amount not greater than the Over-Allotment Option, or may be "naked short sales", which are short positions in excess of that amount. Such transactions, if commenced, may be discontinued at any time.

The Underwriters may close out any covered short position either by exercising the Over-Allotment Option, in whole or in part, or by purchasing Common Shares and/or, in the event such securities are listed on the TSX, Warrants in the open market. In making this determination, the Underwriters will consider, among other things, the price of the Common Shares and, in the event such securities are listed on the TSX, Warrants available for purchase in the open market compared to the price at which they may purchase

Additional Securities through the exercise of the Over-Allotment Option. The Underwriters must close out any naked short position by purchasing Common Shares in the open market. A naked short position is more likely to be created if the Underwriters are concerned that there may be downward pressure on the price of the Common Shares in the open market that could adversely affect investors who purchase the Units.

The obligations of the Underwriters under the Underwriting Agreement may be terminated at their discretion upon the occurrence of certain events specified in the Underwriting Agreement including standard industry “regulatory out”, “disaster out” and “material adverse change out” rights of termination.

The Underwriters propose to offer the Units initially at the Offering Price specified above. After a reasonable effort has been made to sell all the Units at the Offering Price, the Underwriters may subsequently reduce the selling price to investors from time to time in order to sell any of the Units remaining unsold. Any such reduction will not affect the proceeds received by the Company. The Underwriters will inform the Company if the Offering Price is reduced.

Subscriptions for the Units will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. Other than pursuant to certain exceptions, the Units, the Unit Shares and Unit Warrants underlying the Units, will be available for delivery in book-based form through CDS or its nominee and will be deposited with CDS on the Closing Date. Except in certain limited circumstances, a purchaser of Units will receive only a customer confirmation from the Underwriters or other registered dealer who is a CDS Participant through which the Units are purchased.

The Units offered hereby, Unit Shares and the Unit Warrants comprising the Units, and the Warrant Shares issuable upon exercise of the Unit Warrants, have not been and will not be registered under the U.S. Securities Act or any U.S. state securities laws and may not be offered, sold or delivered, directly or indirectly, to or for the account or benefit of, persons in the United States or U.S. Persons, except in transactions exempt from the registration requirements of the U.S. Securities Act and all applicable U.S. state securities laws. The Underwriters have agreed that, except as permitted by the Underwriting Agreement and as expressly permitted by applicable United States federal and state securities laws, they will not offer or sell any of the Units, the Unit Shares or the Unit Warrants to, or for the account or benefit of, persons in the United States or U.S. Persons. The Underwriting Agreement permits the Underwriters to offer the Units, the Unit Shares and the Unit Warrants outside the United States to non-U.S. Persons in compliance with Rule 903 of Regulation S under the U.S. Securities Act. The Underwriting Agreement also permits the Underwriters, through one or more of their U.S. registered broker-dealer affiliates, to offer and resell the Units, the Unit Shares and the Unit Warrants to, or for the account or benefit of, persons in the United States and U.S. Persons where such persons are “qualified institutional buyers”, as such term is defined in Rule 144A under the U.S. Securities Act (“**Rule 144A**”), in compliance with Rule 144A and applicable U.S. state securities laws. The Underwriting Agreement also permits the Underwriters, through one or more of their U.S. registered broker-dealers, to offer the Units, the Unit Shares and the Unit Warrants to, or for the account or benefit of, persons in the United States and U.S. Persons to whom the Company will sell such securities directly where such persons are “accredited investors”, as such term is defined in Rule 501(a) of Regulation D under the U.S. Securities Act, in compliance with Rule 506(b) of Regulation D under the U.S. Securities Act and applicable U.S. state securities laws.

This short form prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any of the Units, the Unit Shares or the Unit Warrants to, or for the account or benefit of, persons in the United States or U.S. Persons. In addition, until 40 days after the commencement of the Offering, an offer or sale of such securities within the United States by a dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act, unless such offer or sale is made pursuant to an exemption from registration under the U.S. Securities Act.

The Unit Warrants will not be exercisable by, or on behalf of, a person in the United States or a U.S. Person, nor will certificates representing the Warrant Shares issuable upon exercise of the Warrants be registered or delivered to an address in the United States, unless an exemption from the registration requirements of

the U.S. Securities Act and any applicable U.S. state securities laws is available and the Company has received an opinion of counsel of recognized standing or such other evidence to such effect in form and substance satisfactory to the Company; provided, however, that a holder who purchased Units in the Offering to, or for the account or benefit of, persons in the United States or U.S. Persons will not be required to deliver an opinion of counsel in connection with the exercise of Unit Warrants that are a part of those Units.

The Unit Shares, the Unit Warrants and the Warrant Shares issuable upon exercise of the Unit Warrants issued to, or for the account or benefit of, persons in the United States or U.S. Persons will be "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act.

Terms used and not otherwise defined in the four preceding paragraphs shall have the meanings ascribed to them by Regulation S under the U.S. Securities Act.

Book-Based System

Subscriptions for the Units will be received subject to rejection or allotment in whole or in part and the Underwriters reserve the right to close the subscription books at any time without prior notice. Closing is expected to take place on April 7, 2021, or such later date as may be agreed upon by the Company and the Underwriters. The Offering will be conducted under the book-based system (subject to certain limited exceptions). Except in certain limited circumstances, a subscriber who purchases Units will receive a customer confirmation from the registered dealer from or through whom Units are purchased and who is a CDS depository service participant. CDS will record the CDS participants who hold Units on behalf of owners who have purchased Units in accordance with the book-based system. No certificates evidencing the Units will be issued, except in certain limited circumstances, and registration will be made in the name of the nominee of CDS.

ELIGIBILITY FOR INVESTMENT

In the opinion of Peterson McVicar LLP, counsel to the Company, and Blake, Cassels & Graydon LLP, counsel to the Underwriters, based on the provisions of the *Income Tax Act* (Canada) (the "**Tax Act**") and the regulations thereunder (the "**Regulations**") in force on the date of this short form prospectus, and subject to the provisions of any particular plan, the Unit Shares, Unit Warrants and Warrant Shares will, on the Closing Date, be a qualified investment for a trust governed by a registered retirement savings plan ("**RRSP**"), registered education savings plan ("**RESP**"), registered retirement income fund ("**RRIF**"), deferred profit sharing plan, registered disability savings plan ("**RDSP**") or tax-free savings account (a "**TFSA**") (each, a "**Registered Plan**"), provided that the Common Shares are listed on a "designated stock exchange" within the meaning of the Tax Act (which on the date hereof includes the TSX) and provided that in the case of the Unit Warrants, the Company is not an annuitant, a beneficiary, an employer or a subscriber under or a holder of the particular Registered Plan and deals at arm's length with each person who is an annuitant, a beneficiary, an employer or a subscriber under or a holder of such Registered Plan.

Notwithstanding that the Unit Shares, Unit Warrants and Warrant Shares may be a qualified investment for a trust governed by an RRSP, RRIF, RESP, RDSP or a TFSA, the annuitant under an RRSP or RRIF, the subscriber under a RESP or the holder of a TFSA or RDSP, as the case may be, will be subject to a penalty tax if the securities are a "prohibited investment" within the meaning of the Tax Act for the RRSP, RRIF, RESP, RDSP or TFSA. The Unit Shares, Unit Warrants and Warrant Shares will generally not be a "prohibited investment" for a trust governed by an RRSP, RRIF, RESP, RDSP or TFSA provided the holder of the TFSA or RDSP, the subscriber under a RESP or annuitant of the RRSP or RRIF, as the case may be: (i) deals at arm's length with the Company for the purposes of the Tax Act; and (ii) does not have a "significant interest" (as defined in the Tax Act) in the Company. In addition, the Unit Shares and Warrant Shares will generally not be a prohibited investment if such securities are "excluded property" (as defined in the Tax Act) for trusts governed by an RRSP, RRIF, RESP, RDSP or TFSA. Prospective purchasers who intend to hold Unit Shares, Unit Warrants or Warrant Shares in a Registered Plan should consult their own tax advisors regarding their particular circumstances.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Peterson McVicar LLP, counsel to the Company, and Blake, Cassels & Graydon LLP, counsel to the Underwriters, the following is, as of the date of this short form prospectus, a summary of the principal Canadian federal income tax considerations generally applicable to an investor who acquires a Unit, consisting of one Unit Share and one Unit Warrant, pursuant to the Offering.

This summary applies only to a purchaser who is a beneficial owner of Unit Shares or Unit Warrants acquired pursuant to this Offering or Warrant Shares acquired on exercise of a Unit Warrant, and who, for the purposes of the Tax Act, and at all relevant times, deals at arm's length with the Company and the Underwriters, is not affiliated with the Company or the Underwriters, and who acquires and holds the Unit Shares and any Warrant Shares acquired on the exercise of Unit Warrants (hereinafter sometimes collectively referred to as "**Shares**") and Unit Warrants as capital property (a "**Holder**"). Generally, the Shares and Unit Warrants will be considered to be capital property to a Holder thereof provided that the Holder does not use the Shares or Unit Warrants in the course of carrying on a business of trading or dealing in securities and such Holder has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade.

This summary does not apply to a Holder: (i) that is a "financial institution" for the purposes of the mark-to-market rules contained in the Tax Act; (ii) that is a "specified financial institution" as defined in the Tax Act; (iii), an interest in which would be a "tax shelter investment" as defined in the Tax Act; (iv) that has made a functional currency reporting election under the Tax Act; or (v) that has or will enter into a "derivative forward agreement" or a "synthetic disposition arrangement", as those terms are defined in the Tax Act, with respect to the Shares or Unit Warrants. Such Holders should consult their own tax advisors with respect to an investment in Units.

Additional considerations, not discussed herein, may be applicable to a Holder that is a corporation resident in Canada, and is, or becomes as part of a transaction or event or series of transactions or events that includes the acquisition of the Units, controlled by a non-resident person, or group of non-resident persons not dealing with each other at arm's length, for purposes of the "foreign affiliate dumping" rules in section 212.3 of the Tax Act. Such Holders should consult their tax advisors with respect to the consequences of acquiring Units. In addition, this summary does not address the deductibility of interest by a Holder who borrows money to acquire Units.

This summary does not address the deductibility of interest by a Holder who has borrowed money or otherwise incurred debt in connection with the acquisition of the Units.

This summary is based upon the current provisions of the Tax Act and the Regulations in force as of the date hereof, counsel's understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency (the "**CRA**") and all specific proposals to amend the Tax Act and the Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**"). This summary assumes that the Tax Proposals will be enacted substantially as proposed; however, no assurance can be given that the Tax Proposals will be enacted as proposed or at all. This summary does not otherwise take into account or anticipate any changes in law or the CRA's administrative policies or assessing practices, whether by legislative, governmental or judicial decision or action, nor does it take into account any provincial, territorial or foreign income tax legislation or considerations.

This summary is of a general nature only, is not exhaustive of all possible Canadian federal income tax considerations and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Holder. Accordingly, Holders should consult their own tax advisors with respect to their particular circumstances.

Allocation of Offering Price

The Offering Price of a Unit to a Holder must be allocated on a reasonable basis between the Unit Share and the Unit Warrant comprising a Unit to determine the cost of each to the Holder for purposes of the Tax Act. For its purposes, the Company intends to allocate \$0.51 of the issue price of each Unit as consideration for the issue of each Unit Share and \$0.04 of the issue price of each Unit as consideration for the issue of each Unit Warrant. Although the Company believes that its allocation is reasonable, it is not binding on the CRA or the Holder. The Holder's adjusted cost base of the Unit Share comprising a part of each Unit will be determined by averaging the cost allocated to the Unit Share with the adjusted cost base to the Holder of all Common Shares owned by the Holder as capital property immediately prior to such acquisition.

Exercise of Unit Warrants

The exercise of a Unit Warrant to acquire a Warrant Share will be deemed not to constitute a disposition of property for purposes of the Tax Act. As a result, no gain or loss will be realized by a Holder upon the exercise of a Unit Warrants to acquire a Warrant Share. When a Unit Warrant is exercised, the Holder's cost of the Warrant Share acquired thereby will be equal to the aggregate of the Holder's adjusted cost base of such Unit Warrant and the exercise price paid for the Warrant Share. The Holder's adjusted cost base of the Warrant Share so acquired will be determined by averaging the cost of the Warrant Share with the adjusted cost base to the Holder of all Common Shares owned by the Holder as capital property immediately prior to such acquisition.

Holders Resident in Canada

The following section of this summary is generally applicable to a Holder who, for the purposes of the Tax Act, is or is deemed to be resident in Canada at all relevant times ("**Resident Holder**"). A Resident Holder whose Shares might not otherwise qualify as capital property may be entitled to make an irrevocable election permitted by subsection 39(4) of the Tax Act to deem the Shares, and every other "Canadian security" (as defined in the Tax Act), held by such person, in the taxation year of the election and each subsequent taxation year to be capital property. This election does not apply to Unit Warrants. Resident Holders should consult their own tax advisors regarding this election.

Expiry of Unit Warrants

In the event of the expiry of an unexercised Unit Warrant, a Resident Holder generally will realize a capital loss equal to the Resident Holder's adjusted cost base of such Unit Warrant. The tax treatment of capital gains and capital losses is discussed in greater detail below under the subheading "*Capital Gains and Capital Losses*".

Dividends

Dividends received or deemed to be received on the Shares will be included in computing a Resident Holder's income. In the case of an individual (other than certain trusts), such dividends will be subject to the gross-up and dividend tax credit rules normally applicable in respect of "taxable dividends" received from "taxable Canadian corporations" (as defined in the Tax Act). An enhanced dividend tax credit will be available to individuals in respect of "eligible dividends" designated by the Company to the Resident Holder in accordance with the provisions of the Tax Act. There may be limitations on the ability of the Company to designate dividends as eligible dividends.

Dividends received or deemed to be received by a Resident Holder that is a corporation on the Shares must be included in computing its income but generally will be deductible in computing its taxable income. In certain circumstances, subsection 55(2) of the Tax Act will treat a taxable dividend received or deemed to be received by a Resident Holder that is a corporation as proceeds of disposition or a capital gain.

Resident Holders that are corporations should consult their own tax advisors having regard to their own circumstances.

A Resident Holder that is a "private corporation" or a "subject corporation" (as such terms are defined in the Tax Act), may be liable to pay a refundable tax under Part IV of the Tax Act on dividends received or deemed to be received on the Shares to the extent such dividends are deductible in computing taxable income.

Dispositions of Shares and Unit Warrants

Upon a disposition (or a deemed disposition) of a Share (other than to the Company, unless purchased by the Company in the open market in the manner in which Shares are normally purchased by any member of the public in the open market) or a Unit Warrant (other than on the exercise thereof), a Resident Holder generally will realize a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition, net of any reasonable costs of disposition, are greater (or are less) than the adjusted cost base of such security to the Resident Holder. The tax treatment of capital gains and capital losses is discussed in greater detail below under the subheading "Capital Gains and Capital Losses".

Capital Gains and Capital Losses

Generally, a Resident Holder is required to include in computing its income for a taxation year one-half of the amount of any capital gain (a "**taxable capital gain**") realized in the year. Subject to and in accordance with the provisions of the Tax Act, a Resident Holder is required to deduct one-half of the amount of any capital loss (an "**allowable capital loss**") realized in a taxation year from taxable capital gains realized in the year by such Resident Holder. Allowable capital losses in excess of taxable capital gains realized in a taxation year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any following taxation year against taxable capital gains realized in such year to the extent and under the circumstances described in the Tax Act.

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

A Resident Holder that is throughout the relevant taxation year a "Canadian-controlled private corporation" (as defined in the Tax Act) also may be liable to pay an additional refundable tax on its "aggregate investment income" (as defined in the Tax Act) for the year which will include taxable capital gains.

Minimum Tax

Capital gains realized and dividends received by a Resident Holder that is an individual or a trust, other than certain specified trusts, may give rise to minimum tax under the Tax Act. Resident Holders should consult their own advisors with respect to the application of the minimum tax.

Holders Not Resident in Canada

The following section of this summary is generally applicable to Holders who for the purposes of the Tax Act: (i) are not deemed to be resident in Canada at any time while they hold the Shares or Unit Warrants; and (ii) do not use or hold the Shares or Unit Warrants in carrying on a business in Canada ("**Non-Resident Holders**").

Special rules, which are not discussed in this summary, may apply to a Non-Resident Holder that is an insurer carrying on business in Canada and elsewhere. Such Holders should consult their own tax advisors.

Dividends

Dividends paid or credited or deemed to be paid or credited to a Non-Resident Holder by the Company will be subject to Canadian withholding tax at the rate of 25% on the gross amount of the dividend unless such rate is reduced by the terms of an applicable tax treaty. Under the *Canada-United States Tax Convention (1980)*, as amended (the "**Treaty**"), the rate of withholding tax on dividends paid or credited to a Non-Resident Holder who is resident in the U.S. for purposes of the Treaty and fully entitled to benefits under the Treaty (a "**U.S. Holder**") is generally limited to 15% of the gross amount of the dividend (or 5% in the case of a U.S. Holder that is a corporation beneficially owning at least 10% of the Company's voting shares). Not all persons who are residents of the United States will qualify for the benefits of the Treaty. Non-Resident Holders are advised to consult their tax advisors in this regard.

Dispositions of Shares and Unit Warrants

A Non-Resident Holder generally will not be subject to tax under the Tax Act in respect of a capital gain realized on the disposition or deemed disposition of a Share or a Unit Warrant, nor will capital losses arising therefrom be recognized under the Tax Act, unless the Share or Unit Warrant constitutes "taxable Canadian property" to the Non-Resident Holder for purposes of the Tax Act, and the gain is not exempt from tax pursuant to the terms of an applicable tax treaty.

Provided the Shares are listed on a "designated stock exchange", as defined in the Tax Act (which currently includes the TSX), at the time of disposition, the Shares and Unit Warrants generally will not constitute taxable Canadian property of a Non-Resident Holder at that time, unless at any time during the 60 month period immediately preceding the disposition the following two conditions are met concurrently: (i) one or any combination of the Non-Resident Holder, persons with whom the Non-Resident Holder did not deal at arm's length, partnerships in which the Non-Resident Holder or such non-arm's length person holds a membership interest (either directly or indirectly through one or more partnerships), or the Non-Resident Holder together with all such persons, owned 25% or more of the issued shares of any class or series of shares of the Company; and (ii) more than 50% of the fair market value of the Shares of the Company was derived directly or indirectly from one or any combination of real or immovable property situated in Canada, "Canadian resource properties" (as defined in the Tax Act), "timber resource properties" (as defined in the Tax Act) or an option, an interest or right in such property, whether or not such property exists. Notwithstanding the foregoing, a Share or Unit Warrant may otherwise be deemed to be taxable Canadian property to a Non-Resident Holder for purposes of the Tax Act in certain circumstances. A Non-Resident Holder's capital gain (or capital loss) in respect of a disposition of Shares or Unit Warrants that constitute or are deemed to constitute taxable Canadian property to a Non-Resident Holder (and are not exempt from tax pursuant to the terms of an applicable tax treaty) will generally be computed in the manner described above under the subheading " *Holders Resident in Canada — Dispositions of Shares and Unit Warrants*" and " *Holders Resident in Canada – Capital Gains and Capital Losses*". Non-Resident Holders whose Shares or Unit Warrants are taxable Canadian property should consult their own tax advisors regarding the tax and compliance considerations that may be relevant to them. There may be additional considerations not described herein in respect of a disposition of a Share by a Non-Resident Holder to the Company. Non-Resident Holders who dispose of Shares to the Company should consult their own tax advisors.

RISK FACTORS

An investment in the Units involves a number of risks, including risks inherent in the industry in which the Company operates. In addition to the information set out below and the other information contained in this short form prospectus, including in the section entitled "*Cautionary Note Regarding Forward-Looking Information*", prospective purchasers should carefully consider the risk factors related to the Company's business and operations set out in the Annual Information Form and in the other documents incorporated

by reference in this short form prospectus. Any one or more of such risk factors could have a material adverse effect on the Company's business, results of operations and financial condition, causing you to lose all or part of your investment. The risks and uncertainties described below are not the only ones faced by the Company. Additional risks and uncertainties that the Company is not aware of or focused on, or currently deems to be immaterial, may also impair the Company's business operations and cause the price of the Company's Common Shares to decline.

Risks Related to Offering

Use of Proceeds

The Company currently intends to use the net proceeds received from the Offering (including on any exercise of the Over-Allotment Option) as described under "Use of Proceeds". However, the Company has broad discretion over the actual use of the net proceeds and may elect to allocate net proceeds differently from that described under "Use of Proceeds" if determined to be in the Company's best interests to do so. Shareholders may not agree with the manner in which the Company chooses to allocate and spend the net proceeds. The failure by the Company to use the net proceeds effectively could have a material adverse effect on the Company's business.

Conditions to the Offering may not be Satisfied

The closing of the Offering is subject to the satisfaction of certain closing conditions. There can be no assurance that such conditions will be met.

Liquidity and Capital Resources

The Company expects that the majority of the net proceeds from the Offering will be used to fund developments to advance the MTV Project. The Company may require additional financing over and above the Offering in order to meet its longer-term business objectives and there can be no assurances that such financing sources will be available as and when needed. Historically, capital requirements have been primarily funded through revenue from the MTV Project, monetization of the Company's portfolio investments and issuances of debt and equity. Factors that could affect the availability of financing include, but are not limited to, the progress and results of future exploration, the risks related to the ongoing operations of the MTV Project, risks related to COVID-19, the state of international debt and equity markets, and investor perceptions and expectations of the global copper markets. There can be no assurance that such financing will be available in the amount required at any time or for any period or, if available, that it can be obtained on terms satisfactory to the Company.

Negative Operating Cash Flow and Additional Funding

The Company produces pure copper cathodes and is developing a second orebody to expand operations. The Company has limited cash-flow from operations. During the fiscal years ended December 31, 2020 and 2019 the Company had negative cash flow from operating activities. The Company anticipates it will continue to have negative cash flow from operating activities in future periods until profitable commercial production is achieved at the MTV Project through increasing throughput at its fully permitted facilities. The Company is devoting significant resources to developing and increasing production at the MTV Project; however, there can be no assurance that it will generate positive cash flow from operations in the future. To the extent that the Company has negative operating cash flow in future periods, it may need to allocate a portion of its cash reserves to fund such negative cash flow. There can be no assurance that the Company will be able to generate a positive cash flow from its operations. In addition, there can be no assurance that additional funding will be available to the Company for the exploration and development of its projects. Furthermore, significant additional financing, whether through the issuance of additional securities and/or debt, may be required to continue the development of the MTV Project. There can be no assurance that the Company will be able to obtain adequate additional financing in the future or that the terms of such

financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further development and production at the MTV Project.

Dilution

The Company may sell or issue additional Common Shares or other securities in the future to finance future activities, including its growth strategy. The Company cannot predict the size of future issuances of securities or the effect, if any, that future issuances and sales of securities will have on the market price of the Common Shares. Issuances of substantial numbers of Common Shares, or the perception that such issuances could occur, may adversely affect prevailing market prices of the Common Shares. With any additional issuance of Common Shares, investors will suffer dilution to their voting power and the Company may experience dilution in its earnings per share.

The Common Shares are Subject to Market Price Volatility

The market price at which the Common Shares will trade cannot be predicted. The market price of the Common Shares may be adversely affected by a variety of factors relating to our business, including fluctuations in operating and financial results. In addition, the stock markets in general have recently experienced extreme volatility. This volatility may adversely affect the market price of the Common Shares and Warrants. The liquidity of the Common Shares may also be impacted by general market volatility.

Investment Eligibility

There can be no assurance that the Units will continue to be qualified investments under relevant Canadian tax laws for trusts governed by RRSPs, RRIFs, deferred profit sharing plans, RESPs, RDSPs and TFSAs. The Tax Act imposes penalties for the acquisition or holding of nonqualified or prohibited investments. See "*Eligibility for Investment*".

Book-Based System

Unless and until certificated Unit Shares and Unit Warrants are issued in exchange for book-entry interests in the Unit Shares and Unit Warrants, owners of the book-entry interests will not be considered owners or holders of Unit Shares and Unit Warrants. Instead, the depository or its nominee will be the sole holder of the Unit Shares and Unit Warrants. Unlike holders of the Unit Shares and Unit Warrants themselves, owners of book-based interests will not have the direct right to act upon the Company's solicitations or requests or other actions from holders of the Unit Shares and Unit Warrants. Instead, holders of beneficial interests in the Unit Shares and Unit Warrants will be permitted to act only to the extent such holders have received appropriate proxies to do so from CDS or, if applicable, a CDS participant. There is no assurance that procedures implemented for the granting of such proxies will be sufficient to enable holders of beneficial interests in the Unit Shares and Unit Warrants to vote on any requested actions on a timely basis. See "*Plan of Distribution – Book-Based System*".

No Market for the Unit Warrants Currently Exists

The Unit Warrants will not be listed for trading on the TSX. There is currently no market through which the Unit Warrants can be sold and purchasers may not be able to resell such securities purchased under this prospectus. This may affect the pricing of the Unit Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of such securities and the extent of issuer regulation.

Sales by Existing Shareholders can Reduce Share Prices

Sales of a substantial number of Common Shares in the public market could occur at any time. These sales, or the market perception that the holders of a large number of Common Shares intend to sell Common Shares, could reduce the market price of the Common Shares. If this occurs and continues, it could impair the Company's ability to raise additional capital through the sale of securities.

Risks Related to the Company and its Business

Prior to making an investment decision, prospective purchasers of Units should carefully consider the information described in this prospectus and the documents incorporated or deemed incorporated by reference herein. There are certain risks inherent in an investment in the Units, including the factors described under the headings, “*Risks Factors – Risks Related to MTV*” and “*Risk Factors – Risks relating to the Company Generally*” in the Annual Information Form and any other risk factors described in this prospectus or in a document incorporated or deemed incorporated by reference in this prospectus, which investors should carefully consider before investing.

LEGAL MATTERS

Certain legal matters relating to the Offering will be passed upon by Peterson McVicar LLP on behalf of the Company and Blake, Cassels & Graydon LLP on behalf of the Underwriters. As at the date of this short form prospectus, the partners and associates of each of Peterson McVicar LLP and Blake, Cassels & Graydon LLP who participated in or were in a position to directly influence the preparation of the opinions of their respective firms. As at the date hereof, each of the aforementioned partnerships (and their partners, associates and employees) beneficially own, directly or indirectly, less than 1% of the outstanding Common Shares and Warrants, and such groups respectively each own less than 1% of the outstanding securities of any associate or affiliate of the Company.

INTEREST OF EXPERTS

The following are the names of each person or company who is named as having prepared or certified a report, valuation, statement or opinion described or included herein or in a document incorporated by reference, and whose profession or business gives authority to such report, valuation, statement or opinion:

- PricewaterhouseCoopers LLP, Chartered Accountants, PwC Tower, 18 York Street, Suite 2600, Toronto, Ontario, M5J 0B2 are the auditors of the Company and have confirmed that they are independent of the Company within the meaning of the CPA Code of Professional Conduct of the Chartered Professional Accountants of Ontario.
- Dr. Antonio Luraschi, RM CMC, Manager of Metallurgic Development and Senior Financial Analyst, Wood Independent Mining Consultants, Inc.; Mr Sergio Navarrete, RM CMC, Mining Engineer, Wood Independent Mining Consultants, Inc.; Mr Alfonso Ovalle, RM CMC, Mining Engineer, Wood Independent Mining Consultants, Inc.; Mr Michael G. Hester, FAusIMM, Vice President and Principal Mining Engineer, Independent Mining Consultants, Inc.; Mr Enrique Quiroga, RM CMC, Mining Engineer, Q&Q Ltda.; Mr Gabriel Vera, RM CMC, Metallurgical Process Consultant, GVMetallurgy; and Mr Sergio Alvarado, RM CMC, Consultant Geologist, General Manager and Partner, Geoinvestment Sergio Alvarado Casas E.I.R.L., are the qualified persons who authored the Technical Report. To the knowledge of the Company, the aforementioned firm and persons each held less than 1% of the outstanding securities of the Company or of any associate or affiliate of the Company when they prepared the Technical Report or following the preparation of the report, and did not receive any direct or indirect interest in any securities of the Company or any associate or affiliate of the Company in connection with the preparation of the Technical Report.
- Dr. John Mortimer, Independent Consulting Geologist and Director, JM Geoscience Pty Ltd, a technical advisor to the Company, is the qualified person who developed the exploration program disclosed in this short form prospectus, which was not derived from the Technical Report. As of the date hereof, Dr. Mortimer, beneficially owns, directly and indirectly, in the aggregate, less than 1% of the outstanding Common Shares.

AGENT FOR SERVICE OF PROCESS

Bo Liu, a director of the Company, resides outside of Canada. Although Mr. Liu has appointed the Company at, 18 King Street East, Suite 902, Toronto, Ontario, M5C 1C4, as his agent for service of process, purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process.

STATUTORY RIGHTS OF WITHDRAWAL AND RECESSIO

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies of rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. Purchasers should refer to any applicable provisions of the securities legislation of their province for the particulars of these rights or consult with a legal advisor.

In an offering of Unit Warrants, investors are cautioned that the statutory right of action for damages for a misrepresentation contained in a prospectus is limited, in certain provincial securities legislation, to the price at which the Warrant is offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces, if the purchaser pays additional amounts upon conversion, exchange or exercise of the security, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of this right of action for damages or consult with a legal adviser.

CERTIFICATE OF THE COMPANY

Dated: March 19, 2021

This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the Provinces of Canada, excluding the Province of Québec.

By: (Signed) "*Terrence A. Lyons*"
Chief Executive Officer

By: (Signed) "*Michael Staresinic*"
President and Chief Financial Officer

On behalf of the Board of Directors

By: (Signed) "*Lenard F. Boggio*"
Director

By: (Signed) "*David Smith*"
Director

CERTIFICATE OF THE UNDERWRITERS

Dated: March 19, 2021

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the Provinces of Canada, excluding the Province of Québec.

PI FINANCIAL CORP.

By: (Signed) *"Dan Barnholden"*

Managing Director, Head
of Investment Banking

EIGHT CAPITAL

By: (Signed) *"John Sutherland"*

Managing Director, Investment
Banking

RED CLOUD SECURITIES INC.

By: (Signed) *"Bruce Tatters"*

Chief Executive Officer