*A copy of this preliminary prospectus has been filed with the securities regulatory authority in the province of British Columbia but has not yet become final. Information contained in this preliminary prospectus may not be complete and may have to be amended.*

*This Preliminary Prospectus is not related to a public offering. No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.*

**PRELIMINARY PROSPECTUS**

**NON-OFFERING** **March 23, 2018**

**KAL MINERALS CORP.**
Suite 907, 1030 West Georgia Street Vancouver, British Columbia
**(the "Company")**

This Prospectus is being filed with the British Columbia Securities Commission for the purpose of becoming a reporting issuer and complying with the listing requirements of the Canadian Securities Exchange.

No securities are being offered pursuant to this Prospectus. This Prospectus is being filed with the British Columbia Securities Commission for the purpose of providing full public disclosure regarding the Company's application to list its common shares on the Canadian Securities Exchange. As no securities are being offered pursuant to this Prospectus, no proceeds will be raised in connection with this Prospectus and the Company will pay all associated costs out of its general funds.

**There is no market through which the securities of the Company may be sold. This may affect the pricing of the securities of the Company in the secondary markets, the transparency and availability of trading prices, the liquidity of securities of the Company, and the extent of Company regulation. See "Risk Factors".**

**Listing will be subject to the Company fulfilling all of the listing requirements of the Canadian Securities Exchange including without limitation, meeting certain financial and other requirements. There can be no assurance that the securities of the Company will be listed.**

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

Unless otherwise noted, all currency amounts in this Prospectus are stated in Canadian dollars.

**An investment in the Common Shares should be considered highly speculative due to the nature of the Company's business, its present stage of development and other risk factors. Investments in natural resource issuers involve a significant degree of risk. The degree of risk increases substantially where the issuer's properties are in exploration as opposed to the development stage. The Company's property is in the exploration stage and is without a known body of commercial ore. Investors should not invest any funds in this Offering unless they can afford to lose their entire investment. See "Risk Factors".**

## TABLE OF CONTENTS

## GLOSSARY OF GENERAL TERMS

The following is a glossary of certain general terms used in this Prospectus:

| | |
|---|---|
| **$** | means Canadian dollars |
| **Articles** | the articles of the Company |
| **BCA** | the *Business Corporations Act* (British Columbia) |
| **BCSC** | the British Columbia Securities Commission |
| **Common Shares or Shares** | the common shares of the Company without par value |
| **Company, Issuer, we or us** | means Kal Minerals Corp. |
| **Directors or Board or Board of Directors** | means the board of directors of the Company. |
| **Effective Date** | means the date the Securities Commission issues a final receipt for this Prospectus. |
| **Escrow Agent** | means National Issuer Services Ltd. |
| **Escrow Agreement** | means the agreement dated effective March 14, 2018 among the Company, the Escrow Agent, and certain shareholders of the Issuer whereby the Escrowed Shares are held in escrow by the Escrow Agent. |
| **Escrowed Shares** | means those 3,422,500 previously issued Shares which are subject to the Escrow Agreement. |
| **Exchange or CSE** | means the Canadian Securities Exchange. |
| **Jack White Property or Property** | The 4 mineral claims covering approximately 2,202 hectares, located approximately 13 km northeast of the Town of Boston Bar, and 45 km southwest of the City of Merritt, BC, in the New Westminster mining division of British Columbia |
| **Listing Date or Listing** | means the date the Company's Shares are first listed for trading on the Exchange. |
| **Mineral Tenure Act** | The Mineral Tenure Act (British Columbia) as amended. |
| **NI 41-101** | means National Instrument 41-101, *General Prospectus Requirements.* |
| **NI 43-101** | National Instrument 43-101 – Standards of Disclosure for Mineral Projects |
| **Prospectus** | means this long-form non-offering prospectus. |
| **Optionor** | Means Raymond Wladichuk the CEO of the Company and the optionor of the Jack White Property to the Company. |
| **Qualified Person** | Barry James Price, M.Sc., P.Geo. author of the Technical Report |
| **Royalty or NSR** | The 2% net smelter royalty retained by the Optionor on the Jack White Property |
| **Stock Option Plan** | means the Company's 10% rolling stock option plan adopted February 28, 2018. |
| **Technical Report** | The report titled "Technical Report on the Jack White Property" dated October 16, 2017, which was prepared by the Qualified Person, under the guidelines of NI 43-101 |

Certain additional terms are defined within the body of this Prospectus and in such cases will have the meanings ascribed thereto.

## PART 1 – SUMMARY OF PROSPECTUS

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

***The Company***

Kal Minerals Corp. (previously defined as the "Company" or the "Issuer") was incorporated in British Columbia on February 19, 2016. It's registered and records and head office is located at Suite 907, 1030 West Georgia Street, Vancouver BC, V6E 2Y3.

For more information about the corporate structure of the Issuer, please see "Part 2 – Corporate Structure".

***The Principal Business of the Company***

To date, the Company has been engaged in the acquisition of its mineral property located in British Columbia, Canada. Pursuant to the Jack White Option Agreement, the Company currently has an option to acquire a one hundred percent (100%) undivided interest in the Jack White Property situated approximately 13km northeast of the town of Boston Bar, British Columbia.

The Jack White Property is comprised of four mineral tenures covering approximately 2,202 hectares and is located in the New Westminster Mining Division of British Columbia. See "Business of the Company" and "Jack White Property".

For more information about the business of the Issuer, please see "Part 3 – Business of the Company".

***Use of Available Funds***

As of the date of this Prospectus the Company currently has $500,000 in available funds. $150,000 will be used to complete Phase 1 of the recommended work program on the Jack White Property; $50,000 to pay the anticipated cost of Listing; and $84,000 anticipated to pay for 12 months of general and administrative expenses, leaving approximately $216,000 in unallocated working capital.

The Company has no anticipated significant additional expenses and further expects that our current working capital position will cover all required expenses for at least the next 12 months.

For more information about the planned expenses of the Company, see table "Planned Use of Funds by the Company" in "Part 3 – Business of the Company" and "Part 4 – Use of Available Funds".

***Directors and Officers of the Company***

The current directors and officers of the Issuer are:

Raymond Wladichuk, Director and Chief Executive Officer
Aeron Kawakami, Chief Financial Officer and Secretary
Martin Bajic, Director
Michael Konnert, Director

For more information about the directors and officers of the Company, see "Part 13 – Directors and Executive Officers".

***Consolidated Capitalization***

The Issuer currently has 10,112,500 Shares and 5,062,500 warrants outstanding.

The Company adopted a 10% rolling stock option plan on February 28, 2018, under which, as of the date of this Prospectus, the Company can grant up to 1,011,250 incentive options. As of the date of this Prospectus no options have been granted.

There are no other securities convertible into Shares outstanding.

### *Risk Factors*

The following is the summary of the main risk factors related to the Company. An investment in the Company is speculative and involves a high degree of risk. Accordingly, prospective investors should carefully consider and evaluate all risks and uncertainties involved in an investment in the Company, including risks related to: (i) the lack of market through which the Common Shares may be sold, (ii) negative cash flows from operating activities, (iii) the lack of production on the Company's Jack White Property, (iv) the Company's limited operating history and lack of positive cash flow, no known economic mineral deposit on the Jack White Property and the proposed exploration program is exploratory in nature, the mineral claims comprising the Jack White Property may be withdrawn or subject to limitation by regulatory authorities, aboriginal land claims affecting the Jack White Property, (viii) assurance of title to Jack White Property, (ix) competing with other mining companies, (x) the Company's ability to retain qualified personnel, (xi) the volatility of commodity prices, (xii) the exploration program may have a negative environmental impact, (xiii) uninsurable hazards, (xiv) health and safety risks, (xv) additional requirements for capital, and (xvi) smaller companies can be highly volatile.

For more information about the risk factors, see "Part 18 – Risk Factors".

### *Summary of Selected Financial Information*

The following table summarizes selected audited financial data of the Company for the period from incorporation to the fiscal years ended July 31, 2016 and 2017, and the unaudited financial data for the six months ended January 31, 2018 and should be read in conjunction with the financial statements and the related notes thereto, together with management's discussion and analysis, as included elsewhere in this Prospectus:

| Item | Six Months Ended January 31, 2018 | Year Ended July 31, 2017 | Incorporation to July 31, 2016 |
|---|---|---|---|
| Revenues | $ nil | $ nil | $ nil |
| Expenses | 15,264 | 22,561 | 2,275 |
| Net Loss | (51,764) | (33,861) | ($2,275) |
| Total Assets | $607,680 | $131,715 | $2,500 |
| Current Liabilities & Long Term Debt | $54,321 | $71,960 | $1,775 |
| Working Capital (deficit) | $502,609 | ($13,746) | ($1,775) |
| Shareholders' Equity (Deficiency) | $553,359 | $59,755 | $725 |
| Number of Shares Outstanding | 10,112,500 | 4,653,000 | 3,000,000 |

See "*Management Discussion and Analysis*" and the financial statements of the Company attached as Schedule "A" to this Prospectus for details.

## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains "forward-looking statements" which may include, but is not limited to, statements with respect to the future financial or operating performance of the Company and its projects, the future price of gold, silver or other metal prices, exploration expenditures, costs and timing of future exploration, requirements for additional capital, government regulation of mining operations, environmental risks, reclamation expenses, title disputes or claims, limitations of insurance coverage and regulatory matters.

Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or variations (including negative variations) of such words and phrases, or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, general business, economic, and competitive uncertainties; lack of production; limited operating history of the Company; the actual results of current exploration activities; ability to obtain prospecting licenses or permits; aboriginal land claims; proper title to the claim that comprises the Jack White Property; ability to retain qualified personnel; the ability to obtain adequate financing for exploration and development; volatility of commodity prices; environmental risks of mining operations; accidents, labour disputes and other risks of the mining industry, including but not limited to environmental hazards, cave-ins, pit-wall failures, flooding, rock bursts and other acts of God or unfavourable operating conditions and losses as well as those factors discussed in the section entitled "Risk Factors" in this prospectus.

Forward looking statements are based on a number of material factors and assumptions, including the determination of mineral reserves or resources, if any, the results of exploration and drilling activities, the availability and final receipt of required approvals, licenses and permits, that sufficient working capital is available to complete proposed exploration and drilling activities, that contracted parties provide goods and/or services on the agreed time frames, the equipment necessary for exploration is available as scheduled and does not incur unforeseen break downs, that no labour shortages or delays are incurred and that no unusual geological or technical problems occur. While the Company considers these assumptions may be reasonable based on information currently available to it, they may prove to be incorrect. Actual results may vary from such forward-looking information for a variety of reasons, including but not limited to risks and uncertainties disclosed in this prospectus. See "Risk Factors".

These forward-looking statements are made as of the date of this prospectus. Following Listing on the Exchange, the Company intends to discuss in its quarterly and annual reports referred to as the Company's Management's Discussion and Analysis documents, any events and circumstances that occurred during the period to which such document relates that are reasonably likely to cause actual events or circumstances to differ materially from those disclosed in this prospectus. New factors emerge from time to time, and it is not possible for management to predict all of such factors and to assess in advance the impact of each such factor on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement. The Company will file an amended prospectus if material changes occur between the date of this prospectus and the Closing of the Offering.

Investors are cautioned against placing undue reliance on forward-looking statements.

## PART 2 - CORPORATE STRUCTURE

***Name, address and incorporation***

The Company was incorporated under the *Business Corporations Act* (British Columbia) on February 19, 2016 with the name Kal Minerals Corp.

The Company's head office and its registered and records office is located at Suite 907, 1030 West Georgia Street, Vancouver, B.C. V6E 2Y3

The Company does not have any subsidiaries.

## PART 3 – BUSINESS OF THE COMPANY

### General Development of the Business

### Description of Business

The Company is engaged in the acquisition and exploration of mineral properties. The Company currently has an option to acquire a one hundred percent (100%) undivided interest in the Jack White Property. The Property is comprised of four mineral tenures covering approximately 2,202 hectares located approximately 13 kilometres northeast of the town of Boston Bar, BC in the New Westminster Mining Division of British Columbia. The Company's exploration program will be primarily focused on copper, gold and silver exploration.

### Three Year History

Since incorporation on February 19, 2016, the Company's activities have focused on the acquisition and exploration of the Jack White Property.

### Financings

The Company completed its seed financing round which consisted of the issuance of 3,000,000 common shares for gross proceeds of $3,000 on February 19, 2016.

On December 28, 2016, the Company closed a non-brokered private placement which consisted of the issuance of 1,400,000 flow-through shares at a price of $0.05 per share for gross proceeds of $70,000. In connection with the private placement, the Company paid $1,948 of share issuance costs.

On May 21, 2017, the Company closed a private placement through the crowdfunding site "vested.ca", which consisted of the issuance of 253,000 common shares at a price of $0.10 per share for gross proceeds of $25,300. In connection with the private placement, the Company paid a portal fee and processing fee of $2,061 and issued 50,600 warrants exercisable for 2 years after a material event at a price of $0.10 for the purchase of one common share per warrant. Warrants had an aggregate fair value of $3,800.

On October 2, 2017, the Company closed a private placement through the crowdfunding site "vested.ca", which consisted of the issuance of 59,500 common shares at a price of $0.10 per share for gross proceeds of $5,950. In connection with the private placement, the Company paid a portal fee and processing fee of $481 and issued 11,900 warrants exercisable for 2 years after a material event at a price of $0.10 for the purchase of one common share per warrant. Warrants had an aggregate fair value of $895.

On October 5, 2017, the Company entered into a CFO Consulting Agreement whereby the Company will pay the consultant a rate of $35 per hour for services rendered and issued 100,000 common shares of the

Company at a fair value of $0.10 per share.

On December 7, 2017, the Company issued 100,000 common shares at a fair price of $0.10 per share in accordance with the Amending Agreement.

On December 7, 2017, the Company approved a debt settlement agreement with Waldo Sciences Inc., a company wholly owned by the CEO of the Company to issue 200,000 common shares as settlement of debt of $21,361.

On December 29, 2017, the Company closed a non-brokered private placement which consisted of the issuance of 1,500,000 flow-through units at a price of $0.10 per share for gross proceeds of $150,000. Each unit consisted of one common share and one share purchase warrant exercisable at $0.10 for a period of 2 years.

On January 20, 2018, the Company closed a non-brokered private placement which consisted of the issuance of 3,500,000 units at a price of $0.10 per unit for gross proceeds of $350,000. Each unit consisted of one common share and one share purchase warrant exercisable at $0.10 for a period of 2 years.

**Acquisition of the Jack White Property**

On February 27, 2016, the Company entered into the Jack White Option Agreement, as amended October 27, 2017, with the Optionor whereby the Optionor granted the Company an option to acquire a 100% undivided interest in the Property.

The Company can earn 100% interest in the Property, subject to a 2% NSR Royalty by:

- Making total cash payments of $387,500 as outlined below;
- Issuing a total of 1,300,000 common shares as outlined below; and
- Incurring a total of $1,850,000 in expenditures as outline below.

| Cash payments | Common shares to be | Expenditures to be incurred | Date |
|---|---|---|---|
| $2,500 (paid) | 100,000 (issued) | Nil | Upon signing of the Agreement |
| Nil | 25,000 | $75,000 | On the first anniversary date of the Amended Agreement |
| $5,000 | 50,000 | $100,000 | On the second anniversary date of the Amended Agreement |
| $10,000 | 75,000 | $150,000 | On the third anniversary date of the Amended Agreement |
| $15,000 | 100,000 | $275,000 | On the fourth anniversary date of the Amended Agreement |
| $30,000 | 150,000 | $500,000 | On the fifth anniversary date of the Amended Agreement |
| $75,000 | 200,000 | $750,000 | On the sixth anniversary date of the Amended Agreement |

| | | | |
|---|---|---|---|
| $75,000 | 200,000 | Nil | Upon completion of a pre-feasibility study |
| $75,000 | 200,000 | Nil | Upon completion of a feasibility study |
| $100,000 | 200,000 | Nil | Upon commencement of commercial production |
| **$387,500** | **1,300,000** | **$1,850,000** | **Total** |

The Property will be subject to a 2% net smelter royalty ("NSR"). The Company will have the right to purchase 50% of the 2% NSR for $1,000,000 any time prior to commencement of commercial production of the Property.

**Government Mining Regulations**

The Company will be required to comply with all regulations, rules and directives of governmental authorities and agencies applicable to the exploration of minerals in the Province of British Columbia. The main agency that governs the exploration of minerals in the Province of British Columbia, Canada, is the Ministry of Energy, Mines and Petroleum Resources ("Ministry of Mines"). The Ministry of Mines manages the development of British Columbia's mineral resources, and implements policies and programs respecting their development while protecting the environment. In addition, the Ministry of Mines regulates and inspects the exploration and mineral production industries in British Columbia to protect workers, the public and the environment.

The material legislation applicable to the Company is the *Mineral Tenure Act* (British Columbia), as amended (the "Mineral Tenure Act"), administered by the Mineral Titles Branch of the Ministry of Mines, and the *Mines Act* (British Columbia) (the "Mines Act"), as well as the Health, Safety and Reclamation Code (British Columbia) (the "Health Safety and Reclamation Code"). The Mineral Tenure Act and its regulations govern the procedures involved in the location, recording and maintenance of mineral titles in British Columbia. The Mineral Tenure Act also governs the issuance of leases which are long term entitlements to minerals.

All mineral exploration activities carried out on a mineral claims or mining lease in British Columbia must be in compliance with the Mines Act. The Mines Act applies to all mines during exploration, development, construction, production, closure, reclamation and abandonment. It outlines the powers of the Chief Inspector of Mines to inspect mines, the procedures for obtaining permits to commence work in, on or about a mine and other procedures to be observed at a mine. Additionally, the provisions of the Health, Safety and Reclamation Code for mines in British Columbia contain standards for employment, occupational health and safety, accident investigation, work place conditions, protective equipment, training programs and site supervision.

Additional approvals and authorizations may be required from other government agencies, depending upon the nature and scope of the proposed exploration program. If the exploration activities require the falling of timber, then either a free use permit or a license to cut must be issued by the Ministry of Forests Land and Natural Resource Operations. Items such as waste approvals may be required from the Ministry of Environment if the proposed exploration activities are significantly large enough to warrant them. Waste approvals refer to the disposal of rock materials removed from the earth which must be reclaimed. An environmental impact statement may be required.

**Employees**

As of the date of this prospectus, the Company has no employees. The Company's executive officers are independent contractors of the Company.

**Trends**

There is significant competition for the acquisition of promising properties, as well as for hiring qualified personnel. The Company's competitors may have more substantial financial and technical resources for the acquisition of mineral concessions, claims or mineral interests, as well as for the recruitment and retention of qualified personnel.

The present and future activities of the Company may be influenced to some degree by factors such as the availability of capital, governmental regulations, including environmental regulation, territorial claims and security on mining sites. The influence of such factors cannot be predicted.

To the knowledge of the Company, other than what is described in this prospectus, there is no current trend or event that could reasonably influence, in a significant manner, the activities, financial situation or operating results of the Company for the current fiscal year. See "Risk Factors".
Further details about the business are provided below in the "Narrative Business of the Company."

## JACK WHITE PROPERTY

The following represents information summarized from the Technical Report on the Jack White Property dated October 16, 2017 (previously defined as "Technical Report"), prepared by Barry James Price, M.Sc., P. Geo. (previously defined as "Qualified Person"), a "qualified person", as defined under National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (previously defined as "NI 43-101"), prepared in accordance with the requirements of NI 43-101. Note that not all of the figures and tables from the Technical Report are reproduced in and form part of this prospectus.

### Property Description and Location

The Jack White Property consists of 4 mining claims totaling approximately 2,202 hectares and is located in the New Westminster Mining Division of British Columbia. The Jack White Property is situated approximately 13 kilometres northeast of the town of Boston Bar and approximately 45 kilometres southwest of the City of Merritt, British Columbia.

The claims have not been surveyed, but cell corners are referenced to geographical coordinates that may be precisely located in the field by GPS or theodolite surveys. The property is centered at approximately 49°59'09" North latitude and 121◦21'13" W longitude (UTM Coordinates 620488 m Easting and 5538626 Northing (Zone 10U, WGS 84) on NTS map sheet 92H/14. The UTM location is the approximate location of the original Jack White (Stoyoma) Minfile showing.

**Jack White Property Map**


MAP OF BRITISH COLUMBIA
BRITISH COLUMBIA
COLOMBIE-BRITANNIQUE
YUKON TERRITORY
TERRITOIRE DU YUKON
NWT
TN-O
ALASKA
USA
É-U d'A
ALBERTA
PACIFIC OCEAN
OCÉAN PACIFIQUE
UNITED STATES OF AMERICA
ÉTATS-UNIS D'AMÉRIQUE
CANADA
LEGEND / LÉGENDE
Provincial capital / Capitale provinciale
Other populated places / Autres lieux habités
Trans-Canada Highway / La Transcanadienne
Major road / Route principale
Ferry route / Traversier
International boundary / Frontière internationale
Provincial boundary / Limite provinciale
Scale / Échelle
100 0 100 200 300
km km
JACK WHITE PROPERTY
© 2000. Her Majesty the Queen in Right of Canada, Natural Resources Canada.
Sa Majesté la Reine du chef du Canada, Ressources naturelles Canada.

On February 27, 2016, the Company entered into the Jack White Option Agreement, as amended October 27, 2017, with the Optionor whereby the Optionor granted the Company an option to acquire a 100% undivided interest in the Property.

The Company can earn 100% interest in the Property, subject to a 2% NSR Royalty by:

- Making total cash payments of $387,500 as outlined below;
- Issuing a total of 1,300,000 common shares as outlined below; and
- Incurring a total of $1,850,000 in expenditures as outline below.

| **Cash payments** | **Common shares to be** | **Expenditures to be incurred** | **Date** |
|---|---|---|---|
| $2,500 (paid) | 100,000 (issued) | Nil | Upon signing of the Agreement |
| Nil | 25,000 | $75,000 | On the first anniversary date of the Amended Agreement |
| $5,000 | 50,000 | $100,000 | On the second anniversary date of the Amended Agreement |
| $10,000 | 75,000 | $150,000 | On the third anniversary date of the Amended Agreement |
| $15,000 | 100,000 | $275,000 | On the fourth anniversary date of the Amended Agreement |
| $30,000 | 150,000 | $500,000 | On the fifth anniversary date of the Amended Agreement |
| $75,000 | 200,000 | $750,000 | On the sixth anniversary date of the Amended Agreement |
| $75,000 | 200,000 | Nil | Upon completion of a pre-feasibility study |
| $75,000 | 200,000 | Nil | Upon completion of a feasibility study |
| $100,000 | 200,000 | Nil | Upon commencement of commercial production |
| **$387,500** | **1,300,000** | **$1,850,000** | **Total** |

The Property will be subject to a 2% net smelter royalty ("NSR"). The Company will have the right to purchase 50% of the 2% NSR for $1,000,000 any time prior to commencement of commercial production of the Property.

As of the date of this Prospectus, the Company has incurred $82,980 in exploration expenditures on the Jack White Property.

In order for tenures to remain in good standing in BC, expenditures are required in the amounts of $5.00 per hectare per year during the initial two year period, $10.00 per hectare per year during years three and four, $15.00 per hectare per year during years five and six and $20.00 per hectare per year for each year thereafter. In the case of the Jack White Property, the annual work expenditures requirement will be the responsibility of the Company. If qualifying expenditures are insufficient, tenures may be maintained by payment of cash in lieu of work. Work expenditures can be applied as assessment work to a maximum of ten years. The claims that comprise the Property are in good standing as set forth below and will be maintained in good standing thereafter by application of exploration expenditures incurred during future work programs or by payment of appropriate cash in lieu of work.

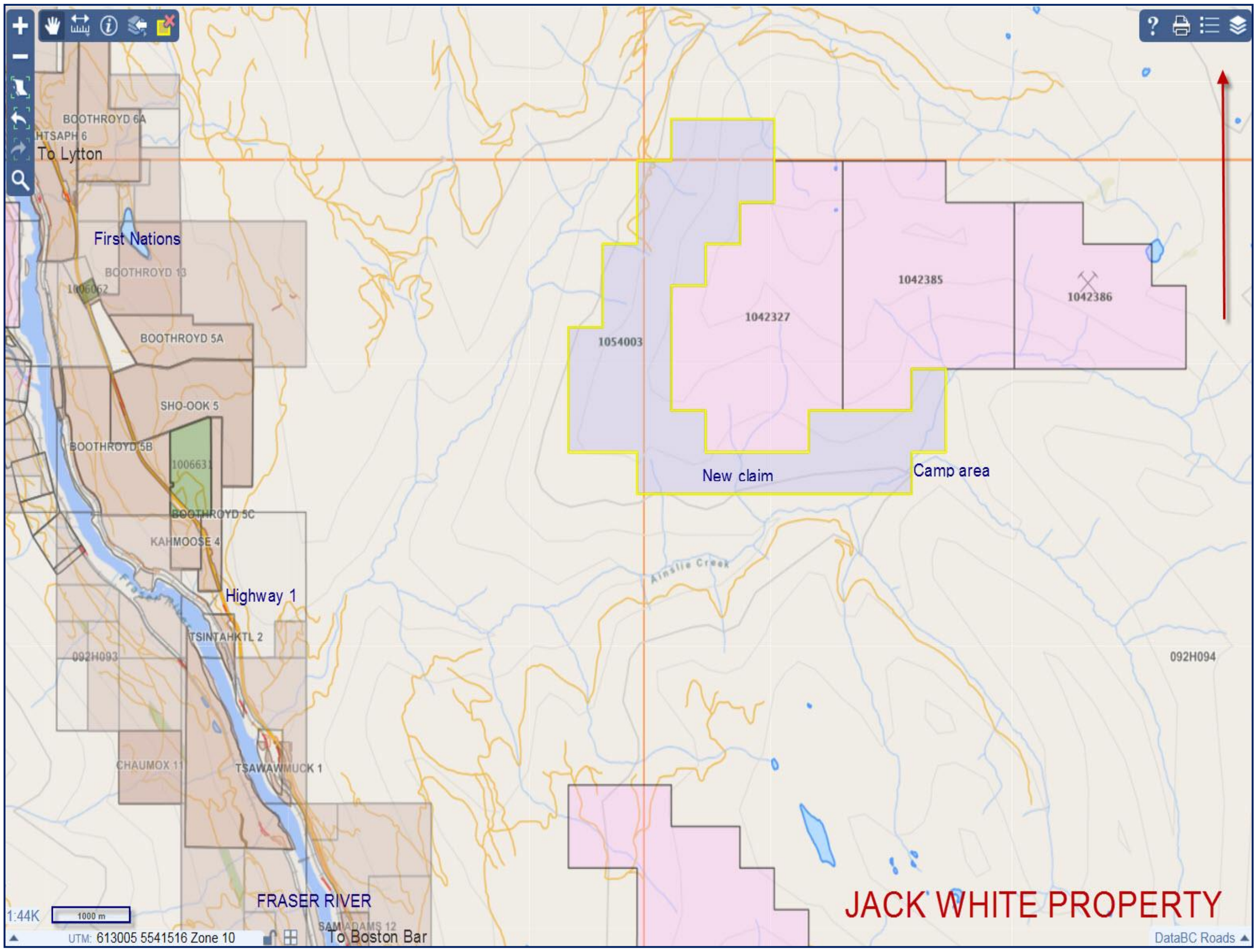
| Title Number | Claim Name | Good To Date | Area (ha) |
|---|---|---|---|
| 1042327 | JW2016A | 2021/Aug/01 | 560.95 |
| 1042385 | JW2016B | 2021/Aug/01 | 519.36 |
| 1042386 | JW2016C | 2021/Aug/01 | 332.40 |
| 1054003 | Jay Double-U | 2018/Aug/13 | 789.53 |

The Jay Double-U claim is subject to the terms and conditions of the Project Generation Agreement dated as of March 10, 2016 between Raymond E. Wladichuk and Michael A. Blady and Christopher R. Paul.

Under the terms of the Project Generation Agreement, Raymond Wladichuk and subsequently the Company, has agreed to grant the following to the Finders (Chris Paul and Mike Blady):

1) The right of first refusal to Ridgeline Exploration Services Inc. (hereinafter "Ridgeline") on all approved contract exploration work on the Property;
2) 50% of the 2% Net Smelter Royalty payments and Advanced Minimum Royalty payments received by the Optionor which relate to production and/or development on the Property;
3) A 25% beneficial interest in any additional mineral claims which are staked to expand the current Property boundary. All royalty payments and beneficial interest in mineral claims received by the Finders will be allocated as to 50% to Blady and 50% to Paul.

**Jack White Claim Map**




**Accessibility, Climate, Local Resources, Infrastructure and Physiography**

***Access***

The claims are accessed from Vancouver by driving on Highway 1 to Boston Bar and the settlement of Canyon Alpine. A short distance north of Canyon Alpine the South Ainslie Creek Forest access road extends eastward, and the property is crossed by seasonal logging roads, most of which have been deactivated by cross-ditches by the Ministry of Forests. The ditched roads would require repairs for 4-wheel drive vehicle. The property can be reached in about 3 hours driving time from Vancouver. Alternatively, a helicopter can be chartered from the town of Hope, with an approximate 30-minute ferry time to the claims.

***Climate***

Climate is typical of the Interior of BC with warm summers and cool winters. Depending on elevation, exploration surveys can commence from about early April to mid-May and end by late November.

***Local Resources and Infrastructure***

There are no infrastructure facilities on the property. Accommodation and meals can be found at Canyon Alpine, which has a serviceable motel and restaurant. Supplies are available at Hope or Vancouver. A labour pool is available in the area.

***Physiography***

Geographically, the claims lie along the eastern edge of the Pacific and Cascade ranges with rugged coastal mountains. Topography is steep with elevations ranging from 800m at Creek level on the claim to 1,940 meters at the ridge. The claims cover the south facing slope overlooking the South Ainslie Creek valley which empties westward into the Fraser River.

**History**

Attention was brought to the area following discovery of gold on both sides of the Fraser River. The area was mapped by Crickmay in 1924, completed in 1942 by C.E. Cairnes, and published as GSC Map 737, Hope Sheet. Additional map compilation has been done and is available on Map Place, a BC government website.

From 1958 to 1960, claims were held in the area by W.E. Harvey of Vancouver and Jack White of Yale B.C. In July and August 1959 12 samples submitted by White for assaying taken as selected grab samples across widths up to 4 ft. showed iron content of 5l % to 63% Iron (Fe), with less then 0.25% Copper (Cu). At that time, access was by a 10-mile horse-trail from Boothroyd at the junction of Ainslie Creek and Fraser River.

In 1959 Noranda Explorations completed six lines of dip needle survey with stations at intervals of 50 ft., reduced to intervals of 10 ft. where magnetite concentrations were encountered. Recordings at 200 stations indicated a main zone of mineralization over a 500-foot length striking approximately north-south with magnetic concentrations over widths averaging 45 feet over the were indicated as local since there was no extension recorded on the adjoining lines which were spaced at 100 ft. (Correspondence Rod McRae and Ted Chisholm 1960). Chisholm indicates that narrow banded magnetite veins crossed the south fork of Ainslie Creek at several points. The dip needle readings, though available, are not easily interpreted.

**Table of 1959 historical samples**

| SAMPLE | CU% | FE% |
|---|---|---|
| 1 | 0.02 | 62.87 |
| 2 | 0.02 | 62.77 |
| 3 | 0.10 | 62.83 |
| 4 | 0.10 | 61.56 |
| 5 | 0.88 | 61.99 |
| 6 | 0.10 | 58.58 |
| 7 | 1.25 | 60.34 |
| 8 | 0.10 | 54.79 |
| 9 | 0.19 | 50.74 |

These samples are obviously selected and not representative of the average iron content.

In 1965, the prospectors reported four magnetite showings, from 10 to 12 feet wide and from 100 to 600 feet long. Exact location of these showings was not described (as this was pre-GPS technology). Apparently, there were a number of 10 to 20 ft. packsack diamond drill holes completed, again locations not presently known, but near the camp. At that time, the First Nations had legends of six people killed in the area, possibly by lightning strikes and avoided the area, known as Eke Waki or Hoodoo Mountain.

In 1974, the prospects were held in a large claim block of Tee and Hoodoo claims. Packsack drill holes to 10 feet were deepened to 20 feet by explosives. Unfortunately, the maps by the prospectors are rough and no locations can be identified.

In 1975, BCDM regional geologist Gordon White P. Eng. was interested in the Jack White property. Mr. White had a $1,000 prospector's assistance grant. The iron rich (magnetite) outcropping was said to be 800 feet long, within a limestone band in the Lucky and High Grade claims.

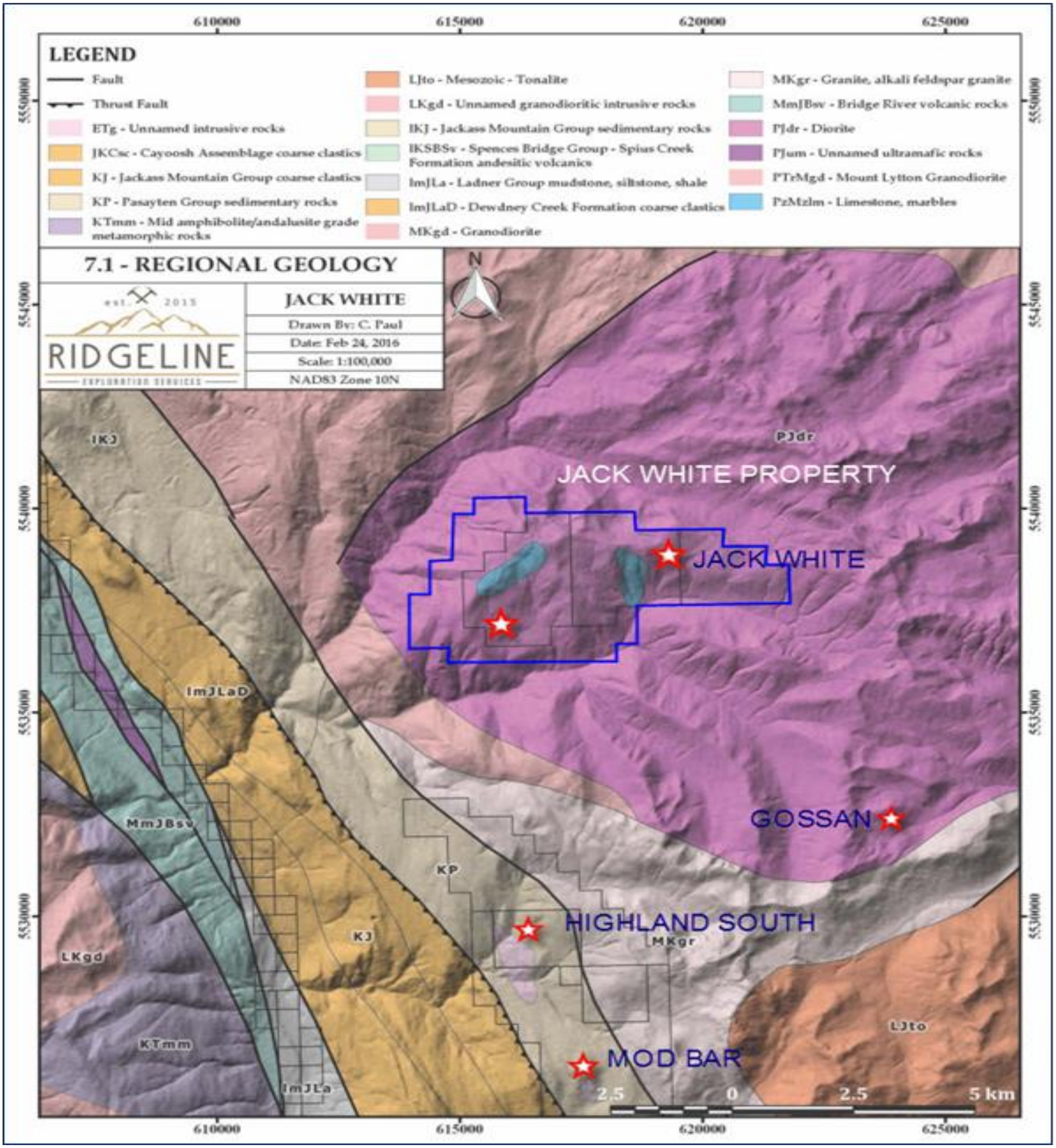
Claims were held in the area from 2010 to 2012 by J Shearer P.Geo., Homegold Resources Ltd., who was interested in the magnetite showings, but there is no indication that any work of significance was done on the claims, which were part of a larger Keefers project mainly on the west side of the Fraser River, and no samples were taken.

## Geological Setting and Mineralization

### *Regional Geology*

The regional geological framework is prominently marked by a major break along the Fraser River – Straight Creek fault system centered on Fraser River, west of the claims. The fault system represents a suture-like zone between the Methow and Bridge River accreted terranes and has produced a zone of ductile deformation, adjacent to which are favourable for hosting mineralization, particularly where cross faults occur.

The general claim area is underlain by the Mount Lytton Complex, a major, 160-km-long intrusive complex trending northwest through central British Columbia. About 6 miles to the west, the granitic rocks are in faulted contact with sediments of the Lower Cretaceous Jackass Mountain group


LEGEND
Fault
Thrust Fault
ETg - Unnamed intrusive rocks
JKCsc - Cayoosh Assemblage coarse clastics
KJ - Jackass Mountain Group coarse clastics
KP - Pasayten Group sedimentary rocks
KTmm - Mid amphibolite/andalusite grade metamorphic rocks
LJto - Mesozoic - Tonalite
LKgd - Unnamed granodioritic intrusive rocks
lKJ - Jackass Mountain Group sedimentary rocks
lKSBSv - Spences Bridge Group - Spius Creek Formation andesitic volcanics
lmJLa - Ladner Group mudstone, siltstone, shale
lmJLaD - Dewdney Creek Formation coarse clastics
MKgd - Granodiorite
MKgr - Granite, alkali feldspar granite
MmJBsv - Bridge River volcanic rocks
PJdr - Diorite
PJum - Unnamed ultramafic rocks
PTrMgd - Mount Lytton Granodiorite
PzMzlm - Limestone, marbles
7.1 - REGIONAL GEOLOGY
est. 2015
RIDGELINE
EXPLORATION SERVICES
JACK WHITE
Drawn By: C. Paul
Date: Feb 24, 2016
Scale: 1:100,000
NAD83 Zone 10N
N
JACK WHITE PROPERTY
JACK WHITE
GOSSAN
HIGHLAND SOUTH
MOD BAR
PJdr
lKJ
lmJLaD
MmJBsv
KP
KJ
MKgr
LKgd
KTmm
lmJLa
LJto
2.5
0
2.5
5 km
610000
615000
620000
625000
5550000
5545000
5540000
5535000
5530000

## Local Geology

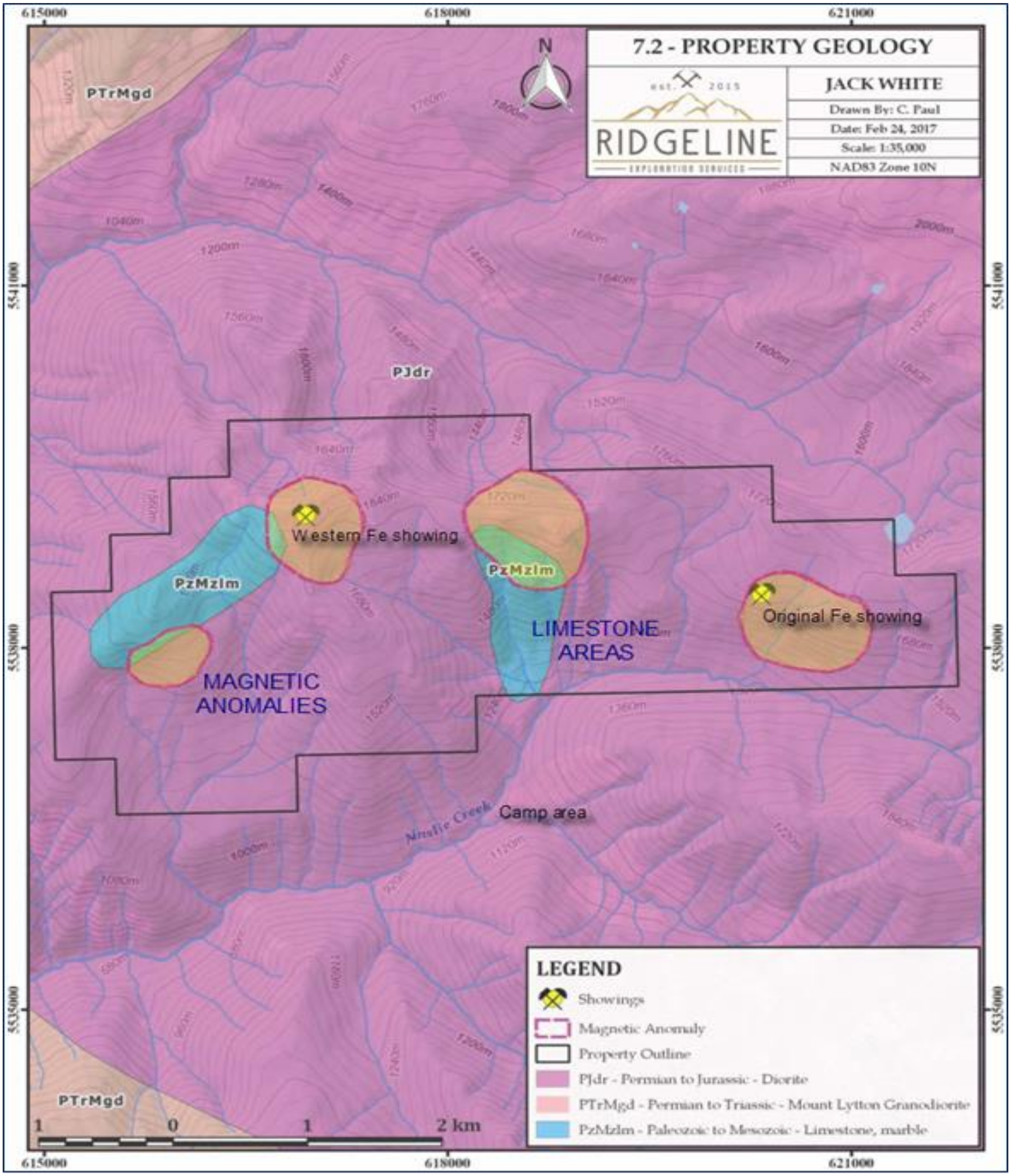
The property geology has not been mapped in detail to date. According to the Digital Geology map of British Columbia (BCGS Open File 2005-02, Massey et al., 2005), the claims are underlain by Late Triassic to Early Jurassic diorite of the **Mount Lytton Batholith**. The diorite intrudes large lenses of Paleozoic age limestone, marble and calcareous siltstone (Figure 5).

Historic Property File reports make mention of smaller, younger intrusions which occur as plugs or sills adjacent to the limestone units and may be responsible for the skarn alteration and mineralization. Outcrops of schistose rock, believed to be metasedimentary in origin, based on the high content of aluminosilicate mica minerals, occur across the property.

According to government maps of the area, the metasedimentary rocks are Paleozoic in age, the protoliths being mostly calcareous siltstone, mudstone and limestone. The limestone is skarnified in several outcrop localities, however an intrusive contact has not been located. Two large outcrops of pure white crystalline limestone were noted during prospecting and occur upslope from the Zn-in-soil anomalies, which suggests that the contacts may be skarnified and contain sphalerite mineralization.

Abundant skarn float was found across the entire Property as well as at several outcrop locations, which often consist of massive magnetite-sulfide accompanied by garnet, diopside and epidote in varying amounts. Gossan locations marked by soil samplers are shown on (Paul and Friesen's) Figures 5 and 10. Most often the samples of gossan, brought back to camp by soil samplers, consisted of skarn altered rock with high sulfide content. The variability in sulfide concentration as well as garnet, diopside and epidote content in different areas of the Property indicate the skarns are likely zoned outward from an undiscovered intrusive source.

A lens of massive magnetite, exposed by an outcrop approximately 3 meters wide and 35 meters in length, was discovered approximately 150 meters upslope (north) of a bridge crossing on the west side of the Property (Samples JAW 22 and 24 in Figure 9.8). The lens dips 60 degrees to the southwest and contains 10-15%pyrite, with minor chalcopyrite. Rock samples collected from the outcrop returned up to 36.1% iron (Fe) and 0.27% copper (Cu).



7.2 - PROPERTY GEOLOGY
JACK WHITE
RIDGELINE
EXPLORATION SERVICES
Drawn By: C. Paul
Date: Feb 24, 2017
Scale: 1:35,000
NAD83 Zone 10N
PTrMgd
PJdr
PzMzlm
Western Fe showing
Original Fe showing
LIMESTONE AREAS
MAGNETIC ANOMALIES
Camp area
LEGEND
Showings
Magnetic Anomaly
Property Outline
PJdr - Permian to Jurassic - Diorite
PTrMgd - Permian to Triassic - Mount Lytton Granodiorite
PzMzlm - Paleozoic to Mesozoic - Limestone, marble
615000
618000
621000
5541000
5538000
5535000
1 0 1 2 km

**Deposit Types**

Deposit types described in the literature for the area of the Mt. Lytton batholith (also called Eagle Granodiorite) east of Boston Bar are:

1. Clay/pyrite alteration within intrusions
2. Disseminated or stockwork copper and molybdenite mineralization
3. Magnetite veins and skarn zones

*The deposit type sought on the claims is a Craigmont style skarn magnetite copper deposit. The Craigmont mine (now closed) was a past productive mine situated about 25 kilometers distant near Merritt BC. A brief description is from Minfile and from a website:*

Showings located about 1mile northwest of the open pit area were discovered and staked about 1953 by Messrs. Calder, Payie, and Stinson as the Paystin 1-6 claims. These were apparently new discoveries on ground known earlier as the Titan Queen property but details are lacking.

The deposit was found by Harry D. Merrell and prospector Martin Retan, in the area of Promontory Hills in 1954, but encountered problems with their compass, caused by magnetite deposits. Craigmont Mine was B.C.'s first modern, large-scale open-pit mine, changing to an innovative sublevel caving method of underground mining at depth.

Diamond drilling during late 1957 and 1958 outlined up to 640 feet (195 meters) averaging over 4.4% copper. Open pit mining commenced in 1962 and underground production in 1967. Mining stopped in 1982. The mine employed as many as 660 people at one time during its peak years and over 5,000 by 1983. From 1962 to 1982 Craigmont Mine produced 36,750,000 tons of ore averaging 1.28% copper.

After the deposit was exhausted, Craigmont started recovering the accessory magnetite from the mill tailings for use in the coal mining industry, the fertilizer industry, specialty paints and as an abrasive in the sand blasting industry. Material from the old tailings pile and dumps is first mixed with water and converted to slurry. The magnetite in the slurry is then extracted by use of magnetic separators, and the extracted magnetite is ground to various sizes depending on the specifications of the customer. Since 1993, Craigmont Mines has produced more than 600,000 tonnes of media grade magnetite product.
http://www.exploregoldcountry.com/pdf/caches/Craigmont%20Mine.pdf

The property was later explored by Christopher James Gold Corp under option from Craigmont Holdings Ltd. The property (now known as Thule) is currently held by Nicola Mining Inc. (TSX-V.NIM), a public resource mining company, who are operating the mill as a custom operation. The Thule Copper Property is comprised of 20 contiguous mineral claims covering approximately 8,456.95 ha, and 10 contiguous mining leases covering approximately 347.35 ha in the prolific Guichon Batholith region. The claims are in a wholly owned subsidiary of Nicola Mining Inc. Kal Minerals Corp. has no interest in the Craigmont property, which is described for the purpose of outlining a model.

**Exploration**

**2017 Exploration Program:**

Ridgeline Exploration Services Inc. and Waldo Sciences Inc. were retained by the Company to conduct a program of rock, silt, and soil geochemical sampling, as well as a ground magnetic survey on the Property from June 19th to June 28th 2017.

A total of 32 rock, 26 silt, and 268 soil samples were collected during the 2017 program. Rock samples were collected at multiple localities, mostly as follow-up to either gossanous outcrops noted or high magnetic readings encountered by operators during the surveying. No silt or soil results were available for guiding prospecting efforts during the program. Silt samples were taken across the Property, from streams draining the south facing slope of the property. Soil samples were collected at approximately 100 m centers along the 1320, 1480, 1640, and 1760m southwest of the Property, with tighter spacing along gossanous sections of road cut".

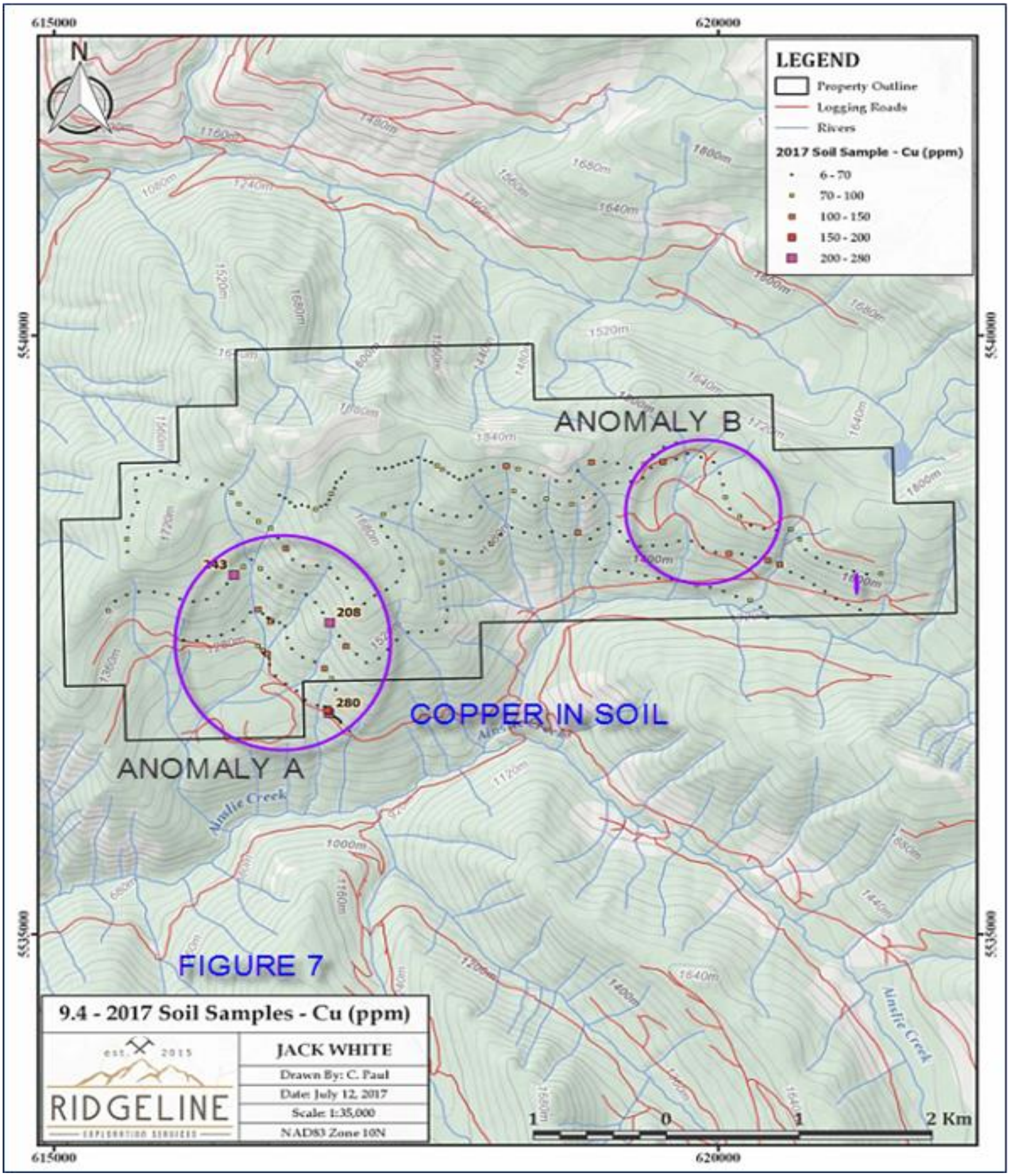
**Soil and Silt Sampling**

A total of 268 soil samples were collected at approximately 100m spacing along the 1320, 1480, 1640, and 1760m contour lines as well as one line in the southwest along an east-west oriented road cut. The survey was the first documented geochemical survey on the property.

Soil results for copper were moderately anomalous on the western half of the Property with the highest results being 243, 208 and 280 ppm. Zinc showed two significant anomalies. Anomaly B lies in the upper central part of the Property, is moderately anomalous for zinc, up to 419 ppm, and remains open to the north. Anomaly B is situated immediately downslope of an outcrop of limestone, which may be skarnified along its contacts, which are not exposed. The anomaly lies just east of an extreme magnetic high (up to 110,000 nanoteslas (nT) which appears to be caused by massive magnetite, as noted by soil samplers. This indicates that the skarn is potentially zoned, with magnetite and possibly copper occurring separate from zinc mineralization.

Anomaly A is located on the far western side of the survey area and is of a higher tenor than Anomaly B, with values of up to 538-1180 ppm Zn. The high values show a NW-SE trend, approximately 300 meters wide by 1500 meters long, which remains open to both the south and west. The anomaly crosses a strong magnetic high feature immediately above the logging road and another magnetic high on the western edge of the magnetic survey which remains open to the west. It is possible that zinc mineralization here is associated with magnetite skarns.

The stream sediment silt sampling indicated moderate copper and zinc anomalies from streams draining the western half of the Property. The highest copper results were 114 and 117 ppm, and the highest zinc results were 121 and 221 ppm. The soil sample locations and copper results described in the Assessment report are shown below.


LEGEND
Property Outline
Logging Roads
Rivers
2017 Soil Sample - Cu (ppm)
6 - 70
70 - 100
100 - 150
150 - 200
200 - 280
ANOMALY B
ANOMALY A
COPPER IN SOIL
FIGURE 7
9.4 - 2017 Soil Samples - Cu (ppm)
JACK WHITE
Drawn By: C. Paul
Date: July 12, 2017
Scale: 1:35,000
NAD83 Zone 10N
RIDGELINE
est. 2015
2 Km
Ainslie Creek

26 rock samples were collected from the Property:

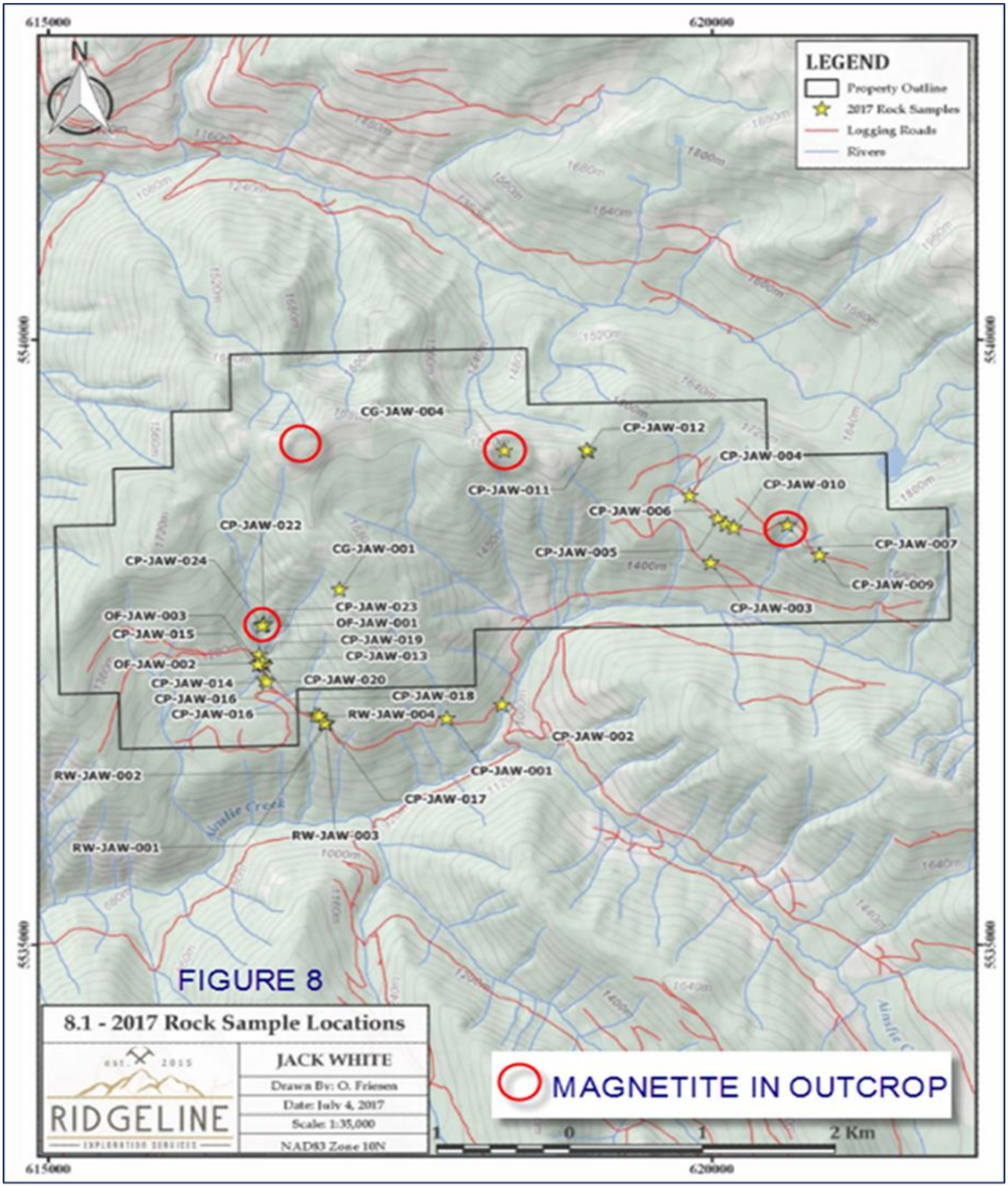
Skarnified limestone was located during prospecting in several outcrop localities, however an intrusive contact could not be located. Two large outcrops of pure white crystalline limestone were also mapped and occur upslope from the Zn-in-soil anomalies, which indicates their contacts may be skarnified and contain sphalerite mineralization.

Abundant skarn float was found across the entire Property as well as at several outcrop locations, often consisting of massive magnetite-sulfide mineralization accompanied by garnet, diopside and epidote in varying amounts. Gossan locations marked by soil samples are shown in Figure 7 above.

A lens of massive magnetite, exposed by an outcrop approximately 3 meters wide and 35 meters in length, was discovered approximately 150 meters upslope (north) of a bridge crossing on the west side of the Property, while locating an extreme magnetic high

The lens dips 60 degrees to the southwest and contains 10-15% pyrite, with minor chalcopyrite. Two samples collected from the outcrop consisted of massive magnetite with bands and disseminations of pyrite up to 15%, with minor chalcopyrite. The samples, CP-JAW-023 and CP-JAW-024, were both anomalous for copper at 0.27 and 0.12% respectively. Soil samples collected immediately below the outcrop contained only background copper concentrations which is surprising given the high copper content in the rocks weathering immediately above. The outcrop is coincident with a small magnetic high anomaly (Figure 10) Location of the outcrop is: Lat. 49.9797 and Long. -121.3734 (or in UTM coordinates).

Several rock samples were anomalous in copper, and samples of massive magnetite typically contained upwards of 30% iron to a maximum of 36%. These results confirm the values reported in the White, 1958-60 property files. The highest copper concentration found in rock was 0.81% Cu with 17 g/t Ag and 0.13 g/t Au, which came from a roadcut outcrop in the east-central portion of the Property. The rock was described as chlorite-sericite altered, foliated intermediate intrusive with 8% pyrite. A biotite-pyrite-chalcopyrite bearing shear zone in the east of the Property was sampled and returned 0.24% Cu.



LEGEND
Property Outline
2017 Rock Samples
Logging Roads
Rivers
N
CG-JAW-004
CP-JAW-012
CP-JAW-004
CP-JAW-011
CP-JAW-010
CP-JAW-006
CP-JAW-022
CG-JAW-001
CP-JAW-005
CP-JAW-007
CP-JAW-024
CP-JAW-009
CP-JAW-003
CP-JAW-023
OF-JAW-003
OF-JAW-001
CP-JAW-015
CP-JAW-019
CP-JAW-013
OF-JAW-002
CP-JAW-014
CP-JAW-020
CP-JAW-016
CP-JAW-018
CP-JAW-016
RW-JAW-004
CP-JAW-002
RW-JAW-002
CP-JAW-001
CP-JAW-017
RW-JAW-003
RW-JAW-001
Ainslie Creek
FIGURE 8
8.1 - 2017 Rock Sample Locations
JACK WHITE
Drawn By: O. Friesen
Date: July 4, 2017
Scale: 1:35,000
NAD83 Zone 10N
RIDGELINE
MAGNETITE IN OUTCROP
615000
620000
5540000
5535000
1 0 1 2 Km

Locations and descriptions of the iron rich samples is given below. These samples are "selected" and will not necessarily be representative of the average grades, and are among other samples with lower values.

| JACK WHITE PROPERTY | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Rock Samples by Ridgeline 2017<br>Sorted with Iron Content | | | | | | | | |
| **Sample ID** | **Occurrence** | **Latitude** | **Longitude** | **Ag_ppm** | **Au_ppm** | **Cu_ppm** | **Fe_%** | **Remarks** |
| CP-JAW-024 | Outcrop | 49.9796 | -121.3736 | 1.24 | 0.01 | 2730 | 36.1 | Massive magnetite vein with pyrite as bands and disseminations |
| CP-JAW-023 | Outcrop | 49.9797 | -121.3733 | 0.4 | 0.01 | 1180 | 34.4 | Massive magnetite vein with pyrite as bands and disseminations |
| CP-JAW-022 | Outcrop | 49.9797 | -121.3734 | 0.43 | 0.01 | 848 | 33.8 | Massive magnetite vein with pyrite as bands and disseminations |
| CP-JAW-004 | Float | 49.9887 | -121.3283 | 0.35 | 0.01 | 654 | 32.4 | Semi massive pyrite+magnetite float in chlorite matrix |
| OF-JAW-001 | Float | 49.9775 | -121.3739 | 0.55 | 0.01 | 271 | 32.3 | Massive magnetite-pyrite-epidote-chalcopyrite vein (~15cm) |
| CP-JAW-016 | Float | 49.9755 | -121.3732 | 0.18 | 0.01 | 33.2 | 31.9 | Massive magnetite-sulfide skarn |
| OF-JAW-002 | Float | 49.9769 | -121.3736 | 0.31 | 0.01 | 231 | 25.1 | Massive magnetite-pyrite-epidote skarn |
| CP-JAW-013 | Float | 49.9768 | -121.3736 | 0.33 | 0.01 | 264 | 24.8 | Massive magnetite-sulfide skarn |

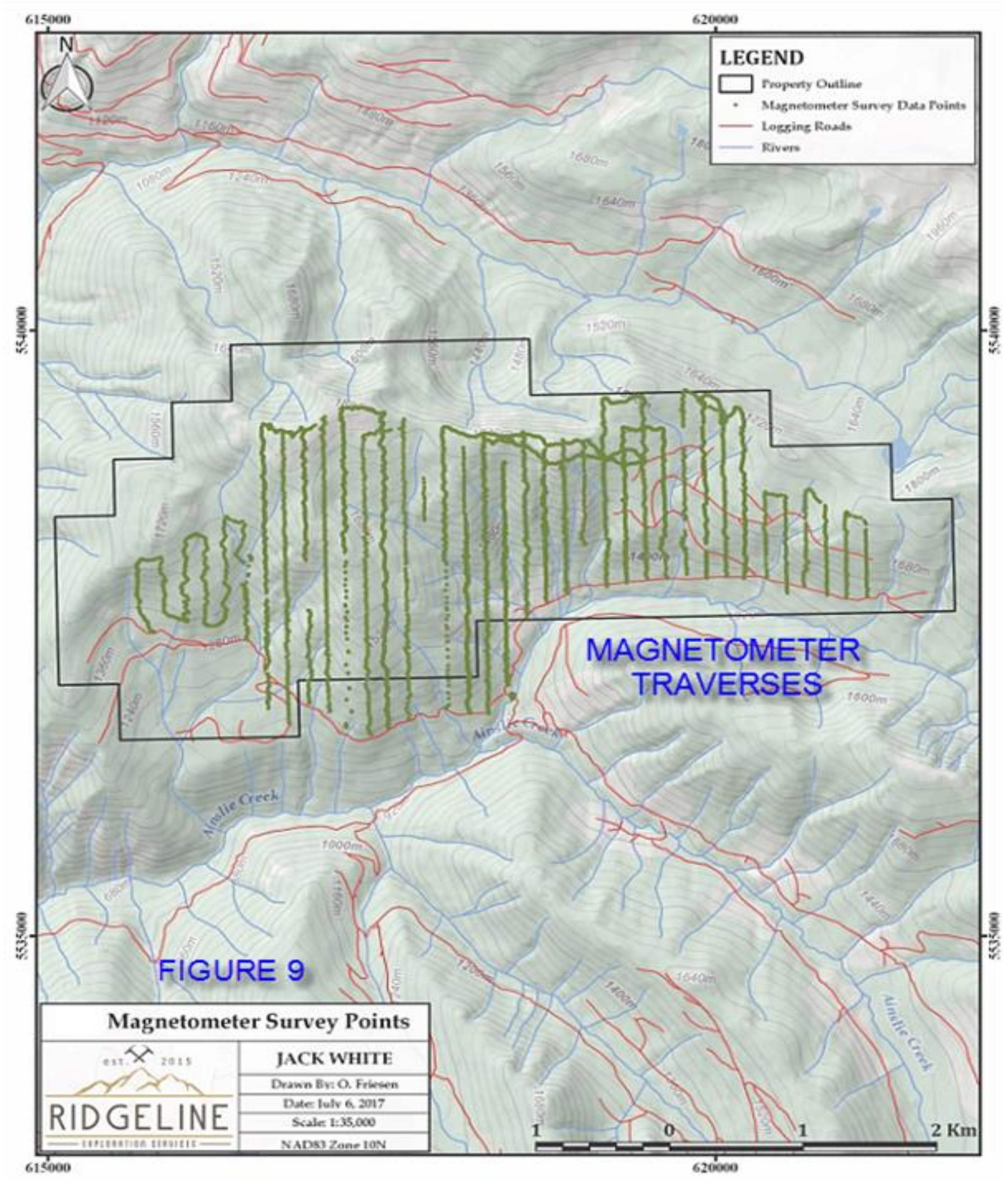
**Magnetic survey**

Between June 19th to June 28th, 2017, 57 line-kilometers of ground magnetic surveying was conducted on 37 north-south oriented lines spaced 150 m apart. The survey was designed to provide high resolution data over four magnetic anomalies identified in the government regional magnetic survey, as well as to delineate additional smaller anomalies not identified by the wide spaced government survey.

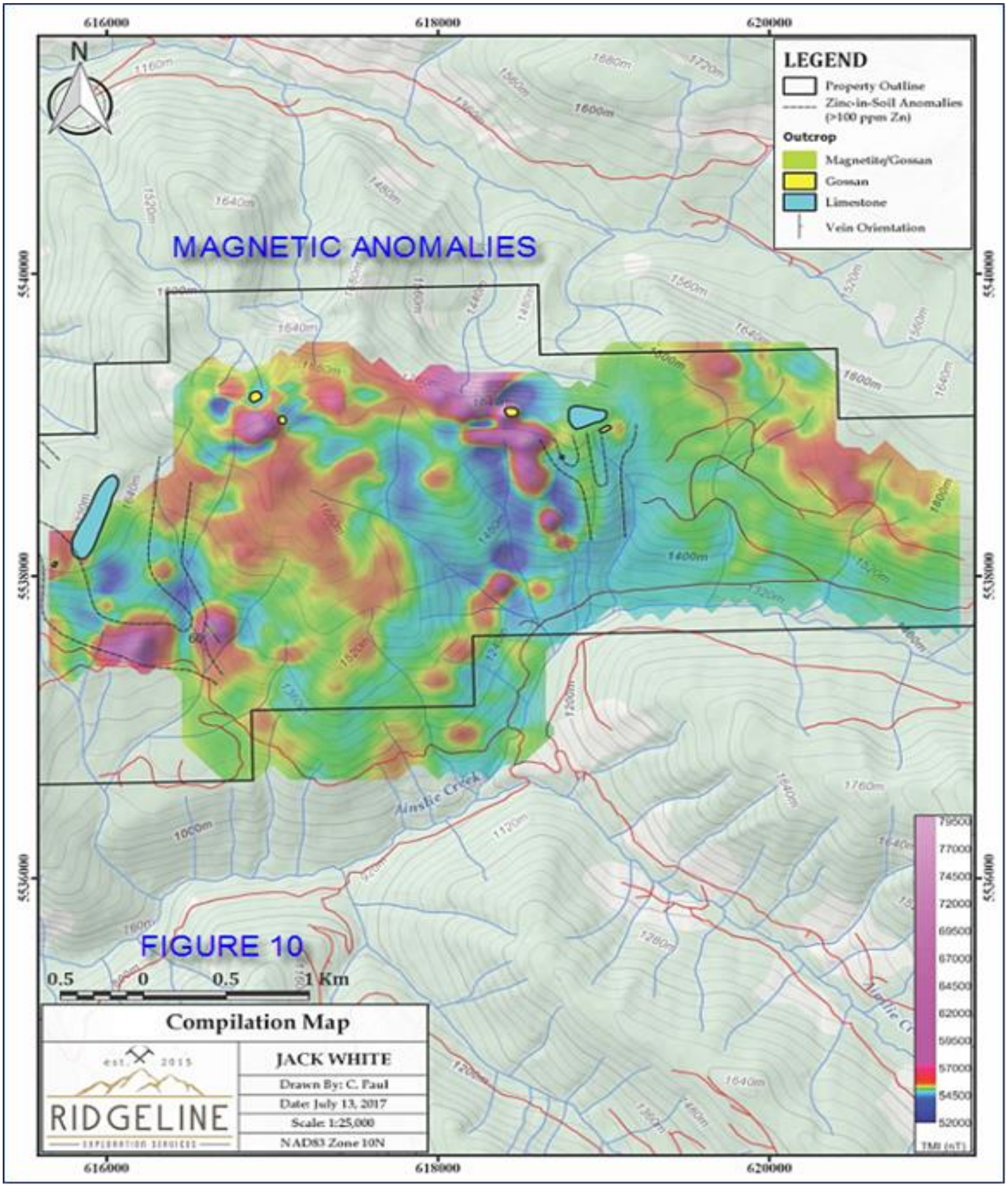
Two backpack-mounted GSM-19W Overhauser "Walking" magnetometer instruments were used. The instrument is time synchronized with the base station, allowing for diurnal corrections of positioning and magnetic readings for highly accurate data. The sampling frequency is one measurement taken every second (1 Hz). A third stationary GSM-19T "Base Station" unit was set up near to camp set to take readings every 3 seconds, recording the diurnal variation, which was used to correct the rover values. The base station sensor was placed in a location where it would not be affected by vehicles or field personnel interference and remained in the same location for the duration of the survey. The corrected magnetic data was then gridded with the minimum-curvature method with filters for both Total Field and 1st Vertical Derivative applied using GeoSoft Oasis Montaj software.

**Results**

The magnetic survey encountered several zones of extremely high magnetic intensity, up to 110,000 nT, associated with veins and lenses of massive magnetite mineralization. The background magnetic field on the Property lies mostly between 54,000-55,000 nT. Two features are apparent in the magnetic data. The first, a NW-SE trending magnetic high cuts across the eastern part of the Property and is associated with what appears to be a mineralized narrow shear zone. A single characterization rock sample collected from the shear zone returned 0.24% Cu (CP-JAW-003). The second magnetic anomaly is a large semi-circular feature of very high to extreme values, which surround a moderate high in the western half of the Property. The very high to extreme values are associated with bodies of massive magnetite mineralization accompanied by pyrite and chalcopyrite with associated copper values.



615000
620000
N
LEGEND
Property Outline
Magnetometer Survey Data Points
Logging Roads
Rivers
5540000
5535000
MAGNETOMETER
TRAVERSES
Ainslie Creek
FIGURE 9
Magnetometer Survey Points
est. 2015
RIDGELINE
EXPLORATION SERVICES
JACK WHITE
Drawn By: O. Friesen
Date: July 6, 2017
Scale: 1:35,000
NAD83 Zone 10N
1
0
1
2 Km



LEGEND
Property Outline
Zinc-in-Soil Anomalies (>100 ppm Zn)
Outcrop
Magnetite/Gossan
Gossan
Limestone
Vein Orientation
MAGNETIC ANOMALIES
FIGURE 10
0.5 0 0.5 1 Km
Compilation Map
JACK WHITE
Drawn By: C. Paul
Date: July 13, 2017
Scale: 1:25,000
NAD83 Zone 10N
RIDGELINE
Ainslie Creek
616000
618000
620000
5540000
5538000
5536000
TMI (nT)

## Drilling

There has been no drilling on the property by the Company.

## Sample Preparation, Analyses and Security

The verification samples were small hand samples from outcrop or float, with the exception of sample P6, which was a selected sample of magnetite rich float. These samples were taken by the Qualified Person personally and transported to ALS Global laboratory in North Vancouver, where they were crushed, pulverized and analyzed by standard ICP 41 method. ALS is an ISO certified laboratory used by large and small exploration companies.

A description of sample protocols is provided by Paul and Friesen (2017):

*"Soil samples were collected from the B-horizon wherever possible. The B-horizon at the majority of the sites was identified as a silty, brown to orange-brown (variably oxidized) layer immediately below the A-horizon. Clay minerals as well as iron- and manganese-oxyhydroxides accumulate in the B horizon, which tend to absorb trace metals migrating upward through the overburden from underlying bedrock. Samples were placed in labelled paper bags and locations marked in the field with labelled pink flagging tape. Sample notes for each site were recorded using field-ready smartphones. GPS locations were recorded using handheld Garmin devices".*

*Following completion of the field work, rock, silt, and soil samples were transported to ALS Minerals' sample preparation facility in Kamloops, BC for preparation and shipment to North Vancouver for analysis. All soil and silt samples were prepared as pulps in Kamloops by drying and sieving each to -80 mesh. For multi-element analysis, a 0.5g aliquot of the pulp was digested under heat in an aqua Regia solution. Following digestion, the sample was made up to volume with deionized water and analyzed for 50 elements by both ICP-AES and ICP-MS (ultra-trace).*

*Rock samples were dried and crushed to 70% passing 2mm and a 250 gram split of the crushed material was pulverized to 85% passing 75µm. Following the preparation, a 15 gram aliquot of the pulverized material was digested in a hot 3:1 (HCl:HNO3) aqua Regia bath for 1 hour. Upon completion of the digestion, the resulting solution was made up to volume with deionized water and analyzed by both ICP-AES as well as ICP-MS for ultra-trace levels.*

## Mineral Processing and Metallurgical Testing

The Company has not completed any mineral processing studies on the Property, such studies are premature at this time.

## Mineral Resources Estimates

There are no current or historical mineral reserves or resources on the Property.

## Interpretation and Conclusions

From the historical data, the magnetite zones are thought to be true skarns, associated with metasomatism of the Mt. Lytton igneous body against inclusions of much older limestone units. However, some of the "vein" magnetite showings reported from Ainslie Creek area may be veins. The nearest mineral deposit and a possible model is the past productive Craigmont mine near Merritt, which produced copper and precious metals, and later, considerable magnetite used in the coal industry.

## Recommendations

- Clear the road obstructions and make the roads passable for 4WD vehicles
- Locate and examine the known historical showings; the drill areas and blasted pits should be found and surveyed in at least with GPS
- It will be critical to map the magnetite showings in detail
- If possible determine the age of the limestone units (fossils or microfossils)
- Possibly trench the magnetite showings to determine orientation lengths and widths of mineralization
- Locate the magnetite zones reported in Ainslie Creek
- This and any other mechanized work will require a Notice of Work and Reclamation bonding
- On the basis of this initial program, delineate drill targets and prepare drill pads

***Phase I Budget***

| DESCRIPTION | UNITS AND RATES | AMOUNT CAN$ |
|---|---|---|
| Geological supervision | 1 man x 20 days x $500/day | $10,000 |
| Geological assistants, samplers | 2 men x 20 days x $300/day | $12,000 |
| Base Map preparation | | $3,000 |
| Vehicles, road repairs | 3 x 20 days x $125/day | $7,500 |
| Food and Lodging | 3 x 20 * $150/day | $9,000 |
| Field equipment | GPS, radios, sample bags, etc. Computer, Cell phones | $3,000 |
| Diamond Drilling | Not in Phase I | 0 |
| Surveying in showings roads etc. | Instruments GPS, base Stn | $3,000 |
| Magnetic and IP orientations Alternatively trenching and sampling | 2 men x10 days x $3000/day all inclusive | $60,000 |
| Samples | 100 * 55 | $5,500 |
| Freight | | $500 |
| Reports and maps | | $15,000 |
| Mobilization demob. | Property visits etc. | $5,000 |
| **Subtotals** | | **$133,500** |
| Contingency | | $16,500 |
| **PHASE I TOTAL** | **rounded** | **$150,000** |

***Phase II Budget***

(Contingent on favourable results of phase I)

| DESCRIPTION | UNITS AND RATES | AMOUNT CAN$ |
|---|---|---|
| Geological supervision | 1 man x 30 days x $700/day | $14,000 |
| Base Map preparation | | $5,000 |
| Vehicles | 2 x 30 days x $125/day | $7,500 |
| Food and Lodging | 4 x 30 * $100/day | $12,000 |
| Field equipment | GPS, radios, sample bags etc. Computer Cell phones | $3,000 |
| Diamond Drilling | 2000 m x $125/m | $250,000 |
| Samples | 300 * 55 | $16,500 |
| Freight | | $500 |
| Reports and maps | | $15,000 |
| Mobilization demob. | Property visits etc. | $5,000 |
| Subtotals | | $328,500 |
| Contingency | | $21,500 |
| **PHASE 2 TOTAL** | **rounded** | **$350,000** |

## PART 4 – USE OF AVAILABLE FUNDS

### Proceeds

This is a non-offering prospectus. The Company is not raising any funds in conjunction with this Prospectus. Accordingly, there are no proceeds to the Company in connection with the filing of this Prospectus.

### Available Funds

As at January 31, 2018, the Company had working capital of approximately $500,000. Accordingly, the Company anticipates having unallocated working capital of approximately $216,000 upon Listing. The estimated costs of Listing include legal and audit fees and other expenses of the Company including the balance of Listing fees payable to the Exchange.

### Planned Use of Funds

| | | |
|---|---|---|
| Listing & Related Costs | | $ 50,000 |
| Phase 1 – Work Program on the Property | | $150,000 |
| General corporate and administration<br>Marketing, regulatory, business development for 12 months | | $84,000 |
| **Total** | | **$284,000** |

The Company will not have sufficient funds to complete Phase 2 work on its Property and will need to raise additional funds to complete the recommended Phase 2 work.

There may be circumstances where, for sound business reasons, a reallocation of the funds may be necessary. The actual amount that the Company spends in connection with each of the intended uses of proceeds may vary from the amounts specified above table, and will depend on a number of factors, including those referred to below under the heading "Risk Factors".

Our projected General and Administrative expenses for the 12 months after the Closing Date are:

- Office & Administration $ 2,500 per month
- Professional Fees (legal & audit) $ 2,500 per month
- Management Fees $ 2,000 per month

Total: $ 7,000 per month

Over the next twelve months, Management Fees may be distributed to insiders as follows:

Raymond Wladichuk, Chief Executive Officer and a Director of the Company will receive management fees of $12,000.

Aeron Kawakami, Chief Financial Officer, Secretary and a Director of the Company will receive management fees of $12,000.

Other than the management fees set forth above, the Company has no plans to provide fees or salaries to any of its named directors and officers over the next 12 months.

**We intend to spend the funds available to us as stated in this Prospectus. However, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary.** We may have broad discretion in the application of such net proceeds and, if required, an amendment to this Prospectus will be filed.

**We have a history of negative cash flow and losses, and we do not expect that to change in the short term.** All of our operations will be funded from cash on hand. Our net available funds will be sufficient to fund our operations for a minimum of 12 months; however we anticipate we will need to raise additional funds.

Any proceeds received from the exercise of outstanding warrants will be added to the general working capital of the Company.

**Negative Operating Cash Flow**

Since inception, we have had negative operating cash flow and incurred losses. The Company's negative operating cash flow and losses are expected to continue for the foreseeable future. The Company cannot predict when it will reach positive operating cash flow, if ever. Due to the expected continuation of negative operating cash flow, the Company will be reliant on future financings in order to meet its cash needs. There is no assurance that such future financings will be available on acceptable terms or at all. See "Risk Factors".

**Business Objectives and Milestones**

The business objectives the Company expects to achieve using the available funds are to: (i) obtain a listing of the Common Shares on the Exchange; and (ii) complete Phase 1 of the exploration program recommended in the Technical Report. The Company expects to commence Phase 1 immediately following Listing, the Company believes it will take approximately 12 months to complete Phase 1 and analyze the results. If the results dictate further exploration, subject to obtaining additional financing the Company expects to proceed with Phase 2, the Company expects to commence and complete Phase 2 within 12 to18 months of completion of Phase 1.

The cost of covering administrative costs for the first 12 months following Listing is estimated at $84,000. The cost of completing Phase 1 of the recommended work program is estimated at $150,000. It is possible that it will take more than 12 months for the Company to complete Phase 1 of the recommended work program.

## PART 5 – DIVIDENDS OR DISTRIBUTIONS

There are no restrictions on the Issuer's ability to pay dividends. The Issuer has not declared or paid any dividends or distributions since incorporation.

The Issuer does not plan on declaring any dividends or distributions in the near future. Any decision to declare or pay dividends or distributions on the Issuer's shares will be made by its Board based upon the Issuer's earnings, financial requirements, and other conditions existing at such future time.

## PART 6 – SELECTED FINANCIAL INFORMATION AND MANAGEMENT DISCUSSION AND ANALYSIS

### Issuer's Management Discussion and Analysis

***Selected Annual Information***

The Company's unaudited financial statements for the six months ended January 31, 2018 and the audited financial statements for the years ended July 31, 2017 and 2016 are attached to this Prospectus as Appendices "1" and "2".

The following table sets forth selected financial information for the two most recently completed financial years ended July 31, 2017 ("fiscal 2017"), and July 31, 2016 ("fiscal 2016"). The financial information below has been prepared in accordance with IFRS.

**Selected Annual Information**

| For the year (period) ended (Expressed in Canadian Dollars) | July 31, 2017 (audited) | from Inception (February 26, 2016) to July 31, 2016 (audited) |
|---|---|---|
| *Selected operations data* | | |
| Loss for the year | 33,861 | 2,275 |
| Weighted number of shares outstanding | 3,874,455 | 3,000,000 |
| Loss per share | 0.01 | 0.00 |
| *Selected balance sheet data* | | |
| Net working capital (deficiency) | (13,746) | (1,775) |
| Total assets | 131,715 | 2,500 |
| Total liabilities | 71,960 | 1,775 |
| Net shareholders' equity (deficiency) | 59,755 | 725 |

**Company's Management Discussion and Analysis**

The Company's Management's Discussion and Analysis for the six months ended January 31, 2018 and for fiscal 2017 are attached to this Prospectus as Schedules "3" and "4" respectively and should be read in conjunction with the financial statements of the Company for the same period, and the notes thereto.

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

## PART 7 - DESCRIPTION OF SECURITIES

As of the date of this Prospectus, there are 10,112,500 Shares issued and outstanding. The authorized capital of the Issuer consists of an unlimited number of common shares, having the following material attributes and characteristics:

*Common Shares*

Holders of common shares are entitled to receive notice of and to attend all meetings of the Issuer Shareholders, other than separate meetings of holders of any other class or series of shares, and to one vote in respect of each common share held at such meetings. Holders of common shares are entitled to receive dividends if, as and when declared by the Board of Directors and to receive pro rata the remaining assets of the Issuer upon its liquidation, dissolution or winding-up, subject to the rights of holders of any other class or series of shares of the Issuer having priority over the common shares.

Listing of the Company's Shares is subject to the Company fulfilling all of the Listing requirements of the CSE.

## PART 8 – CONSOLIDATED CAPITALIZATION

The following table summarizes changes in the Issuer's capitalization since July 31, 2017 and as of the date of this Prospectus.

The Issuer currently has 10,112,500 Shares and 5,062,500 warrants outstanding. The Company adopted a 10% rolling stock option plan on February 28, 2018, under which the Company is able to grant up to 1,011,250 incentive stock options. The Company has granted no options as of the date of this Prospectus. There are no other securities convertible into Shares outstanding.

| Description | March 15, 2018 | As of July 31, 2017 |
|---|---|---|
| Common Shares | 10,112,500 | 4,653,000 |
| Warrants | 5,062,500 | 50,600 |
| Stock Options[1] | 1,011,250[1] | nil |

1. The Company has adopted a 10% rolling stock option plan, under which it is currently able to issue up to 1,011,250 incentive stock options. As of the date of this Prospectus no stock options have been granted.

## PART 9 – OPTIONS TO PURCHASE SECURITIES

As of the date of this Prospectus, the Company has no stock options issued or outstanding. The Company has not granted any options to directors, executive officers, employees, and consultants of the Company.

The Directors of the Company adopted a stock option plan on February 28, 2018 (the "Stock Option Plan") a copy of which is attached hereto as Appendix 5. The purpose of the Stock Option Plan is to advance the interests of the Company by encouraging the directors, officers, employees, management company employees and consultants of the Company, and of its subsidiaries and affiliates, if any, to acquire Common Shares in the share capital of the Company, thereby increasing their proprietary interest in the Company, encouraging them to remain associated with the Company and furnishing them with additional incentive in their efforts on behalf of the Company in the conduct of its affairs. The Stock Option Plan provides that, subject to the requirements of the Exchange, the aggregate number of securities reserved for issuance will be 10% of the number of the Company's Common Shares issued and outstanding at the time such options are granted. The Stock Option Plan will be administered by the Company's Board of Directors, which will have full and final authority with respect to the granting of all options thereunder.

Options may be granted under the Stock Option Plan to such directors, officers, employees, management or consultants of the Company and its affiliates, if any, as the Board of Directors may from time to time designate. The exercise price of option grants will be determined by the Board of Directors, but after Listing on the Exchange will not be less than the closing market price of the Common Shares on the Exchange less allowable discounts at the time of grant. The Stock Option Plan provides that the number of Common Shares that may be reserved for issuance to any one individual upon exercise of all stock options held by such individual may not exceed 5% of the issued Common Shares, if the individual is a director, officer, employee or consultant, or 1% of the issued Common Shares, if the individual is engaged in providing investor relations services, on a yearly basis. All options granted under the Stock Option Plan will expire not later than the date that is five years from the date that such options are granted. Options terminate earlier as follows: (i) immediately in the event of dismissal with cause; (ii) 90 days from date of termination other than for cause; or (iii) one year from the date of death or disability. Options granted under the Stock Option Plan are not transferable or assignable other than by will or other testamentary instrument or pursuant to the laws of succession.

## PART 10 –PRIOR SALES

### Prior Issuances of Securities

The following table represents all issuances of the Company's securities within the last 12 months. As the Company's Shares have not been trading on any stock exchange, trading price and volume are not available.

| Date | Number and Type of Securities | Price per Security |
|---|---|---|
| February 19, 2016 | 3,000,000 Common Shares | $0.001 |
| December 28, 2016 | 1,400,000 Common Shares | $0.05 |
| May 21, 2017 | 253,000 Common Shares and 50,600 warrants exercisable at $0.10 expiring 2 years after a material event(1) | $0.10 |
| October 2, 2017 | 59,500 Common Shares and 11,900 warrants exercisable at $0.10 expiring 2 years after a material event(1)) | $0.10 |
| October 5, 2017 | 100,000 Common Shares(2) | $0.10 |
| December 7, 2017 | 200,000 Common Shares(3) | $0.10 |
| December 7, 2017 | 100,000 Common Shares(4) | $0.10 |
| December 29, 2017 | 1,500,000 Common Shares and 1,500,000 warrants exercisable at $0.10 expiring December 29, 2019 | $0.10 |
| January 20, 2018 | 3,500,000 Common Shares and 3,500,000 warrants exercisable at $0.10 expiring January 20, 2020 | $0.10 |

1. A material event is:
   (a) the Company pays a dividend in stock or makes any distribution to holders of Shares;
   (b) the Company offers for subscription pro rata to the holders of its Shares any additional shares of stock of any class or other rights;
   (c) there is a voluntary or involuntary dissolution, liquidation or winding-up of the Company;
   (d) in case of an reorganization; or
   (e) the Company makes an application to list the Shares on an exchange.

2. Issued to the CFO for services rendered at a fair value of $0.10
3. Issued to the Waldo Sciences Inc., a company wholly owned by the CEO, in settlement of debt of $21,361. Issued at a fair value of $0.10
4. Issued to the CEO of the Company, for property acquisition. Issued at a fair value of $0.10.

## PART 11 – ESCROWED SECURITIES

### Escrowed Shares

The following table sets forth the aggregate number of securities to be held in escrow following the completion of the Listing as determined by the Exchange:

| Designation or Class | Number of Securities Held in Escrow[1] | Percentage of Class upon Completion of Listing |
|---|---|---|
| Common Shares | 3,422,500 | 33.8% |

1. Shares are held in escrow pursuant to the Escrow Agreement. The shareholders subject to escrow are set forth in the table below. Pursuant to the Escrow Agreement the Escrowed Shares will be released from escrow as to 10% upon the Listing Date, with the balance in six equal releases at six month intervals over the 36 months following the Listing Date. The

Escrow Agent is National Issuer Services Ltd. See disclosure below for details of the dates and conditions of release of the Escrowed Shares.

The following is a list of those shareholders who own Escrowed Shares subject to the Escrow Agreement:

| Name and Municipality of Residence | No. of Escrow Shares |
|---|---|
| Raymond Wladichuk | 2,122,500 |
| Waldo Sciences Inc. | 200,000 |
| Aeron Kawakami | 100,000 |
| Other Shareholders[1] | 1,000,000 |
| **Total** | **3,422,500** |

1. Being those Shareholders other than management who paid $0.001 for their Shares.

As the Company anticipates being an "emerging issuer" as defined in NP 46-201, the following automatic timed releases will apply to the Common Shares held by its principals who are subject to escrow:

| | |
|---|---|
| On the Listing Date | 1/10 of the escrow securities |
| 6 months after the Listing Date | 1/6 of the remaining escrow securities |
| 12 months after the Listing Date | 1/5 of the remaining escrow securities |
| 18 months after the Listing Date | 1/4 of the remaining escrow securities |
| 24 months after the Listing Date | 1/3 of the remaining escrow securities |
| 30 months after the Listing Date | 1/2 of the remaining escrow securities |
| 36 months after the Listing Date | the remaining escrow securities |

Assuming there are no changes to the escrow securities initially deposited and no additional escrow securities are deposited, this will result in a 10% release on the Listing date (as defined by NP 46-201), with the remaining escrow securities being released in 15% tranches every 6 months thereafter.

Under NP 46-201, a "principal" is: (a) a person who has acted as a promoter of the Company within two years of the date of this prospectus; (b) a director or senior officer of the Company at the time of this prospectus; (c) a person that holds securities carrying more than 20% of the voting rights attached to the Company's outstanding securities immediately before and immediately after the Company's initial public offering; and (d) a person that: (i) holds securities carrying more than 10% of the voting rights attached to the Company's outstanding securities immediately before and immediately after the Company's initial public offering; and (ii) has elected or appointed, or has the right to elect or appoint, one or more directors or senior officers of the Company. A principal's spouse and their relatives that live at the same address as the principal will be deemed principals and any securities of the Company held by such a person will be subject to the escrow requirements.

The automatic time release provisions under NP 46-201 pertaining to "established issuers" provide that 25% of each principal's escrowed securities are released on the Listing Date, with an additional 25% being released in equal tranches at six month intervals over 18 months. If, within 18 months of the Listing Date, the Company meets the "established issuer" criteria, as set out in NP 46- 201, the Escrowed Securities will be eligible for accelerated release according to the criteria for established issuers. In such a scenario that number of Escrowed Securities that would have been eligible for release from escrow if the Company had been an "established issuer" on the Listing Date will be immediately released from escrow. The remaining Escrowed Securities would be released in accordance with the time release provisions for established issuers, with all escrow securities being released 18 months from the Listing Date.

Under the terms of the Escrow Agreement, Escrowed Securities cannot be transferred by the holder unless permitted under the Escrow Agreement. Notwithstanding this restriction on transfer, a holder of Escrowed Securities may (a) pledge, mortgage or charge the Escrowed Securities to a financial institution as collateral for a loan provided that no Escrow Securities will be delivered by the escrow agent to the financial institution; (b) exercise any voting rights attached to the Escrow Securities; (c) receive dividends or other distributions on the Escrow Securities; and (d) exercise any rights to exchange or convert the Escrow Securities in accordance with the Escrow Agreement.

The Escrowed Securities may be transferred within escrow to: (a) subject to approval of the Company's Board of Directors, an individual who is an existing or newly appointed director or senior officer of the Company or of a material operating subsidiary of the Company; (b) subject to the approval of the Company's Board of Directors, a person that before the proposed transfer holds more than 20% of the voting rights attached to the Company's outstanding securities; (c) subject to the approval of the Company's Board of Directors, a person that after the proposed transfer will hold more than 10% of the voting rights attached to the Company's outstanding securities and that has the right to elect or appoint one or more directors or senior officers of the Company or any of its material operating subsidiaries; (d) upon the bankruptcy of a holder of escrowed securities, the securities held in escrow may be transferred within escrow to the trustee in bankruptcy or other person legally entitled to such securities; (e) upon the death of a holder of escrowed securities, all securities of the deceased holder will be released from escrow to the deceased holder's legal representative; (f) a financial institution that the holder pledged, mortgaged or charges to a financial institution as collateral for a loan on realization of such loan; and (g) a registered retirement savings plan ("RRSP"), registered retirement income fund ("RRIF") or similar registered plan or fund with a trustee, where the annuitant of the RRSP or RRIF, or the beneficiaries of another plan or fund are limited to the holders spouse, children or parents, or if the holder is the trustee of such registered plan or fund, to the annuitant of the RRSP or RRIF, or a beneficiary of the other registered plan or fund or his or her spouse, children or parents.

In addition, tenders of Escrowed Securities pursuant to a business combination, which includes a take-over bid, issuer bid, statutory arrangement, amalgamation, merger or other reorganization similar to an amalgamation or merger, are permitted. Escrowed Securities subject to a business combination will continue to be escrowed if the successor entity is not an "exempt Issuer", the holder is a principal of the successor entity; and the holder holds more than 1% of the voting rights of the successor entities' outstanding securities.

Under the terms of the Escrow Agreement, 10% of each escrowed shareholder's securities will be released from escrow on the Listing Date. The remaining escrowed shareholder securities which will be held in escrow immediately following the Listing Date.

The complete text of the Escrow Agreement is available for inspection at the registered and records office of the Company and will be also available on SEDAR at *www.sedar.com*.

**Securities Subject to Resale Restrictions**

Other than the securities subject to the Escrow Agreement listed above, there are no other securities which are or will be subject to resale restrictions other than those securities issued pursuant to the financings listed below which are subject to resale restrictions.

| Number of Common Shares | Expiry of Hold Period |
|---|---|
| 1,500,000 | May 1, 2018 |
| 3,500,000 | May 16, 2018 |

## PART 12 – PRINCIPAL SECURITYHOLDERS

To the knowledge of the directors and senior officers of the Company, as of the date of this Prospectus, no person is anticipated to own of record or beneficially, directly or indirectly, or exercise control or direction over, the Company's Shares carrying more than 10% of all voting rights attached to the outstanding the Company's Shares.

| Name | Type of Ownership | Number and Class of Shares Owned | Percentage of Common Shares Owned |
|---|---|---|---|
| Raymond Wladichuk | Direct | 2,122,500 | 20.97% |
| Raymond Wladichuk [1] | Indirect | 200,000 | 1.97% |
| **TOTAL** | | **2,322,500** | **22.94%** |

1. Shares are held by Waldo Sciences Inc., a wholly owned company of Mr. Raymond Wladichuk.

## PART 13 – DIRECTORS AND EXECUTIVE OFFICERS

### Directors and Executive Officers of the Company

The following table sets out the names of the current directors and officers of the Company; all positions and offices in the Company held by them; their principal occupation for the last five years; the periods during which they have served as a director; and the number of Shares beneficially owned or controlled, directly or indirectly, by them or over which control or direction is exercised, as of the date of this Prospectus.

| Name, City and Province of Residence | Positions Held with the Company | Principal Occupation or Employment During the Past Five Years | Director /Officer Since | Number and Percentage of Shares Beneficially Owned or Controlled[(3)] |
|---|---|---|---|---|
| Raymond Wladichuk[(1)]<br><br>*Vancouver, British Columbia* | President, CEO & Director | Principal – Geoscience and Business Consulting Waldo Sciences Inc. Vancouver BC; Geoscientist (G.I.T) WorleyPasons Canada Services Ltd. | February 19, 2016 | 2,322,500[(2)]<br>22.94% |

| | | | | |
|---|---|---|---|---|
| Aeron Kawakami<br><br>*Vancouver, British Columbia* | CFO<br>*former* Director | Currently a growth analyst at A Thinking Ape; Global Relay Communications, Team Leader; and program facilitator/English teacher at Osaka City BOE | August 31, 2017<br>October 5, 2017 – March 16, 2018 | 100,000<br>0.99% |
| Martin Bajic[1]<br><br>*Burnaby, British Columbia* | Director | CFO, Navy Resources former CFO Oyster Oil & Gas | December 11, 2017 | Nil |
| Michael Konnert[1]<br><br>*North Vancouver, British Columbia* | Director | Corporate Development & Investor Relations for Benz Mining Corp, Riverside Resources and Fitch Street Capital | March 16, 2018 | Nil |

(1) Member of Audit Committee
(2) Mr. Wladichuk currently holds 2,122,500 shares personally and 200,000 Shares of the Company in his wholly owned company Waldo Sciences Inc.
(3) As of the date hereof, our directors and executive officers, as a group beneficially own, directly or indirectly, or exercise control or direction over 2,422,500 Shares.

**Term of Office**

The term of office for our directors and members of our audit committee expires at each annual general meeting. The board of directors after each such meeting appoints our committees for the ensuing year. We currently have one board committee, being our audit committee, consisting of Ray Wladichuck, Martin Bajic and Michael Konnert as indicated above.

**Biographical Information**

The following is a brief description of the background of the Directors and executive officers of the Company.

**Raymond Wladichuk –** *age 30, President, CEO and Director*

Mr. Wladichuk holds a B.Sc. (Earth Sciences) and a Graduate Diploma in Business Administration from Simon Fraser University. As a consulting geologist Mr. Wladichuk has been supporting the junior mining, geotechnical engineering, and construction industries. Raymond has experience in all stages of natural resource infrastructure development, from grass roots exploration to downstream oil and gas infrastructure. Raymond has been the CEO of Kal Minerals Corp since its formation is 2016.

He is an independent contractor of the Company and will be dedicating about 25% of his time to the Company. He has not entered into a non-competition or non-disclosure agreement with the Company.

**Aeron Kawakami** – *age 32, CFO*

Mr. Kawakami has been the CFO of the Company since August 2017, he is also a former Director of the Company having held the position from October 2017 to March 16, 2018. Mr. Kawakami holds a Business Administration degree with a major in Finance from Simon Fraser University.

He is an independent contractor of the Company and will be dedicating about 25% of his time to the Company. He has not entered into a non-competition or non-disclosure agreement with the Company.

**Martin Bajic –** *age 41, Director*

Mr. Bajic holds a Bachelor of Arts Degree and a Diploma in Accounting from the University of British Columbia and is a Chartered Professional Accountant. Since August 2011, Mr. Bajic has served as Chief Financial Officer and a director of Navy Resources Corp., a junior mining company listed on the Exchange. Mr. Bajic has served as a Director and senior executive of numerous public companies.

He is an independent contractor of the Company and will be dedicating about 25% of his time to the Company. He has not entered into a non-competition or non-disclosure agreement with the Company.

**Michael Konnert, -** *age 30, Director*

Michael Konnert is a businessman with nearly a decade of experience in the natural resources industry. Most recently Mr. Konnert founded Cobalt One Energy Corp which he subsequently sold to Blackstone Minerals Ltd. (ASX-BSX) in November 2017 where he remains a director. Mr. Konnert has assisted both publicly listed companies and private enterprises including SNL Financial's Metals and Mining arm, the industry's largest database, research and consulting group, toward their $2BN merger with Standard and Poor's Capital IQ. He is currently director of several publically listed companies. Mr. Konnert holds a Bachelor of Commerce from Royal Roads University.

He is an independent contractor and expects to devote approximately 25% of his time to the Company. He has not entered into a non-competition or non-disclosure agreement with the Company

### Cease Trade Orders, Bankruptcies, Penalties of Sanctions

Except as disclosed below, no proposed director or officer of the Company has, within the last ten years prior to the date of this Prospectus, been a director or executive officer of any company (including the Company) that, while such person was acting in that capacity, (i) was the subject of a cease trade or similar order or an order that denied that company access to any exemption under securities legislation for a period of more than 30 consecutive days; or (ii) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in that company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or (iii) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver-manager or trustee appointed to hold its assets.

### Conflicts of Interest

Some of the proposed directors and officers of the Company are also directors, officers and/or promoters of other reporting and non-reporting companies. Accordingly, conflicts of interest may arise which could influence these persons in evaluating possible acquisitions or in generally acting on behalf of the Company, notwithstanding that they are bound by the provisions of both the BCBCA to act at all times in good faith in the best interests of the Company and to disclose such conflicts to the Company if and when they arise.

## PART 14 – EXECUTIVE COMPENSATION

### Company's Executive Compensation

The Company's executive compensation program during the most recently completed financial year ended July 31, 2017 was administered by the Company's Board of Directors. The Board of Directors was solely responsible for determining the compensation to be paid to the Company's executive officers and evaluating their performance. The Board of Directors has not adopted any specific policies or objective for determining the amount or extent of compensation for directors or officers.

**Summary Compensation Table**

The following table sets forth information about compensation paid to, or earned by, the Company's Named Executive Officers during the period from Inception to July 31, 2016 and as at the year ended July 31, 2017.

| Name and Principal Position | Year | Salary ($) | Share Based Awards ($) | Option Based Awards ($) | Non Equity Incentive Plan Compensation: Annual Incentive Plans | Non Equity Incentive Plan Compensation: Long Term Incentive Plans | Pension Value ($) | All Other Compensation ($) | Total Compensation ($) |
|---|---|---|---|---|---|---|---|---|---|
| Raymond Wladichuk | 2017 | Nil | Nil | Nil | Nil | Nil | Nil | $6,485 | $6,485 |
| Chief Executive | 2016 | Nil | Nil | Nil | Nil | Nil | Nil | $1,750 | $1,750 |
| Aeron Kawakami | 2017 | $1,500 | Nil | Nil | Nil | Nil | Nil | $10,000 | $11,500 |
| Chief Financial Officer & Secretary | 2016 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |

**Significant Elements**

The significant elements of compensation for the Company's "Named Executive Officers", being the Chief Executive Officer, the Chief Financial Officer, will be a cash salary and stock options. The Company does not presently have a long-term incentive plan for its Named Executive Officers. There is no policy or target regarding allocation between cash and non-cash elements of the Company's compensation program. The Board of Directors reviews annually the total compensation package of each of the Company's executives on an individual basis.

*Cash Salary*

The Company's compensation payable to the Named Executive Officers is based upon, among other things, the responsibility, skills and experience required to carry out the functions of each position held by each Named Executive Officer and varies with the amount of time spent by each Named Executive Officer in carrying out his or her functions on behalf of the Company.

In particular the Chief Executive Officer's compensation will be determined by time spent on: (i) the Company's current mineral property; (ii) reviewing potential mineral properties that the Company may acquire and negotiating, on behalf of the Company; and (iii) new business ventures. The Chief Financial Officer's compensation is primarily determined by time spent in reviewing the Company's financial statements.

*Stock Options*

The Company's Stock Option Plan is intended to emphasize management's commitment to the growth of the Company. The grant of stock options, as a key component of the executive compensation package, enables the Company to attract and retain qualified executives. Stock option grants are based on the total of stock options available under the Stock Option Plan. In granting stock options, the Board of Directors reviews the total of stock options available under the Stock Option Plan and recommends grants to newly retained executive officers at the time of their appointment, and considers recommending further grants to executive officers from time to time thereafter. The amount and terms of outstanding options held by an executive are taken into account when determining whether and how new option grants should be made to the executive. The exercise periods are to be set at the date of grant. The stock option grants may contain vesting provisions in accordance to the Company's Stock Option Plan.

As of the date hereof, the Company has not granted any options to its directors and officers. See "Options to Purchase Securities" above.

*Employment and Consulting Agreements*

The Company has not entered into written employment or consulting agreements with its Chief Executive Officer and its Chief Financial Officer.

*Stock Option Plans and Other Incentive Plans*

The following table sets forth information on the Company's equity compensation plans under which common shares were authorized for issuance as at the date of this Prospectus:

| **Plan Category** | **Plan Name** | **Number of securities to be issued upon Exercise of outstanding options, warrants and rights (a)** | **Weighted-average exercise price of outstanding options, warrants and rights (b)** | **Number of securities available for future issuance under equity compensation plans (excluding securities reflected in column (a) (c)** |
|---|---|---|---|---|
| Equity compensation plans | Stock Option Plan 2018 | Nil | Nil | 1,011,250 [(1)] |

Note:

(1) The Company has a 10% rolling stock option plan but has not granted any options as at the date of this Prospectus.

*Employment, Consulting and Management Agreements*

The Company has not entered into any employment or consulting contracts with its Named Executive Officers.

*Oversight and Description of Director and Named Executive Officer Compensation*

The Company does not have a compensation program other than paying consulting fees and incentive bonuses. The compensation of the executive officers is determined by the Board, based in part on recommendations from the Chief Executive Officer. The Board recognizes the need to provide a compensation package that will attract and retain qualified and experienced executives, as well as align the compensation level of each executive to that executive's level of responsibility. The objectives of the Company's compensation policies and practices are:

- to reward individual contributions in light of the Company's performance;
- to be competitive with the companies with whom the Company competes for talent;
- to align the interests of the executives with the interests of the shareholders; and
- to attract and retain executives who could help the Company achieve its objectives.

*Executive Compensation Policies and Programs*

The Company's compensation policies and programs for executive officers may consist of a base salary/compensation, stock options and may include other customary employment benefits. Generally, for establishing compensation for executive officers, the Board considers the executive's performance, experience and position within the Company and the recommendations of the Chief Executive Officer, or in the case of the Chief Executive Officer, the recommendation of the Chairman of the Board. The Board uses its discretion to set compensation for executive officers at levels warranted by external, internal and individual circumstances. The early stage of the Company's business development is also a factor is setting the compensation. As the Company is in the early stages, compensation for executive officers relies solely on board discussion without any formal objectives, criteria and analysis.

Compensation of executive officers of the Company is generally reviewed on an annual basis or at a time of a material change in the business. Stock options are granted pursuant to the Company's Stock Option Plan at the discretion of the Board. Options granted to non-executive directors generally vest immediately and options granted to other optionees generally vest in equal amounts over three or four-year periods or as otherwise determined by the Board.

The Chief Executive Officer and the Chief Financial Officer may invoice the Company for time spent on the business of the Company. The basic component of executive compensation consists only of a potential consulting fee component and going forward, the Company may include performance-based variable incentive compensation, which may be comprised of cash bonuses or stock option grants. The allocation of value to different compensation elements will not be based on a formula, but rather will be intended to reflect market practices as well as the Board's discretionary assessment of an executive officer's past contribution and the ability to contribute to future short and long- term business results.

Specifically, the objectives of consulting fees are to recognize market pay, and acknowledge the competencies and skills of individuals. The rate established for each executive officer is intended to reflect each individual's responsibilities, experience, prior performance and other discretionary factors deemed relevant by the Board. In connection with setting appropriate levels of compensation, members of the Board base their decisions on their general business and industry knowledge and experience and publicly available information of comparable companies. The Board also considers specific conditions related to the Company and general market conditions as well as reference to the competitive market place for management talent at other publicly-held junior biotechnology companies at a similar stage of development, market capitalization and size. In determining the level of compensation payable to the Company's executive officers, the Board considered compensation plans of capital pool companies (as defined in Policy 2.4 of the TSX Venture Exchange Inc.) and other early stage reporting companies with limited capital available.

The Board believes that the Company's compensation plan is consistent with the companies the Company competes with for talent where the business plan is under development.

During its deliberations, the Board considered the implications of the risks associated with adopting the compensation practices currently in place. The Board does not believe that its current compensation practices create a material risk that the NEOs or any employee would be encouraged to take inappropriate or excessive risks, and no such risks have been detected to date. The Board will continue to include this consideration in its deliberations, and believes that it would detect actions of management and employees of the Company that constitute or would lead to inappropriate or excessive risks.

The Company does not have a policy that would prohibit the NEOs or directors from purchasing financial instruments that are designed or would have the effect of hedging the value of equity securities granted to, or held by, these individuals.

*Base Salary*

The objectives of the base salary are to provide compensation in accord with market value, and to acknowledge the competencies and skills of individuals. The base salary paid to the NEOs shall be reviewed annually by the Board as part of the annual review of executive officers. The decision whether to grant an increase to the executive's base salary and the amount of any such increase shall be in the sole discretion of the Board.

*Incentive Bonuses*

Incentive bonuses in the form of cash payments are designed to add a variable component of compensation, based on corporate and individual performances for executive officers and employees. No incentive bonuses were paid to NEOs, other executive officers and employees during the most recently completed fiscal year.

*Option Based Awards*

The objectives of the stock option will be to reward achievement of long-term financial and operating performance and focus on key activities and achievements critical to the ongoing success of the Company. At this stage in the Company's development, greater emphasis may be put on incentive stock option compensation. The Company has no other forms of compensation, other than payments made from time to time to individuals or companies they control for the provision of consulting services. Such consulting services are paid for by the Company, to the best of its ability, at competitive industry rates for work of a similar nature by reputable arm's length service providers. Actual compensation will vary based on the performance of the executives relative to the achievement of goals and the price of the Company's securities, as well as the financial condition of the Company.

*Pension and Retirement Plans*

The Company does not have any pension or retirement plan in place.

The Company may revise its compensation policies in future. However, no concrete decisions have been made as of the date of this Prospectus.

## PART 15 – INDEBTEDNESS OF DIRECTORS AND OFFICERS

As of the date of this Prospectus, no director or executive officer of the Company is or has been indebted to the Company.

## PART 16 – AUDIT COMMITTEE AND CORPORATE GOVERNANCE

Pursuant to Exchange policies and National Instrument 52-110 *Audit Committees* ("NI 52-110"), we are required to have an Audit Committee comprised of at least three directors, the majority of whom must not be officers or employees of the Company. The Audit Committee must operate pursuant to the provisions of have a written charter, which sets out its duties and responsibilities. The following is a summary of such charter:

### AUDIT COMMITTEE CHARTER

**Mandate**

The primary function of the audit committee (the "Committee") is to assist the Company's Board in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company's systems of internal controls regarding finance and accounting and the Company's auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Company's policies, procedures and practices at all levels. The Committee's primary duties and responsibilities are to:

- serve as an independent and objective party to monitor the Company's financial reporting and internal control system and review the Company's financial statements;
- review and appraise the performance of the Company's external auditors; and
- provide an open avenue of communication among the Company's auditors, financial and senior management and the Board.

**Composition**

The Committee is to be comprised of a minimum three directors as determined by the Board. If the Company ceases to be a "venture issuer" (as that term is defined in National Instrument 51-102), then all of the members of the Committee shall be "independent" – being free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Committee.

If the Company ceases to be a "venture issuer" then all members of the Committee shall be financially literate. All members of the Committee that are not financially literate will work towards becoming such. For the purposes of the Company's Audit Committee Charter, the definition of "financially literate" is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company's financial statements.

The members of the Committee shall be elected by the Board at its first meeting following the annual shareholders' meeting. Unless a Chair is elected by the full Board, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

**Meetings**

The Committee shall meet a least four times annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually with the Chief Financial Officer and the external auditors in separate sessions.

**Responsibilities and Duties**

To fulfill its responsibilities and duties, the Committee shall:

1. Documents/Reports Review

   a) review and update the Audit Committee Charter annually; and

   b) review the Company's financial statements, MD&A and any annual and interim earnings press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.

2. External Auditors

   a) review annually, the performance of the external auditors who shall be ultimately accountable to the Company's Board and the Committee as representatives of the shareholders of the Company;

   b) obtain annually, a formal written statement of external auditors setting forth all relationships between the external auditors and the Company, consistent with Independence Standards Board Standard 1;

   c) review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors;

   d) take, or recommend that the Company's full Board take appropriate action to oversee the independence of the external auditors, including the resolution of disagreements between management and the external auditor regarding financial reporting;

   e) recommend to the Company's Board the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval;

f) recommend to the Company's Board the compensation to be paid to the external auditors;

g) at each meeting, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements;

h) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company;

i) review with management and the external auditors the audit plan for the year- end financial statements and intended template for such statements; and

j) review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:

   i. the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of revenues paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided,

   ii. such services were not recognized by the Company at the time of the engagement to be non-audit services, and

k) provide such services as are brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board to whom authority to grant such approvals has been delegated by the Committee.

3. Financial Reporting Processes

(a) in consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external;

(b) consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting;

(c) consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management;

(d) review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments;

(e) following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information;

(f) review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements;

(g) review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented;

(h) review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters;

(i) review certification process;

(j) establish a procedure for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and

(k) establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

4. Other

(a) review any related-party transactions;

(b) engage independent counsel and other advisors as it determines necessary to carry out its duties; and

(c) to set and pay compensation for any independent counsel and other advisors employed by the Committee.

**Composition of the Audit Committee**

The Audit Committee is presently comprised of Raymond Waldichuk, Martin Bajic (Chair), and Michael Konnert. Mr. Wladichuck is not an independent director as he is an executive officer of the Company, holding the position of CEO, however Mr. Bajic and Mr. Konnert can be considered to be independent directors of the Company within the meaning of NI 52-110. All members of the Audit Committee are financially literate. The members of the Audit Committee are elected by the Board at its first meeting following each annual shareholders' meeting to serve one-year terms and are permitted to serve an unlimited number of consecutive terms.

**Relevant Education and Experience**

Raymond Wladichuk - Mr.Wladichuk holds a Bachelor of Science (Earth Sciences) and a degree in Business Administration. He has served as a director and officer of several public companies over the years, including as a member of various audit committees. Mr. Wladichuk has been a director of the Company since 2016.

*Martin Bajic* – Mr. Bajic is a Chartered Professional Accountant, having practiced for over 15 years. He has served as a director and Chief Financial Officer of several public companies over the years, including as a member of various audit committees.

*Michael Konnert* – Mr. Konnert holds a Bachelor of Commerce degree. He has served as a director and officer of other public companies.

**Audit Committee Oversight**

At no time has a recommendation of the Committee to nominate or compensate an external auditor not been adopted by the Board.

**Reliance on Certain Exemptions**

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110 (De Minimis Non-audit Services), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110. The Company is relying upon the exemption in Section 6.1 of NI 52-110 (Venture Issuers) from the requirements of Parts 3 (Composition of the Audit Committee) and 5 (Reporting Obligations).

**Pre-Approval Policies and Procedures**

The Committee has adopted specific policies and procedures for the engagement of non-audit services as described above under the heading "*External Auditors*".

**Expectations of Management**

The Board expects management to operate the business of the Company in a manner that enhances shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Company’s business plan and to meet performance goals and objectives.

**External Auditor Services Fees (By Category)**

The Audit Committee has reviewed the nature and amount of the non-audited services provided by Wolrige Mahon LLP, Chartered Professional Accountants, of Vancouver, British Columbia, to the Company to ensure auditor independence. Anticipated fees for audit and non-audit services in the period from February 19, 2016 to July 31, 2017, are outlined in the following table.

| **Nature of Services** | **Anticipated Fees to be billed by Auditor from:** | |
|---|---|---|
| | **August 1, 2016 to July 31, 2017** | **February 19, 2016 to July 31, 2016** |
| Audit Fees(1) | $3,000 | $2,000 |
| Audit-Related Fees(2) | Nil | Nil |
| Tax Fees(3) | Nil | Nil |
| All Other Fees(4) | Nil | Nil |
| **Total** | **$3,000** | **$2,000** |

Notes:

(1) “Audit Fees” include fees necessary to perform the annual audit and quarterly reviews of the Company’s consolidated financial statements. Audit Fees include aggregate fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.

(2) “Audit-Related Fees” include fees for services that are traditionally performed by the auditor. These audit-related services include aggregate fees for employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.

(3) “Tax Fees” include fees for all tax services other than those included in “Audit Fees” and “Audit-Related Fees”. This category includes aggregate fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.

(4) “All Other Fees” include all other non-audit services, in the aggregate.

## CORPORATE GOVERNANCE

Corporate governance relates to the activities of the Board of Directors, the members of which are elected by and are accountable to the shareholders and takes into account the role of the individual members of management who are appointed by the Board and who are charged with day-to-day management of the Company. National Instrument 58-201 *Corporate Governance Guidelines* establishes corporate governance guidelines to be used by issuers in developing their own corporate governance practices. The Board is committed to sound corporate governance practices, which are both in the interest of its shareholders and contribute to effective and efficient decision making.

In accordance with National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("NI 58-101") our corporate governance practices are summarized below. The Board will continue to monitor such practices on an ongoing basis and when necessary implement such additional practices as it deems appropriate.

The Board believes that sound corporate governance practices are essential to the effective, efficient and prudent operation of the Corporation and to the enhancement of shareholder value. The Board fulfills its mandate directly and through committees at regularly scheduled meetings or as required.

**Board of Directors**

The directors are responsible for managing and supervising the management of the business and affairs of the Company. Each year, the Board must review the relationship that each director has with the Company in order to satisfy themselves that the relevant independence criteria have been met.

The Board is currently comprised of three members: Ray Wladichuck, who is not an independent director of the Company; Martin Bajic and Michael Konnert, both of whom are independent and as such, the majority of the current Board of the Company is independent.

The Board is satisfied that the autonomy of the Board and its ability to function independently are protected through current and future appointments of independent directors. Due to its current make-up the independent director does not hold regularly scheduled meetings at which non-independent directors are not in attendance. In order to facilitate open and candid discussions, the Board encourages its independent members to discuss matters separate from the non-independent Board members and to seek the advice of financial, legal or other consultants when necessary.

**Other Reporting Company Experience**

The following table sets out the directors of the Company who have been directors of other reporting Companys in any Canadian or foreign jurisdiction in the past five years:

| Name | Name of Reporting Company | Position Held | Name of Exchange or Market (if applicable) | Dates Position Held (from – to) (mm/yy – mm/yy) |
|---|---|---|---|---|
| Raymond Wladichuk | Arak Resources Ltd. | Director | TSXV | 08/16 – 04/17 |
| Martin Bajic | Oyster Oil & Gas Ltd. | Director<br>CFO<br>Secretary | TSXV | 07/08 – 10/16<br>12/08 – 10/16<br>07/11 – 09/14 |
| | Patriot Petroleum Corp | Director & CFO | TSXV | 11/10 – 12/15 |
| | Desert Star Resources Corp | Director | TSXV | 11/11 – 04/15 |
| | Depaul Capital Corp | Director, CFO & Secretary | TSXV | 07/12 – 05/13 |
| | Margaux Red Capital Inc. | Director | TSXV | 04/14 – 08/14 |
| | Navy Resources Ltd. | Director & CFO | TSXV | 08/11 – Present |
| | Santa Rosa Resources Corp. | Director<br>CFO & Secretary | TSXV | 12/16 – Present<br>06/17 – Present |
| | Huffington Capital Corp. | CFO | TSXV | 07/15 – Present |
| | Metron Capital Corp. | Director | TSXV | 01/17 – Present |
| | Dizun International Enterprises Inc. | Director & CFO | TSXV | 01/18 - Present |
| Michael Konnert | Benz Mining | VP & Director | TSXV | 12/17 – 08/17 |
| | Fitch Street Capital | Director | TSXV | 15/16 – present |
| | Blackstone Minerals | Director | ASX | 09/17 - present |

## Orientation and Continuing Education

Each new director is given an outline of the nature of the Company's business, its corporate strategy, and current issues within the Company. New directors are encouraged to review the Company's public disclosure records and are also required to meet with management of the Company to discuss and better understand the Company's business and are given the opportunity to meet with counsel to the Company to discuss their legal obligations as directors of the Company.

In addition, management of the Company will take steps to ensure that its directors and officers are continually updated as to the latest corporate and securities policies which may affect the directors, officers and committee members of the Company as a whole. The Company's legal counsel continually reviews the latest securities rules and policies and is on the mailing list of the Exchange to receive updates to any of those policies. Any such changes or new requirements are then brought to the attention of the Company's directors and management.

## Ethical Business Conduct

The Board has not established a Corporate Governance Committee, but plans do so in the future. As some of our directors also serve as directors and officers of other companies engaged in similar business activities, our directors must comply with the conflict of interest provisions of applicable corporate law, as well as the relevant securities regulatory instruments, in order to ensure that they exercise independent judgment in considering transactions and agreements in respect of which they may have a material interest. Any interested director would be required to declare the nature and extent of his interest and would not be entitled to vote at meetings of directors which evoke any such conflict.

The Board plans to establish a code of ethical conduct policy pursuant to the requirements of National Policy 58-201. The full text of this policy will be posted for review under the Company's profile on SEDAR at *www.sedar.com*.

## Nomination of Directors

The Company's management is continually in contact with individuals involved with public sector Companys. From these sources management has made numerous contacts and in the event that the Company requires any new directors, such individuals will be brought to the attention of the Board of Directors. The Company conducts due diligence, reference and background checks on any suitable candidate. New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the time required, integrity of character and a willingness to serve.

## Compensation

The Board of Directors has not yet formed a Compensation Committee to monitor and review the salary and benefits of its executive officers. The Board will periodically review the Company's general compensation structure, policies and programs in consideration of industry standards and the Company's financial situation until a Compensation Committee is formed.

## Other Board Committees

At present, the only committee the Company has is an Audit Committee. The Company may create other committees in the future.

**Assessments**

Neither the Company nor the Board of Directors has determined formal means or methods to regularly assess the Board, its committees or the individual directors with respect to their effectiveness and contributions. Effectiveness is subjectively measured by comparing actual corporate results with stated objectives. The contributions of an individual director is informally monitored by the other Board members, having in mind the business and other strengths of the individual and the purpose of originally nominating the individual to the Board.

## PART 17 – PLAN OF DISTRIBUTION

No securities are being offered or sold pursuant to this prospectus. This prospectus is being filed by the Company with its overseeing regulator. Since no securities are being offered pursuant to this Prospectus, no proceeds will be raised and no agent or underwriter is involved.

The Company has made an application for Listing of the Company Shares on the CSE by filing a listing statement. Listing is subject to the Company fulfilling all the Listing requirements of the CSE.

There can be no assurance that the Shares of the Company will be listed on the CSE or any other securities exchange.

## PART 18 – RISK FACTORS

An investment in the Company is speculative and involves a high degree of risk. Accordingly, prospective investors should carefully consider the specific risk factors set out below, in addition to the other information contained in this document, before making any decision to invest in the Company. The Directors consider the following risks and other factors to be the most significant for potential investors in the Company, but the risks listed do not necessarily comprise all those associated with an investment in the Company and are not set out in any particular order of priority. Additional risks and uncertainties not currently known to the Directors may also have an adverse effect on the Company's business.

If any of the following risks actually occur, the Company's business, financial condition, capital resources, results or future operations could be materially adversely affected. In such a case, the price of the Common Shares could decline and investors may lose all or part of their investment.

**Substantial Number of Authorized but Unissued Shares**

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

**Dilution**

The financial risk of the Company's future activities will be borne to a significant degree by purchasers of the Common Shares. If the Company issues Common Shares from its treasury for financing purposes, control of the Company may change and purchasers may suffer additional dilution.

**No Market for Securities**

There is currently no market through which any of the Common Shares, may be sold and there is no assurance that such securities of the Company will be listed for trading on a stock exchange, or if listed, will provide a liquid market for such securities. Until the Common Shares are listed on a stock exchange, holders of the

Common Shares may not be able to sell their Common Shares. Even if a listing is obtained, there can be no assurance that an active public market for the Common Shares will develop or be sustained after completion of the Offering. The offering price determined by negotiation between the Company and the Agent was based upon several factors, and may bear no relationship to the price that will prevail in the public market. The holding of Common Shares involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. Common Shares should not be purchased by persons who cannot afford the possibility of the loss of their entire investment.

**Negative Cash Flow from Operating Activities**

The Company has no history of earnings and had negative cash flow from operating activities since inception. The Jack White Property is in the exploration stage and there are no known mineral resources or reserves and the proposed exploration program on the Jack White Property is exploratory in nature. Significant capital investment will be required to achieve commercial production from the Company's existing projects. There is no assurance that the Jack White Property will generate earnings, operate profitably or provide a return on investment in the future. Accordingly, the Company will be required to obtain additional financing in order to meet its future cash commitments.

**Current Market Volatility**

The securities markets in the United States and Canada have recently experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any market for the Common Shares will be subject to market trends generally, notwithstanding any potential success of the Company. The value of the Common Shares distributed hereunder will be affected by such volatility.

**Use of Funds**

The Company has prepared a detailed budget setting out the way in which it proposes to expend its funds. However, the quantum and timing of expenditure will necessarily be dependent upon receiving positive results from the Company's exploration activities on the Jack White Property. As the Company conducts its exploration program, it is possible that results and circumstances may dictate a departure from the pre-existing budget. Further, the Company may, from time to time as opportunities arise, utilize part of its financial resources to participate in additional opportunities that arise and fit within the Company's broader objectives, as a means of advancing shareholder value.

**Insufficient Funds for Phase 2 Work Program**

The Company will have insufficient funds to complete Phase 2 of the recommended work program on the Jack White Property. The Company will need to raise additional financing to commence exploration activities beyond Phase 1.

**No Production History**

The Jack White Property is not a producing property and its ultimate success will depend on its operating ability to generate cash flow from producing properties in the future. The Company has not generated any revenue to date and there is no assurance that it will do so in the future.

The Company's business operations are at an early stage of development and its success will be largely dependent upon the outcome of the exploration programs that the Company proposes to undertake.

**Limited Operating History**

The Company has no properties producing positive cash flow and its ultimate success will depend on its ability to generate cash flow from producing properties in the future. The Company has not earned profits to date and there is no assurance that it will do so in the future. Significant capital investment will be required to achieve commercial production from the Company’s existing projects. There is no assurance that the Company will be able to raise the required funds to continue these activities.

**Exploration, Mining and Operational Risks**

The business of exploring for and mining minerals involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. At present, the Jack White Property does not have any known mineral resources or reserves and the proposed exploration and drilling programs are an exploratory search for such mineral resources or reserves.

The Company’s operations are subject to all the hazards and risks normally associated with the exploration, development and mining of minerals, any of which could result in risk to life, to property, or to the environment. The Company’s operations may be subject to disruptions caused by unusual or unexpected formations, formation pressures, fires, power failures and labour disputes, flooding, explosions, cave-ins, landslides, the inability to obtain suitable or adequate equipment, machinery, labour or adverse weather conditions. The availability of insurance for such hazards and risks is extremely limited or uneconomical at this time.

In the event the Company is fortunate enough to discover a mineral deposit, the economics of commercial production depend on many factors, including the cost of operations, the size and quality of the mineral deposit, proximity to infrastructure, financing costs and Government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting minerals and environmental protection. The effects of these factors cannot be accurately predicted, but any combination of these factors could adversely affect the economics of commencement or continuation of commercial mineral production.

**Mining Claims**

The Company’s prospecting activities are dependent upon the grant of appropriate mineral tenures and regulatory comments which may be withdrawn or made subject to limitations. Mineral claims are renewable subject to certain expenditure requirements. Although the Company believes that it will obtain the necessary prospecting licenses and permits, including but not limited to drill permits, there can be no assurance that they will be granted or as to the terms of any such grant. Furthermore, the Company is required to expend required amounts on the mineral claims of the Jack White Property in order to maintain them in good standing. If the Company is unable to expend these amounts, the Company may lose its title thereto on the expiry date(s) of the relevant mineral claims on the Jack White Property. There is no assurance that, in the event of losing its title to mineral claims, the Company will be able to register the mineral claims in its name without a third party registering its interest first.

**Land Claims**

Aboriginal rights may be claimed on Crown properties or other types of tenure with respect to which mining rights have been conferred. The Supreme Court of Canada's recent decision in Tsilhqot'in Nation v. British Columbia marked the first time in Canadian history that a court has declared Aboriginal title to lands outside of a reserve. The Company is not aware of any Aboriginal land claims having been asserted or any legal actions relating to first nation issues having been instituted with respect to any of the land which is covered by the Jack White Property. The legal basis of a land claim is a matter of considerable legal complexity and the impact of a land claim settlement and self-government agreements cannot be predicted with certainty. In the event that aboriginal title is asserted and proved on the Jack White Property, provincial and federal laws will continue to be valid provided that any infringements of aboriginal title, including mining and exploration are either consented to by Aboriginal groups or are justified. However, no assurance can be given that a broad recognition of aboriginal rights by way of a negotiated settlement or judicial pronouncement would not have an adverse effect on the Company's activities. Such impact could be marked and, in certain circumstances, could delay or even prevent the Company's exploration or mining activities.

**Assurance of Title**

The Company has taken all reasonable steps to attempt to ensure that proper title to the Jack White Property has been obtained and that all grants of such rights thereunder, if any, have been registered with the appropriate public offices. Despite the due diligence conducted by the Company, there is no guarantee that title to such Jack White Property will not be challenged or impugned. The Company's mineral property interests may be subject to prior unregistered agreements or transfers or aboriginal land claims and title may be affected by undetected defects.

**Possible Loss of Interest in Jack White Property**

The Jack White Option Agreement pursuant to which the Company acquired its interest in the Jack White Property requires the Company to make a series of payments in cash and to issue Common Shares over certain time periods and expend certain minimum amounts on the exploration of the Jack White Property. If the Company fails to make such payments or expenditures within the prescribed time periods, the Company may lose its interest in the Jack White Property without any recourse.

**Possible Failure to Obtain Mining Licenses**

Even if the Company does complete the required exploration activities on the Jack White Property, it may not be able to obtain the necessary licences or permits to conduct mining operations, and thus would realize no benefit from such exploration activities.

**Competition**

The Company competes with numerous other companies and individuals possessing greater financial resources and technical facilities than itself in the search for, and acquisition of, mineral claims, leases and other mineral interests, as well as the recruitment and retention of suitably qualified individuals.

**Conflicts of Interest**

All of the Company's Directors and officers act as directors and/or officers of other mineral exploration companies. As such, the Company's Directors and officers may be faced with conflicts of interests when evaluating alternative mineral exploration opportunities. In addition, the Company's Directors and officers may prioritize the business affairs of another Company over the affairs of the Company.

**Personnel**

The Company has a small management team and the loss of any key individual could affect the Company's business. Additionally, the Company will be required to secure other personnel to facilitate its exploration program on the Jack White Property. Any inability to secure and/or retain appropriate personnel may have a materially adverse impact on the business and operations of the Company.

**Volatility of Commodity Prices**

The market prices of commodities, including gold and silver, are volatile and are affected by numerous factors which are beyond the Company's control. These factors include international supply and demand, consumer product demand, international economic trends, currency exchange rate fluctuations, interest rates, inflation, global or regional political events, as well as a range of other market forces. Sustained downward movements in commodity prices, including gold or silver, could render less economic, or uneconomic, some or all of the exploration activities to be undertaken by the Company.

**Environmental Risks and Other Regulatory Requirements**

Inherent with mining operations is an environmental risk. The current or future operations of the Company, including exploration and development activities and commencement of production on the Jack White Property, require permits from various governmental authorities. Such operations are governed by laws and regulations that govern prospecting, mining, development, production, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety, and other matters. Companies engaged in the development and operation of mines and related facilities generally experience increased costs and delays in production as a result of needing to comply with applicable laws, regulations and permits. There can be no assurance that all permits that the Company requires for future, exploration, development, construction and operation of mining facilities and the conduct of mining operations will be obtainable on reasonable terms or that such laws and regulations would not have an adverse effect on the operations of the Company.

The legal framework governing this area is constantly developing, therefore the Company is unable to fully ascertain any future liability that may arise from the implementation of any new laws or regulations, although such laws and regulations are typically strict and may impose severe penalties (financial or otherwise). The proposed activities of the Company, as with any exploration, may have an environmental impact which may result in unbudgeted delays, damage, loss and other costs and obligations including, without limitation, rehabilitation and/or compensation. There is also a risk that the Company's operations and financial position may be adversely affected by the actions of environmental groups or any other group or person opposed in general to the Company's activities and, in particular, the proposed exploration and mining by the Company within the Province of British Columbia.

**Uninsured Risks**

The Company, as a participant in exploration and mining programs, may become subject to liability for hazards such as unusual geological or unexpected operating conditions that cannot be insured against or against which it may elect not to be so insured because of high premium costs or other reasons. The Company is currently uninsured against all such risks as such insurance is either unavailable or uneconomic at this time. The Company also currently has no keyman insurance or property insurance as such insurance is uneconomical at this time. The Company will obtain such insurance once it is available and, in the opinion of the Directors, economical to do so. The Company may incur a liability to third parties (in excess of any insurance coverage) arising from pollution or other damage or injury.

The Company is not insured against most environmental risks. Insurance against environmental risks has not been generally available to companies within the mining and exploration industry. Without such insurance, and if the Company does become subject to environmental liabilities, the costs of such liabilities would reduce or eliminate the Company's available funds or could result in bankruptcy. Should the Company be unable to fully fund the remedial costs of an environmental problem, it may be required to enter into interim compliance measures pending completion of the required remedy.

**Health and Safety Risks**

A violation of health and safety laws, or the failure to comply with the instructions of relevant health and safety authorities, could lead to, among other things, a temporary cessation of activities on the Jack White Property or any part thereof, a loss of the right to prospect for minerals, or the imposition of costly compliance procedures. This could have a material adverse effect on the Company's operations and/or financial condition.

**Tax Issues**

Income tax consequences in relation to the securities offered will vary according to the circumstances of each purchaser. Prospective purchasers should seek independent advice from their own tax and legal advisers prior to subscribing for the securities.

**Additional Requirements for Capital**

Substantial additional financing will be required if the Company is to be successful in pursuing its ultimate strategy of discovering and extracting mineral resources. No assurances can be given that the Company will be able to raise the additional capital that it may require for its anticipated future operations. Commodity prices, environmental rehabilitation or restitution, revenues, taxes, transportation costs, capital expenditures, operating expenses, geological results and the political environment are all factors which will have an impact on the amount of additional capital that may be required. Any additional equity financing may be dilutive to investors and debt financing, if available, may involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company, if at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion, forfeit its interest in the Jack White Property, incur financial penalties, or reduce or terminate its operations.

**Smaller Companies**

The share price of publicly traded smaller companies can be highly volatile. The value of the Common Shares may go down as well as up and, in particular, the share price may be subject to sudden and large falls in value given the restricted marketability of the Common Shares.

**Liquidity of the Common Shares**

Listing on the Exchange should not be taken as implying that there will be a liquid market for the Common Shares. Thus an investment in the Common Shares may be difficult to realize. Investors should be aware that the value of the Common Shares may be volatile. Investors may, on disposing of Common Shares, realize less than their original investment, or may lose their entire investment. The Common Shares, therefore, may not be suitable as a short-term investment.

The market price of the Common Shares may not reflect the underlying value of the Company's net assets. The price at which the Common Shares will be traded, and the price at which investors may realize their Common Shares, will be influenced by a large number of factors, some specific to the Company and its proposed operations, and some which may affect the sectors in which the Company operates. Such factors could include the performance of the Company's operations, large purchases or sales of the Common Shares, liquidity or the absence of liquidity in the Common Shares, legislative or regulatory changes relating to the business of the Company, and general market and economic conditions.

**General**

Although management believes that the above risks fairly and comprehensibly illustrate all material risks facing the Company, the risks noted above do not necessarily comprise all those potentially faced by the Company as it is impossible to foresee all possible risks.

Although the Directors will seek to minimize the impact of the risk factors, an investment in the Company should only be made by investors able to sustain a total loss of their investment. Investors are strongly recommended to consult a person who specializes in investments of this nature before making any decision to invest.

## PART 19 – PROMOTERS

Raymond Wladichuk the Company's Chief Executive Officer and Director, took the initiative in the primary organization of the Company and accordingly is a promoter of the Company. Mr. Wladichuk owns 2,322,500 Common Shares of the Company, which is 22.96% of the Common Shares outstanding prior to giving effect to the Offering. See "Principal Shareholders", "Directors and Executive Officers" and "Executive Compensation".

## PART 20 – LEGAL PROCEEDINGS AND REGULATORY ACTIONS

There are no material pending legal proceedings or regulatory actions to which the Company is or is likely to be a party or of which any of its assets are or are likely to be the subject.

## PART 21 – INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

The directors and officers hold Common Shares and may be granted options to purchase Common Shares in the future. See "Directors and Executive Officers" and "Options to Purchase Securities". Except as disclosed below, neither the directors, officers and principal shareholders of the Company, nor any associate or affiliate of the foregoing, have had any material interest, direct or indirect, in any transactions in which the Company has participated within the three-year period prior to the date of this Prospectus, or will have any material interest in any proposed transaction, which has materially affected or will material affect the Company.

The Company acquired its option on the Jack White Property from Raymond Wladichuk, a director and CEO of the Company for $2,500. Mr. Wladichuk has retained a 2% Net Smelter Royalty on the Property.

## PART 22 – AUDITORS, TRANSFER AGENTS AND REGISTRARS

The auditor of the Company is Wolrige Mahon, LLP, Chartered Professional Accountants, 900 – 400 Burrard Street, Vancouver, British Columbia V6C 3B79.

The transfer agent and the registrar of the Company is National Issuer Services Ltd., #760 - 777 Hornby St., Vancouver, BC V6Z 1S4.

## PART 23 – MATERIAL CONTRACTS

The following are the material contracts of the Company entered into within the last two years:

The Jack White Property Agreement between the Company and Raymond Wladichuk dated February 27, 2016 as amended October 27, 2017. This agreement describes the terms of the acquisition of 100% interest to the Jack White Property is described in this Prospectus under "Description of Business".

In addition to the above agreement, upon the Effective Date and before Listing the Company's Shares on the CSE, the Company will be entering into an escrow agreement among the Company, National Issuer Services Ltd. and certain insiders and shareholders of the Company.

Copies of all material agreements referred to in this Prospectus may be inspected at the head office of the Company located at 907 – 1030 West Georgia Street, Vancouver, B.C. V6E 4M7 during normal business hours, as well as on the SEDAR website at www.sedar.com upon the Effective Date of this Prospectus.

**PART 24 – EXPERTS**

The following persons or companies whose profession or business gives authority to the report, valuation, statement or opinion made by the person or company are named in this prospectus as having prepared or certified a report, valuation, statement or opinion in this prospectus:

(a) B.J. Price Geological Constants and Barry James Price, M.Sc., P. Geo. of North Vancouver, British Columbia, is an independent consulting geologist and is a "qualified person" as defined in NI 43-101, and is the author responsible for the preparation of the Technical Report on the Jack White Property.

(b) The audited financial statements included in this prospectus have been subject to audit by Wolrige Mahon LLP, and their audit report is included herein. Wolrige Mahon, is independent in accordance with the Code of Professional Conduct of the Chartered Professional Accountants of British Columbia.

None of the foregoing persons or companies have held, received or is to receive any registered or beneficial interests, direct or indirect, in any securities or other property of the Company or of its associates or affiliates when such person or company prepared the report, valuation, statement or opinion aforementioned or thereafter.

**PART 25 – OTHER MATERIAL FACTS**

To management's knowledge, there are no other material facts relating to the Company that are not otherwise disclosed in this Prospectus, or are necessary in order for the Prospectus to contain full, true and plain disclosure of all material facts relating to the Company.

**PART 26 – FINANCIAL STATEMENT DISCLOSURE**

The following annual financial statements, interim financial reports and management discussion and analysis are included herein and form part of this Prospectus:

| **Appendix Number** | **Financial Statements, interim and annual financial report of management discussion and analysis** |
|---|---|
| Appendix 1 | Audited Financial Statements for the years ended July 31, 2017 and July 31, 2016. |
| Appendix 2 | Unaudited Interim Financial Statements for the interim period ended January 31, 2018 |
| Appendix 3 | Management's Discussion and Analysis for the year ended July 31, 2017 |
| Appendix 4 | Management's Discussion and Analysis for the period ended January 31, 2018 |

# APPENDIX 1
## Audited Annual Financial Statements for the years ended July 31, 2017 and 2016

KAL MINERALS CORP

KAL MINERALS CORP

Financial Statements
For the periods ended July 31, 2017 and 2016
Presented in Canadian dollars

## INDEPENDENT AUDITOR'S REPORT

**To the Shareholders of Kal Minerals Corp.**

We have audited the accompanying financial statements of Kal Minerals Corp., which comprise the statements of financial position as at July 31, 2017 and July 31, 2016, and the statements of operations and comprehensive loss, statements of equity and statements of cash flows for the year ended July 31, 2017 and for the period from incorporation on February 19, 2016 to July 31, 2016, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Kal Minerals Corp. as at July 31, 2017 and July 31, 2016, and its financial performance and its cash flows for the year ended July 31, 2017 and for the period from incorporation on February 19, 2016 to July 31, 2016 in accordance with International Financial Reporting Standards.

### Emphasis of Matter

Without qualifying our opinion, we draw attention to note 1 in the financial statements which indicates the existence of a material uncertainty that may cast significant doubt about Kal Minerals Corp.'s ability to continue as a going concern.

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, B.C.

# KAL MINERALS CORP.

Statement 1

**(An exploration stage company)**

## Statements of Financial Position

| | July 31, 2017 | July 31, 2016 |
|---|---|---|
| **ASSETS** | | |
| **Current assets** | | |
| Cash | $ 48,514 | $ - |
| Exploration and evaluation assets (note 4) | 83,201 | 2,500 |
| | $ 131,715 | $ 2,500 |
| **LIABILITIES** | | |
| **Current liabilities** | | |
| Accounts payable and accrued liabilities (note 5) | $ 62,260 | $ 1,775 |
| Deferred income tax liability (net) (note 10) | 9,700 | - |
| | 71,960 | 1,775 |
| **SHAREHOLDERS' EQUITY** | | |
| Share Capital (note 6) | 92,091 | 3,000 |
| Contributed surplus (note 6) | 3,800 | - |
| Accumulated deficit | (36,136) | (2,275) |
| | 59,755 | 725 |
| | $ 131,715 | $ 2,500 |

Nature of Operations and Going Concern (note 1)

Approved on behalf of the Board of Directors on March 23, 2018:

Raymond Wladichuk, Director

Martin Bajic, Director

The accompanying Notes to the Financial Statements are an integral part of these financial statements

# KAL MINERALS CORP.

Statement 2

**(An exploration stage company)**

## Statements of Operations and Comprehensive Loss

| | Year ended July 31, 2017 | Period from incorporation on February 19, 2016 to July 31, 2016 |
|---|---|---|
| **EXPENSES** | | |
| Accounting, legal and professional fees | $ 10,191 | $ 500 |
| Geological consulting (note 5) | 1,235 | - |
| Management fees (note 5) | 1,050 | - |
| Promotional and investor relations (note 5) | 4,000 | - |
| Rent (note 5) | 4,200 | 1,750 |
| General and administrative (note 5) | 1,885 | 25 |
| **OPERATING LOSS** | (22,561) | (2,275) |
| Deferred income tax expense (note 10) | (11,300) | - |
| **TOTAL NET and COMPREHENSIVE LOSS** | $ (33,861) | $ (2,275) |
| **LOSS PER SHARE (basic and diluted)** | $ (0.01) | $ (0.00) |
| **WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING (basic and diluted)** | 3,874,455 | 3,000,000 |

The accompanying Notes to the Financial Statements are an integral part of these financial statements

KALMINERALSCORP

# KAL MINERALS CORP.

Statement 3

**(An exploration stage company)**

## Statements of Cash Flows

| | | Year ended July 31, 2017 | | Period from incorporation on February 19, 2016 to July 31, 2016 |
|---|---|---|---|---|
| **OPERATING ACTIVITIES** | | | | |
| Net loss for the period | $ | (33,861) | $ | (2,275) |
| Items not affecting cash: | | | | |
| Deferred income tax expense | | 11,300 | | - |
| Change in accounts payable and accrued liabilities | | 24,784 | | 1,775 |
| | | (2,223) | | (500) |
| **INVESTING ACTIVITY** | | | | |
| Investment in exploration and evaluation assets | | (45,000) | | (2,500) |
| **FINANCING ACTIVITIES** | | | | |
| Net proceeds from issuance of common shares | | 23,239 | | 3,000 |
| Net proceeds from issuance of flow-through shares | | 68,052 | | - |
| | | 91,391 | | 3,000 |
| **NET CHANGE IN CASH** | | 48,514 | | - |
| **CASH**, beginning of period | | - | | - |
| **CASH**, end of period | $ | 48,514 | $ | - |

| **Non cash investing and financing activities** | | | | |
|---|---|---|---|---|
| Exploration and evaluation expenditures accrued in accounts payable | $ | 35,701 | $ | - |
| Fair value of warrants issued for share issue costs | $ | 3,800 | $ | - |
| Deferred income tax asset recorded in share capital | $ | 1,600 | $ | - |

# KAL MINERALS CORP.

Statement 4

**(An exploration stage company)**

## Statements of Equity

| | Number of Shares | Share Capital | Contributed Surplus | Accumulated Deficit | Total |
|---|---|---|---|---|---|
| **Balance at February 19, 2016** | - | $ - | $ - | $ - | $ - |
| Common shares issued | 3,000,000 | 3,000 | - | - | 3,000 |
| Loss for the period | - | - | - | (2,275) | (2,275) |
| **Balance at July 31, 2016** | 3,000,000 | $ 3,000 | $ - | $ (2,275) | $ 725 |
| Common shares issued, net | 253,000 | 21,039 | 3,800 | - | 24,839 |
| Flow-through shares issued | 1,400,000 | 68,052 | - | - | 68,052 |
| Loss for the year | - | - | - | (33,861) | (33,861) |
| **Balance at July 31, 2017** | 4,653,000 | $ 92,091 | $ 3,800 | $ (36,136) | $ 59,755 |

The accompanying Notes to the Financial Statements are an integral part of these financial statements

# 1. NATURE OF OPERATIONS AND GOING CONCERN

Kal Minerals Corp. (the "Company") was incorporated under the Business Corporations Act in British Columbia on February 19, 2016. The Company has interests in exploration and evaluation assets in the province of British Columbia, Canada, and its principal business is the exploration and development of those assets. The head office, principal address, registered address, and records office of the Company are located at #907 – 1030 West Georgia Street, Vancouver, BC.

The Company is in the exploration stage with respect to its exploration and evaluation assets and has not yet determined whether those assets contain ore reserves that are economically recoverable. The carrying amount of these assets represents the total of net costs capitalized, and is not intended to reflect either their present or future value.

The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's legal interest in the assets, the ability of the Company to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition of the assets.

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and meet its obligations in the ordinary course of business. The Company incurred a loss of $33,861 (2016: $2,275) for the year ended July 31, 2017. At July 31, 2017, the Company had an accumulated deficit of $36,136 (2016: $2,275), which has been funded primarily by the issuance of equity. The Company will need to raise new funds through the sale of shares to maintain operations. These factors together raise substantial doubt about its ability to continue as a going concern. These financial statements do not reflect adjustments for the possible future effect, on the recoverability and classification of the assets or the amounts and classification of liabilities that may result from the outcome of this uncertainty. Realization values may be substantially different from the carrying values as shown in these financial statements should the Company be unable to continue as a going concern.

# 2. STATEMENT OF COMPLIANCE AND BASIS OF PRESENTATION

a) Statement of Compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

b) Basis of Presentation

These financial statements are prepared on the historical cost basis. In addition, these financial statements have been prepared using the accrual basis of accounting. All amounts are expressed in Canadian dollars unless otherwise stated.

c) Functional Currency

The functional and presentation currency of the Company is the Canadian dollar.

d) Significant Accounting Estimates and Judgments

The preparation of financial statements requires management to make judgments, estimates, and assumptions that affect the application of policies and reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the review affects both current and future periods. Management has not identified any significant estimates as at July 31, 2017 and 2016.

*Critical accounting judgments*
In the preparation of these financial statements, management has made judgments, aside from those that involve estimates, in the process of applying the accounting policies. The judgments which may have an effect on the amounts recognized in the financial statements include the following:

- The assessment of the going concern assumption;
- The recognition of deferred income tax assets; and
- The assessment of impairment indicators for the exploration and evaluation assets.

# 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Exploration and Evaluation Assets

i. Exploration and evaluation expenditures

All direct costs relating to the exploration and evaluation of the mineral interests, including acquisition costs for interests in mineral claims, are capitalized as exploration and evaluation assets. General exploration costs that are not related to specific mineral properties are expensed as incurred. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, capitalized costs of the related property are reclassified as mining assets and, upon commencement of commercial production, are amortized using the units of production method over the estimated recoverable reserves.

Exploration and evaluation assets are classified as tangible assets.

ii. Impairment

Exploration and evaluation assets are assessed for impairment at the end of each reporting period and when indicators and circumstances suggest that the carrying amount may exceed its recoverable amount. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period.

Industry-specific indicators for an impairment review arise typically when one of the following circumstances applies:

- Substantive expenditure or further exploration and evaluation activities is neither budgeted nor planned;

- Title to the asset is compromised, has expired or is expected to expire;

- Adverse changes in the taxation, regulatory or political environment;

- Adverse changes in variable in commodity prices and markets making the project unviable; and

- Variations in the exchange rate for the currency of operation.

b) Restoration, Rehabilitation, and Environmental Obligations

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration or development of an exploration and evaluation asset. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of factors such as the life and nature of the asset, the operating license conditions, and when applicable, the environment in which the mine operates.

A pre-tax discount rate that reflects the time value of money is used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the units of production method. The corresponding liability is progressively increased as the effect of discounting unwinds creating an expense recognized in profit or loss. The Company has no restoration, rehabilitation and environmental obligations as at July 31, 2017 and 2016.

c) Financial instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

At initial recognition, the Company classifies its financial instruments in the following categories depending on the purpose for which the instruments were acquired:

(i) Financial assets and liabilities at fair value through profit or loss: A financial asset or liability is classified in this category if acquired principally for the purpose of selling or repurchasing in the short-term. Instruments classified under this category, including embedded derivatives, are recorded at fair value through profit or loss and accordingly are recorded on the statement of financial position at fair value. Unrealized gains and losses are recorded in profit or loss. Realized gains or losses are recorded in profit or loss in the period in which the Company disposes of the instrument. The Company does not hold any financial assets or liabilities at fair value through profit or loss.

(ii) Available-for-sale assets: Available-for-sale assets are non-derivatives that are either designated in this category or not classified in any of the other categories. The Company does not hold any available-for-sale assets.

(iii) Held-to-Maturity investments: Held-to-maturity investments are non-derivatives that are designated in this category where the Company has the intention and the ability to hold the investment to maturity. Held-to-maturity investments are initially measured at fair value including transaction costs, and subsequently carried at amortized cost using the effective interest method less a provision for impairment. The effective interest rate method is a method for calculating the amortized cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The Company does not hold any held-to-maturity assets.

(iv) Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially recognized at the amount expected to be received, less, when material, a discount to reduce the loans and receivables to fair value. Subsequently, loans and receivables are measured at amortized cost using the effective interest method less a provision for impairment. The Company has classified cash as loans and receivables.

(v) Other financial liabilities: Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method. The Company has classified accounts payable and accrued liabilities as other financial liabilities.

*Impairment of Financial Assets*
At each reporting date, the Company assesses whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired, if, there is objective evidence of impairment as a result of one or more events that has occurred subsequent to the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets.

d) Cash and Cash Equivalents

Cash in the statement of financial position is comprised of cash held at major financial institutions which is available on demand by the Company. The Company currently holds no cash equivalents.

e) Share Capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share purchase options are recognized as a deduction from equity, net of any tax effects.

f) Flow-through Shares

Resource expenditure deductions for income tax purposes related to exploratory activities funded by flow-through share arrangements are renounced to investors in accordance with income tax legislation. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into: (i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and (ii) share capital. Upon expenses being incurred, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium, if any, is recognized as other income and the related deferred tax is recognized as a tax provision.

Proceeds from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period. The Company may also be subject to a Part XII. 6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until qualifying expenditures are incurred.

g) Stock-based Compensation

The Company accounts for stock options and warrants granted to directors, officers, employees and non-employees at fair value. The fair value of the options and warrants granted to employees at the date of the grant is determined using the Black-Scholes option pricing model and stock-based compensation is accrued and charged to profit or loss, or share capital using the graded method, with an offsetting credit to contributed surplus, over the vesting periods. The fair value of stock options granted to non-employees is measured based on the fair value of the goods and services received, unless that fair value cannot be estimated reliably, in which case the fair value is determined with reference to the fair value of the instruments granted, and is re-measured at the earlier of each financial reporting or vesting date, and any adjustment is charged or credited to profit or loss upon re-measurement.

The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

If and when the stock options or warrants are exercised, the applicable amounts of contributed surplus are transferred to share capital. Charges for options that are forfeited before vesting are reversed from contributed surplus.

The expected price volatility is based on the historic volatility of comparable publicly listed companies.

h) Earnings (Loss) Per Share

The Company presents basic and diluted earnings (loss) per share data for its common shares, calculated by dividing the income (loss) attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period.

i) Income Taxes

Income tax comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case the income tax is recognized directly in equity.

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

In general, deferred tax is recognized in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the statement of financial position date and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered. Deferred income tax assets and liabilities are presented as non-current in accordance with the assets and liabilities to which they relate.

j) Recent Accounting Pronouncements

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB that are mandatory for later periods. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below. Adopting these standards is expected to have minimal or no impact on the financial statements.

*IFRS 9 – Financial Instruments*

This standard and its consequential amendments are applicable to annual reporting periods beginning on or after January 1, 2018. This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortised cost or fair value. To be classified and measured at amortised cost, assets must satisfy the business model test for managing the financial assets and have certain contractual cash flow characteristics. All other financial instrument assets are to be classified and measured at fair value. This standard allows an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income, with dividends as a return on these investments being recognised in profit or loss. In addition, those equity instruments measured at fair value through other comprehensive income would no longer have to apply any impairment requirements nor would there be any ‘recycling’ of gains or losses through profit or loss on disposal. The accounting for financial liabilities continues to be classified and measured in accordance with IAS 39 with one exception, being that the portion of a change of fair value relating to the entity’s own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch.

*IFRS 15 – Revenue from Contracts with Customers*

IFRS 15 deals with revenue recognition and establishes principles of reporting useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity’s contracts with customers. Revenue is recognized when the customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The Standard replaces IAS 18 Revenue, and IAS 11 Construction Contracts and related interpretations. It is effective for annual periods beginning on or after January 1, 2018 and earlier application is permitted.

*IFRS 16 –Leases*

IFRS 16 specifies how a leases will be recognized, measured, presented and disclosed. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. This standard is effective for reporting periods beginning on or after January 1, 2019.

# 4. EXPLORATION AND EVALUATION ASSETS

**Jack White Property, British Columbia**

On February 27, 2016 the Company entered into a letter agreement (the "Agreement") with Raymond Wladichuk for the option to earn 100% interest in the Jack White Property (the "Property"). The agreement was amended on October 27, 2017 (the "Amended Agreement").

The Company can earn 100% interest in the Property, subject to a 2% NSR Royalty by:

- Making total cash payments of $387,500 as outlined below;
- Issuing a total of 1,300,000 common shares as outlined below; and
- Incurring a total of $1,850,000 in expenditures as outlined below.

| Cash payments | Common shares to be issued | Expenditures to be incurred | Date |
|---|---|---|---|
| $2,500 (paid) | 100,000 (issued, note 11) | Nil | Upon signing of the Agreement |
| Nil | 25,000 | $75,000 | On the first anniversary date of the Amended Agreement |
| $5,000 | 50,000 | $100,000 | On the second anniversary date of the Amended Agreement |
| $10,000 | 75,000 | $150,000 | On the third anniversary date of the Amended Agreement |
| $15,000 | 100,000 | $275,000 | On the fourth anniversary date of the Amended Agreement |
| $30,000 | 150,000 | $500,000 | On the fifth anniversary date of the Amended Agreement |
| $75,000 | 200,000 | $750,000 | On the sixth anniversary date of the Amended Agreement |
| $75,000 | 200,000 | Nil | Upon completion of a pre-feasibility study |
| $75,000 | 200,000 | Nil | Upon completion of a feasibility study |
| $100,000 | 200,000 | Nil | Upon commencement of commercial production |
| $387,500 | 1,300,000 | $1,850,000 | Total |

The Property will be subject to a 2% net smelter returns royalty ("NSR"). The Company will have the right to purchase 50% of the 2% NSR for $1,000,000 any time prior to commencement of commercial production of the Property.

| | | Jack White Property |
|---|---|---|
| **Acquisition Costs** | | |
| Balance, February 19, 2016 | $ | - |
| Additions | | 2,500 |
| Balance, July 31, 2017 and 2016 | | 2,500 |
| | | |
| **Deferred Exploration Costs** | | |
| Balance, February 19, 2016 and July 31, 2016 | | - |
| Geological consulting | | 12,212 |
| Field expenditures | | 41,565 |
| Analysis | | 26,924 |
| Balance, July 31, 2017 | $ | 80,701 |
| | | |
| Balance as at July 31, 2016 | $ | 2,500 |
| Balance as at July 31, 2017 | $ | 83,201 |

## 5. RELATED PARTY TRANSACTIONS AND BALANCES

Unless otherwise noted, related party transactions were incurred in the normal course of operations and are measured at the exchange amount being the amount established and agreed upon by the related parties.

The Company's key management personnel consists of directors and executives of the Company. The Company's related parties include key management personnel and companies owned, directly or indirectly, by directors and key management personnel and the transactions are as follows:

| Name | Nature of Transactions |
|---|---|
| Ray Wladichuk, CEO | Property acquisition |
| Waldo Sciences Inc. | Exploration fees<br>Geological consulting<br>Management fees<br>Promotional and investor relations fees<br>Rent<br>General and administrative expenses |

Waldo Sciences Inc. is owned and operated by the Company's CEO.

As at July 31, 2017, the Company has amounts due to related parties totaling $15,002 (2016: $1,750). The amounts due are non-interest bearing, unsecured and have no specific terms of repayment. The Company's total related party expenses for the periods ending July 31 are as follows:

| | **For the year ended July 31, 2017** | For the period from incorporation on February 19, 2016 to July 31, 2016 |
|---|---|---|
| Property acquisition (1) | **$ -** | $ 2,500 |
| Exploration fees (2) | **12,416** | - |
| Geological consulting (3) | **1,235** | - |
| Management fees (4) | **1,050** | - |
| Promotional and investor relations(5) | **4,000** | - |
| Rent(6) | **4,200** | 1,750 |
| General and administrative expenses (7) | **350** | - |
| | **$ 23,251** | $ 4,250 |

(1) The Company paid Raymond Wladichuk $2,500 for the acquisition of mineral rights on the Jack White Property.

(2) The Company incurred $12,416 to Waldo Sciences Inc. for exploration fees. Exploration fees include renting field support vehicles and supplies, and paying field technicians and geologists.

(3) The Company incurred $1,235 to Waldo Sciences Inc. for exploration expenses.

(4) The Company incurred $1,050 to Waldo Sciences Inc. in management fees.

(5) The Company incurred $4,000 to Waldo Sciences Inc. for promotional video production.

(6) The Company incurred $4,200 to Waldo Sciences Inc. for office rent (2016 - $1,750).

(7) The Company incurred $350 to Waldo Sciences Inc. for general and administrative expenses.

## 6. SHARE CAPITAL

a) Share capital

<u>Authorized:</u>

Unlimited common shares without par value.

Issued and outstanding:

4,656,000 (2016 – 3,000,000) common shares.

Shares issued during the year ended July 31, 2017:

On December 28, 2016, the Company closed a non-brokered private placement which consisted of the issuance of 1,400,000 flow-through shares at a price of $0.05 per share for gross proceeds of $70,000. In connection with the private placement, the Company paid $1,948 of share issuance costs.

On May 21, 2017, the Company closed a private placement through the crowdfunding site "vested.ca", which consisted of the issuance of 253,000 common shares at a price of $0.10 per share for gross proceeds of $25,300. In connection with the private placement, the Company paid a portal fee and processing fee of $2,061 and issued 50,600 warrants exercisable for 2 years after a material event at a price of $0.10 for the purchase of one common share per warrant. Warrants had an aggregate fair value of $3,800.

Shares issued during the period ended July 31, 2016:

On February 19, 2016, the Company closed its seed financing round which consisted of the issuance of 3,000,000 common shares for gross proceeds of $3,000.

b) Warrants

The fair value of warrants was determined using the Black-Scholes model with the following assumptions:

| | |
|---|---|
| Stock price | $ 0.10 |
| Exercise price | $ 0.10 |
| Dividend rate | 0.00% |
| Expected life | 3 years |
| Expected annual volatility | 100% |
| Risk free interest rate | 1.56% |

Expected annual volatility was based on the average volatility of comparable entities.

A summary of the status of the Company's outstanding and exercisable warrants as at July 31, 2017 are as follows:

| Number of Warrants | Exercise Price | Expiry Date |
|---|---|---|
| 50,600 | $0.10 | 2 years after material event |

A material event is defined as the date the Company announces that:

i) the Company will pay a dividend payable in stock upon the Shares or makes any distribution to the holders of the Shares;
ii) the Company offers for subscription pro rata to the holders of its Shares any additional shares of stock of any class or other rights;
iii) there is a voluntary or involuntary dissolution, liquidation or winding-up of the Company;
iv) in case of any Reorganization; or
v) the Company makes an application to list the common shares of the company on a stock exchange;

As of July 31, 2016 there were no outstanding and exercisable warrants.

## 7. BASIC AND DILUTED LOSS PER SHARE

The calculation of basic and diluted loss per share for the year ended July 31, 2017 and the period ended July 31, 2016 was based on the loss attributable to common shareholders of $33,861 (2016: $2,275) and the weighted average number of common shares outstanding of 3,874,455 (2016: 3,000,000).

## 8. FINANCIAL RISK

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company has credit risk in the amount of its cash with the carrying value representing the Company's maximum exposure to credit risk. The Company manages credit risk by placing cash with major Canadian financial institutions. Management believes that credit risk related to cash is low.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company has a working capital deficit of $13,746 as at July 31, 2017. Management is assessing various options to raise funds including the issuance of shares. The Company has completed private placements subsequent to year end (note 11).

Foreign Exchange Risk

The Company's expenses are denominated in Canadian dollars. The Company's corporate office is based in Canada and current exposure to exchange rate fluctuations is minimal. The Company currently does not have significant foreign exchange risk as all of its transactions are in Canadian dollars.

Interest Rate Risk

The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The fair value interest rate risk on bank deposits is insignificant as the deposits are short term. The Company has not entered into any derivative instruments to manage interest rate fluctuations.

# 9. CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders.

The Company considers the items included in shareholders' equity as capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through private placements, sell assets to reduce debt or return capital to shareholders. The Company is not subject to externally imposed capital requirements. There have been no changes in the Company's approach to capital management during the year ended July 31, 2017.

# 10. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

| July 31, | | **2017** | | 2016 |
|---|---|---|---|---|
| Net loss before income taxes | **$** | **(22,561)** | $ | (2,275) |
| Expected income tax recovery at 26% | **$** | **(5,866)** | $ | (592) |
| Change in statutory, foreign tax, foreign exchange rates and other | | **(434)** | | 8 |
| Impact of flow through shares | | **18,200** | | - |
| Change in unrecognized deductible temporary differences | | **(600)** | | 600 |
| Total income tax expense | **$** | **11,300** | $ | - |
| Current income tax | **$** | **-** | $ | - |
| Deferred tax expense | **$** | **11,300** | $ | - |

The significant components of the Company's recognized deferred tax assets and liabilities are as follows:

| | | 2017 | | 2016 |
|---|---|---|---|---|
| Deferred Tax Assets (Liabilities) | | | | |
| Exploration and evaluation assets | $ | (18,200) | $ | - |
| Share issue costs | | 1,600 | | - |
| Non-capital losses available for future period | | 6,900 | | - |
| **Net deferred tax liability** | **$** | **(9,700)** | $ | - |

As discussed in note 6, during the year ended July 31, 2017, the Company issued 1,400,000 common shares on a flow-through basis for gross proceeds of $70,000. The underlying flow-through agreements require the Company to renounce certain deductions for Canadian exploration expenditures incurred on the Company's exploration and evaluation assets.

The Company has accumulated losses of $26,398 in Canada that expire in 2036 ($2,275) and 2037 ($24,123).

Tax attributes are subject to review, and potential adjustment, by tax authorities.

## 11. SUBSEQUENT EVENTS

On October 2, 2017, the Company closed a private placement through the crowdfunding site "vested.ca", which consisted of the issuance of 59,500 common shares at a price of $0.10 per share for gross proceeds of $5,950. In connection with the private placement, the Company paid a portal fee and processing fee of $481.15 and issued 11,900 warrants exercisable for 2 years after a material event at a price of $0.10 for the purchase of one common share per warrant.

On October 5, 2017, the Company entered into a CFO Consulting Agreement whereby the Company will pay the consultant a rate of $35 per hour for services rendered and issued 100,000 common shares of the Company at a deemed price of $0.10 per share.

On December 7, 2017, the Company issued 100,000 common shares at a deemed price of $0.10 per share in accordance with the Amending Agreement (note 4).

On December 7, 2017, the Company approved a debt settlement agreement with the CEO to issue 200,000 common shares as settlement of $21,360, the common shares had a fair value of $20,000 and resulted in a gain on settlement of $1,360.

On December 29, 2017, the Company closed a non-brokered private placement which consisted of the issuance of 1,500,000 flow-through units at a price of $0.10 per share for gross proceeds of $150,000. Each unit consisted of one common share and one share purchase warrant exercisable at $0.10 for a period of 2 years.

On January 20, 2018, the Company closed a non-brokered private placement which consisted of the issuance of 3,500,000 units at a price of $0.10 per unit for gross proceeds of $350,000. Each unit consisted of one common share and one share purchase warrant exercisable at $0.10 for a period of 2 years.

**APPENDIX 2**
**Unaudited Interim Financial Statements for the 6 months ended January 31, 2018**

KALMINERALSCORP

KALMINERALSCORP

Financial Statements
For the period ended January 31, 2018 and 2017
Presented in Canadian dollars
(Unaudited – prepared by management)

KAL MINERALS CORP

# KAL MINERALS CORP.

Statement 1

**(An exploration stage company)**

## Statements of Financial Position

(unaudited – prepared by management)

| | January 31, 2018 | July 31, 2017 |
|---|---|---|
| **ASSETS** | | |
| **Current assets** | | |
| Cash | $ 505,730 | $ 48,514 |
| Prepaid expense | 5,000 | - |
| | 510,730 | 48,514 |
| Exploration and evaluation assets (note 4) | 96,950 | 83,201 |
| | $ 607,680 | $ 131,715 |
| | | |
| **LIABILITIES** | | |
| **Current liabilities** | | |
| Accounts payable and accrued liabilities (note 5) | $ 8,121 | $ 62,260 |
| Deferred income tax liability (net) (note 9) | 46,200 | 9,700 |
| | 54,321 | 71,960 |
| **SHAREHOLDERS' EQUITY** | | |
| Share capital (note 6) | 636,564 | 92,091 |
| Contributed surplus | 4,695 | 3,800 |
| Accumulated deficit | (87,900) | (36,136) |
| | 553,359 | 59,755 |
| | $ 607,680 | $ 131,715 |

Nature of Operations and Going Concern (note 1)

Approved on behalf of the Board of Directors on March 23, 2018:

Raymond Wladichuk, Director

Martin Bajic, Director

The accompanying Notes to the Financial Statements are an integral part of these interim financial statements

KALMINERALSCORP

# KAL MINERALS CORP.

Statement 2

**(An exploration stage company)**

## Statements of Operations and Comprehensive Loss

(unaudited – prepared by management)

| | Three Months Ended January 31, 2018 | Three Months Ended January 31, 2017 | Six Months Ended January 31, 2018 | Six Months Ended January 31, 2017 |
|---|---|---|---|---|
| **EXPENSES and OTHER ITEMS** | | | | |
| Accounting, legal and professional fees (note 5) | $ - | $ 3,941 | $ 11,500 | $ 3,941 |
| Geological consulting (note 5) | - | - | 2,677 | - |
| Rent (note 5) | 1,050 | 1,050 | 2,100 | 2,100 |
| General and administrative (note 5) | 165 | - | 347 | - |
| Gain on settlement of debt (note 5) | (1,360) | - | (1,360) | - |
| **OPERATING INCOME (LOSS)** | 145 | (4,991) | (15,264) | (6,041) |
| Deferred income tax expense (note 9) | (36,500) | (14,400) | (36,500) | (14,400) |
| **TOTAL NET and COMPREHENSIVE LOSS** | $ (36,355) | $ (19,391) | $ (51,764) | $ (20,441) |
| **LOSS PER SHARE (basic and diluted)** | $ (0.01) | $ (0.01) | $ (0.01) | $ (0.01) |
| **WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING (basic and diluted)** | 5,883,379 | 3,523,077 | 5,264,964 | 3,260,109 |

The accompanying Notes to the Financial Statements are an integral part of these interim financial statements

KALMINERALSCORP

# KAL MINERALS CORP.

Statement 3

**(An exploration stage company)**

## Statements of Cash Flows

(unaudited – prepared by management)

| | Six Months Ended January 31, 2018 | Six Months Ended January 31, 2017 |
|---|---|---|
| **OPERATING ACTIVITIES** | | |
| Net loss for the period | $ (51,764) | $ (20,441) |
| Items not affecting cash: | | |
| Deferred income tax expense | 36,500 | 14,400 |
| Gain on settlement of debt | (1,360) | - |
| Shares issued for services | 10,000 | - |
| Prepaid expense | (5,000) | - |
| Accounts payable and accrued liabilities | 2,922 | 6,041 |
| | (8,702) | - |
| **INVESTING ACTIVITY** | | |
| Investment in exploration and evaluation assets | (39,450) | - |
| **FINANCING ACTIVITIES** | | |
| Net proceeds from issuance of common shares | 355,368 | 68,052 |
| Net proceeds from issuance of flow-through shares | 150,000 | - |
| | 505,368 | 68,052 |
| **NET CHANGE IN CASH** | 457,216 | - |
| **CASH**, beginning of period | 48,514 | - |
| **CASH**, end of period | $ 505,730 | $ 68,052 |

| **Non cash investing and financing activities** | | |
|---|---|---|
| Exploration and evaluation expenditures accrued in accounts payable | $ - | $ 35,701 |
| Fair value of warrants issued for share issue costs | $ - | $ 3,800 |
| Deferred income tax asset recorded in share capital | $ - | $ 1,600 |
| Shares issued for exploration and evaluation assets | $ 10,000 | $ - |
| Shares issued to settle debt | $ 20,000 | $ - |

The accompanying Notes to the Financial Statements are an integral part of these interim financial statements

KALMINERALSCORP

# KAL MINERALS CORP.

Statement 4

**(An exploration stage company)**

## Statements of Changes in Equity

(unaudited – prepared by management)

| | Number of Shares | Share Capital | Contributed Surplus | Accumulated Deficit | Total |
|---|---|---|---|---|---|
| **Balance at July 31, 2016** | 3,000,000 | $ 3,000 | $ - | $ (2,275) | $ 725 |
| Flow-through shares issued, net | 1,400,000 | 68,052 | - | - | 68,052 |
| Loss for the period | - | - | - | (20,441) | (20,441) |
| **Balance at January 31, 2017** | 4,400,000 | 71,052 | - | (22,716) | 48,336 |
| Common shares issued, net | 253,000 | 21,039 | 3,800 | - | 24,839 |
| Loss for the period | - | - | - | (13,420) | (13,420) |
| **Balance at July 31, 2017** | 4,653,000 | 92,091 | 3,800 | (36,136) | 59,755 |
| Common shares issued, net | 3,559,500 | 354,473 | 895 | - | 355,368 |
| Flow-through shares issued | 1,500,000 | 150,000 | - | - | 150,000 |
| Shares issued for services | 100,000 | 10,000 | - | - | 10,000 |
| Shares issued for exploration and evaluation assets | 100,000 | 10,000 | - | - | 10,000 |
| Shares issued to settle debt | 200,000 | 20,000 | - | - | 20,000 |
| Loss for the period | - | - | - | (51,764) | (51,764) |
| **Balance at January 31, 2018** | 10,112,500 | $ 636,564 | $ 4,695 | $ (87,900) | $ 553,359 |

The accompanying Notes to the Financial Statements are an integral part of these financial statements

# 1. NATURE OF OPERATIONS AND GOING CONCERN

Kal Minerals Corp. (the "Company") was incorporated under the Business Corporations Act in British Columbia on February 19, 2016. The Company has interests in exploration and evaluation assets in the province of British Columbia, Canada, and its principal business is the exploration and development of those assets. The head office, principal address, registered address, and records office of the Company are located at #907-1030 West Georgia Street, Vancouver, BC.

The Company is in the exploration stage with respect to its exploration and evaluation assets and has not yet determined whether those assets contain ore reserves that are economically recoverable. The carrying amount of these assets represents the total of net costs capitalized, and is not intended to reflect either their present or future value.

The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's legal interest in the assets, the ability of the Company to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition of the assets.

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and meet its obligations in the ordinary course of business. The Company incurred a net loss of $51,764 (2017: $20,441) for the period ended January 31, 2018. At January 31, 2018, the Company had an accumulated deficit of $87,900 (July 31, 2017: $36,136), which has been funded primarily by the issuance of equity. The Company will need to raise new funds through the sale of shares to maintain operations. These factors together raise substantial doubt about its ability to continue as a going concern. These financial statements do not reflect adjustments for the possible future effect on the recoverability and classification of the assets or the amounts and classification of liabilities that may result from the outcome of this uncertainty. Realization values may be substantially different from the carrying values as shown in these financial statements should the Company be unable to continue as a going concern.

# 2. STATEMENT OF COMPLIANCE AND BASIS OF PRESENTATION

a) Statement of Compliance

These financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34, *Interim Financial Reporting.* They do not include all of the information required for full annual financial statements and should be read in conjunction with the Company's audited annual financial statements for the fiscal year ended July 31, 2017, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the International Accounting Standards Board ("IASB").

b) Basis of Presentation

These financial statements are prepared on the historical cost basis. In addition, these financial statements have been prepared using the accrual basis of accounting. All amounts are expressed in Canadian dollars unless otherwise stated.

c) Functional Currency

The functional and presentation currency of the Company is the Canadian dollar.

d) Significant Accounting Estimates and Judgments

The preparation of financial statements requires management to make judgments, estimates, and assumptions that affect the application of policies and reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the review affects both current and future periods. Management has not identified any significant estimates as at January 31, 2018 and 2017.

*Critical accounting judgments*
In the preparation of these financial statements, management has made judgments, aside from those that involve estimates, in the process of applying the accounting policies. The judgments which may have an effect on the amounts recognized in the financial statements include the following:

- The assessment of the going concern assumption;
- The recognition of deferred income tax assets; and
- The assessment of impairment indicators for the exploration and evaluation assets.

# 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Exploration and Evaluation Assets

i. Exploration and evaluation expenditures

All direct costs relating to the exploration and evaluation of the mineral interests, including acquisition costs for interests in mineral claims, are capitalized as exploration and evaluation assets. General exploration costs that are not related to specific mineral properties are expensed as incurred. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, capitalized costs of the related property are reclassified as mining assets and, upon commencement of commercial production, are amortized using the units of production method over the estimated recoverable reserves.

Exploration and evaluation assets are classified as tangible assets.

ii. Impairment

Exploration and evaluation assets are assessed for impairment at the end of each reporting period and when indicators and circumstances suggest that the carrying amount may exceed its recoverable amount. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period.

Industry-specific indicators for an impairment review arise typically when one of the following circumstances applies:

- Substantive expenditure or further exploration and evaluation activities is neither budgeted nor planned;

- Title to the asset is compromised, has expired or is expected to expire;

- Adverse changes in the taxation, regulatory or political environment;

- Adverse changes in commodity prices and markets making the project unviable; and

- Variations in the exchange rate for the currency of operation.

b) Restoration, Rehabilitation, and Environmental Obligations

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration or development of an exploration and evaluation asset. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of factors such as the life and nature of the asset, the operating license conditions, and when applicable, the environment in which the mine operates.

A pre-tax discount rate that reflects the time value of money is used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using the units of production method. The corresponding liability is progressively increased as the effect of discounting unwinds creating an expense recognized in profit or loss. The Company has no restoration, rehabilitation and environmental obligations as at January 31, 2018 and 2017.

c) Financial instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

At initial recognition, the Company classifies its financial instruments in the following categories depending on the purpose for which the instruments were acquired:

(i) Financial assets and liabilities at fair value through profit or loss: A financial asset or liability is classified in this category if acquired principally for the purpose of selling or repurchasing in the short-term. Instruments classified under this category, including embedded derivatives, are recorded at fair value through profit or loss and accordingly are recorded on the statement of financial position at fair value. Unrealized gains and losses are recorded in profit or loss. Realized gains or losses are recorded in profit or loss in the period in which the Company disposes of the instrument. The Company does not hold any financial assets or liabilities at fair value through profit or loss.

(ii) Available-for-sale assets: Available-for-sale assets are non-derivatives that are either designated in this category or not classified in any of the other categories. The Company does not hold any available-for-sale assets.

(iii) Held-to-Maturity investments: Held-to-maturity investments are non-derivatives that are designated in this category where the Company has the intention and the ability to hold the investment to maturity. Held-to-maturity investments are initially measured at fair value including transaction costs, and subsequently carried at amortized cost using the effective interest method less a provision for impairment. The effective interest method is a method for calculating the amortized cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The Company does not hold any held-to-maturity assets.

(iv) Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially recognized at the amount expected to be received, less, when material, a discount to reduce the loans and receivables to fair value. Subsequently, loans and receivables are measured at amortized cost using the effective interest method less a provision for impairment. The Company has classified cash as loans and receivables.

(v) Other financial liabilities: Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method. The Company has classified accounts payable and accrued liabilities as other financial liabilities.

*Impairment of Financial Assets*
At each reporting date, the Company assesses whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired if there is objective evidence of impairment as a result of one or more events that has occurred subsequent to the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets.

d) Cash and Cash Equivalents

Cash in the statement of financial position is comprised of cash held at major financial institutions which is available on demand by the Company. The Company currently holds no cash equivalents.

e) Share Capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share purchase options are recognized as a deduction from equity, net of any tax effects.

f) Flow-through Shares

Resource expenditure deductions for income tax purposes related to exploratory activities funded by flow-through share arrangements are renounced to investors in accordance with income tax legislation. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into: (i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and (ii) share capital. Upon expenses being incurred, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium, if any, is recognized as other income and the related deferred tax is recognized as a tax provision.

Proceeds from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period. The Company may also be subject to a Part XII. 6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until qualifying expenditures are incurred.

g) Stock-based Compensation

The Company accounts for stock options and warrants granted to directors, officers, employees and non-employees at fair value. The fair value of the options and warrants granted to employees at the date of the grant is determined using the Black-Scholes option pricing model and stock-based compensation is accrued and charged to profit or loss, or share capital using the graded method, with an offsetting credit to contributed surplus, over the vesting periods. The fair value of stock options granted to non-employees is measured based on the fair value of the goods and services received, unless that fair value cannot be estimated reliably, in which case the fair value is determined with reference to the fair value of the instruments granted, and is re-measured at the earlier of each financial reporting or vesting date, and any adjustment is charged or credited to profit or loss upon re-measurement.

The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

If and when the stock options or warrants are exercised, the applicable amounts of contributed surplus are transferred to share capital. Charges for options that are forfeited before vesting are reversed from contributed surplus.

The expected price volatility is based on the historic volatility of comparable publicly listed companies.

h) Earnings (Loss) Per Share

The Company presents basic and diluted earnings (loss) per share data for its common shares, calculated by dividing the income (loss) attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period.

i) Income Taxes

Income tax comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case the income tax is recognized directly in equity.

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

In general, deferred tax is recognized in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the statement of financial position date and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered. Deferred income tax assets and liabilities are presented as non-current in accordance with the assets and liabilities to which they relate.

j) Recent Accounting Pronouncements

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or the International Financial Reporting Interpretations Committee that are mandatory for later periods. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below. Adopting these standards is expected to have minimal or no impact on the financial statements.

*IFRS 9 – Financial Instruments*
This standard and its consequential amendments are applicable to annual reporting periods beginning on or after January 1, 2018. This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortised cost or fair value. To be classified and measured at amortised cost, assets must satisfy the business model test for managing the financial assets and have certain contractual cash flow characteristics. All other financial instrument assets are to be classified and measured at fair value. This standard allows an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income, with dividends as a return on these investments being recognised in profit or loss. In addition, those equity instruments measured at fair value through other comprehensive income would no longer have to apply any impairment requirements nor would there be any ‘recycling’ of gains or losses through profit or loss on disposal. The accounting for financial liabilities continues to be classified and measured in accordance with IAS 39 with one exception, being that the portion of a change of fair value relating to the entity’s own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch.

*IFRS 15 – Revenue from Contracts with Customers*
IFRS 15 deals with revenue recognition and establishes principles of reporting useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity’s contracts with customers. Revenue is recognized when the customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The Standard replaces IAS 18 Revenue, and IAS 11 Construction Contracts and related interpretations. It is effective for annual periods beginning on or after January 1, 2018 and earlier application is permitted.

*IFRS 16 –Leases*
IFRS 16 specifies how a lease will be recognized, measured, presented and disclosed. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. This standard is effective for reporting periods beginning on or after January 1, 2019.

# 4. EXPLORATION AND EVALUATION ASSETS

**Jack White Property, British Columbia**

On February 27, 2016 the Company entered into a letter agreement (the "Agreement") with Raymond Wladichuk for the option to earn 100% interest in the Jack White Property (the "Property"). The agreement was amended on October 27, 2017 (the "Amended Agreement").

The Company can earn 100% interest in the Property, subject to a 2% NSR Royalty by:

- Making total cash payments of $387,500 as outlined below;
- Issuing a total of 1,300,000 common shares as outlined below; and
- Incurring a total of $1,850,000 in expenditures as outlined below.

| Cash payments | Common shares to be issued | Expenditures to be incurred | Date |
|---|---|---|---|
| $2,500 (paid) | 100,000 (issued, note 6) | Nil | Upon signing of the Agreement |
| Nil | 25,000 | $75,000 | On the first anniversary date of the Amended Agreement |
| $5,000 | 50,000 | $100,000 | On the second anniversary date of the Amended Agreement |
| $10,000 | 75,000 | $150,000 | On the third anniversary date of the Amended Agreement |
| $15,000 | 100,000 | $275,000 | On the fourth anniversary date of the Amended Agreement |
| $30,000 | 150,000 | $500,000 | On the fifth anniversary date of the Amended Agreement |
| $75,000 | 200,000 | $750,000 | On the sixth anniversary date of the Amended Agreement |
| $75,000 | 200,000 | Nil | Upon completion of a pre-feasibility study |
| $75,000 | 200,000 | Nil | Upon completion of a feasibility study |
| $100,000 | 200,000 | Nil | Upon commencement of commercial production |
| $387,500 | 1,300,000 | $1,850,000 | Total |

The Property will be subject to a 2% net smelter returns royalty ("NSR"). The Company will have the right to purchase 50% of the 2% NSR for $1,000,000 any time prior to commencement of commercial production of the Property.

| | | Jack White Property |
|---|---|---|
| **Acquisition Costs** | | |
| Balance, February 19, 2016 | $ | - |
| Additions | | 2,500 |
| Balance, July 31, 2017 | | 2,500 |
| Additions | | 11,470 |
| Balance, January 31, 2018 | $ | 13,970 |
| **Deferred Exploration Costs** | | |
| Balance, February 19, 2016 and July 31, 2016 | $ | - |
| Geological consulting | | 12,212 |
| Field expenditures | | 41,565 |
| Analysis | | 26,924 |
| Balance, July 31, 2017 | | 80,701 |
| Geological consulting | | 2,279 |
| Balance, January 31, 2018 | $ | 82,980 |
| Balance as at July 31, 2017 | $ | 83,201 |
| Balance as at January 31, 2018 | $ | 96,950 |

# 5. RELATED PARTY TRANSACTIONS AND BALANCES

Unless otherwise noted, related party transactions were incurred in the normal course of operations and are measured at the exchange amount, being the amount established and agreed upon by the related parties.

The Company's key management personnel consists of directors and executives of the Company. The Company's related parties include its management personnel and companies owned, directly or indirectly, by key management and the transactions are as follows:

| Name | Nature of Transactions |
|---|---|
| Ray Wladichuk, CEO | Property acquisition |
| Aeron Kawakami, CFO | Consulting |
| Waldo Sciences Inc. | Exploration fees<br>Geological consulting<br>Management fees<br>Promotional and investor relations fees<br>Rent<br>General and administrative expenses |

Waldo Sciences Inc. is owned and operated by the Company's CEO.

As at January 31, 2018, the Company has amounts due to related parties totaling $1,400 (July 31, 2017: $15,002). The amounts due are non-interest bearing, unsecured and have no specific terms of repayment. The Company's total related party expenses and other items for the periods ending January 31 are as follows:

| | For the Six Months Ended January 31, 2018 | For the Six Months Ended January 31, 2017 |
|---|---|---|
| Rent(1) | **$ 2,100** | $ 2,100 |
| Accounting | **11,500** | - |
| | **$ 13,600** | $ 2,100 |

(1) The Company incurred $2,100 to Waldo Sciences Inc. for office rent (2017 - $2,100).

On December 7, 2017, the Company approved a debt settlement agreement with the CEO to issue 200,000 common shares as settlement of $21,360, the common shares had a fair value of $20,000 and resulted in a gain on settlement of $1,360.

On October 5, 2017, the Company entered into a CFO Consulting Agreement whereby the Company will pay the consultant a rate of $35 per hour for services rendered and issued 100,000 common shares of the Company at the fair value of $0.10 per share.

# 6. SHARE CAPITAL

a) Share capital

Authorized:

Unlimited common shares without par value.

Issued and outstanding:

10,112,500 (July 31, 2017 – 4,653,000) common shares.

Shares issued during the period ended January 31, 2018:

On October 2, 2017, the Company closed a private placement through the crowdfunding site "vested.ca", which consisted of the issuance of 59,500 common shares at a price of $0.10 per share for gross proceeds of $5,950. In connection with the private placement, the Company paid a portal fee and processing fee of $581 and issued 11,900 warrants exercisable for 2 years after a material event at a price of $0.10 for the purchase of one common share per warrant. The warrants had an aggregate fair value of $895.

On October 5, 2017, the Company entered into a CFO Consulting Agreement whereby the Company will pay the consultant a rate of $35 per hour for services rendered and issued 100,000 common shares of the Company at the fair value of $0.10 per share.

On December 7, 2017, the Company issued 100,000 common shares at the fair value of $0.10 per share in accordance with the Amending Agreement (note 4).

On December 29, 2017, the Company closed a non-brokered private placement which consisted of the issuance of 1,500,000 flow-through units at a price of $0.10 per share for gross proceeds of $150,000. Each unit consisted of one common share and one share purchase warrant exercisable at $0.10 for a period of 2 years.

On January 20, 2018, the Company closed a non-brokered private placement which consisted of the issuance of 3,500,000 units at a price of $0.10 per unit for gross proceeds of $350,000. Each unit consisted of one common share and one share purchase warrant exercisable at $0.10 for a period of 2 years. On December 7, 2017, the Company approved a debt settlement agreement with the CEO to issue 200,000 common shares as settlement of $21,360, the common shares had a fair value of $20,000 and resulted in a gain on settlement of $1,360.

b) Warrants

The fair value of warrants was determined using the Black-Scholes model with the following assumptions:

| | |
|---|---|
| Stock price | $ 0.10 |
| Exercise price | $ 0.10 |
| Dividend rate | 0.00% |
| Expected life | 3 years |
| Expected annual volatility | 100% |
| Risk free interest rate | 1.56% |

Expected annual volatility was based on the average volatility of comparable entities.

A summary of the status of the Company's outstanding and exercisable warrants as at January 31, 2018 is as follows:

| Number of Warrants | Exercise Price | Expiry Date |
|---|---|---|
| 62,500 | $0.10 | 2 years after material event |
| 3,500,000 | $0.10 | January 20, 2020 |
| 1,500,000 | $0.10 | December 29, 2019 |

A material event is defined as the date the Company announces that:

i) the Company will pay a dividend payable in stock upon the Shares or makes any distribution to the holders of the Shares;
ii) the Company offers for subscription pro rata to the holders of its Shares any additional shares of stock of any class or other rights;
iii) there is a voluntary or involuntary dissolution, liquidation or winding-up of the Company;
iv) in case of any Reorganization; or
v) the Company makes an application to list the common shares of the company on a stock exchange;

# 7. FINANCIAL RISK

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company has credit risk in the amount of its cash with the carrying value representing the Company's maximum exposure to credit risk. The Company manages credit risk by placing cash with major Canadian financial institutions. Management believes that credit risk related to cash is low.

<u>Liquidity risk</u>

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company has working capital of $502,609 as at January 31, 2018. Management is assessing various options to raise funds including the issuance of shares.

<u>Foreign Exchange Risk</u>

The Company's expenses are denominated in Canadian dollars. The Company's corporate office is based in Canada and current exposure to exchange rate fluctuations is minimal. The Company currently does not have significant foreign exchange risk as all of its transactions are in Canadian dollars.

<u>Interest Rate Risk</u>

The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The fair value interest rate risk on bank deposits is insignificant as the deposits are short term. The Company has not entered into any derivative instruments to manage interest rate fluctuations.

## 8. CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern, so that it can endeavour to provide returns for shareholders and benefits for other stakeholders.

The Company considers the items included in shareholders' equity as capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through private placements, sell assets to reduce debt or return capital to shareholders. The Company is not subject to externally imposed capital requirements. There have been no changes in the Company's approach to capital management during the period ended January 31, 2018.

# 9. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

| **For the period ended January 31,** | | **2018** | | 2017 |
|---|---|---|---|---|
| Net loss before income taxes | **$** | **(15,264)** | $ | (6,041) |
| Expected income tax recovery at 26% | **$** | **(3,600)** | $ | (1,600) |
| Impact of flow through shares | | **39,000** | | 18,200 |
| Change in unrecognized deductible temporary differences | | **1,100** | | (2,200) |
| Total income tax expense | **$** | **36,500** | $ | 14,400 |
| Current income tax | **$** | **-** | $ | - |
| Deferred income tax | **$** | **36,500** | $ | 14,400 |

The significant components of the Company's recognized deferred tax assets and liabilities are as follows:

| | | **January 31, 2018** | | **July 31, 2017** |
|---|---|---|---|---|
| Deferred tax assets (liabilities) | | | | |
| Exploration and evaluation assets | $ | (57,200) | $ | (18,200) |
| Share issue costs | | 1,800 | | 1,600 |
| Non-capital losses available for future period | | 9,200 | | 6,900 |
| **Net deferred tax liability** | **$** | **(46,200)** | $ | (9,700) |

As discussed in note 6, during the year ended July 31, 2017, the Company issued 1,400,000 common shares on a flow-through basis for gross proceeds of $70,000. The underlying flow-through agreements require the Company to renounce certain deductions for Canadian exploration expenditures incurred on the Company's exploration and evaluation assets.

As discussed in note 6, during the period ended January 31, 2018, the Company issued 1,500,000 common shares on a flow-through basis for gross proceeds of $150,000. The underlying flow-through agreements require the Company to renounce certain deductions for Canadian exploration expenditures incurred on the Company's exploration and evaluation assets.

The Company has accumulated losses for Canadian tax purposes of $43,023 that expire in 2036 ($2,275), 2037 ($24,123) and 2038 ($16,625).

Tax attributes are subject to review, and potential adjustment, by tax authorities.

# APPENDIX 3
## Management's Discussion and Analysis for the year ended July 31, 2017

# KAL MINERALS CORP.

MANAGEMENT DISCUSSION & ANALYSIS
For the year ended July 31, 2017

**March 23, 2018**

This Management Discussion and Analysis ("MD&A") of Kal Minerals Corp. ("Kal" or the "Company") has been prepared by management as of March 23, 2018.

This MD&A may contain "forward-looking statements" which reflect the Company's current expectations regarding the future results of operations, performance and achievements of the Issuer. The Issuer has tried, wherever possible, to identify these forward-looking statements by, among other things, using words such as "anticipate," "believe," "estimate," "expect" and similar expressions. The statements reflect the current beliefs of the management of the Company, and are based on currently available information. Accordingly, these statements are subject to known and unknown risks, uncertainties and other factors, which could cause the actual results, performance, or achievements of the Issuer to differ materially from those expressed in, or implied by, these statements.

The Company undertakes no obligation to publicly update or review the forward-looking statements whether as a result of new information, future events or otherwise. Historical results of operations and trends that may be inferred from the following discussions and analysis may not necessarily indicate future results from operations.

**Over-all Performance**

The Company was incorporated in the Province of British Columbia on February 19, 2016.

The Company is domiciled in Canada and its office is at Suite 907 – 1030 West Georgia Street, Vancouver, BC. The Company is an exploration stage company.

On February 19, 2016, the Company closed its seed financing round which consisted of the issuance of 3,000,000 common shares for gross proceeds of $3,000.

On December 28, 2016, the Company closed a non-brokered private placement which consisted of the issuance of 1,400,000 flow-through shares at a price of $0.05 per share for gross proceeds of $70,000. In connection with the private placement, the Company paid $1,948 of share issuance costs.

On May 21, 2017, the Company closed a private placement through the crowdfunding site "vested.ca", which consisted of the issuance of 253,000 common shares at a price of $0.10 per share for gross proceeds of $25,300. In connection with the private placement, the Company paid a portal fee and processing fee of $2,061 and issued 50,600 warrants exercisable for 2 years after a material event at a price of $0.10 for the purchase of one common share per warrant. Warrants had an aggregate fair value of $3,800.

On October 2, 2017, the Company closed a private placement through the crowdfunding site "vested.ca", which consisted of the issuance of 59,500 common shares at a price of $0.10 per share for gross proceeds of $5,950. In connection with the private placement, the Company paid a portal fee and processing fee of $581 and issued 11,900 warrants exercisable for 2 years after a material event at a price of $0.10 for the purchase of one common share per warrant.

On October 5, 2017, the Company entered into a CFO Consulting Agreement whereby the Company will pay the consultant a rate of $35 per hour for services rendered and issued 100,000 common shares of the Company at a deemed price of $0.10 per share.

On December 7, 2017, The Company approved a debt settlement agreement with the CEO to issue 200,000 common shares as settlement of $21,361.

On December 29, 2017, the Company closed a non-brokered private placement which consisted of the issuance of 1,500,000 flow-through units at a price of $0.10 per share for gross proceeds of $150,000. Each unit consisted of one common share and one share purchase warrant exercisable at $0.10 for a period of 2 years.

On January 20, 2018, the Company closed a non-brokered private placement which consisted of the issuance of 3,500,000 units at a price of $0.10 per unit for gross proceeds of $350,000. Each unit consisted of one common share and one share purchase warrant exercisable at $0.10 for a period of 2 years.

Jack White Property

On February 27, 2016 the Company entered into a letter agreement with Raymond Wladichuk for the option to earn 100% interest in the Jack White Property. The agreement was amended on October 27, 2017.

The Company can earn 100% interest in the Property, subject to a 2% NSR Royalty by:

- Making total cash payments of $387,500 as outlined below;
- Issuing a total of 1,300,000 common shares as outlined below; and
- Incurring a total of $1,850,000 in expenditures as outline below.

| **Cash payments** | **Common shares to be issued** | **Expenditures to be incurred** | **Date** |
|---|---|---|---|
| $2,500 (paid) | 100,000 | Nil | Upon signing of the Agreement |
| Nil | 25,000 | $75,000 | On the first anniversary date of the Amended Agreement |
| $5,000 | 50,000 | $100,000 | On the second anniversary date of the Amended Agreement |
| $10,000 | 75,000 | $150,000 | On the third anniversary date of the Amended Agreement |
| $15,000 | 100,000 | $275,000 | On the fourth anniversary date of the Amended Agreement |
| $30,000 | 150,000 | $500,000 | On the fifth anniversary date of the Amended Agreement |
| $75,000 | 200,000 | $750,000 | On the sixth anniversary date of the Amended Agreement |
| $75,000 | 200,000 | Nil | Upon completion of a pre-feasibility study |
| $75,000 | 200,000 | Nil | Upon completion of a feasibility study |
| $100,000 | 200,000 | Nil | Upon commencement of commercial production |
| $387,500 | 1,300,000 | $1,850,000 | Total |

# KAL MINERALS CORP.

MANAGEMENT DISCUSSION & ANALYSIS

For the year ended July 31, 2017

**Selected Annual Information**

| | | Year Ended July 31, 2017 | | Period from Inception (February 26, 2016) to July 31, 2016 |
|---|---|---|---|---|
| *Selected operations data* | | | | |
| Loss for the year | $ | 33,861 | $ | 2,275 |
| Weighted number of shares outstanding | | 3,874,455 | | 3,000,000 |
| Loss per share | | 0.01 | | 0.00 |
| *Selected balance sheet data* | | | | |
| Net working capital (deficiency) | $ | (13,746) | $ | (1,775) |
| Total assets | $ | 131,715 | $ | 2,500 |
| Total long-term liabilities | $ | 9,700 | $ | - |
| Net shareholders' equity (deficiency) | $ | 59,755 | $ | 725 |

**Results of Operations**

For the years ended July 31, 2017 and 2016, the Company reported net losses of $33,861 and $2,275, respectively.

The net loss before income taxes during the years ended July 31, 2017 and 2016 are summarized below.

| | | 2017 | | 2016 |
|---|---|---|---|---|
| Accounting, legal and professional fees | $ | 10,191 | $ | 500 |
| Geological consulting | | 1,235 | | - |
| Management fees | | 1,050 | | - |
| Promotional and investor relations | | 4,000 | | - |
| Rent | | 4,200 | | 1,750 |
| General and administrative | | 1,885 | | - |
| Deferred income tax expense | | 11,300 | | - |
| Net loss before income taxes | $ | 33,861 | $ | 2,275 |

**Summary of Quarterly Results**

The Company was incorporated in February 16, 2016 and, as such, the last six quarters have been presented in the table below:

| | Q4 2017 | Q3 2017 | Q2 2017 | Q1 2017 | Q4 2016 | Q3 2016 |
|---|---|---|---|---|---|---|
| Net Income (Loss) for the period | $(12,370) | $ (1,050) | $ (19,391) | $ (1,050) | $(2,275) | $ - |
| Income (Loss) per share | $ (0.00) | $ (0.00) | $ (0.00) | $ (0.00) | $ (0.00) | $ (0.00) |

**Liquidity and Capital Resources**

The Company reported a working capital deficiency of $13,746 at July 31, 2017 compared to a working capital deficit of $1,775 as at July 31, 2016. As at July 31, 2017, the Company had net cash on hand of $48,514 (2016 - $Nil).

Current liabilities as at July 31, 2017 consist of accounts payable of $62,260 (2016 - $1,775).

The Company expects to have capital requirements in excess of its currently available resources and therefore will be required to seek additional financing. There can be no assurance that the Company will have sufficient financing to meet its future capital requirements or that additional financing will be available on terms acceptable to the Company in the future.

**Off-Balance Sheet Arrangements**

The Company does not utilize off-balance sheet arrangements.

**Transactions with Related Parties**

As at July 31, 2017, the Company has amounts due to related parties totaling $15,002 (2016: $1,750). The amounts due are non-interest bearing, unsecured and have no specific terms of repayment. The Company's total related party expenses for the periods ending July 31 are as follows:

| | **For the year ended July 31, 2017** | For the period from incorporation on February 19, 2016 to July 31, 2016 |
|---|---|---|
| Property acquisition | **$ -** | $ 2,500 |
| Exploration fees | **12,416** | - |
| Geological consulting | **1,235** | - |
| Management fees | **1,050** | - |
| Promotional and investor relations | **4,000** | - |
| Rent | **4,200** | 1,750 |
| General and administrative expenses | **350** | - |
| | **$ 23,251** | $ 4,250 |

**Fourth Quarter**

Net loss in the fourth quarter was $12,370 which represented a $10,095 increase from the quarter ended July 31, 2016. The increase was a result of the Company being in the start-up stage during fiscal 2016 and increasing activity during fiscal 2017.

**Proposed Transactions**

At the time of this report, the Company is not contemplating any proposed transactions.

**Critical Accounting Estimates**

Not applicable to Venture Issuers.

### Changes in Accounting Policies including Initial Adoption

There were no changes in accounting policies during the year. Refer to Note 2 of the financial statements for the Company's significant accounting policies and future changes to accounting standards.

### Risk Factors

Exploration-stage mineral exploration companies face a variety of risks and, while unable to eliminate all of them, Kal aims at managing and reducing such risks as much as possible. Few exploration projects successfully achieve development stage, due to factors that cannot be predicted or anticipated, and even one such factor may result in the economic viability of a project being detrimentally impacted such that it is neither feasible nor practical to proceed. Kal closely monitors its activities and those factors that could impact them, and employs experienced consultants to assist in its risk management and to make timely adequate decisions. Environmental laws and regulations could also impact the viability of a project. Kal has ensured that it has complied with these regulations, but there can be changes in legislation outside Kal's control that could also add a risk factor to a project.

### Financial Instruments and Other Instruments

The carrying amounts of cash and accounts payable approximate fair value because of the short-term maturity of these items.

### Other Requirements

Summary of Outstanding Share Data as at March 23, 2018:

Authorized: Unlimited number of common shares without par value.

Issued and outstanding: 10,112,500 common shares.

Warrants

| Number of Warrants | Exercise Price | Expiry Date |
|---|---|---|
| 62,500 | $0.10 | 2 years after material event |
| 1,500,000 | $0.10 | December 29, 2019 |
| 3,500,000 | $0.10 | January 15, 2020 |

Options

The Company has no options outstanding.

Additional disclosures pertaining to the Company's technical report, management information circulars, material change reports, press releases and other information are available on the SEDAR website at www.sedar.com.

# APPENDIX 4
## Management's Discussion and Analysis for the period ended January 31, 2018

# KAL MINERALS CORP.

MANAGEMENT DISCUSSION & ANALYSIS
For the six months ended January 31, 2018

**March 23, 2018**

This Management Discussion and Analysis ("MD&A") of Kal Minerals Corp. ("Kal" or the "Company") has been prepared by management as of March 23, 2018.

This MD&A may contain "forward-looking statements" which reflect the Company's current expectations regarding the future results of operations, performance and achievements of the Company. The Issuer has tried, wherever possible, to identify these forward-looking statements by, among other things, using words such as "anticipate," "believe," "estimate," "expect" and similar expressions. The statements reflect the current beliefs of the management of the Company, and are based on currently available information. Accordingly, these statements are subject to known and unknown risks, uncertainties and other factors, which could cause the actual results, performance, or achievements of the Company to differ materially from those expressed in, or implied by, these statements.

The Company undertakes no obligation to publicly update or review the forward-looking statements whether as a result of new information, future events or otherwise. Historical results of operations and trends that may be inferred from the following discussions and analysis may not necessarily indicate future results from operations.

**Over-all Performance**

The Company was incorporated in the Province of British Columbia on February 19, 2016.

The Company is domiciled in Canada and its office is at Suite 907 – 1030 West Georgia, Vancouver, BC. The Company is an exploration stage company.

On February 19, 2016, the Company closed its seed financing round which consisted of the issuance of 3,000,000 common shares for gross proceeds of $3,000.

On December 28, 2016, the Company closed a non-brokered private placement which consisted of the issuance of 1,400,000 flow-through shares at a price of $0.05 per share for gross proceeds of $70,000. In connection with the private placement, the Company paid $1,948 of share issuance costs.

On May 21, 2017, the Company closed a private placement through the crowdfunding site "vested.ca", which consisted of the issuance of 253,000 common shares at a price of $0.10 per share for gross proceeds of $25,300. In connection with the private placement, the Company paid a portal fee and processing fee of $2,061 and issued 50,600 warrants exercisable for 2 years after a material event at a price of $0.10 for the purchase of one common share per warrant. Warrants had an aggregate fair value of $3,800.

On October 2, 2017, the Company closed a private placement through the crowdfunding site "vested.ca", which consisted of the issuance of 59,500 common shares at a price of $0.10 per share for gross proceeds of $5,950. In connection with the private placement, the Company paid a portal fee and processing fee of $581 and issued 11,900 warrants exercisable for 2 years after a material event at a price of $0.10 for the purchase of one common share per warrant. The warrants had an aggregate fair value of $895.

On October 5, 2017, the Company entered into a CFO Consulting Agreement whereby the Company will pay the consultant a rate of $35 per hour for services rendered and issued 100,000 common shares of the Company with a fair value of $0.10 per share.

On December 7, 2017, the Company approved a debt settlement agreement with the CEO to issue 200,000 common shares as settlement of $21,361, resulting in a gain on settlement of debt of $1,360.

On December 29, 2017, the Company closed a non-brokered private placement which consisted of the issuance of 1,500,000 flow-through units at a price of $0.10 per share for gross proceeds of $150,000. Each unit consisted of one common share and one share purchase warrant exercisable at $0.10 for a period of 2 years.

On January 20, 2018, the Company closed a non-brokered private placement which consisted of the issuance of 3,500,000 units at a price of $0.10 per unit for gross proceeds of $350,000. Each unit consisted of one common share and one share purchase warrant exercisable at $0.10 for a period of 2 years.

Jack White Property

On February 27, 2016 the Company entered into a letter agreement with Raymond Wladichuk for the option to earn 100% interest in the Jack White Property. The agreement was amended on October 27, 2017.

The Company can earn 100% interest in the Property, subject to a 2% NSR Royalty by:

- Making total cash payments of $387,500 as outlined below;
- Issuing a total of 1,300,000 common shares as outlined below; and
- Incurring a total of $1,850,000 in expenditures as outline below.

| **Cash payments** | **Common shares to be issued** | **Expenditures to be incurred** | **Date** |
|---|---|---|---|
| $2,500 (paid) | 100,000 | Nil | Upon signing of the Agreement |
| Nil | 25,000 | $75,000 | On the first anniversary date of the Amended Agreement |
| $5,000 | 50,000 | $100,000 | On the second anniversary date of the Amended Agreement |
| $10,000 | 75,000 | $150,000 | On the third anniversary date of the Amended Agreement |
| $15,000 | 100,000 | $275,000 | On the fourth anniversary date of the Amended Agreement |
| $30,000 | 150,000 | $500,000 | On the fifth anniversary date of the Amended Agreement |
| $75,000 | 200,000 | $750,000 | On the sixth anniversary date of the Amended Agreement |
| $75,000 | 200,000 | Nil | Upon completion of a pre-feasibility study |
| $75,000 | 200,000 | Nil | Upon completion of a feasibility study |
| $100,000 | 200,000 | Nil | Upon commencement of commercial production |
| $387,500 | 1,300,000 | $1,850,000 | Total |

**Selected Annual Information**

| | Year Ended July 31, 2017 | Period from Inception (February 26, 2016) to July 31, 2016 |
|---|---|---|
| *Selected operations data* | | |
| Loss for the period | $ 33,861 | $ 2,275 |
| Weighted number of shares outstanding | 3,874,455 | 3,000,000 |
| Loss per share | 0.01 | 0.00 |
| *Selected Statement of Financial Position data* | | |
| Net working capital (deficiency) | $ (13,746) | $ (1,775) |
| Total assets | $ 131,715 | $ 2,500 |
| Total long-term liabilities | $ 9,700 | $ - |
| Net shareholders' equity (deficiency) | $ 59,755 | $ 725 |

**Results of Operations**

For the six months ended January 31, 2018 and 2017, the Company reported net losses of $51,764 and $20,441, respectively.

The net loss during the periods ended January 31, 2018 and 2017 are summarized below.

| | 2018 | 2017 |
|---|---|---|
| Accounting, legal and professional fees | $ 11,500 | $ 3,941 |
| Geological consulting | 2,677 | - |
| Rent | 2,100 | 2,100 |
| General and administrative | 347 | - |
| Gain on settlement of debt | (1,360) | - |
| Deferred income tax expense | 36,500 | 14,400 |
| Net loss | $ 51,764 | $ 20,441 |

**Summary of Quarterly Results**

The Company was incorporated in February 16, 2016 and, as such, the last eight quarters have been presented in the table below:

| | Q2 2018 | Q1 2018 | Q4 2017 | Q3 2017 | Q2 2017 | Q1 2017 | Q4 2016 | Q3 2016 |
|---|---|---|---|---|---|---|---|---|
| Net Income (Loss) for the period | $(36,355) | $(15,409) | $(12,370) | $ (1,050) | $ (19,391) | $ (1,050) | $(2,275) | $ - |
| Income (Loss) per share | $ (0.00) | $ (0.00) | $ (0.00) | $ (0.00) | $ (0.00) | $ (0.00) | $ (0.00) | $ (0.00) |

**Liquidity and Capital Resources**

The Company reported working capital of $502,609 at January 31, 2018 compared to a working capital deficit of $13,746 as at July 31, 2017. As at January 31, 2018, the Company had net cash on hand of $505,730 (2017 - $48,514).

Current liabilities as at January 31, 2018 consist of accounts payable of $8,121 (2017 - $62,260).

The Company expects to have capital requirements in excess of its currently available resources and therefore will be required to seek additional financing. There can be no assurance that the Company will have sufficient financing to meet its future capital requirements or that additional financing will be available on terms acceptable to the Company in the future.

**Off-Balance Sheet Arrangements**

The Company does not utilize off-balance sheet arrangements.

**Transactions with Related Parties**

Unless otherwise noted, related party transactions were incurred in the normal course of operations and are measured at the exchange amount, being the amount established and agreed upon by the related parties.

The Company's key management personnel consists of directors and executives of the Company. The Company's related parties include its management personnel and companies owned, directly or indirectly, by key management and the transactions are as follows:

| Name | Nature of Transactions |
|---|---|
| Ray Wladichuk, CEO | Property acquisition |
| Aeron Kawakami, CFO | Consulting |
| Waldo Sciences Inc. | Exploration fees<br>Geological consulting<br>Management fees<br>Promotional and investor relations fees<br>Rent<br>General and administrative expenses |

Waldo Sciences Inc. is owned and operated by the Company's CEO.

As at January 31, 2018, the Company has amounts due to related parties totaling $1,400 (July 31, 2017: $15,002). The amounts due are non-interest bearing, unsecured and have no specific terms of repayment. The Company's total related party expenses and other items for the periods ending January 31 are as follows:

| | For the Six Months Ended January 31, 2018 | For the Six Months Ended January 31, 2017 |
|---|---|---|
| Rent[1] | **$ 2,100** | $ 2,100 |
| Accounting | **11,500** | - |
| | **$ 13,600** | $ 2,100 |

(1) The Company incurred $2,100 to Waldo Sciences Inc. for office rent (2017 - $2,100).

On December 7, 2017, the Company approved a debt settlement agreement with the CEO to issue 200,000 common shares as settlement of $21,360, the common shares had a fair value of $20,000 and resulted in a gain on settlement of $1,360.

On October 5, 2017, the Company entered into a CFO Consulting Agreement whereby the Company will pay the consultant a rate of $35 per hour for services rendered and issued 100,000 common shares of the Company at the fair value of $0.10 per share.

**Fourth Quarter**

Not applicable.

**Proposed Transactions**

At the time of this report, the Company is not contemplating any proposed transactions.

**Critical Accounting Estimates**

Not applicable to Venture Issuers.

**Changes in Accounting Policies including Initial Adoption**

There were no changes in accounting policies during the year. Refer to Note 2 of the financial statements for the Company's significant accounting policies and future changes to accounting standards.

**Risk Factors**

Exploration-stage mineral exploration companies face a variety of risks and, while unable to eliminate all of them, Kal aims at managing and reducing such risks as much as possible. Few exploration projects successfully achieve development stage, due to factors that cannot be predicted or anticipated, and even one such factor may result in the economic viability of a project being detrimentally impacted such that it is neither feasible nor practical to proceed. Kal closely monitors its activities and those factors that could impact them, and employs experienced consultants to assist in its risk management and to make timely adequate decisions. Environmental laws and regulations could also impact the viability of a project. Kal has ensured that it has complied with these regulations, but there can be changes in legislation outside Kal's control that could also add a risk factor to a project.

**Financial Instruments and Other Instruments**

The carrying amounts of cash and accounts payable approximate fair value because of the short-term maturity of these items.

**Other Requirements**

Summary of Outstanding Share Data as at March 23, 2018:

Authorized: Unlimited number of common shares without par value.

Issued and outstanding: 10,112,500 common shares.

Warrants

| Number of Warrants | Exercise Price | Expiry Date |
|---|---|---|
| 62,500 | $0.10 | 2 years after material event |
| 3,500,000 | $0.10 | January 15, 2020 |
| 1,500,000 | $0.10 | December 29, 2019 |

Options

The Company has no options outstanding.

Additional disclosures pertaining to the Company's technical report, management information circulars, material change reports, press releases and other information are available on the SEDAR website at www.sedar.com.

# APPENDIX 5
# 10% Rolling Stock Option Plan 2018

# KAL MINERALS CORP.

## 2018 STOCK OPTION PLAN

### 1. PURPOSE OF THE PLAN

The Company hereby establishes a stock option plan for directors, senior officers, Employees, Management Company Employees and Consultants (as such terms are defined below) of the Company and its subsidiaries (collectively "**Eligible Persons**"), to be known as the "2018 Stock Option Plan" (the "**Plan**"). The purpose of the Plan is to give to Eligible Persons, as additional compensation, the opportunity to participate in the success of the Company by granting to such individuals options, exercisable over periods of up to five (5) years as determined by the board of directors of the Company, to buy shares of the Company at a price not less than the Market Price prevailing on the date the option is granted less applicable discount, if any, permitted by the policies of the Exchanges and approved by the Board.

### 2. DEFINITIONS

In this Plan, the following terms shall have the following meanings:

2.1 "**Associate**" means an "Associate" as defined in the TSX Policies.

2.2 "**Board**" means the Board of Directors of the Company.

2.3 "**Change of Control**" means the acquisition by any person or by any person and all Joint Actors, whether directly or indirectly, of voting securities (as defined in the Securities Act) of the Company, which, when added to all other voting securities of the Company at the time held by such person or by such person and a Joint Actor, totals for the first time not less than fifty percent (50%) of the outstanding voting securities of the Company or the votes attached to those securities are sufficient, if exercised, to elect a majority of the Board.

2.4 "**Company**" means Kal Minerals Corp. and its successors.

2.5 "**Consultant**" means a "Consultant" as defined in Exchange Policies.

2.6 "**Consultant Company**" means a "Consultant Company" as defined in Exchange Policies.

2.7 "**Disability**" means any disability with respect to an Optionee which the Board, in its sole and unfettered discretion, considers likely to prevent permanently the Optionee from:

(a) being employed or engaged by the Company, its subsidiaries or another employer, in a position the same as or similar to that in which he was last employed or engaged by the Company or its subsidiaries; or

(b) acting as a director or officer of the Company or its subsidiaries.

2.8 "**Discounted Market Price**" of Shares means, if the Shares are listed only on the TSX Venture Exchange, the Market Price less the maximum discount permitted under the TSX Policy applicable to incentive stock options.

2.9 **"Disinterested Shareholder Approval"** means a majority of the votes attaching to shares voted at a meeting of shareholders of the Company, excluding the votes attaching to shares held by persons with an interest in the subject matter of the resolution, in accordance with TSX Policies.

2.10 "**Eligible Persons**" has the meaning given to that term in section 1 hereof.

2.11 "**Employee**" means an "Employee" as defined in the TSX Policies.

2.12 "**Exchanges**" means the TSX Venture Exchange and, if applicable, the Canadian Securities Exchange or any other stock exchange on which the Shares are listed.

2.13 "**Expiry Date**" means the date set by the Board under paragraph 3.1 of the Plan, as the last date on which an Option may be exercised.

2.14 "**Grant Date**" means the date specified in an Option Agreement as the date on which an Option is granted.

2.15 "**Insider**" means an "Insider" as defined in the TSX Policies.

2.16 "**Investor Relations Activities**" means "Investor Relations Activities" as defined in the TSX Policies.

2.17 "**Joint Actor**" means a person "acting jointly or in concert" with another person as that phrase is interpreted in Multilateral Instrument 62-104 *Take-Over Bids and Issuer Bids*.

2.18 "**Management Company Employee**" means a "Management Company Employee" as defined in the TSX Policies.

2.19 "**Market Price**" of Shares at any Grant Date means the last closing price per Share on the last day on which Shares were traded prior to the day on which the Company announces the grant of the Option or, if the grant is not announced, on the Grant Date, or if the Shares are not listed on any stock exchange, "Market Price" of Shares means the price per Share on the over-the-counter market determined by dividing the aggregate sale price of the Shares sold by the total number of such Shares so sold on the applicable market for the last day prior to the Grant Date.

2.20 "**Option**" means an option to purchase Shares granted pursuant to this Plan.

2.21 "**Option Agreement**" means an agreement, in the form attached hereto as Schedule "A", whereby the Company grants to an Optionee an Option.

2.22 "**Optionee**" means each of the Eligible Persons granted an Option pursuant to this Plan and their heirs, executors and administrators.

2.23 "**Option Price**" means the price per Share specified in an Option Agreement, as adjusted from time to time in accordance with the provisions of section 5.

2.24 "**Option Shares**" means the aggregate number of Shares which an Optionee may purchase under an Option.

2.25 "**Plan**" means this 2018 Stock Option Plan.

2.26 "**Shares**" means the common shares in the capital of the Company as constituted on the Grant Date provided that, in the event of any adjustment pursuant to section 5, "Shares" shall thereafter mean the shares or other property resulting from the events giving rise to the adjustment.

2.27 "**Securities Act**" means the *Securities Act*, R.S.B.C. 1996, c.418, as amended, as at the date hereof.

2.28 "**TSX Policies**" means the policies included in the TSX Venture Exchange Corporate Finance Manual and "TSX Policy" means any one of them.

2.29 "**Unissued Option Shares**" means the number of Shares, at a particular time, which have been reserved for issuance upon the exercise of an Option but which have not been issued, as adjusted from time to time in accordance with the provisions of section 5, such adjustments to be cumulative.

2.30 "**Vested**" means that an Option has become exercisable in respect of a number of Option Shares by the Optionee pursuant to the terms of the Option Agreement.

## 3. GRANT OF OPTIONS

### 3.1 Option Terms

The Board may from time to time authorize the issue of Options to Eligible Persons. The Option Price under each Option shall be not less than the Discounted Market Price on the Grant Date. The Expiry Date for each Option shall be set by the Board at the time of issue of the Option and shall not be more than five (5) years after the Grant Date, subject to the operation of paragraph 4.5. Options shall not be assignable (or transferable) by the Optionee.

### 3.2 Previously Granted Options

In the event that on the date this Plan is implemented and effective (the "**Effective Date**") there are outstanding stock options (the "**Pre-Existing Options**") that were previously granted by the Company pursuant to any stock option plan in place prior to the Effective Date (a "**Pre-Existing Plan**"), all such Pre-Existing Options shall, effective as of the Effective Date, be governed by and subject to the terms of the Plan.

### 3.3 Limits on Shares Issuable on Exercise of Options

At the time of grant of any Option, the aggregate number of Shares reserved for issuance under the Plan which may be made subject to Options at any time and from time to time (including those issuable upon the exercise of Pre-Existing Options) shall not exceed 10% of the total number of issued and outstanding Shares, on a non-diluted basis, as constituted on the Grant Date of such Option.

The number of Shares which may be issuable under the Plan and all of the Company's other previously established or proposed share compensation arrangements, within a one-year period:

(a) to any one Optionee, shall not exceed 5% of the total number of issued and outstanding Shares on the Grant Date on a non-diluted basis, unless the Company is a Tier 1 Issuer and has obtained Disinterested Shareholder Approval;

(b) to Insiders as a group shall not exceed 10% of the total number of issued and outstanding Shares on the Grant Date on a non-diluted basis;

(c) to any one Consultant shall not exceed 2% of the total number of issued and outstanding Shares on the Grant Date on a non-diluted basis; and

(d) to all Eligible Persons who undertake Investor Relations Activities shall not exceed 2% in the aggregate of the total number of issued and outstanding Shares on the Grant Date on a non-diluted basis.

### 3.4 Option Agreements

Each Option shall be confirmed by the execution of an Option Agreement. Each Optionee shall have the option to purchase from the Company the Option Shares at the time and in the manner set out in the Plan and in the Option Agreement applicable to that Optionee. In respect of Options granted to

Employees, Consultants, Consultant Companies or Management Company Employees, the Company is representing herein and in the applicable Option Agreement that the Optionee is a bona fide Employee, Consultant, Consultant Company or Management Company Employee, as the case may be, of the Company or its subsidiary. The execution of an Option Agreement shall constitute conclusive evidence that it has been completed in compliance with this Plan.

## 4. EXERCISE OF OPTION

### 4.1 When Options May be Exercised

Subject to paragraphs 4.3, 4.4 and 4.5, an Option may be exercised to purchase any number of Option Shares up to the number of Vested Unissued Option Shares at any time after the Grant Date up to 4:00 p.m. Pacific Time on the Expiry Date and shall not be exercisable thereafter.

### 4.2 Manner of Exercise

The Option shall be exercisable by delivering to the Company a notice specifying the number of Option Shares in respect of which the Option is exercised together with payment in full of the Option Price for each such Option Share. Upon notice and payment there will be a binding contract for the issue of the Option Shares in respect of which the Option is exercised, upon and subject to the provisions of the Plan. Delivery of the Optionee's cheque payable to the Company in the amount of the Option Price shall constitute payment of the Option Price unless the cheque is not honoured upon presentation in which case the Option shall not have been validly exercised.

### 4.3 Vesting of Option Shares

The Board, subject to the policies of the Exchanges, may determine and impose terms upon which each Option shall become Vested in respect of Option Shares. Unless otherwise specified by the Board at the time of granting an Option, and subject to the other limits on Option grants set out in paragraph 3.3 hereof, all Options granted under the Plan shall vest and become exercisable in full upon grant, except Options granted to Consultants performing Investor Relations Activities, which Options must vest in stages over twelve months with no more than one-quarter of the Options vesting in any three month period. Notwithstanding the foregoing, in the event that a Pre-Existing Plan imposed vesting requirements on a Pre-Existing Option, such vesting requirements must be satisfied before any such Pre-Existing Options shall become Vested.

### 4.4 Termination of Employment

If an Optionee ceases to be an Eligible Person, his or her Option shall be exercisable as follows:

(a) Death or Disability

If the Optionee ceases to be an Eligible Person, due to his or her death or Disability or, in the case of an Optionee that is a company, the death or Disability of the person who provides management or consulting services to the Company or to any entity controlled by the Company, the Option then held by the Optionee shall be exercisable to acquire Vested Unissued Option Shares at any time up to but not after the earlier of:

(i) 365 days after the date of death or Disability; and

(ii) the Expiry Date;

(b) Termination For Cause

If the Optionee ceases to be an Eligible Person as a result of "termination for cause" of such Optionee by the Company or its subsidiary (or in the case of an Optionee who is a Management Company Employee or Consultant, by the Optionee's employer), as that term is interpreted by the courts of the jurisdiction in which the Optionee is employed or engaged, any outstanding Option held by such Optionee on the date of such termination, whether in respect of Option Shares that are Vested or not, shall be cancelled as of that date.

(c) Early Retirement, Voluntary Resignation or Termination Other than For Cause

If the Optionee ceases to be an Eligible Person due to his or her retirement at the request of his or her employer earlier than the normal retirement date under the Company's retirement policy then in force, or due to his or her voluntary resignation, or to his or her termination by the Company or its subsidiary other than for cause (or, in the case of an Optionee who is a Management Company Employee or a Consultant, the termination of the company providing management or consultant services to the Company or its subsidiary), any outstanding Option then held by such Optionee shall be exercisable to acquire Vested Unissued Option Shares at any time up to but not after the earlier of: (i) the Expiry Date; and (ii) the date that is 90 days (or 30 days if the Optionee was engaged in Investor Relations Activities) after the Optionee ceases to be an Eligible Person.

(d) Spin-Out Transactions

If pursuant to the operation of sub-paragraph 5.3(c) an Optionee receives options (the "**New Options**") to purchase securities of another company (the "**New Company**") in respect of the Optionee's Options (the "**Subject Options**"), the New Options shall expire on the earlier of: (i) the Expiry Date of the Subject Options; (ii) if the Optionee does not become an Eligible Person in respect of the New Company, the date that the Subject Options expire pursuant to sub-paragraph 4.4(a), (b) or (c), as applicable; (iii) if the Optionee becomes an Eligible Person in respect of the New Company, the date that the New Options expire pursuant to the terms of the New Company's stock option plan that correspond to sub-paragraphs 4.4(a), (b) or (c) hereof; and (iv) the date that is two (2) years after the Optionee ceases to be an Eligible Person in respect of the New Company or such shorter period as determined by the Board.

For purposes of this paragraph 4.4, the dates of death, Disability, termination, retirement, voluntary resignation, ceasing to be an Eligible Person and incapacity shall be interpreted to be without regard to any period of notice (statutory or otherwise) or whether the Optionee or his or her estate continues thereafter to receive any compensatory payments from the Company or is paid salary by the Company in lieu of notice of termination.

For greater certainty, an Option that had not become Vested in respect of certain Unissued Option Shares at the time that the relevant event referred to in this paragraph 4.4 occurred, shall not be or become vested or exercisable in respect of such Unissued Option Shares and shall be cancelled.

### 4.5 Extension of Expiry Date During Black-Out Period

If the Expiry Date in respect of any Option occurs during or within five (5) trading days following a trading black-out period imposed by the Company, the Expiry Date of the Option shall be automatically extended to the date that is ten (10) trading days following the end of such black-out period (the "**Extension Period**"); provided that if an additional black-out period is subsequently imposed by the Company during the Extension Period, then such Extension Period shall be deemed to commence following the end of such additional black-out period to enable the exercise of such Options within ten (10) trading days following the end of the last imposed black-out period.

**4.6 Effect of a Take-Over Bid**

If a *bona fide* offer (an "**Offer**") for Shares is made to the Optionee or to shareholders of the Company generally or to a class of shareholders which includes the Optionee, which Offer, if accepted in whole or in part, would result in the offeror becoming a control person of the Company, within the meaning of Subsection 1(1) of the Securities Act, the Company shall, immediately upon receipt of notice of the Offer, notify each Optionee of full particulars of the Offer, whereupon (subject to the approval of the Exchanges) all Option Shares subject to such Option will become Vested and the Option may be exercised in whole or in part by the Optionee so as to permit the Optionee to tender the Option Shares received upon such exercise, pursuant to the Offer. However, if:

(a) the Offer is not completed within the time specified therein; or

(b) all of the Option Shares tendered by the Optionee pursuant to the Offer are not taken up or paid for by the offeror in respect thereof,

then the Option Shares received upon such exercise, or in the case of sub-paragraph (b) above, the Option Shares that are not taken up and paid for, may be returned by the Optionee to the Company and reinstated as authorized but unissued Shares and with respect to such returned Option Shares, the Option shall be reinstated as if it had not been exercised and the terms upon which such Option Shares were to become Vested pursuant to paragraph 4.3 shall be reinstated. If any Option Shares are returned to the Company under this paragraph 4.6, the Company shall immediately refund the exercise price to the Optionee for such Option Shares.

**4.7 Acceleration of Expiry Date**

If at any time when an Option granted under the Plan remains unexercised with respect to any Unissued Option Shares, an Offer is made by an offeror, the Board may, upon notifying each Optionee of full particulars of the Offer, declare all Option Shares issuable upon the exercise of Options granted under the Plan, Vested, and declare that the Expiry Date for the exercise of all unexercised Options granted under the Plan is accelerated so that all Options will either be exercised or will expire prior to the date upon which Shares must be tendered pursuant to the Offer. The Board shall give each Optionee as much notice as possible of the acceleration of the Options under this paragraph, except that not less than 5 business days and not more than 35 days notice is required.

**4.8 Compulsory Acquisition or Going Private Transaction**

If and whenever, following a take-over bid or issuer bid, there shall be a compulsory acquisition of the Shares of the Company pursuant to Division 6 of the *Business Corporations Act* (British Columbia) or any successor or similar legislation, or any amalgamation, merger or arrangement in which securities acquired in a formal take-over bid may be voted under the conditions described in Section 8.2 of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions*, then following the date upon which such compulsory acquisition, amalgamation, merger or arrangement is effective, an Optionee shall be entitled to receive, and shall accept, for the same exercise price, in lieu of the number of Shares to which such Optionee was theretofore entitled to purchase upon the exercise of his or her Options, the aggregate amount of cash, shares, other securities or other property which such Optionee would have been entitled to receive as a result of such bid if he or she had tendered such number of Shares to the take-over bid.

**4.9 Effect of a Change of Control**

If a Change of Control occurs, all Option Shares subject to each outstanding Option will become Vested, whereupon such Option may be exercised in whole or in part by the Optionee, subject to the approval of the Exchanges, if necessary.

**4.10 Exclusion From Severance Allowance, Retirement Allowance or Termination Settlement**

If the Optionee retires, resigns or is terminated from employment or engagement with the Company or any subsidiary of the Company (including, in the case of a Management Company Employee or Consultant, termination of the company providing such management or consulting services to the Company or its subsidiary), the loss or limitation, if any, pursuant to the Option Agreement with respect to the right to purchase Option Shares which were not Vested at that time or which, if Vested, were cancelled, shall not give rise to any right to damages and shall not be included in the calculation of nor form any part of any severance allowance, retiring allowance or termination settlement of any kind whatsoever in respect of such Optionee.

**4.11 Shares Not Acquired**

Any Unissued Option Shares not acquired by an Optionee under an Option which has expired may be made the subject of a further Option pursuant to the provisions of the Plan.

**5. ADJUSTMENT OF OPTION PRICE AND NUMBER OF OPTION SHARES**

**5.1 Share Reorganization**

Whenever the Company issues Shares to all or substantially all holders of Shares by way of a stock dividend or other distribution, or subdivides all outstanding Shares into a greater number of Shares, or combines or consolidates all outstanding Shares into a lesser number of Shares (each of such events being herein called a "**Share Reorganization**") then effective immediately after the record date for such dividend or other distribution or the effective date of such subdivision, combination or consolidation, for each Option:

(a) the Option Price will be adjusted to a price per Share which is the product of:

  (i) the Option Price in effect immediately before that effective date or record date; and

  (ii) a fraction, the numerator of which is the total number of Shares outstanding on that effective date or record date before giving effect to the Share Reorganization, and the denominator of which is the total number of Shares that are or would be outstanding immediately after such effective date or record date after giving effect to the Share Reorganization; and

(b) the number of Unissued Option Shares will be adjusted by multiplying (i) the number of Unissued Option Shares immediately before such effective date or record date by (ii) a fraction which is the reciprocal of the fraction described in clause (a)(ii).

**5.2 Special Distribution**

Subject to the prior approval of the Exchanges, whenever the Company issues by way of a dividend or otherwise distributes to all or substantially all holders of Shares;

(a) shares of the Company, other than the Shares;

(b) evidences of indebtedness;

(c) any cash or other assets, excluding cash dividends (other than cash dividends which the Board has determined to be outside the normal course); or

(d) rights, options or warrants;

then to the extent that such dividend or distribution does not constitute a Share Reorganization (any of such non-excluded events being herein called a "**Special Distribution**"), and effective immediately after the record date at which holders of Shares are determined for purposes of the Special Distribution, for each Option the Option Price will be reduced, and the number of Unissued Option Shares will be correspondingly increased, by such amount, if any, as is determined by the Board in its sole and unfettered discretion to be appropriate in order to properly reflect any diminution in value of the Option Shares as a result of such Special Distribution.

### 5.3 Corporate Organization

Whenever there is:

(a) a reclassification of outstanding Shares, a change of Shares into other shares or securities, or any other capital reorganization of the Company, other than as described in paragraphs 5.1 or 5.2;

(b) a consolidation, merger or amalgamation of the Company with or into another corporation resulting in a reclassification of outstanding Shares into other shares or securities or a change of Shares into other shares or securities;

(c) an arrangement or other transaction under which, among other things, the business or assets of the Company become, collectively, the business and assets of two or more companies with the same shareholder group upon the distribution to the Company's shareholders, or the exchange with the Company's shareholders, of securities of the Company, or securities of another company, or both; or

(d) a transaction whereby all or substantially all of the Company's undertaking and assets become the property of another corporation;

(any such event being herein called a "**Corporate Reorganization**") the Optionee will have an option to purchase (at the times, for the consideration, and subject to the terms and conditions set out in the Plan) and will accept on the exercise of such option, in lieu of the Unissued Option Shares which he would otherwise have been entitled to purchase, the kind and amount of shares or other securities or property that he would have been entitled to receive as a result of the Corporate Reorganization if, on the effective date thereof, he had been the holder of all Unissued Option Shares or if appropriate, as otherwise determined by the Board.

### 5.4 Determination of Option Price and Number of Unissued Option Shares

If any questions arise at any time with respect to the Option Price or number of Unissued Option Shares deliverable upon exercise of an Option following a Share Reorganization, Special Distribution or Corporate Reorganization, such questions shall be conclusively determined by the Company's auditor, or, if they decline to so act, any other firm of Chartered Accountants in Vancouver, British Columbia, that the Board may designate and who will have access to all appropriate records and such determination will be binding upon the Company and all Optionees.

### 5.5 Regulatory Approval

Any adjustment to the Option Price or the number of Unissued Option Shares purchasable under the Plan pursuant to the operation of any one of paragraphs 5.1, 5.2 or 5.3 is subject to the approval of the Exchanges and any other governmental authority having jurisdiction.

## 6. MISCELLANEOUS

### 6.1 Right to Employment

Neither this Plan nor any of the provisions hereof shall confer upon any Optionee any right with respect to employment or continued employment with the Company or any subsidiary of the Company or interfere in any way with the right of the Company or any subsidiary of the Company to terminate such employment.

### 6.2 Necessary Approvals

The Plan shall be effective only upon the approval of the shareholders of the Company given by way of an ordinary resolution. Any Options granted under this Plan prior to such approval shall only be exercised upon the receipt of such approval. Disinterested Shareholder Approval (as required by the Exchanges) will be obtained for any reduction in the exercise price of any Option granted under this Plan if the Optionee is an Insider of the Company at the time of the proposed amendment. The obligation of the Company to sell and deliver Shares in accordance with the Plan is subject to the approval of the Exchanges and any governmental authority having jurisdiction. If any Shares cannot be issued to any Optionee for any reason, including, without limitation, the failure to obtain such approval, then the obligation of the Company to issue such Shares shall terminate and any Option Price paid by an Optionee to the Company shall be immediately refunded to the Optionee by the Company.

### 6.3 Administration of the Plan

The Board shall, without limitation, have full and final authority in their discretion, but subject to the express provisions of the Plan, to interpret the Plan, to prescribe, amend and rescind rules and regulations relating to the Plan and to make all other determinations deemed necessary or advisable in respect of the Plan. Except as set forth in paragraph 5.4, the interpretation and construction of any provision of the Plan by the Board shall be final and conclusive. Administration of the Plan shall be the responsibility of the appropriate officers of the Company and all costs in respect thereof shall be paid by the Company.

### 6.4 Income Taxes

As a condition of and prior to participation in the Plan, any Optionee shall on request authorize the Company in writing to withhold from any remuneration otherwise payable to him or her any amounts required by any taxing authority to be withheld for taxes of any kind as a consequence of his or her participation in the Plan.

### 6.5 Amendments to the Plan

The Board may from time to time, subject to applicable law and to the prior approval, if required, of the shareholders, the Exchanges or any other regulatory body having authority over the Company or the Plan, suspend, terminate or discontinue the Plan at any time, or amend or revise the terms of the Plan or of any Option granted under the Plan and the Option Agreement relating thereto, provided that no such amendment, revision, suspension, termination or discontinuance shall in any manner adversely affect any Option previously granted to an Optionee under the Plan without the consent of that Optionee.

**6.6 Form of Notice**

A notice given to the Company shall be in writing, signed by the Optionee and delivered to the head business office of the Company.

**6.7 No Representation or Warranty**

The Company makes no representation or warranty as to the future market value of any Shares issued in accordance with the provisions of the Plan.

**6.8 Compliance with Applicable Law**

If any provision of the Plan or any Option Agreement contravenes any law or any order, policy, by-law or regulation of any regulatory body or Exchange having authority over the Company or the Plan, then such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith.

**6.9 No Assignment**

No Optionee may assign any of his or her rights under the Plan or any option granted thereunder.

**6.10 Rights of Optionees**

An Optionee shall have no rights whatsoever as a shareholder of the Company in respect of any of the Unissued Option Shares (including, without limitation, voting rights or any right to receive dividends, warrants or rights under any rights offering).

**6.11 Conflict**

In the event of any conflict between the provisions of this Plan and an Option Agreement, the provisions of this Plan shall govern.

**6.12 Governing Law**

The Plan and each Option Agreement issued pursuant to the Plan shall be governed by the laws of the province of British Columbia.

**6.13 Time of Essence**

Time is of the essence of this Plan and of each Option Agreement. No extension of time will be deemed to be or to operate as a waiver of the essentiality of time.

**6.14 Entire Agreement**

This Plan and the Option Agreement sets out the entire agreement between the Company and the Optionees relative to the subject matter hereof and supersedes all prior agreements, undertakings and understandings, whether oral or written.

**SCHEDULE "A"**

**KAL MINERALS CORP.**

**STOCK OPTION PLAN - OPTION AGREEMENT**

This Option Agreement is entered into between ● (the "Company") and the Optionee named below pursuant to the Company's 2018 Stock Option Plan (the "Plan"), a copy of which is attached hereto, and confirms that:

1. on ●, 20● (the "Grant Date");

2. ● (the "Optionee");

3. was granted the option (the "Option") to purchase ● Common Shares (the "Option Shares") of the Company;

4. for the price (the "Option Price") of $● per share;

5. which shall be exercisable immediately commencing on the Grant Date [OR set forth applicable vesting schedule];

6. terminating on the ●, 20● (the "Expiry Date");

all on the terms and subject to the conditions set out in the Plan. For greater certainty, Option Shares continue to be exercisable until the termination or cancellation thereof as provided in this Option Agreement and the Plan.

The Optionee acknowledges that any Option Shares received by him upon exercise of the Option have not been registered under the United States *Securities Act of 1933*, as amended, or the Blue Sky laws of any state (collectively, the "**Securities Acts**"). The Optionee acknowledges and understands that the Company is under no obligation to register, under the Securities Acts, the Option Shares received by him or to assist him in complying with any exemption from such registration if he should at a later date wish to dispose of the Option Shares. **[Following to be included in Option Agreements with "U.S. Persons" -** The Optionee acknowledges that the Option Shares shall bear a legend restricting the transferability thereof, such legend to be substantially in the following form:

"***The shares represented by this certificate have not been registered or qualified under the United States Securities Act of 1933, as amended or state securities laws. The shares may not be offered for sale, sold, pledged or otherwise disposed of unless so registered or qualified, unless an exemption exists or unless such disposition is not subject to U.S. federal or state securities laws, and the Company may require that the availability of any exemption or the inapplicability of such securities laws be established by an opinion of counsel, which opinion of counsel shall be reasonably satisfactory to the Company.***"**]**

By signing this Option Agreement, the Optionee acknowledges that the Optionee has read and understands the Plan and agrees to the terms and conditions of the Plan and this Option Agreement.

**Acknowledgement – Personal Information**

The Optionee hereby acknowledges and consents to:

(a) the disclosure to any Exchange and all other regulatory authorities of all personal information of the undersigned obtained by the Company; and

(b) the collection, use and disclosure of such personal information by any Exchange and all other regulatory authorities in accordance with their requirements, including the provision to third party service providers, from time to time.

IN WITNESS WHEREOF the parties hereto have executed this Option Agreement as of the ● day of ●, 20 ●.

**KAL MINERALS CORP.**

| | |
|---|---|
| ____________________________ | Per:____________________________ |
| Signature | Authorized Signatory |

Print Name

Address

**PART 27 – CERTIFICATES**

**CERTIFICATE OF THE COMPANY**

Dated: March 23, 2018

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities previously issued by the Company as required by the securities legislation of British Columbia.

| | |
|---|---|
| *"Raymond Wladichuk"* | *"Aeron Kawakami"* |
| Raymond Wladichuk, Chief Executive Officer | Aeron Kawakami, Chief Financial Officer |

**ON BEHALF OF THE BOARD OF DIRECTORS**

| | |
|---|---|
| *"Martin Bajic"* | *"Michael Konnert"* |
| Martin Bajic, Director | Michael Konnert, Director |

**CERTIFICATE OF THE PROMOTER**

Dated: March 23, 2018

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities previously issued by the Company as required by the securities legislation of British Columbia.

*"Raymond Wladichuk"*

Raymond Wladichuck, Promoter