

NORTH VALLEY RESOURCES INC.

FORM 2A

LISTING STATEMENT

July 30, 2021

FORM 2A - LISTING STATEMENT

NOTE TO READER

This Listing Statement contains a copy of the Final Prospectus of North Valley Resources Ltd. (the “**Company**”) dated July 23, 2021 (the “**Prospectus**”). Certain sections of the Canadian Securities Exchange (the “**Exchange**”) form of Listing Statement have been included following the Prospectus to provide additional disclosure on the Company required by the Exchange, as well as updating certain information contained in the Prospectus.

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APPENDIX A

North Valley Resources Ltd.

Final Long Form Prospectus dated July 23, 2021

See attached.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any securities. No securities regulatory authority has expressed an opinion about any information contained herein and it is an offence to claim otherwise.

FINAL PROSPECTUS

Non-Offering Prospectus

Date: July 23, 2021

NORTH VALLEY RESOURCES LTD.

**255 Battle Street West
Kamloops, British Columbia, V2C 1G8**

This final non-offering prospectus (the “**Prospectus**”) is being filed with the British Columbia Securities Commission (the “**BCSC**”) to enable North Valley Resources Ltd. (the “**Issuer**” or “**NVR**”) to become a reporting issuer pursuant to applicable securities legislation in the Province of British Columbia.

The Canadian Securities Exchange (the “**CSE**” or the “**Exchange**”) has conditionally accepted the listing of the Issuer’s common shares (the “**Common Shares**”) on the Exchange. Listing will be subject to the Issuer fulfilling all of the listing requirements of the CSE, including, without limitation, the distribution of the Common Shares to a minimum number of public shareholders and the Company meeting the minimum listing requirements of the Exchange.

Since no securities are being offered pursuant to this Prospectus, no proceeds will be raised and all expenses incurred in connection with the preparation and filing of this Prospectus will be paid by the Issuer from its general corporate funds.

An investment in the securities of the Issuer is highly speculative and involves a high degree of risk due to the nature of the Issuer’s business and its present stage of development. At present, the Issuer’s properties have no known commercial body of ore and the proposed work programs are only for the purpose of exploring for ore without the assurance of finding any commercial body of ore. An investment in natural resource issuers involves a significant degree of risk. The degree of risk increases substantially where the properties are in the exploration stage as opposed to the development stage. Further, investments in early stage businesses such as the Issuer involve a high degree of risk and investors should not invest any funds in the Issuer unless they can afford to lose their entire investment. Subscribers must rely upon the ability, expertise, judgment, integrity and good faith of the management of the Issuer. In reviewing the Prospectus, readers should carefully consider the matters described under the heading “Risk Factors”.

The Issuer was incorporated to find and explore natural resource properties. The Issuer has no present intention to pay any dividends on its Common Shares or any other classes of its securities. See “Description of Securities.” The Issuer has no history of earnings. See “Risk Factors.”

No underwriter has been involved in the preparation of the Prospectus or performed any review or independent due diligence of the contents of the Prospectus.

Readers should rely only on the information in this Prospectus. The Issuer has not authorized anyone to provide any information or to make any representation not contained in this Prospectus and, if provided or made, such information or representation should not be relied upon. The information contained in this Prospectus is accurate only as of the date of this Prospectus.

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

There is currently no market through which the Issuer's securities may be sold and shareholders may not be able to resell the Common Shares owned by them. This may affect the pricing of the Common Shares in the secondary market, the transparency and availability of trading prices, the liquidity of the Common Shares and the extent of issuer regulation. See "Risk Factors". The Exchange has conditionally accepted the listing of the Issuer's Common Shares on the Exchange. Listing on the CSE is subject to the Issuer fulfilling all the listing requirements of the Exchange.

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

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North Valley Resources Ltd.

PROSPECTUS SUMMARY

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 elsewhere in this Prospectus.

The Issuer	North Valley Resources Ltd. (previously defined as the “ Issuer ”) was incorporated under the laws of the Province of British Columbia on January 26, 2012. The Issuer was formed to acquire, explore and develop mining claims. To date, the Issuer has entered into the Comstock Property Option Agreement (as defined herein) pursuant to which it has agreed to purchase a 100% interest in the Comstock property (the “ Comstock Property ”) and the Barnum Property Option Agreement (as defined herein) pursuant to which it has agreed to purchase a 100% interest in the Barnum Property (the “ Barnum Property ”). See “Narrative Description of the Business” on page 12 of this Prospectus.
Business of the Issuer	The principal business of the Issuer is the acquisition and exploration of natural resource properties. See “Description of the Business” on page 7 of this Prospectus.
Principal Property	The Issuer’s principal property is the Comstock Property, located in south-central British Columbia, approximately 181 kilometres northeast of Vancouver, BC and 7 kilometres south of Merritt, BC within the Nicola Mining Division. The Comstock Property consists of 19 contiguous mineral claims that cover an area of approximately 2,573 hectares. See “Narrative Description of the Business: Property Description and Location” on page 12 of this Prospectus.
Listing	The CSE has conditionally accepted the listing of the Issuer’s Common Shares. Listing will be subject to the Issuer fulfilling all of the listing requirements of the CSE.
Directors, Officers and Senior Management	Kenneth Ellerbeck — CEO and Director Quinn Ellerbeck — CFO, Secretary and Director Robert Thompson — Director Brian May — Director See “Directors and Officers” on page 110 of this Prospectus.
Risk Factors	Investment in the Issuer involves a substantial degree of risk and should be regarded as speculative. As a result, the purchase of the Issuer’s securities should be considered only by those persons who can afford a loss of their entire investment. Prospective investors should carefully consider, in addition to matters set forth elsewhere in this Prospectus, the following factors relating to the Issuer and the business of the Issuer. The Issuer has no current mining operations, no revenue and had negative cash flow from operations for the year ended September 30, 2020. The Issuer will need to raise funds to carry out exploration of its properties. There is no assurance the Issuer will be able to raise additional funds or settle debt by the issuance of securities for debt to satisfy any indebtedness. In addition, if exploration programs are successful, additional funds would be required to advance the Property, and there are no assurances that the Issuer will be able to obtain such funds on the terms acceptable to the Issuer or at all. The business of mineral exploration involves a high degree of risk. Few mineral properties that are explored are ultimately

	<p>developed into producing mineral properties. Acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. The success of the Issuer is largely dependent upon the performance of its directors and management. The Issuer's management is experienced in exploring for minerals and business, but lacks technical training and experience with developing or operating a mine. The Issuer will be applying for all necessary licenses and permits under applicable laws and regulations to carry on the exploration activities which it is currently planning in respect of the Property, and the Issuer believes it will comply in all material respects with the terms of such licenses and permits. However, such licenses and permits are subject to change in regulations and in various operational circumstances which may result in increased costs and delays as a result of the need to comply with applicable laws, regulations and permits. Amendments to current laws, regulations and permits governing operations and activities of mineral companies, or more stringent implementation thereof, could have a material impact on the Issuer and cause an increase in capital expenditures or exploration costs or a reduction in production levels for producing properties or require abandonment of new exploration properties. The Issuer and its assets may be subject to uninsurable risks. The Issuer may be unable to acquire additional meritorious mineral properties on terms it considers acceptable. Directors of the Issuer may, from time to time, serve as directors of, or participate in ventures with other companies involved in natural resource exploration or development which may result in a conflict of interest. There is an existing conflict of interest involving the Issuer's directors and officers, and significant shareholder of the Issuer, Lacombe Ventures Ltd., a company owned by Ken Ellerbeck and Quinn Ellerbeck, as Ken Ellerbeck is the owner of the Comstock Property and the Barnum Property and accordingly has a direct material interest in the Property, and Quinn Ellerbeck is Ken's son. Lacombe Ventures Ltd. also received Common Shares of the Issuer as payment for certain geophysical surveying services performed on behalf of the Issuer. The Issuer and/or its directors may be subject, with or without merit, to a variety of civil or other legal proceedings. The Issuer intends to retain any future earnings to finance its business and operations and future growth and does not anticipate declaring any cash dividends in the foreseeable future.</p> <p>This information is presented as of the date of this Prospectus and is subject to change, completion, or amendment without notice. See "Risk Factors" on page 122 of this Prospectus.</p>
<p>Summary Financial Information</p>	<p>The following selected financial information has been derived from and is qualified in its entirety by the unaudited and audited financial statements and notes thereto included in this Prospectus, and should be read in conjunction with such financial statements and the related notes thereto, along with the Management Discussion and Analysis included as Schedule "D" and "E" of this Prospectus. All financial statements of the Issuer are prepared in accordance with International Financial Reporting Standards ("IFRS").</p>

	Fiscal Year Ended September 30, 2020 (Audited)	Three Months Ended on March 31, 2021 (Unaudited)
Total Assets	\$196,604	\$274,921
Total Liabilities	\$9,510	\$34,936
Deficit	(\$13,906)	(\$97,906)
Share Capital	\$201,000	\$301,000
Weighted Average of Common Shares Outstanding	3,665,589	4,600,932

FORWARD LOOKING INFORMATION

This Prospectus contains “forward-looking information” within the meaning of Canadian securities laws. Forward-looking information reflect the Issuer’s internal projections, expectations and future growth prospects, and are based on information currently available to the Issuer. Actual results may differ materially from results and developments discussed in the forward-looking statements as they are subject to a number of risks, uncertainties, and assumptions, including those discussed above. Forward-looking information include, but are not limited to, statements with respect to the success of mining exploration work, title disputes or claims, environmental risks, unanticipated reclamation expenses, the estimation of mineral reserves and resources and capital expenditures. In certain cases, forward-looking information can be identified by the use of words such as “intends”, “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved”. Forward-looking statements are based on a number of material factors and assumptions, including but not limited to, those disclosed elsewhere herein and any other of the Issuer’s concurrent public filings, including the availability and receipt of required approvals, licenses and permits, sufficient working capital to explore and develop mineral properties, that proposed engineering and exploration timetables and capital costs for the Issuer’s exploration plans are not incorrectly estimated or affected by unforeseen circumstances or adverse weather conditions, that any environmental or other proceedings or disputes are satisfactorily resolved, that the Issuer has access to adequate services, supplies and a qualified workforce and access to equity and debt markets on acceptable terms.

Forward-looking information involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ from those expressed or implied by the forward-looking information. Such factors include, among others, risks related to international operations, fluctuation of currency exchange rates, actual results of current exploration activities, changes in project parameters as plans are refined over time, the future price of gold and other precious or base metals, possible variations in mineral resources, grade or recovery rates, accidents, labour disputes and other risks of the mining industry, delays in obtaining, or inability to obtain, required governmental approvals or financing, as well as other factors discussed under “Risk Factors”. Although the Issuer has attempted to identify material factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking information contained in this Prospectus are made as of the date of this Prospectus. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. The Issuer will only update forward-looking information when required by law.

CURRENCY RATES, METRIC EQUIVALENTS AND ABBREVIATIONS

All currency amounts in the Prospectus are stated in Canadian dollars unless otherwise indicated. All financial information with respect to the Issuer has been presented in Canadian dollars in accordance with generally accepted accounting principles in Canada.

The following table sets forth certain standard conversions from Standard Imperial Units to the International System of Units (or metric Units).

To Convert from Metric	To Imperial	Multiply by
Grams (g)	Grains	15.43
Grams (g)	Ounces (troy) (oz)	0.032
Grams per tonne (g/t)	Ounces (troy) per ton (oz/ton)	0.029
Hectares (ha)	Acres (ac)	2.471
Kilometres (km)	Miles (mi)	0.621
Square Kilometres (km ²)	Square Mile (mi ¹)	0.386
Metres (m)	Feet (ft)	3.281
Millimetres (mm)	Inches (in)	0.039
Tonnes (t)	Short tons (2000 pds)	1.102
Acres (ac)	Hectares (ha)	0.405

GLOSSARY OF TERMS

The following is a glossary of certain defined terms used frequently throughout this Prospectus:

“\$”	unless otherwise noted all dollar amounts are considered to be in Canadian currency.
“Affiliate”	has the same meaning as in the <i>Securities Act</i> (British Columbia).
“Barnum Claims”	means the contiguous seven (7) mineral claims with mineral tenure numbers 1038694, 1042882, 1062610, 1076834, 1076930, 1077106 and 1038694 that are the subject of the Barnum Property Option Agreement. The claims that comprise the Barnum Property cover an area of 308 hectares centered at 50° 37' 37"N latitude and 120° 7' 8"W longitude on NTS map sheet 92I/09 and on TRIM map 092I.070 and are located 15 kilometres east of Kamloops in south-central British Columbia within the Kamloops Mining Division.
“Barnum Property”	the 7-claim 308-hectare Barnum property that comprises the Barnum Claims and that is the subject of the Barnum Property Option Agreement.
“Barnum Property Option Agreement”	means the amended and restated non-arm's length agreement between the Issuer and Ken Ellerbeck dated April 14, 2021, granting the Issuer an option

	to acquire a 100% interest in the Barnum Property, subject to a production royalty of 2% of net smelter returns.
“Barnum Qualified Person”, “Barnum QP” or the “Barnum Author”	Linda Caron, P.Eng., author of the Barnum Technical Report.
“Barnum Technical Report” or “Barnum Report”	means the NI 43-101 compliant technical report entitled “National Instrument 43-101 Technical Report on the Barnum Property, Kamloops Mining Division, South-Central British Columbia, Canada” dated June 28, 2021 and prepared by Linda Caron, P.Eng, the Barnum Qualified Person.
“Common Shares”	one or more Common Shares in the capital of the Issuer.
“Comstock Claims”	means the contiguous nineteen (19) mineral claims that are the subject of the Comstock Property Option Agreement. The claims that comprise the Property cover an area of 2,573 hectares centered at 50° 02’ 31”N latitude and 120° 45’ 08”W longitude on NTS map sheet 92I/09 and on BCGS map sheets 092I.006 and 092I.007 and are located 181 km northeast of Vancouver, British Columbia and 7 km south of Merritt, British Columbia.
“Comstock Property”	the 19-claim 2,573-hectare Comstock property that comprises the Comstock Claims and that is the subject of the Comstock Property Option Agreement.
“Comstock Property Option Agreement”	means the non-arm’s length agreement between the Issuer and Ken Ellerbeck dated April 14, 2021, granting the Issuer an option to acquire a 100% interest in the Comstock Property, subject to a production royalty of 2% of net smelter returns.
“Comstock Qualified Person”, “Comstock QP” or the “Comstock Author”	means Dean Besserer, P.Geol., author of the Comstock Technical Report.
“Comstock Technical Report” or “Comstock Report”	means the NI 43-101 compliant technical report entitled “NI 43-101 Technical Report for the Comstock Property, Nicola Valley, South-Central Interior of British Columbia” dated June 28, 2021 and prepared by Dean Besserer, P.Geol, the Comstock Qualified Person.
“Directors”	the directors of the Issuer.
“Effective Date”	the date on which the receipt for this Prospectus is issued by the British Columbia Securities Commission.
“Exchange” or “CSE”	the Canadian Securities Exchange.
“Insider”	an insider as defined in the <i>Securities Act</i> (British Columbia), which includes the directors and officers of the Issuer or any subsidiaries of the Issuer and any person that has direct or indirect beneficial ownership of, or control or direction over, securities of the Issuer carrying more than 10% of the voting rights attached to the Issuer’s outstanding voting securities.

“Issuer” or “NVR”	North Valley Resources Ltd.
“NI 43-101”	National Instrument 43-101 <i>Standards of Disclosure for Mineral Projects</i> , as published by the Canadian Securities Administrators.
“NSR Royalty”	a net smelter return royalty payable by the Issuer to the Owner of each of the Comstock Property and the Barnum Property equal to 2% on the proceeds from production, as described in Schedule “B” to each of the Comstock Property Option Agreement and the Barnum Property Option Agreement, for all minerals derived from each respective property.
“Owner”	Ken Ellerbeck, the owner of the Comstock Property and owner of the Barnum Property.
“Person”	a company or an individual.
“Prospectus”	this final prospectus and any appendices, schedules or attachments hereto.
“Stock Option Plan”	means the incentive stock option plan of the Issuer.
“Transfer Agent” and “Escrow Agent”	means Odyssey Trust Company.

GLOSSARY OF GEOLOGICAL TERMS

The following is a glossary of technical abbreviations used in this Prospectus:

ppb	part per billion	tpd	tonnes per day
ppm	part per million	ha	hectares
g	gram	NOW	Notice of Work
g/t	grams per tonne	MYAB	Multi-year Area-based permit
opt	(troy) ounces per short ton	FN	First Nations
oz/t	(troy) ounces per short ton	QA/QC	Quality Assurance/Quality Control
Moz	million ounces	DGPS	differential corrected GPS
Mt	million tonnes	IP	Induced Potential
t	metric tonne (1000 kilograms)	NSR	Net Smelter Royalty
st	short ton (2000 pounds)	ddh	diamond drill hole
Cu	copper	Au	gold

CORPORATE STRUCTURE

Name and Incorporation

The Issuer, whose full name is “**North Valley Resources Ltd.**”, was incorporated under the *Business Corporations Act (British Columbia)* on January 26, 2012. The Issuer’s registered and head office is located at 255 Battle Street West, Kamloops, BC, V2C 1G8.

The Issuer’s Common Shares are not listed or posted for trading on any stock exchange. The Issuer has applied to list the Common Shares on the Exchange.

The Issuer does not have any subsidiaries.

DESCRIPTION OF THE BUSINESS

Description of the Business

The Issuer is a private mineral exploration company with an option agreement to acquire a 100% interest in each of the Comstock Property and the Barnum Property. The Comstock Property is the principal property of the Issuer and consists of 19 contiguous mineral claims that cover an area of 2,573 hectares. Its activities consist of identifying, acquiring and exploring mining properties and it is anticipated that the Issuer will be mainly active in the field of mining exploration in British Columbia.

In the near term, the Issuer’s principal business objective is to carry out exploration to advance the Comstock Property and a material part of the funds from subscriptions of the Common Shares previously sold by the Issuer will be used in exploration work on the Comstock Property in the twelve-month period following the listing of the Common Shares on the Exchange. See “Use of Available Funds” and “Narrative Description of the Business”.

Mineral exploration of mining properties will constitute the principal business of the Issuer for the coming years. In the course of realizing its objectives, the Issuer will be called upon to enter into various agreements specific to the mining industry, such as purchase or option agreements to purchase mining claims and joint venture agreements.

The Issuer also has an option to acquire a 100% interest in the Barnum Property, a 308 hectare property located in south-central British Columbia, approximately 15 kilometres east of Kamloops within the Kamloops Mining Division.

Stated Business Objectives

The principal business carried on, and intended to be carried on, by the Issuer is the acquisition and exploration of mineral exploration properties. In the near term, the Issuer's principal business purpose is to fund and explore the Comstock Property, with a view to acquiring the Comstock Property. The Comstock Property is in the early exploration stage. The Issuer's primary objective following listing of its Common Shares on the Exchange is to undertake the recommended exploration program described in the section of this Prospectus entitled "Narrative Description of the Business". Upon listing of the Common Shares on the Exchange, the Issuer plans to complete phase 1 of the recommended exploration program for the Comstock Property at an estimated cost of CDN \$105,000 to complete geological mapping, in-depth interpretation of 2020 IP data, soil geochemistry sampling, ground magnetics and prospecting. The Issuer will require additional capital to complete any additional phases of exploration work, including phase two of the recommended exploration program as set out in the Comstock Report and exploration work on the Barnum Property. The additional capital may come from future equity or debt financings and there can be no assurance that the Issuer will be able to raise such additional capital if and when required or on terms acceptable to the Issuer or at all. See "Use of Available Funds" and "Risk Factors - Requirement for Further Financing".

History

The Issuer is currently in the business of acquiring and exploring mineral properties and has been since the commencement of operations subsequent to its incorporation on January 26, 2012. To date, the Issuer has entered into: (a) the non-arm's length Comstock Property Option Agreement with Ken Ellerbeck, the sole owner of the Comstock Property, pursuant to which the Issuer has the exclusive right to prospect and explore for, mine by underground or open pit methods, mill, prepare for market, store, sell, and dispose of the same, together with such rights-of-way, easements, water and water rights, of every kind and nature, through, over, on or appertaining to the Comstock Property as the Issuer may determine, subject to a production royalty of 2% of net smelter returns; and (b) the non-arm's length Barnum Property Option Agreement with Ken Ellerbeck, the sole owner of the Barnum Property, pursuant to which the Issuer has the exclusive right to prospect and explore for, mine by underground or open pit methods, mill, prepare for market, store, sell, and dispose of the same, together with such rights-of-way, easements, water and water rights, of every kind and nature, through, over, on or appertaining to the Barnum Property as the Issuer may determine, subject to a production royalty of 2% of net smelter returns. The first amendment to the Barnum Property Option Agreement was entered into on March 18, 2021 to include an adjacent claim comprising an additional 2,051 hectares (claim #1081661). In a subsequent amendment dated April 14, 2021, this adjacent claim was removed from the Barnum Property Option Agreement at the Issuer's request due to budgetary concerns over future claim maintenance costs and the Issuer's decision to enter into the Comstock Property Option Agreement and focus its initial exploration and work efforts on that property. The Comstock Property is the principal property of the Issuer.

Pursuant to each of the Comstock Property Option Agreement and the Barnum Property Option Agreement, the Issuer may elect to purchase at any time from the optionor, prior to the commencement of commercial production, one-half of the NSR Royalty (being one percent (1%)), upon payment to the optionor of \$1,000,000. The Issuer intends to complete phase 1 of the recommended exploration program on the Comstock Property set out in the Comstock Technical Report.

The Issuer does not anticipate any changes to occur in its business during the current financial year.

Significant Acquisitions and Significant Dispositions

The Issuer has not carried out any significant acquisitions or dispositions other than entering into the Comstock Property Option Agreement and the Barnum Property Option Agreement.

Comstock Property Option Agreement

Under the Comstock Property Option Agreement, Ken Ellerbeck granted to the Issuer the right to acquire an undivided 100% interest in the Comstock Property, free and clear of all liens, charges, encumbrances, claims, rights or interests of any other person. Ken Ellerbeck acquired the claims comprising the Comstock Property between October 2011 and April 2021, for an aggregate acquisition cost of \$6,897.

In order to exercise the option, the Issuer shall pay to the Owner the aggregate sum of \$595,000 and issue a total of 750,000 Common Shares in instalments, and complete minimum expenditures on the Comstock Property in accordance with the following schedule:

<u>Date</u>	<u>Shares</u>	<u>Cash Payments</u>	<u>Expenditures⁽¹⁾</u>
On Signing	0	\$5,000	
Listing Date	100,000	\$5,000	
February 1, 2022	-	-	\$10,000
1 st Anniversary of Listing Date	100,000	\$10,000	\$105,000
2 nd Anniversary of Listing Date	100,000	\$50,000	\$200,000
3 rd Anniversary of Listing Date	100,000	\$100,000	\$200,000
4 th Anniversary of Listing Date	350,000	\$425,000	\$200,000
<u>Total:</u>	<u>750,000</u>	<u>\$595,000</u>	<u>\$715,000</u>

Notes:

- (1) Expenditures means all cash, expenses, obligations and liabilities, other than for personal injury or property damage, of whatever kind or nature spent or incurred directly or indirectly in connection with the exploration or equipping of the Comstock Property or any portion thereof for Mining Work including, without limiting the generality of the foregoing, monies expended in constructing, leasing or acquiring all facilities, buildings, machinery and equipment in connection with Mining Work, in paying any taxes, fees, charges, royalties, payments or rentals (including payments in lieu of assessment work), or otherwise to keep the Comstock Property or any portion thereof in good standing, (including any payment to or in respect of acquiring any agreement or confirmation from any holder of surface rights respecting the Comstock Property or any portion thereof), in carrying out any survey of the Comstock Property or any portion thereof, in doing geophysical, geochemical and geological surveys, in trenching, drilling, assaying, metallurgical testing, bulk sampling and pilot plant operations, in paying the fees, wages, salaries, travelling expenses, fringe benefits (whether or not required by law) of all persons engaged in work with respect to and for the benefit of the Comstock Property or any portion thereof, in paying for the food, lodging and other reasonable needs of such persons, in

preparing any reports, and in supervising and managing any Mining Work done with respect to and for the benefit of the Comstock Property or any portion thereof.

For the purposes of the Comstock Property Option Agreement, the area covered by the Comstock Property shall include an area of influence surrounding the outer perimeter of the Comstock Property to a maximum of two and one-half (2.5) kilometers (the “**Area of Influence**”) and all mineral concessions, interests or rights acquired, directly or indirectly, within the Area of Influence before or after the date of signing of the Comstock Property Option Agreement by either the Owner or the Issuer during the currency of the Comstock Property Option Agreement shall become part of the Comstock Property Option Agreement.

On commencement of commercial production (defined as the operation of the Comstock Property or any portion thereof as a producing mine and the production of mineral products therefrom, excluding bulk sampling, pilot plant or test operations), the Comstock Property will be subject to a 2% net smelter return royalty in favour of the Owner. The Issuer may elect to purchase from the Owner at any time prior to the commencement of commercial production one-half of the NSR Royalty (being 1%) upon the payment to the Owner of \$1,000,000.

For the purposes of the Comstock Property Option Agreement, the term “Net Smelter Returns” shall mean all monies realized and actually received by the Issuer on the sale of any ores or minerals mined or extracted from the Comstock Property as evidenced by its returns or settlement sheets, including any premiums, bonuses and subsidies, less, if any such ores or minerals require smelting or other processing, all monies paid or payable on account of:

- (a) loading and transportation of the ores or minerals from the Comstock Property or any mill erected on or about the Comstock Property to the smelter or other purchaser;
- (b) smelter treatment charges or other charges levied by the purchaser;
- (c) freight allowance and severance taxes or royalties that may be paid to the Province of British Columbia;
- (d) insurance and security costs and charges;
- (e) marketing costs and commissions; and
- (f) penalties and other deductions whatsoever paid or payable in relation to the sale of the ores or minerals.

Barnum Property Option Agreement

Under the Barnum Property Option Agreement, Ken Ellerbeck granted to the Issuer the right to acquire an undivided 100% interest in the Barnum Property, free and clear of all liens, charges, encumbrances, claims, rights or interests of any other person. Ken Ellerbeck acquired the claims comprising the Barnum Property between September 2015 and June 2020, for an aggregate acquisition cost of \$538. The first amendment to the Barnum Property Option Agreement was entered into on March 18, 2021 to include an adjacent claim comprising an additional 2,051 hectares (claim #1081661). In a subsequent amendment dated April 14, 2021, this adjacent claim was removed from the Barnum Property Option Agreement at the Issuer’s request due to budgetary concerns over future claim maintenance costs and the Issuer’s decision to enter into the Comstock Property Option Agreement and focus its initial exploration and work efforts on that property.

In order to exercise the option, the Issuer shall pay to the Owner the aggregate sum of \$550,000 and issue a total of 600,000 Common Shares in instalments, and complete minimum expenditures on the Barnum Property in accordance with the following schedule:

<u>Date</u>	<u>Shares</u>	<u>Cash Payments</u>	<u>Expenditures</u> ⁽¹⁾⁽²⁾
On Signing	0	\$0	
Listing Date	0	\$0	
1 st Anniversary of Listing Date	0	\$0	\$0
2 nd Anniversary of Listing Date	100,000	\$0	\$110,000
3 rd Anniversary of Listing Date	200,000	\$100,000	\$300,000
4 th Anniversary of Listing Date	300,000	\$450,000	\$400,000
<u>Total:</u>	<u>600,000</u>	<u>\$550,000</u>	<u>\$810,000</u>

- (1) Expenditures means all cash, expenses, obligations and liabilities, other than for personal injury or property damage, of whatever kind or nature spent or incurred directly or indirectly in connection with the exploration or equipping of the Barnum Property or any portion thereof for Mining Work including, without limiting the generality of the foregoing, monies expended in constructing, leasing or acquiring all facilities, buildings, machinery and equipment in connection with Mining Work, in paying any taxes, fees, charges, royalties, payments or rentals (including payments in lieu of assessment work), or otherwise to keep the Barnum Property or any portion thereof in good standing, (including any payment to or in respect of acquiring any agreement or confirmation from any holder of surface rights respecting the Barnum Property or any portion thereof), in carrying out any survey of the Barnum Property or any portion thereof, in doing geophysical, geochemical and geological surveys, in trenching, drilling, assaying, metallurgical testing, bulk sampling and pilot plant operations, in paying the fees, wages, salaries, travelling expenses, fringe benefits (whether or not required by law) of all persons engaged in work with respect to and for the benefit of the Barnum Property or any portion thereof, in paying for the food, lodging and other reasonable needs of such persons, in preparing any reports, and in supervising and managing any Mining Work done with respect to and for the benefit of the Barnum Property or any portion thereof.
- (2) The Issuer was obligated to incur \$85,000 of expenditures by October 1, 2020 and they must qualify for assessment work to be recorded against the Barnum Property in the Mining and Minerals Division before October 31, 2020, which expenditures have been made and the assessment work recorded. Such expenditures are not included in the table above.

For the purposes of the Barnum Property Option Agreement, the area covered by the Barnum Property shall include an area of influence surrounding the outer perimeter of the Barnum Property to a maximum of two and one-half (2.5) kilometers (the “**Area of Influence**”) and all mineral concessions, interests or rights acquired, directly or indirectly, within the Area of Influence before or after the date of signing of the Barnum Property Option Agreement by either the Owner or the Issuer during the currency of the Barnum Property Option Agreement shall become part of the Barnum Property Option Agreement.

On commencement of commercial production (defined as the operation of the Barnum Property or any portion thereof as a producing mine and the production of mineral products therefrom, excluding bulk sampling, pilot plant or test operations), the Barnum Property will be subject to a 2% net smelter return royalty in favour of the Owner. The Issuer may elect to purchase from the Owner at any time prior to the commencement of commercial production one-half of the NSR Royalty (being 1%) upon the payment to the Owner of \$1,000,000.

For the purposes of the Barnum Property Option Agreement, the term “Net Smelter Returns” shall mean all monies realized and actually received by the Issuer on the sale of any ores or minerals mined or extracted from the Property as evidenced by its returns or settlement sheets, including any premiums, bonuses and subsidies, less, if any such ores or minerals require smelting or other processing, all monies paid or payable on account of:

- (g) loading and transportation of the ores or minerals from the Barnum Property or any mill erected on or about the Barnum Property to the smelter or other purchaser;
- (h) smelter treatment charges or other charges levied by the purchaser;
- (i) freight allowance and severance taxes or royalties that may be paid to the Province of British Columbia;
- (j) insurance and security costs and charges;
- (k) marketing costs and commissions; and
- (l) penalties and other deductions whatsoever paid or payable in relation to the sale of the ores or minerals.

Trends

There are significant uncertainties regarding the prices of gold and silver and other minerals and the availability of equity financing for the purposes of mineral exploration. For instance, the price of silver, gold and other minerals has fluctuated widely in recent years and wide fluctuations are expected to continue. Interest in early stage exploration companies is also subject to overall market sentiment. Apart from these risks, and the risk factors noted under the heading “Risk Factors,” the Issuer is not aware of any other trends, commitments, events or uncertainties that would have a material adverse effect on our business, financial condition or results of operations.

NARRATIVE DESCRIPTION OF THE BUSINESS

Technical Report — Comstock Property

The Comstock Property is the principal material property of the Issuer, as summarized below and in the Comstock Technical Report.

The following information regarding the Comstock Property has been summarized from the Comstock Technical Report titled “NI 43-101 Comstock Technical Report For the Comstock Property, Nicola Valley, South-Central Interior of British Columbia”, dated May 21, 2021 and prepared by Dean Besserer, P.Geol. (previously defined as the “Comstock Qualified Person”, “Comstock QP” or “Comstock Author”) and should be read in conjunction with this Prospectus. Mr. Besserer is an independent qualified person as defined by NI 43-101. The Comstock Technical Report has been prepared in accordance with NI 43-101

and is available for inspection at the head office of the Issuer during normal business hours during the period of distribution of the Common Shares. This summary contains references to indicate to the reader the materials that have been used to compile the Comstock Technical Report. The Comstock Technical Report contains a complete list of all references used in this summary.

PROPERTY DESCRIPTION AND LOCATION

Description and Location

The Comstock Property is located in south-central British Columbia approximately 181 km northeast of Vancouver and 7 km south of Merritt. The Project is in the Nicola Mining District and is centered at Latitude 50°02'31''N and Longitude 120°45'08''W. It overlays portions of British Columbia Geographic System (BCGS) map sheets: 092I.006 and 092I.007 and National Topographic System (NTS) Map Sheet 092I/02. The Comstock Property comprises 19 contiguous mineral claims covering approximately 2,573 ha (Figure 1 and Table 1).

The Comstock Property mineral claims are owned by Mr. Ken Ellerbeck. The Issuer entered into an option agreement with Mr. Ellerbeck to acquire 100% interest in the Comstock Property upon completion of the terms of the agreement as described below. The agreement is considered to be non-arms length as Mr. Ellerbeck is both the optionor and a director/principal of the optionee.

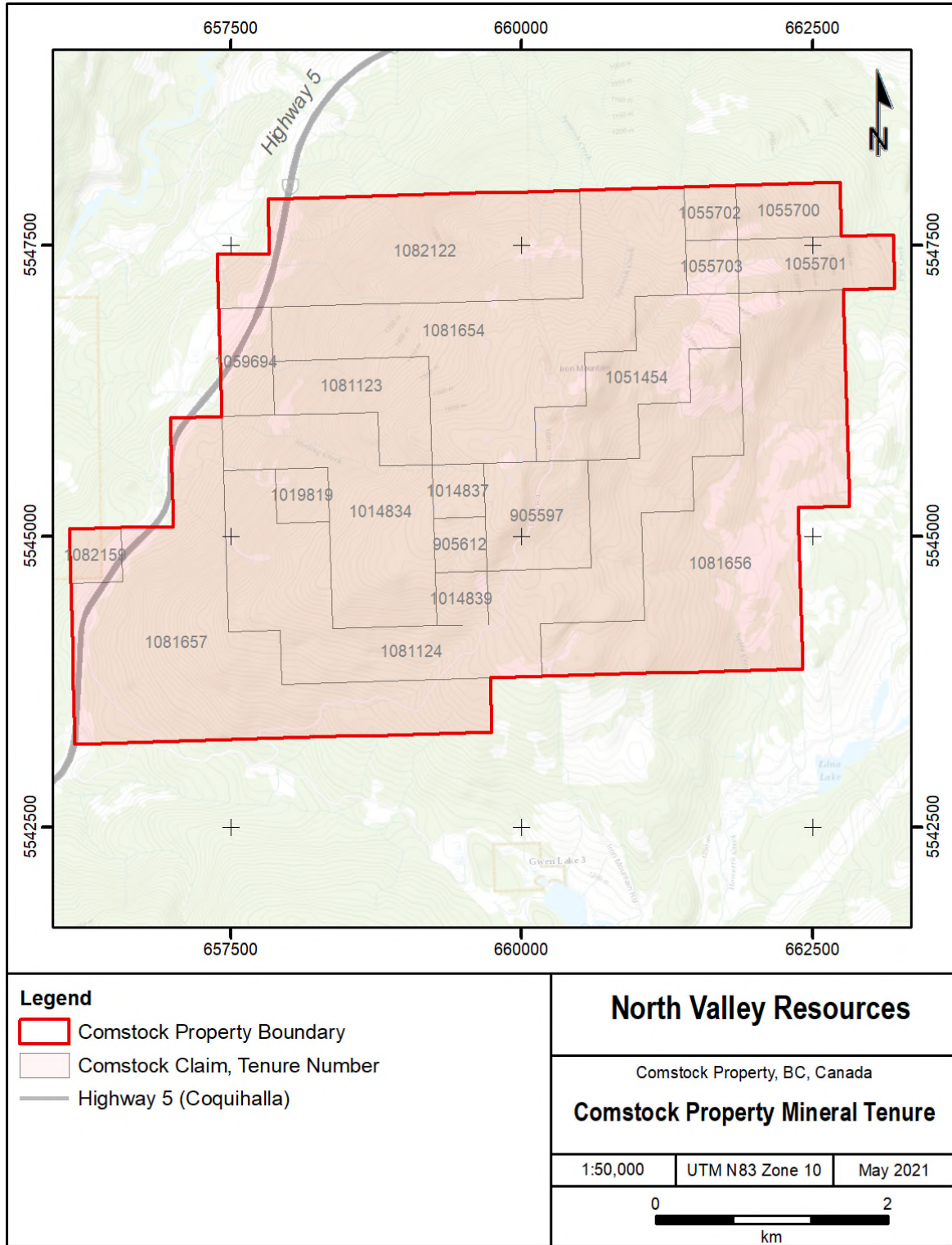
Table 1. Permit descriptions and status for the Comstock Property*.

Title Number	Type	Claim Name	Good to Date	Area (ha)
905597	Mineral	PB1	20291001	83.0148
905612	Mineral	PB2	20291001	20.7547
1014834	Mineral	PB	20291001	186.7831
1014837	Mineral		20291001	20.7529
1014839	Mineral	OMG	20291001	20.7564
1019819	Mineral	LUCKY 7	20291001	20.7531
1051454	Mineral	LD-COMSTOCK	20291001	124.4921
1055700	Mineral	Northno	20291001	41.4854
1055701	Mineral	LD	20291001	62.2337
1055702	Mineral	Northnot	20291001	20.7427
1055703	Mineral	LD	20291001	20.7444
1059694	Mineral	NEWSHOWCOMSTOCK	20291001	41.4978
1081123	Mineral	COMSTOCK ADD N	20220211	83
1081124	Mineral	COMSTOCK ADD S	20220211	394.3441
1081654	Mineral	COMSTOCK PIPE	20220314	331.9611

Title Number	Type	Claim Name	Good to Date	Area (ha)
1081656	Mineral	COMSTOCK FLOW	20220314	415.0609
1081657	Mineral	COMSTOCK ROAD	20220314	394.4015
1082122	Mineral	COQ	20220410	269.6875
1082159	Mineral	COQ CU	20220414	20.76

*BC government Mineral Titles Online website

Figure 1. Comstock Property Mineral Tenure Overview.



Royalties and Agreements

The Issuer entered into the Comstock Property Option Agreement with Mr. Ken Ellerbeck on April 14, 2021, to acquire a 100% interest in the Comstock Property. In order to exercise the Option, the Issuer must pay Mr. Ken Ellerbeck an aggregate sum of \$595,000 and 750,000 shares. The Issuer is required to complete minimum expenditures on the Comstock Property of at least \$715,000 by the fourth anniversary of the Listing Date. The terms of the Option Agreement include the following:

- The cash payments totalling \$595,000 must consist of: (i) \$5,000 upon signing of the Option Agreement; (ii) \$5,000 upon the Listing Date; (iii) further payments totaling \$585,000 paid on the first through fourth anniversary of the Listing Date.
- The payments totalling 750,000 shares must consist of: (i) 100,000 shares upon the Listing Date; (ii) 100,000 shares each of the first through third anniversary of the Listing Date; (iii) 350,000 shares on the fourth anniversary of the Listing Date; and
- Expenditures on the Comstock Property totalling \$715,000 must consist of: (i) \$10,000 spent by February 1, 2022 and the expenditures must qualify for assessment work to be recorded against the Comstock Property in Mining and Minerals Division before February 10, 2022; (ii) \$105,000 spent prior to the first anniversary of the Listing Date; (iii) \$200,000 spent prior to the second, third and fourth anniversary of the Listing Date.

The Comstock Property is subject to a Net Smelter Return (“NSR”) of 2% owed to Mr. Ken Ellerbeck. The NSR can be bought down to 1% prior to the commencement of Commercial Production with a payment of \$1,000,000. The agreement is considered to be non-arms length as Mr. Ellerbeck is both the optionor and a director/principal of the optionee.

Mineral Tenure

In B.C., a Mineral Claim has a set expiry date (the “Good To Date”), and in order to maintain the claim beyond that expiry date, the recorded holder must, on or before the expiry date, register either exploration and development work that was performed on the claim, or a payment in lieu of exploration and development. Only work described in the Mineral Tenure Act Regulation is acceptable for registration as assessment credit (British Columbia Ministry of Energy and Mines, 2017).

In BC, the Mineral Claim work requirement is:

- \$5 per hectare for each of the first and second anniversary years
- \$10 per hectare for each of the third and fourth anniversary years
- \$15 per hectare for each of the fifth and sixth anniversary years
- \$20 per hectare for each of the subsequent anniversary years

Expenditures exceeding the minimum requirement can be applied to maintain a claim in good standing in full year multiples up to a maximum of 10 years in advance. Only work and associated costs for the current anniversary year of the mineral claim may be applied toward that claim unit. Any assessment credit not applied to a claim may be applied to the claim holder’s portable assessment credit account (PAC). Portable assessment credits may be used to satisfy up to 30% of the assessment requirements for an anniversary year if they are applied in combination with technical work filed for that year and in combination with the technical expenditures for that year assuming they satisfy the assessment costs for that anniversary year. A report detailing work done and expenditures must be filed with, and approved by, the B.C. Ministry of Energy, Mines and Natural Gas.

In British Columbia, the owner of a mineral claim acquires the right to the subsurface minerals which were available at the time of claim location and as defined in the B.C. Mineral Tenure Act (RSBC 1996 cH-292). Surface rights are not included.

A recent assessment report documenting the 2020 exploration was filed and approved (Dufresne, 2021).

Environmental Liabilities, Permitting and Significant Factors

A permit under the Mines Act is required for exploration activities involving any work on a claim that disturbs the surface by any mechanical means including drilling, trenching, excavating, blasting, construction or demolition of a camp or access, induced polarization surveys using exposed electrodes and site reclamation (e.g., drilling). A permit for exploration and reclamation activities for the Comstock Property was issued by the BC Government on June 05, 2018 (MX-15-503) and is valid to June 04, 2023. The permits are on file at The Issuer.

Access to private lands, including the use of private roads, does not require a permit, only a written approval by the landowner.

A recent site inspection completed by the author on April 29, 2021, confirmed that there are no visible environmental liabilities to which the Comstock Property is subject. There are no other significant factors or risks that the author is aware of that would affect access, title or the ability to perform work on the Comstock Property.

ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

Accessibility

The Comstock Property is located in the Nicola Mining Division approximately 181 km northeast of Vancouver, BC and 7 km south of Merritt, BC. The southern portion of the Comstock Property can be reached from the town of Merritt by travelling south along Highway BC-5A to Highway 5 (Coquihalla Highway) for approximately 11 km to Comstock Road. Alternately, the Comstock Property can be reached from Merritt by travelling south on Highway BC-5A to Coldwater Road for 7.5 km then travelling south on Veale Road for 7 km to Comstock Road. Iron Mountain Road branches north off Comstock Road and provides access to the centre of the Comstock Property and to the summit of Iron Mountain. Additionally, the northern portion of the Comstock Property is accessible via Coldwater Road to Fox Farm road and onward through the valley of Godey Creek. The majority of the Comstock Property can be accessed by gravel and dirt roads that cross the Comstock Property.

Site Topography, Elevation and Vegetation

The Comstock Property is situated within the Interior Plateau of south-central British Columbia. Topography is typical of the high rolling uplands of the region with locally steep slopes. In the centre of the Comstock Property, the summit elevation of Iron Mountain is 1,700 m above sea level (asl) with elevations decreasing to 880 m asl along Highway 5 in the west and 1,080 m asl in the northeast corner of the Comstock Property.

The vegetation of the Comstock Property is typical of the region and is dominated by fir, spruce, pine, aspen and birch trees. The Comstock Property area is moderately forested, with commercial stands generally restricted to lower elevations. Open timbered and grassy slopes are found on the plateaus.

Climate

The Comstock Property lies within the dry belt of British Columbia and has a cold and temperate climate. Weather averages at Merritt range from lows of 6 to 11 °C to highs of 22 to 27 °C in the summer months, and lows of -6 to -8°C to highs of 0 to 4 °C in the winter months (NOAA, 2021). The Comstock Property region experiences mild winters with little to moderate snowfall and dry winters. The average annual precipitation recorded for Merritt is 189.3 mm total rainfall and 99.6 mm total snowfall. A Moderate amount of snow cover is expected on the Comstock Property in the winter months, however, it should not impede a year-round exploration program.

Local Resources and Infrastructure

The city of Merritt is a support hub for the ranching, farming, forestry and transportation industries of the area and hosts a population of 7,139, according to 2016 Canada Census data. Merritt is a full-service community, services offered include fuel, food, restaurants, hotels and a general hospital. Alternately, Kamloops (population ~90,000) is located one hour's drive to the northeast from Merritt along the Coquihalla (#5) Highway. Kamloops serves as a support hub for the operating New Afton mine and is serviced daily by commercial airlines from Vancouver. Both communities are located along BC Highway 5. Rail service to Kamloops is provided by the Canadian Pacific Railroad and the Canadian National Railroad - the two largest railroad transportation systems in Canada.

Mining and exploration staff are available from neighboring towns, including Merritt Kamloops and Logan Lake. Logan Lake (population of 2,073 according to 2011 Canada Census data), is located 48 km north of Merritt and is the hub for the provision of some resources to the Highland Valley Copper mine.

Power requirements for the initial exploration and development at the Comstock Property would be hydrocarbon supported. Commercial power sources may be available from a transmission line located 3 km southeast of the Comstock Property.

Water for all phases of the exploration and development program is available from water courses on, or adjacent to, the Comstock Property. However, during dry or freezing periods, water would have to be transported from lower elevations.

HISTORY

Exploration and development work of the Comstock Property area dates back to 1896 when the Charmer, Island and Victoria No's 1, 2 and 3, shafts were completed. Since then, numerous development and exploration work programs have been conducted in the Comstock Property area from 1927 to 2020.

Historical mining of the Comstock Property is limited to the Leadville shaft where 33 tons of ore was mined in 1947 and several early shafts in 1896, as well as a small amount (~36 tons) of ore processed in 1947 by George Hunter and Partners. Aside from these small, early-stage extractions there has been no known mining at this Comstock Property.

Exploration and Development Work Conducted by Previous Owners (1927-2018)

A summary of the historical ownership and exploration of the Comstock Property from 1927 to 2018 is presented in Table 2 (adapted from Sookochoff, 2019a).

The historical workings and 1987 exploration areas of the Charmer mineralized zone are shown in Figure 2. The historical trenches and 1988 diamond drill hole locations of the Diane-Original mineralized zone are

shown in Figure 3 and highlight assay results are included in Table 3. The Comstock Property mineralized zones and historical workings are shown in Figure 3.

Table 2. Summary of Historical Exploration on Ground Covered by the Comstock Property (adapted from Sookchoff, 2019a).

Year	Owner ⁽¹⁾ Operator ⁽²⁾	Description	Results	References
1927-28	Emmitt Todd ⁽¹⁾	Leadville; 32 metre shaft on a galena-sphalerite-barite vein.	Shaft vein strikes north-south within a shear zone; copper reportedly found disseminated in andesite, rhyolite, and quartz calcite veinlets	Kelly,1968
1929	Comstock of B.C. ⁽¹⁾	1000 acres of claims staked		
1947	George Hunter ⁽²⁾	LD-Comstock; Leadville shaft rehabilitated.	36 tons of ore shipped to Trail yielding 67 oz Ag, 11,819 lb Pb, and 484 lb Zn	Howell, 1981
1951	Granby Consolidated ⁽²⁾	LD-Comstock; Dewatered the shaft		
1958	New Jersey Zinc ⁽¹⁾	Leadville; staked claims and diamond drilling north of "Leadville"		
1961		Charmer; trenching, stripping, and sampling		
1966	Manor Mines	Diamond drilling: Two holes drilled near the Leadville shaft		
1968-74	Acaplomo Mining and Development ⁽²⁾	Staked the Makelstin claims; LD-Comstock; Magnetometer surveys: >24 miles. EM (VLF?): >24 miles. Soil surveys:180 samples. Diamond Drilling: 586 feet in two holes	Possible dioritic intrusive; copper anomalies on the flanks of the magnetic peaks and valleys;	Kelly,1968 Kelly,1970 Kelly,1974
1976	Quintana Minerals ⁽¹⁾	LD; staked the one-sixty-one and the one-sixty-two claims; geological mapping; claims dropped.		Wolfhard, 1977

Year	Owner⁽¹⁾ Operator⁽²⁾	Description	Results	References
1977	C.J. Robertson ⁽¹⁾ Quintana Minerals ⁽²⁾	Geological mapping	A tilted, partly eroded, volcanic center of probable Upper Triassic age exists in the vicinity	Wolfhard, 1977
1980	K.W. Livingston ⁽¹⁾ W.A. Howell ⁽¹⁾ Chevron Standard ⁽²⁾	LD shaft area; 217 soil samples analyzed for Cu, Pb, Zn, and Ba	Barite at LD shaft; geochemical results are inconsistent; possibly more than one centre of mineralization may be present	Howell, 1981
1981	Gordon Richards ⁽¹⁾ Chevron Canada ⁽²⁾	PEM Survey Geochemical survey: 1,191 soil samples and 55 rock samples	Scattered low values for lead, zinc, copper, and barium	Laforme, 1981
1981	Gordon Richards ⁽¹⁾ Chevron Canada ⁽²⁾	Diane (Stirling Group) Gyroc Group (LD-Comstock); 1219 soil samples; 81 pulps	Scattered low values for Pb, Zn, Cu, and Ba with correlated and enhanced values near the Todd shaft and over very limited areas in the nearby sediments. Geophysical time-domain survey: Produced no response	Laforme, 1981
1983	Aberford Resources ⁽¹⁾	Stakes the Stirling Group (Diane) of claims		McArthur, 1983
1984	Aberford Resources ⁽¹⁾ Kidd Creek Mines Ltd. ⁽²⁾	Diane (Stirling Group): 529 pulps analyzed for gold; 296 soil samples; 67 rock samples; 83 rock chip channel samples from 13 trenches; 3.5 miles magnetic survey.	2 anomalous gold soil samples of 55 ppb and 10 ppb; rock channel samples indicated up to 52,886 ppm Cu, 10.3 ppm Ag, and 7,810 ppb Au; shear zones and mineralized quartz vein systems are discontinuous and narrow but cover an extensive area	Boronowski, 1984
1986	Aberford Resources ⁽¹⁾ International Maple Leaf Resources ⁽¹⁾	Diane: Geological mapping, 342 soil samples, 52 rock samples; trenching; magnetic survey; 15 trenches	Andesite-rhyolite sequence similar to that of VMS system; mineralization in andesite flows and lithic tuffs; northwest and northeast	Cavey et al., 1986

Year	Owner⁽¹⁾ Operator⁽²⁾	Description	Results	References
			trending faults confirmed; new zones of mineralization discovered; one to two-kilometre-wide magnetic high trending northeast/southwest across Iron Mountain	
1987	K.W. Livingston ⁽¹⁾ Golden Dynasty Resources Ltd. ⁽²⁾	Charmer Zone: Lucky Todd- Comstock Zone	Defined: a Au bearing vein on the Charmer Zone; stratabound conductive zones in the Lucky Todd-Comstock Zone	Crooker, 1987
1988	Abermin Corporation ⁽¹⁾ Merlin Resources ⁽²⁾ .	Diane (Original Zone): Diamond drilling: Nine diamond drill holes; 9 channel samples	Assays of intersections ranged from 0.07 g/t Au over 0.91 m to 24.70 g/t Au across 0.76 m (Figure 6.2, Table 6.2)	Nelles, 1988
1989	K.W. Livingston ⁽¹⁾ Golden Dynasty Resources Ltd. ⁽²⁾	LD showing Diamond drilling: Lucky Todd-Comstock Zone	Possible sulphide environment indicated by base metal soil geochemical anomaly. Significant drill intersections below Shaft 3 in the Charmer Zone (Figure 6.1).	Christopher, 1989
2005	W.A. Howell ⁽¹⁾ Del Exploration ⁽²⁾	Lucky Todd (Comstock or Leadville):	The Comstock horizon has the appearance of a classic "Kuroko" style Volcanogenic Sulphide deposit.	Price, 2005
2006	N.G. Luckman ⁽¹⁾ West Range Exploration ⁽²⁾	Charmer Zone: 3 rock sample	Diane Zone: best gold assay was 2.69 g/T over six metres. Rock sample assays averaged 0.04 g/T Au, 0.3 g/T Ag, and 2,360 ppm Cu.	Bradford, 2006
2008	C. Brookes ⁽¹⁾ North Bluff Exploration ⁽²⁾	LD Zone; 1350 metre induced Potential (IP); 88 soil samples.	Soil results suggest the mineralization extends for a minimum 275 m NE and SW. IP indicates that the LD showing increases to a width of at least 115	Mark, 2008

Year	Owner ⁽¹⁾ Operator ⁽²⁾	Description	Results	References
			m at depth. Second IP anomaly indicates an unknown zone of mineralization at depth	
2008	Paget Minerals ⁽¹⁾ Pembroke Mining ⁽²⁾	Charmer Zone: 16 rock samples Diane Zone: 24 rock samples	Charmer Zone: 4 g/t Au, 3 g/t Ag, and 2.9 % Cu over 1.2 m. Diane Zone: 3.41 g/t Au and 0.12% Cu over 1.5 m.	Barresi, 2008
2010	Navigo Ventures ⁽¹⁾⁽²⁾	LD Zone; 22.1 kilometres IP survey	Results indicate that the two mineralized horizons continue down dip and along strike	Goldsmith, 2010
2013	Ken Ellerbeck ⁽¹⁾⁽²⁾	LD-Comstock, Diane; Structural analysis	Indicated that two of the structural directions coincide with the reported favourable northeast and northwest mineral controlling structures.	Sookochoff, 2013
2014	Ken Ellerbeck ⁽¹⁾⁽²⁾	Charm, Leadville; Prospecting; 9 rock samples	Elevated values of Cu, Pb, Zn, and Au in rock samples	Ellerbeck, 2014
2015	Ken Ellerbeck ⁽¹⁾⁽²⁾	LD Zone; Prospecting; 4 rock samples:	Elevated values of Pb, Zn, and Mo were confirmed in limestone outcrops	Ellerbeck, 2015 a, b, c
2016	Ken Ellerbeck ⁽¹⁾⁽²⁾	Diane Zone; Prospecting; 8 rock samples	The 2.8 km distance between mineral discoveries in 1034277 and similar mineralization in the Diane /Charmer Zones should be examined	Ellerbeck, 2016
2017	Ken Ellerbeck ⁽¹⁾⁽²⁾	LD and Comstock Zone; 8 rock samples	Elevated Zn values in all samples (4 samples sent for analysis); confirmed mineralization within rhyolite unit	Ellerbeck, 2017
2018	Ken Ellerbeck ⁽¹⁾⁽²⁾	New zone 1.8 km NNW of Diane zone; 9 rock samples	Mineralization is present in the rhyolite outcrops between the LD and COMSTOCK showings;	Ellerbeck, 2018a, 2018b

Year	Owner ⁽¹⁾ Operator ⁽²⁾	Description	Results	References
			Significant Cu Pb Zn Ag levels were reported in all samples	
2019	Ken Ellerbeck ⁽¹⁾ Lodge Resources Inc. ⁽²⁾	102 Soil samples, 7 rock samples, 7 packsack drill holes BQ core 27 samples.	The seven grab rock samples taken in the geological survey all revealed anomalous copper values ranging from 2490 ppm to 5190 ppm copper. The seven short drill holes totaling 7.92 metres, were drilled at the Aberford mineralized zone. The results reveal copper values ranging from 889 to 2690 ppm copper within both breccia and non-brecciated meta-andesite	Sookochoff, 2019a

Figure 2. Charmer Mineralized Zone: Trenches, Shafts & 1987 Exploration Areas (from Christopher, 1989).

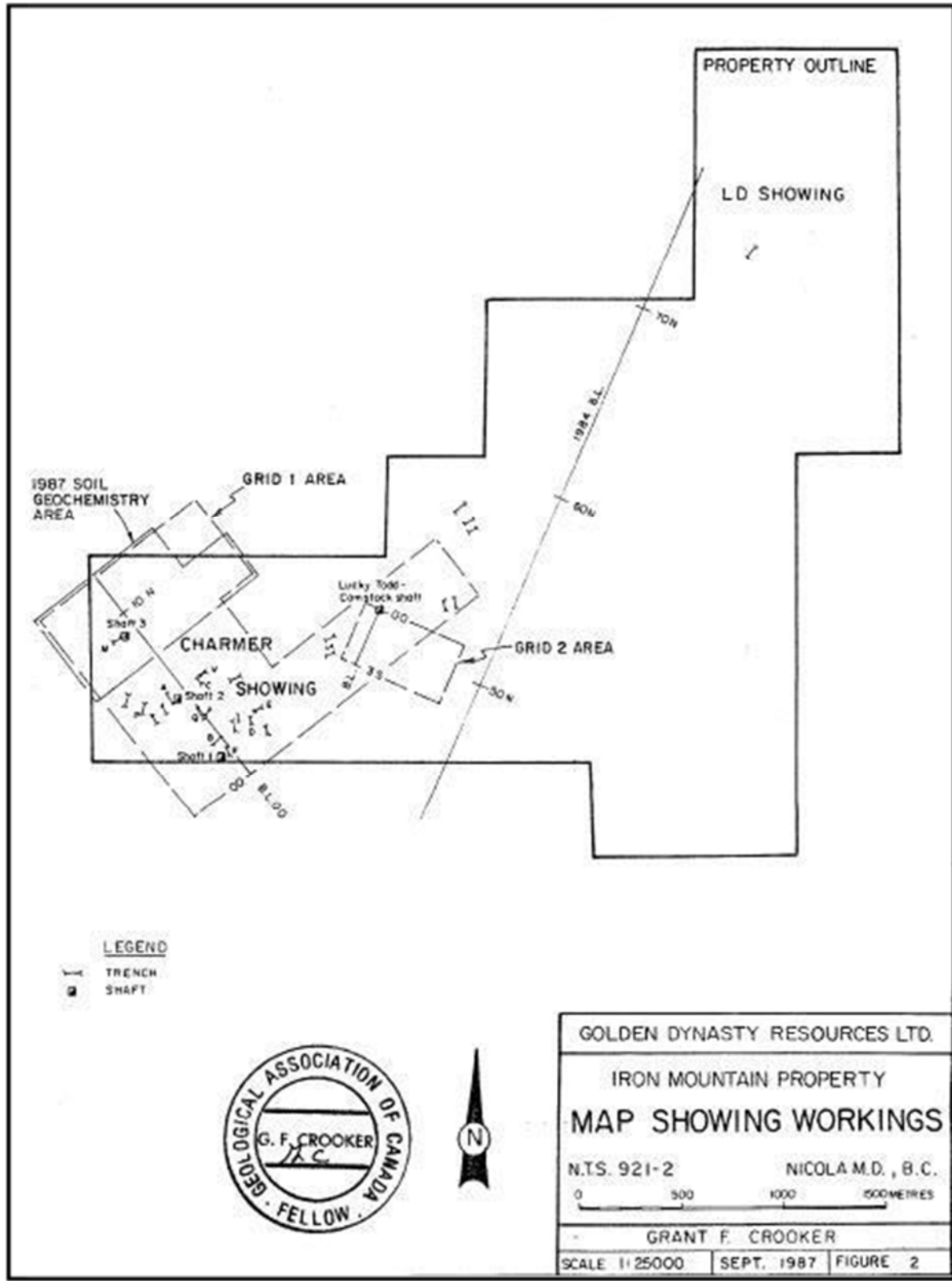


Figure 3. Diane-Original Mineral Zone: Trenches & 1988 Diamond Drill Hole Locations (from Nelles, 1988).

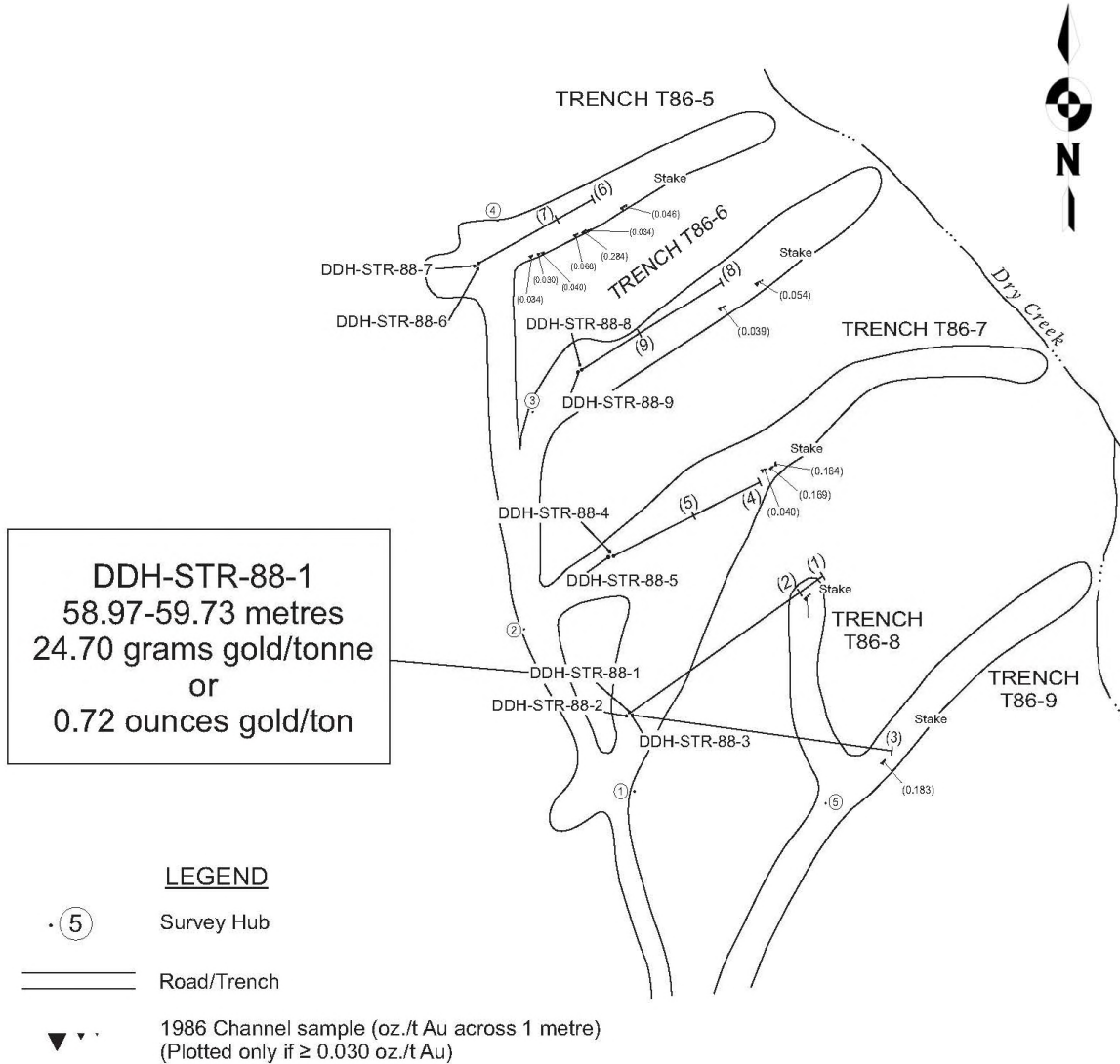
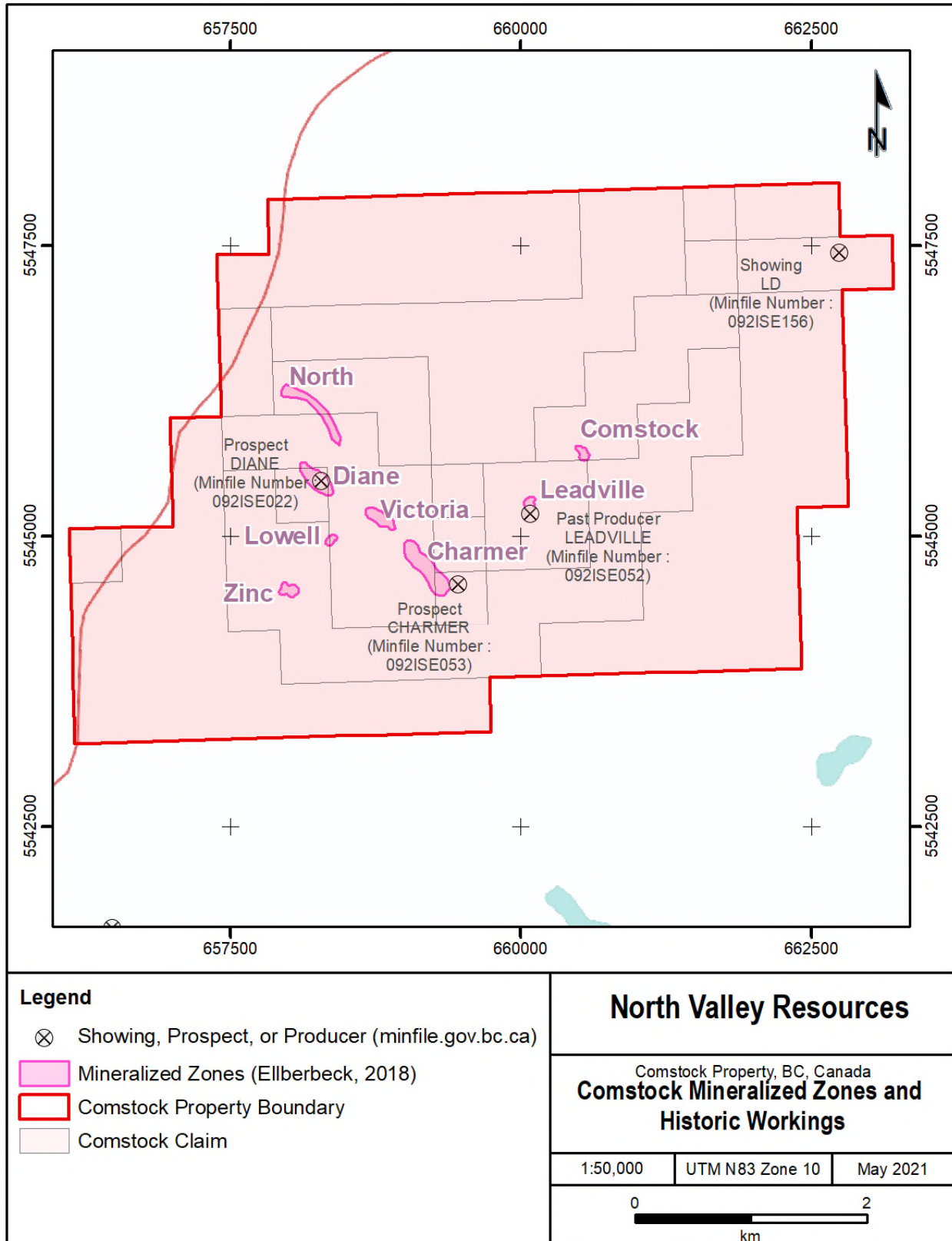


Table 3. 1988 Drill hole assay highlights (Nelles, 1988)

Drill Hole ID	Intersection (m)	Length (m)	Au (g/t)	Ag (g/t)	Cu (ppm)
STR-88-1	58.97 - 59.73	0.76	24.70	22.50	1700
STR-88-1	59.73 - 60.35	0.62	4.36	9.00	3900
STR-88-2	61.08 - 61.99	0.91	4.80	19.50	3500
STR-88-2	61.99 - 62.90	0.91	2.74	11.80	1650
STR-88-2	72.73 - 73.73	1.00	0.14	4.30	10000
STR-88-3	82.30 - 83.82	1.52	0.69	5.00	2380
STR-88-4	38.10 - 39.01	0.91	0.48	9.00	7860
STR-88-4	39.01 - 39.93	0.92	0.48	7.00	9700
STR-88-4	39.93 - 40.54	0.61	1.10	8.30	10000
STR-88-4	40.54 - 42.06	1.52	1.17	10.00	6820
STR-88-4	42.98 - 44.20	1.22	0.34	8.30	7200
STR-88-6	13.72 - 14.63	0.91	0.4 1	7.30	5680
STR-88-7	15.24 - 16.46	1.22	0.4 1	9.80	10000
STR-88-7	16.46 - 17.68	1.22	0.55	8.30	4880
STR-88-8	12.95 - 14.48	1.53	1.85	5.00	2490
STR-88-8	14.48 - 15.70	1.22	1.03	8.00	2800
STR-88-8	15.70 - 17.07	1.37	0.89	5.80	1650
STR-88-9	14.48 - 15.55	1.07	2.06	6.00	1680
STR-88-9	21.95 - 22.86	0.91	0.07	8.80	6300

Figure 4. Comstock Mineralized Zones (mineralized zones from Ellerbeck, 2018) and Historic Workings and Showings (MINFILE).



Exploration Conducted by Freeman Gold Corporation (2020)

Freeman conducted exploration on the Comstock Property in 2020 including geochemical soil and rock sampling, ground magnetics and a Voltterra-3D induced polarization (IP) geophysical survey (Dufresne, 2021). The work was conducted by both APEX Geoscience Ltd. and SJ Geophysics.

Soil Sampling

Freeman's 2020 soil sampling program aimed to further delineate previously identified mineralized zones on the Comstock Property. A total of 133 soil samples were collected over four soil grids: Charmer, Leadville-Comstock South, Leadville-Comstock North and LD .

A total of 45 samples were collected over the Charmer area including near the historical workings: Island Adit (Shaft No.2) and the Charmer Adit (Shaft No.1). A total of 20 samples were collected over the Leadville-Comstock South grid. The grid extended south towards the historical past-producer Leadville Shaft. The Leadville-Comstock North grid comprised 16 samples; the LD grid comprised 52 samples.

Anomalous copper values (>50 ppm) were detected in 23 soil samples occurring in all four of the Charmer, Leadville-Comstock South, Leadville-Comstock North and LD grids. The highest copper value was obtained on the Charmer grid in sample B829344 with 189.5 ppm Cu (Figure 5).

Anomalous lead values (>100 ppm) were detected in one sample (263 ppm) at the LD grid and 5 samples returned 50-100 ppm Pb from the LD grid and Leadville-Comstock North grids. No anomalous lead values were detected on the Charmer or Leadville-Comstock South grid samples (Figure 6).

Anomalous zinc values (>250 ppm) were detected in 5 samples from the LD grid; 3 samples from the Leadville-Comstock North grid; and 3 samples from the Leadville-Comstock South grid. No anomalous zinc values were detected on the Charmer grid samples (Figure 7).

Anomalous gold values (>0.01 ppm) were detected in 1 sample on the Charmer grid; no anomalous gold values were detected on the Leadville-Comstock South, Leadville-Comstock North or LD grid samples.

Overall, the results of the 2020 soil samples confirmed the historically reported polymetallic signature for the Leadville-Comstock and LD mineralized zones.

Figure 5. Soil Sample Copper (Cu) Results (ppm).

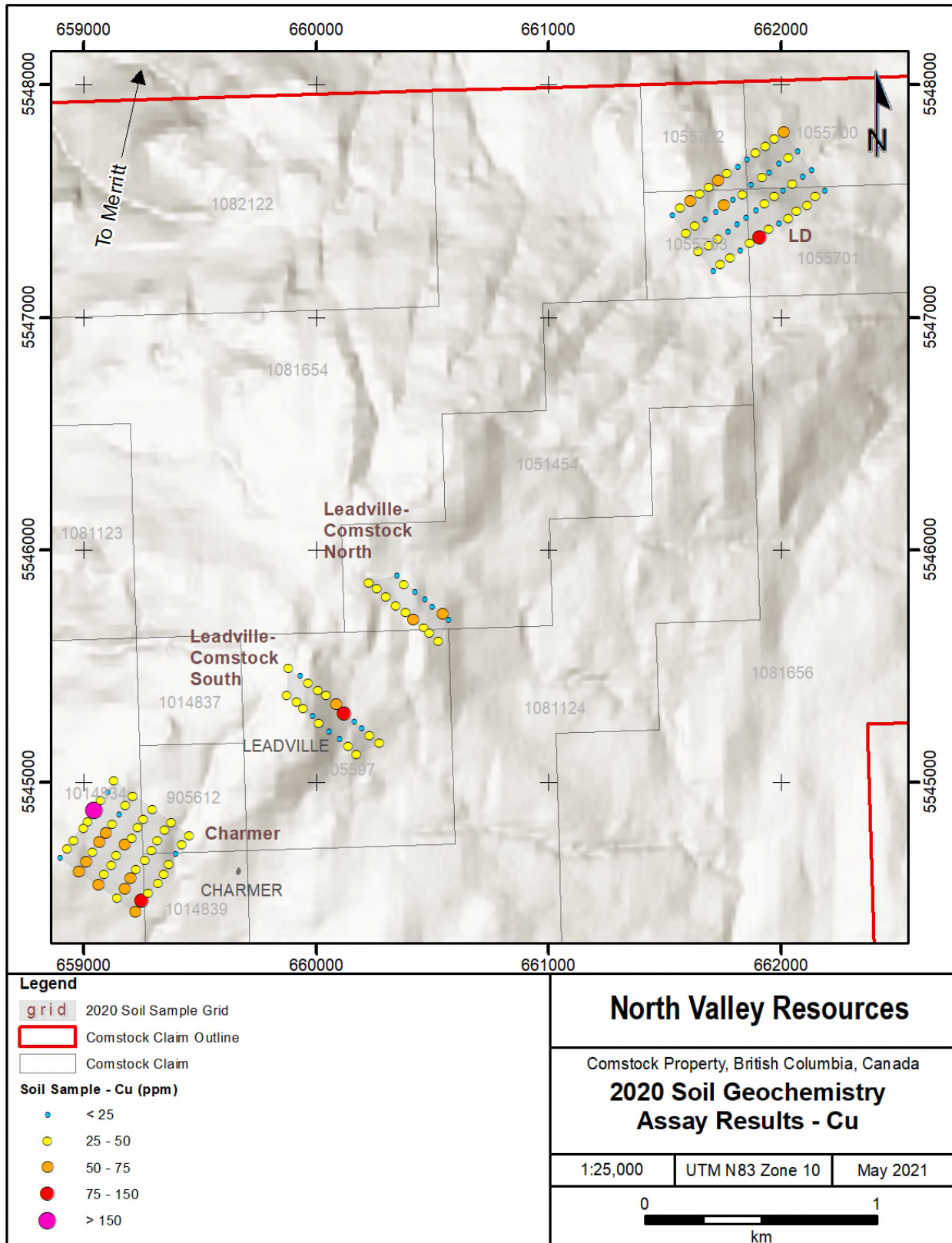


Figure 6. Soil Sample Lead (Pb) Results (ppm).

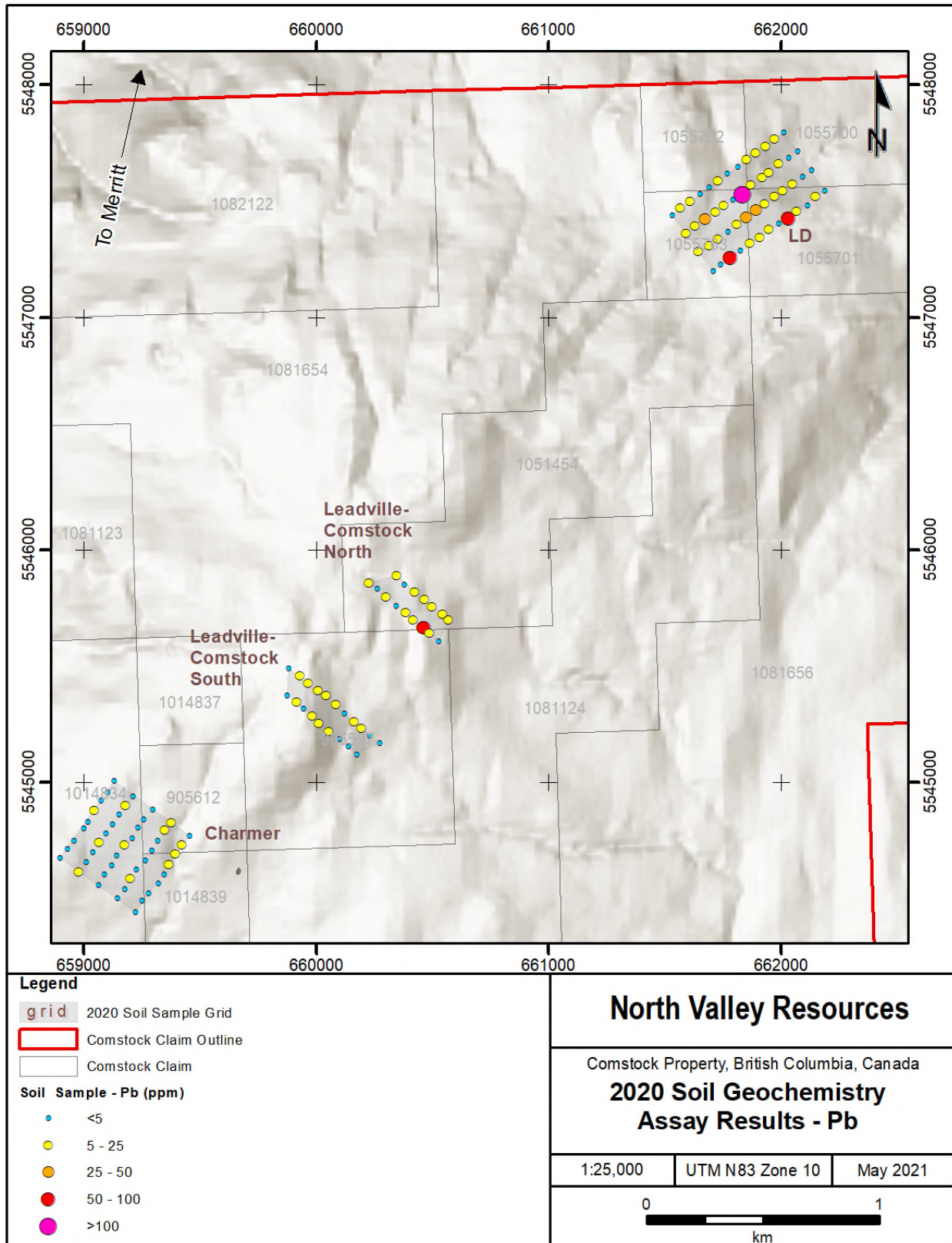
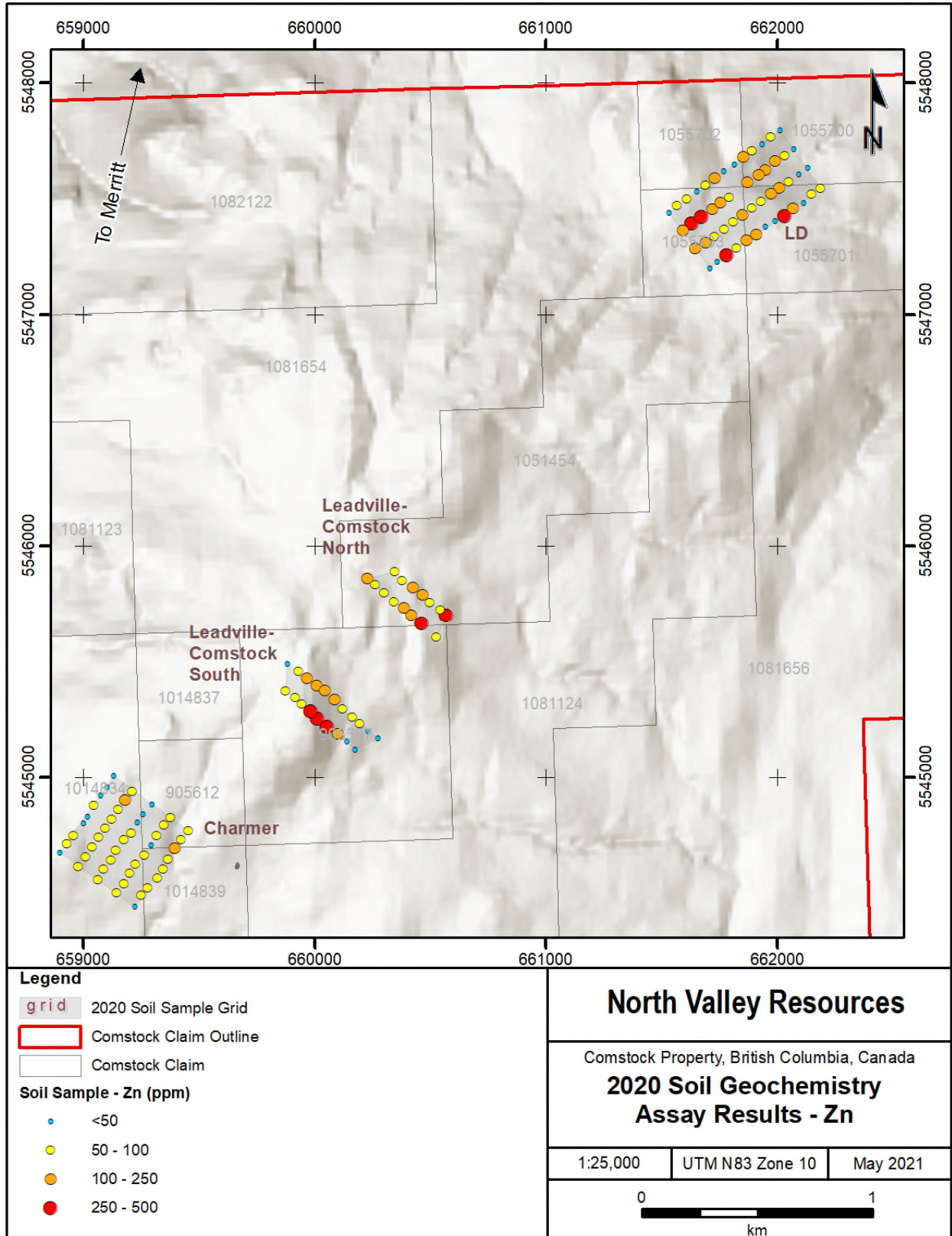


Figure 7. Soil Sample Zinc (Zn) Results (ppm).



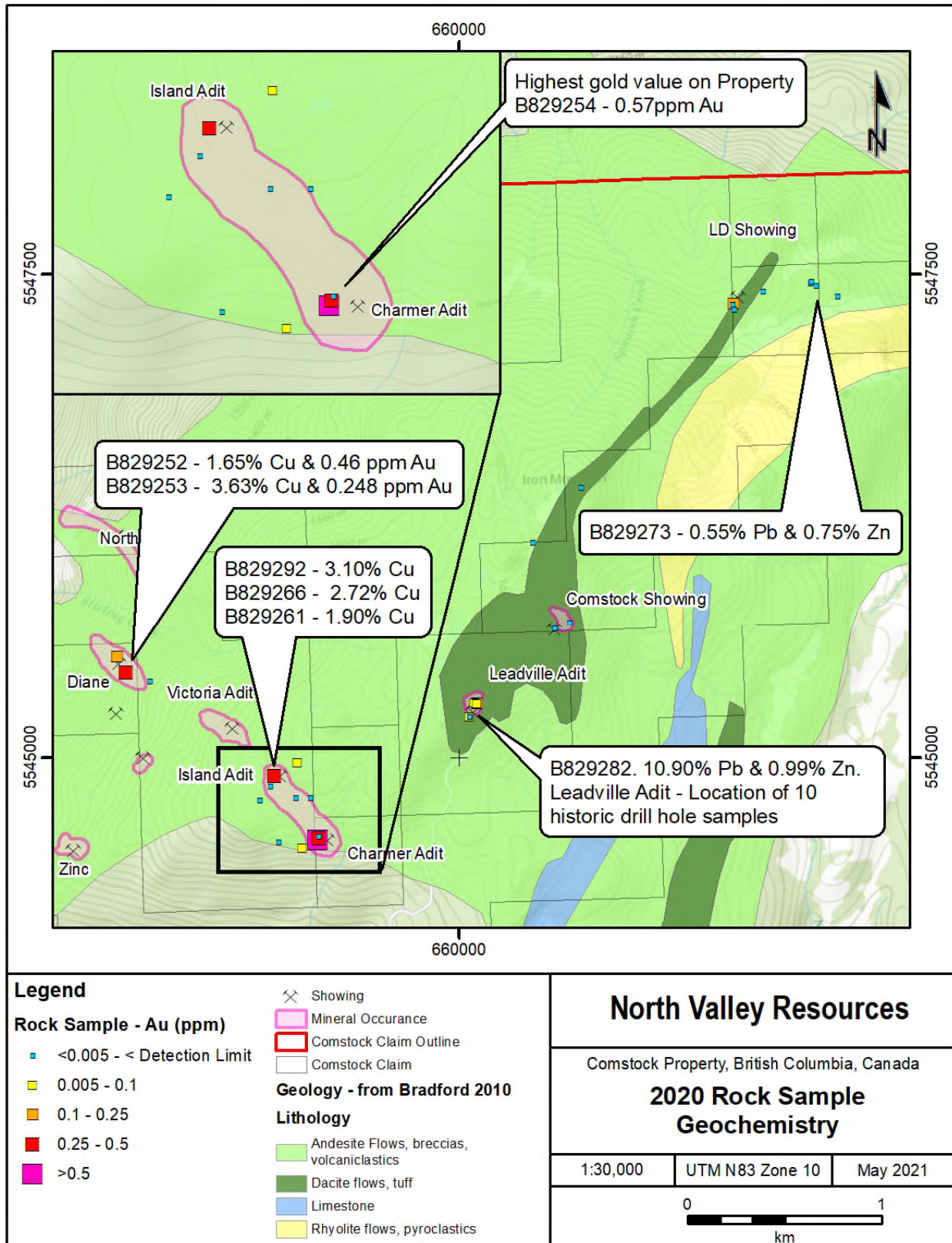
Rock Sampling

In 2020, 43 rock samples were collected to follow-up on and verify mineralized zones identified from the historical data. Six main areas were prospected: Diane, Charmer, Leadville, Comstock and LD mineralized zones as well as a new area approximately 600 m north of the Comstock Showing. In addition to prospecting samples collected at the six areas historical drillcore was discovered in the Leadville area. Ten samples were collected from partially halved NQ drill-core from four historical holes drilled by Golden Dynasty Resources ("GDR") in 1989 (DDH-IM-1-89 to DDH-IM-4-89). The samples were collected to confirm anomalous results reported in AR18888. The rock sampling was successful in confirming known occurrences of mineralization (Figure 8, Table 4). The Leadville Shaft, Comstock Showing and LD Showing all returned samples with anomalous Pb and Zn values. None of the samples collected from the historical drill core returned anomalous results. Grab samples collected at the Charmer and Diane mineralized zones confirmed the presence of elevated Au or Cu values.

Table 4. 2020 Rock Sampling Highlights.

Sample ID	Prospect	Au (ppm)	Ag (ppm)	As (ppm)	Cu (%)	Mo (ppm)	Ni (ppm)	Pb (ppm)	Sb (ppm)	Zn (ppm)
B829252	Diane-Original	0.458	2.33	2.4	1.65	4.25	19.8	1.5	0.28	94
B829253	Diane-Original	0.248	8.1	1.6	3.63	2.64	5.5	1.2	0.97	101
B829254	Charmer	0.57	0.48	4.4	0.389	7.85	1.6	2.6	0.79	23
B829261	Charmer	0.02	83	411	1.9	1.32	9.3	131	238	282
B829262	Charmer	0.042	5.22	11.5	3.1	0.9	13.3	2.3	6.19	221
B829264	Charmer	<0.005	0.88	3.4	0.962	1.71	2.6	27.4	1.8	98
B829266	Charmer	0.332	9.42	5.9	2.72	1.92	9	2	1.18	144
B829272	LD	<0.005	5.84	8.6	0.00524	4.82	1.8	1965	4.43	5820
B829273	LD	<0.005	1.93	4.3	0.00054	19.05	0.6	5480	2.36	7450
B829279	LD	0.005	81.5	3070	0.878	28.8	1.1	2580	485	2520
B829282	Leadville-Comstock	0.044	21.4	15.1	0.0472	5.15	2	10900	4.9	9910
B829283	Leadville-Comstock	0.221	58.3	196	0.0629	46.7	2.2	7510	8.21	8860
B829284	Leadville-Comstock	0.043	6.31	6.2	0.00334	3.11	0.4	6890	1.85	103

Figure 8. Freeman’s 2020 Rock Sample Results.



Ground Geophysics

Ground Magnetism Geophysical Survey

In 2020, Freeman completed a ground magnetism (“mag”) survey over the Diane-Original, Charmer, Leadville-Comstock and LD mineralized zones (Figures 12 to 16). The ground magnetism survey was completed over areas identified as very prospective for gold and base metal mineralization where historical and current work has been focused. The interpretation procedures applied to the ground magnetic data collected on the Comstock Property focused on highlighting and tracing magnetic fabric and linear trends that extended across multiple survey lines. The magnetic fabric and lineaments were identified from the various responses and representation of the magnetic results, which were enhanced during the magnetic processing work (Figure 9-12).

The magnetic processing included numerous contact mapping techniques that were selected for their abilities to highlight various magnetic signatures, which can be the result of causative bodies having a wide range of shapes and orientations. The various contact mapping methods each have their own inherent trade-off in terms of resolution and stability, so no single method can be applied uniformly to a magnetic dataset.

Figure 9. 2020 Diane-Original Ground Mag Results and Linepaths.

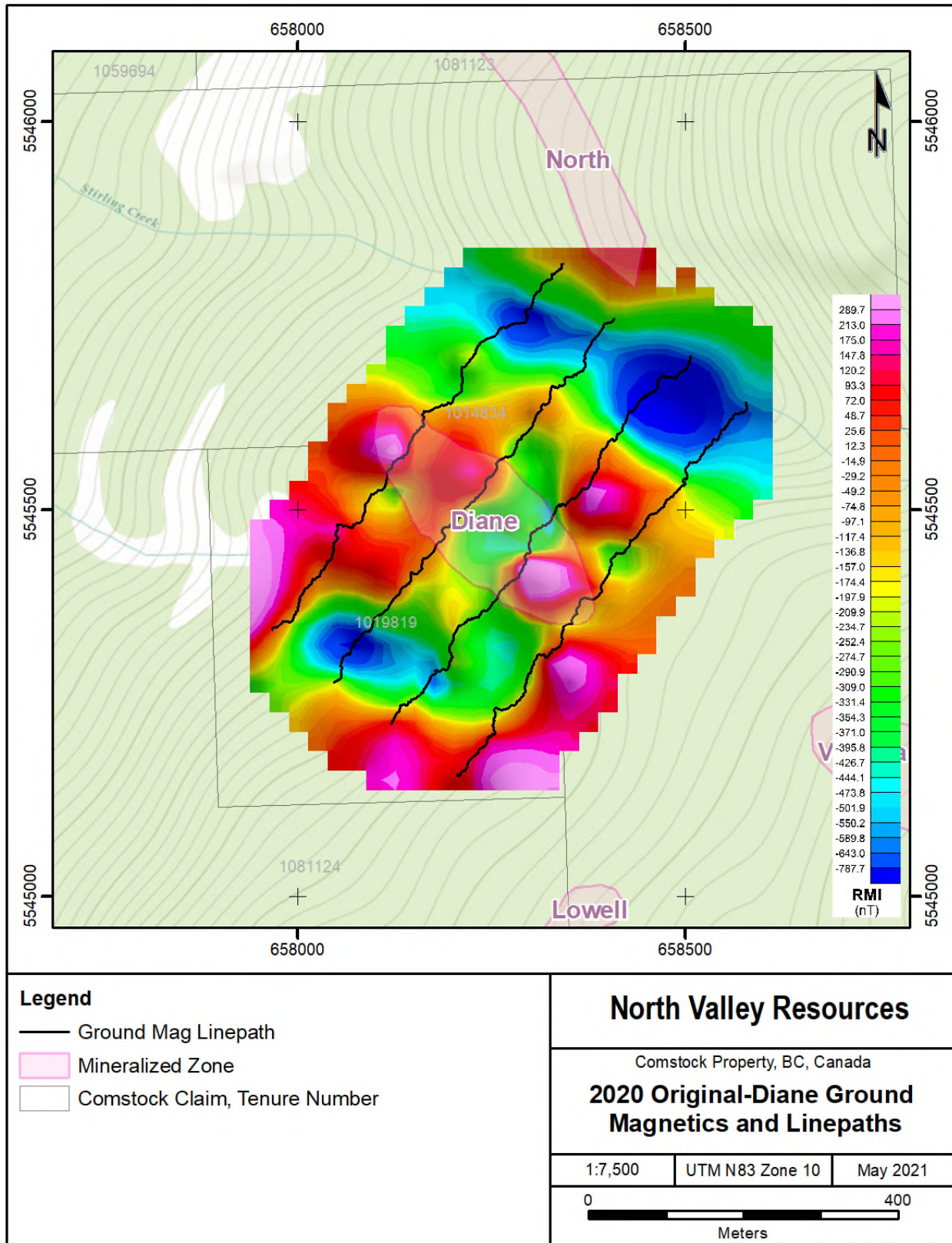


Figure 10. 2020 Charmer Grid Ground Mag Results and Linepaths.

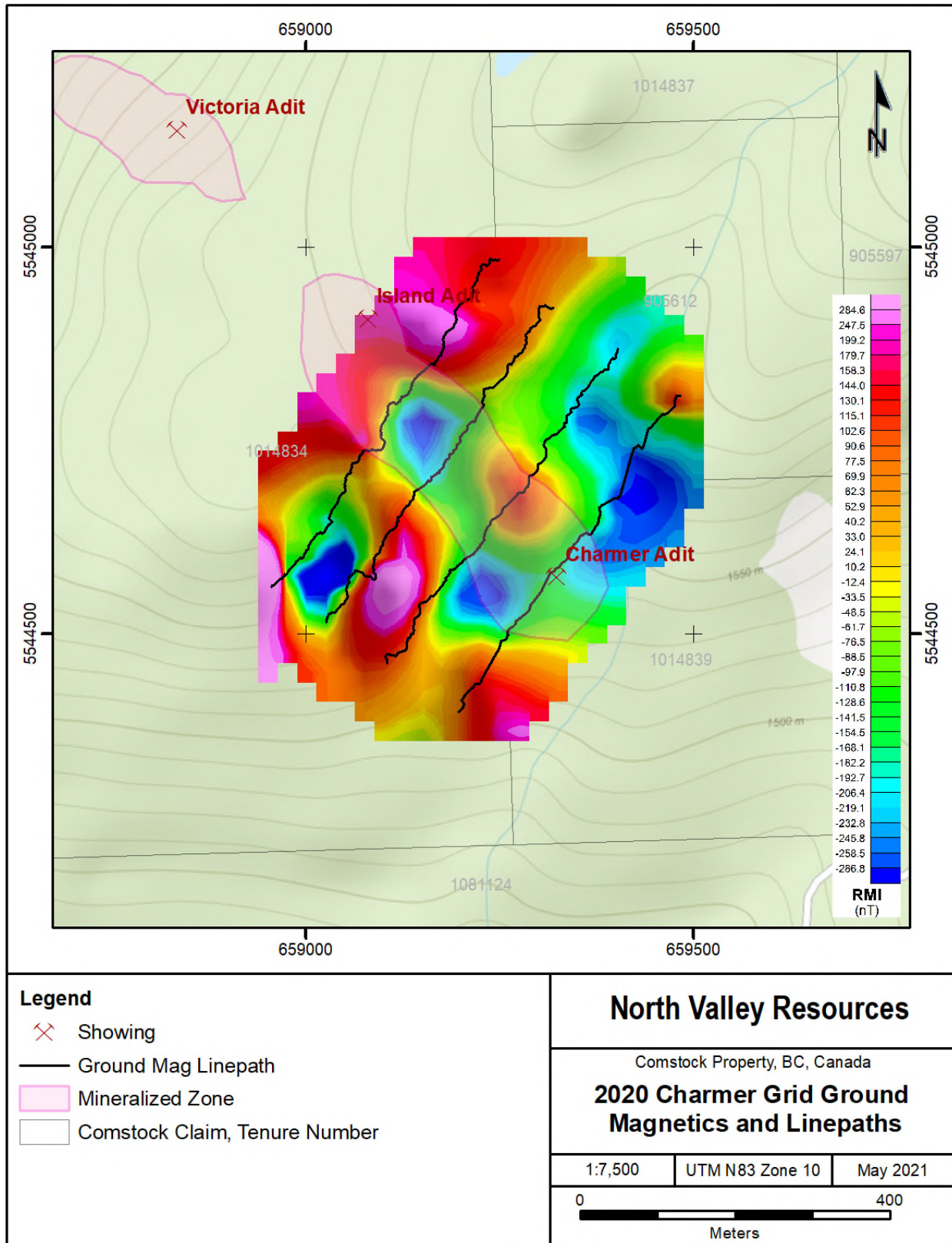


Figure 11. 2020 Leadville-Comstock Grid Ground Mag Results and Linepaths.

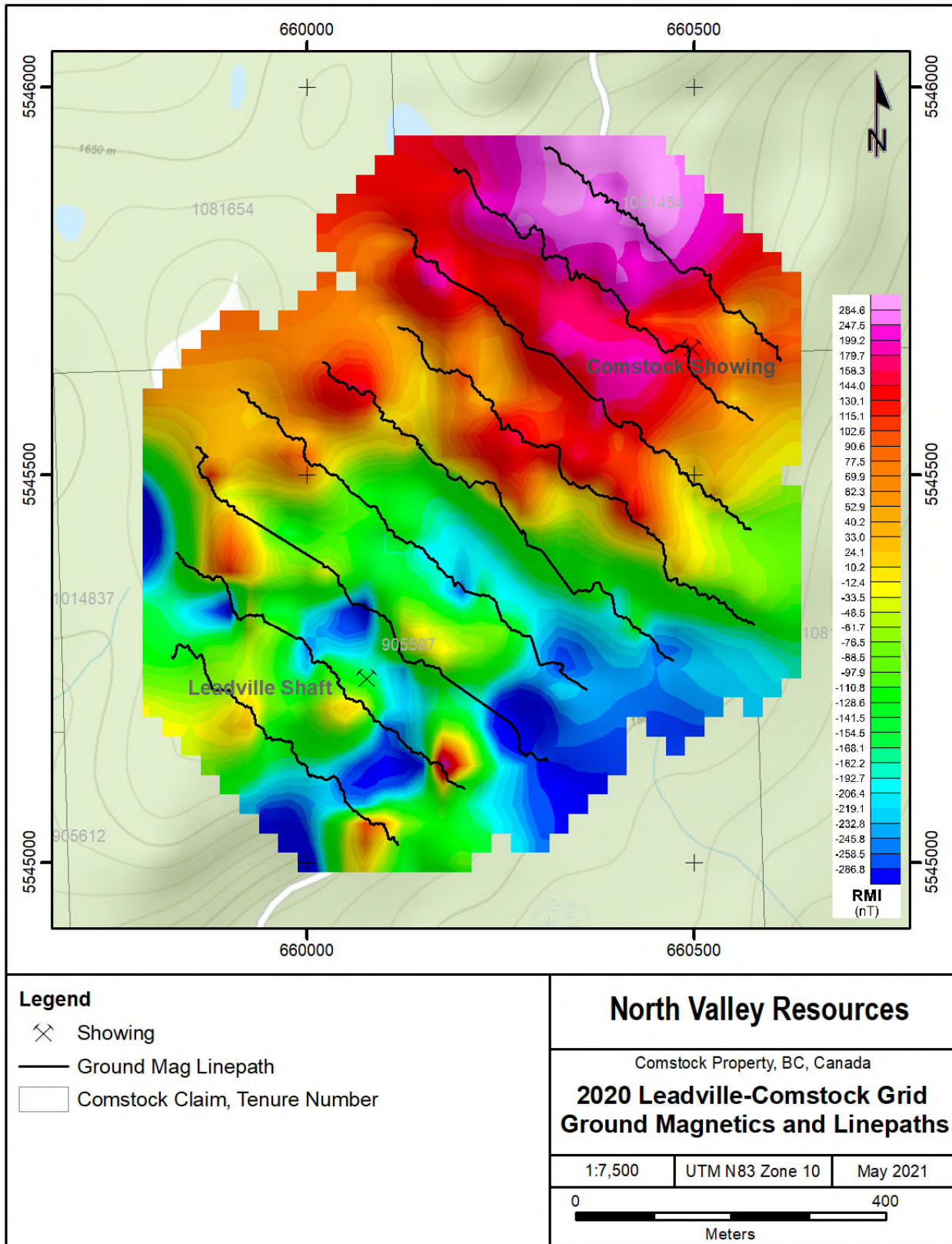
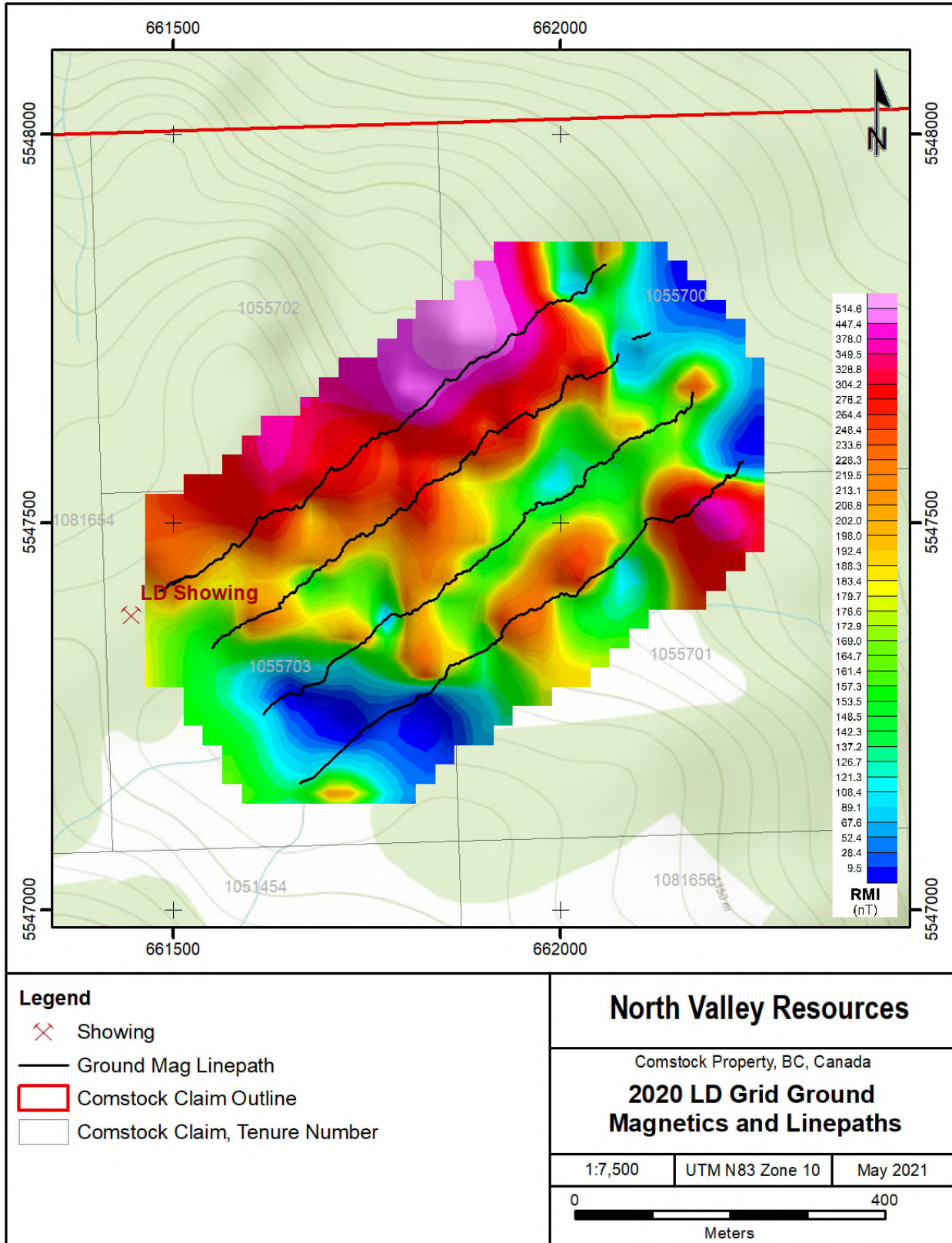


Figure 12. 2020 LD Grid Ground Mag Results and Linepaths.



Induced Polarization Geophysical Survey

Freeman commissioned a Voltterra-3D induced polarization (IP) geophysical survey to be completed over each of the four main mineral zones on the Comstock Property. The IP surveys were completed over the same traverse lines as the magnetics surveys and covered a total of 12.85 line km (Figures 13 to 17).

Due to the different deposit styles and modes of mineralization across the four main prospects on the Comstock Property, each IP survey grid was interpreted independently. A brief summary of initial interpretation is given below.

Higher resistivity values are seen near surface to the northeast and northwest areas of the Charmer Zone and lose magnitude with depth. Chargeability values increase with depth with most notably a large >11.7 millisecond (ms) occurrence to the northeast zone of the grid at 200 m depth. The resistivity and chargeability anomalies to the northeast of the grid may correspond to mineralization found in those areas. Further detailed geological mapping is required to help delineate structures associated with this mineralization.

In the LD Zone, both resistivity and chargeability signatures decrease with depth with anomalous values for both measurements located near the center of the grid.

The Leadville Zone has its largest chargeability values at 200 m depth in the southwest portion of the grid with resistivity values increasing closer to surface and more pronounced to the northeast area of the grid. These signature contrasts from both depth and location in both chargeability and resistivity may suggest minor amounts of mineralization at various locales across the grid as evidenced by multiple showings across the Leadville grid area.

Chargeability values are highest in the south-southeast portion of the Original grid at a depth of 250 m. Resistivity values increase and focus in at shallower depths in the central area of the grid. Further detailed geological mapping is required to help delineate structures associated with mineralization at the Original Zone.

Figure 13. Charmer IP Grid

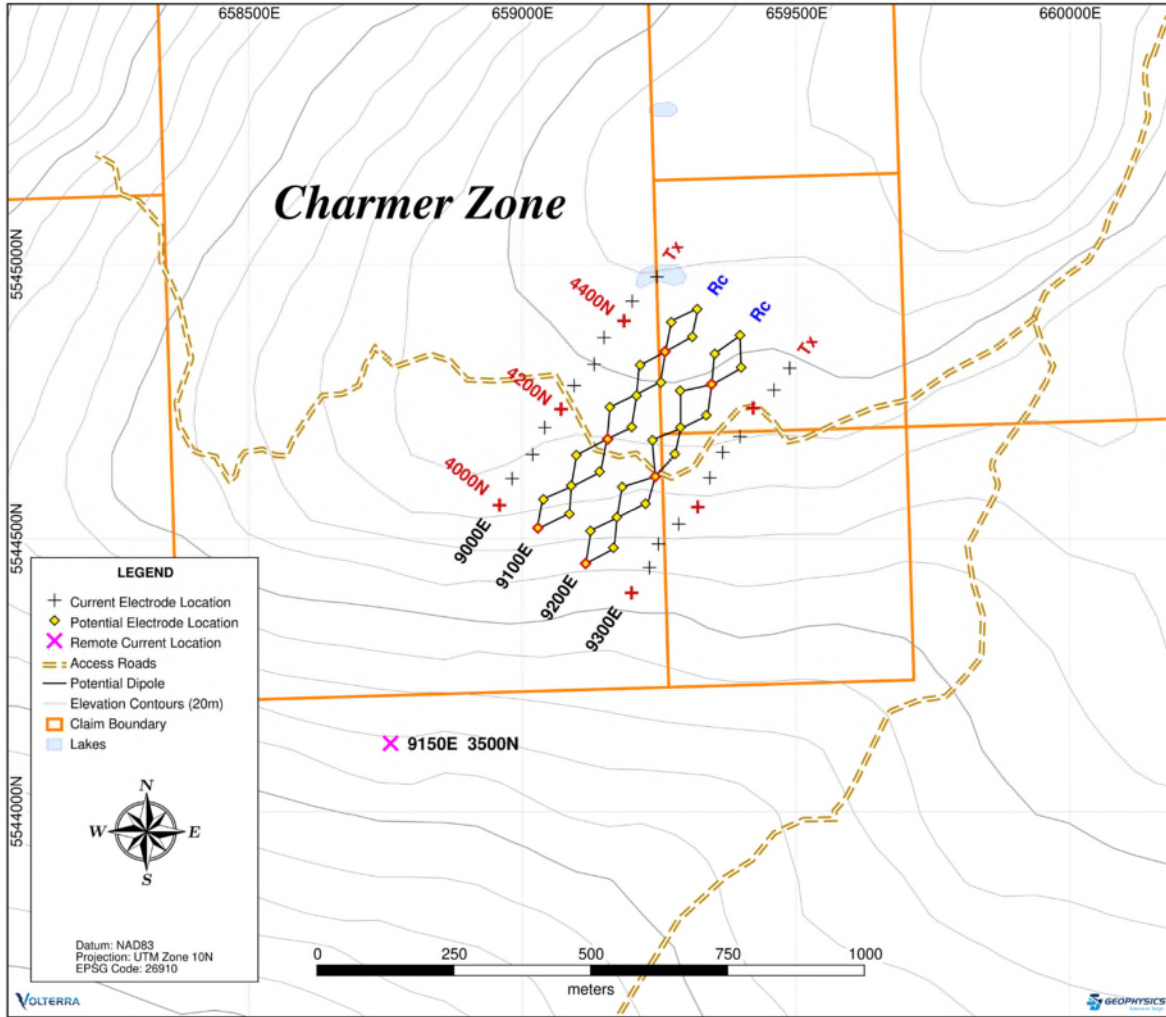


Figure 14. Leadville IP Grid

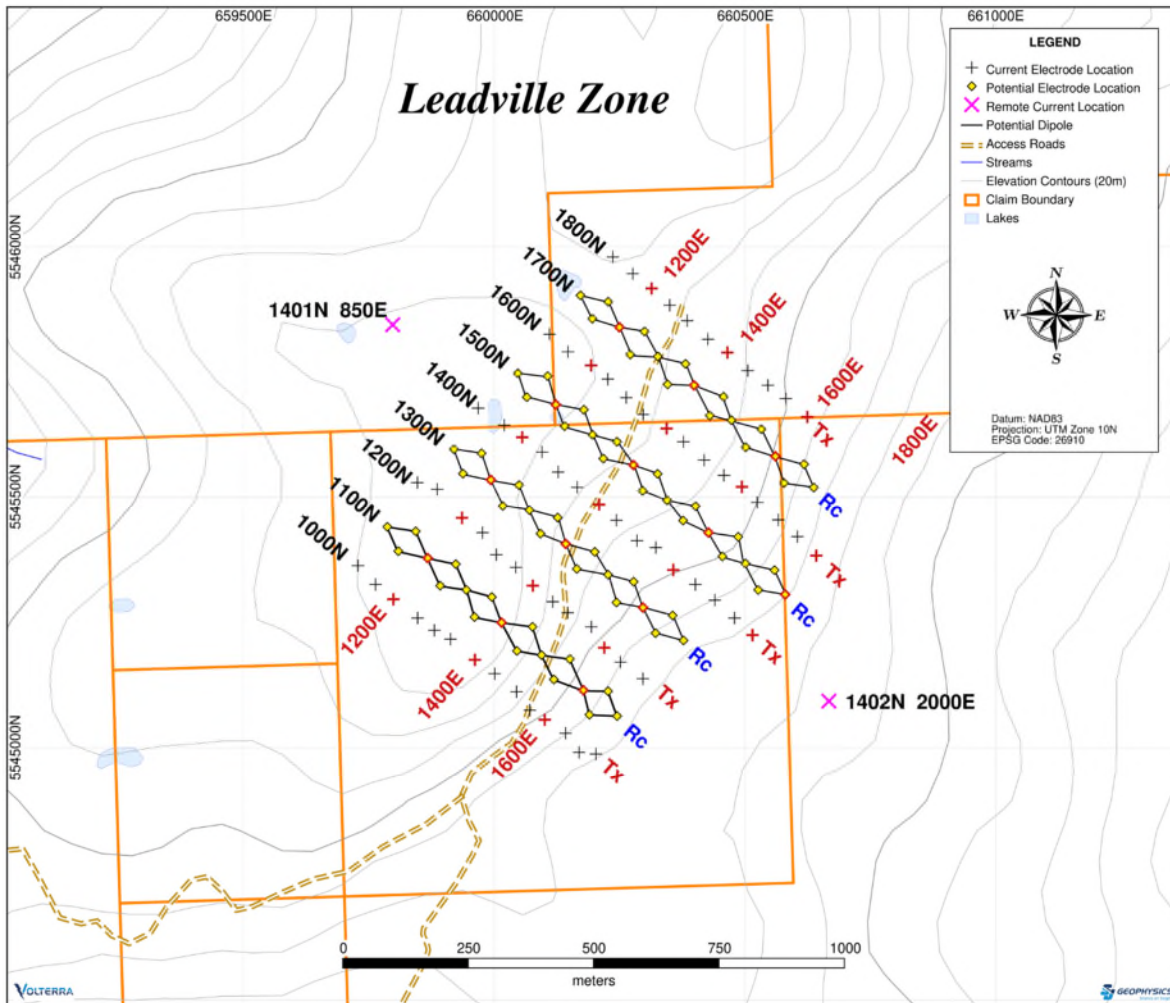


Figure 15. LD IP Grid

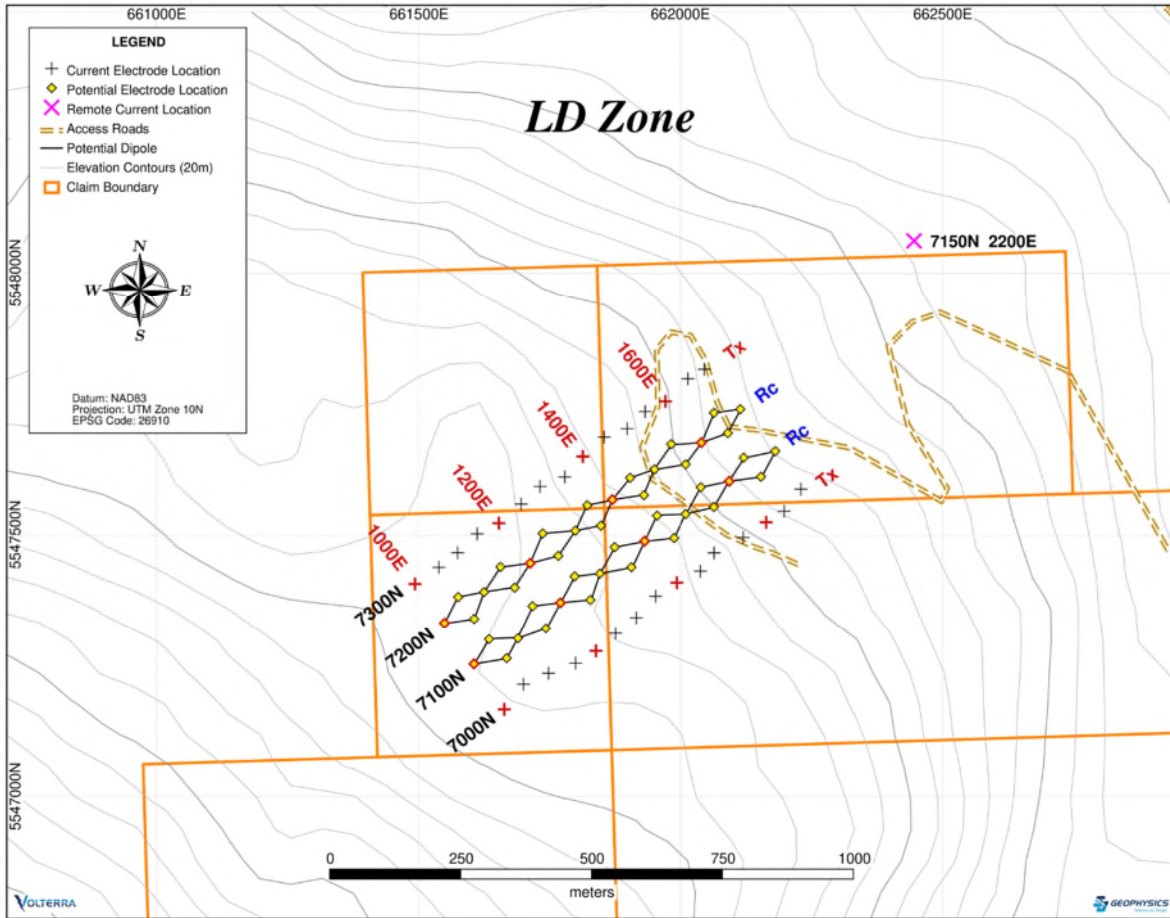
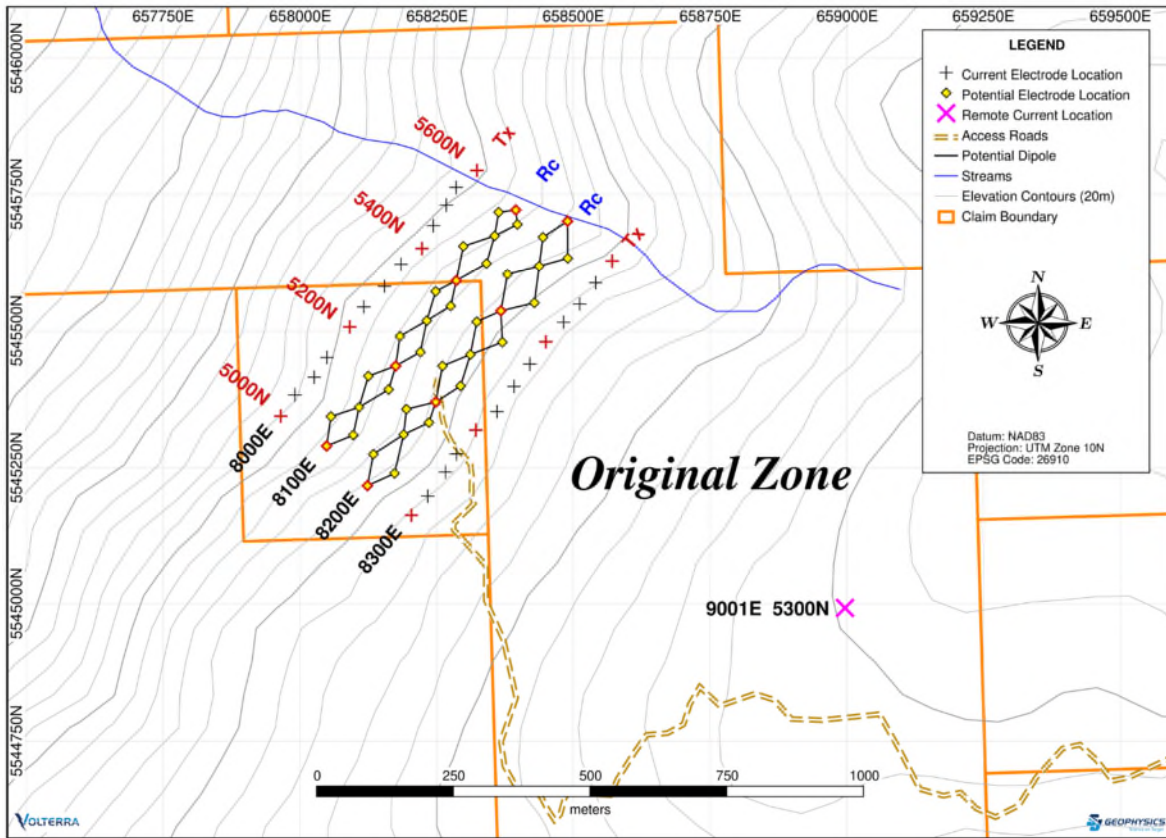


Figure 16. Original – Diane IP Grid



GEOLOGICAL SETTING AND MINERALIZATION

Regional Geology

The Comstock Property lies in the Quesnel terrane within the southern Intermontane Belt of the Canadian Cordillera. The Quesnel terrane in the Comstock Property region records two tectonostratigraphic settings, a volcanic arc in the western portion of the terrane and a siliciclastic basin in the east (Schiarizza, 2019). The volcanic arc tectonostratigraphic package is represented mainly by the Nicola Group which consists of a diverse assemblage of Late Triassic to Early Jurassic submarine and subaerial volcanic, volcanoclastic and sedimentary rocks (Mihalynuk et al., 2016; Mortimer, 1987; Schiarizza, 2019). A geological study of the central part of the Nicola Group by Preto (1979) resulted in the division of the Nicola Group into three sub-parallel structural belts bounded by northerly trending fault systems, these include: 1) the Western Belt; 2) the Central Belt; and 3) the Eastern Belt. The Comstock Property is situated within the Western Belt of the Nicola Group, as shown in Figure 17.

The rocks of the Western Belt of the Nicola Group are interpreted to be the youngest of the Nicola rocks within the region and consist of flow and pyroclastic rocks that range in composition from andesite to rhyolite (Preto, 1979). These volcanic rocks are interbedded with limestone, volcanic conglomerate and sandstones. Schau (1968) as cited in Preto (1979) observed Lower and Middle Norian aged fossils in rocks of the western belt, suggesting a submarine depositional environment.

A geological study by Monger in 1985 subdivided the Nicola Group into four regional facies belts. The facies are described by Monger (1985), as follows:

“Westernmost is a belt of Carnian and lower Norian acidic to intermediate volcanoclastics and carbonate. Above and east of those rocks is a central facies of feldspar porphyry and feldspar augite porphyry volcanoclastics, volcanic conglomerate and sandstone of mainly early Norian age. They are overlain locally by aphanitic pillowed basalt and the eastern facies of augite porphyry volcanoclastics and alkaline flows of latest Triassic and earliest Jurassic age. This facies lies stratigraphically on the Paleozoic Harper Ranch Group, in the northeastern part of the area (Read and Okulitch, 1977; Monger and McMillan, 1984). It grades eastwards into Middle and Upper Triassic, locally tuffaceous, black argillites and siltstones. The rocks show a general progression from oldest on the west to youngest on the east, which may be a function of early Jurassic erosion prior to deposition of the overlying Ashcroft Formation.”

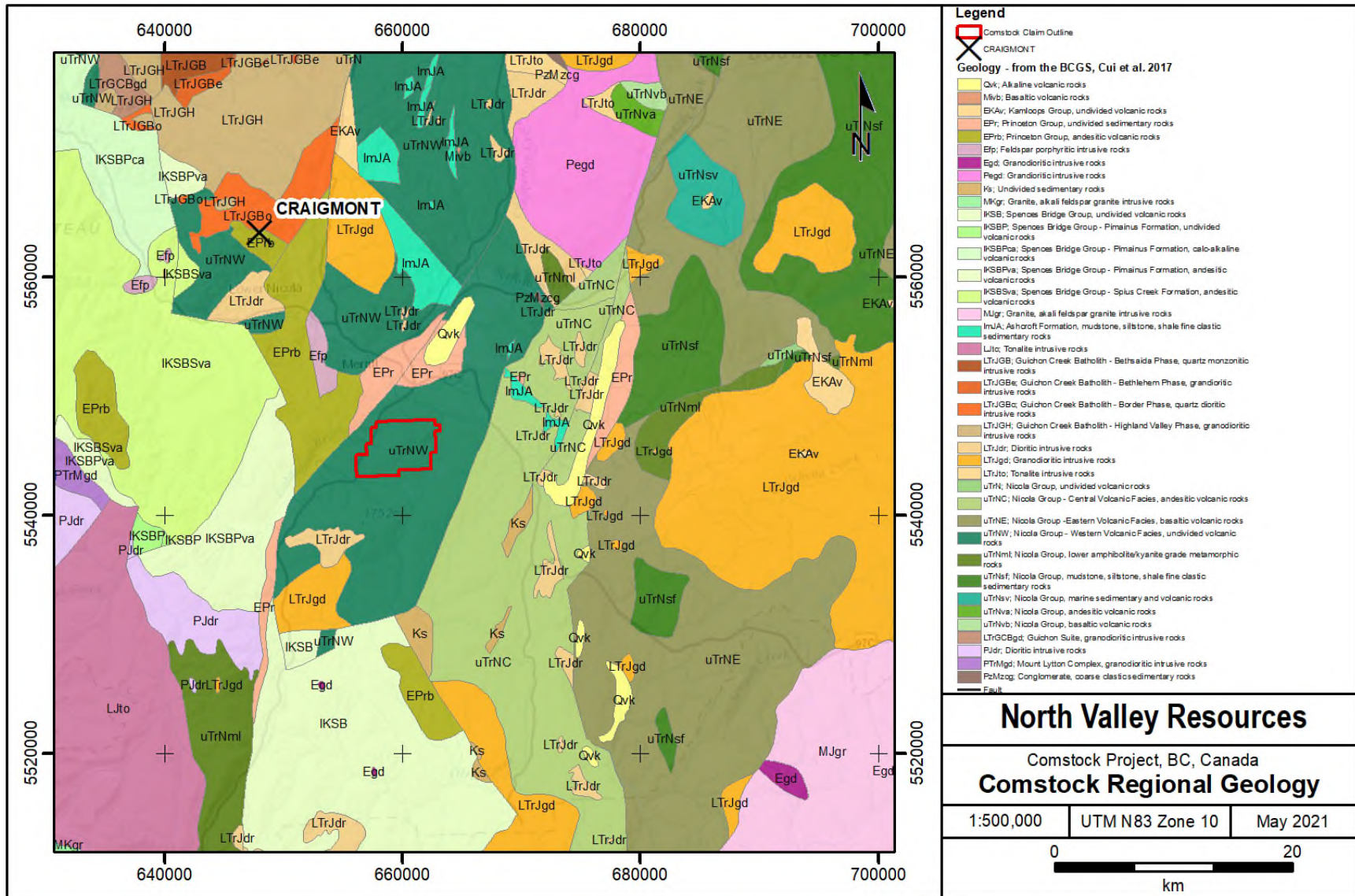
The contacts between the four regional facies of the Nicola Group are poorly exposed and the majority appear to be faulted (Erdmer et al., 2002). Observations of easterly bedding dips and gaps in exposure indicate that the facies succession was broken into fault blocks that dip to the east (Erdmer et al., 2002).

The arc-volcanic rocks of the Nicola Group are intruded by Triassic to Jurassic to early Tertiary aged large diorite and granite plutons (Cui et al., 2017). This tectonically active margin hosts several major porphyry copper deposits, including Ajax, Afton, Mount Polley and Copper Mountain (Lang et al., 1995). The Jurassic aged Guichon Creek batholith lies to the northwest of the Comstock Property within the western facies of the Nicola Group and is mineralogically very similar to the lavas of the western Nicola belt. The Guichon Creek batholith is made up of five concentrically zoned intrusive facies, ranging from the youngest aged granodiorite and granite in the core of the batholith, to granodiorite and the oldest aged gabbro at the margin of the batholith (D’Angelo et al., 2017). A cluster of nine major porphyry copper deposits, including the world-class Highland Copper Mine, lie within a 15 km² zone in the centre of the Guichon Creek batholith (Sookochoff, 2019b).

The Comstock Property lies within the southern extension of the Nicola horst (Barresi, 2008). The Nicola horst is a north-northeast trending Cenozoic uplift of amphibolite-grade metamorphic rocks intruded by

plutonic rocks (Erdmer et al., 2002). The horst measures approximately 55 km² and is situated to the northeast of the Comstock Property between Merritt and Kamloops. The horst is bound by post-Paleocene faults and is encircled by the volcanic and volcanoclastic rocks of the Nicola Group (Erdmer et al., 2002). Nicola Group rocks situated within the horst are bound on the west side by Lower Cretaceous andesites of the Spences Bridge Group and by Eocene andesites of the Princeton Group (Barresi, 2008).

Figure 17. Regional Geology Surrounding the Comstock Property (Cui et al., 2017).



Comstock Property Geology

The following text on the geology and mineralization of the Comstock Property is based on information provided in historical mineral assessment reports and BC Minfiles by Baressi, 2008, Bradford, 2010, Cavey et al., 1986 and Ellerbeck, 2015 (and references therein).

The Comstock Property is situated within the Western Belt of the Upper Triassic Nicola Group. Four major lithological units are identified within the Comstock Property, as shown on Figure 18. The geology of the Comstock Property is dominated by sequences of andesitic to basaltic andesite flows, breccias and volcanoclastic rocks. These rocks dip steeply (65° to 90°) to the east and southeast. Most of the volcanic units comprising the sequence are thin and not laterally extensive, suggesting deposition in a tectonic environment near to a volcanic centre (Barresi, 2008). Cavey et al. (1986) interpreted the complex assemblages of rocks on the Comstock Property to resemble a tilted, partially eroded volcanic centre. A 50 m wide breccia plug located north of the Charmer prospect was identified as a potential volcanic vent.

The heterogeneous andesitic volcanic sequence underlying most of the Comstock Property includes massive aphanitic to amygdaloidal flows and flow breccias, minor andesitic tuff, tuff breccia and feldspar phyric andesitic flows and sills (Bradford, 2010). Secondary minerals that occur in the amygdaloids of the amygdaloidal flows of this sequence include epidote, chlorite, calcite and quartz (Barresi, 2008). Minor lenses of banded jasper and rare argillaceous sedimentary interflows occur throughout the volcanic sequence (Cavey et al., 1968; Bradford, 2010). The banded jasper and flow banding trend from 20 to 60° and dip gently to the east and moderately to the southeast (Cavey et al., 1986). Thin section analysis of the banded jasper showed the intergrowth of minutely spherulitic hematite, as well as cherty silica with laminations measuring 1 to 4 mm in width (Bradford, 2010). The lower sequence of andesitic rocks is characterized by pervasive epidote and patchy chlorite alteration. The epidote is observed as radiating acicular sprays within vesicles, and as veins and hard masses within the andesite (Barresi, 2008). The base of the volcanic sequence is exposed on the northeastern and eastern side of Iron Mountain and near Highway 5 in the northwestern corner of the Comstock Property.

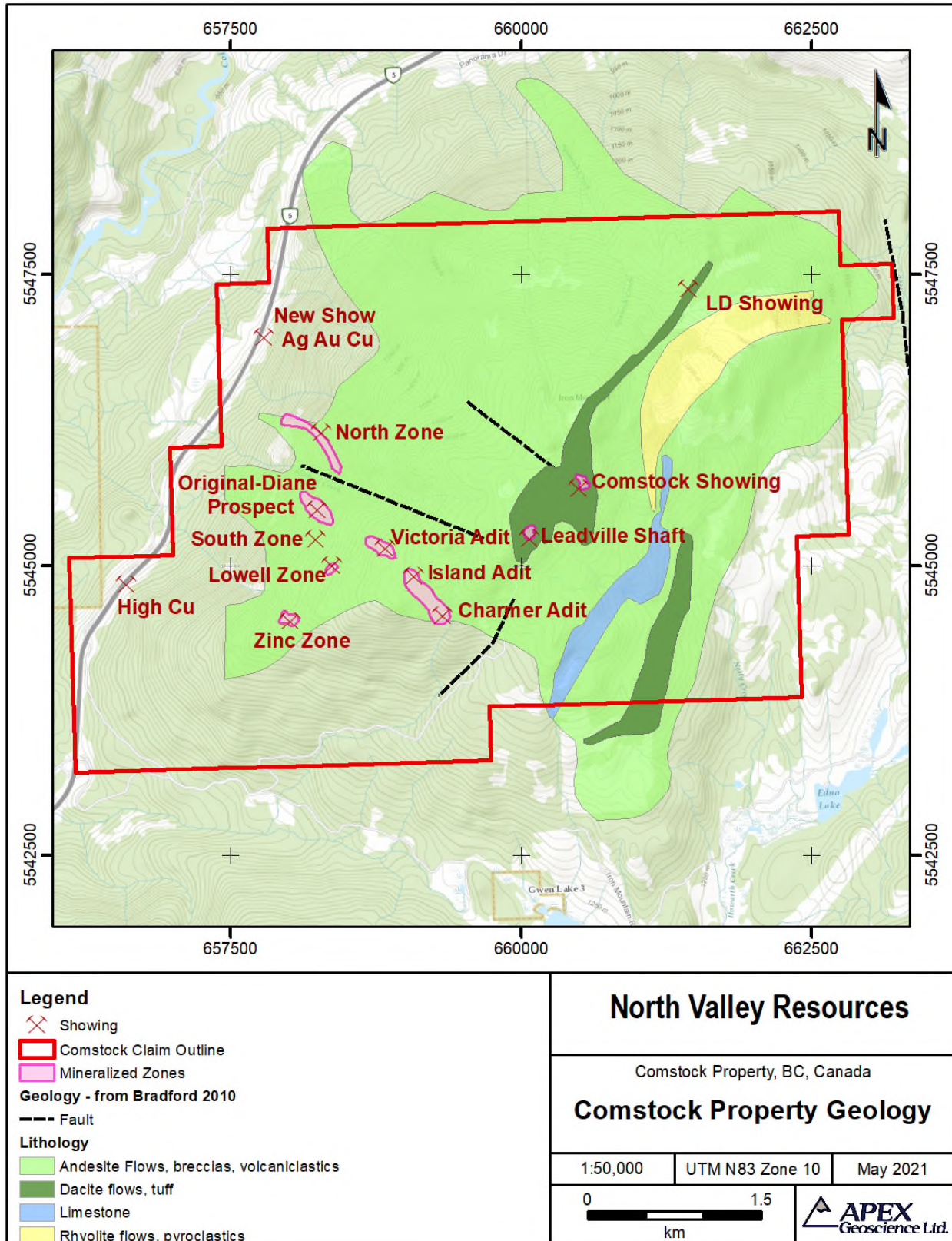
In the western portion of the Comstock Property above 1200 m elevation, lava flows comprise approximately 30 per cent of the exposed rocks. The lava flows are interbedded with pyroclastic and epiclastic volcanic rocks including ash, crystal and lapilli tuffs, volcanic sandstones and conglomerates (Barresi, 2008). Flow banded dacites with limited lateral extent are observed and interpreted by Barresi (2008) as evidence of local felsic volcanic centres. Rare sedimentary intervals of shales and laminated (and possibly exhalative) red hematite and jasper occur throughout the sequence. Alteration of the rocks of the upper andesitic volcanic sequence includes small (<2 m) zones of localized sericite and silica alteration, as well as bleaching. Broader zones of patchy iron and iron-calcium alteration are observed, these zones are characterized by disseminated specular hematite (up to 2 per cent volume), ankerite veining and limonite (Barresi, 2008).

The top of the andesitic volcanic sequence is exposed in the Leadville prospect area. The top of the sequence includes andesitic rocks intercalated with two felsic units, a lower dacite unit and upper rhyolite unit. The felsic units dip moderately to steeply eastward and trend approximately 30° (Bradford, 2010). The felsic volcanoclastic units host the silver-lead-zinc-barite mineralization of the Leadville prospect. The geology and mineralization of the Leadville prospect is discussed further below and in sub-sections 7.2.2 and 7.3.2 of the Comstock Technical Report. The felsic volcanoclastic units are overlain by a unit of red and green lapilli tuffs and intermediate flows, which are overlain by a sedimentary unit comprising limestones and minor shales (Bradford, 2010).

The local geology of select prospects within the Comstock Property is discussed below and in sub-sections 7.2.1 to 7.2.4 of the Comstock Technical Report. The mineralized zones of the Comstock Property are

shown in Figure 18 and discussed below and in sub-sections 7.3.1 to 7.3.8 of the Comstock Technical Report.

Figure 18. Comstock Property Geology (Geological units, faults, & mineralized zones from Ellerbeck, 2018).



Original-Diane Prospect

The Original-Diane prospect is underlain by a complex basal package of the Upper Triassic Nicola Group consisting of aphanitic, amygdaloidal and porphyritic flows and pyroclastic intermediate volcanic rocks. These rocks are overlain by intermediate to felsic flows and pyroclastics of the Upper Triassic Nicola Group, with interbeds of local fossiliferous limestone, limy sediments and minor lenses of banded jasper. Lower greenschist metamorphism is observed with chlorite, epidote, sericite and carbonate alteration mineralogy. The rocks strike north-northeast with variable southeast dips. Two sets of faults are observed in the prospect area, with one fault trending to the northeast and one fault trending to the northwest. Large-scale folding was observed here (MINFILE 092ISE022).

Leadville Shaft

Rocks in proximity to the Leadville deposit comprise brown to pink potassium feldspar-rich dacitic to rhyolitic flows and flow breccias and white to green rhyolites of the Nicola Group interbedded with amygdaloidal andesite agglomerate, lapilli to ash flow tuff and andesitic to dacitic breccia. Primary flow structures that are observed within the rocks strike north-northwest and dip steeply to the east (MINFILE 092ISE052).

Charmer Prospect

Lithologies in proximity to the Charmer shaft include intercalated pink to brown dacitic to rhyolitic flows, breccias and tuffs, purple and green andesitic lapilli and ash tuffs and breccias and dark grey-green porphyritic and amygdaloidal andesite. Tuffs and lapilli tuffs show secondary quartz, orthoclase and occasional barium feldspar in thin section. Diorite outcrops are observed in the area and inferred to be Triassic in age. Lithological contacts and primary flow structures observed near the Charmer shaft indicate that the volcanic rocks dip steeply to the east. The mineralization at this location is hosted in andesitic flows, basaltic andesite, sheared lapilli tuffs and in the overlying rhyolitic tuffs (MINFILE 092ISE053).

A 50 m wide breccia plug was mapped just north of the Charmer prospect in 1981. Cavey (1986) suggests the breccia plug is a volcanic vent.

LD Showing

Lithologies of the LD Showing include volcanic sandstone to volcanic siltstone and tuff. The bedding strikes northwest to northeast and dips steeply to the south (MINFILE 092ISE156)

Mineralization

Original-Diane Prospect

The Original-Diane prospect consists of mineralized areas south of Stirling creek, including the Diane prospect, Original prospect, South Zone and Lowell Zone which span within a north-south stretch of approximately 500 m. Former names of mineralized areas in the Original-Diane prospect include L.A. Zone, Olympic Zone and Aberford Zone (Boronowski, 1984).

In terms of mineralization, the Original-Diane prospect is characterized by polymetallic veins (Ag-Pb-Zn+/-Au). The Diane prospect is catalogued as MINFILE 092ISE022 and is located within claim 1019819 of the current Comstock Property (Figures 3, 18). The following description of the Diane Occurrence is based on MINFILE 092ISE022 and Nelles, 1988.

At the Original-Diane prospect the mineralization is dominated by massive hematite which is controlled and localized in fractures. Hematite occurs in association with limonite and malachite which occur locally and appear to be secondary after pyrite and chalcopyrite. The distribution of the mineralization is correlated with fracture intensity and the amount of alteration in the host rock. To date, seven mineralized zones have been identified in this area. The majority of the mineralized zones strike northwest parallel to the main fractures in the region. Late-stage locally auriferous, quartz-hematite-limonite veins have been identified in several areas superimposed on the massive hematite mineralization. The width and continuity of these veins is variable along strike however a strong association with intense fracturing in the volcanics has been observed. The emplacement of these veins, did not affect the massive hematite mineralization, but has resulted in intense alteration of the surrounding rocks.

Gold has been recovered only from the Original prospect, where trenching has exposed fault-controlled hematite-limonite +/- malachite mineralization over a distance of approximately 250 metres. At the original prospect mineralization is hosted by andesitic flows and pyroclastics, strikes between 133 and 143 degrees, and dips steeply to the southwest. The mineralized trend varies up to several metres in width and appears to splay into several thinner zones to the north. Within this trend a discontinuous zone of auriferous quartz veining hosting iron oxides with lesser chlorite and sericite has been defined. This zone appears to have resulted in the pervasive silicification of the host volcanics. Rock samples from this zone have returned assays up to 9.73 grams per tonne gold (Nelles, 1988). Diamond drilling from 1988 intersected gold mineralization down to 62 m. The best intersection returned 14.53 grams per tonne gold and 15.75 grams per tonne silver over 1.38 metres along with several intersections of >1 g/t Au and >10g/t Ag, >1 per cent Cu (Nelles, 1988).

The South and Lowell zones are located 225 m and 500 m south of the Original-Diane Prospect, respectively. At these zones malachite, chalcopyrite, pyrite and quartz-specularite veins or stockwork are found along narrow shears and fractures in mixed porphyritic and aphanitic andesite flows and lithic tuffs. Trench samples from the South zone returned assays of up to 0.45% Cu over 2 m and from the Lowell zone of up to 0.20% Cu over 7 m (Cavey et al., 1986). Fracture sets in the Lowell zone appear to strike 40 degrees and dip steeply to the southeast. The Lowell zone mineralization strikes perpendicular to that of the South zone. Mineralization at both these zones is similar to that observed at the Original prospect with the notable exception that no significant gold values have been detected at either of these zones to date.

Leadville Shaft

The Leadville shaft is catalogued as MINFILE 092ISE052 and is located within claim Tenure 905597 of the current Comstock Property. Other names associated with the Leadville occurrence include Comstock, Lucky Todd, Makelstin, and Iron Mountain. The Leadville shaft is a historical producer with reported production from 1947 totalling 33 tonnes of ore yielding 2.115 kg Ag, 5,643 kg Pb and 258 kg Zn. The shaft is currently inaccessible however based on dump materials it is believed to have targeted a zone of banded polymetallic veins containing Ag-Pb-Zn+/-Au and possibly bedded lead-zinc-barite mineralization (Crooker, 1987).

The mineralized zone is over 50 metres long and less than one metre wide and is hosted in felsic volcanoclastic units of the Nicola Group. The zone strikes 25 degrees and dips 80 degrees west. Mineralization comprises specularite and chalcopyrite in irregular fractures which are scattered randomly in a 600 m diameter zone. Malachite and azurite staining has been observed in the area. Average copper grade has been reported to be less than 0.1%. The bedded mineralization is hosted in sheared, flow-banded, potassic rhyolite that carry small amounts of galena, sphalerite and copper mineralization (Crooker, 1987).

Charmer Prospect

The Charmer Prospect is catalogued as MINFILE 092ISE053 and is located within claim 1014839 of the current Comstock Property. The Charmer prospect is exposed at three shafts and several trenches over a discontinuous strike length of 800 m. The three shafts are the Charmer Adit, Island Adit and Victoria Adit, formerly known as the Charmer Shaft No.1, Shaft No.2 and Shaft No.3, respectively.

In terms of mineralization, the Charmer prospect is characterized by fracture-controlled Au-Cu bearing quartz stockwork veining. Mineralization comprises fracture-controlled quartz veins containing chalcopyrite, specularite, hematite and grey sulphides that are hosted in andesitic flows and basaltic andesite. Scattered stringers and blebs of chalcopyrite also occur in sheared lapilli tuffs, and to a lesser extent in overlying rhyolitic tuffs. Hematite occurs as veinlets in fractures and as blebs.

At the Charmer Adit, samples of quartz-specularite veinlets with malachite returned assays up to 0.64 g/t Au (Crooker, 1987). At the Island Adit, a random dump sample assayed 2.35 g/t Au and 1.8% Cu. At the Victoria Adit, three quartz veins have been identified over a 2-metre-wide zone. The veins strike 160 degrees, dip 50 to 55 degrees west and vary in width from 5 to 25 centimetres. The veins are hosted in basaltic andesite and contain chalcopyrite, malachite and grey sulphide mineralization. Patchy specular hematite has been observed in the area. A one metre chip sample returned assays of 10.11 g/t Au (Crooker, 1987). Additionally, a 10-centimetre-wide quartz vein containing chalcopyrite and pyrite with malachite and azurite staining was exposed in the area. A rock grab sample from this quartz vein returned 341.8 g/t Ag (Crooker, 1987).

LD Showing

The LD Showing is catalogued as MINFILE 092ISE156 and is located within claim 1055701 of the current Comstock Property. At the LD showing silver-lead-copper-zinc±barite±gold mineralization is exposed in several old pits (Boronowski and Hendrickson, 1984). Float and outcrop samples of semi-massive sulphide returned assays ranging from 10 to 3,240 ppm Cu, 0.4 to 59.4 ppm Ag and 1 to 2,960 ppb Au (Crooker, 1987). Crooker, (1987) proposed that the mineralization was volcanogenic massive sulphide related based on the presence of dacitic to rhyolitic flows and flow breccias, bedded gypsum, and galena-sphalerite-barite mineralization.

North Zone

The North zone is characterized by low-grade gold mineralization in a discontinuous, yet extensive, epithermal quartz vein system associated with shear zones within volcanoclastics and mafic flows. The North zone is located approximately 500 m north of the Original prospect and contains a similar suite of elements: Cu, Fe, Au (Cavey et al., 1986). Boronowski (1984) proposed that the North zone may be one of several shear zones parallel to the main structural trend containing the Original Prospect. Four rock grabs collected from quartz-specularite veins returned up to 890 ppb Au. Three trenches yielded low-grade Au values of up to 880 ppb over 1 m (Boronowski, 1984).

Zinc Zone

The Zinc Zone is characterized primarily by homogenous felsic tuff hosting anomalous levels of zinc. Alteration of the host rock appears to be confined to small fractures containing limonite or rare quartz veinlets, however no other mineralization has been observed. A limonitic, grey-pink, rhyolitic tuff rock grab sample returned an assay of 5.4% zinc. Three samples from trench T86-15 returned an average of 1.6% Zn over three meters (Cavey et al., 1986). The minerals that host the zinc were not identified.

New Showing Ag Au Cu

The New Showing AgAuCu prospect is a 150 m x 50 m altered zone. Mineralization is present within quartz veins, in andesite outcrops that were altered by the quartz-forming solutions that came in during faulting. Two mineralized rock grab samples returned 34 ppm Cu, 255 ppm Pb, 0.927 ppm Au, 324 ppm Ag, and 16 ppm Cu, 203 ppm Pb, 9 ppm Zn, 0.38 ppm Au, 32.1 ppm Ag, respectively. Mineralization and alteration visually looks similar to that of the Original-Diane prospect, located approximately 1.5 km to the south (Ellerbeck, 2018).

High Cu

The High Cu prospect is a mineralized zone found along a roadside outcrop on the Coquihalla Highway, approximately 1.8 km southwest of the Original-Diane prospect. Copper staining occurs alongside narrow southeast-striking fractures. Malachite-stained porphyritic andesite similar to that observed at the Original Prospect was observed. A rock grab sample returned 29,300 ppm Cu and a gouge sample from a horizontal fault returned 550 ppb Au. Mineralization and alteration visually looks similar to that of the Original-Diane prospect (Cavey et al., 1986).

DEPOSIT TYPES

Polymetallic mineralization at the Comstock Property is found in fracture-controlled quartz veins hosted in volcanic rocks. The quartz veins are associated with various amounts of chalcopyrite, specularite, hematite, malachite, limonite and grey sulphides. The mineralization is interpreted to be associated with volcanic activity in the region. Based on the geological setting, rock types and field observations several deposit models should be used to guide future exploration on the Comstock Property: structurally controlled polymetallic vein deposits, volcanogenic massive sulfide deposits and epithermal gold-silver-base metals deposits.

Structurally-controlled polymetallic vein mineralization

At many of the prospects (e.g. Diane, Leadville, Charmer) on the Comstock Property polymetallic (Ag-Pb-Zn+/-Au) mineralization is associated with structurally controlled quartz veins. The veins are hosted in felsic-intermediate volcanic rocks of the Nicola Group. The assemblage comprising the Nicola Group in this area has been interpreted to resemble a tilted volcanic centre, with a volcanic vent potentially located in the Charmer area (Cavey et al., 1986). Mineralization encountered during mapping occurs as quartz-hematite±chalcopyrite±malachite±limonite±sulphides veins. The proportion of hematite varies depending on locality. At the Diane showing the predominant mineralization is massive hematite occurring in association with limonite and malachite. Late-stage quartz-hematite-limonite veining has been superimposed on the massive hematite mineralization. The emplacement of this mineralization, which is locally auriferous, has not had an effect on the massive hematite, but has resulted in intense alteration of the surrounding rocks. At the Charmer showing mineralization consists of quartz veins with chalcopyrite, specularite, hematite and grey sulphides.

The veins are localized and controlled by local faulting and fracturing with the majority of the zones following the prevailing north - northwest fractures in the area. The width and continuity of the veins is variable along strike, but appears to be strongest where fracturing in the volcanics is most intense (Ellerbeck, 2018 and references therein).

Volcanogenic Massive Sulphide Deposits

Volcanogenic massive sulphide (VMS) deposits are important global sources of base metals (Zn, Pb, Cu) and precious metals (Au, Ag), as well as other by-product metals (e.g., cobalt (Co), tin (Sn), selenium (Se), manganese (Mn), cadmium (Cd), indium (In), bismuth (Bi), tellurium (Te), gallium (Ga), germanium (Ge), As, Sb and mercury (Hg)) (Piercey, 2010; Piercey et al., 2015).

VMS deposits typically occur as lenses of polymetallic massive sulphides forming at or near the seafloor in a submarine volcanic setting. VMS deposits are classified as “exhalative” and are syn-genetic stratabound deposits formed through the focused discharge of hydrothermal fluids and precipitation of sulphide minerals in predominately-stratiform accumulations (Barrie and Hannington, 1999; Galley et al., 2007). Typical characteristics of VMS deposits are listed as follows (adapted from Galley et al., 2007):

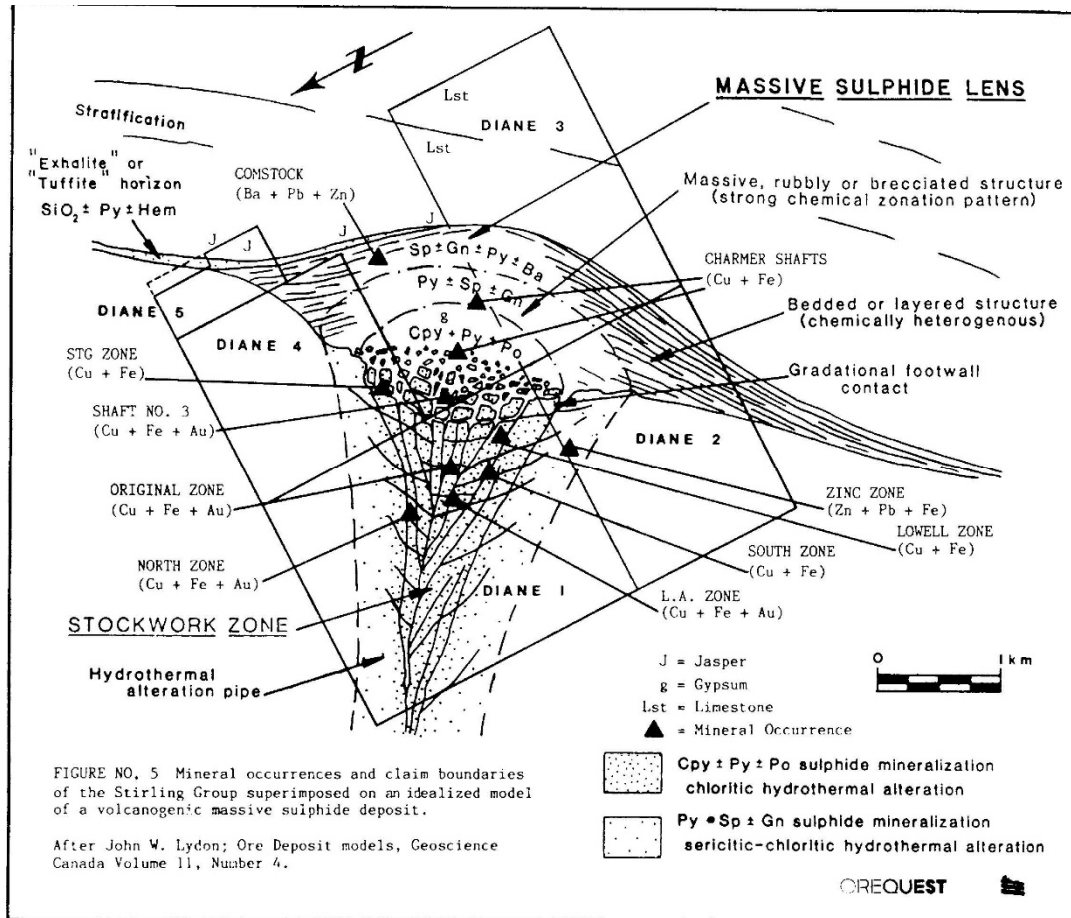
- Typical VMS deposit is a stratabound body, mound to tabular in shape, composed of predominately massive (>40%) sulphide, quartz and lesser phyllosilicates, iron oxide minerals and altered silicate wall rock.
- The stratabound body is commonly underlain by discordant to semi-discordant stockwork veins and disseminated sulphides.
- The stockwork vein systems are enveloped in distinct alteration halos. The alteration halos may extend into the hanging-wall strata above the deposit.
- Deposits often form in clusters or stacked lenses.

Due to the complexity and differences in the style and settings of VMS deposits, a six-fold classification scheme has been defined based on deposit rock types and associations (Barrie and Hannington, 1999; Franklin et al., 2005; Galley et al., 2007):

- 1) Mafic (Cyprus-type)
- 2) Bimodal Mafic (Noranda-type)
- 3) Mafic Siliciclastic (Besshi-type)
- 4) Bimodal Felsic (Kuroko-type)
- 5) Felsic Siliciclastic (Bathurst-type)
- 6) Hybrid Bimodal Felsic/Siliciclastic (Eskay Creek-type)

Investigations in the 1980’s interpreted the style of mineralization at the Comstock Property to be of volcanogenic massive sulphide deposition around rhyolite domes in a Kuroko-type setting (Howell, 1981; Crooker, 1987; Christopher, 1989). Carey et al., 1986 observed that the distribution of the various mineral showings that occur on the current Comstock Property match completely with the various chemical zonations of the volcanogenic model as illustrated on Figure 19.

Figure 19. Various mineral showings from the Comstock Property superimposed on a VMS model (model after Lydon, 1984; figure after Carey et al, 1986).



Kuroko-Type VMS deposits

Kuroko-Type VMS deposits typically develop towards the top of volcanic or volcano sedimentary sequences, near the centre of felsic volcanism. They are generally interpreted to have formed in extensional environments that are associated with arc volcanism. The deposits generally contain massive sulfides with, in some cases, an underlying zone of ore stockwork, stringers or disseminated sulfides or sulfide-matrix breccia (Singer, 1986). Kuroko-type deposits are characterized by polymetallic mineralization including chalcopyrite, sphalerite, pyrite, galena ± gold ± silver. They generally tend to have higher contents of zinc, lead, silver, and antimony than other VMS deposits. The host rocks exhibit high-temperature alteration, including metal depletion, alkali modification and silicification. Morphologically they tend to be mound shaped. (Singer, 1986; Taylor et al., 1996).

Epithermal Gold - Silver +/- Base Metals Mineralization

Epithermal deposits are products of volcanism-related hydrothermal activity at shallow depths and low temperatures. Deposition occurs near surface (~1-2 km) from low temperature fluids (100-320°C) that originate from meteoric or magmatic source or a combination of these (Hedenquist et al., 2000; Guilbert and Park, 1986). Deposits can occur in several forms including: siliceous vein fillings, irregular branching fissures, stockworks, breccia pipes and disseminations. Epithermal deposits are hosted in a variety of lithological and structural settings. In general, epithermal deposits are most commonly found in accreted,

back-arc volcanic and sedimentary terranes and are spatially associated with felsic volcanism and extensional tectonic settings within these terranes.

The deposits exist in almost all rock types contained within allochthonous terranes, including felsic to mafic extrusive and intrusive volcanic rocks, clastic to chemical sedimentary rocks, and some metamorphic equivalents. Mineralization is typically associated with subaerial calc-alkalic volcanic centres and related subvolcanic porphyritic intrusions of intermediate to felsic composition (Hedenquist et al., 2000). On a regional scale there is little association with stratigraphic controls. On a district or deposit scale favourable structural and/or chemical environments represented by a particular rock unit can impart a stratabound control.

Rocks that host epithermal gold-silver deposits range from Early Jurassic to Late Tertiary. The mineralization spans the same age interval, but is epigenetic and thought to have formed either during or shortly after deposition or intrusion of the associated or host volcanic rocks.

Epithermal systems have been divided into high sulphidation, intermediate sulphidation, and low sulphidation based on their setting (Sillitoe and Hedenquist, 2003).

High Sulphidation Mineralization

High sulphidation systems generally form immediately above or adjacent to porphyry intrusives. Alteration surrounding high sulphidation systems is typically composed of a mineralized core of vuggy quartz-alunite, hosted in advanced argillic alteration (alunite, kaolinite, dickite, pyrophyllite, and diaspore). Advanced argillic alteration grades outward into surrounding argillic alteration (kaolinite-illite) and distal propylitic alteration (chlorite, epidote, calcite). Mineralization in high sulphidation systems is variable but exploration is generally targeting Au-Ag-Cu. Other important associated elements include As, Sb, Bi, Pb, Te, and Pb. Typically, sulphide mineralization is precipitated in the vugs of the vuggy quartz zone that transitions into more discrete lode veins at depth in the transition to the porphyry environment (Cooke et al., 2016, Cooke and Hollings, 2017, Sillitoe, 2010).

Intermediate Sulphidation Epithermal Mineralization

Intermediate sulphidation systems are typically vein type deposits that are formed in shallow environments (<1 km below the water table) from near-neutral fluids at intermediate temperatures (100-320°C), in the surface to moderate depths (Sillitoe and Hedenquist, 2003). These deposits consist of multistage veins and associated breccias that contain significant amounts of other metals in addition to gold and silver. They are often mined either exclusively for gold and/or silver, with no or minor production of copper, lead, and zinc, or mined primarily because of their gold and silver contents but also produce appreciable copper, lead, and zinc (John et al., 2018). They generally form closer to porphyry center than low sulphidation systems and can form from both magmatic and meteoric fluids. Alteration surrounding intermediate sulphidation systems is typically sericite or sericite-chlorite on the contact with mineralization. Sericite typically grades into propylitic alteration on the margins. Typical mineralization in intermediate sulphidation systems consists of veins with Au-Ag-Pb-Zn-Cu with minor Mo, As, and Sb (Cooke and Hollings 2017; Sillitoe and Hedenquist, 2003).

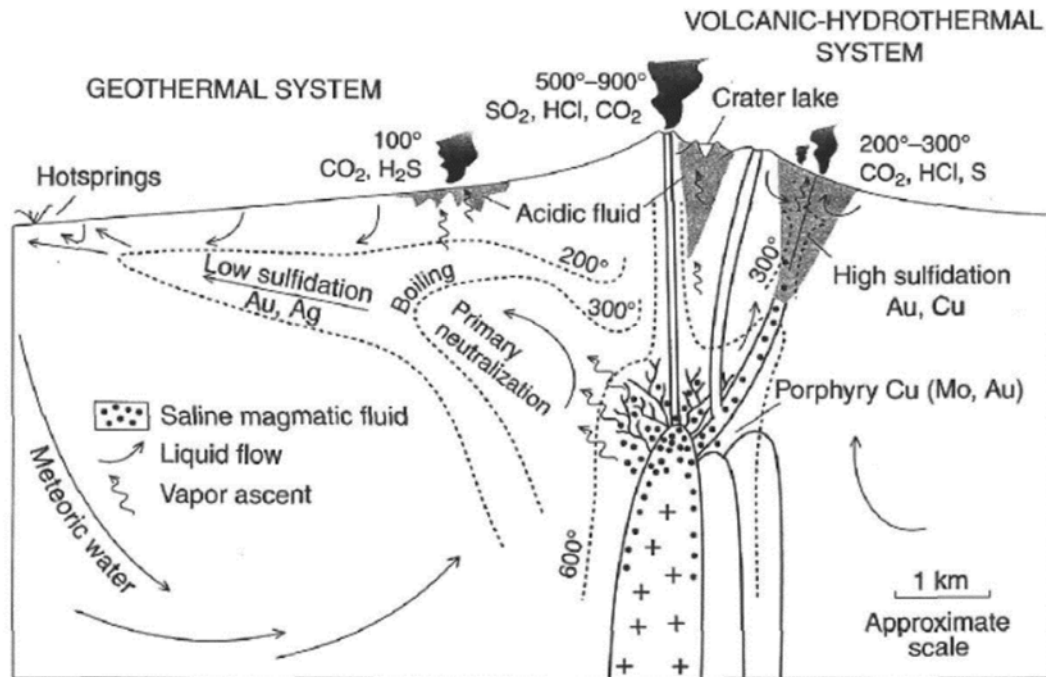
Low Sulphidation Epithermal Mineralization

Low sulphidation epithermal mineralization are vein type deposits that form at shallow levels (<1 km below the water table) from dominantly meteoric fluids with neutral to near neutral pH and low temperature (100-320 °C). Banded veins, drusy veins, crustiform veins, and lattice textures are common. Low sulphidation deposits typically have Au-Ag mineralization sometimes with banded adularia, sericite, rhodonite and

rhodocrosite. Alteration in these systems is often sericite-illite proximal to mineralization grading to illite-smectite and to chlorite \pm epidote \pm calcite alteration on the outer margins of the system. Mineralization in low sulphidation systems generally consists of Au \pm Ag with minor Zn, Pb, Cu, Mo, As, Ab, and Hg (Cooke and Hollings, 2017, Sillitoe and Hedenquist, 2003).

Low-sulfidation deposits commonly consist of multiple stages of concordant and discordant banded or layered minerals and breccias, sheeted veins, and (or) vein stockworks and breccias adjacent to layered veins and faults containing gold and silver (John et al., 2018).

Figure 20. Fluid evolution from the porphyry centre to low sulphidation systems (After Hedenquist et al., 2000).



EXPLORATION

The Issuer has yet to conduct exploration work at the Comstock Property. A summary of the historical exploration work completed by companies other than The Issuer is presented above and in Section 6 of the Comstock Technical Report. None of this work was conducted by or on behalf of the Issuer.

Mr. Besserer had visited the Comstock Property in June/July 2020 as the vice president, exploration for Freeman Gold Corp. (formerly Lodge Resources Inc.) who had an option on the Comstock Property. APEX Geoscience of Edmonton, Alberta and SJ Geophysics of Delta, BC were contracted by Freeman to conduct the exploration at the Comstock Property in 2020. Subsequently, Freeman Gold had acquired an advanced gold project in the United States and dropped the Comstock option to focus on that project. During the visit, Mr. Besserer conducted truck and foot traverses throughout the Comstock Property and visited areas with known mineralization (including the LD, Comstock, Leadville, Charmer, Victoria and Diane occurrences).

Mr. Besserer visited the property again on April 29th, 2021 on behalf of The Issuer and visited the High Cu and AgAuCu occurrences and collected 6 rock grab samples.

DRILLING

The Issuer has yet to conduct drilling at the Comstock Property. A summary of the historical drilling completed by companies other than The Issuer is summarized above and in Section 6 of the Comstock Technical Report. None of this work was conducted by or on behalf of the Issuer.

SAMPLE PREPARATION, ANALYSES AND SECURITY

The Issuer has yet to conduct exploration work at the Comstock Property. The following section details the relevant methodologies employed by Freeman Gold Corp. for their 2020 exploration programs completed at the Comstock Property.

Sampling programs 2013-2020

Sampling procedures and handling

No detailed sample collection and preparation descriptions are provided for work conducted prior to 2020. No Quality Assurance/Quality Control (QA/QC) protocols are described for these programs.

Between 2014 and 2019 Mr. Ellerbeck collected 45 rock samples and 102 soil samples across the Comstock Property. The individual sampling programs were limited due to budget and QA/QC samples were not collected. Mr. Ellerbeck collected the samples personally and hand delivered them to ALS Global Laboratories (“ALS”) in Kamloops, BC.

Rock Sample Analytical Procedure

Each rock sample was dried and individually crushed and pulverized whereby samples were crushed until 70% of the sample material passed through a less than 2 mm screen. From this material a 250 g riffle split sample is collected and then pulverized until 85% passes through a 75-micron screen. A 0.5 g split of each sample was collected for multi-element analysis and a 50 g split of each sample was collected for gold assay (ALS Global website, 2021).

A 0.5 g split of each rock sample was evaluated for 35 elements by aqua regia digestion and analyzed using inductively coupled plasma atomic emission spectroscopy (ICP-AES). Samples returning >1% copper, lead, silver and zinc were re-analyzed using the overlimit method OG46 whereby an aqua regia digestion with an ICP-MS or AAS finish was applied to a 0.4 g sample.

A 30 g split of each rock sample was evaluated for gold by lead collection fire assay fusion with an atomic absorption spectrometry (AAS) finish. No over limit gold samples were returned.

Soil Sample Analytical Procedure

The soil samples were sieved to -180 micron (80 mesh), both fractions were retained.

The ME-ICP61 method was used to determine initial gold in soil values and full multi-element (33 elements) concentrations whereby gold values are semi-quantitative due to the small sample weight used. This technique involved a four acid aqua regia digestion with an inductively coupled plasma atomic emission spectroscopy (ICP-AES) finish.

2020 Freeman Gold Corp. Soil Sampling (Conducted by APEX Geoscience Ltd.)

Sampling procedures and handling

For their 2020 program Freeman, collected a total of 133 soil samples (141 soil samples including QA/QC samples). Soil sampling pits were dug using a tree planting shovel to a minimum depth of 7 cm in order to access the B horizon. Soils were collected from the B-horizon at depths ranging between 7 to 55 cm. C-horizon material was collected in the absence of material from the B-horizon. The organic layer and rock fragments were removed, and up to 500 grams (g) of soil material was placed in a Kraft bag. The Kraft bag was labelled with a unique sample number and a corresponding tag was placed inside the bag with the soil sample. The sample site and hole were photographed with the Kraft bag visible to verify the sample ID. A description of the sample site, sample material, depth and any comments regarding contamination were recorded using Fulcrum software on a smart phone.

All soil samples were dried for up to six days in a hotel room. Sample Kraft bags were tied closed using zip ties and placed into large rice bags weighing approximately 15 kilograms (kg). The rice bags were secured with a zip tie and security tag. The samples were hand delivered to ALS Global Laboratories (“ALS”) in Kamloops, BC for preparation before being shipped to ALS in North Vancouver, BC for geochemical analysis. ALS Global is accredited in accordance with the recognized International Standard ISO/IEC 17025:2005 and is independent of the issuer, and the author of this Comstock Technical Report.

Soil Sampling Analytical Procedures

The standard preparation method ALS “PREP-41” was used for each soil sample whereby the sample was dried at <60°C, sieved to -180 micron (80 mesh), both fractions were retained.

The ME-MS41L method was used to determine initial gold in soil values and full multi-element (53 elements) concentrations whereby gold values are semi-quantitative due to the small sample weight used. This technique involved an aqua-regia digestion with a super trace inductively coupled plasma mass spectrometry (ICP-MS) finish. Lower detection limits differ for each analyte. Twenty-two samples that returned values well over ME-MS41L’s detection limit (> 5*DL) were re-assayed using the fire assay method AA23 which differs from AA24 only by its 30 g sample size.

Freeman's soil sampling campaign's quality assurance/quality control (QA/QC) protocol involved duplicating samples at every 20th site (for sample numbers ending in 10, 30, 50, 70, and 90) for a total of 5% of all samples collected. Eight duplicate samples were collected during the soil sampling program.

Freeman Gold Corp. Rock Sampling

Sampling procedures and handling

In 2020 Freeman collected 43 rock samples (47 total, including two QA/QC standards and two QA/QC blanks) in 2020. Rock samples were obtained from a mix of old core drilled in 1989 found on site, as well as prospecting rock grabs from the Comstock Property. Sample locations were selected to investigate anomalous areas identified by historical data. Individual rock grab samples were selected based on the presence of alteration and/or mineralization. Rock grab samples were approximately 1-2 kg in size and collected using a geological hammer. The location, material type and a brief geological description were recorded.

All rock samples were placed in a poly bag with a unique sample number and zip tied closed. The outside of the bag was labeled with the same unique sample number and the location of the sample was flagged with the unique number on flagging tape and an aluminum tag. The sample site was photographed with the poly bag in view. Individual rock grab samples were placed into large rice bags weighing approximately 15 kg. The larger rice bags were secured with zip ties and a security tag. The samples were hand delivered to ALS's preparatory lab in Kamloops, BC and subsequently shipped to ALS Laboratories in Vancouver, BC for geochemical analysis. ALS Global is accredited in accordance with the recognized International Standard ISO/IEC 17025:2005 and is independent of the issuer, and the author of this Comstock Technical Report.

Analytical Procedures

Each rock sample was dried and individually crushed and pulverized following preparation code "PREP-31A" whereby samples were crushed until 70% of the sample material passed through a less than 2 mm screen. From this material a 250 g riffle split sample is collected and then pulverized until 85% passes through a 75-micron screen. A 0.5 g split of each sample was collected for multi-element analysis and a 50 g split of each sample was collected for gold assay.

A 0.5 g split of each rock sample was evaluated for 51 elements by aqua regia digestion and analyzed using inductively coupled plasma mass spectrometry (ICP-MS) (method ME-MS41). Samples returning >1% copper, lead, and zinc were re-analyzed using the overlimit method OG46 whereby an aqua regia digestion with an ICP-MS or AAS finish was applied to a 0.4 g sample.

A 50 g split of each rock sample was evaluated for gold by lead collection fire assay fusion with an atomic absorption spectrometry (AAS) finish (method AA24). No over limit gold samples were returned.

Freeman Gold Corp. Rock and Soil Sampling Analytical QA/QC Program

Freeman's rock sampling program quality assurance/quality control (QA/QC) protocol consisted of coarse blank material inserted into the sample stream at sample numbers ending in 05, 25, 45, 65, and 85, and standard reference material (alternating CDN-CM-41 & CDN-CGS-30) at sample numbers ending in 10, 30, 50, 70 and 90 for a total of 10% of all samples. Due to the low number of samples collected, only two coarse blanks and two standards were used.

Freeman's soil sampling program quality assurance/quality control (QA/QC) protocol involved duplicating samples at every 20th site for a total of 5% of all samples. Eight duplicate samples were collected during the soil sampling program.

All standard and blank assayed values fell within their respective two standard threshold. Duplicate and parent soil Q-Q plots yielded an R^2 value of 0.973. QA/QC plots are given below in Figures 21 to 24. A discrepancy was seen in an ALS internal soil duplicate analysis whereby gold values returned <0.0002 ppm (parent) and 0.0259 ppm (duplicate).

Figure 21. 2020 Comstock Program Au Assay CDN-CGS-30 Plot (Dufresne, 2021).

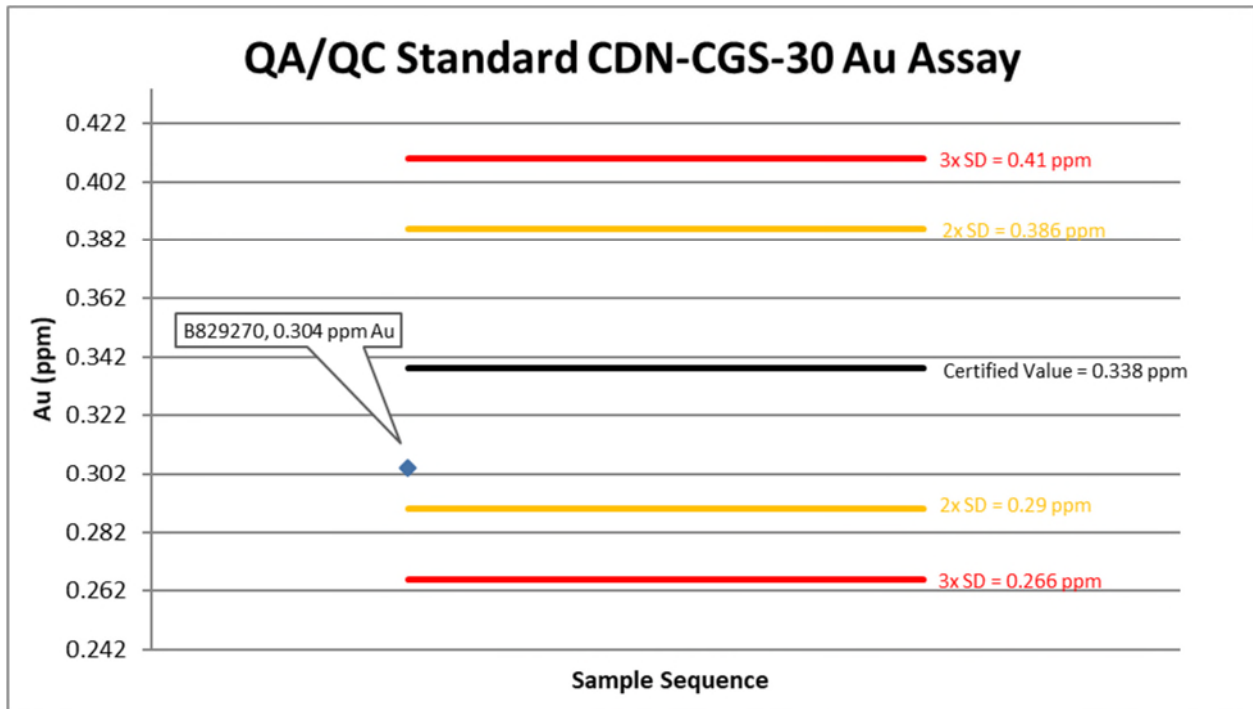


Figure 22. 2020 Comstock Program Au Assay CDN-CM-41 Plot (Dufresne, 2021).

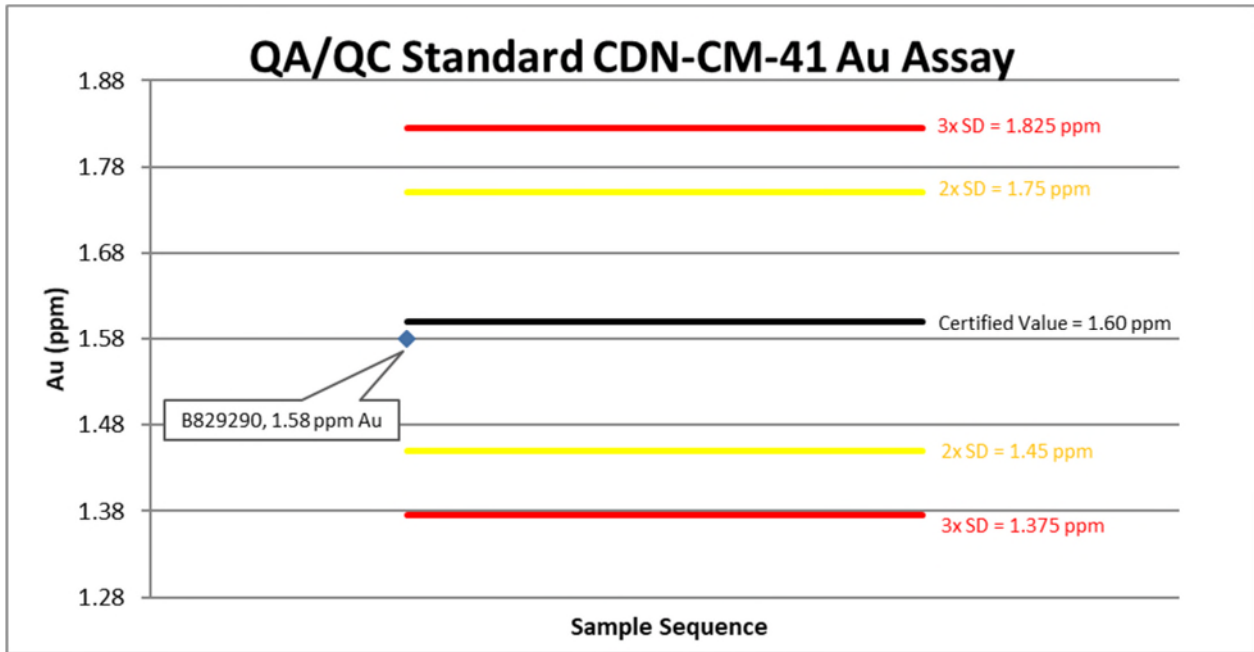


Figure 23. 2020 Comstock Program Au Assay Coarse Blank Plot (Dufresne, 2021).

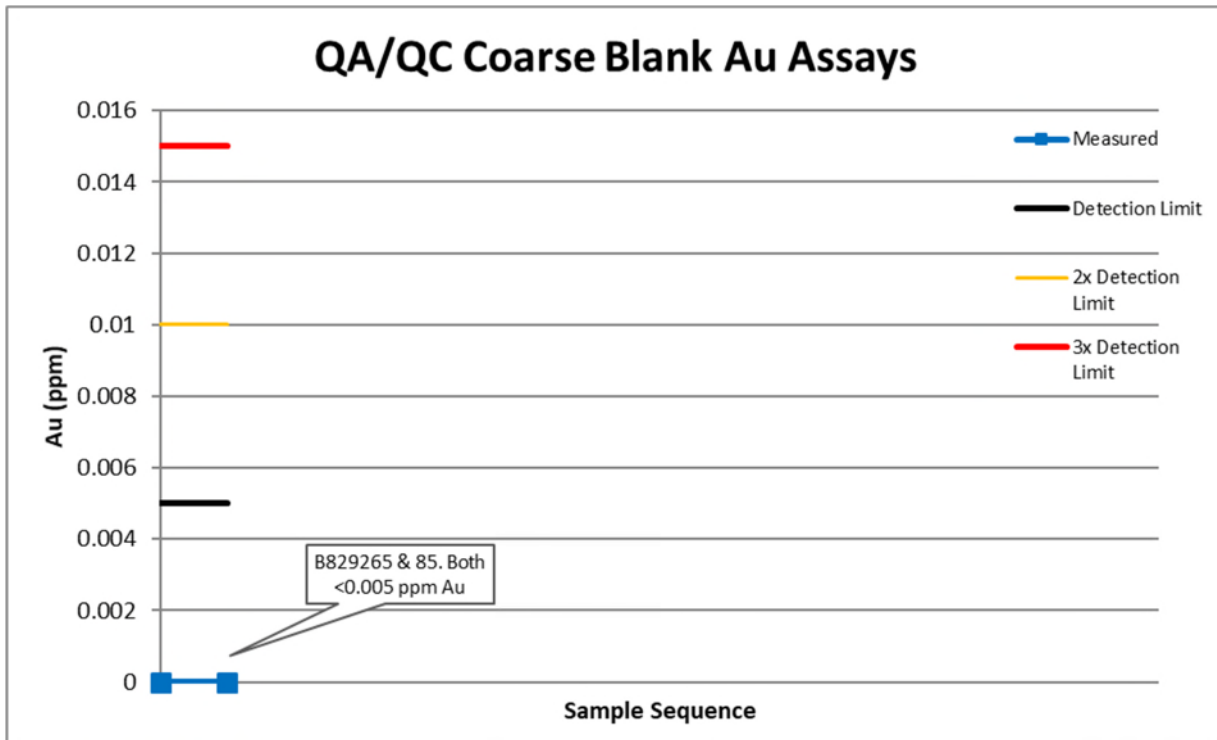
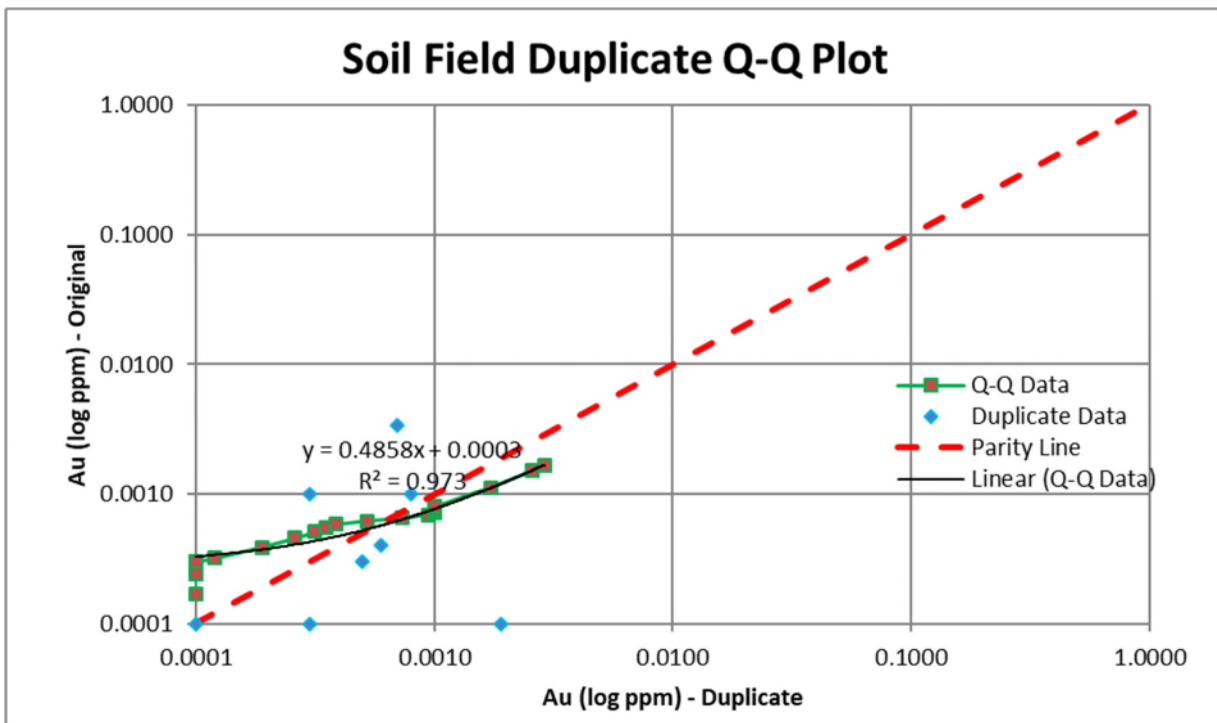


Figure 24. 2020 Comstock Program Soil Field Duplicate Q-Q Plot (Dufresne, 2021).



Adequacy of Sample Collection, Preparation, Security and Analytical Procedures

The author has reviewed the adequacy of the historical exploration information as conducted by Mr. Ellerbeck and Freeman and the visual, physical, and geological characteristics of the Comstock Property. The Qualified Person has found no significant issues or inconsistencies that would cause one to question the validity of Mr. Ellerbeck's or Freeman's data for its specific use as 'background information' during the preparation of this Comstock Technical Report.

In the future, however, the author recommends that the sample collection, preparation, security, analytical procedures and QA/QC procedures of any exploration program completed by the Issuer is current with CIM standards and guidelines and robust enough to develop confidence for any future mineral resource/reserve modelling and estimations.

DATA VERIFICATION

The Qualified Professional site inspection, which was conducted by the author, D. Besserer, P.Geol., on April 29, 2021, satisfies the National Instrument 43-101 criteria. Furthermore, data verification procedures include:

1. I physically stood on all the properties;
2. I observed some of the initial findings on the Properties including;
 - a) Extensive gossans (iron alteration) exist at a number of the mineralized occurrences within the Comstock Property and I collected rock grab samples which confirmed the presence of anomalous gold, silver and copper mineralization within the Comstock Property;
 - b) A road network exists throughout the properties making the areas readily accessible for exploration;
 - c) I conducted truck and foot traverses within the property and reviewed local geology both within the Comstock Property and outside of the Comstock Property; and,
 - d) Significant gossans, trenches, drill pads and historical adits are visible throughout the Comstock Property (Plate 1).

The author relied on the various reports Monger, 1985, Cui et al., 2017, Baressi, 2008, Boronowski, 1984, Bradford, 2010, Cavey et al., 1986, Crooker, 1987, D'Angelo et al., 2017, Ellerbeck, 2014, Erdmer et al., 2002, Mihalynuk et al., 2016, Mortimer, 1987, Nelles, 1988, Preto, 1979, Schau, 1968, Schiarizza, 2019 and BC MINFILE reports for the each of the historical showings as well as field observations.

During the visit(s), drill pads, trench locations and mineral occurrence coordinates from historic information were visited and verified. That is, trenches were located in the field at coordinates which matched historic exploration data. It was obvious that trench locations corresponded well with the historic summary.

Based on a review of: the local geology; trench sites; and drill pads from previous exploration; the author has no reason to question the validity of the exploration conducted and/or the results thereon. That is, the adequacy of the data used in the Comstock Technical Report is considered reliable in the author's opinion.



Plate 1: Historic adit (Leadville) correctly located at the Comstock Property during the field visit.

Site visit

Mr. Besserer had visited the Comstock Property in June/July 2020 as the vice president, exploration for Freeman Gold Corp. (formerly Lodge Resources Inc.) who had an option on the Comstock Property. APEX Geoscience of Edmonton, Alberta and SJ Geophysics of Delta, BC were contracted by Freeman to conduct the exploration at the Comstock Property in 2020. Subsequently, Freeman Gold had acquired an advanced gold project in the United States and dropped the Comstock option to focus on that project. During the visit, Mr. Besserer conducted truck and foot traverses throughout the Comstock Property and visited areas with known mineralization (including the LD, Comstock, Leadville, Charmer, Victoria and Diane occurrences).

Mr. Besserer visited the property on behalf of The Issuer on April 29th, 2021. He examined the High Cu and AgAuCu occurrences and collected 6 rock grab samples and the descriptions are in Table 5 and are shown on Figure 25 (Figure 25; Table 5).

Sample locations were selected to investigate anomalous areas at the High Cu and AgAuCu occurrences. Individual rock grab samples were selected based on the presence of alteration and/or mineralization (sulphides). Rock grab samples were approximately 1-2 kg in size and collected using a geological hammer. The location, material type and a brief geological description were recorded (Plate 2).



Plate 2: Rock grab sample 21DBP003 at the HighCu occurrence (0.43%Cu).

All rock samples were placed in a poly bag with a unique sample number and zip tied closed. The outside of the bag was labeled with the same unique sample number and the location of the sample was marked with a GPS location. The samples were hand delivered to ALS's preparatory lab in Kamloops, BC and subsequently shipped to ALS Laboratories in Vancouver, BC for geochemical analysis. ALS Global is accredited in accordance with the recognized International Standard ISO/IEC 17025:2005 and is independent of the issuer, and the author of this Comstock Technical Report.

Each rock sample was dried and individually crushed and pulverized following preparation code "PREP-31A" whereby samples were crushed until 70% of the sample material passed through a less than 2 mm screen. From this material a 250 g riffle split sample is collected and then pulverized until 85% passes through a 75-micron screen. A 0.5 g split of each sample was collected for multi-element analysis and a 30 g split of each sample was collected for gold assay.

A 0.5 g split of each rock sample was evaluated for 51 elements by aqua regia digestion and analyzed using inductively coupled plasma mass spectrometry (ICP-MS) (method ME-MS41). Samples returning >100 ppm silver were re-analyzed using the overlimit method OG46 whereby an aqua regia digestion with an ICP-MS or AAS finish was applied to a 0.4 g sample.

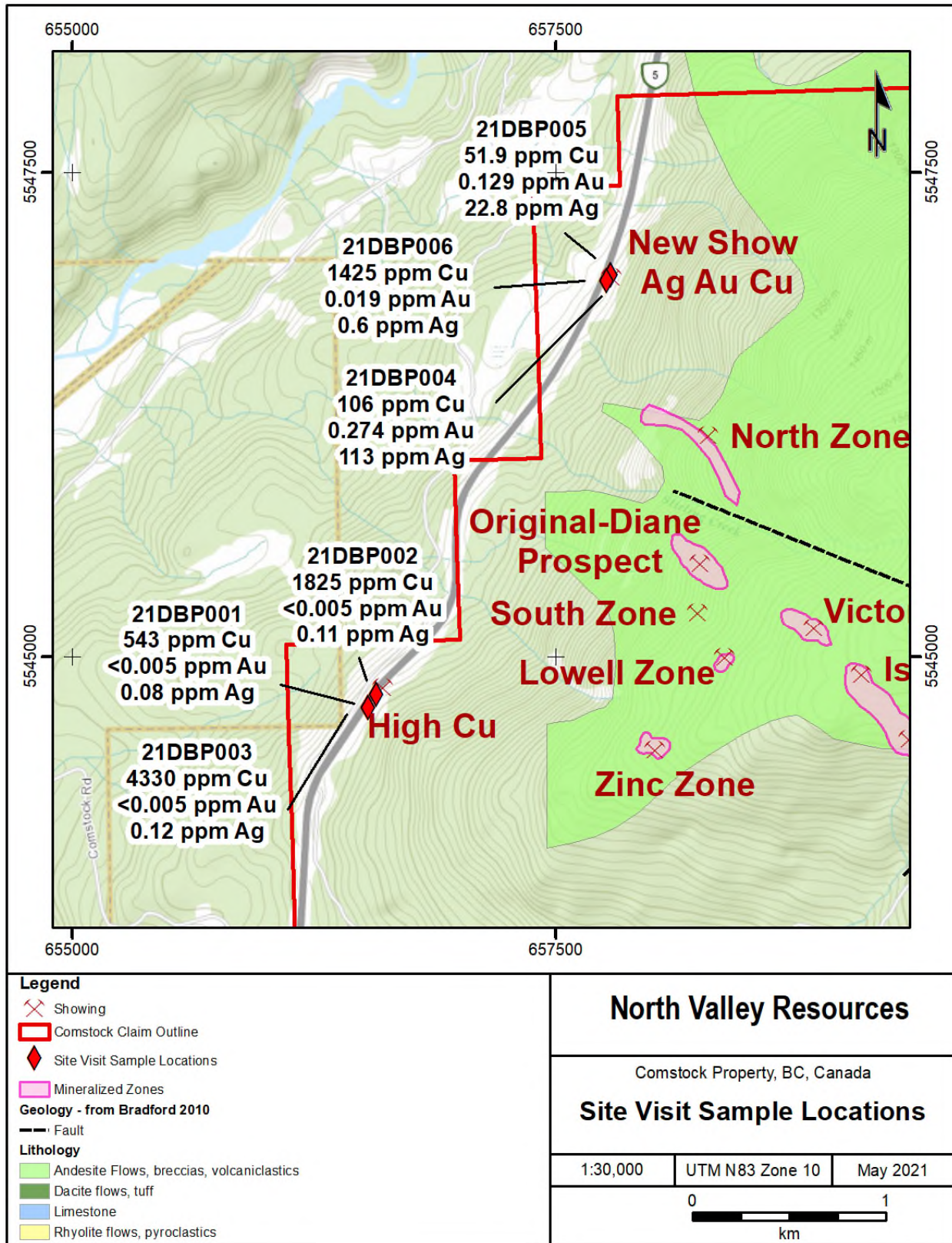
A 30 g split of each rock sample was evaluated for gold by lead collection fire assay fusion with an atomic absorption spectrometry (AAS) finish (method AA23). No over limit gold samples were returned.

All 3 samples collected from the High Cu occurrence returned anomalous copper values (543 to 4330 (0.4% Cu) parts per million copper). All 3 samples collected from the AgAuCu occurrences contained polymetallic mineralization confirming historic assay results from the area (Up to 113 ppm Ag; 0.27 g/t Au and 0.18% Cu; Figure 25; Table 5). The analytical laboratory reports are on file at The Issuer and are available upon request.

Table 5. Site Visit Rock Grab Samples

Rock Grab Sample ID	UTM WGS84 Zone 10U		Occurrence	Description				
	Easting	Northing						
21DBP001	656526	5544736	HighCu	Gossan, hematite alteration, 2% Pyrrhotite, trc py; andesite.				
21DBP002	656526	5544736	HighCu	malachite, trace cpy, andesite				
21DBP003	656570	5544804	HighCu	malachite staining, boulder at base of cliff, andesite				
21DBP004	657781	5546971	AgAuCu	Limonitic, composite grab across outcrops and talus, andesite				
21DBP005	657781	5546971	AgAuCu	Limonitic, composite grab across outcrops and talus, andesite				
21DBP006	657762	5546943	AgAuCu	weak malachite staining, talus, andesite				

Figure 25. 2021 Site visit



Data Verification Procedures

The sample locations and assay information for Mr. Ellerbeck's and Freeman's (conducted by APEX Geoscience Ltd.) sampling programs conducted at the Comstock Property between 2014-2020 were provided to Mr. Besserer as digital files. The author reviewed the digital data provided by Mr. Ellerbeck and Freeman and compared it against original assay certificates. No errors or issues were identified in the historical exploration data. All other information regarding historical exploration on the Comstock Property was obtained from mineral assessment reports.

The author cross-referenced and verified information regarding the known mineral occurrences (Original-Diane, Leadville, Charmer, LD, Zinc) within the Comstock Property obtained from the BC Minfiles, with data from historical mineral assessment reports. No issues were noted.

Validation Limitations

The Author of the Comstock Technical Report has assumed, and relied on the fact, that all the information and existing technical documents listed in the References Section of this Comstock Technical Report are accurate and complete in all material aspects. While the Authors has carefully reviewed all the available information presented to him, he cannot guarantee its accuracy and completeness. The Author reserves the right, but will not be obligated, to revise the Comstock Technical Report and conclusions if additional information becomes known to them after the effective date of the Comstock Technical Report.

Adequacy of the Data

The QP has reviewed the adequacy of the exploration information and the visual, physical and geological characteristics of the Comstock Property and has found no significant issues or inconsistencies that would cause one to question the validity of the data.

The author is satisfied, and takes responsibility, to include the historical exploration data as background information for this geological introduction and qualifying Comstock Technical Report. In the future, however, the author recommends that the sample collection, preparation, security, analytical procedures and QA-QC procedures for any exploration program completed on the Comstock property is current with CIM definition standards and guidelines.

MINERAL PROCESSING AND METALLURGICAL TESTING

The Issuer has yet to conduct mineral processing and/or metallurgical testing at the Comstock Property.

MINERAL RESOURCE ESTIMATES

The Issuer has yet to conduct mineral resource/reserve modelling or estimations. There are no known mineral resources or reserves outlined at the Comstock Property.

ADJACENT PROPERTIES

The reader is cautioned that the following section discusses mineralization, and/or historical occurrences that are not located on the Comstock Property but are located in the vicinity of the Property. The authors of the Comstock Technical Report have not had the opportunity to visit most of these sites and mineral deposits, or verify any of information presented below, and the reader is further cautioned that this information is not intended to imply that such mineralization exists at the Comstock Property. The

information provided in this section is simply intended to describe examples of the type and tenor of mineralization that exists in the region and is potentially being explored for at the Comstock Property.

The Comstock Property lies in the Quesnel Terrane in southern British Columbia which has been of major economic interest because of its potential for hosting porphyry copper-gold mineralization. Significant mines in the belt include the Copper Mountain and Highland Valley Copper Mines and the past producing Craigmont Mine.

The Copper Mountain porphyry copper-gold mine is located 80 km south of the Comstock Property. The Copper Mountain encompasses a large, structurally complex, alkalic porphyry copper-gold system. The majority of the copper-gold mineralization is in the form of veins, fracture fillings, and disseminations hosted within volcanic rocks of the Nicola Group and intrusive rocks of the Lost Horse Intrusive Complex. The geological setting of Copper Mountain is a large, submarine, mafic volcano, where the magmatic source rocks have intruded into the volcanic pile. Intrusive-related hydrothermal activity was accompanied by active tectonism, resulting in strong structural control of mineralization and associated alteration. The Copper Mountain deposits are collectively classified as an alkalic porphyry copper-gold deposit. Historical mining operations from 1927 to 2019 have produced approximately 1.7 billion pounds (Blb) of copper, 700,000 ounces (oz) of gold, and 9 million ounces (Moz) of silver (Klue et al., 2020).

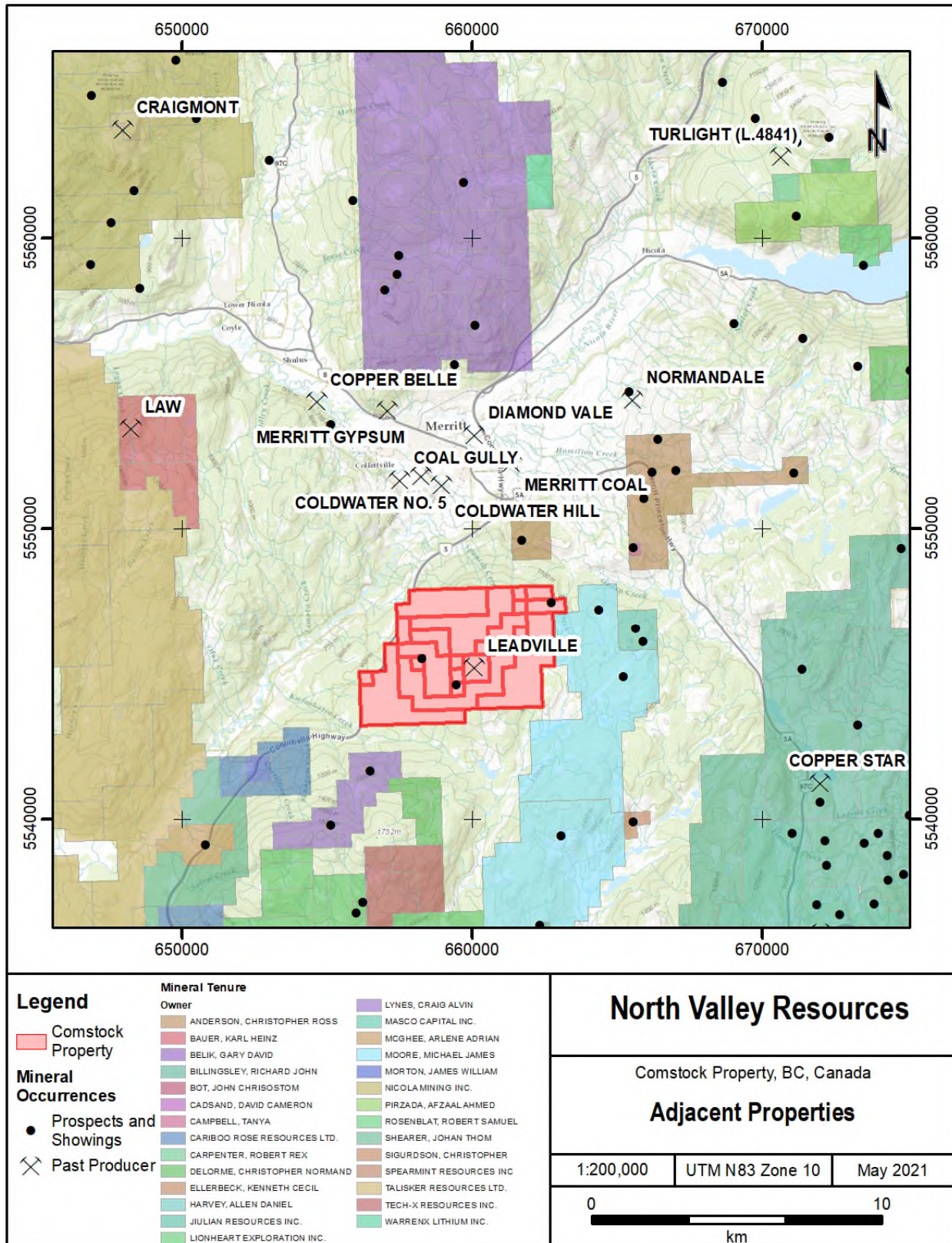
The Highland Valley Copper mine, Canada's largest open-pit mine, is located 53 km northwest of the Property. The Mine is owned by Teck Highland Valley Copper (THVC) a partnership of Teck Resources Limited (95%) and Highmont Mining Company (5%). Four deposits comprise the mineralization at THVC: Highmont, Lornex and Valley and Bethlehem. Production from the various deposits has been intermittent since 1972. The deposits lie within the Guichon Creek batholith of upper Triassic age. The batholith is a composited, concentrically zoned calc-alkaline, I-type intrusion that has been emplaced and has metamorphosed the surrounding country rock of the Nicola Group. The Highmont, Lornex and Valley deposits are typical porphyry copper-molybdenum bodies that were emplaced during the youngest phase of batholith formation (Graden, 2013). Copper production in 2021 is anticipated to be between 128,000 and 133,000 tonnes (www.teck.com).

Nicola Mining currently owns the New Craigmont Mine Project which encompasses the historical Craigmont Mine and is located 20 km northwest of the Comstock Property. The property covers a large area along the southern extent of the Guichon Batholith which is host to many copper prospects that have been intermittently explored since the early 1930's. The Craigmont Mine was operated from 1961 to 1967 and as an underground operation from 1967 to 1982 when it was shut due to low copper prices. The mine produced in excess of 36,750,000 tons at an average grade of 1.30% Cu, containing approximately 900 000 000 lbs. of copper. Nicola Mining is currently actively exploring the property. The property is underlain by an east-northeast trending, steeply dipping volcanic pile of Upper Triassic Nicola Group rocks that are bound to the north by the multistage Early Jurassic-Late Triassic Guichon Creek Batholith and unconformably overlain by the Middle and Upper Cretaceous Spences Bridge Group. Most of the area is covered by thick gravel overburden. At least two types of mineralization described as copper-iron skarn and copper porphyry have been identified on the property. The mineralization is commonly associated with copper and iron skarn assemblages and is hosted in carbonate-rich, silicate-rich or intrusive rocks along the southern flank of the Guichon Batholith (Wells and Gray, 2020 *and references therein*).

Numerous historical mineral occurrences hosted in Nicola Group rocks are found in the area surrounding the Comstock Property (Figure 15.1). The precious and base metal mineralization at these occurrences is variable and encompasses polymetallic veins (Au±Ag±Cu±Pb±Zn), hydrothermal, copper skarn and porphyry deposits. Recent staking has covered the majority of precious and base metals occurrences in the area however no recent exploration work has been reported for the majority of these Properties (Figure 26).

West of the Property, Talisker Resources has amalgamated an extensive property covering 85% of the Spences Bridge Gold Belt and formed a strategic alliance with Westhaven Ventures Inc. who own the Shovelnose high-grade epithermal discovery. Talisker aggressively explored Spences Bridge with an extensive geochemical program beginning in May 2019 and continuing in 2020 resulting in the identification of over 100 anomalies. The 2020 program resulted in generation of 13 high interest prospects over the entire Spences Bridge Property. Permitting for the purpose of diamond drilling was initiated to follow-up on those targets (Talisker, 2020). The Spences Bridge and Shovelnose properties are underlain by rhyolitic flows and tuffs of the Pimainus Formation of the Spences Bridge Group which overlies the Nicola Group. Gold mineralization throughout this area is characterized as structurally-hosted low sulphidation epithermal (Laird, 2021).

Figure 26. Adjacent Properties



OTHER RELEVANT DATA AND INFORMATION

The author is not aware of any other information or data relevant to the Comstock Property at this time.

INTERPRETATION AND CONCLUSIONS

Results and Interpretations

The Comstock Property is located within the Quesnel terrane of south-central British Columbia which hosts several alkalic economic Cu-Au porphyry deposits. The Property is underlain by the Late Triassic island-arc volcanic rocks of the Nicola Group which comprise a variety of volcanic and sedimentary facies and are, at least partly, comagmatic with the Late Triassic-Early Jurassic intrusions.

Exploration in the area dates back to the 1920's, with limited production reported from the Leadville deposit in the 1940's. Historical exploration focused on three main mineralized areas: the Diane Zone, the Charmer Zone, and the Comstock (Leadville) Zone. In 1988, drilling at the Diane prospect intersected 24.70 g/t over 0.76 m and channel sampling returned up to 5.2% Cu along with 10 ppm Ag and 7 ppm Au. Sampling programs returned anomalous results over the Charmer zone including 4 g/t Au, 3 g/t Ag and 2.9% Cu and over the Diane zone including 3.41 g/t Au and 0.12% Cu. In 2018, Ellerbeck described the discovery of a new mineralized zone "New Zone" 1.8 km north northwest of the Diane zone. In total 8 mineralized zones have been identified on the Property. The most significant historical occurrences include the LD and the Leadville-Comstock which are characterized as volcanogenic massive sulphide (VMS) showings hosted within a 2-km wide band of rhyolite/pyroclastic rocks. The Charmer and Diane-Original mineralized zones are characterized by mineralized quartz veins that extend along a 2,800-metre (m) long northwesterly trending structure.

Recent exploration in 2020 completed by Freeman included geochemical soil sampling, prospect rock grab sampling and ground magnetics and Volterra-3DIP (IP) geophysical surveys across the four main mineralized zones. A total of 141 soil samples and 47 rock grab samples, including quality assurance/quality control (QA/QC) samples, were collected and assayed. In total, 12-line km of ground magnetics and 12.85-line km of IP survey data was collected across the various mineralized zones. The results of the 2020 rock and soil sampling programs highlighted copper, zinc and lead anomalies and confirmed the presence of historically identified mineralization on the Comstock Property.

To date, volcanogenic massive sulphide (VMS) and auriferous quartz-specularite-chalcopyrite veins were the main mineralization types that have been explored for on the Comstock Property. However, the potential for the Property to host epithermal deposits should also be evaluated. The LD and the LD-Comstock mineralized zones lie within a 2-km band of rhyolite/pyroclastic rocks that have the potential to host VMS and remain a prime target for follow-up exploration. Indications of VMS mineralization at the LD-Comstock zone have been identified in the banded and bedded lead-zinc-barite that occurs in the rhyolite at the LD-Comstock shaft and in float and outcrop of semi-massive sulphide at the LD mineralized zone. The Charmer/Diane mineralized area should be investigated for the potential to host a structurally controlled vein type deposit and possibly an epithermal deposit along the 2,800 m long shear zone with auriferous quartz veining. The mineralization at Charmer/Diane has been identified over a length of 250 m and varies up to several metres in width. A historical diamond drill hole intercept from the Diane-Original zone is reported to have intersected 1.38 metres averaging 14.53 grams per tonne (g/t) gold and 15.75 g/t silver (Ag).

Additional exploration is warranted at the Comstock Property to determine the consistency and continuity of mineralization in the two main zones and to explore for mineralization indicative of a potential copper/gold porphyry or an epithermal system.

Risks and Uncertainties

The author is unaware of any unusual risk factors, other than those normally associated with early stage/grassroots mineral exploration, that might affect future exploration work and potential development of the Comstock Property.

RECOMMENDATIONS

The presence of: anomalous gold and base metals in both rock and soil samples; favorable geology to host an important VMS and/or epithermal deposit; close proximity to important mineralized occurrences and/or mines; widespread alteration; and, the presence of untested geophysical anomalies at multiple locales within the Comstock Property are encouraging and therefore follow-up exploration is warranted.

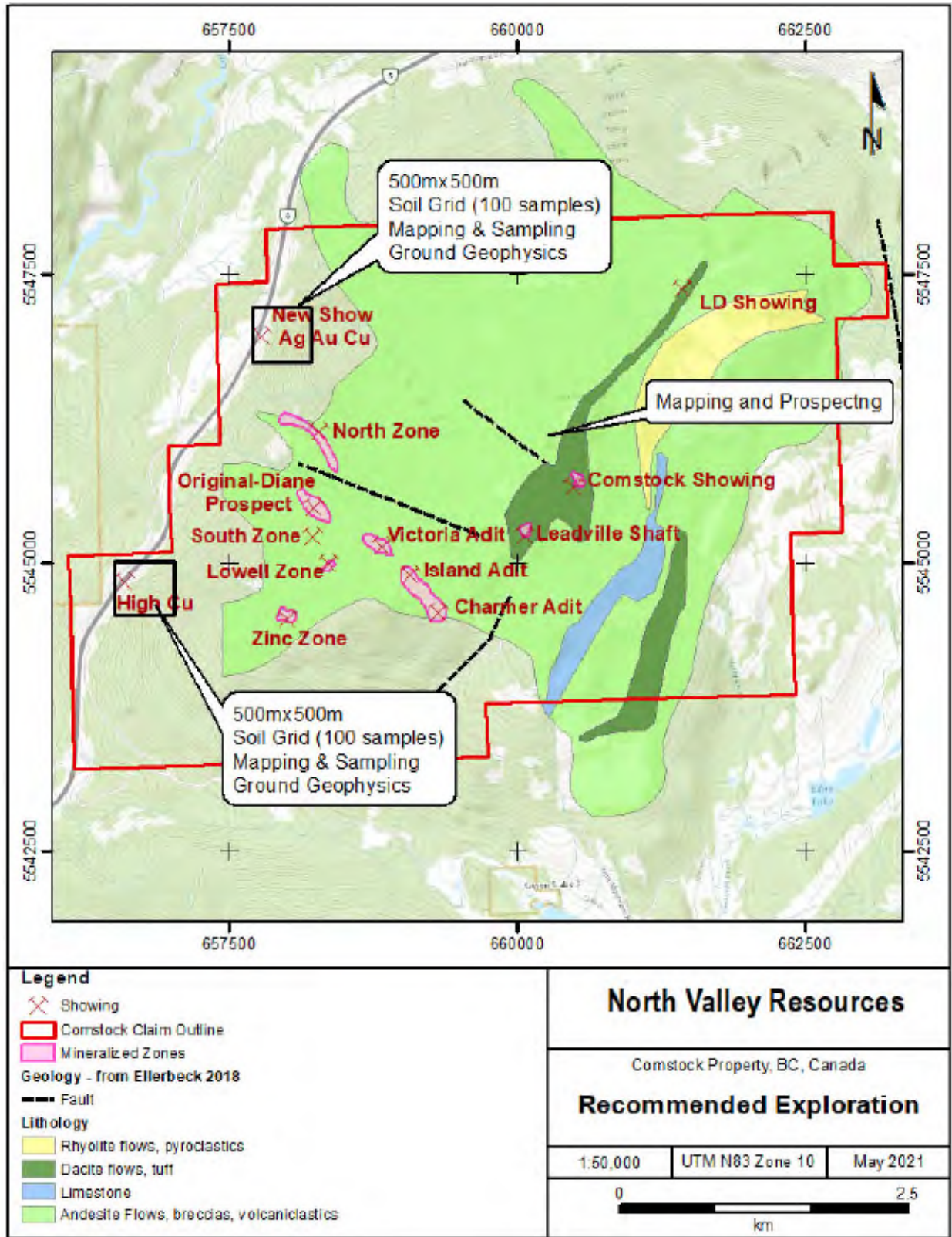
Additional exploration is warranted to determine the consistency and continuity of mineralization as well as develop prioritized targets for follow-up exploration. Phase 1 follow-up exploration should include but not be limited to: 1. Geological mapping of each of the known showings (3 weeks; 2 geologists; \$30,000); 2. Having a geophysicist complete in-depth interpretation of the 2020 IP data in conjunction with the mapping and existing results to better isolate priority targets for possible trenching and/or drilling, including ground truthing targets (3 weeks; \$30,000); 3. Soil sampling, ground magnetics and prospecting in and around the High Cu and AgAuCu showings (\$40,000). The budget \$100,000 should include a \$5,000 contingency. The total recommended budget is \$105,000Cnd (See Table 6 and Figure 27).

Phase 2, which is contingent on positive results from Phase 1, should include trenching, sampling and drilling of priority targets (5 drill holes or 500m; 4 trenches and reporting thereon - \$250,000Cnd (See Table 6).

Table 6. Recommended Budget

Phase 1		
Activity Type		Cost
Mapping. 2 Geologists for 21 days (\$500 each = \$21,000) Truck rental and fuel (\$1,500) Meals and accommodation (\$5,000) Rock Samples (50 @\$50/sample = \$2,500)		\$30,000
Completion of 2 soil grids and ground magnetics. 2 Geologists for 21 days (\$500 each = \$21,000) Truck rental and fuel (\$1,500) Meals and accommodation (\$5,000) Soil Samples (200 samples @ \$30 = \$6,000) Rock Samples (50 @\$50/sample = \$2,500) Magnetometer rentals (\$4,000)		\$40,000
Geophysical Interpretation and compilation using ArcGIS and specialized software		\$30,000
Contingency		\$5,000
Phase 1 Subtotal		\$105,000
Phase 2 (Contingent on the results from Phase 1)		
Activity Type		Cost
Trenching – 4 trenches		\$40,000
Mapping and Sampling of Trenches		\$30,000
Drilling – 500m @ \$240/meter		\$120,000
Geological Studies		\$25,000
Updated 43-101 Report		\$20,000
Contingency		\$15,000
Phase 2 Activities Subtotal		\$250,000

Figure 27 Recommended Exploration



Technical Report — Barnum Property

The following information regarding the Barnum Property has been summarized from the Barnum Technical Report authored by the Barnum QP and should be read in conjunction with this Prospectus. Ms. Caron is an independent qualified person as defined by NI 43-101. The Barnum Technical Report has been prepared in accordance with NI 43-101 and is available for inspection at the head office of the Issuer during normal business hours. This summary contains references to indicate to the reader the materials that have been used to compile the Barnum Technical Report. The Barnum Technical Report contains a complete list of all references used in this summary.

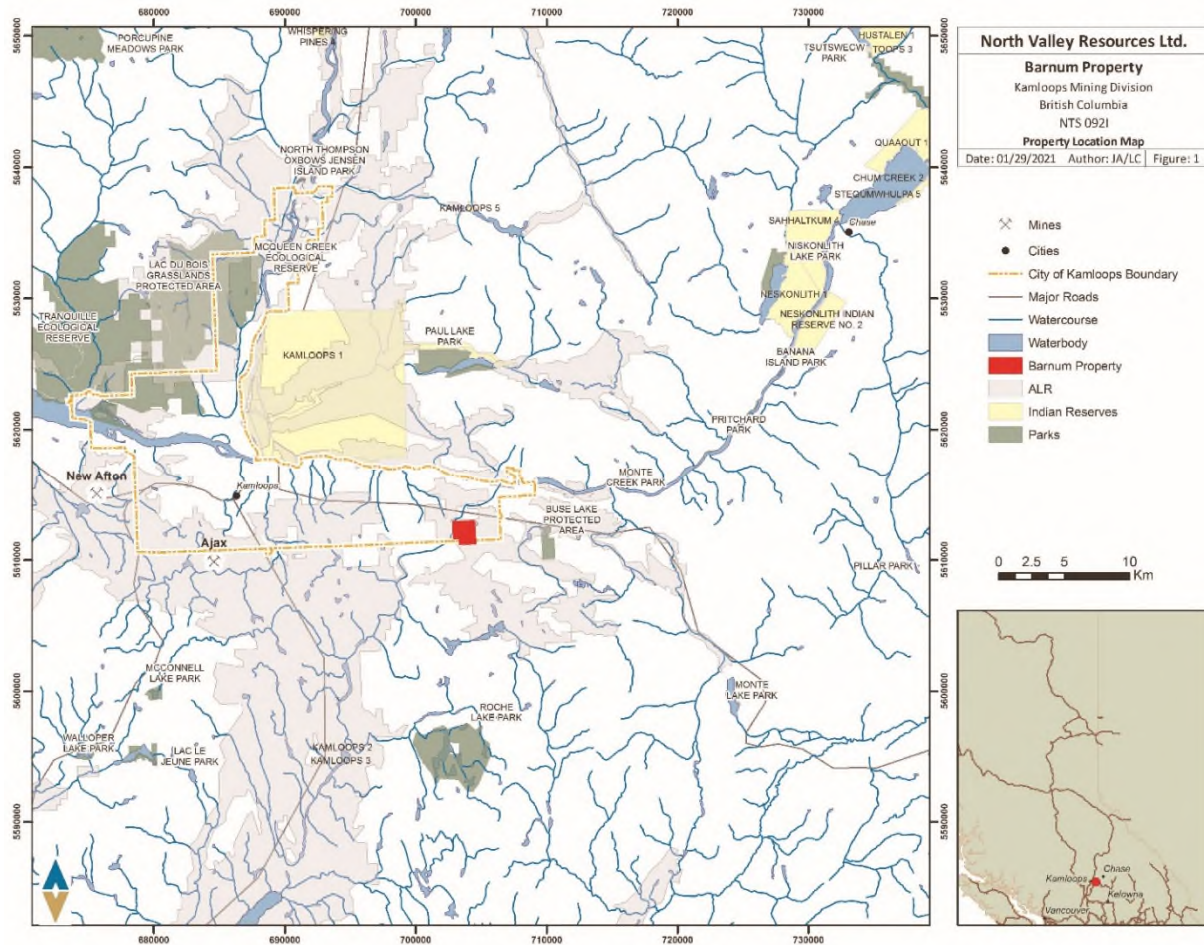
Property Description and Location

1.1 Location

The Barnum Property is located in south-central British Columbia, approximately 15 km east of Kamloops, within the Kamloops Mining Division. There is good year-round road access to the property via the Barnhartvale and Campbell Creek roads, and seasonally by ranching and other subsidiary roads.

The project is centered at 50° 37' 37" N latitude and 120° 7' 8" W longitude on NTS map sheet 92I/09 and on TRIM map 092I.070. A general location map is included as Figure 1.

Figure 1: Location Map



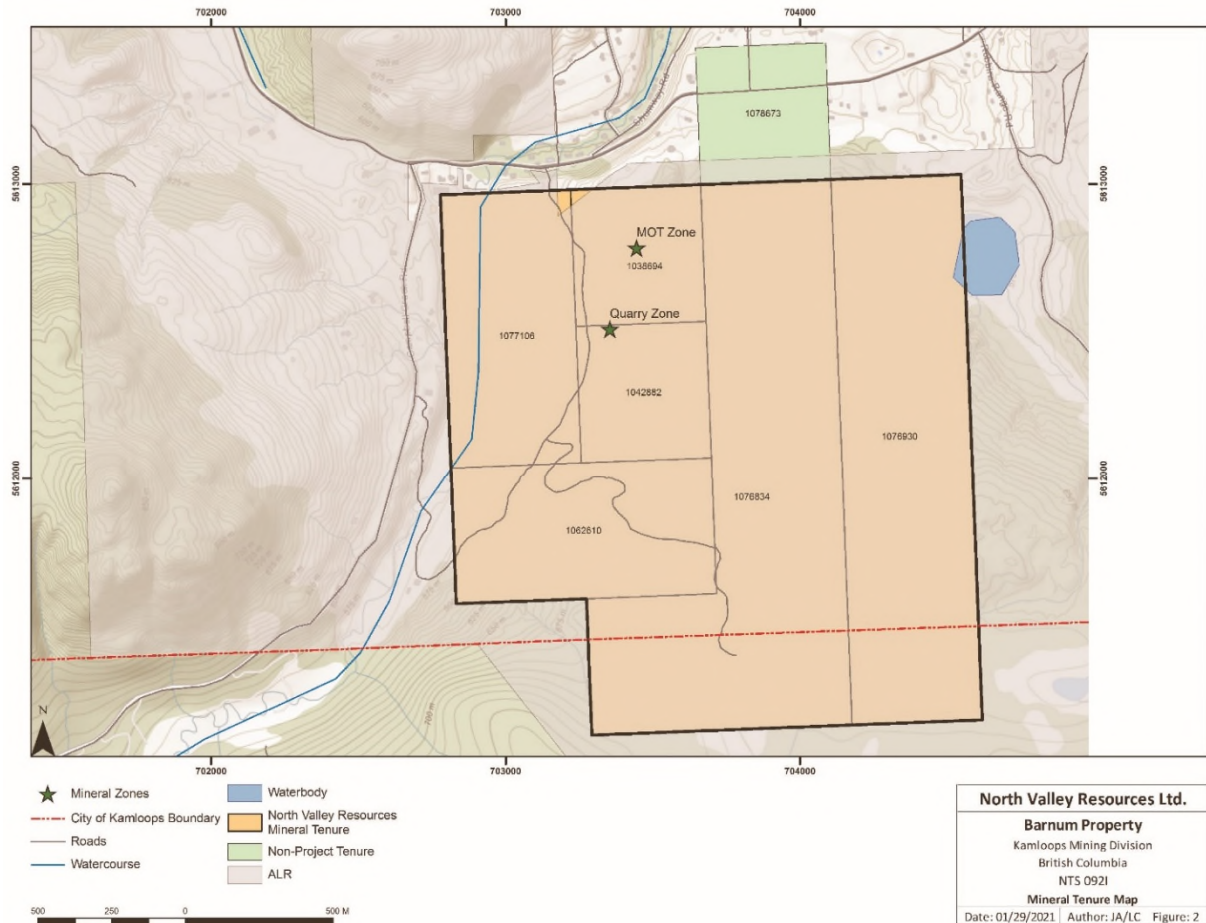
1.2 Description

The Barnum Property covers 308 hectares and is comprised of 7 mineral claims, as listed below in Table 1. Figure 2 shows the relationship between mineral claims and zones of known mineralization and infrastructure.

Table 1: Barnum Property Mineral Claims

Tenure Number	Claim Name	Title Type	Issue Date	Good To Date	Area (Ha)
1038694	BARNUM	Mineral	2015-09-20	2029-12-31	20.50
1042882	PT	Mineral	2016-03-16	2029-12-31	20.50
1062610	BARNUM	Mineral	2018-08-26	2029-12-31	41.01
1076834	BARN EAST	Mineral	2020-06-19	2029-12-31	102.51
1076930	BARN EE	Mineral	2020-06-24	2029-12-31	82.01
1077106	BARN WEST	Mineral	2020-07-07	2023-08-31	41.00

Figure 2: Claim Map



1.3 Option Agreement

The Claims composing the Barnum Property are registered to Ken Ellerbeck, a director of the Issuer. The Issuer holds these claims pursuant to the Barnum Property Option Agreement, a non arms-length agreement with Mr. Ellerbeck. On March 18, 2021, the Issuer signed an amended option agreement with Mr. Ellerbeck to include an adjacent claim, that comprised an additional 2,051 hectares. On April 14, 2021, due to budgetary concerns over future claim maintenance costs of this additional 2,051 hectares, the Issuer amended the March 18, 2021 option agreement to remove the 2,051 hectare tenure. Under the April 14, 2021 amendment, a \$5,020 payment to Mr. Ellerbeck that had been made on signing the March 18, 2021 amendment, was removed from the agreement. Mr. Ellerbeck has returned the \$5,020 payment to the Issuer. Under the terms of the April 14, 2021 amended option agreement, NVR can acquire a 100% undivided interest in the claims in exchange for staged payments totaling \$550,000 cash and 600,000 shares over a 4 year period. Under the terms of the Barnum Property Option Agreement, as amended, NVR can acquire a 100% undivided interest in the claims in exchange for staged payments totalling \$550,000 cash and 800,000 shares over a 4 year period. The payment schedule is included below as Table 2. The agreement is subject to exploration commitments of \$810,000 over the 4 year period. Prior to October 1, 2021, NVR incurred explorations expenditures of \$85,000 on the Barnum Property, which are not included in the \$810,000 exploration expenditure schedule listed in Table 2. The agreement is subject to a 2.5 km Area of Interest. It is also subject to a 2% Net Smelter Royalty (NSR) in favour of the vendor, of which NVR can purchase 1% NSR in exchange for payment of \$1 million, leaving the Owner with a 1% NSR.

Table 2: Barnum Property Agreement Payment Schedule

Date	Shares	Cash Payments	Expenditures
On Signing		\$0	
Listing Date	0	\$0	
1st Anniversary of Listing Date	0	\$0	\$0
2nd Anniversary of Listing Date	100,000	\$0	\$110,000
3rd Anniversary of Listing Date	200,000	\$100,000	\$300,000
4th Anniversary of Listing Date	300,000	\$450,000	\$400,000
Total:	600,000	\$550,000	\$810,000

Claim Maintenance

Mineral claims within the province of British Columbia require assessment work (such as geological mapping, geochemical or geophysical surveys, or diamond drilling) be completed to maintain title to the ground. Annual work commitments are determined by a 4 tier structure, as follows:

\$5.00 per hectare for claims in anniversary years 1 & 2

\$10.00 per hectare for claims in anniversary years 3 & 4

\$15.00 per hectare for claims in anniversary years 5 & 6

\$20.00 per hectare for claims in subsequent anniversary years

Work in excess of the annual requirement may be credited towards future years. In lieu of assessment work, cash payments can be made to maintain title. To encourage exploration work, cash-in-lieu-of requirements have been set at twice the requirement for assessment work (i.e. \$10 per hectare in years 1

and 2, etc.). Under filing regulations, Portable Assessment Credits (PAC) which have been accrued from work completed anywhere in the province, but are excess to assessment obligations at the time of filing, may be used to satisfy up to 30% of the annual expenditure requirement.

Five of the claims that comprise the Barnum Property have reached the maximum assessment requirement of \$20/hectare, while the sixth claim currently has an assessment requirement of \$10/hectare. Total work commitment to advance the expiry dates of all claims within the property by one year is currently \$5,740. When all claims reach their maximum expenditure requirement, this will rise to a maximum annual amount of \$6,150.

The 2020 work program on the property by NVR (described below) has been filed for assessment purposes and expiry dates listed in Table 1 reflect that assessment filing.

Permitting and Environmental Liabilities

Application has not yet been made for an exploration permit for the Barnum Property. This is included in Phase 1 of the recommended work program. Because of the sensitivity of the area, it is critical that meaningful engagement be initiated early in the permitting project, and that any exploration be carried out with attention to minimizing the concerns of local residents and stakeholders. Some concessions that the Barnum QP has seen work with success on other projects with similar potential for conflict include reducing hours of drilling to minimize noise disturbance to nearby residents, and restricting industrial traffic during times when school busses are running on access roads. In the Barnum QP's opinion, there are no significant risks that would result in the Property being denied an exploration permit.

If exploration on the Property proves successful and a viable ore body is delineated, the mine should be carefully designed to minimize potential conflicts, even where design changes may result in higher capital or operating costs for the project. Underground mines with a small surface footprint are generally easier to permit than large open pit mines, particularly if ore can be transported off-site for processing at an existing off-site facility. In the Barnum QP's opinion, there are potential risks to the approval of future development on the Barnum Property, however these do not affect the merit of the property. With meaningful relationship-building beginning early in the exploration process, and with careful mine planning that anticipates concerns and addresses them up-front in the design process, permitting should be achievable.

Accessibility, Climate, Local Resources, Infrastructure, and Physiography

The Barnum Property has excellent infrastructure. It is located 3 km south of the Trans Canada highway (Highway 1) and of both the Canadian National and Canadian Pacific railways. A major BC Hydro transmission line follows the Trans Canada highway, 3 km north of the property, as does a major natural gas pipeline. Grid power is available on the western part of the property, and immediately to north of the property.

Road access is also very good, via the all-weather Barnhartvale and Campbell Creek roads. All services required for exploration are available in Kamloops, located 15 km to the west of the property. Kamloops, population 90,000, is a major mining supply centre. In addition to supplies, services and equipment, Kamloops has a skilled labour force, a major hospital and a full-service airport.

The Barnum Property is situated almost entirely within the Kamloops city limits and has a land use designation of rural and agricultural. As shown in Figure 3, the extreme western portion of the property is underlain by privately owned land and includes several residences, an equestrian facility, and fields under cultivation for hay. Under the Section 29 of the Mineral Tenure Act, notification must be served to private land owners before entry onto private property for mineral exploration purposes. Numerous rural residential

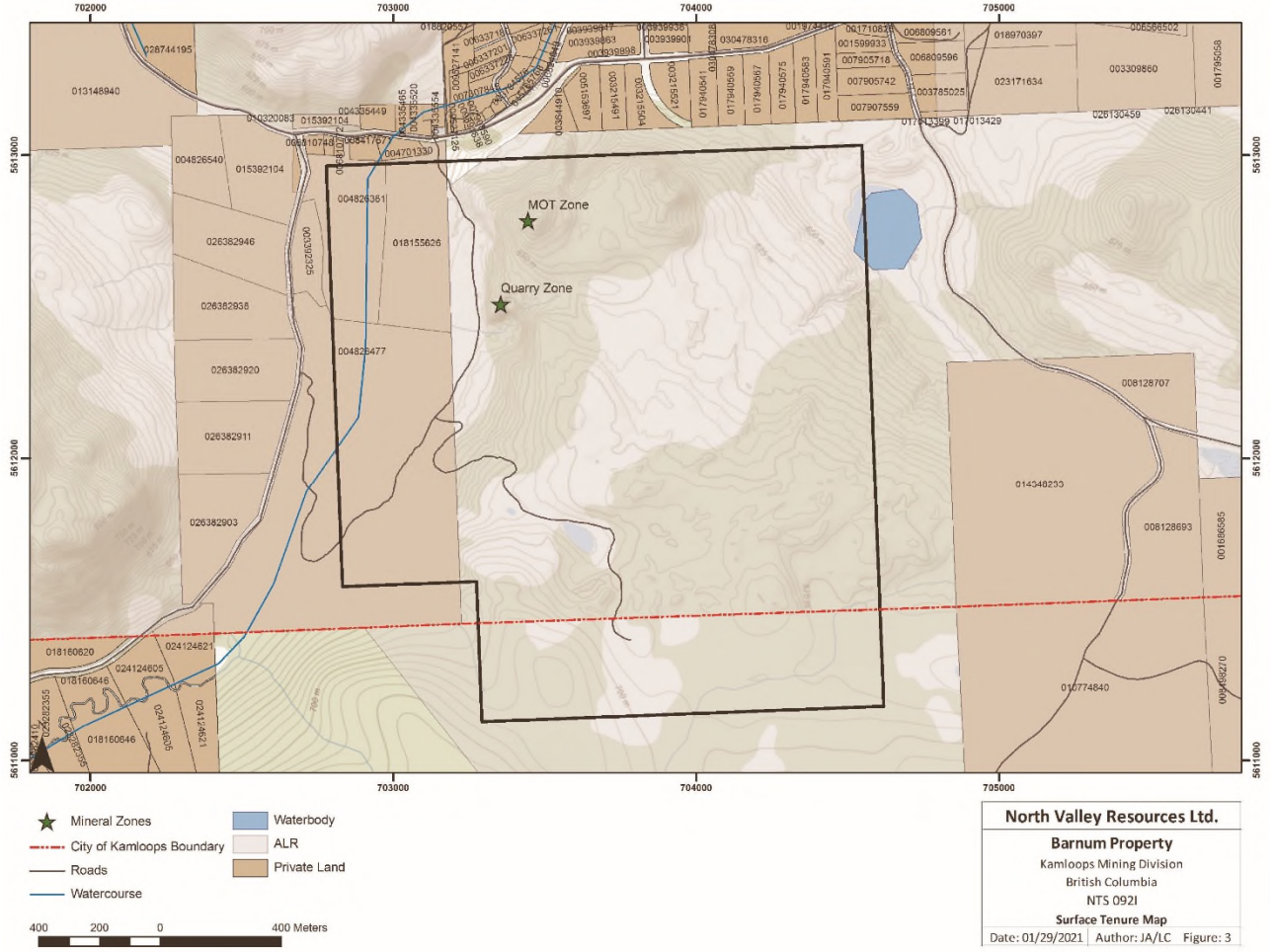
properties, part of the rural community of Barnhartvale, are located in close proximity to the claims. Non-private portions of the property are used seasonally, as range land for cattle grazing. Surface features on and adjacent to the Barnum Property are shown on Figure 4.

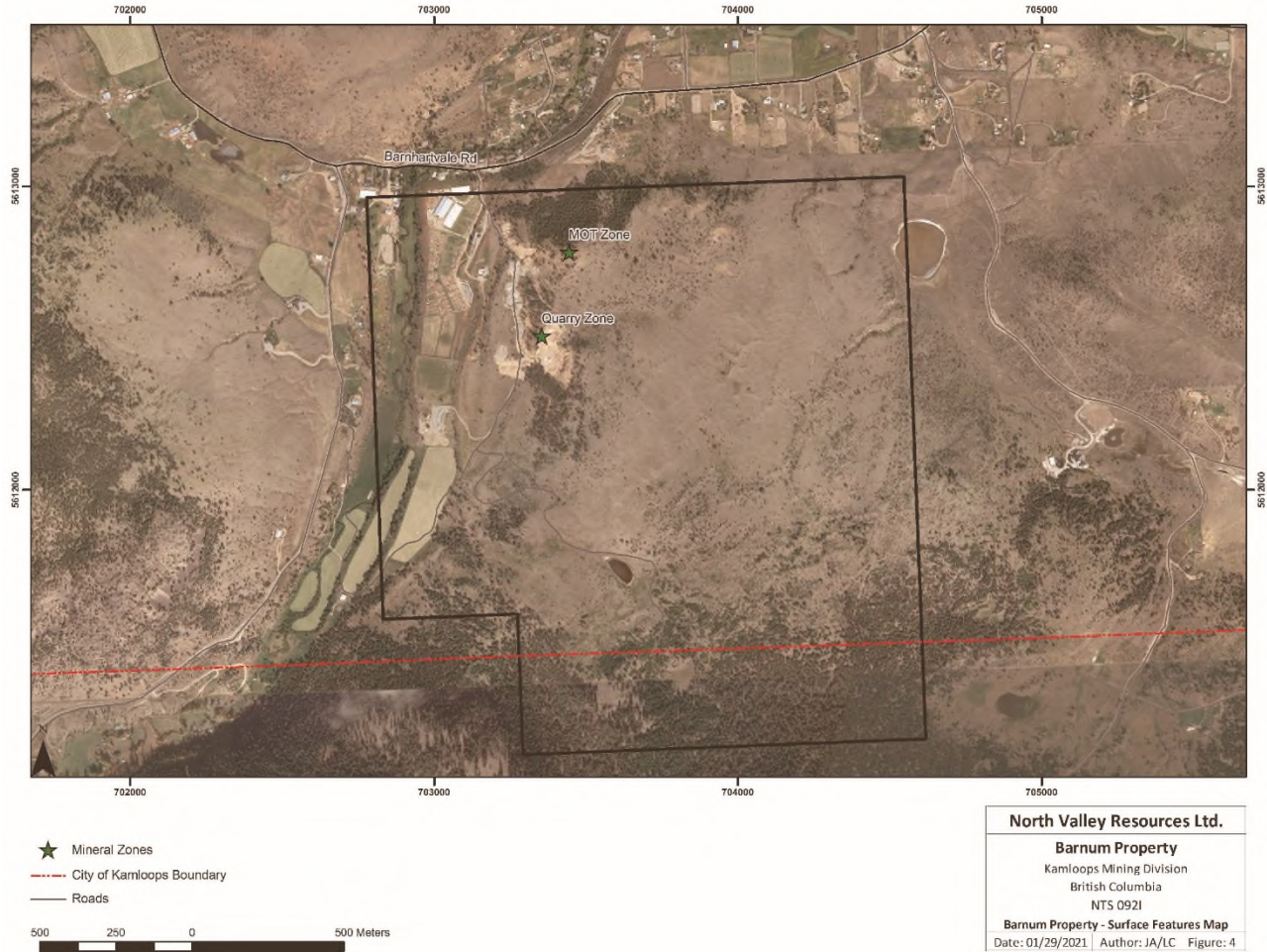
A large rock quarry, the Hall Shale Quarry, is located in the western part of the property and is clearly visible on Figure 4. The quarry, which is owned and operated by Hall Excavating of Barnhartvale, is situated on crown land immediately adjacent to privately owned land to the west. Access to the quarry is via a legal easement through private property and then, after passing through the locked quarry gate, via a road across crown land. North Valley Resources has an agreement with the quarry owner to access the property by the quarry road and legal easement, and holds a key to the quarry gate.

The western part of the Barnum property covers the Campbell Creek valley and the surrounding flat valley bottom. Immediately to the east of this, the west-facing slope that hosts the MOT (Old Pit) and Quarry Zones is very steep, but in general the property covers moderate, generally rolling hills. Elevations range from a low of 550 m in the Campbell Creek valley, to a high of 695 m at the top of the prominent, steep hill in the northwest part of the property. Vegetation consists of open grassy meadows, with sparse pine and fir forest at higher elevations. Several small ponds are located within the Property limits. During the historic (1988) drill program at the MOT Zone, water was sourced from Campbell Creek and trucked to the drill.

Rock exposure on the property is limited, although overburden cover appears relatively thin. There are relatively few natural outcrops, and they are generally confined to topographic highs such as the hill that hosts the MOT occurrence in the northwest part of the property. There is excellent rock exposure in the excavations at the rock quarry, in the western part of the property.

The climate is typical of the Interior Plateau region of south-central British Columbia. Summers are warm and dry, with daytime temperatures in excess of 30°C common during July and August. Winters are modest with minimal to moderate snow accumulation. Short winter cold snaps with temperatures dropping to -20°C, are not unusual. Exploration is possible year-round and the property is generally snow free from late March until late November.





History

The first reported work on the Barnum property was in the early 1970’s, although trenches discovered at that time indicate that prior work had been completed in the area. Sporadic exploration programs have been completed on the property since the early 1970’s, as summarized below in Table 3. Historic exploration was primarily in the immediate vicinity of the historic exploration pits (the *MOT* showing). These pits, plus historic drill pads which were observed during the Barnum QP’s site visit, are shown on Figure 6.

Table 3: Summary of Historic Exploration, Barnum Property

Year	Operator	Exploration Expenditure (2002 Dollars)	Summary
1971 1973	Copper Range Exploration Company, Inc.	\$29,129	In 1971, the MOT claims were staked to cover anomalous copper and gold values in rocks. Exploration work was confined to the topographic high in the northwest part of the property, where a cluster of historic trenches and pits was discovered (the MOT showing). Soil sampling identified a northeast-trending open-ended Cu-As soil anomaly (no gold analyses completed) at the MOT showing. Numerous rock samples returned elevated gold from this area (7 samples > 2 g/t Au, to a maximum of 106 g/t Au). In 1973, follow-up rock sampling and geological mapping was

Year	Operator	Exploration Expenditure (2002 Dollars)	Summary
			done. A strong Au:As association, and an association between elevated gold values and iron staining, was noted. Mineralization was hosted by highly fractured, iron stained sedimentary rocks in close proximity to altered feldspar porphyry dykes (Hopkins, 1971; Purdy, 1973).
1979 - 1981	Dickenson/Vantex Resources Inc.	\$36,938	In 1975, the Carlin 2 claim was staked by R. Dickinson to cover the area that had been held as the MOT claims. Small rock sampling programs were completed at the MOT showing in 1975 and 1979. The property was optioned to Vantex in 1980 who completed a 1500 x 2000m soil geochemical survey (438 samples, 125 m line spacing, 50 m sample spacing). Soil samples were analyzed for Au-Ag-Cu-As and a 1000 x 150m (Au+/-Ag,As) soil geochemical anomaly was discovered, essentially centered on the MOT showing. A VLF-EM survey was conducted over the same grid, which showed a conductive zone coincident with the soil anomaly. Follow-up drilling was recommended. In 1981, additional soil sampling was done to the north, south and west of the 1980 survey. Most of the 1981 sampling was outside the limits of the current Barnum Property (Dickinson & McClaren, 1975; Sawyer, 1979; Roberts, 1980, 1981).
1986 - 1988	Jaguar Equities Inc.	\$73,150	In 1986, Jaguar Equities Inc. optioned the Barn property which covered essentially the same area as the former Carlin 2 claim. In 1988, the company completed magnetometer and VLF-EM surveys (31.2 km) plus a 5 hole (361.8 m) diamond drill program. Drilling was problematic due to highly fractured rock, poor recovery, and poor water return, however zones of elevated gold were intersected. These including 1.52 m @ 8.64 g/t Au (ddh 88-01) and 10.67 m @ 1.41 g/t Au (ddh 88-04). The 1988 drill program is discussed in further detail in Section 6.1, below (Roberts, 1986, 1988).

Historic exploration work on the Barnum property (i.e. pre 2016) appears to conform to industry-acceptable standards of the time, however descriptions of sampling and analytical method are often absent and location control for historic grids, samples and drill holes is poor. None of the historic sampling programs included any independent QA/QC sampling.

NVR optioned the Barnum property from Mr. Ellerbeck in 2020, and completed a program ground geophysics, as described below. Work by Ellerbeck from 2016 to 2020 is also described below.

Historic Drilling

Five holes (totaling 361.8 m) were drilled on the Barnum property in 1988, as listed below in Table 4. All holes were drilled at the MOT Zone and all were relatively shallow, with only 1 hole exceeding 100 m in depth. Original assay certificates and drill logs for the historic drilling are contained in Roberts (1988). The Barnum QP has used this source document to verify all information presented in this report.

Roberts (1988) provides drill hole locations in local grid coordinates, however there are no maps that show the 1988 grid or the hole locations. The Barnum QP located two drill pads during her site visit to the property, as shown on Figure 6, however there were no markings to indicate which holes were drilled at these locations. It may be possible to locate additional drill pads and, from that, reconstruct the 1988 grid and plot and identify drill hole locations.

Historic drilling was BQ size, and was reported to be very difficult due to the very broken ground and the brecciated and highly fractured rock. Core recovery was poor. Drilling showed that the rocks were heavily leached in all holes, except ddh88-06 and the lower part of ddh88-04.

Table 4: Historic Drill Hole Specifications and Highlights

Hole	Grid_E	Grid_N	Size	Azimuth	Dip	Depth_m	Highlights
ddh88-01	99+85E	100+00N	BQ	270	-80	56.38	42.67-44.19m: 1.52 m @ 8.64 g/t Au in bx zone with qtz (no As this interval)
ddh88-02	99+57E	99+80N	BQ	330	-55	34.13	
ddh88-03	99+57E	99+80N	BQ	0	-90	76.19	
ddh88-04	100+10E	100+30N	BQ	0	-90	85.33	67.96-78.63m: 10.67 m @ 1.41 g/t Au, 2.25 g/t Ag in alt'd fp dyke with qtz vnlt, py (plus elevated As)
ddh88-06	100+60E	100+30N	BQ	0	-90	109.71	

It is interesting that the interval of elevated gold in hole 88-01 (8.64 g/t Au over 1.52 m) had no associated elevated arsenic, while the intercept in hole 88-04 (1.41 g/t Au over 10.67 m) was elevated in arsenic. As described in elsewhere in the Barnum Technical Report, a strong Au:As association is present at the Quarry Zone. The gold-only intercept in hole 88-01 suggests that there may be more than one stage of gold mineralization on the property.

Geology and Mineralization

1.1 Regional and Local Geology

The geology of the Kamloops region is illustrated in Figure 5 and is well described by Britton (2016), and references therein, from which the following is summarized. Figure 5 is based on the BC digital geology database, which, in the Kamloops area, is derived from regional mapping by Logan et al (2006a), Cockfield (1948) and Monger and McMillan (1989).

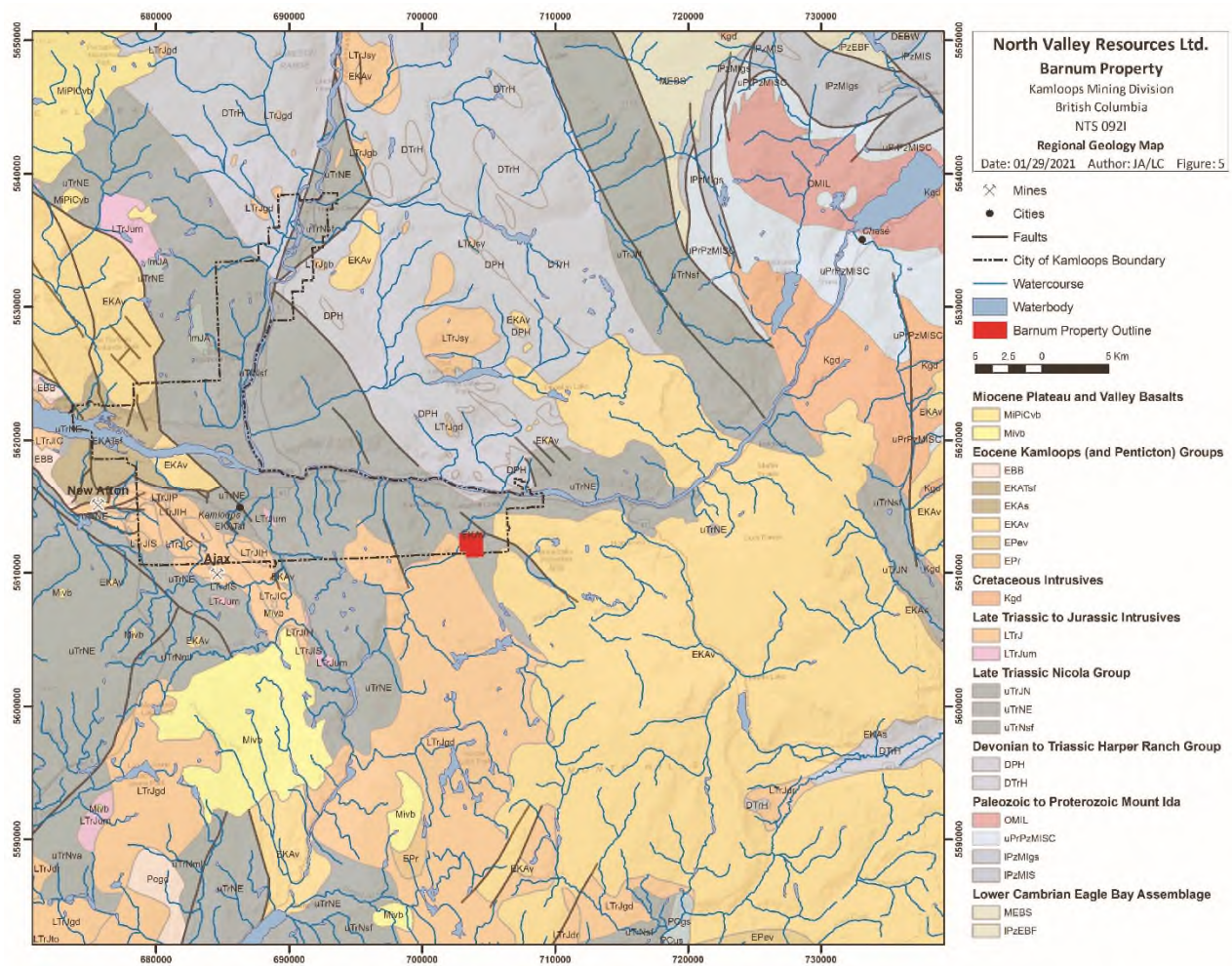
The area is located within the Quesnel terrane. The oldest rocks are lithified marine sediments of the Paleozoic Harper Ranch Group, which are exposed northeast of Kamloops. The Harper Ranch Group consists of a lower volcanic arc succession and an upper sequence of platform carbonates.

Volcanic rocks and lesser sedimentary rocks of the Upper Triassic Nicola Group, part of a Late Triassic to Early Jurassic island-arc, unconformably overlie the rocks of the Harper Ranch Group, and are widespread throughout the region. The Nicola Group is composed of fine-grained and porphyritic intermediate to mafic volcanic rocks consisting of tuff and volcanic breccia, plus associated sediment rocks (dominantly argillite, siltstone, limestone, and conglomerate). As noted by Schiarizza (2017), there is no regional nomenclature framework for the Nicola Group, and local terminology and subdivisions are used in different areas. During detailed mapping in the Iron Mask area, Logan et al (2006a) identified 8 separate units within the Nicola Group. On the BC digital geology map, the Barnum Property is shown to be underlain by the "Eastern Sedimentary Facies" of the Nicola Group, a term which has been applied northwards from the Aspen Grove area (Preto, 1979).

The Nicola rocks are intruded by Late Triassic to Early Jurassic intrusions. These include Late Triassic calc-alkalic intrusions such as the Guichon batholith, host to the Highland Valley copper porphyry deposits, and the Wild Horse granodiorite immediately west of the Barnum Property. The slightly younger Late Triassic (210 – 200 Ma) alkalic Iron Mask batholith, 15 km west of the Barnum Property, is a northwest-trending, elongate composite diorite intrusion that hosts the New Afton and Ajax alkalic porphyry copper-gold deposits. Logan et al (2006b) describe 4 phases to the Iron Mask pluton, the Sugarloaf and Cherry Creek phases, with which the majority of the copper-gold mineralization is associated, the Pothook phase, and a Hybrid phase. The Hybrid phase is an intrusive breccia that contains up to 80% fragments of Nicola Group rocks within the Sugarloaf or Pothook phase.

A series of northwest-trending faults dominate the Iron Mask area, as well as the general area. Logan et al (2006b) interpret these faults as deep seated structures which controlled deposition of the Nicola Group as well as emplacement of the Iron Mask batholith.

Sedimentary and volcanic rocks of the Eocene Kamloops Group unconformably overlie the older rocks. The base of the Kamloops Group is represented by the Tranquille Formation, a sedimentary unit consisting of conglomerate, tuffaceous sandstone, siltstone, shale and minor coal seams. Andesitic and basaltic flows and agglomerates overlie the sediments. The youngest rocks in the region are Miocene-aged flat-lying plateau and valley basalts, which locally overlie the older rocks.



1.2 Property Geology

The geology of the Barnum Property is shown on Figure 6. The only previous geological mapping on the property was in 1973, as described by Purdy (1973). The following description of the property geology is adapted from this source, from Roberts (1988), and from the Barnum QP's observations during her site visit. The 1973 mapping program was hampered by limited bedrock exposures. Since that time, +/- 500 lineal meters of semi-continuous bedrock and/or subcrop has been exposed in the quarry and along quarry access roads. Property-scale geological mapping, including detailed mapping of the quarry area, is a high priority and is recommended as part of the Phase 1 work program described in the Barnum Technical Report.

The Barnum Property is primarily underlain by sedimentary rocks of the Upper Triassic Nicola Group. Highly fractured, grey to black, bedded argillite dominates. Local chert horizons, plus minor greywacke and limestone are also reported.

These rocks are intruded by a series of feldspar porphyry dykes. Contacts between the feldspar porphyry dykes and Nicola Group sedimentary rocks are sharp and the rocks are bleached, pyritic and silicified in proximity to contacts. The dykes themselves contain 40-50% feldspar phenocrysts in a fine grained groundmass, and are strongly fractured and altered. The most common alteration mapped was argillic alteration, with clay-altered feldspars and clay and hematite alteration of the groundmass. Fractures are filled with hematite and, in places, goethite and small amounts of black manganese oxide. Fractures may also be lined with drusy quartz veinlets. Locally feldspar porphyry dykes are silicified.

A large biotite granodiorite intrusive, part of the Late Triassic Wild Horse batholith, is located immediately west of the Barnum Property.

East of the MOT Zone, Eocene Kamloops Group rocks unconformably overlie the older rocks. Conglomerate of the basal Tranquille Formation occurs as a 1.5 – 3 m thick, northwest-trending, steeply north-dipping bed. At this location, the conglomerate is a distinctive unit with fragments of altered feldspar porphyry and altered argillite in a sandy matrix (see Plate 1e). The conglomerate is overlain by coarse-grained arkosic sandstone, and then by flows and agglomerates of andesitic to basaltic composition, including one olivine-rich basalt flow.

Mineralization

Widespread alteration, with associated gold mineralization, is exposed within a 500 m north-south by 300 m east-west area in the northwest part of the property. The alteration zone is particularly well exposed in the quarry and in historic pits at the *MOT Zone* (see Figure 4, Plates 1 and 2). The *MOT Zone* is covered by Minfile 092INE128.

Within the alteration zone, rocks are intensely fractured with strong surface oxidation, moderate to intense argillic alteration or silicification, and local strong brecciation. In places, relic feldspars are visible and the protolith can be identified as feldspar porphyry (Plate 1c). Locally, argillite retains its dark grey colour and bedding is apparent (Plate 1a, 2c) but in many places, the rock is so intensely altered that the protolith cannot be identified by visual means (Plate 1b, 1d).

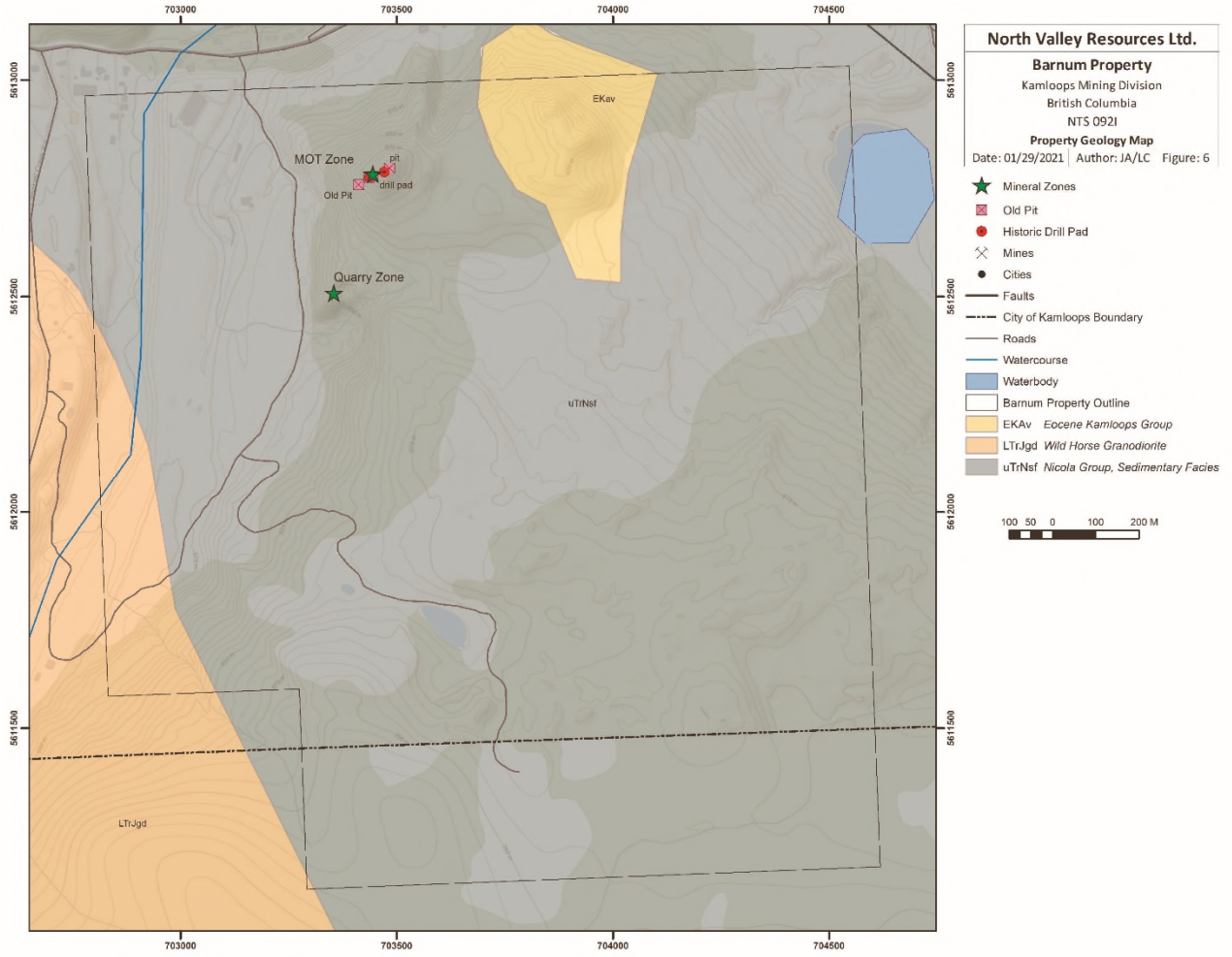




Plate 1:

- a) argillite cut by carbonate/quartz veins, Quarry Zone
- b) intense silicification, MOT Zone
- c) intense argillic alteration of feldspar porphyry dyke, Quarry Zone
- d) brecciated, silicified, hematitic feldspar porphyry dyke (?), Quarry Zone
- e) Tranquille conglomerate boulder, note clasts of brecciated and altered argillite and feldspar porphyry



Plate 2: a) Old Pit, MOT Zone
 b) Looking North towards MOT Zone (top and west slope of hill)
 c) Quarry Zone, note contact between feldspar porphyry dyke (buff colour on left) and dark grey argillite

Within the alteration zone, pyritic quartz or quartz-carbonate veinlets are common. Elevated gold values appear to be preferentially associated with pyritic quartz veining, either within the feldspar porphyry or within the argillite. As described in Sections 6.1 and 9.1, elevated gold values include 8.64 g/t Au over 1.52 m and 1.41 g/t Au over 10.67 m from historic drilling at the *MOT Zone*; up to 1.69 g/t Au from current rock sampling in the Quarry Zone; and, up to 106 g/t Au from a historic rock sample at the *MOT Zone* (Old Pit area). In most samples, there is a strong association between gold and arsenic, however this does not always appear to be true, suggesting that there may be more than one stage of gold mineralization.

Deposit Types

Most of the historical production and past and current exploration in the Kamloops region has been directed at copper and gold mineralization. The main styles of mineralization recognized in the district (excluding mineralization in Paleozoic rocks, which do not occur in the vicinity of the property) include porphyry copper or copper-gold deposits and gold-bearing epithermal mineralization. Both of these deposit types are described below.

The Barnum Property is essentially a gold-only system. Widespread, intense alteration on the property is evidence of a large hydrothermal system. This, combined with the association of mineralization with feldspar porphyry dykes, intense shattering and brecciation, and the geochemical association with arsenic, supports a model of low-temperature hydrothermal mineralization related to a buried intrusive, although further exploration is required to determine the deposit style that best characterizes mineralization on the property.

Epithermal Quartz Veins

Epithermal gold-silver deposits form at shallow levels in the crust as low-temperature hydrothermal deposits which can contain high-grade veins, or as low-grade bulk mineable deposits composed of multiple veins or stockwork zones and (or) disseminated mineralization. Epithermal deposits are genetically related to hydrothermal systems associated with subaerial volcanism or subduction-related intrusions. They can occur in a wide variety of tectonic settings and are frequently classified based on their mineralogy as low-, intermediate-, and high-sulfidation subtypes (Pantaleyev, 1995, John et al, 2018).

Deposits can be strongly zoned, both along strike and vertically. Alteration varies between deposits, depending on factors such as deposit subtype, host rocks, depth of deposition and relationship to the paleosurface. A classic alteration pattern for epithermal deposits consists of a core zone of silicification and vuggy quartz veining, surrounded by a broad argillic alteration envelope, and then by widespread propylitic alteration. Magnetic signature can be an effective exploration tool for epithermal deposits, since the argillic alteration of mafic or intermediate host rocks is typically magnetite destructive.

Epithermal gold-silver deposits are commonly elevated in a characteristic “epithermal suite” of elements, including As, Sb, Hg, Se, Te and Tl. The presence and concentration of these associated elements varies between mineral districts and deposit subtypes, as well as within individual deposits (Pantaleyev, 1995; John et al, 2018).

The relatively recently discovered Spences Bridge Gold Belt west and southwest of Merritt, approximately 90 km southwest of the Barnum Property, is an example of a low-sulfidation epithermal district in southern British Columbia. Westhaven Ventures is actively exploring several projects in the Spences Bridge Gold Belt and has intersected high-grade gold-bearing veins as well as broad intervals of low-grade gold mineralization in drilling. Epithermal mineralization is primarily hosted within Cretaceous Spences Bridge Group volcanic rocks (Minfile 092ISW111, 092ISW112, 092ISW131, 092ISE192, 092HNE308,

092HNE309, <http://westhavengold.com>). The Spences Bridge Gold Belt is described in more detail in Section 23 of this report.

The past-producing Vidette gold mine is another example of a low-sulfidation epithermal system in the Kamloops area. It is located in the Deadman River Valley, approximately 80 km northwest of the Barnum Property. A total of 49,000 tonnes, at an average grade of 19 g/t Au, was produced from the Vidette mine between 1933 and 1940. Mineralization occurs within a series of narrow veins, hosted within mafic volcanics of the Late Triassic Nicola Group (Minfile 092P 086).

Porphyry Copper (+/- Gold) Deposits

Porphyry deposits are large bulk-mineable deposits that are genetically related to, and occur within or adjacent to, porphyritic intrusions. Mineralization occurs as stockwork veins, veinlets and closely spaced fractures, or as disseminations. The mineralization occurs within large zones of hydrothermally altered rock (up to 10 square kilometres in size), with characteristic, large-scale zoned metal and alteration assemblages. Higher grade zones of mineralization occur within larger areas of lower grade mineralization and deposit boundaries are determined by economic factors.

Porphyry deposits are classified as alkalic or calc-alkalic, on the basis of host rock chemistry. Alkalic deposits can be further subdivided on the basis of silica content, as silica-saturated or silica-undersaturated systems. Intrusive rocks in silica saturated systems include diorite, monzodiorite and monzonite, while silica-undersaturated systems have more strongly alkalic intrusives (i.e. syenite porphyry) with high concentrations of magnetite. Alteration includes albite and potassic alteration, with more distal propylitic alteration common (Panteleyev, 1995a,b; Sinclair, 2007).

Calc-alkalic porphyry copper-molybdenum and alkalic porphyry copper-gold deposits are both important deposit types within B.C. Examples of alkalic copper-gold porphyry deposits in B.C. include New Afton and Ajax, located 27 and 18 km west of the Barnum Property respectively, as well as Copper Mountain, Mt. Polley, and Mt. Milligan. All of these examples occur within the Quesnel terrane, within an elongate zone referred to as the Quesnel trough. Typical B.C. alkalic porphyry deposits range in size from less than 10 million tonnes to greater than 300 million tonnes, with grades in the range of 0.2-1.5% Cu, 0.2-0.6 g/t Au and > 2 g/t Ag.

In the Kamloops area, alkali copper-gold porphyry systems (i.e. New Afton, Ajax) are spatially and genetically associated with the Late Triassic (210 – 200 Ma) Iron Mask batholith, which was emplaced into coeval Nicola Group volcanics (Logan et al, 2006a,b).

The world-class Highland Valley copper deposit 55 km southwest of Kamloops is a calc-alkalic copper deposit. Mineralization is associated with the Late Triassic Guichon batholith and formed between 210 and 208 Ma (Whalen et al, 2017).

Exploration

During the period 2016-2020, exploration work was completed on the Barnum property by K. Ellerbeck and by North Valley Resources, as summarized below in Table 5. Additional details of the exploration programs are presented below.

Table 5: Summary of 2016-2020 Exploration Work, Barnum Property

Year	Operator	Exploration Expenditures	Summary
2016 - 2020	K. Ellerbeck	\$7,965	In 2016 and 2020, property owner, Ken Ellerbeck completed rock sampling from the recently expanded quarry which exposes a large area of intense alteration. 9 of 11 samples returned elevated Au and As values, to 1.69 g/t Au and >1% As. Minor rock sampling was completed elsewhere on the property in 2019 (Ellerbeck, 2016, 2019, 2020).
2020	North Valley Resources Ltd.	\$86,612	In 2020, North Valley Resources carried out a ground geophysical survey (mag, VLF-EM) over the property (Cook, 2020; Sookochoff, 2020).

Rock Sampling

Recent quarry expansion exposes a large area of intensely altered rock which is similar in appearance to rock at the MOT Zone, several hundred meters to the northeast. Prior to 2016, no rock samples had been collected from the quarry area, and only limited sampling had been done elsewhere on the property. Rock sampling in 2016 was completed at the Quarry Zone. In 2019, reconnaissance prospecting and associated rock sampling was done in the southern portion of the claims. As quarry expansion continued, additional rock was exposed. Further sampling was done at the Quarry Zone in 2020, from this newly exposed rock.

A total of 14 rock samples were collected between 2016 and 2020. Rock samples are plotted on Figure 7, with results for select elements shown in Table 6. These grab samples were collected to show the presence or absence of mineralization and to characterize mineralization in terms of host rock and geochemical signature. Grab samples are not representative of average grade.

None of the samples collected during the 2019 reconnaissance were elevated in gold, however 9 of 11 samples from the *Quarry Zone* contained > 0.2 g/t Au, to a maximum of 1.685 g/t Au. Correlation coefficients for the rock samples are presented in Table 7. Although the sample population is limited, it is clear that gold has a very strong correlation with arsenic. Based on this data set, gold also correlates moderately with Ag and weakly with Pb and Sb.

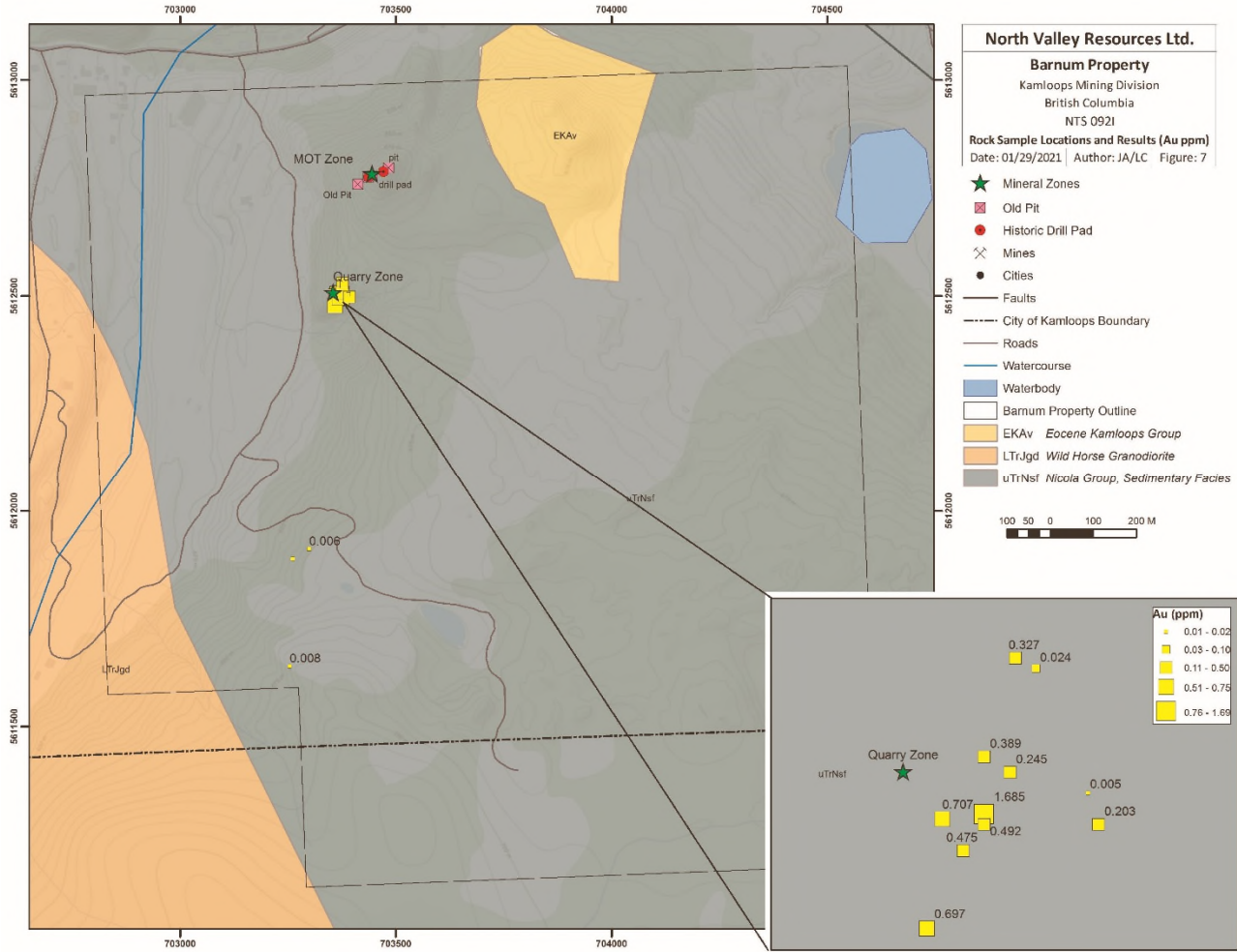


Table 6: 2016-2020 Rock Samples, Summary Results

Sample	Area	Au_ppm	Ag_ppm	As_ppm	Description
B-01	Quarry Zone	0.492	3.2	2880	Silic lst, qtz/sulfide stringers, py
B-02	Quarry Zone	1.685	2.7	>10000	Silic fp dyke, py stringers
B-03	Quarry Zone	0.475	3.9	4270	Silic fp dyke, py stringers
B-04	Quarry Zone	0.697	2.4	2090	fp dpy with qtz vnlt, py
B-05	Quarry Zone	0.707	3.8	6880	Lst with qtz swarm, py
BS-1	recce prospecting	0.008	0.4	3	argillite
BS-5	recce prospecting	0.006	0.1	7	argillite bx
BS-7	recce prospecting	0.005	0.1	4	Float, qfp dyke
BARN July 18-4	Quarry Zone	0.203	1.0	851	Alt'd fp dyke with qtz vnlt
BARN July 18-5	Quarry Zone	0.005	0.8	26	Alt'd, silic fp dyke with qtz vnlt
BARN July 18-7	Quarry Zone	0.327	1.8	2570	Silic fp dyke, bx'd, vuggy qtz
BARN July 18-8	Quarry Zone	0.024	0.8	74	Alt'd silic bx
BARN July 18-9	Quarry Zone	0.245	1.3	582	qtz vein, 4-7.5 cm
BARN Float	Quarry Zone	0.389	2.6	1125	alt'd fp dyke with qtz vnlt.

Table 7: Correlation Coefficients, 2016-2020 Rock Samples

	Ag	As	Pb	Sb
Correl coefficient Au:xx	0.66	0.93	0.29	0.34

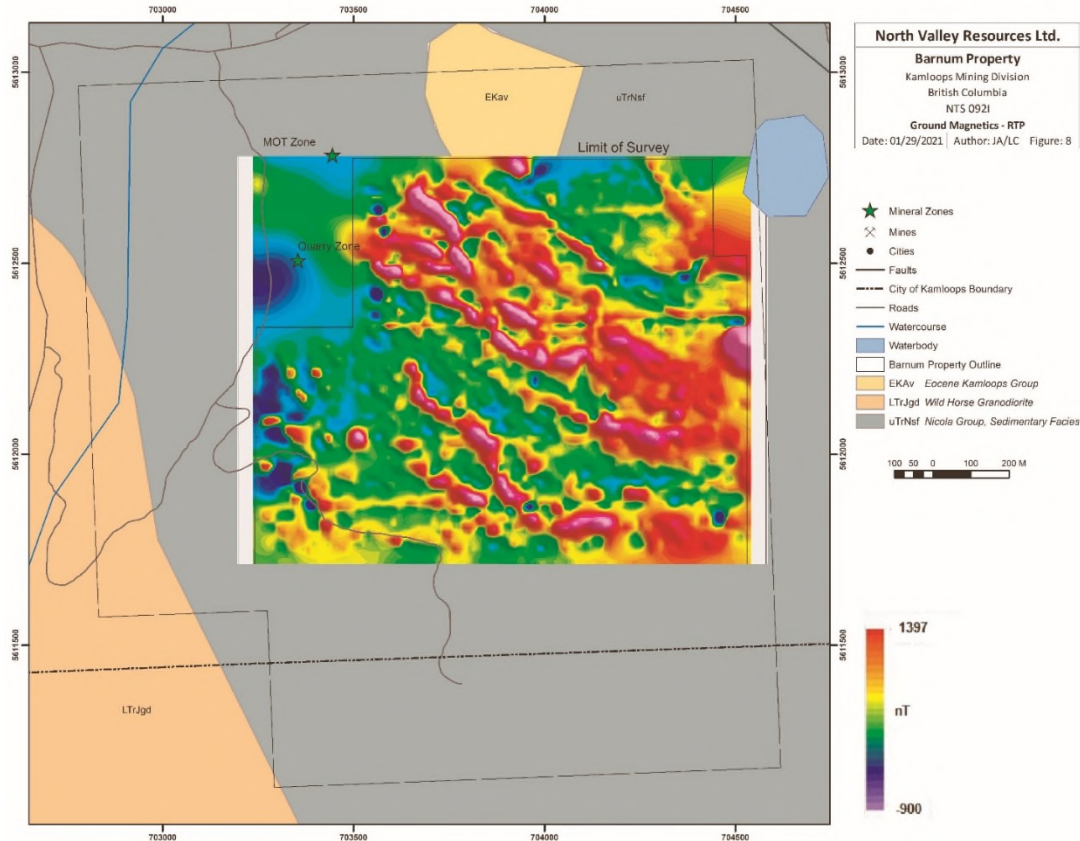
Geophysics

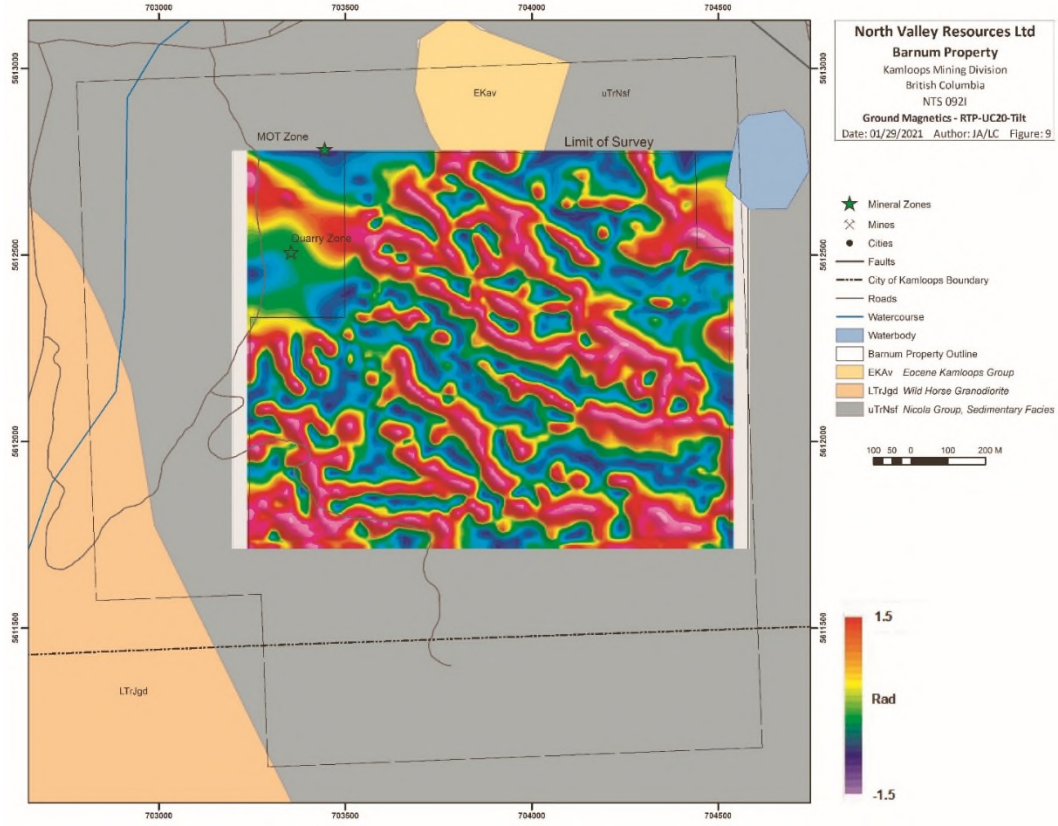
In 2020, NVR completed a detailed ground magnetic and VLF-EM (very low frequency – electromagnetic) survey over the Barnum property. Data collection was by Lacombe Ventures, under contract by NVR. In total, 65 line km was completed, on 25 m spaced, east-west trending lines. VLF readings were taken at 25 m stations along grid lines, using both the Seattle, Washington, and Cutler, Maine transmitters. Magnetic readings were collected in continuous mode, at 0.5 second intervals. The geophysical data was processed by F. Cook of Salt Spring Imaging, Ltd. The processing techniques and results are described by Cook (2000).

Magnetic signature can be an effective exploration method for epithermal mineralization, particularly where mineralization is hosted by mafic volcanic (or other) rocks that contain primary magnetite; alteration

associated with mineralization is magnetite destructive thus creating magnetic low anomalies. VLF-EM can identify conductive zones, such as faults that control the mineralization.

Total Magnetic Intensity (*TMI*), which has been reduced to the North Pole (*RTP*), is shown in Figure 8. The dominant feature of the magnetic data is a 300 m wide, northwest-trending magnetic high anomaly that trends towards the *MOT Zone*. It is interesting that the magnetic-high on the Barnum Property parallels the trend of the regionally important (magnetic) Iron Mask batholith, as well as the deep seated structures that controlled deposition of Nicola Group rocks and emplacement of the Iron Mask batholith. Figure 9 illustrates the tilt derivative, or rate of change, of the *TMI*. Surface noise has been reduced by applying a smoothing filter (an “upwards continuation” of the data).





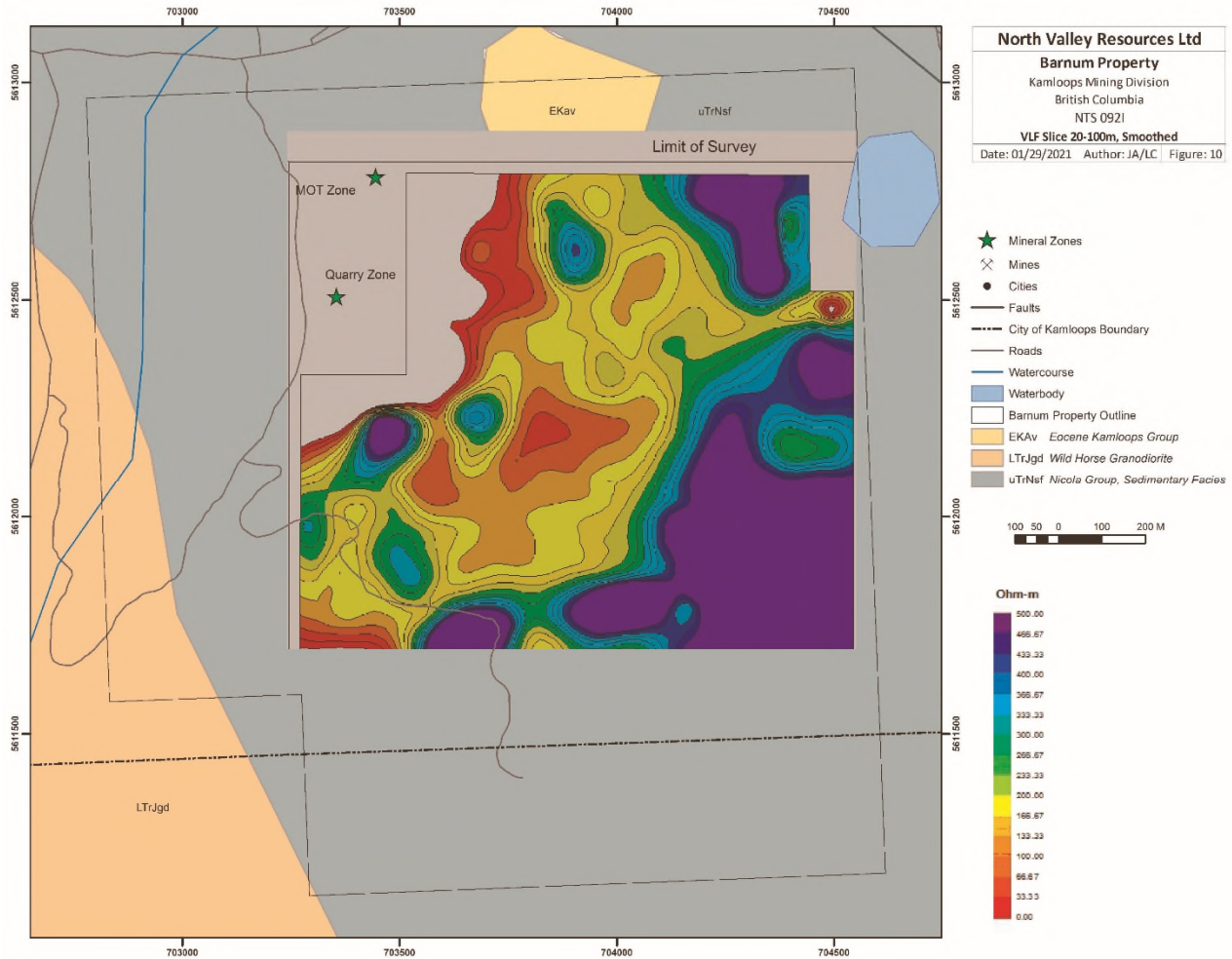


Figure 10 illustrates VLF data, in plan view, as a slice representing the depth level from 20 to 100 m. The VLF data has been smoothed to reduce the near-surface (high-frequency) chatter. For this depth level, a northeast orientation to conductors is apparent, with most of the conductors located in the northwest part of the survey area.

A better understanding of the geology of the Barnum Property is needed to interpret the results of the geophysical survey. Unfortunately, the geophysical survey did not extend over the *MOT* and *Quarry Zones*, due in part to the steep topography in this area. This makes it difficult to correlate the results of the geophysical surveys with zones of known mineralization. Recommendations are included in the Barnum Technical Report that a drone-based magnetic survey be done over these areas.

Drilling

NVR has not completed any drilling on the Barnum Property. Historic drilling by a previous operator is described in above and in the Barnum Technical Report.

Sample Preparation, Analyses and Security

During the 2016-2020 work programs, rock samples were collected by K. Ellerbeck and were delivered in person to the ALS Global laboratory in Kamloops.

Samples were prepared at the Kamloops facility, with analysis completed at the ALS laboratory in North Vancouver. ALS is accredited under the ISO/IEC 17025:2017 and ISO 9001:2015 standards. Sample preparation involved drying samples, crushing to 70% less than 2 mm, then pulverizing a 250 g split of the crushed rock to 85% passing 75 μ . Rock samples were analyzed at ALS' North Vancouver geochemical laboratory. Analysis for gold was by ALS method Au-AA23 (30 g sample analyzed by Fire Assay/AAS). Multi-element analysis was by method ME-ICP41 (ICP/MS analysis of a 0.5 g sample following aqua regia digestion).

In the Barnum QP's opinion, the historic sampling on the property appears to be appropriate for the era in which the data was collected. This historic sampling includes 1988 drill core samples, plus limited rock samples that were analyzed at various analytical laboratories. Original laboratory certificates and details regarding sample preparation and analytical methods are only partially available historic rock samples, and no discussion is made of sample security. For historic drill core, information regarding sample security and sample preparation is absent. Original analytical certificates for drill core samples are available. Samples were analyzed at Acme Analytical Laboratory in Vancouver, with gold analysis was by AA, on a 10 g (prepared) sample and multi-element analysis was by ICP, following aqua regia digestion of a 0.5 g (prepared) sample.

Data Verification

There has been relatively limited historic work on the Barnum Property. Location control for historic rock samples is poor, no QA/QC measures were incorporated into the sampling programs, and descriptions of samples, including width of mineralization, are generally not documented. Recommendations are included in the Barnum Technical Report that, in conjunction with detailed geological mapping, modern representative chip sampling be completed over the Quarry and MOT Zones.

Logs and original assay certificates are available for historic drill holes on the property. The Barnum QP reviewed original drill logs and assay certificates and used the information contained within them for results reported in this report. No QA/QC measures were incorporated into the historic drill program. Historic drill core is not stored on the property and was not observed by the Barnum QP. Core recovery was reported to be poor. Recommendations are included in the Barnum Technical Report that future drilling on the property be HQ in size, for better core recovery and more representative sampling for gold mineralization.

Roberts (1988) provides drill hole locations in local grid coordinates, however there are no maps which show the 1988 grid or the drill hole locations. The Barnum QP located two drill pads during her site visit to the property however there were no markings to indicate which holes were drilled at these locations. It may be possible to locate additional drill pads and, from that, reconstruct the 1988 grid and plot and identify drill hole locations.

The Barnum QP reviewed original data certificates for 2016-2020 rock samples. She completed a site visit to the property on January 22, 2021, accompanied by Ken Ellerbeck. There was minimal snow cover on the property at the time. The two known zones of mineralization on the property, the MOT Zone (Minfile 092IHE128) and the Quarry Zone, were both visited.

Mineral Processing and Metallurgical Testing

There has not been any Mineral Processing or Metallurgical Testing on the Barnum Property.

Mineral Resources and Mineral Reserve Estimates

There are no current Mineral Resource estimates for the Barnum Property.

ADJACENT PROPERTIES

As discussed in the Barnum Technical Report and as summarized above, past and current exploration and mining in the Kamloops region has largely been for porphyry copper and porphyry copper-gold mineralization. The Barnum Property is essentially a gold-only system. Widespread, intense alteration on the property is evidence of a large hydrothermal system. This, combined with the association of mineralization with feldspar porphyry dykes, the intense shattering and brecciation, and the geochemical association of gold with arsenic, suggests that mineralization could reflect the low-temperature distal effects of a buried intrusive. The discovery of gold-bearing epithermal mineralization in the Spences Bridge Gold Belt is thus also relevant.

Brief descriptions of the New Afton and Ajax copper-gold porphyry deposits and the Spences Bridge Gold Belt are included below. The following information is summarized from publicly disclosed information and from BC Minfile. It has not been independently verified by the Barnum QP. While the Barnum Property is located in the same region as the following properties, the reader is cautioned that the information below is not necessarily indicative of the mineralization on the Barnum Property.

New Afton Mine *Minfile 0921NW023*

New Afton is an underground, block-cave, alkalic copper-gold porphyry mine located 12.5 km west of Kamloops. It is currently in operation by New Gold Inc., at a rate of 15,000 tonnes per day. The project is located on a former mine site, the open pit Afton Mine, which was mined by Teck from 1978-1991.

Mineralization is genetically associated with the Late Triassic (210 – 200 Ma) Iron Mask batholith, which was emplaced into intermediate to mafic volcanics of the Late Triassic Nicola Group. Regional northwest-trending deep seated faults have controlled emplacement of the Iron Mask batholith and are conduits for mineralization. Mineralization is primarily hosted within Nicola Group volcanic rocks near intrusive contacts.

The ore body is a near-vertical, south-plunging, 100 m wide tabular zone that extends for at least 1.4 km on strike and over 1.5 km at depth. Chalcopyrite is the dominant copper mineral, and occurs as veinlets and disseminations. Sub-micron gold grains are associated with copper sulfides.

Alteration associated with the ore body consists of calcic, potassic, phyllic, argillic and propylitic facies, which are broadly concentric. A late-stage epithermal overprint introduced mercury, antimony and arsenic into the system (Lecuyer et al, 2020).

Ajax Mine *Minfile 0921NE012, 0921NE013*

The Ajax project is located 8 km southwest of Kamloops, and like Afton, is an alkali copper-gold porphyry deposit associated with the Late Triassic Iron Mask batholith. At Ajax, mineralization extends over 1 km in width, 2 km in strike and to depths of greater than 700 m. It is primarily hosted within the batholith, particularly near contacts between the Sugarloaf and Hybrid intrusive phases. Chalcopyrite is the dominant copper sulfide, and gold is very fine grained and associated with the copper mineralization. Alteration consists of intense albitization, as well as potassic and widespread propylitic alteration. Albite alteration was early in the mineralizing system, creating a brittle rock that was susceptible to fracturing and sulphide mineralization.

Ajax was mined by Teck as an open pit operation during the periods 1989-1991 and 1995-1997. Ore was trucked to the nearby Afton site for processing. In 2016, KGHM submitted an application for the Ajax project, proposing a 60,000 to 65,000 tonne per day open pit operation from a 2 km wide by 575 m deep

pit (Dagel et al, 2016). As described in Section 24 of this report, the project was ultimately rejected by the Secwépemc Nation, by the Kamloops city council, and by both the provincial and federal governments.

Spences Bridge Gold Belt

Minfile 092ISW111, 092ISW112, 092ISW131, 092ISE192, 092HNE308, 092HNE309

The Spences Bridge Gold Belt is a 110 km, northwest-trending belt located west and southwest of Merritt, BC. It is primarily underlain by felsic to intermediate volcanics of the Cretaceous Spences Bridge Group and hosts numerous occurrences of low-sulfidation epithermal mineralization. Westhaven Ventures is actively exploring several properties in the Spences Bridge Gold Belt. The following discussion summarizes two of these properties, the Shovelnose property, where exploration has identified several high-grade gold-bearing veins, and the Prospect Valley property, where low-grade, near-surface gold mineralization has been discovered. In both cases, mineralization is primarily hosted by volcanics of Cretaceous Spences Bridge Group.

At the Shovelnose property, 3 separate gold-bearing veins are known, over strike lengths of up to 1.2 km. Multiple phases of veining and brecciation are present and are, in general, controlled by a northwest-trending, steeply south-dipping fault zone. Gold occurs as gold-silver tellurides and is associated with anomalous arsenic, molybdenum, selenium and copper. Near Infrared Spectroscopy has been successfully used on the property to differentiate high and low temperature clays, and to define alteration halos within the system. Extensive drilling has been completed on the Shovelnose property, with intercepts including 17.7 m @ 24.5 g/t Au (hole SN18-14), 46.9 m @ 8.95 g/t Au (SN18-15), 12.66 m @ 39.31 g/t Au (SN19-01) and 18.5 m @ 11.39 g/t Au (SN19-10). Most of the mineralization occurs within a 200 m vertical range (Peters, 2020).

The Prospect Valley project hosts a low-grade, near-surface, intrusion-related, low-sulfidation epithermal gold system. At the Discovery Zone, sheeted and stockwork quartz veins and veinlets, plus disseminated and vein pyrite, occur within a 1.7 km by 140-230 m wide zone. Mineralization is controlled by a north-trending, shallow west-dipping fault, which has been tested by drilling over a strike length of 1.5 km. Peters (2020) reports that *“The Prospect Valley property hosts a low-grade gold resource in the Discovery Zone which could be amenable to open pit extraction in a favourable economic environment.”*

OTHER RELEVANT DATA AND INFORMATION

The Barnum QP is unaware of any additional information or data that is relevant to the Barnum Property.

INTERPRETATION AND CONCLUSIONS

The Barnum Property is an exploration stage project with potential for large tonnage, low-grade gold mineralization and for discrete, higher grade veins. There are potential risks associated with permitting future mining operation on the Property, however in the Barnum QP’s opinion, these risks can be minimized by proper management and do not impact her opinion that Barnum Property is a “Property of Merit” and warrants further exploration. Mineralization on the property is consistent with an intrusive-related, low-sulfidation epithermal system, however further geological work is required to confirm this.

Intense alteration is exposed within a 500 x 300 m area in the northwestern part of the property and is evidence of a large size hydrothermal system. This area encompasses two zones of known gold mineralization, the *Quarry* and *MOT* zones. Gold values to 8.64 g/t Au over 1.52 m and 1.41 g/t Au over 10.67 m have been intersected by historic drilling at the MOT Zone. Surface grab samples from both the MOT and Quarry Zones also contain elevated gold values.

Alteration and mineralization occur in veins which cross-cut Upper Triassic Nicola Group sedimentary rocks and within feldspar porphyry dykes that cut the sedimentary rocks. These rocks are highly fractured and brecciated, with good structural preparation for mineralizing fluids. Elevated gold values appear to be preferentially associated with pyritic quartz veining. In most samples, there is a strong association between gold and arsenic, however this does not always appear to be true, and suggests more than one stage of gold mineralization. The presence of altered clasts within Eocene conglomerate on the Barnum Property implies a pre-Eocene age of mineralization.

Exploration work on the property has included soil geochemistry, several small rock sampling programs, limited geological mapping, a small diamond drill program at the *MOT Zone*, and a ground geophysical (Magnetic, VLF-EM) survey. The most recent soil survey on the property was a widely-spaced survey completed in 1980. Both the *MOT* and *Quarry Zones* correlate with elevated gold-arsenic values defined by this survey.

Historic drilling was BQ sized. Due to the highly fractured rocks, core recovery was poor. Future drilling on the property should be HQ sized, to ensure better recovery and more representative sampling for gold mineralization.

There is limited bedrock exposure on the property. The recent exposure of altered bedrock in the *Quarry Zone* provides an excellent opportunity for detailed geological mapping, combined with systematic rock sampling, to understand the nature and controls of gold mineralization. SWIR (Short-wave Infrared Spectral) analysis may help to differentiate clay mineralogy thus better understanding thermal zonation of alteration minerals and controls on hydrothermal fluid temperature and chemistry. If the gold-pyrite association is confirmed by this detailed geological work, then an induced polarization (*IP*) survey should be completed, to identify sulfide-rich zones which would be tested by drilling.

Recommendations

A two-phase, \$435,000 program is recommended to further explore the Barnum Property. The Phase 1 program includes detailed geological mapping and rock sampling, plus geophysics to extend magnetic coverage over the *MOT* and *Quarry Zones*. Phase 2 includes an *IP* survey and diamond drilling. It is in part contingent on the results of the Phase 1 program. Covid-19 protocols must be established prior to any further work on the property, and work must be done in full compliance with these protocols to ensure the safety of crew members and of the general public.

Phase 1 \$105,000

Barnum Property scale geological mapping, plus detailed mapping of *Quarry* and *MOT Zones*, is recommended. This should be accompanied by rock sample litho-geochemistry, including systematic, representative rock chip and (or) channel sampling. In addition to geochemical analyses of rock samples, the program should include a component of petrographic work and whole rock characterization, with immobile element geochemistry, to differentiate different host rocks where the protolith is not apparent. SWIR (Short-wave Infrared Spectral) analysis is also recommended to help characterize alteration.

A drone-based magnetic survey is recommended to cover the northwest gap in the 2020 ground based survey (over the *MOT* and *Quarry Zones*). The drone survey should extend to the east to overlap the ground survey so that results of the 2 surveys can be compared.

A detailed soil geochemical survey over the northern portion of the property is also recommended to provide modern multi-element data in the area of interest which has been indicated by historical rock and soil sampling (which have poor location control) and by North Valley Resources' rock sampling.

The Phase 1 program also includes permitting, to prepare for the recommended Phase 2 program.

A budget for the proposed Phase 1 program is as follows:

PHASE 1 BUDGET		
Geological mapping and rock sampling Including geochemical analysis, petrographic work, whole rock characterization and SWIR. Includes room/board and support.		\$ 40,000
Soil Geochemistry 50 m spaced E-W lines, 25 m spaced samples 15 x 1.3 km lines = 700 samples. Includes room/board and support.		\$30,000
Magnetic survey Drone-based magnetic survey		\$10,000
Permitting Application for 5 Year Multi-Year area based permit for IP and drilling		\$5,000
Report		\$ 10,000
	Total:	\$ 95,000
	+ ~10% contingency	\$10,000
	TOTAL:	\$ 105,000

Phase 2 \$330,000

The Phase 2 program is designed to build on Phase 1. It includes an *IP* survey over the northern portion of the property to cover the same area as the Phase 1 soil geochemical program, followed by 1000 m of diamond drilling. Phase 2 is in part contingent on the results of the Phase 1 program.

All drilling should be HQ sized core drilling, to maximize core recovery and sample size. Magnetic susceptibility readings should be collected from drill core at regular, close-spaced intervals, to assist in modelling the geology and mineralization.

PHASE 2 BUDGET		
Induced Polarization Survey Approx 13 line km, 100 m spaced lines		\$ 85,000
Drilling 1000 m HQ core, including moves, pad building, core logging, magnetic susceptibility readings, core splitting, sample analysis, room/board	@ \$200/m all-in	\$ 200,000

PHASE 2 BUDGET		
Reporting		\$ 15,000
	Total:	\$ 300,000
	+ 10% contingency	\$ 30,000
	TOTAL:	\$ 330,000

The Issuer does not currently have sufficient funds to complete exploration on the Barnum Property and will instead focus its efforts and resources on the Comstock Property. Additional financing will be required to complete Phase 1 and Phase 2 of the exploration program recommended for the Barnum Property.

USE OF AVAILABLE FUNDS

Proceeds

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

The Issuer has historically generated negative cash flows and there is no assurance that the Issuer will not experience negative cash flow from operations in the future. For the year ended September 30, 2020, the Issuer sustained net losses from operations and had negative cash flow from operating activities of \$12,804.

Funds Available

As at June 30, 2021, the Issuer had working capital of \$327,699, comprised of cash of \$123,809, net subscriptions receivable of \$232,500, less current liabilities of \$28,610, which will be expended on the principal purposes set out below. The Issuer's working capital is primarily comprised of net proceeds of the private placement financings previously completed by the Issuer. The subscription receivable of \$232,500 from the Canaccord Financing is held in escrow by Canaccord and shall be released to the Issuer upon satisfaction of the Release Conditions. See "Prior Sales" below for further details. There have not been any significant changes in the Issuer's working capital since March 31, 2021.

Use of Available Funds	(\$)
Estimated regulatory fees related to the filing of a long form prospectus and listing on the CSE	5,000
Estimated legal, accounting and other expenses related to the completed private placements and to the filing of a long form prospectus and listing on the CSE	5,000
Phase 1 Exploration of the Comstock Property as recommended in the Technical Report ⁽¹⁾	105,000
Comstock Option Payment	5,000
Estimated general and administrative costs for next 12 months ⁽²⁾	77,000
Investor relations and marketing	5,000

Use of Available Funds	(\$)
Unallocated working capital	125,699
TOTAL:	\$327,699

Notes:

- (1) See “Narrative Description of the Business — Estimated Exploration Costs.”
- (2) See the table below for a description of the estimated general and administrative costs of the Issuer for the next 12-month period.

Unallocated funds will be added to the working capital of the Issuer. The Issuer intends to proceed with Phase 1 of the recommended work program at the Comstock Property and does not intend to allocate funds to the Barnum Property during the next twelve-month period. Under the Barnum Property Option Agreement, the Issuer is not required to make cash payment or incur expenditures during the next 24 months. The Issuer will require additional funds to proceed with exploration at the Barnum Property or to complete Phase 2 of the recommended work program at the Comstock Property.

A summary of the estimated annual general and administrative costs is as follows:

General and Administrative Costs for 12 Month Period Following the Listing Date	(\$)
Management Fees ⁽¹⁾	30,000
Regulatory Fees	16,000
Transfer Agent	6,000
Legal and Accounting	20,000
Miscellaneous	5,000
TOTAL:	77,000

Notes:

- (1) These are payable to related party Lacombe Ventures Ltd. pursuant to the Lacombe Management Agreement described below under “*Executive Compensation - Oversight and description of director and named executive officer compensation*”.

Business Objectives

Phase one of the recommended work program outlined in the Comstock Technical Report calls for expenditures of CDN \$105,000 for exploration work on the Comstock Property. Management intends to proceed with the recommended work program to assess the viability of the Comstock Property. It is possible that some portion of the available funds allocated for the work program will be devoted to other acquisition or exploration opportunities identified by the Issuer from time to time.

Due to the nature of the business of mineral exploration, budgets are regularly reviewed with respect to both the success of the exploration program and other opportunities which may become available to the Issuer. Accordingly, the Issuer may abandon in whole or in part any of its property interests or may, as work progresses, alter the recommended work program, or may make arrangements for the performance of all or any portion of such work by other persons or companies and may use any funds so diverted for the purpose of conducting work or examining other properties acquired by the Issuer, although the Issuer has no present plans in this respect.

The following table discloses how the Issuer intends to meet their objectives for the next 12 months:

What we must do and how we will do it	Target completion date or, if not known, number of months to complete	Our cost to complete (\$)
Geological mapping	August 2021	\$30,000
IP Interpretation	August 2021	\$30,000
Soil Sampling, Ground Magnetics, Prospecting	September 2021	\$40,000
Contingencies	September 2021	\$5,000

COVID-19 presents a wide range of potential issues or complications for the Issuer achieving its business objectives and using its available funds as described above, most of which the Issuer is not able to know the full extent of at the time of this Prospectus. The Issuer's business operations may be disrupted by travel restrictions, as a result of quarantines of employees, customers and third party service providers in areas affected by the outbreak; and uncertainty around the duration of the virus' impact. At the time of this Prospectus it is unclear as to whether COVID-19 represents a material disruption of the Issuer's business.

DIVIDEND POLICY

The Issuer has not paid out any dividends or distributions and does not have a policy regarding dividends or distributions.

MANAGEMENT DISCUSSION AND ANALYSIS

See Schedule D attached to this Prospectus for the Issuer's MD&A for the years ended September 31, 2019 and September 31, 2020, and Schedule E attached to this Prospectus for the Issuer's MD&A for the three month period ended March 31, 2021.

DESCRIPTION OF THE SECURITIES

Common Shares

As of the date of this Prospectus, 7,875,000 Common Shares are issued and outstanding as fully paid and non-assessable. Holders of Common Shares have full voting rights for the election of directors and for all other purposes whatsoever, have one vote for each Common Share held, and are entitled to be given or to receive notice of and to attend meetings of the shareholders of the Issuer. The holders of the Common Shares shall be entitled to receive, if, as, and when declared by the directors, such dividends as may be declared thereon by the directors from time to time. Holders of Common Shares shall be entitled to receive dividends on the Common Shares exclusive of any other shares of the Issuer. The holders of the Common Shares shall have the right to share rateably, on a parity with the holders of shares of all other classes of common shares, in the remaining assets of the Issuer upon any winding-up of the Issuer.

Warrants

As of the date of this Prospectus, there are 20,650 finders' Common Share purchase warrants outstanding, with each warrant exercisable into a common share at \$0.10 per share for a period of 18 months from the date the common shares are listed on a Canadian exchange. An additional 175,000 finder warrants to acquire

Common Shares may be issued to Canaccord in connection with the Canaccord Financing upon completion of the listing of the Common Shares on the Exchange.

The number of Common Shares issuable upon exercise of the Common Share purchase warrants and the finder's warrants will be subject to standard anti-dilution provisions, including an adjustment in certain events including, without limitation, the subdivision or consolidation of the outstanding Common Shares, the issue of Common Shares or securities convertible into Common Shares by way of stock dividends or distribution, a dividend or distribution paid to all or substantially all of the holders of Common Shares, the issue of rights, options or warrants to all or substantially all of the holders of Common Shares in certain circumstances, and the distribution to all or substantially all of the holders of Common Shares of any other class of shares, rights, options or warrants, evidences of indebtedness or assets. The number of warrant shares issuable upon exercise of warrants will also be subject to standard anti-dilution adjustments upon share consolidations, share splits, spin-off events, rights issues and reorganizations.

Options

The Issuer adopted the Stock Option Plan on October 15, 2020 and issued options for 600,000 Common Shares. Each option is exercisable at \$0.10. 500,000 of the options are exercisable by the holder thereof until October 15, 2025, and 100,000 of the options are exercisable by the holder thereof until May 6, 2026. See "Options to Purchase Securities".

CONSOLIDATED CAPITALIZATION

The following table sets forth the share and loan capital of the Issuer as at the dates below. The table should be read in conjunction with and is qualified in its entirety by the Issuer's financial statements for the three month period ended March 31, 2021.

Description	Authorized Capital	Outstanding as of March 31, 2021	Outstanding as of the date of this Prospectus ⁽²⁾
Common Shares	Unlimited	\$301,000 (7,875,000 Common Shares)	\$276,000 (7,375,000 Common Shares)
Common Share purchase warrants	N/A	20,650 ⁽¹⁾	20,650 ⁽¹⁾
Long-term Debt	N/A	Nil	Nil

Notes:

- (1) Finder's warrants issued pursuant to the offering memorandum distribution that closed on December 31, 2020 (the "**OM Financing**").
- (2) Not including 2,500,000 additional Common Shares to be issued at \$0.10 per share for gross proceeds of \$250,000 (the "**Canaccord Financing**") and 175,000 finder's warrants to be issued in connection with the Canaccord Financing. This transaction has closed in escrow and will be released from escrow when the Issuer fulfills certain conditions as described below under "*Prior Sales*".

The following table sets out the share capital of the Issuer on a fully diluted basis:

Fully Diluted Share Capital		
	Number of Common Shares	Percentage of Common Shares (Fully Diluted) (%)
Common Shares issued and outstanding as at the date of the Prospectus	7,375,000 ⁽¹⁾	92.24%
Common Shares reserved for issuance under the Stock Option Plan	600,000	7.50%
Common Shares reserved for issuance upon the exercise of outstanding Common Share purchase warrants	Nil	0%
Common Shares reserved for issuance upon the exercise of outstanding finder's warrants	20,650 ⁽²⁾	0.26%
Total:	7,995,650	100%

Notes:

- (1) Not including 2,500,000 Common Shares to be issued pursuant to the Canaccord Financing.
- (2) Not including 175,000 finder's warrants to be issued pursuant to the Canaccord Financing upon completion of that transaction.

OPTIONS TO PURCHASE SECURITIES

On October 15, 2020, the Board of Directors adopted a stock option plan (the “**Stock Option Plan**”) under which Options may be granted to the Issuer’s directors, officers, employees and consultants. See “*Executive Compensation.*”

The following is a summary of the material terms of the Stock Option Plan:

- (i) the expiry date of an Option shall be no later than the tenth anniversary of the grant date of such Option;
- (ii) the exercise price of any Option issued under the Stock Option Plan shall not be less than the Fair Market Value (as defined in the Stock Option Plan) of the Common Shares as of the grant date, unless otherwise determined by the Board; and
- (iii) the Board, or any committee to whom the Board delegates, may determine the vesting schedule for any Option.

The following table summarizes the allocation of the Options granted by the Issuer up to the date of this Prospectus:

Optionee Group	Number of Options	Exercise Price	Expiry Date
Executive Officers as a group ⁽¹⁾	400,000	\$0.10	October 15, 2025
Directors as a group ⁽²⁾	200,000	\$0.10	100,000 expire on October 15, 2025 and 100,000 expire on May 6, 2026
Consultants as a group	N/A	N/A	N/A
Employees as a group	N/A	N/A	N/A
Total:	600,000		

Notes:

- (1) This information applies to two executive officers of the Issuer, both of which are also directors of the Issuer.
- (2) This information applies to two directors of the Issuer. Directors who are also executive officers are excluded from this figure.

PRIOR SALES

The Issuer sold the following amount of Common Shares since incorporation and within 12 months of the date of this Prospectus.

- 1) Pursuant to a shares for debt agreement dated July 30, 2020 between the Issuer and Lacombe Ventures Ltd., a related party of the Issuer, the Issuer issued 1,700,000 Common Shares at a subscription price of \$0.05 for each share for proceeds of \$85,000 as payment for services rendered by Lacombe Ventures Ltd. to the Issuer valued at \$85,000. On July 22, 2021, 500,000 of these Common Shares were cancelled and returned to treasury. See below under “*Material Contracts*” for more details.
- 2) On July 31, 2020, the Company issued 100,000 common shares at \$0.05 per share for proceeds of \$5,000.
- 3) On August 17, 2020, the Company issued 355,000 common shares at \$0.05 per share for proceeds of \$17,750.
- 4) On August 18, 2020, the Company issued 102,000 common shares at \$0.05 per share for proceeds of \$5,100.
- 5) On August 19, 2020, the Company issued 490,000 common shares at \$0.05 per share for proceeds of \$24,500.
- 6) On August 20, 2020, the Company issued 6,000 common shares at \$0.05 per share for proceeds of \$300.
- 7) On August 21, 2020, the Company issued 47,000 common shares at \$0.05 per share for proceeds of \$2,350.
- 8) On August 23, 2020, the Company issued 2,000 common shares at \$0.05 per share for proceeds of \$100.

- 9) On August 24, 2020, the Company issued 33,000 common shares at \$0.05 per share for proceeds of \$1,650.
- 10) On August 25, 2020, the Company issued 501,000 common shares at \$0.05 per share for proceeds of \$25,050.
- 11) On August 26, 2020, the Company issued 98,000 common shares at \$0.05 per share for proceeds of \$4,900.
- 12) On September 2, 2020, the Company issued 5,000 common shares at \$0.05 per share for proceeds of \$250.
- 13) On September 3, 2020, the Company issued 1,000 common shares at \$0.05 per share for proceeds of \$50.
- 14) On September 8, 2020, the Company issued 6,000 common shares at \$0.05 per share for proceeds of \$300.
- 15) On September 10, 2020, the Company issued 1,000 common shares at \$0.05 per share for proceeds of \$50.
- 16) On September 23, 2020, the Company issued 253,000 common shares at \$0.05 per share for proceeds of \$12,650.
- 17) On December 31, 2020, the Issuer issued 1,000,000 Common Shares at a subscription price of \$0.10 for each share for proceeds of \$100,000. In relation to the issuance, the Issuer paid \$2,065 in cash for finders' fees and issued 20,650 in finder's warrants. Each finders' warrant is exercisable at \$0.10 for up to 18 months after listing on a Canadian exchange.

Effective December 31, 2020, the Issuer received subscriptions for 2,500,000 additional Common Shares issued at \$0.10 per share for gross proceeds of \$250,000 pursuant to the Canaccord Financing. This transaction has not yet been completed. Pursuant to the subscription agreements entered into by prospective investors of the Canaccord Financing, the \$250,000 in subscription proceeds are to be held in escrow by Canaccord, and shall be released to the Issuer upon the Issuer fulfilling all of the listing requirements of the CSE (the "**Release Conditions**"). Unless otherwise agreed to by Canaccord and the Issuer, in the event that the Release Conditions are not met by August 31, 2021, the proceeds under the Canaccord Financing will be returned to the subscribers and the subscriptions will be cancelled. Such date was previously extended from April 30, 2021 by agreement of the Issuer and each subscriber who participated in the Canaccord Financing dated April 30, 2021. No Insider participated in the Canaccord Financing. For clarity, this Prospectus is not qualifying the Common Shares to be issued pursuant to the Canaccord Financing, and a holder of such Common Shares shall not be permitted trade such Common Shares before the date that is four (4) months and one (1) day after the later of (i) the distribution date, and (ii) the date the Issuer becomes a reporting issuer in any province or territory.

ESCROWED SECURITIES

In accordance with National Policy 46-201 *Escrow for Initial Public Offerings* ("**NP 46-201**"), all Common Shares of the Issuer held by a principal of the Issuer prior to the listing of the Common Shares on the Exchange are subject to escrow restrictions. Under the NP 46-201, a "principal" is defined as:

- (a) a person or company who acted as a promoter of the issuer within two years before the IPO prospectus;

- (b) a director or senior officer of the issuer or any of its material operating subsidiaries at the time of the IPO prospectus;
- (c) a 20% holder — a person or company that holds securities carrying more than 20% of the voting rights attached to the issuer’s outstanding securities immediately before and immediately after the issuer’s IPO; or
- (d) a 10% holder — a person or company that (i) holds securities carrying more than 10% of the voting rights attached to the issuer’s outstanding securities immediately before and immediately after the issuer’s IPO and (ii) has elected or appointed, or has the right to elect or appoint, one or more directors or senior officers of the issuer or any of its material operating subsidiaries.

A company more than 50% held by one or more principals will be treated as a principal. Therefore, Lacombe Ventures Ltd., a company owned and controlled by Ken Ellerbeck and Quinn Ellerbeck, is subject to the escrow requirements under NP 46-201. Accordingly, Ken Ellerbeck and Quinn Ellerbeck have entered into an escrow agreement with the Issuer and Escrow Agent prior to listing of the Common Shares on the Exchange pursuant to which they have agreed to deposit the Lacombe Ventures Ltd. Common Shares with the Escrow Agent (the “**Escrow Agreement**”).

The escrowed shares held by principals of the Issuer (or entities owned and controlled by such principals) will be released pro rata to such shareholders as to 10% on the date of final Exchange notice and 15% every six months thereafter over a 36-month period. The escrowed shares are subject to the direction and determination of the Exchange. Specifically, escrowed shares may not be sold, assigned, hypothecated, transferred within escrow or otherwise dealt with in any manner without the consent of the Exchange.

As of the date hereof and the date of listing on the Exchange, the following securities are placed into escrow:

Designation of class	Number of securities held in escrow	Percentage of class as of the date of this Prospectus⁽¹⁾
Common Shares	4,375,000	59.32%

Notes:

- (1) Percentages are based on 7,375,000 Common Shares issued and outstanding as of the date of this Prospectus, assuming that the outstanding 20,650 finder’s warrants and the 600,000 stock options have not been exercised.

The following sets forth particulars of the escrowed shares as of the date hereof and the date of listing on the Exchange:

Shareholder	Number of securities held in escrow	Percentage of class at the date of this Prospectus⁽¹⁾
Ken Ellerbeck, an officer and director of the Issuer	1,587,500	21.52%
Quinn Ellerbeck, an officer and director of the Issuer	1,587,500	21.52%
Lacombe Ventures Ltd. ⁽²⁾	1,200,000	16.27%
Total	4,375,000	59.32%

Notes:

- (1) Percentages are based on 7,375,000 Common Shares issued and outstanding as of the date of this Prospectus, assuming that the outstanding 20,650 finder's warrants and the 600,000 stock options have not been exercised.
- (2) Lacombe Ventures Ltd. is owned and controlled by Ken Ellerbeck and Quinn Ellerbeck.

The Common Shares are held in escrow by the Escrow Agent and will be released in accordance with the schedule below.

On the date the issuer's securities are listed on a Canadian exchange (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

PRINCIPAL SHAREHOLDERS

To the knowledge of the directors and senior officers of the Issuer as of the date hereof, the following are the only persons that beneficially own, directly or indirectly, or exercise control or direction over voting securities carrying more than 10% of the voting rights attached to any class of voting securities of the Issuer:

Name	Type of Ownership	Number of Shares Owned, Controlled or Directed	% of Outstanding Shares⁽¹⁾
Ken Ellerbeck, an officer and director of the Issuer	Registered/Beneficial	1,587,500	21.52%
Quinn Ellerbeck, an officer and director of the Issuer	Registered/Beneficial	1,587,500	21.52%
Lacombe Ventures Ltd. ⁽²⁾	Registered/Beneficial	1,200,000	16.27%

Notes:

- (1) Percentages are based on 7,375,000 Common Shares issued and outstanding as of the date of this Prospectus, assuming that the outstanding 20,650 finder's warrants and the 600,000 stock options have not been exercised.
- (2) Lacombe Ventures Ltd. is owned and controlled by Ken Ellerbeck and Quinn Ellerbeck.

DIRECTORS AND OFFICERS

Name, Address, Occupation, and Security Holding

The following table sets forth particulars regarding the current Directors and Officers of the Issuer:

Name, Position with the Issuer and Province and Country of Residence	Director/Officer Since	Principal Occupation For Past Five Years	Number of Securities and Percentage ⁽²⁾ Beneficially Owned or controlled directly or indirectly, as of the date of this Prospectus
Kenneth Ellerbeck <i>CEO and Director</i> <i>British Columbia, Canada</i>	January 26, 2012	Kenneth Ellerbeck is a Partner and Director of Lacombe Ventures Ltd. (October 3, 2019 to present). He is also an Associate at Colliers International (July 2017 to present), and served as Project Manager at Cando Rail Services from February 2016 to November 2016.	2,187,500 Common Shares ⁽³⁾ (29.66%) 200,000 stock options
Quinn Ellerbeck⁽¹⁾ <i>CFO, Secretary and Director</i> <i>British Columbia, Canada</i>	May 1, 2020	Quinn Ellerbeck is a Partner and Director of Lacombe Ventures Ltd. (October 3, 2019 to present). He is also the Owner and Principal Consultant of Tall Can Interactive Inc. (July 30, 2012 to present), and served as Senior Product Marketing Lead for Intel Corporation from February 29, 2016 to January 1, 2017.	2,187,500 Common Shares ⁽³⁾ (29.66%) 200,000 stock options
Robert Thompson⁽¹⁾ <i>Director</i> <i>British Columbia, Canada</i>	October 7, 2020	Served as President of RIT Minerals (RITM) Corp. from October 1, 2015 to present.	0 Common Shares (0%) 100,000 stock options
Brian May⁽¹⁾ <i>Director</i> <i>British Columbia, Canada</i>	May 6, 2021	Brian May is the Chief Geoscientist of Triumph Gold Corp. He also served as Senior Geologist with Elko Mining Group LLC. From August 2018 to October 2020 and Ore Control Geologist with Western Mesquite Mines Inc. from September 2016 to August 2018.	0 Common Shares (0%) 100,000 stock options

Notes:

- (1) Member of the Audit Committee. Robert Thompson is the Chair of the Audit Committee.
- (2) Percentage is based on 7,375,000 Common Shares issued and outstanding as of the date of this Prospectus, assuming that the outstanding 20,650 finder's warrants and the 600,000 stock options have not been exercised.
- (3) Half of the 1,200,000 Common Shares held by Lacombe Ventures are included in the ownership for each of Kenneth Ellerbeck and Quinn Ellerbeck.

The terms of the foregoing director and officer appointments shall expire at the next annual shareholders meeting.

The Issuer has one committee, the audit committee (the “**Audit Committee**”) whose members are Brian May, Quinn Ellerbeck and Robert Thompson. Robert Thompson is the Chair of the Audit Committee.

A description of the principal occupation for the past five years and summary of the experience of the directors and officers of the Issuer is as follows:

Kenneth Ellerbeck, age 70, is the Chief Executive Officer and a Director of the Issuer.

Kenneth Ellerbeck is a strategist in the areas of mineral exploration and real estate development and sales. Mr. Ellerbeck possesses experience in the development of private and public companies, and has held various corporate roles including CEO and President. He holds a PMP designation and a Bachelor of Science in Mechanical Engineering from the University of Alberta.

Kenneth Ellerbeck is a Partner and Director of Lacombe Ventures Ltd. (October 3, 2019 to present). He is also an Associate at Colliers International (July 2017 to present), and served as Project Manager at Cando Rail Services from February 2016 to November 2016.

Mr. Ellerbeck has been actively involved in all aspects of resource exploration in the Province of British Columbia since 1980.

Mr. Ellerbeck will be working part-time for the Issuer and anticipates devoting approximately 30% of his working time to the Issuer.

Quinn Ellerbeck, age 38, is the Chief Financial Officer, Secretary and a Director of the Issuer.

Quinn Ellerbeck is a strategist in the area of new venture development and is actively involved in the creation of new companies in the natural resources and real estate industries through his consulting company, Lacombe Ventures Ltd. Previously, Mr. Ellerbeck was involved in the development of high-technology hardware and software products for over 10 years and held senior positions at Intel Corp. and BlackBerry Ltd. He holds an MBA in Finance and a Bachelor of Commerce from the University of British Columbia.

Quinn Ellerbeck is a Partner and Director of Lacombe Ventures Ltd. (October 3, 2019 to present). He is also the Owner and Principal Consultant of Tall Can Interactive Inc. (July 30, 2012 to present), and served as Senior Product Marketing Lead for Intel Corporation from February 29, 2016 to January 1, 2017.

Mr. Ellerbeck will be working part-time for the Issuer and anticipates devoting approximately 30% of his working time to the Issuer.

Dr. Robert Thompson, age 73, is a Director of the Issuer.

Dr. Robert Thompson is a professional geologist and has been actively consulting to the mineral exploration industry since 2008 as President of RIT Minerals Corp. He has previous experience as a public company director with First Americas Gold Corp., was senior geologist for Northern Vertex Mining Corp. and Ruby Red Resources Corp., and acted as technical advisor to Kingsman Resources Inc. and First Americas Gold Corp. He holds a PhD and BSc in Geology from Queen's University and is a graduate of the SME Enterprise Board Effectiveness Program at the University of Toronto, School of Business.

RIT Minerals Corp., with its partners, have made two base metal discoveries in British Columbia.

Robert Thompson served as President of RIT Minerals (RITM) Corp. from October 1, 2015 to present.

Prior to founding RIT Minerals Corp., Dr. Thompson was a senior research scientist for Geological Survey of Canada from 1974 to 2008, and was responsible for regional geological mapping and resource evaluation programs in British Columbia and Yukon.

Dr. Thompson has been a registered professional engineer with the Association of Professional Engineers and Geoscientists of British Columbia since 1972.

He anticipates devoting 5% of his working time to the Issuer.

Brian May, age 39, is a Director of the Issuer.

Brian May is a professional geologist with over 15 years of mineral exploration, mining project evaluation, advanced geological modeling, technical writing, and production geology experience throughout BC, Nevada, Arizona, and California. He holds a Bachelor of Science from Simon Fraser University.

Brian May is currently the Chief Geoscientist for Triumph Gold Corp. (November 14, 2020 – present). Previously, Brian was Senior Geologist for Elko Mining Group (August 2018 to October 2020), Ore Control Geologist for Western Mesquite Mines Inc. (September 2016 to August 2018), Consulting Geologist for Nicola Mining (April 2015 to September 2016), and Exploration Geologist for New Gold Inc. (February 2012-December 2015).

Brian May has been a registered professional geoscientist with the Association of Professional Engineers and Geoscientists of British Columbia since 2013.

He anticipates devoting 5% of his working time to the Issuer.

Aggregate Ownership of Securities

As of the date of this Prospectus, all directors, officers, and promoters of the Issuer, as a group, directly or indirectly beneficially own 4,375,000 Common Shares, representing approximately 59.32% of the issued and outstanding Common Shares on an undiluted basis. On a fully diluted basis, all directors, officers, and promoters of the Issuer, as a group, will directly or indirectly beneficially own 4,975,000 Common Shares, representing approximately 62.38% of the issued and outstanding Common Shares on a fully diluted basis.

Corporate Cease Trade Orders or Bankruptcies

No director, officer, promoter or other member of management of the Issuer has, within the past ten years, been a director, officer or promoter of any other issuer that, while that person was acting in that capacity:

- (a) was the subject of a cease trade or similar order or an order that denied the issuer access to any statutory exemptions for a period of more than 30 consecutive days; or
- (b) was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

Penalties or Sanctions

No director or executive officer of the Issuer has, within the past ten years, been subject to any penalties or sanctions imposed by a court or by a securities regulatory authority relating to securities legislation or has

entered into a settlement agreement with a securities regulatory authority or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Personal Bankruptcies

No current or proposed director, officer, or promoter of the Issuer has, within the past ten years, been declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager, or trustee appointed to hold the assets of that individual.

Conflicts of Interest

Conflicts of interest may arise as a result of the directors and officers of the Issuer holding positions as directors or officers of other companies. Some of the directors and officers have been and will continue to be engaged in the identification and evaluation of assets and businesses, with a view to potential acquisition of interests in businesses and companies on their own behalf and on behalf of other companies, and situations may arise where the directors and officers will be in direct competition with the Issuer. Conflicts, if any, will be subject to the procedures and remedies under the *Business Corporations Act (British Columbia)*.

As disclosed above, Ken Ellerbeck is the Owner of the Property under the Comstock Property Option Agreement. As such, Ken Ellerbeck has a direct material interest in the Property and the Comstock Property Option Agreement. Quinn Ellerbeck, the director and CFO of NVR, is Ken Ellerbeck's son. No other director or executive officer currently has a conflict of interest with the Issuer.

EXECUTIVE COMPENSATION

Compensation of Directors and Named Executive Officers of the Issuer

During the financial year ended September 30, 2020, the Issuer had two Named Executive Officers (as described in National Instrument 51-102, *Continuous Disclosure Obligations*), namely Ken Ellerbeck and Quinn Ellerbeck, the Chief Executive Officer and Chief Financial Officer of the Issuer, respectively.

The following table sets forth the compensation of the Named Executive Officers and Directors for each of the two most recently completed financial years excluding compensation securities:

Name and position	Year Ended	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Ken Ellerbeck,	September 30, 2020	Nil	Nil	Nil	Nil	Nil	Nil
Chief Executive Officer	September 30, 2019	Nil	Nil	Nil	Nil	Nil	Nil
Quinn Ellerbeck,	September 30, 2020	Nil	Nil	Nil	Nil	Nil	Nil
Chief Financial Officer and Secretary	September 30, 2019	Nil	Nil	Nil	Nil	Nil	Nil

Name and position	Year Ended	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Dr. Robert Thompson, Director	September 30, 2020	Nil	Nil	Nil	Nil	Nil	Nil
	September 30, 2019	N/A	N/A	N/A	N/A	N/A	N/A
Brian May, Director	September 30, 2020	Nil	Nil	Nil	Nil	Nil	Nil
	September 30, 2019	N/A	N/A	N/A	N/A	N/A	N/A

No stock options or other compensation securities were granted to, or exercised by, any director or Named Executive Officers during the most recently completed financial year. See “Options to Purchase Securities” above for a description of the materials terms of the Stock Option Plan.

Upon the listing of the Common Shares on the Exchange, the Issuer intends to compensate its directors for attending meetings by paying an attendance fee of \$100 per meeting. Other than this fee, the Issuer has no standard arrangement pursuant to which directors are compensated by the Issuer, for their services in their capacity as directors other than the unissued treasury shares that may be issued upon the exercise of the directors’ incentive stock options. There has been no other arrangement pursuant to which directors are compensated by the Issuer in their capacity as directors.

Oversight and description of director and named executive officer compensation

As the Issuer was not a reporting issuer in the most recently completed financial year ended September 30, 2020, the Issuer does not have a compensation program or policy. If the Issuer becomes a reporting issuer, the Issuer expects that compensation of the executive officers will be 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. If the Issuer becomes a reporting issuer, the Issuer expects that the objectives of its compensation policies and practices will be:

- to reward individual contributions in light of the Issuer’s performance;
- to be competitive with the companies with whom the Issuer 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 Issuer achieve its objectives.

During the most recent financial year ended September 30, 2020, neither the Chief Executive Officer nor the Chief Financial Officer was paid any remuneration. Effective January 4, 2021, as amended and restated on May 1, 2021, the Issuer entered into a Management and Consulting Agreement with Lacombe Ventures Ltd. (the “**Lacombe Management Agreement**”), pursuant to which Lacombe Ventures Ltd. shall provide certain management and consulting services to the Issuer. These services include administering and supervising the finances of the Issuer, selecting contractors, supervising the purchase and leasing of materials, supplies, and equipment, managing contracts, assisting with all legal actions, maintaining the assets of the Issuer, providing the Issuer with a general office, and making any payments on behalf of the Issuer. Each of Quinn Ellerbeck and Ken Ellerbeck own and control 50% of the voting shares of Lacombe Ventures Ltd. and both are directors of the Issuer. The Issuer shall pay Lacombe Ventures Ltd. a monthly

fee of \$2,500, payable in advance, with the first payment being on the first day of the month in which the securities of the Issuer trade on a securities exchange.

If the Issuer becomes a reporting issuer, the Board expects that it will evaluate individual executive performance with the goal of setting compensation at levels that it believes is comparable with executives in other companies of similar size and stage of development operating in the same industry. In connection with setting appropriate levels of compensation, the Issuer expects that members of the Board will base their decisions on their general business and industry knowledge and experience and publicly available information of comparable emerging mineral exploration companies while also taking into account the Issuer's relative performance and strategic goals. This peer group represents the most appropriate comparison for the Issuer based on this group being subject to similar market forces as the Issuer and the most likely group of companies with whom the Issuer competes for talent. In the course of its deliberations, the Issuer expects that the Board will consider the implications of the risks associated with adopting compensation practices. 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 Issuer that constitute or would lead to inappropriate or excessive risks.

The Issuer does not, and expects that it will not if it becomes a reporting issuer, 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.

Option-Based Awards

The incentive stock option portion of the compensation is intended to provide the executive officers of the Issuer with a long-term incentive in developing the Issuer's business. Options to be granted under the stock option plan will be approved by the Board after consideration of the Issuer's overall performance and whether the Issuer has met targets set out by the executive officers in their strategic plan. All previous grants of option-based awards will be taken into account when considering new grants.

Compensation Governance

For financial year ended September 30, 2020, management had direct involvement in and knowledge of the business goals, strategies, experiences and performance of the Issuer. As a result, management played an important role in the compensation decision-making process. The CEO may also provide a self-assessment of his own individual performance objectives and/or results achieved, if requested by the Board. No such requests were made by the Board during financial year ended September 30, 2020.

Performance Assessment

Rather than strictly applying formulas and weightings to forward-looking performance objectives, which may lead to unintended consequences for compensation purposes, the Board exercises its discretion and uses sound judgment in making compensation determinations. For this reason, the Board does not, and expects that it will not, measure performance using any pre-set formulas in determining compensation awards for NEOs. The Board's assessment of the overall business performance of the Issuer, including corporate performance against both quantitative and qualitative objectives and, where appropriate, relative performance against peers, provides the context for individual executive officer evaluations for all direct compensation awards.

Corporate Performance

In the future, it is the intention that the Board will approve annual corporate objectives in line with the Issuer's key longer-term strategies for growth and value creation. These quantitative and qualitative objectives will then be used by the Board as a reference when making compensation decisions. It is the intention of the Board to review the results achieved by the Issuer and discuss them with management on an annual basis. For the purposes of determining total compensation, the Board will then determine an overall rating for actual corporate performance relative to an expected level of performance.

This overall corporate performance rating will provide general context for the Board's review of individual performance by the NEOs.

Individual Performance

As with the corporate objectives, individual executive officer's performance objectives may include a combination of quantitative and qualitative measures with no pre-determined weightings. During financial year ended September 30, 2020, the Board determined that no compensation should be paid to the NEOs as the financial condition and size of the Issuer did not warrant the payment of cash or share compensation.

Compensation Committee

The Issuer currently does not have a compensation committee in place and the Board intends to approve all compensation decisions in the near future, provided that directors who are also officers are exempt from participating in such compensation discussions. The Issuer may establish a compensation committee in the future to assist the Board in fulfilling its responsibility to shareholders, potential shareholders and the investment community by reviewing and providing recommendations to the Board regarding executive compensation, succession plans for executive officers, and the Issuer's overall compensation and benefits policies, plans and programs.

Compensation Consultant

At no time since the Issuer's most recently completed financial year has the Issuer retained a compensation consultant or advisor to assist the Board in determining compensation for any of the Issuer's directors or executive officers.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at the date of this Prospectus, no director, executive officer or employee of the Issuer or their respective associates or affiliates is or has been indebted to the Issuer at any time.

AUDIT COMMITTEE AND CORPORATE GOVERNANCE

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

National Policy 58-201 *Corporate Governance Guidelines* establishes corporate governance guidelines which apply to all public companies. The Issuer has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Issuer's practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for the Issuer at its current stage of development and therefore these guidelines have not been adopted. The Issuer will continue to review and implement

corporate governance guidelines as the business of the Issuer progresses and becomes more active in operations. National Instrument 58-101 *Disclosure of Corporate Governance Practices* mandates disclosure of corporate governance practices in Form 58-101F2, which disclosure is set out below.

1. Board of Directors

The mandate of the Board is to supervise the management of the Issuer and to act in the best interests of the Issuer. The Board acts in accordance with:

- (a) the *Business Corporations Act (British Columbia)*;
- (b) the Issuer's articles of incorporation;
- (c) the Audit Committee Charter; and
- (d) other applicable laws and company policies.

The Board approves all significant decisions that affect the Issuer before they are implemented. The Board supervises their implementation and reviews the results.

The Board is actively involved in the Issuer's strategic planning process. The Board discusses and reviews all materials relating to the strategic plan with management. The Board is responsible for reviewing and approving the strategic plan. At least one Board meeting each year is devoted to discussing and considering the strategic plan, which takes into account the risks and opportunities of the business. Management must seek the Board's approval for any transaction that would have a significant impact on the strategic plan.

The Board periodically reviews the Issuer's business and implementation of appropriate systems to manage any associated risks, communications with investors and the financial community and the integrity of the Issuer's internal control and management information systems. The Board also monitors the Issuer's compliance with its timely disclosure obligations and reviews material disclosure documents prior to distribution. The Board periodically discusses the systems of internal control with the Issuer's external auditor.

The Board is responsible for choosing the president and appointing senior management and for monitoring their performance and developing descriptions of the positions for the Board, including the limits on management's responsibilities and the corporate objectives to be met by the management.

The Board approves all the Issuer's major communications, including annual and quarterly reports, financing documents and press releases. The Board approves the Issuer's communication policy that covers the accurate and timely communication of all important information. It is reviewed annually. This policy includes procedures for communicating with analysts by conference calls.

The Board, through its Audit Committee, examines the effectiveness of the Issuer's internal control processes and management information systems. The Board consults with the internal auditor and management of the Issuer to ensure the integrity of these systems. The internal auditor submits a report to the Audit Committee each year on the quality of the Issuer's internal control processes and management information systems.

The Board is responsible for determining whether or not each director is an independent director. Directors who also act as officers of the Issuer are not considered independent. Directors who do not also act as officers of the Issuer, do not work in the day-to-day operations of the Issuer, are not party to any material contracts with the Issuer, or receive any fees from the Issuer except as disclosed in this Prospectus, are

considered independent. Ken Ellerbeck and Quinn Ellerbeck are not independent directors by virtue of their positions as CEO and CFO of the Issuer, respectively. Robert Thompson and Brian May are considered an independent director of the Issuer.

2. Directorships

No directors of the Issuer currently hold directorships in other reporting issuers.

3. Orientation and Continuing Education

The Board of Directors of the Issuer briefs all new directors with the policies of the Board of Directors, and other relevant corporate and business information.

4. Ethical Business Conduct

The Board has found that the fiduciary duties placed on individual directors by the Issuer's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Issuer.

Under the applicable corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Issuer and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, and to disclose to the Board the nature and extent of any interest of the director in any material contract or material transaction, whether made or proposed, if the director is a party to the contract or transaction, is a director or officer (or an individual acting in a similar capacity) of a party to the contract or transaction or has a material interest in a party to the contract or transaction. The director must then abstain from voting on the contract or transaction unless the contract or transaction (i) relates primarily to their remuneration as a director, officer, employee or agent of the Issuer or an affiliate of the Issuer, (ii) is for indemnity or insurance for the benefit of the director in connection with the Issuer, or (iii) is with an affiliate of the Issuer. If the director abstains from voting after disclosure of their interest, the directors approve the contract or transaction and the contract or transaction was reasonable and fair to the Issuer at the time it was entered into, the contract or transaction is not invalid and the director is not accountable to the Issuer for any profit realized from the contract or transaction. Otherwise, the director must have acted honestly and in good faith, the contract or transaction must have been reasonable and fair to the Issuer and the contract or transaction be approved by the shareholders by a special resolution after receiving full disclosure of its terms in order for the director to avoid such liability or the contract or transaction being invalid.

5. Nomination of Directors

The Board is responsible for identifying individuals qualified to become new Board members and recommending to the Board new director nominees for the next annual meeting of shareholders.

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

6. Compensation

The Board conducts reviews with regard to directors' compensation once a year. To make its recommendation on directors' compensation, the Board takes into account the types of compensation and the amounts paid to directors of comparable publicly traded Canadian companies and aligns the interests of directors with the return to shareholders.

The Board decides the compensation of the Issuer's officers, based on industry standards and the Issuer's financial situation.

7. Other Board Committees

The Board has no standing committees.

8. Assessments

The Board monitors the adequacy of information given to directors, communication between the board and management and the strategic direction and processes of the board.

Audit Committee

The charter of the Audit Committee is set out as Schedule A to this Prospectus.

Composition of the Audit Committee

The members of the Audit Committee are Quinn Ellerbeck, Brian May and Robert Thompson. Robert Thompson and Brian May are independent as that term is defined in National Instrument 52-110 Audit Committees ("NI 52-110"). All members of the Audit Committee are "financially literate" as that term is defined in NI 52-110.

A member of the Audit Committee is independent if the member has no direct or indirect material relationship with the Issuer. A material relationship means a relationship which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment.

Relevant Education and Experience

Each member of the Issuer's Audit Committee has adequate education and experience that is relevant to his performance as an Audit Committee member and, in particular, the requisite education and experience that have provided the member with:

- (a) an understanding of the accounting principles used by the Issuer to prepare its financial statements and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- (b) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Issuer's financial statements or experience actively supervising individuals engaged in such activities; and
- (c) an understanding of internal controls and procedures for financial reporting.

Quinn Ellerbeck – Quinn Ellerbeck is a strategist in the area of new venture development and is actively involved in the creation of new companies in the natural resources and real estate industries through his consulting company, Lacombe Ventures Ltd. Previously, Mr. Ellerbeck was involved in the development of high-technology hardware and software products for over 10 years and held senior positions at Intel Corp. and BlackBerry Ltd. He holds an MBA in Finance and a Bachelor of Commerce from the University of British Columbia. Through his education and experience with developing products and new ventures, Mr. Ellerbeck has an understanding of financial reporting requirements respecting financial statements sufficient enough to enable him to discharge his duties as an audit committee member.

Dr. Robert Thompson – Dr. Robert Thompson is a professional geologist and has been actively consulting in the mineral exploration industry since 2008 as President of RIT Minerals Corp. He has previous experience as a public company director with First Americas Gold Corp., was senior geologist for Northern Vertex Mining Corp. and Ruby Red Resources Corp., and acted as technical advisor to Kingsman Resources Inc. and First Americas Gold Corp. He holds a PhD and BSc in Geology from Queen’s University and is a graduate of the SME Enterprise Board Effectiveness Program at the University of Toronto, School of Business. As such, Mr. Thomson is very familiar with financial statements and complex accounting issues and is financially literate.

Brian May – Brian May is a professional geologist and has been active in the mining and mineral exploration industries for over 15 years. Brian is currently the Chief Geoscientist for Triumph Gold Corp., and has recently held positions with Elko Mining Group, New Gold Inc., and Nicola Mining Inc. He holds a Bachelor of Science from Simon Fraser University. Through his education and his experience, Mr. May is very familiar with financial statements and accounting issues and is financially literate.

Audit Committee Oversight

At no time since inception was a recommendation of the Audit Committee made to nominate or compensate an external auditor not adopted by the board of directors.

Reliance on Certain Exemptions

At no time since inception has the Issuer 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.

Pre-Approval of Policies and Procedures

The Audit Committee has not adopted any specific policies and procedures for the engagement of non-audit services.

External Auditor Service Fees

The Audit Committee has reviewed the nature and amount of the non-audited services provided by DMCL, Chartered Professional Accountants, of Vancouver, British Columbia, to the Issuer to ensure auditor independence. Estimated fees to be billed by DMCL Chartered Professional Accountants for audit and non-audit services for the fiscal year ended September 30, 2020 are outlined in the following table.

Nature of Services	Estimated Fees of the Auditor for the Fiscal Year Ended September 30, 2020 ⁽⁵⁾
Audit Fees ⁽¹⁾	\$5,000
Audit-Related Fees ⁽²⁾	\$0
Tax Fees ⁽³⁾	\$0
All Other Fees ⁽⁴⁾	\$0
Total	\$5,000

Notes:

- (1) “Audit Fees” include fees necessary to perform the annual audit and quarterly reviews of the Issuer’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.
- (5) No audit services were provided to the Issuer for previous fiscal years.

PLAN OF DISTRIBUTION

This is a non-offering prospectus. No securities are offered pursuant to this Prospectus. The Issuer is not a reporting issuer in any province or territory of Canada.

The Exchange has conditionally accepted the listing of the Issuer’s Common Shares on the Exchange. Listing of the Common Shares on the Exchange will be subject to the Issuer fulfilling all of the listing requirements of the CSE, including, without limitation, the distribution of the Common Shares to a minimum number of public shareholders and the Company meeting the minimum listing requirements of the Exchange.

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

RISK FACTORS

The Common Shares should be considered highly speculative due to the nature of the Issuer’s business and the present stage of its development. In evaluating the Issuer and its business, investors should carefully consider, in addition to the other information contained in this Prospectus, the following risk factors. These risk factors are not a definitive list of all risk factors associated with an investment in the Issuer or in connection with the Issuer’s operations. There may be other risks and uncertainties that are not known to

the Issuer or that the Issuer currently believes are not material, but which also may have a material adverse effect on its business, financial condition, operating results or prospects. In that case, the trading price of the Common Shares could decline substantially, and investors may lose all or part of the value of the Common Shares held by them.

An investment in securities of the Issuer should only be made by persons who can afford a significant or total loss of their investment. There is no market through which these securities may be sold and purchasers may not be able to resell securities purchased under this Prospectus.

The possible sale of Common Shares released from escrow on each release date could negatively affect the market price of the Common Shares and also result in an excess of sellers of Common Shares to buyers of Common Shares and seriously affect the liquidity of the Common Shares. See “Escrowed Securities”.

1. No Ongoing Operations, No Production History and Negative Cash Flow

The Issuer is a mineral exploration company and has no operations or revenue. The Issuer had negative cash flow from operations for the year ended September 30, 2020 and expects to have negative operating cash flow for the year ended September 30, 2021 as well given its nature as a mineral exploration company. To the extent that the Issuer has a negative operating cash flow in future periods, the Issuer may need to allocate a portion of its cash reserves to fund such negative operating cash flow. Due to the nature of its business and no history of operations or earnings, there can be no assurance that the Issuer will be profitable.

2. Requirement to Maintain Obligations Under the Comstock Property Option Agreement and the Barnum Property Option Agreement

Pursuant to the Comstock Property Option Agreement and the Barnum Property Option Agreement, the Issuer is required to pay all taxes assessed against any personal property which it may place on the Comstock Claims and the Barnum Claims, and must pay any taxes or increase in taxes assessed against the Claims due to its operations thereon. Pursuant to the Comstock Property Option Agreement and the Barnum Property Option Agreement, the Issuer is required to seek and maintain, at its own cost and expense, all permits, governmental or other, needed to conduct its operations on the Comstock Property. Maintaining such obligations will diminish the Issuer’s cash reserves and failure to maintain these obligations could result in forfeiture of the Claims or other assets of the Issuer.

3. Coronavirus (COVID-19)

As of the date of this Prospectus, markets, governments and health organizations around the world are working to contain the outbreak of the coronavirus (COVID-19). COVID-19 presents a wide range of potential issues or complications for the Issuer, most of which the Issuer is not able to know the full extent of at the time of this Prospectus. The following is a summary of what the Issuer believes may impact their business as a result of COVID-19: disruptions to business operations resulting from quarantines of employees, customers and third party service providers in areas affected by the outbreak; disruptions to business operations resulting from travel restrictions; and uncertainty around the duration of the virus’ impact. At the time of this Prospectus it is unclear as to whether COVID-19 represents a material disruption of the Issuer’s business.

4. Absence of Prior Public Market

There has been no prior public market for the Common Shares, and an active trading market may not develop or, if it does develop, may not be sustained. The lack of an active market may impair shareholders’ ability to sell their Common Shares at the time they wish to sell them or at a price that they consider

reasonable. The lack of an active market may also reduce the fair market value and increase the volatility of the Common Shares. An inactive market may also impair the Issuer's ability to raise capital by selling Common Shares and to acquire other exploration properties or interests by using its Common Shares as consideration.

5. Volatility of Share Prices

Share prices are subject to changes because of numerous factors beyond the Issuer's control, including reports of new information, changes in its financial situation, the sale of its Common Shares in the market, its failure to achieve financial results in line with the expectations of analysts, or announcements by the Issuer or any of its competitors concerning results. There is no guarantee that the market price of the Common Shares will be protected from any such fluctuations in the future.

In the past, companies have experienced volatility in their share value and have been the subject of securities class action litigation. The Issuer might become involved in securities class action litigation in the future. Such litigation often results in substantial costs and diversion of management's attention and resources and could have a negative effect on the Issuer's business and results of operation.

6. Limited Operating History

The Issuer has no history of earnings and very little operating history. There are no known commercial quantities of mineral reserves on the Barnum Property or the Comstock Property. There is no assurance that the Issuer will ever discover any economic quantities of mineral reserves.

7. Requirement For Further Financing

The Issuer has limited financial resources and may need to raise additional funds to carry out exploration of its properties, including Phase 2 of the recommended work program for the Comstock Property. There is no assurance the Issuer will be able to raise additional funds or will be able to raise additional funds on terms acceptable to the Issuer. If the Issuer's exploration programs are successful and favourable exploration results are obtained, the properties may be developed into commercial production. The Issuer will require additional funds to place the properties into production. The only sources of future funds presently available to the Issuer are the sale of equity capital, debt, or offering of interests in its properties to be earned by another party or parties by carrying out development work. There is no assurance that any such funds will be available to the Issuer or be available on terms acceptable to the Issuer. If funds are available, there is no assurance that such funds will be sufficient to bring the properties to commercial production. Failure to obtain additional financing on a timely basis could have a material adverse effect on the Issuer, and could cause the Issuer to forfeit its interest in the properties and reduce or terminate its operations.

8. Exploration

At present, there are no bodies of ore, known or inferred, and there are no known bodies of commercially recoverable ore on either the Comstock Property or the Barnum Property. There is no assurance that the Issuer's mineral exploration activities will result in any discoveries of commercial bodies of ore on the Comstock Property or the Barnum Property.

9. Development

The business of exploration for precious metals involves a high degree of risk. Few exploration properties are ultimately developed into producing properties. The Issuer's Comstock Property and Barnum Property are at the exploration stage.

10. Title to Properties

Acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. Although the Issuer has investigated its title to the Comstock Property and the Barnum Property for which it holds an option to acquire concessions or other mineral leases or licenses and the Issuer is satisfied with its review of the title to the Comstock Property and the Barnum Property, the Issuer cannot give an assurance that title to the Comstock Property and the Barnum Property will not be challenged or impugned. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify, and transfers under foreign law often are complex. The Issuer does not carry title insurance on the Comstock Property and the Barnum Property. A successful claim that the Issuer does not have title could cause the Issuer to lose its rights to the Comstock Property and the Barnum Property, perhaps without compensation for its prior expenditures relating to the Comstock Property and the Barnum Property.

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

Because the Issuer's interest in the Comstock Property and the Barnum Property is by way of the Comstock Property Option Agreement and the Barnum Property Option Agreement, which enables it to option the Comstock Property and the Barnum Property and grants it exclusive rights to mine and otherwise utilize and dispose of, or to allow others to mine and otherwise utilize and dispose of, on an exclusive basis, all minerals, mineral substances, mineral rights and estates of every kind and character on the properties, the Issuer does not own the Comstock Property and the Barnum Property, if the Issuer fails to issue shares and make payments in accordance with the Comstock Property Option Agreement and the Barnum Property Option Agreement, it will lose its mining rights, and the Issuer is dependent on the Owner to perform its obligations under the Comstock Property Option Agreement and Barnum Property Option Agreement, and if the Owner fails to perform its obligations thereunder the Issuer's interest in the Comstock Property and the Barnum Property may be lost. There is no guarantee the Issuer will be able to raise sufficient funding in the future to carry out the recommended work program on the Comstock Property and the Barnum Property.

11. Management

The success of the Issuer is largely dependent upon the performance of its management. The loss of the services of these persons may have a material adverse effect on the Issuer's business and prospects. There is no assurance that the Issuer can maintain the service of its management or other qualified personnel required to operate its business. The Issuer does not intend to acquire any key man insurance policies and there is, therefore, a risk that the death or departure of any member of management, the board, or any key employee or consultant, could have a material adverse effect on the Issuer's business and prospects.

12. Requirement for Permits and Licenses

The Issuer will be applying for all necessary licenses and permits under applicable laws and regulations to carry on the exploration activities which it is currently planning in respect of the Comstock Property, and the Issuer believes it will comply in all material respects with the terms of such licenses and permits. However, such licenses and permits are subject to changes in regulations and in various operational circumstances. A substantial number of additional permits and licenses will be required should the Issuer proceed beyond exploration. There can be no guarantee that the Issuer will be able to obtain such licenses and permits and failure to obtain such licenses and permits may result in the Issuer abandoning the Comstock Property.

13. Environmental Risks and other Regulatory Requirements

The current or future operations of the Issuer, including the exploration activities and commencement of production on the Comstock Property, will require permits from various federal and local governmental authorities, and such operations are and will be governed by laws and regulations governing exploration, development, production, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, site safety and other matters. There can be no assurance that all permits which the Issuer may require for its facilities and conduct of exploration and development operations will be obtainable on reasonable terms or that such laws and regulations would not have a material adverse effect on any exploration and development project which the Issuer might undertake.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in exploration and development operations may be required to compensate those suffering loss or damage by reason of the exploration and development activities and may have civil or criminal fines or penalties imposed upon them for violation of applicable laws or regulations.

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

14. Uninsurable Risks

Exploration of mineral properties involves numerous risks, including unexpected or unusual geological conditions, rock bursts, cave-ins, pollution, fires, floods, earthquakes and other environmental occurrences, and political and social instability. It is not always possible to obtain insurance against all such risks and the Issuer may decide not to insure against certain risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any further profitability and result in increasing costs and a decline in the value of the securities of the Issuer. The Issuer does not maintain insurance against environmental risks.

15. Competition

Significant and increasing competition exists for mineral opportunities in the Province of British Columbia. There are a number of large established mineral exploration companies with substantial capabilities and greater financial and technical resources than the Issuer. The Issuer may be unable to acquire additional mineral properties or acquire such properties on terms it considers acceptable. Accordingly, there can be no assurance that the Issuer's exploration programs will yield any reserves or result in any commercial mineral operations.

16. Conflicts of Interest

Directors of the Issuer may, from time to time, serve as directors of, or participate in ventures with other companies involved in natural resource development. As a result, there may be situations that involve a conflict of interest for such directors. Each director will attempt not only to avoid dealing with such other companies in situations where conflicts might arise but will also disclose all such conflicts in accordance with the *British Columbia Business Corporations Act* and will govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law.

As disclosed above, Ken Ellerbeck, the CEO and a director of the Issuer, is the Owner of the Comstock Property and the Barnum Property. As such, Ken Ellerbeck has a direct material interest in the Comstock Property and the Barnum Property and the Comstock Property Option Agreement and Barnum Property Option Agreement, respectively. Quinn Ellerbeck, the director and CFO of the Issuer, is Ken Ellerbeck's son. No other director or executive officer currently has a conflict of interest with the Issuer.

In addition, Lacombe Ventures Ltd., a company controlled by Ken Ellerbeck and Quinn Ellerbeck, received 1,200,000 Common Shares of the Issuer as payment for geophysical surveying services performed on behalf of the Issuer on the Barnum Property. See "Prior Sales" and "Material Contracts" for more information.

17. Litigation

The Issuer and/or its directors may be subject to a variety of civil or other legal proceedings, with or without merit. The Issuer does not know of any such pending or actual material legal proceedings as of the date of this Prospectus.

18. No Cash Dividends Are Expected to be Paid in the Foreseeable Future

The Issuer has not declared any cash dividends to date. The Issuer intends to retain any future earnings to finance its business operations and any future growth. Therefore, the Issuer does not anticipate declaring any cash dividends in the foreseeable future.

19. Ore Reserves and Reserve Estimates

The Issuer's business relies upon the ability to determine whether a given property has commercial quantities of recoverable minerals. No assurance can be given that any discovered mineral reserves and resources will be recovered or that they will be recovered at the rates estimated.

No assurance can be given that if mineralization is ever identified on the Comstock Property or the Barnum Property, it will be developed into a coherent mineralization deposit, or that such deposit will even qualify as a commercially viable and mineable ore body that can be legally and economically exploited. Estimates regarding mineralized deposits can also be affected by many factors such as permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. In addition, the grades and tonnages of ore ultimately mined may differ from that indicated by drilling results and other exploration and development work. There can be no assurance that test work and results conducted and recovered in small-scale laboratory tests will be duplicated in large-scale tests under on-site conditions. Material changes in mineralized tonnages, grades, dilution and stripping ratios or recovery rates may affect the economic viability of projects. The existence of mineralization or mineralized deposits should not be interpreted as assurances of the future delineation of ore reserves or the profitability of any future operations.

Mineral reserve and resource estimates are based on limited sampling and, consequently, are uncertain because the samples may not be representative. Mineral reserve and resource estimates may require revision (either up or down) based on actual production experience.

PROMOTERS

Ken Ellerbeck and Quinn Ellerbeck are considered to be promoters of the Issuer in that they took the initiative in founding and organizing the Issuer. Ken Ellerbeck beneficially owns, or controls or directs, indirectly or directly, 2,187,500 Common Shares, representing 29.66% of the issued and outstanding Common Shares of the Issuer. Quinn Ellerbeck beneficially owns, or controls or directs, indirectly or directly, 2,187,500 Common Shares, representing 29.66% of the issued and outstanding Common Shares of the Issuer. Ken Ellerbeck provided the Company with the property option on the Comstock Property and the Barnum Property and may receive payments from the Issuer as set out under the terms of the Comstock Property Option Agreement and the Barnum Property Option Agreement. See also “Principal Shareholders”, “Directors and Officers” and “Significant Acquisitions and Significant Dispositions”.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

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

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Ken Ellerbeck has a direct material interest in the Comstock Property Option Agreement and the Barnum Property Option Agreement. Ken Ellerbeck provided the Issuer with the property options on the Comstock Property and the Barnum Property. As such, Ken Ellerbeck may receive payments from the Issuer as set out under the terms of the Comstock Property Option Agreement and the Barnum Property Option Agreement. See “Significant Acquisitions and Significant Dispositions”.

In addition, Lacombe Ventures Ltd., a company controlled by Ken Ellerbeck and Quinn Ellerbeck, received 1,200,000 Common Shares of the Issuer as payment for geophysical surveying services performed on behalf of the Issuer on the Barnum Property. See “Prior Sales” and “Material Contracts” for more information.

No other Insider, director or executive officer of the Issuer and no associate or affiliate of any director, executive officer or Insider has any material interest, direct or indirect, in any transaction within the three years before the date of the Prospectus that has materially affected or is reasonably expected to materially affect the Issuer or the Subsidiary. See “Executive Compensation”.

AUDITORS, TRANSFER AGENTS AND REGISTRARS

Auditors

The Issuer’s auditor is DMCL, Chartered Professional Accountants, of 1500 - 1140 West Pender Street, Vancouver, British Columbia, V6E 4G1.

Transfer Agent and Registrar

The Registrar and Transfer Agent for the Issuer is Odyssey Trust Company of Suite 323, 409 Granville Street, Vancouver, British Columbia, V6C 1T8.

MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business, the only material contracts which the Issuer has entered into in the two years prior to the date of the Prospectus are the following:

- (1) The Comstock Property Option Agreement between the Issuer and Ken Ellerbeck, dated April 14, 2021, granting the Issuer an option to acquire a 100% interest in the Comstock Property, subject to a production royalty of 2% of net smelter returns. Ken Ellerbeck is the CEO and a director of the Issuer.
- (2) The Barnum Property Option Agreement between the Issuer and Ken Ellerbeck, dated April 14, 2021, granting the Issuer an option to acquire a 100% interest in the Barnum Property, subject to a production royalty of 2% of net smelter returns. Ken Ellerbeck is the CEO and a director of the Issuer.
- (3) Agreement for Shares for Debt, dated July 30, 2020, between the Issuer and Lacombe Ventures Ltd., as amended and restated July 22, 2021. Each of Quinn Ellerbeck and Ken Ellerbeck own and control 50% of the voting shares of Lacombe Ventures Ltd. and both are directors of the company. Prior to the agreement, Lacombe Ventures Ltd. performed geophysical surveying for the Issuer. Under the initial agreement, a \$85,000 debt owed by the Issuer to Lacombe Ventures Ltd. for the consulting fees for the geophysical surveying was converted to 1,700,000 Common Shares. Subsequently, to satisfy listing conditions of the CSE, the Issuer and Lacombe Ventures Ltd. agreed to reduce the value of the services previously rendered by \$25,000 to \$60,000 and accordingly, Lacombe Ventures Ltd. agreed to return for cancellation 500,000 Common Shares. The parties entered into an amended and restated shares for debt agreement on July 22, 2021 pursuant to which the parties agreed to cancel the 1,700,000 Common Shares issued on July 30, 2020 and issue a replacement share certificate for 1,200,000 Common Shares representing the residual balance of Common Shares issuable to Lacombe Ventures Ltd.
- (4) Transfer Agent and Registrar Agreement, dated December 22, 2020, between the Issuer and Odyssey Trust Company. Under this agreement, the Issuer appointed Odyssey Trust Company as its transfer agent, registrar and disbursement agent.
- (5) Lacombe Management Agreement.
- (6) Letter Agreement, dated January 8, 2021, between the Issuer and Canaccord Genuity Corp. (“**Canaccord**”) in which Canaccord will find and introduce investors to the Issuer with respect to a reasonable efforts non-brokered private placement. Canaccord will be paid a finder’s fee of 7% in commission and 7% paid in warrants for those subscribers introduced by Canaccord. Each Finder’s Warrant is exercisable at \$0.10 each for 18 months following the Common Shares of the Issuer being listed and posted for trading on a recognized stock exchange in Canada.
- (7) Escrow Agreement.

Inspection of Material Contracts and Reports

Copies of all the material contracts and reports referred to in this Prospectus may be inspected at the registered office of the Issuer at 255 Battle Street West, Kamloops, BC, V2C 1G8, during normal business hours during the distribution of the securities offered hereunder, and for a period of 30 days thereafter, as well as on the SEDAR website at www.sedar.com upon the Effective Date of this Prospectus.

EXPERTS

The following person and company have prepared or certified a report, valuation, statement or opinion in this Prospectus:

1. Dean Besserer, P. Geol., was retained by the Issuer to prepare the Technical Report on the Comstock Property and is a “qualified person” as defined in National Instrument 43-101; and
2. Linda Caron, P. Eng., was retained by the Issuer to prepare the Technical Report on the Barnum Property and is a “qualified person” as defined in National Instrument 43-101; and
3. The Issuer’s auditor, DMCL LLP, Chartered Professional Accountants, has prepared the audit report accompanying the audited financial statements attached to this Prospectus.

No person or company whose profession or business gives authority to a statement made by such person or company and who is named as having prepared or certified a part of this Prospectus, or prepared or certified a report or valuation described or included in this Prospectus, has received or shall receive or holds a direct or indirect interest in any securities or property of the Issuer or any associates or affiliates of the Issuer. The auditor is independent in accordance with the auditor’s rules of professional conduct in the Province of British Columbia.

OTHER MATERIAL FACTS

Except as otherwise mentioned in this Prospectus, there are no material facts about the securities being listed on the Exchange that are not disclosed under any other items and are necessary in order for the Prospectus to contain full, true and plain disclosure of all material facts relating to the securities to be listed on the Exchange.

RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in the Province of British Columbia provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In the Province of British Columbia securities legislation further provides a purchaser with remedies for rescission or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province for the particulars of these rights or consult with a legal adviser.

FINANCIAL STATEMENTS

The following financial statements are attached to this Prospectus:

1. The Issuer’s audited financial statements, the notes thereto and the auditor’s report thereon for the years ended September 30, 2020 and 2019.
2. The Issuer’s unaudited condensed interim financial statements and the notes thereto for the three months ended March 31, 2021.

SCHEDULE A
AUDIT COMMITTEE CHARTER
NORTH VALLEY RESOURCES LTD.
(the “Company”)

AUDIT COMMITTEE CHARTER

1. Mandate

The audit committee will assist the board of directors (the “**Board**”) in fulfilling its financial oversight responsibilities. The audit committee will review and consider in consultation with the auditors, the financial reporting process, the system of internal control and the audit process. In performing its duties, the committee will maintain effective working relationships with the Board, management, and the external auditors. To effectively perform his or her role, each committee member must obtain an understanding of the principal responsibilities of committee members hip as well and the Company’s business, operations, and risks.

2. Composition

The Board will appoint from among their membership an audit committee after each annual general meeting of the shareholders of the Company. The audit committee will consist of a minimum of three directors.

2.1 Independence

Subject to any exemptions under applicable law, a majority of the members of the audit committee must not be officers, employees or control persons of the Company.

2.2 Expertise of Committee Members

Each member of the audit committee must be financially literate or must become financially literate within a reasonable period of time after his or her appointment to the committee. At least one member of the committee must have accounting or related financial management expertise. The Board shall interpret the qualifications of financial literacy and financial management expertise in its business judgment and shall conclude whether a director meets these qualifications.

3. Meetings

The audit committee shall meet in accordance with a schedule established each year by the Board, and at other time that the audit committee may determine. The audit committee shall meet at least annually with the Company’s Chief Financial Officer and external auditors in separate executive sessions.

4. Roles and Responsibilities

The audit committee shall fulfill the following roles and discharge the following responsibilities:

4.1 External Audit

The audit committee shall be directly responsible for overseeing the work of the external auditors in preparing or issuing the auditor’s report, including the resolution of disagreements between management

and the external auditors regarding financial reporting and audit scope or procedures. In carrying out this duty, the audit committee shall:

- (a) recommend to the Board the external auditor to be nominated by the shareholders for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company;
- (b) review (by discussion and enquiry) the external auditors' proposed audit scope and approach;
- (c) review the performance of the external auditors and recommend to the Board the appointment or discharge of the external auditors;
- (d) review and recommend to the Board the compensation to be paid to the external auditors; and
- (e) review and confirm the independence of the external auditors by reviewing the non-audit services provided and the external auditors' assertion of their independence in accordance with professional standards.

4.2 Internal Control

The audit committee shall consider whether adequate controls are in place over annual and interim financial reporting as well as controls over assets, transactions and the creation of obligations, commitments and liabilities of the Company. In carrying out this duty, the audit committee shall:

- (a) evaluate the adequacy and effectiveness of management's system of internal controls over the accounting and financial reporting system within the Company; and
- (b) ensure that the external auditors discuss with the audit committee any event or matter which suggests the possibility of fraud, illegal acts or deficiencies in internal controls.

4.3 Financial Reporting

The audit committee shall review the financial statements and financial information prior to its release to the public. In carrying out this duty, the audit committee shall:

General

- (a) review significant accounting and financial reporting issues, especially complex, unusual, and related party transactions; and
- (b) review and ensure that the accounting principles selected by management in preparing financial statements are appropriate.

Annual Financial Statements

- (c) review the draft annual financial statements and provide a recommendation to the Board with respect to the approval of the financial statements;

- (d) meet with management and the external auditors to review the financial statements and the results of the audit, including any difficulties encountered; and
- (e) review management's discussion & analysis respecting the annual reporting period prior to its release to the public.

Interim Financial Statements

- (f) review and approve the interim financial statements prior to their release to the public; and
- (g) review management's discussion & analysis respecting the interim reporting period prior to its release to the public.

Release of Financial Information

- (h) where reasonably possible, review and approve all public disclosure, including news releases, containing financial information, prior to its release to the public.

4.4 Non-Audit Services

All non-audit services (being services other than services rendered for the audit and review of the financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements) which are proposed to be provided by the external auditors to the Company or any subsidiary of the Company shall be subject to the prior approval of the audit committee.

Delegation of Authority

- (a) The audit committee may delegate to one or more independent members of the audit committee the authority to approve non-audit services, provided any non-audit services approved in this manner must be presented to the audit committee at its next scheduled meeting.

De-Minimis Non Audit Services

- (b) The audit committee may satisfy the requirement for the pre-approval of non-audit services if:
 - (i) the aggregate amount of all non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the Company and its subsidiaries to the external auditor during the fiscal year in which the services are provided; or
 - (ii) the services are brought to the attention of the audit committee and approved, prior to the completion of the audit, by the audit committee or by one or more of its members to whom authority to grant such approvals has been delegated.

Pre-Approval Policies and Procedures

- (c) The audit committee may also satisfy the requirement for the pre-approval of non-audit services by adopting specific policies and procedures for the engagement of non-audit services, if:
 - (i) the pre-approval policies and procedures are detailed as to the particular service;
 - (ii) the audit committee is informed of each non-audit service; and
 - (iii) the procedures do not include delegation of the audit committee's responsibilities to management.

4.5 Other Responsibilities

The audit committee shall:

- (a) establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters;
- (b) establish procedures for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;
- (c) ensure that significant findings and recommendations made by management and external auditor are received and discussed on a timely basis;
- (d) review the policies and procedures in effect for considering officers' expenses and perquisites;
- (e) perform other oversight functions as requested by the Board; and
- (f) review and update this Charter and receive approval of changes to this Charter from the Board.

4.6 Reporting Responsibilities

The audit committee shall regularly update the Board about committee activities and make appropriate recommendations.

5. Resources and Authority of the Audit Committee

The audit committee shall have the resources and the authority appropriate to discharge its responsibilities, including the authority to

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

6. Guidance - Roles & Responsibilities

The following guidance is intended to provide the Audit Committee members with additional guidance on fulfillment of their roles and responsibilities on the committee:

6.1 Internal Control

- (a) evaluate whether management is setting the goal of high standards by communicating the importance of internal control and ensuring that all individuals possess an understanding of their roles and responsibilities;
- (b) focus on the extent to which external auditors review computer systems and applications, the security of such systems and applications, and the contingency plan for processing financial information in the event of an IT systems breakdown; and
- (c) gain an understanding of whether internal control recommendations made by external auditors have been implemented by management.

6.2 Financial Reporting

General

- (a) review significant accounting and reporting issues including recent professional and regulatory pronouncements, and understand their impact on the financial statements;
- (b) ask management and the external auditors about significant risks and exposures and the plans to minimize such risks; and
- (c) understand industry best practices and the Company's adoption of them.

Annual Financial Statements

- (d) review the annual financial statements and determine whether they are complete and consistent with the information known to committee members, and assess whether the financial statements reflect appropriate accounting principles in light of the jurisdictions in which the Company reports or trades its shares;
- (e) pay attention to complex and/or unusual transactions such as restructuring charges and derivative disclosures;
- (f) focus on judgmental areas such as those involving valuation of assets and liabilities, including, for example, the accounting for and disclosure of loan losses; warranty, professional liability; litigation reserves; and other commitments and contingencies;
- (g) consider management's handling of proposed audit adjustments identified by the external auditors; and
- (h) ensure that the external auditors communicate all required matters to the committee.

Interim Financial Statements

- (i) be briefed on how management develops and summarizes interim financial information, the extent to which the external auditors review interim financial information;
- (j) meet with management and the auditors, either telephonically or in person, to review the interim financial statements; and
- (k) to gain insight into the fairness of the interim statements and disclosures, obtain explanations from management on whether:
 - (i) actual financial results for the quarter or interim period varied significantly from budgeted or projected results;
 - (ii) changes in financial ratios and relationships of various balance sheet and operating statement figures in the interim financial statements are consistent with changes in the Company's operations and financing practices;
 - (iii) generally accepted accounting principles have been consistently applied;
 - (iv) there are any actual or proposed changes in accounting or financial reporting practices;
 - (v) there are any significant or unusual events or transactions;
 - (vi) the Company's financial and operating controls are functioning effectively;
 - (vii) the Company has complied with the terms of loan agreements, security indentures or other financial position or results dependent agreement; and
 - (viii) the interim financial statements contain adequate and appropriate disclosures.

6.3 Compliance with Laws and Regulations

- (a) periodically obtain updates from management regarding compliance with this policy and industry "best practices";
- (b) be satisfied that all regulatory compliance matters have been considered in the preparation of the financial statements; and
- (c) review the findings of any examinations by securities regulatory authorities and stock exchanges.

6.4 Other Responsibilities

Review with the Company's counsel, any legal matters that could have a significant impact on the Company's financial statements.

SCHEDULE B
AUDITED FINANCIAL STATEMENTS FOR THE YEARS ENDED ON SEPTEMBER 30, 2020
AND SEPTEMBER 30, 2019

NORTH VALLEY RESOURCES LTD.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019

(Expressed in Canadian dollars)



DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of North Valley Resources Ltd.

Opinion

We have audited the financial statements of North Valley Resources Ltd. (the “Company”), which comprise the statements of financial position as at September 30, 2020 and 2019, and the statements of loss and comprehensive loss, changes in shareholders’ equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which states events or conditions, along with other matters that indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in Management’s Discussion and Analysis.

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

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

We obtained Management’s Discussion and Analysis prior to the date of this auditor’s report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

DMCL

**DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS**

Vancouver, BC

February 12, 2021



An independent firm
associated with Moore
Global Network Limited

NORTH VALLEY RESOURCES LTD.

Statements of Financial Position

(Expressed in Canadian Dollars)

As at	Note	September 30, 2020	September 30, 2019
		\$	\$
ASSETS			
Current			
Cash		87,202	6
Prepaid expenses		13,000	-
Due from related party	4	1,892	2,200
		102,094	2,206
Non-current assets			
Exploration and evaluation assets	3	94,510	-
Total assets		196,604	2,206
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Accounts payable and accrued liabilities	4	9,510	-
Total liabilities		9,510	-
Shareholders' equity			
Share capital	5	201,000	16,000
Deficit		(13,906)	(13,794)
Total shareholders' equity		187,094	2,206
Total liabilities and shareholders' equity		196,604	2,206

Nature of operations and going concern (Note 1)

Subsequent events (Note 9)

These financial statements were approved by the Board of Directors on February 12, 2021:



Kenneth C Ellerbeck, Director



Quinn R Ellerbeck, Director

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

NORTH VALLEY RESOURCES LTD.
Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	Year Ended September 30, 2020	Year Ended September 30, 2019
	\$	\$
EXPENSES		
Bank charges and interest	112	76
Loss and comprehensive loss	(112)	(76)
Loss per share – basic and diluted	(0.00)	(0.00)
Weighted average number of common shares outstanding – basic and diluted	3,665,589	3,175,000

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

NORTH VALLEY RESOURCES LTD.
Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Share Capital		Deficit	Total Shareholders' Equity
	Number of Shares	Amount		
	#	\$	\$	\$
Balance, September 30, 2018	3,175,000	16,000	(13,718)	2,282
Net loss for the year	-	-	(76)	(76)
Balance, September 30, 2019	3,175,000	16,000	(13,794)	2,206
Shares issued for cash	2,000,000	100,000	-	100,000
Shares issued for debt settlement	1,700,000	85,000	-	85,000
Net loss for the year	-	-	(112)	(112)
Balance, September 30, 2020	6,875,000	201,000	(13,906)	187,094

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

NORTH VALLEY RESOURCES LTD.

Statements of Cash Flows

(Expressed in Canadian Dollars)

	Note	Year Ended September 30, 2020	Year Ended September 30, 2019
		\$	\$
Operating activities:			
Net loss		(112)	(76)
Changes in non-cash working capital items:			
Prepaid expenses		(13,000)	-
Due from related party		308	100
Net cash (used in) provided by operating activities		(12,804)	24
Financing activities:			
Proceeds from issuance of shares		100,000	-
Net cash provided by financing activities		100,000	-
Increase in cash		87,196	24
Cash (bank overdraft), beginning		6	(18)
Cash, ending		87,202	6
Supplemental disclosure of cash flow information			
Accrued exploration and evaluation expenditures	4	9,510	-
Shares issued for services related to exploration and evaluation assets	5	85,000	-

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

1. NATURE OF OPERATIONS AND GOING CONCERN

North Valley Resources Ltd. (the "Company") was incorporated in the Province of British Columbia on January 26, 2012 under the Business Corporations Act of British Columbia. The Company is focused on acquisition, exploration and development of mineral properties in British Columbia. The Company's registered office is 255 Battle Street West, Kamloops BC V2C 1G8.

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. A different basis of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. During the year ended September 30, 2020, the Company incurred a net loss of \$112 (2019 - \$76). As at September 30, 2020, the Company had a working capital surplus of \$92,584 (2019 - \$2,206). The Company's continuation as a going concern is dependent upon the successful results from its mineral property exploration activities, its ability to attain profitable operations and generate funds and raise equity capital or borrowings sufficient to meet current and future obligations. During fiscal 2020, the Company was able to raise funds through equity financings. Management intends to finance operating costs over the next twelve months with current cash on hand, potential proceeds from the issuance of share capital and borrowings, if available. However, there is no assurance that additional financing will be available on terms acceptable to the Company, or at all. These matters represent material uncertainties that cast significant doubt on the Company's ability to continue as a going concern. These financial statements do not reflect adjustments to the carrying value of assets and liabilities that would be necessary should the Company be unable to continue operations. Such adjustments could be material.

On March 11, 2020, the World Health Organization declared the recent outbreak of the coronavirus, also known as "COVID-19" a global pandemic. This contagious disease outbreak and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, leading to an economic downturn. As a result, there has been changes in global supply and demand of certain mineral and energy products. These changes, including any potential resulting direct and indirect negative impact to the Company, cannot be determined, but they could have a prospective material impact to the Company's project exploration activities, cash flows and liquidity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The financial statements were authorized for issue by the Board of Directors of the Company on February 12, 2021.

Basis of measurement

These financial statements have been prepared on a historical cost basis, modified where applicable. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information. The financial statements are presented in Canadian dollars, unless otherwise noted, which is the functional currency of the Company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting judgements

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements include:

- the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty;
- the classification of financial instruments;
- the classification and allocation of expenses as exploration and evaluation expenditures or operating expenses; and
- assessment of impairment of its exploration and evaluation assets.

Significant accounting estimates and assumptions

The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the recoverability of the carrying value of exploration and evaluation assets and the recoverability measurement of deferred tax assets.

Exploration and evaluation assets

Pre-exploration costs

Costs incurred prior to obtaining the legal rights to explore a property are recognized as an expense in the period in which they are incurred. Once the legal right to exploring a property has been acquired, exploration and evaluation expenditures are capitalized.

Exploration and evaluation expenditures

Exploration and evaluation expenditures include the costs of acquiring licenses and costs associated with exploration and evaluation activities. Option payments are considered acquisition costs provided that the Company has the intention of exercising the underlying option. Property option agreements are exercisable entirely at the option of the optionee. Therefore, option payments (or recoveries) are recorded when payment is made (or received) and are not accrued.

The Company capitalizes costs to specific blocks of claims or areas of geological interest. Government tax credits received are recorded as a reduction to the cumulative costs incurred and capitalized on the related property.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Exploration and evaluation assets (continued)

Impairment of exploration and evaluation assets

The carrying amount of the Company's exploration and evaluation assets is reviewed at each reporting date to determine whether any following indications of impairment are present:

- the period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; or
- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of loss and comprehensive loss.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

After technical feasibility and commercial viability of extracting a mineral resource are demonstrable, the Company stops capitalizing expenditures for the applicable block of claims or geological area of interest and tests the asset for impairment. The capitalized balance, net of any impairment recognized, is then reclassified to either tangible or intangible mine development assets according to the nature of the asset.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Restoration and environmental obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to the related asset along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value.

The Company's estimates of restoration costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related asset with a corresponding entry to the restoration provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates. Changes in the net present value, excluding changes in the Company's estimates of restoration costs, are charged to the statement of loss and comprehensive loss for the period.

NORTH VALLEY RESOURCES LTD.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019

(Expressed in Canadian dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Restoration and environmental obligations (continued)

The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to the statement of loss and comprehensive loss in the period incurred. The costs of restoration projects that were included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for exploration and evaluation assets.

Loss per share

The Company presents basic and diluted loss per share data for its common shares. Basic loss per share is calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is computed similar to basic loss per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive.

For both years presented, there were no dilutive instruments. Accordingly, diluted loss per share equals basic loss per share.

Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, share purchase options and warrants are classified as equity instruments. When the Company issues units as part of a private placement, consisting of both common shares and common share purchase warrants, the fair value of the shares is determined using the market price, and the residual value is assigned to the warrants. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the share proceeds.

Financial instruments

Financial instruments are accounted for in accordance with IFRS 9 - *Financial Instruments*. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The following table shows the classification under IFRS 9:

Financial asset/liability	Classification
Cash	FVTPL
Accounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

Financial assets

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income ("FVTOCI"); or (iii) fair value through profit or loss ("FVTPL"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed. All financial assets not classified and measured at amortized cost or FVTOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income.

The classification determines the method by which the financial assets are carried on the statement of financial position subsequent to inception and how changes in value are recorded. The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Impairment of financial assets

IFRS 9 uses the expected credit loss (“ECL”) model. The credit loss model groups receivables based on similar credit risk characteristics and days past due in order to estimate bad debts.

An ‘expected credit loss’ impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset’s original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the amount receivable at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial liabilities

Financial liabilities are designated as either: (i) fair value through profit or loss; or (ii) other financial liabilities. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the statement of financial position subsequent to inception and how changes in value are recorded.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and/or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. Gains and losses on derecognition are generally recognized through profit and loss.

Income taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in the statement of loss and comprehensive loss, except to the extent that it relates to items recognized in other comprehensive loss or directly in equity. In this case the income tax is also recognized in other comprehensive loss or directly in equity, respectively.

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes (continued)

Deferred tax

Deferred tax is recognized on temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that future taxable income will be available to allow all or part of the temporary differences to be utilized. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted and are expected to apply by the end of the reporting period. Deferred tax assets and deferred income tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Recently adopted accounting standards

Accounting standard or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's condensed interim financial statements.

3. EXPORATION AND EVALUATION ASSETS

On June 15, 2020 the Company signed an option agreement with a director of the Company to acquire an undivided 100% interest in 6 mineral claims in the Barnum Property (the "Property") located in the Kamloops Mining District of British Columbia, Canada.

In order to exercise the option, the Company must pay to the optionor the aggregate sum of \$610,020 cash, 900,000 shares of the Company and incur \$915,000 of exploration expenditures on the property by the fourth anniversary of the Company obtaining a listing (the "listing date") on the Canadian Securities Exchange ("CSE"). Option payments are to be paid based on the following instalment schedule:

- On signing - \$10 cash (paid)
- By the listing date – 100,000 common shares, and \$10 cash
- By October 1, 2020 - \$85,000 in expenditures on the property (incurred)
- By the 1st anniversary of the listing date – 100,000 common shares, \$10,000 cash and \$25,000 in additional expenditures on the property
- By the 2nd anniversary of the listing date - 200,000 common shares, \$50,000 cash and \$105,000 in additional expenditures on the property
- By the 3rd anniversary of the listing date – 200,000 common shares, \$100,000 cash and \$300,000 in additional expenditures on the property
- By the 4th anniversary of the listing date – 300,000 common shares, \$450,000 cash and \$400,000 in additional expenditures on the property

In addition, the Property is subject to 2% net smelter return royalty ("NSR Royalty") in favor of the optionor on the commencement of commercial production, of which the Company may elect to purchase 1% from the optionor at any time for \$1,000,000 prior to the commencement of commercial production.

NORTH VALLEY RESOURCES LTD.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019
(Expressed in Canadian dollars)

3. EXPORATION AND EVALUATION ASSETS (continued)

A continuity of the Company's exploration and evaluation asset is as follows:

	September 30, 2020	September 30, 2019
	\$	\$
<u>Acquisition costs:</u>		
Balance, beginning of period	-	-
Additions	10	-
Balance, end of period	10	-
<u>Deferred exploration expenditures:</u>		
Balance, beginning of period	-	-
Geophysical survey (note 4)	94,500	-
Balance, end of period	94,500	-
Total	94,510	-

4. RELATED PARTY BALANCES AND TRANSACTIONS

Key management compensation

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors and corporate officers. During the years ended September 30, 2020 and 2019, there was no remuneration of directors and key management personnel.

The Company incurred consulting fees of \$94,500 (2019 - \$nil) for geophysical surveying to a company controlled by directors during the year ended September 30, 2020.

Due from related party

As at September 30, 2020, the Company has outstanding amount payable of \$9,510 (2019 - \$nil) to a company controlled by directors for expenses and exploration and evaluation expenditure incurred, and an outstanding amount receivable of \$1,892 (2019 - \$2,200) from a director. The amount payable due to related party is non-interest bearing, due on demand and bears no specific terms of repayment.

5. SHARE CAPITAL

Authorized share capital

Unlimited number of common shares without par value.

Common Shares

On July 30, 2020, the Company completed a shares-for-debt settlement by issuing 1,700,000 common shares to settle an outstanding debt of \$85,000 owed to a related company controlled by a director at a price of \$0.05 per share.

During the year ended September 30, 2020, the Company has issued an aggregate of 2,000,000 common shares at \$0.05 per share for total proceeds of \$100,000.

6. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to pursue its operations and to maintain a flexible capital structure, which optimizes the costs of capital at an acceptable risk. The Company considers its capital for this purpose to be its shareholders' equity.

The Company's primary source of capital is through the issuance of equity. The Company manages and adjusts its capital structure when changes in economic conditions occur. To maintain or adjust the capital structure, the Company may seek additional funding. The Company may require additional capital resources to meet its administrative overhead expenses in the long term. The Company believes it will be able to raise capital as required in the long term but recognizes there will be risks involved that may be beyond its control. There are no external restrictions on the management of capital.

7. FINANCIAL INSTRUMENTS

The Company thoroughly examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include interest rate risk, credit risk, liquidity risk and foreign currency exchange risk. Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs in making the measurements. The levels of the fair value hierarchy are defined as follows:

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

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

Level 3 – Inputs for the asset or liability that are not based on observable market data.

The fair values of other financial instruments, which include cash and accounts payable and accrued liabilities approximate their carrying values due to the relatively short-term maturity of these instruments.

a) *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's current exposure to interest rate arises from the interest rate impact on its cash. The fair value of cash is not significantly affected by changes in short term interest rates.

b) *Credit risk*

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash, which is held with a high-credit financial institution. As such, the Company's credit exposure is minimal.

c) *Liquidity risk*

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements. The Company addresses its liquidity through equity financing obtained through the sale of common shares. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future.

NORTH VALLEY RESOURCES LTD.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019
(Expressed in Canadian dollars)

7. FINANCIAL INSTRUMENTS (continued)

d) Foreign currency exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because of change in foreign exchange rates. The Company is not exposed to foreign exchange risk.

The carrying values of Company's financial assets and liabilities as at September 30, 2020 approximate their fair value due to their short-term to maturity.

8. INCOME TAXES

A reconciliation of the Company's expected income tax recovery to actual income tax recovery is as follows:

	Year Ended September 30, 2020	Year Ended September 30, 2019
	\$	\$
Loss before income taxes	(112)	(76)
Statutory income tax rates	27%	27%
Computed income tax recovery	(30)	(21)
Tax benefits on losses not recognized	30	21
Other	-	-
Income tax recovery	-	-

The significant component of the Company's deferred tax assets and liabilities is as follows:

	Year Ended September 30, 2020	Year Ended September 30, 2019
	\$	\$
Non-capital (losses) carry forwards	(3,754)	(3,724)
	(3,754)	(3,724)
Unrecognized deferred tax assets	3,754	3,724
Net deferred tax assets	-	-

The Company has non-capital losses of approximately \$13,906 (2019 - \$13,794) which may be carried forward to reduce taxable income in future years that expire between 2032 to 2040 (2019 - 2032 to 2039).

The conditions required under IFRS, to recognize net potential deferred tax assets based on the establishment of likely recovery through future profitability have not been met.

NORTH VALLEY RESOURCES LTD.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019

(Expressed in Canadian dollars)

9. SUBSEQUENT EVENTS

- a) On October 15, 2020, the Company granted 500,000 stock options to the directors of the Company to purchase 500,000 common shares of the Company at the exercise price of \$0.10 per share. All the stock options vested immediately upon the date of grant and have an expiry date on October 15, 2025.
- b) On December 31, 2020, the Company issued 1,000,000 common shares at a price of \$0.10 per share for total proceeds of \$100,000.
- c) On January 4, 2021, the Company entered into a Management and Consulting Agreement with a company controlled by directors of the Company to provide the Company with management and consulting support services for a monthly fee of \$5,500, commencing from January 4, 2021 and expiring on December 31, 2030 unless terminated.
- e) On January 8, 2021, the Company entered into an agreement with Canaccord Genuity Corp. (“Canaccord”) to find and introduce investors to the Company for a non-brokered private placement of up to 3,500,000 common shares at \$0.10 per share, the finder’s fee comprises 7% of the amount placed by subscribers introduced from Canaccord as well as issuance of finder’s warrants equal to 7% of shares subscribed, exercisable at \$0.10 per share for 18 months from the warrant issuance date. As of February 5, 2021, 2,500,000 common shares were subscribed for gross proceeds of \$250,000, subject to \$17,500 commission fee. The \$232,500 net proceeds were held by Canaccord in escrow and will be released upon the closing of the private placement.

SCHEDULE C
UNAUDITED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED ON
MARCH 31, 2021

NORTH VALLEY RESOURCES LTD.

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE AND SIX MONTHS ENDED MARCH 31, 2021 AND 2020

(Expressed in Canadian dollars)

(Unaudited)

NORTH VALLEY RESOURCES LTD.

Condensed Interim Statements of Financial Position

(Unaudited - Expressed in Canadian Dollars)

As at	Note	March 31, 2021	September 30, 2020
		\$	\$
ASSETS			
Current			
Cash		168,651	87,202
Prepaid expenses	4	-	13,000
Due from related party	6	-	1,892
		168,651	102,094
Non-current			
Exploration and evaluation assets	5	106,270	94,510
Total assets		274,921	196,604
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Accounts payable and accrued liabilities	6	34,936	9,510
Total liabilities		34,936	9,510
Shareholders' equity			
Share capital	7	301,000	201,000
Reserves	7	36,891	-
Deficit		(97,906)	(13,906)
Total shareholders' equity		239,985	187,094
Total liabilities and shareholders' equity		274,921	196,604

Nature of operations and going concern (Note 1)

Commitment (Note 9)

Subsequent events (Note 9)

On behalf of the Board:



Kenneth C Ellerbeck, Director



Quinn R Ellerbeck, Director

The accompanying notes are an integral part of these condensed interim financial statements.

NORTH VALLEY RESOURCES LTD.

Condensed Interim Statements of Loss and Comprehensive Loss

(Unaudited - Expressed in Canadian Dollars)

		Three Months Ended		Six Months Ended	
	Note	March 31,		March 31,	
		2021	2020	2021	2020
		\$	\$	\$	\$
EXPENSES					
Bank charges and interest		5	15	81	30
Share-based compensation	6	-	-	36,891	-
General and administrative		5,434	-	5,434	-
Professional fees		-	-	41,594	-
Loss and comprehensive loss		(5,439)	(15)	(84,000)	(30)
Loss per share – basic and diluted		(0.001)	(0.000)	(0.001)	(0.000)
Weighted average number of common shares outstanding – basic and diluted		4,600,932	3,175,000	4,600,932	3,175,000

The accompanying notes are an integral part of these condensed interim financial statements.

NORTH VALLEY RESOURCES LTD.

Condensed Interim Statements of Changes in Shareholders' Equity
(Unaudited - Expressed in Canadian Dollars)

	Share Capital			Reserves	Deficit	Total Shareholders' Equity
	Number of Shares	Amount				
		\$	\$	\$	\$	
Balance, September 30, 2019	3,175,000	16,000	-	(13,794)	2,206	
Net loss for the period	-	-	-	(30)	(30)	
Balance, March 31, 2020	3,175,000	16,000	-	(13,824)	2,176	
Balance, September 30, 2020	6,875,000	201,000	-	(13,906)	187,094	
Shares issued for cash	1,000,000	100,000	-	-	100,000	
Reserves	-	-	36,891	-	36,891	
Net loss for the period	-	-	-	(84,000)	(84,000)	
Balance, March 31, 2021	7,875,000	301,000	36,891	(97,906)	239,985	

The accompanying notes are an integral part of these condensed interim financial statements.

NORTH VALLEY RESOURCES LTD.
Condensed Interim Statements of Cash Flows
(Unaudited - Expressed in Canadian Dollars)

	Six Months Ended March 31, 2021	Six Months Ended March 31, 2020
	\$	\$
Operating activities:		
Net loss	(84,000)	(30)
Non-cash item:		
Share-based compensation	36,891	-
Changes in non-cash working capital items:		
Prepaid expenses	13,000	-
Accounts payable and accrued liabilities	25,426	-
Due from related party	1,892	40
Net cash (used in) provided by operating activities	(6,791)	10
Investing activities:		
Exploration and evaluation assets	(11,760)	-
Net cash provided by investing activities	(11,760)	-
Financing activities:		
Proceeds from issuance of shares	100,000	-
Net cash provided by financing activities	100,000	-
Increase in cash	81,449	10
Cash, beginning	87,202	6
Cash, ending	168,651	16

The accompanying notes are an integral part of these condensed interim financial statements.

NORTH VALLEY RESOURCES LTD.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED MARCH 31, 2021 AND 2020

(Unaudited - Expressed in Canadian dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

North Valley Resources Ltd. (the "Company") was incorporated in the Province of British Columbia on January 26, 2012 under the Business Corporations Act of British Columbia. The Company is focused on acquisition, exploration and development of mineral properties in British Columbia. The Company's registered office is 255 Battle Street West, Kamloops BC V2C 1G8.

These condensed interim financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. The Company's continuation as a going concern is dependent upon the successful results from its mineral property exploration activities, its ability to attain profitable operations and generate funds and raise equity capital or borrowings sufficient to meet current and future obligations. The Company may be able to raise funds through equity financings. However, there is no assurance that additional financing will be available on terms acceptable to the Company, or at all. These matters represent material uncertainties that cast significant doubt on the Company's ability to continue as a going concern. These condensed interim financial statements do not reflect adjustments to the carrying value of assets and liabilities that would be necessary should the Company be unable to continue operations. Such adjustments could be material.

2. BASIS OF PREPARATION

Statement of compliance

The condensed interim financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34"). They do not include all of the information required for a complete set of financial statements prepared in accordance with IFRS, and should be read in conjunction with the Company's audited financial statements for the years ended September 30, 2020 and 2019. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the financial statements for the years ended September 30, 2020 and 2019.

The condensed interim financial statements were authorized for issue by the Board of Directors of the Company on May 21, 2021.

Basis of measurement

These condensed interim financial statements have been prepared on a historical cost basis, modified where applicable. In addition, these condensed interim financial statements have been prepared using the accrual basis of accounting except for cash flow information. The condensed interim financial statements are presented in Canadian dollars, unless otherwise noted, which is the functional currency of the Company.

NORTH VALLEY RESOURCES LTD.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED MARCH 31, 2021 AND 2020
(Unaudited - Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES

These condensed interim financial statements have been prepared, for all periods presented, following the same accounting policies and methods of computation as described in note 2 to the audited financial statements for the years ended September 30, 2020 and 2019.

Significant accounting judgements

The preparation of condensed interim financial statements in accordance with IAS 34 requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's condensed interim financial statements include:

- the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty;
- the classification of financial instruments;
- the classification and allocation of expenses as exploration and evaluation expenditures or operating expenses; and
- assessment of impairment of its exploration and evaluation assets.

Significant accounting estimates and assumptions

The preparation of condensed interim financial statements in accordance with IAS 34 requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the recoverability of the carrying value of exploration and evaluation assets and the recoverability measurement of deferred tax assets.

Recently Adopted Accounting Standards

Accounting standard or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's condensed interim financial statements.

4. PREPAID EXPENSES

	March 31, 2021	September 30, 2020
Prepaid expenses	\$ -	\$ 13,000
Balance, March 31, 2020	\$ -	\$ 13,000

5. EXPLORATION AND EVALUATION ASSETS

On March 18, 2021 the Company signed an amended and restated option agreement with a director of the Company, Ken Ellerbeck (the "Optionor"), to acquire an undivided 100% interest in 7 mineral claims in the Barnum Property (the "Property") located in the Kamloops Mining District of British Columbia, Canada.

NORTH VALLEY RESOURCES LTD.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED MARCH 31, 2021 AND 2020
(Unaudited - Expressed in Canadian dollars)

5. EXPORATION AND EVALUATION ASSETS (continued)

In order to exercise the option, the Company must pay to the Optionor the aggregate sum of \$610,020 cash, 900,000 shares of the Company and incur \$915,000 of exploration expenditures on the property by the fourth anniversary of the Company obtaining a listing (the "Listing Date") on the Canadian Securities Exchange ("CSE"). Option payments are to be paid based on the following instalment schedule:

- On signing - \$5,020 cash
- By the Listing Date – 100,000 common shares, and \$10,000 cash
- By October 1, 2020 - \$85,000 in expenditures on the Property (incurred)
- By the 1st anniversary of the Listing Date – 100,000 common shares, \$10,000 cash and \$25,000 in additional expenditures on the Property
- By the 2nd anniversary of the Listing Date - 200,000 common shares, \$35,000 cash and \$105,000 in additional expenditures on the Property
- By the 3rd anniversary of the Listing Date – 200,000 common shares, \$100,000 cash and \$300,000 in additional expenditures on the Property
- By the 4th anniversary of the Listing Date – 300,000 common shares, \$450,000 cash and \$400,000 in additional expenditures on the Property

In addition, the Property is subject to 2% net smelter return royalty ("NSR Royalty") in favor of the Optionor on the commencement of commercial production, of which the Company may elect to purchase 1% from the Optionor at any time for \$1,000,000 prior to the commencement of commercial production.

A continuity of the Company's exploration and evaluation asset is as follows:

	Barnum Property
	\$
<u>Acquisition costs:</u>	
Balance, December 31, 2020	10
Additions	-
Balance, December 31, 2020 and March 31, 2021	10
<u>Deferred exploration expenditures:</u>	
Balance, December 31, 2020	94,500
Additions:	
Technical Report	9,868
Staking	1,892
Balance, March 31, 2021	106,260
Total, March 31 2021	106,270

6. RELATED PARTY BALANCES AND TRANSACTIONS

Key management compensation

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors and corporate officers. During the three months ended March 31, 2021 and 2019, there was no remuneration of directors and key management personnel.

The Company incurred no consulting fees on geophysical surveying with a company controlled by directors during the three months ended March 31, 2021 and 2019.

NORTH VALLEY RESOURCES LTD.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED MARCH 31, 2021 AND 2020
(Unaudited - Expressed in Canadian dollars)

6. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

Due to related party

As at March 31, 2021, the Company has outstanding amount payable of \$9,510 (September 30, 2020 - \$9,510) to Lacombe Ventures, a company controlled by Ken Ellerbeck and Quinn Ellerbeck, for expenses and exploration and evaluation expenditure incurred. The amount payable due to related party is non-interest bearing, due on demand and bears no specific terms of repayment.

7. SHARE CAPITAL

Authorized Share Capital

Unlimited number of common shares without par value.

Common Shares

During the three months ended March 31, 2021

During the three months ended March 31, 2021, the Company did not issue any new shares.

Stock Options

The Company has a stock option plan (the "Plan") that provides to the Company's directors, officers, key employees and service providers to purchase common shares in the capital stock of the Company. Terms and pricing of options are determined at the date of grant in accordance with the Plan. Stock option transactions and the number of stock options outstanding are summarized below:

On October 15, 2020, the Company granted 500,000 stock options to the directors of the Company to purchase 500,000 common shares of the Company at the exercise price of \$0.10 per share. All the stock options vested immediately upon the date of grant and have an expiry date on October 15, 2025.

	Number of Options	Weighted Average Exercise Price
Balance, December 31, 2020	500,000	\$ 0.10
Granted	-	-
Balance, March 31, 2021	500,000	0.10

Date of Expiry	Exercise Price	Number of Options Issued and Exercisable
October 15, 2025	\$ 0.10	500,000
Balance, March 31, 2021		500,000

The Company uses the Black-Scholes option pricing model to calculate the fair value of stock options. As of December 31, 2020, the total fair value of the options granted was calculated to be \$36,891 (September 30, 2020 - \$nil). The weighted average remaining life for outstanding options was 4.79 years.

NORTH VALLEY RESOURCES LTD.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED MARCH 31, 2021 AND 2020

(Unaudited - Expressed in Canadian dollars)

8. FINANCIAL INSTRUMENTS

The Company thoroughly examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include interest rate risk, credit risk, liquidity risk and foreign currency exchange risk. Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs in making the measurements. The levels of the fair value hierarchy are defined as follows:

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

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

Level 3 – Inputs for the asset or liability that are not based on observable market data.

The carrying values of Company's financial assets and liabilities as at March 31, 2021 approximate their fair value due to their short-term to maturity.

9. SUBSEQUENT EVENTS

- a) On April 14, 2021 the Company signed an amended option agreement with a director of the Company, Ken Ellerbeck (the "Optionor"), to acquire an undivided 100% interest in 6 mineral claims in the Barnum Property (the "Property") located in the Kamloops Mining District of British Columbia, Canada.

In order to exercise the option, the Company must pay to the Optionor the aggregate sum of \$550,000 cash, 600,000 shares of the Company and incur \$810,000 of exploration expenditures on the property by the fourth anniversary of the Company obtaining a Listing (the "Listing Date") on the Canadian Securities Exchange ("CSE"). Option payments are to be paid based on the following instalment schedule:

- On signing - \$0 cash
- By the Listing Date – 0 common shares, and \$0 cash
- By October 1, 2020 - \$85,000 in expenditures on the Property (incurred)
- By the 1st anniversary of the Listing Date – 0 common shares, \$0 cash and \$0 in additional expenditures on the Property
- By the 2nd anniversary of the Listing Date - 100,000 common shares, \$0 cash and \$105,000 in additional expenditures on the Property
- By the 3rd anniversary of the Listing Date – 200,000 common shares, \$100,000 cash and \$300,000 in additional expenditures on the Property
- By the 4th anniversary of the Listing Date – 300,000 common shares, \$450,000 cash and \$400,000 in additional expenditures on the Property

In addition, the Property is subject to 2% net smelter return royalty ("NSR Royalty") in favor of the Optionor on the commencement of commercial production, of which the Company may elect to purchase 1% from the Optionor at any time for \$1,000,000 prior to the commencement of commercial production.

- b) On April 14, 2021 the Company signed an option agreement with a director of the Company, Ken Ellerbeck (the "Optionor"), to acquire an undivided 100% interest in 19 mineral claims in the Comstock Property (the "Property") located in the Nicola Mining District of British Columbia, Canada.

NORTH VALLEY RESOURCES LTD.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED MARCH 31, 2021 AND 2020

(Unaudited - Expressed in Canadian dollars)

9. SUBSEQUENT EVENTS (continued)

In order to exercise the option, the Company must pay to the Optionor the aggregate sum of \$595,000 cash, 750,000 shares of the Company and incur \$715,000 of exploration expenditures on the property by the fourth anniversary of the Company obtaining a listing (the "Listing Date") on the Canadian Securities Exchange ("CSE"). Option payments are to be paid based on the following instalment schedule:

- On signing - \$5,000 cash
- By the Listing Date – 100,000 common shares, and \$5,000 cash
- By February 1, 2022 - \$10,000 in expenditures on the Property
- By the 1st anniversary of the Listing Date – 100,000 common shares, \$10,000 cash and \$105,000 in additional expenditures on the Property
- By the 2nd anniversary of the Listing Date – 100,000 common shares, \$50,000 cash and \$200,000 in additional expenditures on the Property
- By the 3rd anniversary of the Listing Date – 100,000 common shares, \$100,000 cash and \$200,000 in additional expenditures on the Property
- By the 4th anniversary of the Listing Date – 350,000 common shares, \$425,000 cash and \$200,000 in additional expenditures on the Property

In addition, the Property is subject to NSR Royalty in favor of the Optionor on the commencement of commercial production, of which the Company may elect to purchase 1% from the Optionor at any time for \$1,000,000 prior to the commencement of commercial production.

- c) On May 01, 2021, the Company amended the Management and Consulting Agreement with Lacombe Ventures Ltd., a company controlled by related parties, Quinn Ellerbeck (CFO and Director) and Ken Ellerbeck (CEO and Director), to provide the Company with management and consulting support services for a monthly fee of \$2,500, commencing May 1, 2021 and expiring on December 31, 2021 unless terminated.
- d) During the six months ended March 31, 2021, the Company entered into an agreement with Canaccord Genuity Corp. ("Canaccord") to find and introduce investors to the Company for a non-brokered private placement of up to 3,500,000 common shares at \$0.10 per share. As of May 17, 2021, 2,500,000 common shares were subscribed for gross proceeds of \$250,000, subject to \$17,500 commission fee. The \$232,500 net proceeds were held by Canaccord in escrow and will be released upon the closing of the private placement.
- e) Pursuant to a shares for debt agreement dated July 30, 2020 between the Company and Lacombe Ventures Ltd., a related party of the Company controlled by Quinn Ellerbeck (CFO and Director) and Ken Ellerbeck (CEO and Director), the Company issued 1,700,000 Common Shares at a subscription price of \$0.05 for each share for proceeds of \$85,000 as payment for services rendered by Lacombe Ventures Ltd. to the Company valued at \$85,000. On July 22, 2021, 500,000 of these Common Shares were cancelled and returned to treasury.

SCHEDULE D
MD&A FOR THE AUDITED FINANCIAL STATEMENTS FOR YEARS ENDED ON
SEPTEMBER 30, 2020 AND SEPTEMBER 30, 2019

NORTH VALLEY RESOURCES LTD.

MANAGEMENT DISCUSSION AND ANALYSIS

For the Twelve Months Ended on September 30, 2020 and 2019

The following MD&A of North Valley Resources Inc. (the “Issuer” or “Company”) has been prepared by management, in accordance with the requirements of NI 51-102 as of February 12, 2021 and should be read in conjunction with the audited financial statements for the years ended September 30, 2020 and 2019 and the related notes contained therein which have been prepared under IFRS. The information contained herein is not a substitute for detailed investigation or analysis on any particular issue. The information provided in this document is not intended to be a comprehensive review of all matters and developments concerning the Issuer. The Issuer is not a “Venture Issuer” as defined in NI 51-102.

MD&A supplements but does not form part of the audited financial statements and notes thereto for the years ended September 30, 2020 and 2019. All financial information in this MD&A has been prepared in accordance with IFRS. All monetary amounts are expressed in Canadian dollars, the presentation and functional currency of the Issuer, unless otherwise indicated.

Forward-Looking Statements

Certain statements contained in this document constitute “forward-looking statements”. When used in this document, the words “may”, “would”, “could”, “will”, “intend”, “plan”, “propose”, “anticipate”, “believe”, “forecast”, “estimate”, “expect” and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements. Such statements reflect the Company’s current views with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the Company’s actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. The Company does not intend, and does not assume any obligation, to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future results, events or development.

Overview

The Issuer was incorporated in the Province of British Columbia on January 26, 2012 under the name of “North Valley Resources Ltd.” The Issuer is in the process of exploring mining claims which are held under option and has not yet determined whether or not the optioned properties will contain economically recoverable reserves.

During the year ended September 30, 2020, the Issuer incurred a net loss of \$112 (2019 - \$76). As at September 30, 2020, the Company had a working capital surplus of \$92,584, compared with the working capital surplus of \$2,206 as at September 30, 2019. The Issuer may require financing from outside participation to continue exploration and subsequent development of its mining claims under the option and to be able to make payments required under the Barnum Option Agreement. As at September 30, 2020 the Issuer had not yet achieved profitable operations, has accumulated losses of \$13,906 (2019 - \$13,794) since its inception and expects to incur further losses in the development of its business, all of which casts doubt about the Issuer’s ability to continue as a going concern. The Issuer’s ability to continue as a going concern is dependent on continued financial support from its shareholders, the ability of the Issuer to raise equity financing, the attainment of profitable operations and external financings.

Exploration Activities

Area and Location

On June 15, 2020 the Company signed an option agreement (the “Agreement”) with a related party, Ken Ellerbeck (CEO and Director), to acquire an undivided 100% interest in mineral claims (the “Barnum Property” or the “Property”). The Barnum Property is comprised of six (6) contiguous mining claims and cover an area of 307.5227 hectares and are located 15 kilometers east of Kamloops, British Columbia, within the Kamloops Mining District.

In order to exercise the option, the Company must pay to the optionor the aggregate sum of \$610,020 cash, 900,000 shares of the Company and incur \$915,000 of exploration expenditures on the property by the fourth anniversary of the Company obtaining a listing (the “listing date”) on the Canadian Securities Exchange (“CSE”). Option payments are to be paid based on the following instalment schedule:

- On signing - \$10 cash (paid)
- By the listing date – 100,000 common shares, and \$10 cash
- By October 1, 2020 - \$85,000 in expenditures on the property (incurred)
- By the 1st anniversary of the listing date – 100,000 common shares, \$10,000 cash and \$25,000 in additional expenditures on the property
- By the 2nd anniversary of the listing date - 200,000 common shares, \$50,000 cash and \$105,000 in additional expenditures on the property
- By the 3rd anniversary of the listing date – 200,000 common shares, \$100,000 cash and \$300,000 in additional expenditures on the property
- By the 4th anniversary of the listing date – 300,000 common shares, \$450,000 cash and \$400,000 in additional expenditures on the property

The following table summarizes the Company’s exploration and evaluation asset expenditures during the years ended September 30, 2020 and 2019:

	September 30, 2020	September 30, 2019
	\$	\$
<u>Acquisition costs:</u>		
Balance, beginning of period	-	-
Additions	10	-
Balance, end of period	10	-
<u>Deferred exploration expenditures:</u>		
Balance, beginning of period	-	-
Geophysical survey	94,500	-
Balance, end of period	94,500	-
Total	94,510	-

During June and July 2020, the Company undertook a geophysical survey on the Barnum property.

In 2021, the Company is planning to undertake additional exploration work on the Barnum property.

Results of Operations

Selected Annual Information

	For the Year Ended September 30, 2020	For the Year Ended September 30, 2019
	\$	\$
Net loss	(112)	(76)
Loss per share, basic and diluted	(0.00)	(0.00)
Current assets	102,094	2,206
Exploration and evaluation assets	94,510	-
Shareholders' equity	187,094	(2,206)

For the Year ended September 30, 2020

Exploration and evaluation expenditures

Due to the Company's status as an exploration stage mineral resource issuer and a lack of commercial production from its properties, the Issuer currently does not have any revenues from its operations.

During the twelve months ended September 30, 2020, there was \$94,510 exploration and evaluation expenditures incurred and capitalized under exploration and evaluation assets.

Expenses

During the twelve months ended September 30, 2020, the Company recorded a loss of \$112 related to bank charge expenses incurred.

For the year ended September 30, 2019

Exploration and evaluation expenditures

Due to the Company's status as an exploration stage mineral resource issuer and a lack of commercial production from its properties, the Issuer currently does not have any revenues from its operations.

During the twelve months ended September 30, 2019, there was \$nil exploration and evaluation expenditures incurred.

Expenses

During the twelve months ended September 30, 2019, the Issuer recorded a loss of \$76 related to bank charge expenses incurred.

Liquidity and Capital Resources

As at September 30, 2020, the Company had working capital surplus of \$92,584 (2019 – \$2,206) and an accumulated deficit of \$13,906 (2019 - \$13,794).

For the ensuing year, the Company estimates that the aggregate monthly cost of administration will be approximately \$7,750 for a total aggregate annual cost of approximately \$93,000.

The Company expects to incur losses for at least the next 24 months and there can be no assurance that the Company will ever make a profit. To achieve profitability, the Company must advance its properties through further exploration in order to bring the property to a stage where the Company can attract the

participation of a major resource company, which has the expertise and financial capability to place such property into commercial production. The Company's ability to continue as a going-concern is dependent upon its ability to advance exploration properties to the development stage and achieve profitability by taking the property to production or from the sale of the property. The Company is dependent upon raising equity financing or obtaining loans to continue to advance its property interests and fund ongoing operations.

An analysis of the quarterly results over the last eight quarters shows a substantial variance which can be attributed to the Company incurring varying costs period over period.

Selected Quarterly Financial Data

Results for the last eight quarters ended September 30, 2020 and 2019:

	September 30, 2020	June 30, 2020	March 31, 2020	December 31, 2019
	\$	\$	\$	\$
Net loss for the period	(67)	(15)	(15)	(15)
Loss per share, basic and diluted	(0.00)	(0.00)	(0.00)	(0.00)
Current assets	102,094	2,161	2,176	2,191
Exploration and evaluation assets	94,510	-	-	-
Shareholders' equity	187,094	2,161	2,176	2,191

	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018
Net loss for the period	(15)	(15)	(21)	(25)
Loss per share, basic and diluted	(0.00)	(0.00)	(0.00)	(0.00)
Current assets	2,206	2,221	2,236	2,257
Exploration and evaluation assets	-	-	-	-
Shareholders' equity	2,206	2,572	2,587	2,609

During the period of December 31, 2018 to June 30, 2020, the company had no revenue and no exploration activity.

For the quarter ended December 31, 2018, Revenue was Nil, Loss for the period was \$25, Loss per share was \$(0.00), Current assets was \$2,257.

For the quarter ended December 31, 2019, Revenue was Nil, Loss for the period was \$21, Loss per share was \$(0.00), Current assets was \$2,236.

For the quarter ended June 30, 2019, Revenue was Nil, Loss for the period was \$15, Loss per share was \$(0.00), Current assets was \$2,221.

For the quarter ended September 30, 2019, Revenue was Nil, Loss for the period was \$15, Loss per share was \$(0.00), Current assets was \$2,206.

For the quarter ended December 31, 2019, Revenue was Nil, Loss for the period was \$15, Loss per share was \$(0.00), Current assets was \$2,191.

For the quarter ended March 31, 2020, Revenue was Nil, Loss for the period was \$15, Loss per share was \$(0.00), Current assets was \$2,161.

For the quarter ended June 30, 2020, Revenue was Nil, Loss for the period was \$15, Loss per share was \$(0.00), Current assets was \$2,176.

During the quarter ended June 30, 2020, the Company signed the option agreement (the "Agreement") for the Barnum property and undertook exploration activities on the Barnum property totaling \$94,510.

For the quarter ended September 30, 2020, Revenue was Nil, Loss for the period was \$67, Loss per share was \$(0.00), Current assets was \$102,094.

During the quarter ended September 30, 2020, the Company issued 2,000,000 shares for proceeds of \$100,000.

Additionally, during the quarter ended September 30, 2020, the Company issued 1,700,000 shares to Lacombe Ventures as debt settlement for \$85,000 related to the exploration activities undertaken on the Barnum property in June and July 2020. Lacombe Ventures is a related party to the Company and is controlled by Ken Ellerbeck and Quinn Ellerbeck.

Cash Flow Analysis

Operating Activities

During the twelve months ended September 30, 2020, cash used in operating activities was \$12,804, compared to cash of \$24 provided by operating activities during the twelve months ended September 30, 2019.

Financing Activities

During the twelve months ended September 30, 2020, cash provided by financing activities was \$100,000 compared to \$nil cash provided by financing activities during the twelve months ended September 30, 2019.

Investing Activities

During the twelve months ended September 30, 2020, there were non-cash investing activities of the following:

- Accrued exploration and evaluation expenditures of \$9,510, compared to \$nil accrued during the twelve months ended September 30, 2019.
- Shares issued for services incurred related to exploration and evaluation assets of \$85,000, compared to no such share issuance during the twelve months ended September 30, 2019.

Related Parties

Key management compensation

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors and corporate officers. During the years ended September 30, 2020 and 2019, there were no remuneration of directors and key management personnel.

The Company paid consulting fees of \$94,500 (2019 - \$nil) for geophysical surveying exploration work on the Barnum to a related company, Lacombe Ventures, during the year ended September 30, 2020. The

exploration work included a 65km geophysical survey on the Barnum property for both VLF-EM and mag. There are no ongoing contractual commitments resulting from the transaction. The related company, Lacombe Ventures, is controlled by Ken Ellerbeck and Quinn Ellerbeck.

Due from related party

As at September 30, 2020, the Company has outstanding amount payable of \$9,510 (2019 - \$nil) to a company controlled by directors, Ken Ellerbeck and Quinn Ellerbeck, for expenses and exploration and evaluation expenditure incurred, and an outstanding amount receivable of \$1,892 (2019 - \$2,200) from a director, Ken Ellerbeck. The amount payable due to related party is non-interest bearing, due on demand and bears no specific terms of repayment.

Contractual Obligations

The Issuer is subject to certain contractual obligations associated with the Barnum Property Option Agreement. In order to exercise the option under the Barnum Property Option Agreement, the Issuer shall pay to the Owner of the Property the aggregate sum of \$610,020 and issue a total of 900,000 common shares in instalments, and complete minimum expenditures on the Property in installments equaling \$915,000.

As of September 30, 2020, the Issuer has paid \$10 under the Barnum Property Option Agreement and incurred exploration and evaluation expenditures of \$94,500.

Risks and Uncertainties

The Issuer is engaged in the acquisition and exploration of mining claims. These activities involve significant risks which careful evaluation, experience and knowledge may not, in some cases eliminate the risk involved. The commercial viability of any material deposit depends on many factors not all of which are within the control of management. Some of the factors that affect the financial viability of a given mineral deposit include its size, grade and proximity to infrastructure. Government regulation, taxes, royalties, land tenure, land use, environmental protection and reclamation and closure obligations, have an impact on the economic viability of a mineral deposit.

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Annual losses are expected to continue until the Issuer has an interest in a mineral property that produces revenues. The Issuer's ability to continue its operations and to realize assets at their carrying values is dependent upon the continued support of its shareholders, obtaining additional financing and generating revenues sufficient to cover its operating costs. The Issuer's financial statements do not give effect to any adjustments which would be necessary should the Issuer be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the consolidated financial statements.

Any forward-looking information in this MD&A is based on the conclusions of management. The Issuer cautions that due to risks and uncertainties, actual events may differ materially from current expectations. With respect to the Issuer's operations, actual events may differ from current expectations due to economic conditions, new opportunities, changing budget priorities of the Issuer and other factors.

Capital Risk Management

The Issuer's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Issuer includes shareholders' equity, comprised of issued share capital, contributed surplus and deficit, in the definition of capital.

The Issuer's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to further exploration on its properties. To secure the additional capital necessary to pursue these plans, the Issuer will attempt to raise additional funds through the issuance of equity, debt or by securing strategic partners.

The Issuer is not subject to externally imposed capital requirements. The Issuer's financial instruments and risk exposures are summarized below.

Currency risk

Foreign exchange risk arises from purchase transactions as well as recognized financial assets and liabilities denominated in foreign currencies. The Issuer's functional and presentation currency is the Canadian dollar.

Credit risk

Credit risk is the risk of an unexpected loss if a third party to a financial instrument fails to meet its contractual obligations. The Issuer is exposed to credit risk with respect to its cash. The Issuer reduces its credit risk by maintaining its primary bank accounts at large financial institutions.

Liquidity risk

Liquidity risk is the risk that the Issuer will not be able to meet its obligations as they fall due. The Issuer manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. Senior management is also actively involved in the review and approval of planned expenditures.

As at September 30, 2020, the Issuer had a working capital surplus of 92,584, compared to a working capital surplus of \$2,206. The Issuer has liquidity risk and is dependent on raising additional capital to fund exploration and operations.

Fair Value risk

Fair value represents the amounts at which a financial instrument could be exchanged between willing parties, based on current markets for instruments with the same risk, principal and remaining maturity. Fair value estimates are based on quoted market values and other valuation methods.

The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data. The fair values of cash are measured based on level 1 inputs of the fair value hierarchy.

The carrying values of cash and accounts payable and accrued liabilities approximate fair values due to the relatively short-term maturities of these instruments.

Selected Share Capital Data

Authorized share capital

Unlimited number of common shares without par value.

Common Shares

On July 30, 2020, the Company completed a shares-for-debt settlement by issuing 1,700,000 common shares to settle an outstanding debt of \$85,000 owed to a related company, Lacombe Ventures, controlled by directors Quinn Ellerbeck and Ken Ellerbeck, at a deemed price of \$0.05 per share.

During July 31, 2020 and September 23, 2020, the Company has issued an aggregate of 2,000,000 common shares at \$0.05 per share for total proceeds of \$100,000.

As of September 30, 2020 the Company has 6,875,000 common shares outstanding.

Off-Balance Sheet Arrangements

The Issuer has no off-balance sheet arrangements.

Proposed Transactions

The Issuer has no proposed transactions.

Significant Accounting Policies

Exploration and evaluation assets

Pre-exploration costs

Costs incurred prior to obtaining the legal rights to explore a property are recognized as an expense in the period in which they are incurred. Once the legal right to exploring a property has acquired, exploration and evaluation expenditures are capitalized.

Exploration and evaluation expenditures

Exploration and evaluation expenditures include the costs of acquiring licenses and costs associated with exploration and evaluation activities. Option payments are considered acquisition costs provided that the Company has the intention of exercising the underlying option. Property option agreements are exercisable entirely at the option of the optionee. Therefore, option payments (or recoveries) are recorded when payment is made (or received) and are not accrued.

The Company capitalizes costs to specific blocks of claims or areas of geological interest. Government tax credits received are recorded as a reduction to the cumulative costs incurred and capitalized on the related property.

Impairment of exploration and evaluation assets

The carrying amount of the Company's exploration and evaluation assets is reviewed at each reporting date to determine whether any following indications of impairment are present:

- the period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;

- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; or
- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of comprehensive loss.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

After technical feasibility and commercial viability of extracting a mineral resource are demonstrable, the Company stops capitalizing expenditures for the applicable block of claims or geological area of interest and tests the asset for impairment. The capitalized balance, net of any impairment recognized, is then reclassified to either tangible or intangible mine development assets according to the nature of the asset.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Restoration and environmental obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to the related asset along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value.

The Company's estimates of restoration costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related asset with a corresponding entry to the restoration provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates. Changes in the net present value, excluding changes in the Company's estimates of restoration costs, are charged to the statement of loss and comprehensive loss for the period.

The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to the statement of loss and comprehensive loss in the period incurred. The costs of restoration projects that were included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in

accordance with the Company's accounting policy for exploration and evaluation assets.

Loss per share

The Company presents basic and diluted loss per share data for its common shares. Basic loss per share is calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is computed similar to basic loss per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive.

For both years presented, there were no outstanding stock options and warrants effect on loss per share. Accordingly, diluted loss per share equals basic loss per share.

Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, share purchase options and warrants are classified as equity instruments. When the Company issues units as part of a private placement, consisting of both common shares and common share purchase warrants, the fair value of the shares is determined using the market price, and the residual value is assigned to the warrants. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the share proceeds.

Financial instruments

Financial instruments are accounted for in accordance with IFRS 9 - *Financial Instruments*. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The following table shows the classification under IFRS 9:

Financial asset/liability	Classification
Cash	FVTPL
Amount receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

Financial assets

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income ("FVTOCI"); or (iii) fair value through profit or loss ("FVTPL"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed. All financial assets not classified and measured at amortized cost or FVTOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income.

The classification determines the method by which the financial assets are carried on the statement of financial position subsequent to inception and how changes in value are recorded. The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership.

Impairment of financial assets

IFRS 9 uses the expected credit loss ("ECL") model. The credit loss model groups receivables based on similar credit risk characteristics and days past due in order to estimate bad debts.

An 'expected credit loss' impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the amount receivable at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial liabilities

Financial liabilities are designated as either: (i) fair value through profit or loss; or (ii) other financial liabilities. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the statement of financial position subsequent to inception and how changes in value are recorded.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and/or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. Gains and losses on derecognition are generally recognized through profit and loss.

Income taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in the statement of loss and comprehensive loss, except to the extent that it relates to items recognized in other comprehensive loss or directly in equity. In this case the income tax is also recognized in other comprehensive loss or directly in equity, respectively.

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is recognized on temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that future taxable income will be available to allow all or part of the temporary differences to be utilized. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted and are expected to apply by the end of the reporting period. Deferred tax assets and deferred income tax liabilities are offset if a legally enforceable right exists to set off current tax

assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Significant Accounting Judgements

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements include:

- the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty;
- the classification of financial instruments;
- the classification and allocation of expenses as exploration and evaluation expenditures or operating expenses; and
- assess the indications for impairment of exploration and evaluation assets.

Significant Accounting Estimates and Assumptions

The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the recoverability of the carrying value of exploration and evaluation assets and the recoverability measurement of deferred tax assets.

Recently Adopted Accounting Standards

Accounting standard or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's condensed interim financial statements.

Subsequent Events

- a) On October 15, 2020, the Company granted 500,000 stock options to the directors of the Company to purchase 500,000 common shares of the Company at the exercise price of \$0.10 per share. All the stock options vested immediately upon the date of grant and have an expiry date on October 15, 2025.
- b) On December 31, 2020, the Company issued 1,000,000 common shares at a price of \$0.10 per share for total proceeds of \$100,000.
- c) On January 4, 2021, the Company entered into a Management and Consulting Agreement with a company, Lacombe Ventures, controlled by two directors of the Company, Ken Ellerbeck and Quinn Ellerbeck, to provide the Company with management and consulting support services for a monthly fee of \$5,500, commencing from January 4, 2021 and expiring on December 31, 2030 unless terminated.
- a) On January 8, 2021, the Company entered into an agreement with Canaccord Genuity Corp.

(“Canaccord”) to find and introduce investors to the Company for a non-brokered private placement of up to 3,500,000 common shares at \$0.10 per share, the finder’s fee comprises 7% of the amount placed by subscribers introduced from Canaccord as well as issuance of finder’s warrants equal to 7% of shares subscribed, exercisable at \$0.10 per share for 18 months from the warrant issuance date. As of February 5, 2021, 2,500,000 common shares were subscribed for gross proceeds of \$250,000, subject to \$17,500 commission fee. The \$232,500 net proceeds were held by Canaccord in escrow and will be released upon the closing of the private placement.

Internal Controls Over Financial Reporting

Changes in Internal Control over Financial Reporting (“ICFR”)

In connection with National Instrument 52-109, Certification of Disclosure in Issuer’s Annual and Interim Filings (“NI 52-109”) adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Issuer will file a Venture Issuer Basic Certificate with respect to financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective Management’s Discussion and Analysis. The Venture Issue Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI52-109.

Management’s Responsibility for Financial Statements

The information provided in this MD&A, including the financial statements, is the responsibility of management. In the preparation of financial statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the financial statements.

SCHEDULE E
MD&A FOR THE UNAUDITED FINANCIAL STATEMENTS FOR THE THREE MONTHS
ENDED ON MARCH 31, 2021

NORTH VALLEY RESOURCES LTD.

MANAGEMENT DISCUSSION AND ANALYSIS

For the three and six months ended on March 31, 2021

The following MD&A of North Valley Resources Inc. (the “Issuer” or “Company”) has been prepared by management, in accordance with the requirements of NI 51-102 as of May 21, 2021 and should be read in conjunction with the unaudited condensed interim financial statements for the six months ended March 31, 2021 and the related notes contained therein which have been prepared under IFRS. The information contained herein is not a substitute for detailed investigation or analysis on any particular issue. The information provided in this document is not intended to be a comprehensive review of all matters and developments concerning the Issuer. The Issuer is not a “Venture Issuer” as defined in NI51-102.

MD&A supplements but does not form part of the unaudited condensed interim financial statements and notes thereto for the six months ended March 31, 2021. All financial information in this MD&A has been prepared in accordance with IFRS. All monetary amounts are expressed in Canadian dollars, the presentation and functional currency of the Issuer, unless otherwise indicated.

Forward-Looking Statements

Certain statements contained in this document constitute “forward-looking statements”. When used in this document, the words “may”, “would”, “could”, “will”, “intend”, “plan”, “propose”, “anticipate”, “believe”, “forecast”, “estimate”, “expect” and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements. Such statements reflect the Company’s current views with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the Company’s actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. The Company does not intend, and does not assume any obligation, to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future results, events or development.

Overview

The Issuer was incorporated in the Province of British Columbia on January 26, 2012 under the name of “North Valley Resources Ltd.” The Issuer is in the process of exploring mining claims which are held under option and has not yet determined whether or not the optioned properties will contain economically recoverable reserves.

During the three months ended March 31, 2021, the Issuer incurred a net loss of \$5,439. As at March 31, 2021, the Company had a working capital surplus of \$133,715 compared with the working capital surplus of \$150,914 as at December 31, 2021. The Issuer may require financing from outside participation to continue exploration and subsequent development of its mining claims under the option and to be able to make payments required under the Barnum Option Agreement. As at March 31, 2021 the Issuer had not yet achieved profitable operations, has accumulated losses of \$97,906 since its inception and expects to incur further losses in the development of its business, all of which casts doubt about the Issuer’s ability to continue as a going concern. The Issuer’s ability to continue as a going concern is dependent on continued financial support from its shareholders, the ability of the Issuer to raise equity financing, the attainment of profitable operations and external financings.

Exploration Activities

Area and Location

On March 18, 2021 the Company signed an amended and restated option agreement with a related party to the Company, Ken Ellerbeck (CEO and Director), to acquire an undivided 100% interest in 7 mineral claims in the Barnum Property (the “Property”) located in the Kamloops Mining District of British Columbia, Canada.

In order to exercise the option, the Company must pay to the optionor the aggregate sum of \$610,020 cash, 900,000 shares of the Company and incur \$915,000 of exploration expenditures on the property by the fourth anniversary of the Company obtaining a listing (the “listing date”) on the Canadian Securities Exchange (“CSE”). Option payments are to be paid based on the following instalment schedule:

On signing - \$5,020 cash

By the listing date – 100,000 common shares, and \$10,000 cash

By October 1, 2020 - \$85,000 in expenditures on the property (incurred)

By the 1st anniversary of the listing date – 100,000 common shares, \$10,000 cash and \$25,000 in additional expenditures on the property

By the 2nd anniversary of the listing date - 200,000 common shares, \$35,000 cash and \$105,000 in additional expenditures on the property

By the 3rd anniversary of the listing date – 200,000 common shares, \$100,000 cash and \$300,000 in additional expenditures on the property

By the 4th anniversary of the listing date – 300,000 common shares, \$450,000 cash and \$400,000 in additional expenditures on the property

In addition, the Property is subject to 2% net smelter return royalty (“NSR Royalty”) in favor of the optionor on the commencement of commercial production, of which the Company may elect to purchase 1% from the optionor at any time for \$1,000,000 prior to the commencement of commercial production.

A continuity of the Company’s exploration and evaluation asset is as follows:

	Barnum Property
	\$
<u>Acquisition costs:</u>	
Balance, December 31, 2020	10
Additions	-
Balance, December 31, 2020 and March 31, 2021	10
<u>Deferred exploration expenditures:</u>	
Balance, December 31, 2020	94,500
Additions:	
Technical Report	9,868
Staking	1,892
Balance, March 31, 2021	106,260
Total, March 31 2021	106,270

In 2021, the Company is not planning to undertake additional exploration work on the Barnum Property.

Results of Operations

Selected Quarterly Information

	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020
	\$	\$	\$	\$
Loss for the period	(5,439)	(78,561)	(67)	(15)
Loss per share, basic and diluted	(0.00)	(0.01)	(0.00)	(0.00)
Current assets	168,651	188,018	102,094	2,161
Exploration and evaluation assets	106,270	94,510	94,510	-
Shareholders' equity	239,986	245,423	187,094	2,161

	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019
Net loss for the period	(15)	(15)	(15)	(15)
Loss per share, basic and diluted	(0.00)	(0.00)	(0.00)	(0.00)
Current assets	2,176	2,191	2,206	2,221
Exploration and evaluation assets	-	-	-	-
Shareholders' equity	2,176	2,191	2,206	2,572

During the period of June 30, 2019 to June 30, 2020, the Company had no revenue and no exploration activity.

For the quarter ended December 31, 2019, Revenue was Nil, Loss for the period was \$21, Loss per share was \$(0.00), Current assets was \$2,236.

For the quarter ended June 30, 2019, Revenue was Nil, Loss for the period was \$15, Loss per share was \$(0.00), Current assets was \$2,221.

For the quarter ended September 30, 2019, Revenue was Nil, Loss for the period was \$15, Loss per share was \$(0.00), Current assets was \$2,206.

For the quarter ended December 31, 2019, Revenue was Nil, Loss for the period was \$15, Loss per share was \$(0.00), Current assets was \$2,191.

For the quarter ended June 30, 2020, Revenue was Nil, Loss for the period was \$15, Loss per share was \$(0.00), Current assets was \$2,176.

During the quarter ended June 30, 2020, the Company signed the option agreement (the "Agreement") for the Barnum property and undertook exploration activities on the Barnum property totaling \$94,510.

For the quarter ended March 31, 2020, Revenue was Nil, Loss for the period was \$15, Loss per share was \$(0.00), Current assets was \$2,161.

For the quarter ended September 30, 2020, Revenue was Nil, Loss for the period was \$67, Loss per share was \$(0.00), Current assets was \$102,094.

During the quarter ended September 30, 2020, the Company issued 2,000,000 shares for proceeds of \$100,000.

Additionally, during the quarter ended September 30, 2020, the Company issued 1,700,000 shares to Lacombe Ventures as debt settlement for \$85,000 related to the exploration activities undertaken on the Barnum property in June and July 2020. Lacombe Ventures is a related party to the Company and is controlled by Ken Ellerbeck and Quinn Ellerbeck.

For the quarter ended December 31, 2020, Revenue was Nil, Loss for the period was \$78,651, Loss per share was \$(0.01), Current assets was \$188,018.

During the quarter ended December 31, 2020, the Company issued 1,000,000 shares for proceeds of \$100,000.

For the quarter ended March 31, 2021, Revenue was Nil, Loss for the period was \$5,439, Loss per share was \$(0.00), Current assets was \$168,651.

During the quarter ended December 31, 2020, the Company undertook \$11,760 in exploration on the Barnum property.

For the Six Months ended March 31, 2021

Exploration and evaluation expenditures

Due to the Issuer's status as an exploration stage mineral resource issuer and a lack of commercial production from its properties, the Issuer currently does not have any revenues from its operations.

During the six months period ended March 31, 2021, there was \$11,760 exploration and evaluation expenditures incurred and capitalized under exploration and evaluation assets, compared to \$nil incurred during the six months period ended March 31, 2020.

Expenses

During the six months ended March 31, 2021, the Issuer recorded a net loss of \$84,000. Some of the significant charges to operations are as follows:

During the six months ended March 31, 2021, the Company recorded \$9,868 in costs for a technical report for the Barnum property, compared to nil incurred in the six months ended March 31, 2020.

During the six months ended March 31, 2021 the Company recorded \$36,891 in share-based compensation from the fair value of 500,000 stock options granted to the Company directors, compared to \$nil stock option granted in six months ended March 31, 2020.

During the six months ended March 31, 2021, the Company also recorded \$41,594 in professional fees, compared to \$nil incurred in the six months ended March 31, 2020.

For the Three Months ended March 31, 2021

Exploration and evaluation expenditures

Due to the Issuer's status as an exploration stage mineral resource issuer and a lack of commercial production from its properties, the Issuer currently does not have any revenues from its operations.

During the three months period ended March 31, 2021, there was \$11,760 exploration and evaluation expenditures incurred and capitalized under exploration and evaluation assets, compared to \$nil incurred during the three months period ended March 31, 2020.

Expenses

During the three months ended March 31, 2021, the Issuer recorded a net loss of \$5,439. Some of the significant charges to operations are as follows:

During the three months ended March 31, 2021, the Company recorded \$9,868 in costs for a technical report for the Barnum property, compared to \$nil incurred in the six months ended March 31, 2020

Selected Share Capital Data

Authorized share capital

Unlimited number of common shares without par value.

Common Shares

As of March 31, 2021 the Company has issued an aggregate of 7,875,000 common shares

Stock Options

During the three months ended March 31, 2021, the Company did not grant any additional stock options.

Off-Balance Sheet Arrangements

The Issuer has no off-balance sheet arrangements.

Proposed Transactions

The Issuer has no proposed transactions.

Liquidity and Capital Resources

As at March 31, 2021, the Issuer had working capital surplus of \$133,715 and an accumulated deficit of \$97,906.

For the ensuing year, the Company estimates that the aggregate monthly cost of administration will be approximately \$6,416 for a total aggregate annual cost of approximately \$77,000.

The Company expects to incur losses for at least the next 24 months and there can be no assurance that the Company will ever make a profit. To achieve profitability, the Company must advance its properties through further exploration in order to bring the property to a stage where the Company can attract the participation of a major resource company, which has the expertise and financial capability to place such property into commercial production. The Company's ability to continue as a going-concern is dependent upon its ability to advance exploration properties to the development stage and achieve profitability by taking the property to production or from the sale of the property. The Company is dependent upon raising equity financing or obtaining loans to continue to advance its property interests and fund ongoing operations.

Cash Flow Analysis

Operating Activities

During the six months ended March 31, 2021, cash used in operating activities was \$6,791.

Financing Activities

During the six months ended March 31, 2021, cash received from issuance of shares was \$100,000.

Investing Activities

During the six months ended March 31, 2021, cash used in investing activities was \$11,760.

Related Parties

Key management compensation

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors and corporate officers. During the three months ended March 31, 2021, there were no remuneration of directors and key management personnel.

The Company incurred no consulting fees on geophysical surveying with a company controlled by related parties during the three months ended March 31, 2021.

Due to related party

As at March 31, 2021, the Company has outstanding amount payable of \$9,510 (September 30, 2020 - \$nil) to Lacombe Ventures, a company controlled by related parties, Quinn Ellerbeck (CFO and Director) and Ken Ellerbeck (CEO & Director), for expenses and exploration and evaluation expenditures incurred. The amount payable due to related party is non-interest bearing, due on demand and bears no specific terms of repayment.

Contractual Obligations

The Issuer is subject to certain contractual obligations associated with the Barnum Property and the Comstock Property Option Agreements.

Barnum Property

In order to exercise the option under the Barnum Property Option Agreement, the Issuer shall pay to the Owner of the Property the aggregate sum of \$550,000 and issue a total of 600,000 common shares in instalments, and complete minimum expenditures on the Property in installments equaling \$810,000. In addition, the Barnum Property is subject to 2% net smelter return royalty (“NSR Royalty”) in favor of the optionor, Ken Ellerbeck, on the commencement of commercial production, of which the Company may elect to purchase 1% from the optionor at any time for \$1,000,000 prior to the commencement of commercial production.

As of March 31, 2021, the Issuer has paid \$0 under the Barnum Property Option Agreement and incurred exploration and evaluation expenditures of \$106,270.

Risks and Uncertainties

The Issuer is engaged in the acquisition and exploration of mining claims. These activities involve significant risks which careful evaluation, experience and knowledge may not, in some cases eliminate the risk involved. The commercial viability of any material deposit depends on many factors not all of which are within the control of management. Some of the factors that affect the financial viability of a given mineral deposit include its size, grade and proximity to infrastructure. Government regulation, taxes, royalties, land tenure, land use, environmental protection and reclamation and closure obligations, have an impact on the economic viability of a mineral deposit.

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Annual losses are expected to continue until the Issuer has an interest in a mineral property that produces revenues. The Issuer’s ability to continue its operations and to realize assets at their carrying values is dependent upon the continued support of its shareholders, obtaining additional financing and generating revenues sufficient to cover its operating costs. The Issuer’s financial statements do not give effect to any adjustments which would be necessary should the Issuer be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the consolidated financial statements.

Any forward-looking information in this MD&A is based on the conclusions of management. The Issuer cautions that due to risks and uncertainties, actual events may differ materially from current expectations. With respect to the Issuer's operations, actual events may differ from current expectations due to economic conditions, new opportunities, changing budget priorities of the Issuer and other factors.

Coronavirus Pandemic

The current outbreak of COVID-19 and any future emergence and spread of similar pathogens could have an adverse impact on global economic conditions, which may adversely impact the Company's operations, and the operations of its suppliers, contractors and service providers, the ability to obtain financing and maintain necessary liquidity, and the ability to explore the Company's properties. The outbreak of COVID-19 and political upheavals in various countries have caused significant volatility in commodity prices. While these effects are expected to be temporary, the duration of the business disruptions internationally and related financial impact cannot be reasonably estimated at this time.

Similarly, the Company cannot estimate whether or to what extent this outbreak and the potential financial impact may extend to countries outside of those currently impacted. Travel bans and other government restrictions may also adversely impact the Company's operations and the ability of the Company to advance its projects. In particular, if any employees or consultants of the Company become infected with Coronavirus or similar pathogens and/or the Company is unable to source necessary consumables or supplies, due to government restrictions or otherwise, it could have a material negative impact on the Company's operations and prospects, including the complete shutdown of one or more of its exploration programs. The situation is dynamic and changing day-to-day. The Company is exploring several options to deal with any repercussions that may occur as a result of the COVID-19 outbreak.

Capital Risk Management

The Issuer's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Issuer includes shareholders' equity, comprised of issued share capital, contributed surplus and deficit, in the definition of capital.

The Issuer's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to further exploration on its properties. To secure the additional capital necessary to pursue these plans, the Issuer will attempt to raise additional funds through the issuance of equity, debt or by securing strategic partners.

The Issuer is not subject to externally imposed capital requirements. The Issuer's financial instruments and risk exposures are summarized below.

Currency risk

Foreign exchange risk arises from purchase transactions as well as recognized financial assets and liabilities denominated in foreign currencies. The Issuer's functional and presentation currency is the Canadian dollar.

Credit risk

Credit risk is the risk of an unexpected loss if a third party to a financial instrument fails to meet its contractual obligations. The Issuer is exposed to credit risk with respect to its cash. The Issuer reduces its credit risk by maintaining its primary bank accounts at large financial institutions.

Liquidity risk

Liquidity risk is the risk that the Issuer will not be able to meet its obligations as they fall due. The Issuer manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. Senior management is also actively involved in the review and approval of planned expenditures.

As at March 31, 2021, the Issuer had a working capital surplus of \$133,715 (September 30, 2020 – surplus of \$92,584). The Issuer has liquidity risk and is dependent on raising additional capital to fund exploration and operations.

Fair Value risk

Fair value represents the amounts at which a financial instrument could be exchanged between willing parties, based on current markets for instruments with the same risk, principal and remaining maturity. Fair value estimates are based on quoted market values and other valuation methods.

The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data. The fair values of cash are measured based on level 1 inputs of the fair value hierarchy.

The carrying values of cash and accounts payable and accrued liabilities approximate fair values due to the relatively short-term maturities of these instruments.

Significant Accounting Judgements

The preparation of condensed interim financial statements in accordance with IAS 34 requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's condensed interim financial statements include:

- the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty;
- the classification of financial instruments;
- the classification and allocation of expenses as exploration and evaluation expenditures or operating expenses; and
- assessment of impairment of its exploration and evaluation assets.

Significant Accounting Estimates and Assumptions

The preparation of condensed interim financial statements in accordance with IAS 34 requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the recoverability of the carrying value of exploration and evaluation assets and the recoverability measurement of deferred tax assets.

Recently Adopted Accounting Standards

Accounting standard or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's condensed interim financial statements.

Subsequent Events

- a) On April 14, 2021 the Company signed an amended option agreement with a related party to the Company, Ken Ellerbeck (CEO and Director), to acquire an undivided 100% interest in 6 mineral claims in the Barnum Property (the "Property") located in the Kamloops Mining District of British Columbia, Canada.

In order to exercise the option, the Company must pay to the optionor the aggregate sum of \$550,000 cash, 600,000 shares of the Company and incur \$810,000 of exploration expenditures on the property by the fourth anniversary of the Company obtaining a listing (the "listing date") on the Canadian Securities Exchange ("CSE"). Option payments are to be paid based on the following instalment schedule:

- On signing - \$0 cash
- By the listing date – 0 common shares, and \$0 cash
- By October 1, 2020 - \$85,000 in expenditures on the property (incurred)
- By the 1st anniversary of the listing date – 0 common shares, \$0 cash and \$0 in additional expenditures on the property
- By the 2nd anniversary of the listing date - 100,000 common shares, \$0 cash and \$105,000 in additional expenditures on the property
- By the 3rd anniversary of the listing date – 200,000 common shares, \$100,000 cash and \$300,000 in additional expenditures on the property
- By the 4th anniversary of the listing date – 300,000 common shares, \$450,000 cash and \$400,000 in additional expenditures on the property

In addition, the Property is subject to 2% net smelter return royalty ("NSR Royalty") in favor of the optionor on the commencement of commercial production, of which the Company may elect to purchase 1% from the optionor at any time for \$1,000,000 prior to the commencement of commercial production.

- b) On April 14, 2021 the Company signed an option agreement with a related party to the Company, Ken Ellerbeck (CEO and Director), to acquire an undivided 100% interest in 19 mineral claims in the Comstock Property (the "Property") located in the Nicola Mining District of British Columbia, Canada.

In order to exercise the option, the Company must pay to the optionor the aggregate sum of \$595,000 cash, 750,000 shares of the Company and incur \$715,000 of exploration expenditures on the property by the fourth anniversary of the Company obtaining a listing (the "listing date") on the Canadian Securities Exchange ("CSE"). Option payments are to be paid based on the following instalment schedule:

- On signing - \$5,000 cash
- By the listing date – 100,000 common shares, and \$5,000 cash
- By February 1, 2022 - \$10,000 in expenditures on the property
- By the 1st anniversary of the listing date – 100,000 common shares, \$10,000 cash and \$105,000 in additional expenditures on the property
- By the 2nd anniversary of the listing date - 100,000 common shares, \$50,000 cash and \$200,000 in additional expenditures on the property
- By the 3rd anniversary of the listing date – 100,000 common shares, \$100,000 cash and \$200,000 in additional expenditures on the property

- By the 4th anniversary of the listing date – 350,000 common shares, \$425,000 cash and \$200,000 in additional expenditures on the property

In addition, the Property is subject to 2% net smelter return royalty (“NSR Royalty”) in favor of the optionor on the commencement of commercial production, of which the Company may elect to purchase 1% from the optionor at any time for \$1,000,000 prior to the commencement of commercial production.

- c) On May 01, 2021, the Company amended the Management and Consulting Agreement with Lacombe Ventures Ltd., a company controlled by related parties, Quinn Ellerbeck (CFO and Director) and Ken Ellerbeck (CEO and Director), to provide the Company with management and consulting support services for a monthly fee of \$2,500, commencing May 1, 2021 and expiring on December 31, 2021 unless terminated.
- d) During the six months ended March 31, 2021, the Company entered into an agreement with Canaccord Genuity Corp. (“Canaccord”) to find and introduce investors to the Company for a non-brokered private placement of up to 3,500,000 common shares at \$0.10 per share. As of May 17, 2021, 2,500,000 common shares were subscribed for gross proceeds of \$250,000, subject to \$17,500 commission fee. The \$232,500 net proceeds were held by Canaccord in escrow and will be released upon the closing of the private placement.
- e) Pursuant to a shares for debt agreement dated July 30, 2020 between the Company and Lacombe Ventures Ltd., a related party of the Company controlled by Quinn Ellerbeck (CFO and Director) and Ken Ellerbeck (CEO and Director), the Company issued 1,700,000 Common Shares at a subscription price of \$0.05 for each share for proceeds of \$85,000 as payment for services rendered by Lacombe Ventures Ltd. to the Company valued at \$85,000. On July 22, 2021, 500,000 of these Common Shares were cancelled and returned to treasury.

Internal Controls Over Financial Reporting

Changes in Internal Control over Financial Reporting (“ICFR”)

In connection with National Instrument 52-109, Certification of Disclosure in Issuer’s Annual and Interim Filings (“NI 52-109”) adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Issuer will file a Venture Issuer Basic Certificate with respect to financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective Management’s Discussion and Analysis. The Venture Issue Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI52-109.

Management’s Responsibility for Financial Statements

The information provided in this MD&A, including the financial statements, is the responsibility of management. In the preparation of financial statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the financial statements.

CERTIFICATE OF THE ISSUER

Dated: July 23, 2021

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

(signed) "Ken Ellerbeck"

Ken Ellerbeck
CEO and Director

(signed) "Quinn Ellerbeck"

Quinn Ellerbeck
CFO, Secretary, and Director

On behalf of the Board of Directors

(signed) "Robert Thompson"

Robert Thompson
Director

(signed) "Brian May"

Brian May
Director

CERTIFICATE OF THE PROMOTERS

Dated: July 23, 2021

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

(signed) "*Ken Ellerbeck*"

Ken Ellerbeck
Promoter

(signed) "*Quinn Ellerbeck*"

Quinn Ellerbeck
Promoter

APPENDIX B

Exchange Listing Statement Disclosure – Additional Information

SELECTED CONSOLIDATED FINANCIAL INFORMATION

5.1 Annual Information

	For the Year Ended September 30, 2020	For the Year Ended September 30, 2019	For the Year Ended September 30, 2018
	\$	\$	
Net loss	(112)	(76)	(76)
Loss per share, basic and diluted	(0.00)	(0.00)	(0.00)
Total Assets	196,604	2,206	342
Long-term Liabilities	-	-	-
Cash Dividends	-	-	-

For the years ended September 30, 2018 and September 30, 2019, North Valley Resources had no operating and no exploration activity. During the year ended September 30, 2020, the Company undertook exploration on its Barnum property.

5.2 Quarterly Information

North Valley Resources was not a reporting issuer during the eight most recently completed quarters ending at the end of the most recently completed financial year (September 30, 2020).

Select quarterly financial data for the years ended September 30, 2019 and September 30, 2020 can be found in the Issuer's MD&A contained in Schedule D of the prospectus.

CAPITALIZATION

14 Capitalization

14.1

Issued Capital

	Number of Securities (non-diluted)	Number of Securities (fully- diluted)	% of Issued (non- diluted)	% of Issued (fully diluted)
<u>Public Float</u>				
Total outstanding (A)	9,875,000	10,670,650	100%	100%

Held by Related Persons or employees of the Issuer or Related Person of the Issuer, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer upon exercise or conversion of other securities held) (B)	4,375,000	4,975,000	44.30%	46.62%
Total Public Float (A-B)	5,500,000	5,695,650	55.70%	53.38%
<u>Freely-Tradeable Float</u>				
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	6,875,000	6,875,000	69.62%	64.43%
Total Tradeable Float (A-C)	3,000,000	3,795,650	30.38%	35.57%

Public Securityholders (Registered)

Class of Security			
Size of Holding	Number of holders		Total number of securities
1 – 99 securities			
100 – 499 securities			
500 – 999 securities			
1,000 – 1,999 securities	45		45,000
2,000 – 2,999 securities	7		14,500
3,000 – 3,999 securities	1		3,000

4,000 – 4,999 securities	1	4,000
5,000 or more securities	103	5,232,500

Public Securityholders (Beneficial)

Class of Security		
<u>Size of Holding</u>	<u>Number of holders</u>	<u>Total number of securities</u>
1 – 99 securities		
100 – 499 securities		
500 – 999 securities		
1,000 – 1,999 securities		
2,000 – 2,999 securities		
3,000 – 3,999 securities		
4,000 – 4,999 securities		
5,000 or more securities	4	201,000
Unable to confirm		

Non-Public Securityholders (Registered)

Class of Security		
<u>Size of Holding</u>	<u>Number of holders</u>	<u>Total number of securities</u>
1 – 99 securities		
100 – 499 securities		
500 – 999 securities		
1,000 – 1,999 securities		
2,000 – 2,999 securities		
3,000 – 3,999 securities		
4,000 – 4,999 securities		

5,000 or more securities		3	4,375,000

14.2

Description of Security (include conversion / exercise terms, including conversion / exercise price)	Number of convertible / exchangeable securities outstanding	Number of listed securities issuable upon conversion / exercise
<p>Common share purchase warrants</p> <ul style="list-style-type: none"> • Each warrant is exercisable into one common share at an exercise price of \$0.10 per common share • Exercisable for a period of 18 months from the date that issuer's common shares are listed on the CSE 	195,650 warrants outstanding	195,650 common shares
<p>Options (convertible into common shares)</p> <ul style="list-style-type: none"> • Each option is exercisable into one common share at an exercise price of \$0.10 per common share • 500,000 of the options are exercisable until October 15, 2025 • 100,000 of the options are exercisable until May 6, 2026 	600,000 options outstanding	600,000 common shares

SCHEDULE A
CERTIFICATE OF THE ISSUER

The first certificate below must be signed by the CEO, CFO, any person or company who is a promoter of the Issuer and two directors of the Issuer. In the case of an Issuer re-qualifying following a fundamental change, the second certificate must also be signed by the CEO, CFO, any person or company who is a promoter of the target and two directors of the target.

Pursuant to a resolution duly passed by its Board of Directors, North Valley Resources Ltd. hereby applies for the listing of the above mentioned securities on the Exchange. The foregoing contains full, true and plain disclosure of all material information relating to North Valley Resources Ltd. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Victoria, British Columbia, Canada, this 30th day of July, 2021.

“Kenneth Ellerbeck”
Ken Ellerbeck
Chief Executive Officer

“Quinn Ellerbeck”
Quinn Ellerbeck
Chief Financial Officer

“Kenneth Ellerbeck”
Ken Ellerbeck
Director

“Quinn Ellerbeck”
Quinn Ellerbeck
Director

“Kenneth Ellerbeck”
Ken Ellerbeck
Promoter

“Quinn Ellerbeck”
Quinn Ellerbeck
Promoter