

**FABLED**  
SILVER GOLD  
CORP.



**ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS**

**TO BE HELD ON OCTOBER 28, 2021**

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING  
AND  
MANAGEMENT INFORMATION CIRCULAR**

**Including material with respect to a proposed**

**PLAN OF ARRANGEMENT  
(to spinout the shares of Fabled Copper Corp.)**

**Dated: September 27, 2021**

These materials are important and require your immediate attention. They require shareholders of Fabled Silver Gold Corp. to make important decisions. If you are in doubt as to how to make such decisions, please contact your professional advisors.



## NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an Annual General and Special Meeting (the “**Meeting**”) of the holders of common shares (“**Shareholders**”) of Fabled Silver Gold Corp. (“**Fabled**” or the “**Company**”) will be held at Suite 480, 1500 West Georgia Street, Vancouver, British Columbia, on Thursday, October 28, 2021 at 10:00 a.m. (Vancouver time).

At the Meeting, Shareholders will be asked to consider the following matters:

1. To receive and consider the audited financial statements of the Company for the financial year ended December 31, 2020, together with the Auditor’s Report thereon.
2. To fix the number of Directors for the ensuing year at four (4).
3. To elect Directors for the ensuing year.
4. To re-appoint Davidson & Company LLP, Chartered Professional Accountants, as the Company’s Auditor for the ensuing year and to authorize the Directors to fix the remuneration to be paid to the Auditor.
5. To consider, and if thought fit, to approve the company’s amended and restated 10% “rolling” stock option plan (the “**New Option Plan**”).
6. To consider and, if deemed appropriate, to pass, with or without variation, a special resolution of the Shareholders (the “**Arrangement Resolution**”) approving a statutory plan of arrangement (the “**Arrangement**”) pursuant to Part 9, Division 5 of the *Business Corporations Act* (British Columbia) which involves, among other things, the distribution of common shares of Fabled Copper Corp. (“**SpinCo**” or “**Fabled Copper**”) to shareholders of the Company on the basis of one SpinCo common share for every five common shares of the Company (each common share, a “**Fabled Share**”) held on the effective date of the Arrangement, as more fully described in the Management Information Circular (the “**Circular**”) accompanying this notice, the full text of the Arrangement Resolution is attached as Schedule A to the Circular.
7. Subject to the approval of the Arrangement Resolution, to consider and, if thought fit, approve, with or without amendment, an ordinary resolution to approve a stock option plan for SpinCo, which is similar to the New Option Plan, as more fully described in the Circular.
8. To consider any permitted amendment to or variation of any matter identified in this notice, and to transact such other business as may be properly brought before the Meeting or any adjournment or postponement thereof.

The specific details of these matters to be put before the Meeting are set forth in the Circular. The Board of Directors of the Company has approved the contents of the Circular and the distribution of the Circular to Shareholders. All Shareholders are reminded to review the Circular before voting. Registered Shareholders have a right of dissent in respect of the proposed Arrangement and to be paid the fair value of their Fabled Shares. The dissent rights are described in the accompanying Circular and are attached as Schedule E to the Circular. Failure to strictly comply with the required procedures may result in the loss of any right of dissent.

You have the right to vote if you were a Shareholder at the close of business on September 21, 2021, the record date set by the Board of Directors of the Company for determining the Shareholders entitled to receive notice of and vote

at the Meeting or any adjournment(s) or postponement(s) thereof.

Registered Shareholders who wish to ensure their securities will be voted at the Meeting are requested to date, complete and sign the enclosed form of proxy and deliver it in accordance with the instructions set out in the form of proxy and in the Circular. To be effective, proxies must be received before 10:00 a.m. (Vancouver time) on October 26, 2021 or if the Meeting is adjourned or postponed, at least 48 business hours (where “business hours” means hours on days other than a Saturday, Sunday or any other holiday in British Columbia or Ontario) before the time on the date to which the Meeting is adjourned or postponed.

Shareholders who do not hold Fabled Shares in their own name must follow the instructions set out in the voting instruction form or the form of proxy provided to the beneficial Shareholder by its intermediary, and in the Circular to ensure their Fabled Shares will be voted at the Meeting. If Fabled Shares are held in a brokerage account, then in almost all cases those securities will not be registered in the Shareholder’s name on the records of Fabled.

**Due to the COVID19 Pandemic and given the restrictions on public gatherings and in the best interest of the health of all participants in the Meeting, the Company encourages Shareholders not to attend the Meeting in person at the in-person location for the Meeting. No more than six (6) persons will be permitted to attend in person at the in-person location for the Meeting. Any person who intends to attend the Meeting in person must register at least 48 hours in advance and receive approval, by email notice with full name and contact information of the Shareholder to the Company’s Corporate Secretary [andy@fabledfco.com](mailto:andy@fabledfco.com).**

**Shareholders are encouraged to vote on the matters before the Meeting by proxy and to join the Meeting by Zoom. Any person who intends to attend the Meeting via Zoom must register at least 48 hours in advance by email to [andy@fabledfco.com](mailto:andy@fabledfco.com), with his/her name and email address. Registered persons will receive an invitation to the Zoom call by return email. If public health guidelines regarding physical distancing in British Columbia have changed by the date of the Meeting, the Company will issue a news release advising of permitted Meeting attendance in accordance with such updated guidelines.**

To be effective, the enclosed Proxy Instrument must be returned to the Company’s transfer agent, Computershare Investor Services Inc., (“**Computershare**”):

- (a) by mail using the enclosed return envelope;
- (b) by internet as described on the enclosed proxy; or
- (c) by registered mail, by hand or by courier delivery to Computershare Investor Services Inc., 100 University Ave., 8th Floor, Toronto, ON M5J 2Y1

All instructions are listed on the enclosed Proxy Instrument. Your proxy or voting instructions must be received in each case no later than 10:00 a.m. (Vancouver time) on October 26, 2021 or, if the Meeting is adjourned, at least 48 hours (excluding Saturdays, Sundays and statutory holidays in the Province of British Columbia or Ontario) before the beginning of any adjournment to the Meeting.

If you are a non-registered beneficial Shareholder, a voting information form (also known as a VIF), instead of a Proxy Instrument, may be enclosed. You must follow the instructions provided by your intermediary in order to vote your shares.

DATED at Vancouver, British Columbia, on September 27, 2021.

**BY ORDER OF THE BOARD OF DIRECTORS**

*“David W. Smalley”*

**David W. Smalley  
Chairman**



## LETTER TO SHAREHOLDERS

Dear fellow Shareholders,

On behalf of the Board of Directors (the “**Board**”) of Fabled Silver Gold Corp. (“**Fabled**” or the “**Company**”), I would like to invite you to attend the annual general and special meeting (the “**Meeting**”) of the holders of common shares of the Company (the “**Shareholders**”) to be held at 10:00 a.m. (Vancouver time) on October 28, 2021.

Due to the COVID19 Pandemic and given the restrictions on public gatherings and in the best interest of the health of all participants in the Meeting, the Company encourages Shareholders **not** to attend the Meeting in person at the in-person location for the Meeting. No more than six (6) persons will be permitted to attend in person at the in-person location for the Meeting. Any person who intends to attend the Meeting in person must register at least 48 hours in advance and receive approval, by email notice with full name and contact information of the Shareholder to the Company’s Corporate Secretary [andy@fabledfco.com](mailto:andy@fabledfco.com).

Shareholders are encouraged to vote on the matters before the Meeting by proxy and to join the Meeting by Zoom. Any person who intends to attend the Meeting via Zoom must register at least 48 hours in advance by email to [andy@fabledfco.com](mailto:andy@fabledfco.com), with his/her name and email address. Registered persons will receive an invitation to the Zoom call by return email. If public health guidelines regarding physical distancing in British Columbia have changed by the date of the Meeting, the Company will issue a news release advising of permitted Meeting attendance in accordance with such updated guidelines.

Your feedback and your vote are important to us. You can vote by proxy on the internet, by phone or by mail. If you are a Registered Shareholder we encourage you to vote by completing the enclosed proxy. If you are a Non-Registered Holder (as defined below) of Fabled shares and have received this letter and the Circular from your broker or another intermediary, please complete and return the proxy or the voting instruction form provided to you in accordance with the instructions.

At the Meeting, Shareholders will be asked to, among other things, pass a special resolution approving a statutory plan of arrangement (the “**Arrangement**”) whereby Fabled will spin out its British Columbia copper exploration assets which are held in a separate Canadian copper-focused exploration company named Fabled Copper Corp. (“**SpinCo**”). The Arrangement involves, among other things, the distribution of SpinCo common shares (“**SpinCo Shares**”) to existing Shareholders such that each Shareholder will hold: (i) one new common share of the Company (“**New Fabled Share**”) for each common share of the Company (“**Fabled Share**”) held on the effective date of the Arrangement; and (ii) one SpinCo Share for every five Fabled Shares held on the effective date of the Arrangement.

Nothing will change in your ownership of Fabled once the Arrangement is completed. You will own the same number of securities in Fabled. The issuance of New Fabled Shares is simply a step in the Arrangement to transfer the assets to SpinCo.

Fabled will continue to be working to discover and delineate high-grade precious metals resources at the Santa Maria Project in Mexico. SpinCo will focus on unlocking value in the British Columbia copper exploration assets.

After careful consideration, the Board has unanimously determined that the Arrangement is in the best interests of the Company. A description of the various factors considered by the Board in arriving at this determination is contained in the enclosed Circular. **The Board has unanimously approved the Arrangement and recommends that Shareholders vote**

**in favour of the special resolution approving the Arrangement.**

To be effective, the Arrangement must be approved by a special resolution passed by at least 66 $\frac{2}{3}$ % of the votes cast by Shareholders present in person or represented by proxy at the Meeting, which Shareholders are entitled to one vote for each Fabled Share held.

At the Meeting, in addition to the approval of the Arrangement, we will ask Shareholders, subject to the approval of the Arrangement, to approve a stock option plan for SpinCo and certain other matters (as described in the attached notice of meeting and Circular).

If you have any questions about the information contained in the Circular or require assistance in completing the proxy, please contact Fabled's Investor Relations team at [info@fabledfco.com](mailto:info@fabledfco.com)

Thank you for your support.

Sincerely,

*"Peter J. Hawley"*

**Peter J. Hawley**  
**President and Chief Executive Officer**

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## MANAGEMENT INFORMATION CIRCULAR

(unless otherwise noted, as at September 27, 2021)

This management information circular (this “**Circular**”) is furnished in connection with the solicitation of proxies by or on behalf of the management of Fabled Silver Gold Corp. (“**Fabled**”) for use at the annual general and special meeting of shareholders (the “**Shareholders**”) of Fabled (the “**Meeting**”) to be held at Suite 480, 1500 West Georgia Street, Vancouver, British Columbia, on October 28, 2021 at 10:00 a.m. (Vancouver time) and at any adjournment(s) or postponement(s) thereof for the purposes set forth in the Notice of Meeting.

**Due to the COVID19 Pandemic and given the restrictions on public gatherings and in the best interest of the health of all participants in the Meeting, the Company encourages Shareholders not to attend the Meeting in person at the in-person location for the Meeting. No more than six (6) persons will be permitted to attend in person at the in-person location for the Meeting. Any person who intends to attend the Meeting in person must register at least 48 hours in advance and receive approval, by email notice with full name and contact information of the Shareholder to the Company’s Corporate Secretary andy@fabledfco.com.**

**Shareholders are encouraged to vote on the matters before the Meeting by proxy and to join the Meeting by Zoom. Any person who intends to attend the Meeting via Zoom must register at least 48 hours in advance by email to andy@fabledfco.com, with his/her name and email address. Registered persons will receive an invitation to the Zoom call by return email. If public health guidelines regarding physical distancing in British Columbia have changed by the date of the Meeting the Company will issue a news release advising of permitted Meeting attendance in accordance with such updated guidelines.**

**The Zoom conference will allow Shareholders to listen to the Meeting and ask questions regardless of their geographic location or the particular circumstances that they may be facing as a result of COVID-19. The Company strongly encourages Shareholders to vote in advance of the Meeting in accordance with the instructions provided in the body of this Circular.**

**The Company is monitoring developments regarding COVID-19. In the event the Company decides any change to the date, time, location or format of the Meeting is necessary or appropriate due to difficulties arising from COVID-19, the Company will promptly notify Shareholders of the change by issuing a news release, a copy of which will be available on SEDAR at [www.sedar.com](http://www.sedar.com).**

### Notice Regarding Information

Information in this Circular is given as at September 27, 2021 unless otherwise indicated and except for information contained in the documents incorporated herein by reference, which is given as at the respective dates stated therein. All capitalized terms used in this Circular (including the Schedules hereto) but not otherwise defined herein have the meanings set forth under “*Glossary of Defined Terms*”.

No person is authorized to give any information or make any representation not contained in this Circular and, if given or made, such information or representation should not be relied upon as having been authorized. This Circular does not constitute an offer to sell, or a solicitation of an offer to purchase, any securities, or the solicitation of a proxy, by any person in any jurisdiction in which such an offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such an offer or solicitation of an offer or proxy solicitation. Neither delivery of this Circular nor any distribution of the securities referred to in this Circular will, under any circumstances, create an implication that there has been no change in the information set forth herein since the date of this Circular.

## INFORMATION FOR U.S. SHAREHOLDERS

THE ARRANGEMENT AND THE SECURITIES TO BE ISSUED IN CONNECTION WITH THE ARRANGEMENT HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION OR SECURITIES REGULATORY AUTHORITIES IN ANY STATE IN THE UNITED STATES, NOR HAS THE U.S. SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES REGULATORY AUTHORITIES OF ANY STATE IN THE UNITED STATES PASSED UPON THE FAIRNESS OR MERITS OF THE ARRANGEMENT OR UPON THE ADEQUACY OR ACCURACY OF THIS CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The SpinCo Shares and New Fabled Shares to be issued to Shareholders, Fabled Replacement Options to be issued to Fabled Optionholders pursuant to the Arrangement described in this Circular have not been and will not be registered under the 1933 Act or any U.S. state securities laws, and are being issued and distributed, respectively, in reliance on the exemption from registration under the 1933 Act set forth in Section 3(a)(10) thereof and exemptions provided under the securities laws of any state of the United States in which the Shareholders and Fabled Optionholders reside. Section 3(a)(10) of the 1933 Act provides an exemption from registration under the 1933 Act for offers and sales of securities issued in exchange for one or more bona fide outstanding securities where the terms and conditions of the issuance and exchange of such securities have been approved by a court authorized to grant such approval after a hearing upon the fairness of the terms and conditions of the issuance and exchange at which all persons to whom the securities will be issued have the right to appear and receive timely notice thereof. The Court is authorized to conduct a hearing at which the fairness of the terms and conditions of the Arrangement will be considered. The Court issued the Interim Order on September 23, 2021 and, subject to the approval of the Arrangement by the Shareholders at the Meeting on October 28, 2021, it is expected that the hearing on the Arrangement will be held by the Court on November 10, 2021 at 9:45 a.m. (Vancouver time) at the Law Courts, 800 Smithe Street, Vancouver, British Columbia. All Shareholders are entitled to appear and be heard at this hearing. The Final Order will constitute a basis for the exemption from the registration requirements of the 1933 Act provided by Section 3(a)(10) thereof with respect to the securities to be issued pursuant to the Arrangement. Prior to the hearing on the Final Order, the Court will be informed of this effect of the Final Order. See “The Arrangement – Court Approval and Completion of the Arrangement” in this Circular.

The exemption from the registration requirements of the 1933 Act provided by Section 3(a)(10) thereof does not exempt the issuance of securities upon the exercise of securities that were previously issued pursuant to Section 3(a)(10) of the 1933 Act. Therefore, the New Fabled Shares issuable upon exercise of the Fabled Replacement Options may not be issued in reliance upon the exemption from the registration requirements of the 1933 Act provided by Section 3(a)(10) thereof and the Fabled Replacement Options may only be exercised only pursuant to an available exemption from the registration requirements of the 1933 Act and applicable state securities laws. Prior to the issuance of New Fabled Shares pursuant to any such exercise after the Effective Time, Fabled may require evidence (which may include in an opinion of counsel) reasonably satisfactory to Fabled to the effect that the issuance of such New Fabled Shares do not require registration under the 1933 Act or applicable state securities laws.

The solicitation of proxies for the Meeting made pursuant to this Circular is not subject to the requirements applicable to proxy statements under the 1934 Act by virtue of an exemption applicable to foreign private issuers (as defined in Rule 3b-4 under the 1934 Act). The SpinCo Shares and New Fabled Share to be issued to Shareholders and Fabled Replacement Options to be issued to Fabled Optionholders pursuant to the Arrangement described in this Circular will not be listed for trading on any U.S. stock exchange or registered under the 1934 Act. Accordingly, the solicitations and transactions contemplated in this Circular are made in the United States for securities of a Canadian issuer in accordance with Canadian corporate and securities laws, and this Circular has been prepared solely in accordance with disclosure requirements applicable in Canada, which are different from the requirements applicable to proxy solicitations under the 1934 Act. Shareholders in the United States should be aware that such requirements are different from those of the United States applicable to registration statements under the 1933 Act and proxy statements under the 1934 Act.

The financial statements and historical financial information included or incorporated by reference in this Circular

have been prepared based upon IFRS and are subject to Canadian auditing standards and auditor independence standards and thus are not comparable in all respects to financial statements prepared in accordance with U.S. Generally Accepted Accounting Principles (“GAAP”) and subject to standards of the Association of International Certified Professional Accountants. Likewise, information concerning the operations of Fabled and SpinCo contained herein has been prepared based on IFRS disclosure standards, which are not comparable in all respects to U.S. disclosure standards. **Shareholders and Fabled Optionholders in the United States should consult with their own professional advisors for an understanding of the differences between IFRS and U.S. GAAP, and of how those differences might affect the financial information presented herein.**

Shareholders and Fabled Optionholders in the United States should be aware that the acquisition of the SpinCo Shares, New Fabled Shares and Fabled Replacement Options pursuant to the Arrangement described herein may have tax consequences both in Canada and the United States. Such consequences for Shareholders and Fabled Optionholders in the United States are not described herein. Shareholders and Fabled Optionholders in the United States are urged to consult their own tax advisors to determine the particular tax consequences to them of the Arrangement in light of their particular situation, as well as any tax consequences that may arise under the laws of any other relevant foreign, state, local, or other taxing jurisdiction.

The enforcement by investors of civil liabilities under U.S. securities laws may be adversely affected by the fact that Fabled and SpinCo and certain of their respective subsidiaries are organized under the laws of jurisdictions outside the United States, that certain of their officers and directors are residents of countries other than the United States, that the experts named in this Circular are residents of countries other than the United States and that a certain portion of the assets of Fabled and SpinCo and their respective subsidiaries and substantially all of the assets of certain such persons are located outside the United States. As a result, it may be difficult or impossible for Shareholders and Fabled Optionholders in the United States to effect service of process within the United States upon Fabled or SpinCo, their respective officers or directors or the experts named herein, or to realize against them upon judgments of courts of the United States predicated upon civil liabilities under the federal securities laws of the United States or “blue sky” laws of any state within the United States. In addition, Shareholders and Fabled Optionholders in the United States should not assume that the courts of Canada: (a) would enforce judgments of U.S. courts obtained in actions against such persons predicated upon civil liabilities under the federal securities laws of the United States or “blue sky” laws of any state within the United States; or (b) would enforce, in original actions, liabilities against such persons predicated upon civil liabilities under the federal securities laws of the United States or “blue sky” laws of any state within the United States.

In addition, when used in respect of the projects in which Fabled or SpinCo has an interest, the terms “mineral reserve” and “mineral resource” have been reported in accordance with Canadian reporting standards. Canadian reporting requirements for disclosure of mineral properties are governed by National Instrument 43-101 – Standards of Disclosure for Mineral Projects (“NI 43-101”).

The SpinCo Shares and New Fabled Shares to be issued to Shareholders and Fabled Replacement Options to be issued to Fabled Optionholders pursuant to the Arrangement will generally be freely transferable under U.S. federal securities laws, except by persons who are “affiliates” (as such term is understood under U.S. securities laws) of Fabled and SpinCo after the Effective Date, or were “affiliates” of Fabled and SpinCo within 90 days prior to the Effective Date. Persons who may be deemed to be “affiliates” of an issuer include individuals or entities that control, are controlled by, or are under common control with, the issuer, whether through the ownership of voting securities, by contract, or otherwise, and generally include executive officers and directors of the issuer as well as principal shareholders of the issuer. Any resale of such securities by such an affiliate (or former affiliate) may be subject to the registration requirements of the 1933 Act, absent an exemption therefrom. See “*Certain Securities Law Matters – U.S. Securities Laws*”.

## FORWARD-LOOKING INFORMATION

This Circular includes statements that are prospective in nature that constitute forward-looking information and/or

forward-looking statements within the meaning of applicable securities laws (collectively, “forward-looking statements”). Forward-looking statements include, but are not limited to, statements concerning the completion and proposed terms of, and matters relating to, the Arrangement and the expected timing related thereto, the tax treatment of the Arrangement, the expected operations, financial results and condition of Fabled and SpinCo following the Arrangement, each company’s future objectives and strategies to achieve those objectives, the future prospects of each company as an independent company, the listing or continued listing of Fabled on the TSX Venture Exchange (“TSXV”), the future listing of SpinCo on the CSE, any market created for either company’s shares, the estimated cash flow, capitalization and adequacy thereof for each company following the Arrangement, the expected benefits of the Arrangement to, and resulting treatment of, Shareholders and holders of convertible securities, the anticipated effects of the Arrangement, the estimated costs of the Arrangement, the satisfaction of the conditions to consummate the Arrangement, as well as other statements with respect to management’s beliefs, plans, estimates and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. Forward-looking statements generally can be identified by the use of forward-looking terminology such as “outlook”, “objective”, “may”, “will”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “should”, “plans” or “continue”, or similar expressions suggesting future outcomes or events.

Forward-looking statements reflect management’s current beliefs, expectations and assumptions and are based on information currently available to management, management’s historical experience, perception of trends and current business conditions, expected future developments and other factors which management considers appropriate. With respect to the forward-looking statements included in or incorporated into this Circular, we have made certain assumptions with respect to, among other things, the anticipated approval of the Arrangement by Shareholders and the Court, the anticipated receipt of any required regulatory approvals and consents, the expectation that each of Fabled and SpinCo will comply with the terms and conditions of the Arrangement Agreement (as defined below), the expectation that no event, change or other circumstance will occur that could give rise to the termination of the Arrangement Agreement, that no unforeseen changes in the legislative and operating framework for the respective businesses of Fabled and SpinCo will occur, that each company will meet its future objectives and priorities, that each company will have access to adequate capital to fund its future projects and plans, that each company’s future projects and plans will proceed as anticipated, as well as assumptions concerning general economic and industry growth rates, commodity prices, currency exchange and interest rates and competitive intensity.

Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the future circumstances, outcomes or results anticipated or implied by such forward-looking statements will occur or that plans, intentions or expectations upon which the forward-looking statements are based will occur. By their nature, forward-looking statements involve known and unknown risks and uncertainties and other factors that could cause actual results to differ materially from those contemplated by such statements. Factors that could cause such differences include, but are not limited to: conditions precedent or approvals required for the Arrangement not being obtained; the potential benefits of the Arrangement not being realized; the risk of tax liabilities as a result of the Arrangement, and general business and economic uncertainties and adverse market conditions; the potential for the trading price of New Fabled Shares (if any) after the Arrangement being less than the trading price of Fabled Shares immediately prior to the Arrangement; there being no concrete deadline to list SpinCo Shares on the CSE or that such listing will be successful; there being no established market for the SpinCo Shares; SpinCo Shares may not be “Qualified Investments” as defined in Canadian federal income tax law; Fabled’s ability to delay or amend the implementation of all or part of the Arrangement or to proceed with the Arrangement even if certain consents and approvals are not obtained on a timely basis; the reduced diversity of Fabled and SpinCo as separate companies; the costs related to the Arrangement that must be paid even if the Arrangement is not completed; obtaining approvals and consents, or satisfying other requirements, necessary or desirable to permit or facilitate completion of the Arrangement; global financial markets, general economic conditions, competitive business environments; the effect and period of effect of the COVID-19 pandemic; and other factors that may negatively impact Fabled’s financial condition; future factors that may arise making it inadvisable to proceed with, or advisable to delay, all or part of the Arrangement; and, the potential inability or unwillingness of current Shareholders to hold New Fabled Shares and/or SpinCo Shares following the Arrangement.

For a further description of these and other factors that could cause actual results to differ materially from the forward-looking statements included in or incorporated into this Circular, see the risk factors discussed under “The Arrangement – Risk Factors Relating to the Arrangement” in this Circular and under the heading “Risk Factors” in

Schedule F, Fabled’s management’s discussion and analysis for the year ended December 31, 2020 and for the interim period ended June 30, 2021 and as described from time to time in the reports and disclosure documents filed by Fabled with Canadian securities regulatory authorities, which are available under Fabled’s profile on SEDAR at [www.sedar.com](http://www.sedar.com). This list is not exhaustive of the factors that may impact Fabled’s forward-looking statements. These and other factors should be considered carefully and readers should not place undue reliance on Fabled’s forward-looking statements. As a result of the foregoing and other factors, there can be no assurance that actual results will be consistent with these forward-looking statements.

All forward-looking statements included in or incorporated by reference into this Circular are qualified by these cautionary statements. The forward-looking statements contained herein are made as of the date of this Circular and, except as required by applicable law, neither Fabled nor SpinCo undertakes any obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

Readers are cautioned that the actual results achieved will vary from the information provided herein and that such variations may be material. Consequently, there are no representations by Fabled or SpinCo that actual results achieved will be the same in whole or in part as those set out in the forward-looking statements.

### TECHNICAL INFORMATION

The Company’s disclosure of technical or scientific information in this Circular has been reviewed and approved by Peter J. Hawley, P.Geo., President and C.E.O. of Fabled. Mr. Hawley is a Qualified Person as defined under the terms of NI 43-101.

### GLOSSARY OF DEFINED TERMS

In addition to the defined terms within the body of this Circular, the following is a glossary of certain terms used in this Circular, including the summary hereof and the Schedules to this Circular.

“**1933 Act**” means the U.S. Securities Act of 1933, as amended, and all rules and regulations thereunder.

“**1934 Act**” means the U.S. Securities Exchange Act of 1934, as amended, and all rules and regulations thereunder.

“**Agent**” means Research Capital Corporation.

“**Arrangement**” means the arrangement of Fabled under Division 5 of Part 9 of the BCBCA on the terms and subject to the conditions set out in the Plan of Arrangement, subject to any amendments or variations thereto made in accordance with the Plan of Arrangement or the Arrangement Agreement or made at the direction of the Court in the Final Order deemed acceptable to the Board for and on behalf of Fabled.

“**Arrangement Agreement**” means the arrangement agreement dated September 17, 2021 between Fabled and SpinCo, a copy of which is attached as Schedule B, as it may be amended or modified from time to time.

“**Arrangement Resolution**” means the special resolution to be considered by the Shareholders at the Meeting to approve the Arrangement, and which will be in, or substantially in, the form set out at Schedule A.

“**Articles**” means the articles of incorporation of Fabled.

“**BCBCA**” means the *Business Corporations Act* (British Columbia), as amended.

“**Board**” or “**Board of Directors**” means the board of directors of Fabled, as constituted from time to time.

“**Business Day**” means a day which is not a Saturday, Sunday or statutory holiday in Vancouver, British Columbia,

Canada.

**“Canadian Exploration Expense(s)”** or **“CEE”** means one or more expenses described in paragraph (f) of the definition of “Canadian exploration expense” in subsection 66.1(6) of the Tax Act, or would be described in paragraph (h) of that definition if the reference therein to paragraphs (a) to (d) and (f) to (g.1) was a reference to paragraph (f), excluding amounts which are prescribed to constitute “Canadian exploration and development overhead expense” for purposes of paragraph 66(12.6)(b) of the Tax Act, Canadian exploration expenses to the extent of the amount of any assistance described in paragraph 66(12.6)(a) of the Tax Act, any expenditures described in paragraph (b.1) of subsection 66(12.6) of the Tax Act, and any expenses for prepaid services or rent that do not qualify as outlays and expenses for the period as described in the definition of “expense” in subsection 66(15) of the Tax Act.

**“ChurchKey”** means ChurchKey Mines Inc.

**“ChurchKey Option”** means SpinCo’s option to acquire a 100% interest in the ChurchKey Property located in the Liard Mining Division in northern British Columbia, which forms part of the North Block that is not subject to the High Range Option.

**“ChurchKey Option Agreement”** means the option agreement between ChurchKey, legal owners of the claims, SpinCo and Fabled dated August 6, 2019, as amended, granting SpinCo an option to acquire a 100% interest in the ChurchKey property, subject to a production royalty of 2% of NSR.

**“Circular”** means this management information circular dated September 27, 2021, together with all schedules, appendices and exhibits hereto, as amended, supplemented or otherwise modified from time to time.

**“Computershare”** means Computershare Investor Services Inc., at its offices in Vancouver, British Columbia, in its capacity as registrar and transfer agent of the Fabled Shares.

**“Court”** means the Supreme Court of British Columbia.

**“CRA”** means the Canada Revenue Agency.

**“CSE”** means Canadian Securities Exchange.

**“Depository”** means Computershare, or such other depository as Fabled may determine.

**“Dissent Procedures”** has the meaning given to it under the heading *“Dissent Rights”*.

**“Dissent Rights”** means the right of Registered Shareholders to exercise a right of dissent under the BCBCA in strict compliance with the Dissent Procedures.

**“Dissent Shares”** means the Fabled Shares held by Dissenting Shareholders in respect of which such Dissenting Shareholders have given Notice of Dissent.

**“Dissenting Shareholder”** mean a Registered Shareholder who exercises Dissent Rights in respect of the Arrangement in strict compliance with the BCBCA, as modified or supplemented by the Interim Order, Plan of Arrangement or any other order(s) of the Court and who has not withdrawn or has been deemed to have withdrawn such exercise of such Dissent Rights.

**“Distribution Record Date”** means the close of business on the last trading day on the TSXV immediately prior to the Effective Date.

**“DRS”** means Direct Registration System.

**“Early Release Escrowed Proceeds”** means up to 15% of the Escrowed Proceeds in respect of the SpinCo Conventional Unit Subscription Receipts that may be released to SpinCo, with the consent of the Agent, prior to the fulfilment of the Escrow Release Conditions for expenses related to the Arrangement or the Muskwa project.

**“Effective Date”** means the effective date of the Arrangement, as mutually agreed by Fabled and SpinCo.

**“Effective Time”** means such time on the Effective Date as may be mutually agreed by Fabled and SpinCo for the Arrangement to be effective.

**“Escrow Agent”** means Computershare Trust Company of Canada.

**“Escrowed Proceeds”** means (i) the gross proceeds of the SpinCo Financing allocable to the SpinCo Flow-Through Unit Subscription Receipts and (ii) the gross proceeds of the SpinCo Financing allocable to the SpinCo Conventional Unit Subscription Receipts minus (A) one-half of the agency fee payable to the Agent in respect of the SpinCo Financing and (B) the Agent’s expenses of the SpinCo Financing.

**“Escrow Release Conditions”** means, in respect of the SpinCo Financing:

- i. all conditions precedent, undertakings, and other matters to be satisfied, completed and otherwise met at or prior to the completion of the Arrangement having been satisfied or waived in accordance with the terms of the plan of arrangement (any such waiver to be consented to by the Agent in writing, acting reasonably) and the Arrangement having been completed;
- ii. SpinCo having obtained conditional approval from the CSE for the SpinCo Shares to be listed and posted for trading;
- iii. SpinCo having qualified a prospectus for the distribution of the SpinCo Shares and SpinCo Warrants to comprise the SpinCo Units;
- iv. there having been no material amendments of the terms and conditions of the Arrangement which have not been approved by the Agent;
- v. receipt by the Company and SpinCo of all necessary regulatory, shareholder, and other approvals regarding the SpinCo Financing and the Arrangement; and
- vi. SpinCo having delivered all such other documents as the Agent may request for a transaction of this nature in a form satisfactory to the Agent.

**“Fabled”** or the **“Company”** means Fabled Silver Gold Corp., a company existing under the BCBCA.

**“Fabled Class A Shares”** means the renamed and redesignated Fabled Shares as described in section 3.1(b) of the Plan of Arrangement.

**“Fabled Optionholders”** means the holders of Fabled Options on the Effective Date.

**“Fabled Options”** means options to acquire Fabled Shares, including options under the terms of which are deemed exercisable for Fabled Shares, that are outstanding immediately prior to the Effective Time.

**“Fabled Replacement Option”** means an option to acquire a New Fabled Share to be issued by Fabled to a holder of a Fabled Option pursuant to section 3.1(d) of the Plan of Arrangement.

**“Fabled Shares”** means the common shares without par value in the capital of Fabled, as constituted from time to time, as the context requires.

“**Fabled Warrant**” means, prior to the closing of the Arrangement, a share purchase warrant of Fabled exercisable to acquire Fabled Shares that are outstanding immediately prior to the Effective Time, and, following the closing of the Arrangement, a Fabled Warrant exercisable to acquire (i) one New Fabled Share, and (ii) 1/5 of a SpinCo Share.

“**Fabled Warrantholder**” means a holder of Fabled Warrants on the Effective Date.

“**Fairness Opinion**” means the fairness opinion delivered by RWE to the Fabled Board dated September 15, 2021, a copy of which is attached as Schedule J.

“**Final Order**” means the order made after application to the Court pursuant to section 291(4) of the BCBCA, in a form acceptable to the parties, each acting reasonably, after a hearing upon the procedural and substantive fairness of the terms and conditions of the Arrangement, approving the Arrangement, as such order may be amended by the Court (with the consent of the parties each acting reasonably) at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended (provided that any such amendment is acceptable to the parties, each acting reasonably) on appeal.

“**High Range**” means High Range Exploration Ltd.

“**High Range Option**” means SpinCo’s option to acquire a 50% interest in certain claims that form part of the Muskwa Property, and a 100% interest in the Bronson Property, each located in the Liard Mining Division in northern British Columbia.

“**High Range Option Agreement**” means the amended and restated option agreement between High Range, the trustee for High Range, SpinCo and Fabled dated April 8, 2021, granting the Company an option to acquire a 50% interest in certain claims (Neil/Ram Creek and Toro properties) that form part of the Muskwa Property and a 100% interest in certain claims (Bronson property) that are not part of the Muskwa Property, subject to a 2% NSR.

“**Interim Order**” means the order made after application to the Court pursuant to section 291(2) of the BCBCA, in a form acceptable to the parties, each acting reasonably, providing for, among other things, the calling and holding of the Meeting, as such order may be amended by the Court with the consent of the parties, each acting reasonably, in respect of the Meeting and the Arrangement, a copy of which is attached as Schedule C.

“**In the Money Amount**” at a particular time with respect to a Fabled Option or Fabled Replacement Option means the amount, if any, by which the fair market value of the underlying security exceeds the exercise price of the relevant option at such time.

“**Last Financial Year**” means the year ended December 31, 2020.

“**Letter of Transmittal**” means the letter of transmittal in respect of the Arrangement to be sent to the registered Shareholders, together with this Circular.

“**Listing Date**” means the date the SpinCo Shares are listed for trading on the CSE.

“**Meeting**” means the special meeting of Shareholders to be held October 28, 2021, and any adjournment(s) or postponement(s) thereof, held in order to, among other things, consider and, if thought fit, approve the Arrangement.

“**Meeting Materials**” means, collectively, this Circular, the form of proxy and the Letter of Transmittal.

“**Muskwa Project**” or “**Muskwa Property**” or the “**Property**” means the Muskwa copper project located in the Liard Mining Division in Northern British Columbia, as described in the Technical Report.

“**New Fabled Shares**” means the new class of common shares without par value which Fabled will create and issue as described in section 3.1(b) of the Plan of Arrangement and for which the Fabled Class A Shares are, in part, to be

exchanged under the Plan of Arrangement and which, immediately after completion of the transactions comprising the Plan of Arrangement, will be identical in every relevant respect to the Fabled Shares.

“**New Option Plan**” means the stock option plan of Fabled dated September 21, 2021.

“**NI 43-101**” means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* of the Canadian Securities Administrators.

“**Notice of Hearing of Petition**” means the Notice of Hearing of Petition, a copy of which is attached as Schedule D hereto.

“**Plan of Arrangement**” means the plan of arrangement of Fabled, substantially in the form of Exhibit I to the Arrangement Agreement set forth in Schedule B hereto, and any amendments or variations thereto made in accordance with the Plan of Arrangement or upon the direction of the Court in the Final Order.

“**Record Date**” means the record date for notice of and voting at the Meeting, being fixed as September 21, 2021.

“**Registrar**” means the Registrar of Companies appointed pursuant to Section 400 of the BCBCA.

“**Regulation S**” means Regulation S promulgated under the 1933 Act.

“**Required Refund**” means, the refund to a holder of SpinCo Conventional Unit Subscription Receipts or SpinCo Flow-Through Unit Subscription Receipts, of the aggregate subscription price paid for such SpinCo Conventional Unit Subscription Receipts or SpinCo Flow-Through Unit Subscription Receipts plus the holder’s pro rata share of the interest earned on the Escrowed Proceeds, in the event the Escrow Release Conditions not be met.

“**RwE**” means RwE Growth Partners, Inc.

“**Santa Maria Project**” means the Company’s Santa María silver-gold project is located within the “La Unión” historical mining district southeast of Santa Bárbara in the State of Chihuahua, Mexico.

“**SEC**” means the U.S. Securities and Exchange Commission.

“**SEDAR**” means the System for Electronic Document Analysis and Retrieval of the Canadian Securities Administrators, accessible at [www.sedar.com](http://www.sedar.com).

“**Shareholder**” means a holder of Fabled Shares at the applicable time.

“**SpinCo**” or “**Fabled Copper**” means Fabled Copper Corp., a company existing under the BCBCA.

“**SpinCo Board**” means the board of directors of SpinCo, as constituted from time to time.

“**SpinCo Conventional Unit**” means one SpinCo Share and one SpinCo Warrant.

“**SpinCo Conventional Unit Subscription Receipt**” means the conventional unit subscription receipts issued by SpinCo under the SpinCo Financing at a price of \$0.05 per Conventional Unit Subscription Receipt, each Conventional Unit Subscription Receipt to be automatically exchanged for one SpinCo Conventional Unit upon satisfaction of the Escrow Release Conditions.

“**SpinCo Financing**” means SpinCo’s private placement of 101,670,200 SpinCo Conventional Unit Subscription Receipt at \$0.05 per SpinCo Conventional Unit Subscription Receipt and 30,274,833 SpinCo Flow-Through Units Subscription Receipts at \$0.06 per SpinCo Flow-Through Units Subscription Receipt, for gross proceeds of \$6,900,000.

“**SpinCo Financing Closing Date**” means August 19, 2021.

“**SpinCo Flow-Through Unit Subscription Receipts**” means the flow-through unit subscription receipts issued by SpinCo under the SpinCo Financing at a price of \$0.06 per SpinCo Flow-Through Unit Subscription Receipt, each Flow-Through Subscription Receipt to be automatically exchanged for one SpinCo FT Unit upon satisfaction of the Escrow Release Conditions.

“**SpinCo FT Unit**” means one SpinCo Share and one SpinCo Warrant, but where the SpinCo Share forming part of such unit will qualify as a “flow-through share” within the meaning of subsection 66(15) of the Tax Act.

“**SpinCo Options**” means options issued pursuant to the SpinCo Option Plan to purchase SpinCo Shares.

“**SpinCo Option Plan**” means the stock option plan of SpinCo dated September 21, 2021, as updated and amended from time to time.

“**SpinCo Option Plan Resolution**” means an ordinary resolution which will be considered by Shareholders to approve the SpinCo Option Plan, the full text of which is set out herein.

“**SpinCo Shareholders**” means holders of SpinCo Shares.

“**SpinCo Shares**” means no par value common shares in the capital of SpinCo.

“**SpinCo Units**” means together the SpinCo FT Units and SpinCo Conventional Units.

“**SpinCo Warrant**” means a warrant of SpinCo entitling the holder thereof to purchase one SpinCo Share at an exercise price of \$0.10, at any time up to 24 months from the conversion date.

“**Tax Act**” means the *Income Tax Act* (Canada), including the regulations promulgated thereunder, as amended.

“**Technical Report**” means the report entitled “Independent NI 43-101 Technical Report on the Muskwa Project” prepared by Edward Harrington, B.Sc., P.Geo, of Reliance Geological Services Inc with an effective date of July 6, 2021.

“**Termination Time**” means in respect of the SpinCo Financing, the earliest of (i) the Escrow Release Conditions not being satisfied or waived on or prior to 5:00 p.m. (Toronto time) on the date that is 120 days following the SpinCo Financing Closing Date, or such later date as the Agent may consent in writing; (ii) the Arrangement being terminated in accordance with its terms; or (iii) SpinCo having advised the Agent or the public that it does not intend to proceed with the Arrangement.

“**United States**” and “**U.S.**” means the United States of America.

“**VIF**” has the meaning give to it under the heading “*General Voting Information – Beneficial Shareholders – Non-Objecting Beneficial Owners*”.

## GLOSSARY OF GEOLOGICAL TERMS

The following definitions and terms apply throughout this document unless the context otherwise requires:

“**Adit**” mean an adit (from Latin aditus, entrance) is an entrance to an underground mine which is horizontal or nearly horizontal, by which the mine can be entered, drained of water, ventilated, and minerals extracted at the lowest convenient level. Adits are also used in mineral exploration.

“**Anticlinorium**” means a regional series of anticlines and synclines, so grouped that taken together they have the general outline of an arch.

<b>“Breccia”</b>	means a rock composed of highly angular coarse fragments.
<b>“Carbonate”</b>	means a carbonate is a salt of carbonic acid.
<b>“Chalcopyrite”</b>	means a yellow crystalline mineral consisting of a sulfide of copper and iron. It is the principal ore of copper.
<b>“CIM”</b>	means the Canadian Institute of Mining, Metallurgy, and Petroleum.
<b>“Contact”</b>	means a geological term used to describe the line or plane along which two different rock formations meet.
<b>“Crystalline”</b>	resembling crystal.
<b>“Deposit”</b>	means an informal term for an accumulation of mineralisation or other valuable earth material of any origin.
<b>“Diabase”</b>	means rock of basaltic composition, essentially labradorite and pyroxene, characterized by ophitic texture.
<b>“Diamond drilling”</b>	means the process of using a large drill to extract rocks samples from the earth.
<b>“Dike”</b>	means an intrusive igneous body with boundaries that cut across surfaces of layering or foliation in rocks into which it has intruded.
<b>“Dip”</b>	means the angle at which a vein, structure or rock bed is inclined from the horizontal as measured at right angles to the strike.
<b>“Dolomitic”</b>	means having the characteristics of dolomite, where calcium-magnesium carbonate predominates, rather than calcium carbonate comprising limestone.
<b>“DRIPA”</b>	means Declaration on the Rights of Indigenous Peoples Act of British Columbia.
<b>“Fault”</b>	means a planar fracture or discontinuity in a volume of rock, across which there has been displacement.
<b>“FNFN”</b>	means Fort Nelson First Nation.
<b>“Gabbro”</b>	means mafic intrusive rocks formed from the slow cooling of magnesium-rich and iron-rich magma.
<b>“Ground geophysics”</b>	means geophysical surveys completed on the surface of the earth.
<b>“ha”</b>	means hectares.
<b>“Hanging Wall”</b>	means the rock on the upper side of a vein or mineral deposit.
<b>“ICP”</b>	means Inductively Coupled Plasma.
<b>“Intrusive”</b>	means a body of igneous rock formed by the consolidation of magma intruded into other rock type.
<b>“IOCG deposits”</b>	means iron oxide copper gold ore deposits.
<b>“Limestone”</b>	means a class of rocks containing at least 80% of the carbonates of calcium or magnesium.
<b>“Lithology”</b>	means a description of a rock’s physical characteristics visible at outcrop, in hand or core samples or with low magnification microscopy, such as colour, texture, grain size, or composition.
<b>“Mafic”</b>	means an adjective describing an igneous rock consisting largely of dark coloured minerals such as magnesium and iron.

<b>“Mapping”</b>	means the process of recording geological information from the rocks that outcrop at surface.
<b>“Mineral”</b>	means a naturally occurring homogeneous substance having definite physical properties and chemical composition and, if formed under favourable conditions, a definite crystal form.
<b>“Mineral Reserve”</b>	Mineral Reserves are those parts of Mineral Resources which, after the application of all mining factors, result in an estimated tonnage and grade which, in the opinion of the Qualified Person(s) making the estimates, is the basis of an economically viable project after taking account of all relevant Modifying Factors. Mineral Reserves are inclusive of diluting material that will be mined in conjunction with the Mineral Reserves and delivered to the treatment plant or equivalent facility. The term ‘Mineral Reserve’ need not necessarily signify that extraction facilities are in place or operative or that all governmental approvals have been received. It does signify that there are reasonable expectations of such approvals. (CIM Standards, 2014).
<b>“Mineral Resource”</b>	The term Mineral Resource covers mineralization and natural material of intrinsic economic interest which has been identified and estimated through exploration and sampling and within which Mineral Reserves may subsequently be defined by the consideration and application of Modifying Factors. The phrase ‘reasonable prospects for eventual economic extraction’ implies a judgment by the Qualified Person in respect of the technical and economic factors likely to influence the prospect of economic extraction. The Qualified Person should consider and clearly state the basis for determining that the material has reasonable prospects for eventual economic extraction. Assumptions should include estimates of cut-off grade and geological continuity at the selected cut-off, metallurgical recovery, smelter payments, commodity price or product value, mining and processing method and mining, processing and general and administrative costs. The Qualified Person should state if the assessment is based on any direct evidence and testing. (CIM Standards, 2014).
<b>“NSR”</b>	means Net Smelter Return Royalty.
<b>OCG</b>	means iron oxide copper gold deposits. Concentrations of copper, gold, and uranium hosted by iron oxide dominant gangue, sharing a common genetic origin.
<b>“Ore”</b>	means the naturally occurring material from which a mineral or minerals of economic value can be extracted profitably or to satisfy social or political objectives.
<b>“Outcrop”</b>	means a visible exposure of bedrock or ancient superficial deposits on the surface of the Earth.
<b>“Paleozoic”</b>	means a major interval of geologic time that began 541 million years ago with the Cambrian explosion, an extraordinary diversification of marine animals, and ended about 252 million years ago with the end-Permian extinction, the greatest extinction event in Earth history.
<b>“Proterozoic”</b>	means a geological eon spanning the time from 2,500 million years ago to 541 million years ago.
<b>“Pyrite”</b>	means a metamorphosed fine-grained sedimentary rock.
<b>“Quartz”</b>	means one of the most abundant minerals in the earth’s crust, whose composition is silicon dioxide.
<b>“Sedimentary”</b>	means types of rock that are formed by the deposition and subsequent cementation of that material at the Earth’s surface and within bodies of water.

“Strike”	means the direction, or bearing from true north, of a vein or rock formation measure on a horizontal surface.
“Survey”	means the orderly and exacting process of examining and delineating the physical or chemical characteristics of the Earth’s surface, subsurface, or internal constitution by topographic, geologic, geophysical, or geochemical measurements.
“Talus”	means slope established by accumulation of rock fragments at the foot of a cliff or ridge. Rock fragments that form talus may be rock waste, slide rock, or pieces broken by frost action. Widely used to mean the rock debris itself.
“Trenching”	means the process of digging a trench with either hand or mechanical equipment.
“Thrust Fault”	means a fault in which the hanging wall appears to have moved upward relative to the footwall. Also referred to as a reverse fault.
“SMZ”	means special management zone.
“vein”	is a fissure, fault or crack in a rock filled by minerals that have travelled upwards or laterally from a deep source.

## SUMMARY

*The following is a summary of the principal features of the Arrangement and certain other matters and should be read together with the more detailed information and financial statements contained elsewhere in this Circular, including the schedules hereto. Capitalized terms not otherwise defined in this summary are defined in the Glossary of Defined Terms or elsewhere in this Circular. This summary is qualified in its entirety by the more detailed information appearing or referred to elsewhere in this Circular.*

### The Meeting

Fabled has fixed September 21, 2021 as the record date for determining the Shareholders entitled to receive notice of and vote at the Meeting. The Meeting will be held on October 28, 2021, at 10:00 a.m. (Vancouver time) via webcast.

At the Meeting, Shareholders will be asked to consider the following meeting matters:

1. To receive and consider the audited financial statements of the Company for the financial year ended December 31, 2020, together with the Auditor’s Report thereon.
2. To fix the number of Directors for the ensuing year at four (4).
3. To elect Directors for the ensuing year.
4. To re-appoint Davidson & Company LLP, Chartered Professional Accountants, as the Company’s Auditor for the ensuing year and to authorize the Directors to fix the remuneration to be paid to the Auditor.
5. To consider, and if thought fit, to approve the Company’s New Option Plan.
6. To approve, with or without amendment, the Arrangement Resolution.
7. Subject to the approval of the Arrangement Resolution, to approve the SpinCo Option Plan.

**By passing the Arrangement Resolution, Shareholders will also be giving authority to the Board to use its best judgment to proceed with and cause Fabled to complete the Arrangement in the event of any variation of, or**

**amendments to, the Arrangement Agreement or Plan of Arrangement without any requirement to seek or obtain any further approval of the shareholders.**

For further information on voting Fabled Shares at the Meeting, see the section entitled “General Voting Information”. For a description of the SpinCo Option Plan, please refer to Schedule F or a copy of the SpinCo Option Plan can be found under SpinCo’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).

**The Arrangement**

The purpose of the Arrangement and the related transactions is to reorganize Fabled into two separate publicly listed companies: (a) Fabled, a silver-gold company with the objective of exploring and ultimately developing the Santa Maria Project and (b) SpinCo, a exploration company focused on its copper assets located in British Columbia, Canada. The Arrangement would result in, among other things, participating Shareholders holding, immediately following completion of the Arrangement, all of the outstanding New Fabled Shares and SpinCo Shares in proportion to their holdings of Fabled Shares at the Effective Time. For a summary of the steps of the Arrangement and related transactions, see the section entitled “*The Arrangement – Details of the Arrangement*”.

**Reasons for the Arrangement**

The Board believes that the creation of two separate publicly listed companies will provide a number of benefits, including: providing Shareholders with enhanced value by creating independent investment opportunities, one focused on silver in Mexico and one focused on copper in British Columbia; unlocking the value of the British Columbia copper assets, which are believed to be not fully valued in the Fabled portfolio; enabling investors, analysts and other stakeholders or potential stakeholders to more accurately value each company and compare the assets to appropriate peers; enabling existing Shareholders to retain upside potential as the British Columbia assets are advanced; providing each company with a sharper business focus, enabling each company to pursue independent business and financing strategies best suited to their respective business plans; enabling each company to pursue independent growth and capital allocation strategies; allowing each company to be led by experienced executives and directors who have the appropriate skills and experience aligned with assets; and expanding SpinCo’s potential shareholder base by providing more direct ownership of copper exploration assets.

See further details under the section entitled “*The Arrangement – Reasons for the Arrangement*”.

**Principal Steps of the Arrangement**

The following is a summary of the principal steps of the Arrangement:

- (i) the existing Fabled Shares will be re-designated as Fabled Class A Shares;
- (ii) Fabled will create a new class of common shares known as the New Fabled Shares;
- (iii) each Fabled Class A Share will be exchanged for one New Fabled Share and 1/5 of a SpinCo Share;
- (iv) the Fabled Class A Shares will be cancelled;
- (v) the exercise price of all outstanding Fabled Options will be adjusted by amounts reflective of the relative fair market values of Fabled and SpinCo at the Effective Time; and
- (vi) all outstanding Fabled Warrants will be adjusted to allow holders to acquire, upon exercise, one New Fabled Share and 1/5 SpinCo Share for each Fabled Warrant exercised.

Immediately before the Effective Time, SpinCo will consolidate its issued and outstanding common shares at a ratio such that the number of post-consolidated shares outstanding is the same as the number of shares required to be distributed to Fabled Shareholders pursuant to the Arrangement.

The Arrangement is subject to a number of conditions including TSXV acceptance, approval by the Fabled Shareholders, and Court approval. The TSXV has conditionally accepted the Arrangement and SpinCo is in the process of applying to list the SpinCo Shares on the CSE. Any listing will be subject to SpinCo fulfilling all of the listing requirements of the CSE.

Pursuant to Section 288 of the BCBCA and in accordance with the terms of the Arrangement Agreement, the Arrangement Resolution must be approved, with or without variation, by not less than two-thirds of the votes cast at the Meeting in person or by proxy by Fabled Shareholders.

Once such shareholder approval has been obtained, the Fabled Board may, in its absolute discretion, determine whether or not to proceed with the Arrangement without further approval, ratification or confirmation by the Fabled Shareholders.

The foregoing is a summary only. For further details see “The Arrangement – Principal Steps of the Arrangement”.

### **Effect of the Arrangement**

As a result of the Arrangement, Fabled Shareholders will no longer hold their Fabled Shares and instead, will receive one New Fabled Share and 1/5 of a SpinCo Share for every one Fabled Share held at the Effective Time, and as a result, will hold shares in two public companies.

SpinCo will be a reporting issuer in the provinces of British Columbia, Alberta and Saskatchewan by virtue of the Arrangement. SpinCo will become a reporting issuer in certain other provinces and territories of Canada by virtue of a prospectus it will file pursuant to the terms of the SpinCo Financing.

### **Recommendation of the Board**

The Board, having reviewed the Plan of Arrangement and related transactions and considered, among other things, the reasons for the Arrangement and the Fairness Opinion, has unanimously determined that the Arrangement is in the best interests of Fabled and the Shareholders. **The Board has unanimously approved the Arrangement and the transactions contemplated thereby and unanimously recommends that Shareholders vote FOR the Arrangement Resolution and, subject to approval of the Arrangement Resolution, that Shareholders vote FOR the SpinCo Option Plan Resolution.**

See further details under the section entitled “*The Arrangement – Recommendation of the Board*”.

### **Fairness Opinion**

The Board engaged RWE to prepare and deliver the Fairness Opinion to the Board. RWE has provided the Fairness Opinion to the Board to the effect that, as of September 15, 2021 and subject to the assumptions, qualifications and limitations contained therein, the consideration to be received by the Fabled Shareholders under the Arrangement is fair, from a financial point of view, to the Fabled Shareholders.

The full text of the Fairness Opinion, setting out the assumptions made, matters considered and limitations and qualifications on the review undertaken in connection with the Fairness Opinion, is attached as Schedule J to this Circular. The summary of the Fairness Opinion described in this Circular is qualified in its entirety by reference to the full text of the Fairness Opinion. See further details under the section entitled “*The Arrangement – Fairness Opinion*”.

### **Conditions to Closing**

The Arrangement will be subject to the satisfaction or waiver, as applicable, of certain conditions, including but not limited to the following:

1. the Arrangement Resolution must be approved by at least 66 $\frac{2}{3}$ % of the votes cast by Shareholders present in person or represented by proxy at the Meeting, which Shareholders are entitled to one vote for each Fabled Share held;
2. the Arrangement must be approved by the Court and the Final Order obtained in a form and substance satisfactory to Fabled;
3. the TSXV will have approved the Arrangement, including the listing of the New Fabled Shares in substitution for the Fabled Shares;
4. the CSE will have approved the listing of the SpinCo Shares, subject to compliance with the requirements of the CSE;
5. all other consents, orders and approvals that are required, necessary or desirable for the completion of the Arrangement must have been obtained or received, each in a form and substance acceptable to Fabled; and
6. holders of not more than an aggregate of 2% of the issued and outstanding Fabled Shares will have exercised Dissent Rights.

See further details under the section entitled “*The Arrangement – Conditions to the Arrangement*”.

### **Court Approval**

An arrangement under the BCBCA requires approval of the Court. Prior to mailing this Circular, Fabled obtained the Interim Order, which provides for the calling and holding of the Meeting, Dissent Rights and certain other procedural matters. A copy of the Interim Order is attached as Schedule C.

Subject to the approval of the Arrangement Resolution by Shareholders at the Meeting, Fabled intends to make an application to the Court for the Final Order on November 10, 2021 at 9:45 a.m. (Vancouver time), at the Law Courts, 800 Smithe Street, Vancouver, British Columbia, or as soon thereafter as is reasonably practical and in the manner directed by the Court. At the hearing, any Shareholder and any interested party who wishes to participate, to appear, to be represented and/or to present evidence or arguments may do so, subject to filing with the Court and serving upon the Company a response to petition together with an evidence or materials that such party intends to present to the Court on or before 4:00 pm (Vancouver time) on November 4, 2021, all as set out in the Interim Order and Notice of Hearing of Petition, copies of which are attached as Schedule C and D, respectively, and satisfy any other requirement of the Court.

The Court may approve the Arrangement either as proposed or as amended in any manner the Court may direct, and subject to compliance with such terms and conditions, if any, as the Court sees fit.

See further details under the section entitled “*The Arrangement – Court Approval of the Arrangement*”.

### **Effective Date**

Upon receipt of the Final Order, Fabled will announce by news release the proposed Effective Date of the Arrangement, which is expected to be in November 2021. The Distribution Record Date for determining the Shareholders entitled to participate in the Arrangement will be one Business Day immediately preceding the Effective Date.

### **Stock Exchange Listings**

The Fabled Shares are currently listed and traded on the TSXV under the symbol “FCO”. The Fabled Shares also trade on the OTCQB Market in the United States under the symbol “FBSGF” and on the Frankfurt Stock Exchange

under the symbol “7NQ”.

### **Fabled Following the Arrangement**

Following completion of the Arrangement, Fabled will continue as a public silver-gold company with the objective of working to discover and delineate high-grade precious metals resources at the Santa Maria Project in Mexico.

After completion of the Arrangement, the New Fabled Shares will continue to be traded on the TSXV, the OTCQB Market and the Frankfurt Stock Exchange.

### **The SpinCo Financing**

In order to obtain a listing of the SpinCo Shares on the CSE, SpinCo must have sufficient cash resources to complete the Phase 1 work program recommended in the Technical Report as well as for working capital.

SpinCo completed the SpinCo Financing on August 19, 2021 for total gross proceeds of \$6,900,000, pursuant to an agency agreement (the “Agency Agreement”) dated August 19, 2021 made among Fabled Copper, the Company and Research Capital Corporation as agent.

The SpinCo Financing consisted of 101,670,200 SpinCo Conventional Unit Subscription Receipts issued at a price of \$0.05 per SpinCo Conventional Unit Subscription Receipt, and (ii) 30,274,833 SpinCo Flow-Through Unit Subscription Receipts issued at a price of \$0.06 per Spin-Co Flow-Through Unit Subscription Receipt.

Each SpinCo Conventional Unit Subscription Receipt will entitle the holder thereof, without payment of any additional consideration and without further action on the part of the holder, upon the satisfaction of the Escrow Release Conditions (as defined below) to receive one unit of SpinCo Conventional Unit. Each SpinCo Conventional Unit will consist of one SpinCo Share and one SpinCo Warrant.

Each SpinCo Flow-Through Unit Subscription Receipt will entitle the holder thereof, without payment of any additional consideration and without further action on the part of the holder, upon the satisfaction of the Escrow Release Conditions (and upon SpinCo entering into the flow-through subscription and renunciation agreements signed by the subscribers of SpinCo Flow-Through Unit Subscription Receipts) to receive one SpinCo FT Unit. Each SpinCo FT Unit will consist of one SpinCo Share that will qualify as a “flow-through share” within the meaning of subsection 66(15) of the Income Tax Act (Canada) (the “Tax Act”) and one SpinCo Warrant.

Each SpinCo Warrant will entitle the holder thereof to purchase one SpinCo Share at an exercise price of \$0.10, at any time up to 24 months from the date of satisfaction of the Escrow Release Conditions.

Following completion of the Arrangement and satisfaction of the Escrow Release Conditions, SpinCo intends to use the net proceeds from the sale of SpinCo Conventional Unit Subscription Receipts for working capital and general corporate purposes. The gross proceeds from the sale of SpinCo Flow-Through Unit Subscription Receipts will be used for exploration expenses on the SpinCo’s mining projects as permitted to qualify as CEE under the Tax Act.

Upon closing of the SpinCo Financing, the Escrowed Proceeds were placed in escrow and will be released to SpinCo (together with the interest thereon) upon satisfaction of the Escrow Release Conditions and the Escrow Agent receiving a certificate from SpinCo (and the Company in the case of the SpinCo Conventional Unit Subscription Receipts) and the Agent prior to the Termination Time to the effect that:

- i. all conditions precedent, undertakings, and other matters to be satisfied, completed and otherwise met at or prior to the completion of the Arrangement have been satisfied or waived in accordance with the terms of the plan of arrangement (any such waiver to be consented to by the Agent in writing, acting reasonably) and the Arrangement having been completed;
- ii. SpinCo obtaining conditional approval from the CSE for the SpinCo Shares to be listed and posted for trading;

- iii. SpinCo having qualified a prospectus to qualify the distribution of the SpinCo Shares and Warrant Shares to comprise the SpinCo Units;
- iv. there have been no material amendments of the terms and conditions of the Arrangement which have not been approved by the Agent;
- v. receipt by the Company or SpinCo, as applicable, of all necessary regulatory, shareholder, and other approvals regarding the SpinCo Financing and the Arrangement; and
- vi. SpinCo having delivered all such other documents as the Agent may request for a transaction of this nature in a form satisfactory to the Agent.

During the period until the earlier of the time of satisfaction of the Escrow Release Conditions and the Termination Time, SpinCo may use (and the Escrow Agent will be authorized to release to SpinCo) up to 15% of the Escrowed Proceeds for expenses related to the Arrangement and to advance the Muskwa Project. As of the date of this Circular \$695,579.99 of the Escrowed Proceeds have been released to SpinCo.

If the Escrow Release Conditions are not satisfied or waived on or prior to the Termination Time), Fabled and SpinCo will be jointly and severally responsible to refund the gross proceeds of the SpinCo Financing (including the amount of the Agent's fee, the Agent's expenses and the Early Release Escrowed Proceeds) without penalty or deduction to the subscribers of the SpinCo Financing, such that it would be Fabled's and SpinCo's responsibility to return the full amount of the gross proceeds of the SpinCo Financing to the holders of securities issued in the SpinCo Financing, together with such holders' pro rata portion of the interest earned thereon, if any (being the Required Refund). If the Escrow Release Conditions are not satisfied prior to the Termination Time and the Company and SpinCo do not have (and cannot, using all commercially reasonable efforts, obtain financing to have) all of the funds required to provide the Escrow Agent with the balance of the Required Refund, the Company will have the right to satisfy any shortfall in the balance of the Required Refund payable to the holders of SpinCo Conventional Unit Subscription Receipts (being the portion of the proceeds of the SpinCo Financing not initially included in the Escrowed Proceeds plus any further amount of the Escrowed Proceeds released to the Company in connection with the Early Release Escrowed Proceeds) by issuing to the holders of the SpinCo Conventional Unit Subscription Receipts (pro rata, based on their respective holdings of Conventional Unit Subscription Receipts) common shares of the Company at a deemed issue price per share of 90% of the 20 day volume weighted average price per share as of the Termination Time.

SpinCo plans to obtain the necessary approvals to list the SpinCo Shares comprised in the SpinCo Conventional Units and SpinCo FT Units, the Warrant Shares and the SpinCo Shares issuable upon exercise of the Agent's compensation options (as described below) for trading on the CSE.

In respect of the SpinCo Financing, SpinCo will pay the Agent a cash agency fee of \$512,239.20, one half of which was paid on the SpinCo Financing Closing Date, and the other half to be paid upon satisfaction of the Escrow Release Conditions. The cash agency fee was equal to 8.0% of the aggregate gross proceeds arising from the SpinCo Financing (other than in respect of subscriptions received from subscribers on the Company's president's list up to a maximum of \$500,000 in respect of which the agency fee was 4%). The Agent was also issued 9,774,386 broker warrants (being 8.0% of the number of SpinCo Conventional Unit Subscription Receipts and SpinCo Flow-Through Unit Subscription Receipts sold under the SpinCo Financing (the "Broker Warrants") (other than in respect of subscriptions received from subscribers on the Company's president's list, up to a maximum of \$500,000, in respect of which 4% of the number of Subscription Receipts issued to these persons were issued as Broker Warrants). Upon completion of the Arrangement the Broker Warrants will be automatically exchanged into compensation options (the "Compensation Options"). Each Compensation Option will be exercisable to acquire one unit at an exercise price of \$0.05 per unit for a period of 24 months following the conversion date. Each unit will be comprised of one Common Share and one Warrant.

The SpinCo Financing provides SpinCo with sufficient funds to meet the initial listing requirements of the CSE. There can be no assurances that SpinCo will be able to attain a listing on the CSE or any other stock exchange. The SpinCo Financing was carried out as an "Arm's Length Financing" under TSXV Policy 2.1, and as such no more

than 25% of the proceeds was obtained from “Non-Arm’s Length Parties”.

### SpinCo Following the Arrangement

SpinCo is expected to operate as an exploration company focused on copper in British Columbia that partially holds and has the right to acquire 100% of the Muskwa Project by virtue of the High Range Option and ChurchKey Option.

For a more detailed description of SpinCo following the completion of the Arrangement, see Schedule F.

### SpinCo Selected Pro Forma Financial Information

The following table sets out selected pro forma financial information in respect of SpinCo as at June 30, 2021, as if the Arrangement and SpinCo Financing had been completed on that date, and should be considered in conjunction with the more complete information contained in the pro forma balance sheet of SpinCo appended as Schedule I to this Circular. The Pro Forma Financial Statements are not necessarily indicative of SpinCo’s financial position and results that would have occurred if the events reflected had taken place on the dates indicated, nor do they purport to project SpinCo’s financial position or results for any future period.

SpinCo currently does not generate any revenues and its liquidity will depend on the SpinCo Financing, which raised net proceeds of \$6,197,570, which SpinCo plans to use as set forth under “Principal Purposes”.

	June 30, 2021 (\$)
Exploration and Evaluation Assets	2,404,913
Total Assets	8,901,404
Total Liabilities	614,750

### Distribution of Share Certificates/DRS Statements

Concurrently with the mailing of this Circular, Fabled will mail the Letter of Transmittal to Registered Shareholders, which will be used to exchange their certificates/DRS statements representing Fabled Shares for share certificates/DRS statements representing New Fabled Shares and SpinCo Shares. Each Fabled Share will be exchanged for one New Fabled Share and 1/5 of a SpinCo Share. Until exchange, each certificate/DRS statement representing Fabled Shares will, after the Effective Time, represent only the right to receive, upon surrender, New Fabled Shares and SpinCo Shares. Any fractional shares issuable pursuant to the Arrangement will be rounded down to the nearest whole number without any compensation in lieu thereof.

Shareholders who fail to submit their certificates/DRS statements representing Fabled Shares together with a duly completed Letter of Transmittal and any other documents required by the Depositary on or before the sixth anniversary of the Effective Date will cease to have any right or claim against or interest of any kind or nature in Fabled or SpinCo. **Accordingly, persons who tender certificates/DRS statements for Fabled Shares after the sixth anniversary of the Effective Date will not receive any New Fabled Shares or SpinCo Shares, will not own any interest in Fabled or SpinCo and will not be paid any cash or other compensation in lieu thereof.**

### Dissent Rights

The Interim Order provides that each Registered Shareholder may exercise Dissent Rights in accordance with section 237 to 247 of the BCBCA as modified by the Plan of Arrangement, the Interim Order and the Final Order in respect of the Arrangement. Each Dissenting Shareholder is entitled to be paid the fair value of all, but not less than all, of the holder’s Fabled Shares, provided that the holder duly dissents to the Arrangement Resolution and the Arrangement becomes effective.

To exercise Dissent Rights, Registered Shareholders must provide written notice to Fabled at, 1500 West Georgia Street, Suite 480, Vancouver, BC, Canada, V6G 2Z6 at or before 10:00 a.m. (Vancouver time) on October 26, 2021 (or on the Business Day that is two Business Days immediately preceding any adjourned or postponed Meeting) in the manner described under the heading “Dissent Rights”. If a Registered Shareholder exercises Dissent Rights in strict compliance with the BCBCA and Interim Order and the Arrangement is completed, such Dissenting Shareholder is entitled to be paid the “fair value” of the Fabled Shares with respect to which Dissent Rights were exercised, as calculated immediately before the passing of the Arrangement Resolution. Only Registered Shareholders are entitled to exercise Dissent Rights. Beneficial Shareholders who wish to exercise Dissent Rights must cause each Registered Shareholder holding their Fabled Shares to deliver the required notice of dissent or, alternatively, make arrangements to become Registered Shareholders. Shareholders should carefully read the section of this Circular entitled “Dissent Rights” and consult with their advisors if they wish to exercise Dissent Rights. Any failure to fully comply with the provisions of the BCBCA, as modified by the Plan of Arrangement, the Interim Order and the Final Order in respect of the Arrangement, may result in a loss of that holder’s Dissent Rights.

The Arrangement Agreement provides that, unless otherwise waived, it is a condition to the obligations of Fabled and SpinCo to complete the Arrangement that, on or before the Effective Date, holders of not more than an aggregate of 2% of the issued and outstanding Fabled Shares will have exercised Dissent Rights. If the number of outstanding Fabled Shares in respect of which Dissent Rights have been exercised exceeds 2%, the Arrangement will not proceed unless Fabled waives such condition.

### **Canadian Securities Law Matters**

Fabled is a reporting issuer in the following jurisdictions in Canada: British Columbia, Alberta and Saskatchewan. The Fabled Shares currently trade on the TSXV in Canada, the OTCQB in the U.S. and the Frankfurt Stock Exchange in Germany.

After the Arrangement, SpinCo will be a reporting issuer in British Columbia, Alberta and Saskatchewan. Pursuant to the terms of the SpinCo Financing, SpinCo will file a prospectus and therefore will become a reporting issuer in certain other provinces and territories of Canada.

The distribution of the SpinCo Shares pursuant to the Arrangement will constitute a distribution of securities which is exempt from prospectus requirements of Canadian securities legislation. With certain exceptions, the SpinCo Shares may generally be resold in each of the provinces of Canada provided the trade is not a “control distribution” as defined in National Instrument 45-102 - Resale of Securities of the Canadian Securities Administrators, no unusual effort is made to prepare the market or create a demand for those securities, no extraordinary commission or consideration is paid to a person or company in respect of the trade and, if the selling securityholder is an insider or officer of SpinCo, the insider or officer has no reasonable grounds to believe that SpinCo is in default of securities legislation.

See further details under the section entitled “*Certain Securities Law Matters – Canadian Securities Laws*”.

### **U.S. Securities Law Matters**

The SpinCo Shares and New Fabled Shares to be issued to Shareholders and Fabled Replacement Options to be issued to Fabled Optionholders pursuant to the Arrangement will not be registered under the 1933 Act or the securities laws of any state of the United States and will be distributed in reliance upon the exemption from registration provided by Section 3(a)(10) of the 1933 Act and available exemptions from applicable state registration requirements. The securities issued or deemed to be issued to Shareholders pursuant to the Arrangement will generally not be subject to resale restrictions under U.S. federal securities laws for persons who are not affiliates of Fabled or SpinCo following the Arrangement or within 90 days prior to the Arrangement.

See further details under the section entitled “*Certain Securities Law Matters – U.S. Securities Laws*”.

### **Certain Canadian Income Tax Considerations**

A summary of certain Canadian federal income tax considerations for Shareholders who participate in the Arrangement is set out under the heading “Certain Canadian Federal Income Tax Considerations”.

Shareholders should carefully review the tax considerations applicable to them under the Arrangement and are urged to consult their own legal, tax and financial advisors in regard to their particular circumstances.

Shareholders resident outside of Canada should consult their own tax advisors with respect to their particular circumstances.

### **Risk Factors**

Shareholders should be aware that there are various known and unknown risk factors in connection with the Arrangement and the ownership of New Fabled Shares and SpinCo Shares following the completion of the Arrangement. Shareholders should carefully consider the risks identified in this Circular under the heading “*The Arrangement – Risk Factors Relating to the Arrangement*” and under the heading “*Risk Factors*” in Schedule F before deciding whether or not to approve the Arrangement Resolution.

## **GENERAL VOTING INFORMATION**

### **Solicitation of Proxies**

All costs of solicitation by management will be borne by the Company. In addition to the solicitation of proxies by mail, directors, officers and employees may solicit proxies personally, by telephone or facsimile, but will not receive compensation for so doing.

### **Appointment of Proxy**

The individuals named in the accompanying form of proxy (the “**Proxy**”) are directors (“**Directors**”) or officers (“**Officers**”) of the Company or the Company’s counsel and were designated by management of the Company (the “**Management Proxyholder**”). **A Shareholder wishing to appoint some other person who need not be a Shareholder to represent the Shareholder at the Meeting has the right to do so, by striking out the names of those persons named in the accompanying form of Proxy and inserting such other person's name in the blank space provided in the form of Proxy or by completing another form of Proxy.**

Shareholders may wish to vote by Proxy whether or not they are able to attend the Meeting in person. Shareholders electing to submit a Proxy may do so by:

- (a) completing, dating and signing the enclosed form of Proxy and returning it to the Company's transfer agent, Computershare Investor Services Inc. (“**Computershare**”) by mail or hand delivery to Computershare Investor Services Inc., 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1;
- (b) using a touch-tone phone to transmit voting choices to a toll free number. The toll free number to call is 1-866-734-8683 within North America and 1-416-263-9200 outside North America. Shareholders must follow the instructions of the voice response system and refer to the enclosed Proxy for the Shareholder's account number and the Proxy access number; or
- (c) going to the following web site: [www.investorvote.com](http://www.investorvote.com) and following the instructions.

A Proxy will not be valid unless the completed, dated and signed form of Proxy is received by Computershare not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting, or any adjournment thereof.

### **Revocability of Proxy**

A Shareholder who has given a Proxy may revoke it by an instrument in writing:

- (a) executed by the Shareholder or by the Shareholder's attorney authorized in writing or, where the Shareholder is a company, by a duly authorized officer or attorney of the company; and
- (b) delivered to either:
  - (i) Computershare Investor Services Inc., 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1 at any time up to and including the last business day preceding the day of the Meeting or any adjournment thereof, or
  - (ii) the chairman of the Meeting on the day of the Meeting or any adjournment thereof.

Only registered Shareholders have the right to revoke a Proxy. Non-registered holders who wish to change their vote must, at least seven days before the Meeting, arrange for their respective Intermediaries (as defined below) to revoke the Proxy on their behalf. A revocation of a Proxy does not affect any matter on which a vote has been taken prior to the revocation.

### **Exercise Of Discretion**

Fabled Shares represented by properly executed Proxies in favour of persons designated in the enclosed form of Proxy will, where a choice with respect to any matter to be acted upon has been specified in the form of Proxy, be voted in accordance with the specification made. In the absence of any such specification, the Proxy will be voted as recommended by Management. Where directions are given by the Shareholder in respect of voting for or against any resolution, the proxyholder will do so in accordance with such direction.

The enclosed form of proxy, when properly signed, confers discretionary authority upon the person named therein as proxyholder with respect to amendments or variations to matters which may be properly brought before the Meeting. At the date of this Circular, management of the Company knows of no such amendments, variations or other matters to come before the Meeting. However, if any other matters, which are not now known to Management, should properly come before the Meeting, then the Management designees intend to vote in accordance with the judgment of management.

### **Non-Registered Holders**

Only registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most Shareholders of the Company are “non-registered” Shareholders (“**Non-Registered Holders**”) because the shares they own are not registered in their names but are instead registered in the name of (a) a brokerage firm, bank, trust company, trustee or administrator of self-administered RRSPs, RRIFs, RESPs and similar plans; or (b) a clearing agency such as CDS & Co. (any of the foregoing, an “**Intermediary**”). If you are a Non-Registered Holder, your shares can only be voted by the Intermediary in accordance with instructions received from you.

In accordance with securities regulatory policy, the Company has distributed copies of the Notice, this Circular and the Proxy (collectively, the “**Meeting Materials**”) to the Intermediaries for distribution to Non-Registered Holders. Each Intermediary has its own form of proxy and mailing procedures. Therefore, if you receive the Meeting Materials from an Intermediary, you should carefully review the voting instructions provided by your Intermediary to ensure that you direct the voting of your shares in accordance with those instructions.

The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communications (“Broadridge”), who typically sends a voting instruction form (“**VIF**”) to Non-Registered Shareholders requesting them to provide voting instructions. Please note a Broadridge VIF cannot be used to vote directly at the Meeting. If you are a Non-Registered Shareholder with a Broadridge VIF, you must follow the procedures set out by Broadridge, well in advance of the Meeting, for voting directly at the Meeting.

Non-Registered Shareholders who wish to attend the Meeting and indirectly vote as proxyholder for the registered Shareholder should contact their Intermediary well in advance of the Meeting to determine the steps necessary to permit them to indirectly vote their Shares as a proxyholder.

### **Notice to Fabled Securityholders in the United States**

The solicitation of proxies involves securities of an issuer located in Canada and are being effected in accordance with the corporate laws of the Province of British Columbia, Canada and securities laws of the provinces of Canada. The proxy solicitation rules under the U.S. Exchange Act are not applicable to Fabled or this solicitation, and this solicitation has been prepared in accordance with the disclosure requirements of the securities laws of the provinces of Canada. Fabled Securityholders should be aware that disclosure requirements under the securities laws of the provinces of Canada differ from the disclosure requirements under United States securities laws.

The enforcement by Fabled Securityholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that Fabled is existing under the British Columbia *Business Corporations Act*, certain of its directors and its executive officers are residents of Canada and a substantial portion of its assets and the assets of such persons are located outside the United States. Securityholders may not be able to sue a foreign company or its officers or directors in a foreign court for violations of United States federal securities laws. It may be difficult to compel a foreign company and its officers and directors to subject themselves to a judgment by a United States court.

### **Quorum**

The Articles of the Company provide that a quorum for the transaction of business at any meeting of Shareholders is one Shareholder entitled to vote at the meeting, whether in person or by proxy who holds, in the aggregate, at least 5% of the issued shares entitled to be voted at the meeting.

## **VOTING SHARES AND PRINCIPAL HOLDERS THEREOF**

The authorized share capital of the Company is an unlimited amount of Fabled Shares. As at the date of this Circular, there were 207,844,570 Fabled Shares issued and outstanding.

Shareholders registered as at September 21, 2021, are entitled to attend and vote at the Meeting. Shareholders who wish to be represented by proxy at the Meeting must, to entitle the person appointed by the Proxy to attend and vote, deliver their Proxies at the place and within the time set forth in the notes to the Proxy.

To the Company's knowledge, as of September 21, 2021, no persons beneficially own, or controls or directs, directly or indirectly, more than 10% of the outstanding Fabled Shares.

## **PARTICULARS OF MATTERS TO BE ACTED UPON**

### **1. FINANCIAL STATEMENTS, DIRECTORS REPORT, MANAGEMENT'S DISCUSSION AND ANALYSIS & ADDITIONAL INFORMATION**

The Company's financial statements, including the accompanying notes and the auditor's report, and Management's Discussion and Analysis ("MD&A") for the twelve months ended December 31, 2020 (the "Last Financial Year") will be presented to the Shareholders at the Meeting. Shareholders may contact the Company to request copies of the financial statements and MD&A by: (i) mail to Suite 480 - 1500 West Georgia Street, Vancouver, British Columbia, V6G 2Z6; or (ii) email to the corporate secretary of the Company at [andy@fabledfco.com](mailto:andy@fabledfco.com)

Additional information relating to the Company may be found on under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information is provided in the Company's comparative financial statements and MD&A

for its most recently completed financial year.

## 2. FIX NUMBER OF DIRECTORS

The board of directors of the Company (the “Board” or “Board of Directors”) presently consists of four directors and it is intended to propose a resolution to fix the number of directors at four (4).

### Recommendation

**Management recommends the number of directors be fixed at four (4). In the absence of instructions to the contrary, the enclosed proxy will be voted in favour of the above resolution.**

## 3. ELECTION OF DIRECTORS

Shareholder approval will be sought at the Meeting to determine the number of directors at four for the ensuing year. The term of office of each present Director expires at the Meeting. Management does not contemplate that any of the nominees will be unable to serve as a Director. Management of the Company proposes to nominate the persons named in the following table for election to the Board. Each Director elected will hold office until the next annual general meeting of the Company or until his or her successor is elected or appointed, unless his or her office is earlier vacated in accordance with the Articles of the Company or with the provisions of the *Business Corporations Act* (British Columbia). In the event that prior to the Meeting any vacancies occur in the slate of nominees herein listed, it is intended that discretionary authority shall be exercised by the person named in the Proxy as nominee to vote the shares represented by Proxy for the election of any other person or persons as Directors.

### Recommendation

**Management recommends the approval of each of the nominees listed below for election as directors of the Company for the ensuing year. In the absence of instructions to the contrary, the enclosed proxy will be voted in favour of the above resolution.**

The following table sets forth the names of the management nominees for election as Directors; their offices and positions with the Company; the period of time that they have been Directors; their present principal occupation, business or employment of each management nominee; and the number of shares of the Company which is beneficially owned, directly or indirectly, or controlled or directed by each management nominee.

Name, Province and Country of Residence and Current Position with the Company <sup>(1)</sup>	Director Since	Shares Beneficially Owned, Directly or Indirectly, or Over Which Control or Direction is Exercised <sup>(1)</sup>	Principal Occupation for the Past Five Years <sup>(1)</sup>
<b>Peter J. Hawley</b> Gatineau, Quebec, Canada <i>Director, President and CEO</i>	July 2, 2020	5,609,757	President and CEO of Fabled Silver Gold Corp. since July 2020.  Interim President and CEO of Defiance Silver Corp. from February 2018 to June 2019.  President and CEO of Scorpio Gold Corp., a publicly listed mining company from July 2009 until November 2016.

Name, Province and Country of Residence and Current Position with the Company <sup>(1)</sup>	Director Since	Shares Beneficially Owned, Directly or Indirectly, or Over Which Control or Direction is Exercised <sup>(1)</sup>	Principal Occupation for the Past Five Years <sup>(1)</sup>
<b>Luc Pelchat</b> <sup>(2)</sup> Nuevo Leon, Mexico <i>Director</i>	September 25, 2018	291,667	President of Poker from Home, a private company from August 2010 to present.  Director of Scorpio Gold Corp. from August 2009 to October 2019.  Director of Green Arrow Resources Inc., a publicly listed mining exploration company from August 2016 until May 2017.
<b>Roger Scammell</b> Toronto, Ontario	N/A	Nil	Retired since 2016
<b>David W. Smalley</b> <sup>(2)</sup> British Columbia, Canada <i>Chairman and Director</i>	September 25, 2018	5,675,993 <sup>(3)</sup>	Solicitor and President of David Smalley Law Corp. from March 2013 to present.

**Note:**

- (1) The information as to residence, principal occupation or employment and shares beneficially owned, directly or indirectly, or controlled is not within the knowledge of the management of Fabled and has been furnished by the respective Director.
- (2) Current member of the Audit Committee.
- (3) 43,000 of the Common Shares held by Mr. Smalley are owned by his holding company, Abundantia Ventures Inc.

**Peter J. Hawley – Director, President and Chief Executive Officer**

Mr. Hawley is a geologist with over 36 years of experience in the exploration and mining industry. He has worked as a consulting geologist to a large number of intermediate and senior mining companies, including Teck Corp., Noranda Inc., Placer Dome Inc. and Barrick Gold Corp. Mr. Hawley obtained his B.Eng in Mining from St. Francis Xavier, University, Nova Scotia in 1978 and his B.Sc. in Geology from Concordia University in 1983. He is registered as a P. Geo in Quebec.

Mr. Hawley has extensive experience in building junior mining companies and has raised over \$300 million for the various ventures he has been involved in. He was a founder of Scorpio Gold Corp., a producing gold mining company listed on the TSXV and served as its President until August 2016 and C.E.O. until November 2016. He was also a founder of Scorpio Mining Corp. (now Americas Silver Corp) as well as President and C.E.O. from 1998 until 2010 and was a founder of Niogold Mining Corporation (now Osisko Mining Corp) both of which continue to trade on the TSX.

**David W. Smalley – Chairman and Director**

Mr. Smalley is the principal of David Smalley Law Company where he practices Corporate and Securities law, prior to which he was a partner at Fraser and Company LLP in Vancouver, BC. He was called to the bar of the Law Society

of British Columbia in 1989. Mr. Smalley earned a Bachelor of Laws degree from the University of British Columbia in 1988 and a Bachelor of Arts degree from the University of Victoria in 1985.

He has been an officer and director of numerous public companies over the last 20 years as well as serving as chair of numerous audit and governance committees. Mr. Smalley was one of the founders of Canaco Resources (now Orca Gold Corp.), is a founder of the Company and SpinCo, and was a director and chair of the audit committee of Scorpio Gold Corp. until November 2017.

#### **Luc Pelchat – Director**

Mr. Pelchat is the founder and President of the Canadian Chamber of Commerce in North Mexico. Following 15 years with a Canadian multinational company operating in the construction industry, Mr. Pelchat formed a number of his own companies and has realized multiple projects in the construction industry in Mexico. He has extensive business, financial and human resources experience in Canada, Mexico and Africa.

Mr. Pelchat served as director of Scorpio Gold Corp. listed on the TSX Venture Exchange from June, 2009 until October, 2019.

#### **D. Roger Scammell – Nominee Director**

Mr. Scammell is a non practicing PGO (Ontario) who holds a BSc (Geology). He has 50 years experience in the mining and exploration industry in North America, México and Guatemala, principally with epithermal gold/silver, polymetallic base metal, and nickel and coal deposits.

He was the Country Manger (México) for Teck Corporation and its Mexican subsidiary, Minera Teck S.A. de C.V. from 1992 to 2002. Under his direction, Minera Teck discovered the 72 million tonne San Nicolas volcanogenic massive sulphide deposit in Zacatecas, México and the El Limon gold skarn in Guerrero, México.

From 2004 until December 2010, he was initially the Vice President of Exploration and later President of Scorpio Mining Corporation and its Mexican subsidiary Minera Cosalá. During this time, he was involved in the administration and execution of the exploration, development and initial production of the Nuestra Señora polymetallic silver mine in Sinaloa, México and the construction of the 1,400 tonne per day flotation mill.

In 2011, he joined Tamaka Gold Corporation as Vice President of Exploration primarily to oversee the exploration of the Goldland gold deposit located near Sioux Lookout, Ontario. Over the next four years, Tamaka delineated a multi million ounce deposit that was subsequently acquired by First Financial Corporation in 2016.

Currently he is retired but remains a director Southern Silver Exploration Corporation which is listed on the TSX-V.

#### **Corporate Cease Trade Orders or Bankruptcies**

To the knowledge of the Company, except as described below, no proposed director:

- (a) is, as at the date of this Circular, or has been, within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that:
  - (i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
  - (ii) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while

the proposed director was acting in the capacity as director, chief executive officer or chief financial officer;

- (b) is, as at the date of this Circular, or has been within 10 years before the date of this Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director; or
- (d) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (e) 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 security holder in deciding whether to vote for a proposed director.

David W. Smalley was a director of Mission Ready Services Inc. (“MRSI”) when MRSI was issued a cease trade order on November 29, 2012 by the British Columbia Securities Commission due to failure to file its offering memorandum in the required form as audited financial statements for a subsidiary of MRSI were not attached to the offering memorandum. An audit of the subsidiary was completed, MRSI filed an amended offering memorandum with the British Columbia Securities Commission and the cease trade order was revoked by the British Columbia Securities Commission on March 25, 2013.

#### 4. RE-APPOINTMENT OF AUDITORS

Shareholders will be asked to vote for the re-appointment of Davidson & Company LLP, Chartered Professional Accountants (“Davidson”), of Suite 1200 – 609 Granville Street, Vancouver, British Columbia, V7Y 1G6, to serve as auditors of the Company to hold office until the next annual general meeting of the Shareholders or until such firm is removed from office or resigns as provided by law and to authorize the Board of the Company to fix the remuneration to be paid to Davidson. Davidson was first appointed as auditor of the Company in February, 2015.

#### Recommendation

**Management recommends Shareholders to vote for the approval of the re-appointment of Davidson as the Company’s auditors at remuneration to be fixed by the Board of the Company. In the absence of instructions to the contrary, the enclosed proxy will be voted in favour of the above resolution.**

#### 5. STOCK OPTION PLAN

##### Summary of New Option Plan

At the Meeting, Shareholders will be asked to consider and, if thought appropriate, to pass an ordinary resolution authorizing the amendment and restatement of the Company’s existing stock option plan to replace it with a new stock option plan dated September 21, 2021 (the “**New Option Plan**”) which authorizes the Company to issue stock options.

The following is a summary of certain material terms of the New Option Plan and is qualified in its entirety by the full text of the New Option Plan, a copy of which can be found under the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).

The purpose of the New Option Plan is to provide Fabled with a share-related mechanism to attract, retain and motivate qualified executives, employees and consultants, to incentivize such individuals to contribute toward Fabled's long-term goals, and to encourage such individuals to acquire Fabled Shares as long term investments.

The following is a summary of key elements of the New Option Plan:

- the New Option Plan is a “rolling” 10% stock option plan;
- the New Option Plan is administered by the Fabled Board which maintains general authority over the plan and options (including amendments), subject to the rules of the TSXV;
- eligible participants in the New Option Plan include executives, employees and consultants of Fabled or its subsidiaries;
- the maximum number of Fabled Options which may be granted to any one holder under the New Option Plan within any 12 month period will be 5% of the issued shares, calculated at the date the option is granted, unless Fabled obtains disinterested Shareholder approval;
- the maximum number of Fabled Options which may be granted to insiders (as a group) within any 12 month period must not exceed 10% of the issued shares (including any Fabled Options which are granted and exercised within that 12 month period), calculated at the date the option is granted, unless Fabled obtains disinterested Shareholder approval;
- Fabled Options may have a term not exceeding 10 years;
- the maximum number of Fabled Options which may be granted within any 12 month period to (i) any one consultant, or (ii) employees or consultants engaged in investor relations activities, in each case must not exceed 2% of the issued shares, calculated at the date the option is granted. Fabled Options granted to employees or consultants engaged in investor relations activities must vest in stages over 12 months with no more than 25% of the Fabled Options vesting in any three month period;
- the maximum number of Fabled Options which may be granted within any 12 months period to all persons retained to provide investor relations activities must not exceed 2% of the issued shares, calculated at the date the option is granted;
- the exercise price for Fabled Options will be fixed by the Fabled Board, however, the minimum exercise price of a Fabled Option cannot be less than the minimum price permitted under TSXV policies at the date the option is granted;
- for options held by executives who cease to hold such position other than by reason of death or disability, the expiry date will be the 90th day following the date the holder ceases to hold such position, unless otherwise determined by the Fabled Board and expressly provided for in the option certificate. If the holder ceases to hold such position as a result of (i) ceasing to meet the corporate law qualifications of the position previously held, (ii) having been removed by such position by a special resolution of Shareholders, or (iii) a regulatory authority order, the Fabled Option held by such executive will expire on the date such holder ceases to hold such position;
- for options held by employees or consultants who cease to hold such position other than by reason of death or disability, the expiry date will be the 90th day following the date the holder ceases to hold such position, unless otherwise determined by the Fabled Board and expressly provided for in the option certificate. If such holder ceases to hold such position as a result of (i) termination for cause, (ii) resignation, (iii) a regulatory authority order, the Fabled Option held by such employee or consultant will expire on the date such holder ceases to hold such position;
- the vesting schedule for a Fabled Option, if any, will be determined by the Fabled Board and will be set out in the applicable option certificate;
- notwithstanding any vesting schedule, options will cease to vest immediately if the employment, engagement or directorship of an option holder is terminated for any reason, and such holder may only exercise such number of options that are vested as at the date of termination;
- the Fabled Board may elect, at any time, to accelerate the vesting schedule of one or more Fabled Options, including in the case of a change of control, provided that the vesting schedule of options granted to persons conducting investor relations activities cannot be accelerated without prior acceptance of the required regulatory authorities. A change of control under the New Option Plan includes (i) the proposed dissolution, liquidation or wind-up of Fabled, (ii) a proposed merger or arrangement following which Fabled Shareholders are expected to hold less than a majority of the issued shares of the surviving corporation, (iii) the proposed acquisition of all or substantially all of Fabled's issued shares or the creation of a new control person, (iv) the election of a majority of directors at a meeting of Shareholders who are not management nominees, (v) the proposed sale or other disposition of all or substantially all of Fabled's assets, and (vi) a proposed material alteration of Fabled's capital

- structure which makes it impractical to maintain the New Option Plan;
- subject to the approval of the TSXV, in the case of a change of control the Fabled Board may, without the consent of option holders cause all or a portion of any of options to terminate or be exchanged for options of another corporation upon the occurrence of a change of control in such ratio and at such exercise price as the Fabled Board deems appropriate, acting reasonably;
- except in the case of death or disability, Fabled Options are non-assignable and non-transferable; and
- the New Option Plan contains provisions for the adjustment of option terms in the event of a capital alteration.

Therefore, at the Meeting, Shareholders will be asked to approve an ordinary resolution substantially in the following form:

*"BE IT HEREBY RESOLVED as an ordinary resolution of the Company that:*

1. *The Company's stock option plan (the "New Option Plan") dated September 21, 2021, details of which are set forth in the Company's information circular dated September 27, 2021, be and is hereby ratified, confirmed, authorized and approved;*
2. *The reservation under the New Option Plan of up to a maximum of 10% of the issued shares of the Company, on a rolling basis, as at the time of granting of securities pursuant to the New Option Plan be and the same is hereby authorized and approved*
3. *Such amendments to the New Option Plan are authorized to may be made from time to time as the Board may, in its discretion, consider to be appropriate, provided that such amendments will be subject to the approval of all applicable regulatory authorities and in certain cases, in accordance with the terms of the New Option Plan, the shareholders; and*
4. *Any one director or officer of the Company be and is hereby authorized and directed, for and on behalf of the Company, to execute and deliver all such documents, agreements and instruments, and to do all such other acts and things as such director or officer may determine to be necessary or advisable to give effect to the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such documents, agreements or instruments or the doing of any such act or thing.*

#### **Recommendation**

**The Board recommends that Shareholders vote in favour of the above resolution. In the absence of instructions to the contrary, the enclosed proxy will be voted in favour of the above resolution.**

#### **6. APPROVAL OF THE ARRANGEMENT**

Shareholders will be asked to approve the Arrangement Resolution, the full text of which is attached as Schedule A to this Circular, for a statutory plan of arrangement under Division 5 of Part 9 of the BCBCA which involves, among other things, the distribution of SpinCo Shares to Shareholders of the Company on the basis of one SpinCo Share for every five Fabled Shares held, as more fully described in this Circular. See "The Arrangement" below.

#### **Recommendation**

**The Board recommends that Shareholders vote in favour of the Arrangement Resolution. In the absence of instructions to the contrary, the enclosed proxy will be voted in favour of the Arrangement Resolution.**

#### **7. APPROVAL OF THE SPINCO OPTION PLAN**

As the New Option Plan will not carry forward to SpinCo, if the Arrangement Resolution is approved at the Meeting, Shareholders will also be asked to consider and, if thought appropriate, pass the SpinCo Option Plan Resolution described below. See "Description of Share Capital" in Schedule F for more details on the SpinCo Option Plan.

At the Meeting, assuming the Arrangement Resolution is approved, Shareholders will be asked to pass the SpinCo Option Plan Resolution, with or without amendment, in substantially the form set out below.

*BE IT RESOLVED as an ordinary resolution of the Company that:*

1. *Subject to the completion of the arrangement involving Fabled Silver Gold Corp. (the “**Company**”) and Fabled Copper Corp. (“**SpinCo**”), as more particularly described in the management information circular (the “**Circular**”) of the Company dated effective September 27, 2021, the stock option plan of SpinCo (the “**SpinCo Option Plan**”), details of which are set forth in the Circular, be and is hereby authorized, approved and ratified on behalf of SpinCo and SpinCo’s shareholders as the stock option plan for SpinCo; and*
2. *SpinCo be and is hereby authorized to grant options pursuant and subject to the terms and conditions of the SpinCo Option Plan, entitling all of the optionholders in aggregate to purchase up to such number of SpinCo Shares as is equal to 10% of the number of SpinCo Shares outstanding on the applicable grant date;*
3. *The Board of Directors of SpinCo be and is hereby authorized to make such amendments to the SpinCo Option Plan as may be required by regulatory authorities, without further approval of the shareholders of the SpinCo. is hereby authorized and approved; and*
4. *Any one director or officer of SpinCo be and is hereby authorized and directed, for and on behalf of SpinCo, to execute and deliver all such documents, agreements and instruments, and to do all such other acts and things as such director or officer may determine to be necessary or advisable to give effect to the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such documents, agreements or instruments or the doing of any such act or thing.*

#### **Recommendation**

**The Board recommends that Shareholders vote in favour of the above resolution. In the absence of instructions to the contrary, the enclosed proxy will be voted in favour of the above resolution.**

#### **INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON**

Other than as set forth in this Circular, management of Fabled is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any director or executive officer of Fabled, any nominee for election as a director of the Company or any associate or affiliate of any such person, in any matter to be acted upon at the Meeting, other than the election of directors, the appointment of auditor, the approval of the Company’s 10% ‘rolling’ stock option plan to the extent that such directors and/or officers hold stock options, or the approval of the SpinCo Option Plan.

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

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

## THE ARRANGEMENT

### General

The purpose of the Arrangement is to reorganize Fabled and its assets and operations into two separate companies: Fabled and SpinCo. Upon the Arrangement becoming effective, Shareholders of record as of the close of business on the Distribution Record Date will become shareholders in both companies and will receive one New Fabled Share and 1/5 of a SpinCo Share for each Fabled Share held by such Shareholder on such date.

### Reasons for the Arrangement

Fabled believes the Arrangement is in the best interests of Fabled for a number of reasons, including:

- providing Shareholders with enhanced value by creating independent investment opportunities in two publicly listed companies; one with a silver gold exploration/development stage project in Mexico, and the other with an exploration stage project in British Columbia, Canada;
- unlocking the value of the British Columbia copper assets, which are not fully valued in the Fabled portfolio;
- enabling investors, analysts and other stakeholders or potential stakeholders to more accurately value each company and compare the assets to appropriate peers;
- Shareholders will benefit by holding shares in two separate public companies;
- providing each company with a sharper business focus, enabling them to pursue independent business and financing strategies best suited to their respective business plans;
- enabling each company to pursue independent growth and capital allocation strategies;
- allowing each company to be led by experienced executives and directors who have the appropriate skills and experience aligned with assets; and
- separating Fabled and SpinCo will expand SpinCo's potential shareholder base and access to development capital by allowing investors that want specific ownership in copper exploration assets to invest in SpinCo directly rather than through Fabled.

### Principal Steps of the Arrangement

The following description is qualified in its entirety by reference to the full text of the Plan of Arrangement, a copy of which is attached as Exhibit I to the Arrangement Agreement attached as Schedule B to this Circular. Shareholders are urged to carefully read the Plan of Arrangement in its entirety.

Commencing at the Effective Time, the following will occur and be deemed to occur in the following chronological order without further act or formality notwithstanding anything contained in the provisions attaching to any of the securities of Fabled or SpinCo:

- (a) each Fabled Share in respect of which Dissent Rights are validly exercised and for which the Dissenting Shareholder is ultimately entitled to be paid fair market value will be directly transferred and assigned by such Dissenting Shareholder to Fabled, without any further act or formality and free and clear of any liens, charges and encumbrances of any nature whatsoever, and will be cancelled and cease to be outstanding and such Dissenting Shareholders will cease to have any rights as Shareholders other than the right to be paid the fair value for their Fabled Shares by Fabled in accordance with the Plan of Arrangement;
- (b) the authorized share structure of Fabled will be reorganized and altered by:

- i. renaming and re-designating all of the issued and unissued Fabled Shares as Fabled Class A Shares and amending the special rights and restrictions attached to those shares to provide the holders thereof with two votes in respect of each share held, being the “Fabled Class A Shares”; and
  - ii. creating the New Fabled Shares, with rights and restrictions identical to those of the Fabled Shares immediately prior to the Effective Time;
  - iii. Fabled’s Notice of Articles will be amended to reflect the above alterations to its share structure;
- (c) each Fabled Option then outstanding to acquire one Fabled Share will be transferred and exchanged for one Fabled Replacement Option to acquire one New Fabled Share having an exercise price equal to the product of the original exercise price of the Fabled Option multiplied by the fair market value of a New Fabled Share at the Effective Time divided by the total of the fair market value of a New Fabled Share and the fair market value of 1/5 of a SpinCo Share at the Effective Time; provided that the aforesaid exercise price will be adjusted to the extent, if any, required to ensure that the aggregate In the Money Amount of the Fabled Replacement Option immediately after the exchange does not exceed the In the Money Amount immediately before the exchange of the Fabled Option so exchanged. It is intended that subsection 7(1.4) of the Tax Act apply to the exchange of Fabled Options;
- (d) each Fabled Warrant then outstanding will be deemed to be amended to entitle the Fabled Warrantholder to receive, upon due exercise of the Fabled Warrant, for the original exercise price:
- i. one New Fabled Share for each Fabled Share that was issuable upon due exercise of the Fabled Warrant immediately prior to the Effective Time; and
  - ii. 1/5 of a SpinCo Share for each Fabled Share that was issuable upon due exercise of the Fabled Warrant immediately prior to the Effective Time;
- (e) each Fabled Class A Share will be exchanged for: (i) one New Fabled Share; and (ii) 1/5 of one SpinCo Share (provided that, while each Shareholder’s fractional SpinCo Shares will be combined, no fractional shares will be issued and no compensation will be received in lieu thereof), and the holders of Fabled Class A Shares will be removed from Fabled’s central security register with respect to the Fabled Class A Shares and will be added to Fabled’s central securities register as the holder of such number of New Fabled Shares and to SpinCo’s central securities register as the holder of such number of SpinCo Shares;
- (f) all of the Fabled Class A Shares will be cancelled and the aggregate paid-up capital of the New Fabled Shares will be equal to that of the Fabled Shares immediately prior to the Effective Time less the fair market value of the SpinCo Shares distributed pursuant to the Plan of Arrangement;
- (g) the authorized share structure of Fabled will be changed by eliminating the Fabled Class A Shares; and
- (h) the Notice of Articles of Fabled will be amended to reflect such alteration.

No fractional SpinCo Shares will be distributed to the Fabled Shareholders and, as a result, all fractional amounts arising under the Arrangement will be rounded down to the next whole number without any compensation therefor. Any SpinCo Shares not distributed as a result of so rounding down will be cancelled by SpinCo.

For the purposes of paragraphs (c) and (f) above, the fair market value determinations will be made by the Fabled Board, acting in good faith.

Immediately before the Effective Time, SpinCo will consolidate its issued and outstanding common shares at a ratio such that the number of post-consolidated shares outstanding is the same as the number of shares required to be distributed to Fabled Shareholders pursuant to the Arrangement.

### **Effect of the Arrangement**

As a result of the Arrangement, Fabled Shareholders will no longer hold their Fabled Shares, and instead will receive one New Fabled Share and 1/5 of a SpinCo Share for every one Fabled Share held at the Effective Time, and as a result, will hold shares in two public companies.

SpinCo will be a reporting issuer in the provinces of British Columbia, Alberta and Saskatchewan by virtue of the Arrangement. SpinCo will become a reporting issuer in certain other provinces and territories of Canada by virtue of a prospectus it will file pursuant to the terms of the SpinCo Financing.

SpinCo has made application to list the SpinCo Shares on the CSE.

### **Directors and Officers of SpinCo**

The SpinCo Board will be comprised of David W. Smalley, Chairman, Peter J. Hawley, Luc Pelchat, Pat Donovan and Louis Martin. Executive management of SpinCo will consist of Peter J. Hawley, as interim President and interim Chief Executive Officer and Eric Tsung, Chief Financial Officer. It is the intent of SpinCo to add individuals to the SpinCo Board and management to ensure SpinCo has the appropriate amount of local knowledge and skill sets to advance the Muskwa Project and additional assets SpinCo may acquire in the future. See "Directors and Executive Officers" in Schedule F.

### **Recommendation of the Board**

The Board approved the Arrangement and recommended and authorized the submission of the Arrangement to the Shareholders and the Court for approval. The Board has concluded that the Arrangement is in the best interests of the Company and the Shareholders and recommends that Shareholders vote "FOR" the approval of the Arrangement Resolution.

In reaching this conclusion, the Board considered, among other things, the Fairness Opinion, the benefits to the Company and its Shareholders, as well as the financial position, opportunities and outlook for the future potential and operating performance of the Company and SpinCo, respectively.

### **Fairness of the Arrangement**

The Fabled Board has reviewed the terms and conditions of the proposed Arrangement and has concluded that the Arrangement is fair and reasonable to the Fabled Shareholders and in the best interests of Fabled.

In arriving at this conclusion, the Fabled Board considered, among other matters:

1. the financial condition, business and operations of Fabled, on both a historical and prospective basis, and information in respect of SpinCo on a pro forma basis;
2. the procedures by which the Arrangement is to be approved, including the requirement for approval of the Arrangement by (i) at least 66 2/3% of the votes cast in respect of the Arrangement Resolution by Fabled Shareholders present in person or represented by proxy at the Meeting; and (ii) the Court after a hearing at which fairness to securityholders will be considered;
3. the availability of Dissent Rights to Registered Holders with respect to the Arrangement;
4. the assets to be held by each of Fabled and SpinCo after completion of the Arrangement;
5. historical information regarding the price of the Fabled Shares;
6. the tax treatment to Fabled Shareholders under the Arrangement;

7. Fabled Shareholders will own securities of two publicly-listed companies, if the intended listing of the SpinCo Shares is obtained;
8. SpinCo will be able to concentrate its efforts on exploring the Muskwa Project and Fabled will be able to concentrate its efforts on the advancement of the Santa Maria Project and business; and
9. Subject to the assumptions, limitations and qualifications set out in the Fairness Opinion, RWE is of the opinion that, as of September 15, 2021, the Arrangement is fair, from a financial point of view, to the Shareholders.

The Fabled Board did not assign a relative weight to each specific factor and each director may have given different weights to different factors. Based on its review of all the factors, the Fabled Board considers the Arrangement to be advantageous to Fabled and fair and reasonable to the Fabled Shareholders. The Fabled Board also identified disadvantages associated with the Arrangement including the fact that there will be the additional costs associated with running two companies and there is no assurance that the proposed Arrangement will result in positive benefits to Fabled Shareholders. See “Risk Factors Relating to the Arrangement”.

### **Fairness Opinion**

The Board engaged RWE to prepare and deliver the Fairness Opinion to the Board. RWE has provided the Fairness Opinion to the Board to the effect that, as of September 15, 2021 and subject to the assumptions, qualifications and limitations contained therein, the consideration to be received by the Fabled Shareholders under the Arrangement is fair, from a financial point of view, to the Fabled Shareholders. The full text of the Fairness Opinion, setting out the assumptions made, matters considered and limitations and qualifications on the review undertaken in connection with the Fairness Opinion, is attached as Schedule J to this Circular. The summary of the Fairness Opinion described in this Circular is qualified in its entirety by reference to the full text of the Fairness Opinion.

### **Authority of the Board**

By passing the Arrangement Resolution, the Shareholders will also be giving authority to the Board to use its judgment to proceed with and cause Fabled to complete the Arrangement or to abandon the Arrangement without any requirement to seek or obtain any further approval of the Shareholders.

The Arrangement Resolution also provides that the terms of the Plan of Arrangement may be amended by the Board before or after the Meeting without further notice to Shareholders, unless directed by the Court. Although the Board has no current intention to amend the terms of the Plan of Arrangement, it is possible that the Board may determine that certain amendments are appropriate, necessary or desirable.

### **Conditions to the Arrangement**

The Arrangement Agreement provides that the consummation of the Arrangement will be subject to the fulfilment or waiver of certain conditions, including the following:

- (a) the Arrangement Resolution with or without amendment, will have been approved and adopted at the Meeting in accordance with the Arrangement Provisions, the constating documents of Fabled, the Interim Order and the requirements of any applicable regulatory authorities;
- (b) the Final Order will have been obtained in form and substance satisfactory to each of Fabled and SpinCo;
- (c) the TSXV will have approved the Arrangement, including the listing of the New Fabled Shares in substitution for the Fabled Shares and the delisting of the Fabled Shares and, in substitution therefor, all as of the Effective Date, subject to compliance with the requirements of the TSXV;
- (d) a recognized stock exchange will have approved the listing of the SpinCo Shares, subject to compliance with

- the requirements of the exchange;
- (e) all other consents, orders, regulations and approvals, including regulatory and judicial approvals and orders, required, necessary or desirable for the completion of the transactions provided for in the Arrangement and the Plan of Arrangement will have been obtained or received, each in form acceptable to each of Fabled and SpinCo;
  - (f) there will not be in force any order or decree restraining or enjoining the consummation of the transactions contemplated by the Plan of Arrangement;
  - (g) no law, regulation or policy will have been proposed, enacted, promulgated or applied which interferes or is inconsistent with the completion of the Arrangement and Plan of Arrangement, including any material change to the income tax laws of Canada, which would reasonably be expected to have a material adverse effect on any of Fabled, the Shareholders or SpinCo if the Arrangement if completed;
  - (h) Shareholders will not have exercised Dissent Rights with respect to greater than 2% of the outstanding Fabled Shares; and
  - (i) the Arrangement Agreement will not have been terminated as provided for therein.

If any of the conditions set forth in the Arrangement Agreement are not fulfilled or performed, on or prior to the Effective Time, Fabled may terminate the Arrangement Agreement or waive, in its discretion, the applicable condition in whole or in part. As soon as practicable after the fulfilment (or waiver) of the conditions contained in the Arrangement Agreement, the Board intends to cause a copy of the Final Order to be filed with the Registrar under the BCBCA, together with such other material as may be required by the Registrar in order that the Arrangement will become effective.

Management of Fabled expects that any material consents, orders and approvals required for the completion of the Arrangement will be obtained prior to the Effective Date in the ordinary course upon application therefor.

### **Court Approval and Completion of the Arrangement**

The Arrangement requires the approval of the Court under the BCBCA. Prior to mailing this Circular, Fabled obtained the Interim Order authorizing the calling and holding of the Meeting and providing for certain other procedural matters. The Interim Order is attached as Schedule C. The Notice of Hearing of Petition in respect of the Final Order is attached as Schedule D.

Assuming approval of the Arrangement Resolution by the Shareholders at the Meeting, Fabled intends to make an application to the Court for the Final Order on November 10, 2021 at 9:45 a.m. (Vancouver time) at 800 Smithe Street, Vancouver, British Columbia or as soon as is reasonably practicable and in the manner directed by the Court.

At the hearing, any Shareholder or other interested party who wishes to participate, to appear, to be represented, and/or to present evidence or arguments may do so, subject to filing with the Court and serving upon the Company a response to petition together with any evidence or materials that such party intends to present to the Court on or before 4:00 p.m. (Vancouver time) on November 4, 2021. Service of such notice will be effected by service upon litigation counsel for the Company: McCarthy Tétrault LLP, Suite 2400, 745 Thurlow Street, Vancouver, BC V6E 0C5, Attention: Alexandra E. Cocks.

The Court has broad discretion under the BCBCA when making orders in respect of arrangements, and the Court may approve the Arrangement as proposed or as amended in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court thinks appropriate. The Court, in hearing the application for the Final Order, will consider, among other things, the fairness of the terms and conditions of the Arrangement to Shareholders. The Court will be advised prior to the hearing for the Final Order that if the terms and conditions of the Arrangement are approved by the Court, such approval will be relied upon in seeking an exemption from the registration requirements of the 1933 Act, pursuant to Section 3(a)(10) thereof, with respect to the offer and sale of

the securities to be issued or distributed pursuant to the Arrangement.

For further information regarding the Court hearing and your rights in connection with the Court hearing, see the Notice of Hearing of Petition attached as Schedule D to this Circular. The Notice of Hearing of Petition constitutes notice of the Court hearing of the application for the Final Order and is your only notice of the Court hearing.

It is currently anticipated that the Effective Date of the Arrangement will occur in November 2021, but it is not possible to state with certainty when or if the closing of the Arrangement will occur.

Although the Company's objective is to have the Effective Date occur as soon as possible after the Meeting, the Effective Date could be delayed for a number of reasons, including, but not limited to, an objection before the Court at the hearing of the application for the Final Order or any delay in obtaining any required approvals or clearances, including approval from the CSE for the listing of the SpinCo Shares. The Company may determine not to complete the Arrangement without prior notice to or action on the part of Fabled Shareholders.

### **Shareholder Approval of the Arrangement**

Subject to any further order(s) of the Court, the Arrangement must be approved by at least 66⅔% of the votes cast by Shareholders present, in person or by proxy, and entitled to vote at the Meeting.

**In the absence of any instruction to the contrary, the Fabled Shares represented by proxies appointing the management designees named in the form of proxy will be voted in favour of the Arrangement Resolution.**

### **Proposed Timetable for the Arrangement**

The Board currently expects that the Distribution Record Date and Effective Date will occur in December 2021. Notice of the actual Distribution Record Date and Effective Date will be made through one or more news releases issued by Fabled. The Board will determine each of the Distribution Record Date and Effective Date upon satisfaction or waiver of the conditions to the Arrangement.

### **Distribution of Share Certificates**

Concurrently with the mailing of the Circular, Fabled will mail the Letter of Transmittal to Registered Shareholders, which will be used to exchange their certificates/DRS statements representing Fabled Shares for share certificates/DRS statements representing the New Fabled Shares and share certificates/DRS statements representing the SpinCo Shares. Until exchanged, each share certificate/DRS statement representing Fabled Shares will, after the Effective Time, represent only the right to receive, upon surrender, share certificates/DRS statements representing the requisite numbers of New Fabled Shares and SpinCo Shares. Shareholders will not receive any fractional SpinCo Shares. Any fractional SpinCo Shares will be rounded down to the nearest whole number and Shareholders will not receive any compensation in lieu thereof.

### **Cancellation of Rights After Six Years**

Any certificate/DRS statement which immediately prior to the Effective Time represented Fabled Shares and which has not been surrendered with all other documents required by the Depository, on or prior to the **sixth anniversary** of the Effective Date, will cease to represent any claim against or interest of any kind or nature in either Fabled or SpinCo. **Accordingly, Registered Shareholders who tender certificates/DRS statements for Fabled Shares after the sixth anniversary of the Effective Date will not receive New Fabled Shares or SpinCo Shares, will not own any interest in Fabled or SpinCo and will not be paid any cash or other compensation in lieu thereof.**

### **Expenses of the Arrangement**

The costs relating to the Arrangement, including, without limitation, financial advisory, accounting and legal fees,

will be borne by the party that incurred the expense, unless otherwise mutually agreed by Fabled and SpinCo.

### **Risk Factors Relating to the Arrangement**

The following risk factors should be considered by Shareholders in evaluating whether to approve the Arrangement. These risk factors should be considered in conjunction with the other information included in this Circular and the risk factors disclosed under the heading “Risk Factors” in Schedule F.

Fabled and SpinCo should each be considered as highly speculative investments and the transactions contemplated herein should be considered of a high-risk nature. Fabled Shareholders should carefully consider all of the information disclosed in this Circular prior to voting on the matters being put before them at the Meeting.

The completion of the Arrangement is subject to a number of conditions precedent, certain of which are outside the control of Fabled and SpinCo, including receipt of Fabled Shareholder approval at the Meeting and receipt of the Final Order. There can be no certainty, nor can Fabled or SpinCo provide any assurance, that these conditions will be satisfied or, if satisfied, when they will be satisfied.

In addition to the other information presented in this Circular (without limitation, see also “Risk Factors” in Schedule F) the following risk factors should be given special consideration:

1. The trading price of Fabled Shares on the Effective Date may vary from the price as at the date of execution of the Arrangement Agreement, the date of this Circular and the date of the Meeting and may fluctuate depending on investors’ perceptions of the merits of the Arrangement.
2. The number of SpinCo Shares being issued in connection with the Arrangement will not change despite decreases or increases in the market price of the Fabled Shares. Many of the factors that affect the market price of the Fabled Shares are beyond the control of Fabled. These factors include fluctuations in commodity prices, fluctuations in currency exchange rates, changes in the regulatory environment, adverse political developments, prevailing conditions in the capital markets and interest rate fluctuations.
3. There is no assurance that the Arrangement will be completed or that, if completed, the SpinCo Shares will be listed and posted for trading on the CSE or on any other stock exchange.
4. There is no assurance that the Arrangement can be completed as proposed or without Fabled Shareholders exercising their dissent rights in respect of a substantial number of Fabled Shares.
5. There is no assurance that the businesses of Fabled or SpinCo, after completing the Arrangement, will be successful.
6. While Fabled believes that the SpinCo Shares to be issued to Fabled Shareholders pursuant to the Arrangement will not be subject to any resale restrictions (except for securities held by control persons and except for any restrictions flowing from current restrictions associated with a Fabled Shareholder’s Fabled Shares), there is no assurance that this is the case, and each Fabled Shareholder is urged to obtain appropriate legal advice regarding applicable securities legislation.
7. The transactions may give rise to significant adverse tax consequences to Fabled Shareholders and each such Fabled Shareholder is urged to consult his, her or its own tax advisor.
8. Certain costs related to the Arrangement, such as legal and accounting fees, must be paid by Fabled if the Arrangement is not completed.

### **Effects of the Arrangement on Shareholders’ Rights**

As a result of the Arrangement, Fabled Shareholders will continue to be shareholders of Fabled and will also be

shareholders of SpinCo. Shareholders of Fabled and SpinCo will have the same rights afforded to them as Fabled Shareholders of each respective entity, as both Fabled and SpinCo are governed by the BCBCA.

## DISSENT RIGHTS

The following is a summary of the provisions of the BCBCA relating to a Shareholder's dissent and appraisal rights in respect of the Arrangement Resolution. Such summary is not a comprehensive statement of the procedures to be followed by a Dissenting Shareholder who seeks payment of the fair value of his, her, their or its Fabled Shares and is qualified in its entirety by reference to the full text of sections 237 to 247 of the BCBCA, as modified by the Plan of Arrangement, the Interim Order and the Final Order (collectively, the "**Dissent Procedures**").

The statutory provisions dealing with the right of dissent are technical and complex. Any Dissenting Shareholders should seek independent legal advice, as failure to comply strictly with the provisions of sections 237 to 247 of the BCBCA, which is attached to this Circular as Schedule E, as modified by the Plan of Arrangement, the Interim Order and the Final Order, may result in the loss of all Dissent Rights.

The Interim Order expressly provides Registered Shareholders with the right to dissent with respect to the Arrangement Resolution. Each Dissenting Shareholder is entitled to be paid the fair value (determined as of the close of business on the day before the Effective Date of all but not less than all, of the holder's Fabled Shares), provided that the holder duly dissents to the Arrangement Resolution and the Arrangement becomes effective.

In many cases, Fabled Shares beneficially owned by a holder are registered either (a) in the name of an Intermediary that the Non-Registered Shareholder deals with in respect of such shares, such as, among others, banks, trust companies, securities brokers, trustees and other similar entities, or (b) in the name of a depository, such as CDS & Co., of which the Intermediary is a participant. Accordingly, a Non-Registered Shareholder will not be entitled to exercise his, her, their or its rights of dissent directly (unless the Fabled Shares are re-registered in the Non-Registered Shareholder's name).

With respect to Fabled Shares in connection to the Arrangement, pursuant to the Interim Order, a Registered Shareholder may exercise rights of dissent under Division 2 of Part 8 of the BCBCA, as modified by the Plan of Arrangement, the Interim Order and the Final Order, provided that, notwithstanding section 242(2) of the BCBCA, the written objection to the Arrangement Resolution must be sent to Fabled at 1500 West Georgia Street, Suite 480, Vancouver, BC, V6G 2Z6, Attention: David W. Smalley, by not later than 10:00 a.m. (Vancouver time) on October 26, 2021, or two Business Days prior to any adjournment or postponement of the Meeting.

To exercise Dissent Rights, a Shareholder must dissent with respect to all Fabled Shares of which it is the registered and beneficial owner. A Registered Shareholder who wishes to dissent must deliver written notice of dissent ("**Notice of Dissent**") to Fabled as set forth above and such Notice of Dissent must strictly comply with the requirements of section 242 of the BCBCA. Any failure by a Shareholder to fully comply with the provisions of the BCBCA, as modified by the Plan of Arrangement, the Interim Order and the Final Order, may result in the loss of that holder's Dissent Rights. Non-Registered Shareholders who wish to exercise Dissent Rights must cause each Registered Shareholder holding their Fabled Shares to deliver the Notice of Dissent, or, alternatively, make arrangements to become a Registered Shareholder.

To exercise Dissent Rights, a Registered Shareholder must prepare a separate Notice of Dissent for himself, herself or itself, if dissenting on his, her or its own behalf, and for each other Non-Registered Shareholder who beneficially owns Fabled Shares registered in the Shareholder's name and on whose behalf the Shareholder is dissenting; and must dissent with respect to all of the Fabled Shares registered in his, her or its name or if dissenting on behalf of a Non-Registered Shareholder, with respect to all of the Fabled Shares registered in his, her, their or its name and beneficially owned by the Non-Registered Shareholder on whose behalf the Shareholder is dissenting. The Notice of Dissent must set out the number of Fabled Shares in respect of which the Dissent Rights are being exercised (the "**Notice Shares**") and: (a) if such Fabled Shares constitute all of the Fabled Shares of which the Shareholder is the registered and beneficial owner and the Shareholder owns no other Fabled Shares beneficially, a statement to that

effect; (b) if such Fabled Shares constitute all of the Fabled Shares of which the Shareholder is both the registered and beneficial owner, but the Shareholder owns additional Fabled Shares beneficially, a statement to that effect and the names of the Registered Shareholders, the number of Fabled Shares held by each such Registered Shareholder and a statement that written notices of dissent are being or have been sent with respect to such other Fabled Shares; or (c) if the Dissent Rights are being exercised by a Registered Shareholder who is not the beneficial owner of such Fabled Shares, a statement to that effect and the name of the Non-Registered Shareholder and a statement that the Registered Shareholder is dissenting with respect to all Fabled Shares of the Non-Registered Shareholder registered in such registered holder's name.

If the Arrangement Resolution is approved by Shareholders, and Fabled notifies a registered holder of Notice Shares of Fabled's intention to act upon the Arrangement Resolution pursuant to section 243 of the BCBCA, in order to exercise Dissent Rights such Shareholder must, within one month after Fabled gives such notice, send to Fabled a written notice that such holder requires the purchase of all of the Notice Shares in respect of which such holder has given Notice of Dissent. Such written notice must be accompanied by the certificate or certificates representing those Notice Shares (including a written statement prepared in accordance with section 244(1)(c) of the BCBCA if the dissent is being exercised by the Shareholder on behalf of a Non-Registered Shareholder), whereupon, subject to the provisions of the BCBCA relating to the termination of Dissent Rights, the Shareholder becomes a Dissenting Shareholder, and is bound to sell and Fabled is bound to purchase those Fabled Shares. Such Dissenting Shareholder may not vote, or exercise or assert any rights of a Shareholder in respect of such Notice Shares, other than the rights set forth in Division 2 of Part 8 of the BCBCA, as modified by the Plan of Arrangement, the Interim Order and the Final Order. A vote against the Arrangement Resolution, an abstention, or the execution of a proxy to vote against the Arrangement Resolution, does not constitute a Dissent Notice.

Dissenting Shareholders who are:

- (a) ultimately are entitled to be paid fair value for their Fabled Shares, will be entitled to be paid the fair value of such Fabled Shares, and will not be entitled to any other payment or consideration, including any payment that would be payable under the Arrangement had such holders not exercised their Dissent Rights in respect of such Fabled Shares; or
- (b) ultimately are not entitled, for any reason, to be paid fair value for such Fabled Shares will be deemed to have participated in the Arrangement on the same basis as a non-dissenting holder of Fabled Shares; but in no case will Fabled be required to recognize such persons as holding Fabled Shares on or after the Effective Date.

If a Dissenting Shareholder is ultimately entitled to be paid for their Dissent Shares, such Dissenting Shareholder may enter into an agreement for the fair value of such Dissent Shares. If such Dissenting Shareholder does not reach an agreement, such Dissenting Shareholder, or Fabled, may apply to the Court, and the Court may determine the payout value of the Dissent Shares and make consequential orders and give directions as the Court considers appropriate. There is no obligation on Fabled to make an application to the Court. The Dissenting Shareholder will be entitled to receive the fair value that the Fabled Shares had as of the close of business on the day before the Effective Date. After a determination of the fair value of the Dissent Shares, Fabled must then promptly pay that amount to the Dissenting Shareholder.

In no case will Fabled, the Depositary or any other person be required to recognize Dissenting Shareholders as Shareholders after the Effective Time, and the names of such Dissenting Shareholders will be deleted from the central securities register as Shareholders at the Effective Time.

In no circumstances will Fabled or any other person be required to recognize a person as a Dissenting Shareholder: (i) unless such person is the holder of the Fabled Shares in respect of which Dissent Rights are purported to be exercised immediately prior to the Effective Time; (ii) if such person has voted or instructed a proxy holder to vote such Notice Shares in favour of the Arrangement Resolution; or (iii) unless such person has strictly complied with the procedures for exercising Dissent Rights set out in Division 2 of Part 8 of the BCBCA, as modified by the Plan of Arrangement, the Interim Order and the Final Order and does not withdraw such Notice of Dissent prior to the Effective Time.

Dissent Rights with respect to Notice Shares will terminate and cease to apply to the Dissenting Shareholder if, before full payment is made for the Notice Shares, the Arrangement in respect of which the Notice of Dissent was sent is abandoned or by its terms will not proceed, a court permanently enjoins or sets aside the corporate action approved by the Arrangement Resolution, or the Dissenting Shareholder withdraws the Notice of Dissent with Fabled's written consent. If any of these events occur, Fabled must return the share certificates or DRS statements representing the Fabled Shares to the Dissenting Shareholder and the Dissenting Shareholder regains the ability to vote and exercise its rights as a Shareholder.

If you dissent there can be no assurance that the amount you receive as fair value for your Fabled Shares will be more than or equal to the Consideration under the Arrangement.

Each Shareholder wishing to avail himself, herself or itself of the Dissent Rights should carefully consider and comply with the provisions of the Interim Order and sections 237 to 247 of the BCBCA, which are attached to this Circular as Schedules C and E, respectively, and seek his, her, their or its own legal advice.

The Arrangement Agreement provides that, unless otherwise waived, it is a condition to the obligations of Fabled and SpinCo to complete the Arrangement that, on or before the Effective Date, holders of not more than an aggregate of 2% of the issued and outstanding Fabled Shares will have exercised Dissent Rights. If the number of outstanding Fabled Shares in respect of which Dissent Rights have been exercised exceeds 2%, the Arrangement will not proceed unless Fabled waives such condition.

**The above is only a summary of the Dissent Procedures which are technical and complex. If you are a Registered Shareholder and wish to exercise your Dissent Rights, you should seek your own legal advice as failure to strictly comply with the Dissent Procedures, will result in the loss of your Dissent Rights. For a general summary of certain income tax implications to a Dissenting Shareholder, see “Material Income Tax Considerations – Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Dissenting Resident Holders” and “Material Income Tax Considerations – Certain Canadian Federal Income Tax Considerations – Holders Not Resident in Canada – Dissenting Non-Resident Holders”.**

## CERTAIN SECURITIES LAW MATTERS

**The following discussion is only a general overview of certain requirements of Canadian and U.S. securities laws applicable to trades in securities of Fabled or SpinCo. All holders of securities are urged to consult with their own legal counsel to ensure that any resale of their securities of Fabled or SpinCo complies with applicable securities legislation.**

### Canadian Securities Laws

#### *Stock Exchange Listing and Reporting Issuer Status*

Fabled is a reporting issuer in British Columbia, Alberta and Saskatchewan. The Fabled Shares currently trade on the TSXV in Canada, the OTCQB Market in the United States and on the Frankfurt Stock Exchange.

SpinCo will be a reporting issuer in the provinces of British Columbia, Alberta and Saskatchewan by virtue of the Arrangement. SpinCo will become a reporting issuer in certain other provinces and territories of Canada by virtue of a prospectus it will file pursuant to the terms of the SpinCo Financing.

The TSXV has conditionally accepted the Arrangement and SpinCo is in the process of applying to list the SpinCo Shares on the CSE. The Arrangement will be subject to Fabled and SpinCo fulfilling all of the requirements of the TSXV and any listing of the SpinCo Shares will be subject to SpinCo fulfilling all of the requirements of the CSE.

### *Securities Law Exemptions*

The distribution of the SpinCo Shares pursuant to the Arrangement will constitute a distribution of securities which is exempt from prospectus requirements of Canadian securities legislation. With certain exceptions, the SpinCo Shares may generally be resold in each of the provinces of Canada provided the trade is not a “control distribution” as defined in National Instrument 45-102 – Resale of Securities of the Canadian Securities Administrators, no unusual effort is made to prepare the market or create a demand for those securities, no extraordinary commission or consideration is paid to a person or company in respect of the trade and, if the selling security holder is an insider or officer of SpinCo, the insider or officer has no reasonable grounds to believe that SpinCo is in default of securities legislation.

### *U.S. Securities Laws*

**The foregoing discussion is only a general overview of certain requirements of the 1933 Act applicable to the resale of the SpinCo Shares, New Fabled Shares and Fabled Replacement Options issued or deemed to be issued to Shareholders and Fabled Optionholders pursuant to the Arrangement. All holders of such securities are urged to consult with counsel to ensure that the resale of their securities complies with applicable securities legislation.**

The SpinCo Shares and New Fabled Shares to be issued to Shareholders and Fabled Replacement Options to be issued to Fabled Optionholders pursuant to the Arrangement described in this Circular have not been and will not be registered under the 1933 Act or any U.S. state securities laws, and are being issued and distributed, respectively, in reliance on the exemption from registration under the 1933 Act set forth in Section 3(a)(10) thereof and exemptions provided under the securities laws of any state of the United States in which the Shareholders and Fabled Optionholders reside. Section 3(a)(10) of the 1933 Act provides an exemption from registration under the 1933 Act for offers and sales of securities issued in exchange for one or more bona fide outstanding securities where the terms and conditions of the issuance and exchange of such securities have been approved by a court authorized to grant such approval after a hearing upon the fairness of the terms and conditions of the issuance and exchange at which all persons to whom the securities will be issued have the right to appear and receive timely notice thereof. The Court is authorized to conduct a hearing at which the fairness of the terms and conditions of the Arrangement will be considered. The Court issued the Interim Order on September 23, 2021 and, subject to the approval of the Arrangement by the Shareholders at the Meeting on October 28, 2021, it is expected that the hearing on the Arrangement will be held by the Court on November 10, 2021 at 9:45 a.m. (Vancouver time) at the Law Courts, 800 Smithe Street, Vancouver, British Columbia. All Shareholders are entitled to appear and be heard at this hearing. The Final Order will constitute a basis for the exemption from the registration requirements of the 1933 Act provided by Section 3(a)(10) thereof with respect to the securities to be issued pursuant to the Arrangement. Prior to the hearing on the Final Order, the Court will be informed of this effect of the Final Order.

The exemption from the registration requirements of the 1933 Act provided by Section 3(a)(10) thereof does not exempt the issuance of securities upon the exercise of securities that were previously issued pursuant to Section 3(a)(10) of the 1933 Act. Therefore, the New Fabled Shares issuable upon exercise of the Fabled Replacement Options may not be issued in reliance upon the exemption from the registration requirements of the 1933 Act provided by Section 3(a)(10) thereof and the Fabled Replacement Options may only be exercised only pursuant to an available exemption from the registration requirements of the 1933 Act and applicable state securities laws. Prior to the issuance of New Fabled Shares pursuant to any such exercise after the Effective Time, Fabled may require evidence (which may include in an opinion of counsel) reasonably satisfactory to Fabled to the effect that the issuance of such New Fabled Shares do not require registration under the 1933 Act or applicable state securities laws.

The SpinCo Shares and New Fabled Shares to be issued to Shareholders and Fabled Replacement Options to be issued to Fabled Optionholders pursuant to the Arrangement will be freely tradable under the 1933 Act, except by persons who are “affiliates” of Fabled or SpinCo after the Arrangement or were affiliates of Fabled or SpinCo within 90 days prior to completion of the Arrangement. Persons who may be deemed to be “affiliates” of an issuer include individuals or entities that control, are controlled by, or are under common control with, the issuer, whether through ownership of voting securities, by contract or otherwise, and generally include executive officers and directors of the issuer as well as principal shareholders of the issuer. Any resale of such securities by such an affiliate (or, if

applicable, former affiliate) may be subject to the registration requirements of the 1933 Act, absent an exemption therefrom. Subject to certain limitations, such affiliates (and former affiliates) may immediately resell such securities outside the United States without registration under the 1933 Act pursuant to and in accordance with Regulation S under the 1933 Act. Such securities may also be resold in transactions completed in accordance with Rule 144 under the 1933 Act, if available.

- *Resale of SpinCo Shares and New Fabled Shares Pursuant to Regulation S.* In general, under Regulation S, persons who are affiliates of SpinCo or Fabled, as applicable, at the time of their resale of SpinCo Shares or New Fabled Shares, as applicable, solely by virtue of their status as an officer or director of SpinCo or Fabled, as applicable, may sell SpinCo Shares or New Fabled Shares, as applicable, outside of the United States in an “offshore transaction” (which would include a sale through the TSX, TSXV or CSE, if applicable) if neither the seller nor any person acting on its behalf engages in “directed selling efforts” in the United States and no selling commission, fee or other remuneration is paid in connection with such sale other than a usual and customary broker’s commission. For purposes of Regulation S, “directed selling efforts” means “any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for any of the securities being offered” in the sale transaction. Certain additional restrictions are applicable to a holder of SpinCo Shares or New Fabled Shares who are an affiliate of SpinCo or Fabled, as applicable, at the time of their resale of SpinCo Shares or New Fabled Shares, as applicable, other than by virtue of his or her status as an officer or director of SpinCo or Fabled, as applicable.
- *Resale of SpinCo Shares and New Fabled Shares Pursuant to Rule 144.* In general, under Rule 144 under the 1933 Act, if available, persons who are affiliates of SpinCo or Fabled, as applicable, at the time of, or within 90 days before, their resale of SpinCo Shares or New Fabled Shares, or who were affiliates of SpinCo or Fabled, as applicable, within 90 days prior to the Effective Date, will be entitled to sell SpinCo Shares or New Fabled Shares, as applicable, in the United States, provided that during any three-month period, the number of such SpinCo Shares or New Fabled Shares, as applicable, sold does not exceed the greater of one percent of the then outstanding securities of such class or, if such securities are listed on a United States securities exchange, the average weekly trading volume of such securities during the four-week period preceding the date of sale, subject to specified restrictions on manner of sale, notice requirements, aggregation rules and the availability of current public information about SpinCo or Fabled, as applicable.

## MATERIAL INCOME TAX CONSIDERATIONS

**THE TAX CONSEQUENCES OF THE ARRANGEMENT MAY VARY DEPENDING UPON THE PARTICULAR CIRCUMSTANCES OF EACH SHAREHOLDER AND OTHER FACTORS. ACCORDINGLY, SHAREHOLDERS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS TO DETERMINE THE PARTICULAR TAX CONSEQUENCES TO THEM OF THE ARRANGEMENT.**

### **Certain Canadian Federal Income Tax Considerations**

In the opinion of Koffman Kalef LLP, tax counsel to Fabled, the following is as of the date hereof a general summary of the principal Canadian federal income tax considerations under the *Income Tax Act* (Canada) and the regulations thereunder (collectively, the “**Tax Act**”) relating to the Arrangement generally applicable to a beneficial owner of Fabled Shares who, for the purposes of the Tax Act and at all relevant times: (i) acquires and holds Fabled Shares, and will hold Fabled Class A Shares, New Fabled Shares and SpinCo Shares, as capital property, and (ii) is not affiliated with and deals at arm’s length with Fabled and SpinCo (each a “**Holder**”). A Fabled Share, Fabled Class A Share, New Fabled Share or SpinCo Share generally will be capital property to a Holder unless such share is held (or will be held) in the course of carrying on a business of trading in or dealing in securities, or it has been acquired (or will be acquired) in a transaction or transactions considered to be an adventure or concern in the nature of trade.

This summary is not applicable to a Holder: (a) that is a “financial institution” for purposes of the “mark-to-market rules” in the Tax Act; (b) an interest in which is a “tax shelter investment” as defined in the Tax Act; (c) that is a “specified financial institution” as defined in the Tax Act; (d) that has made a “functional currency” election under the Tax Act to determine its “Canadian tax results”, as defined in the Tax Act, in a currency other than the Canadian

currency; or (e) who enters into, or has entered into, a “derivative forward agreement” or “synthetic disposition arrangement” as those terms are defined in the Tax Act, with respect to a Fabled Share, a Fabled Class A Share, a New Fabled Share, or a SpinCo Share. Any such Holder to which this summary does not apply should consult its own tax advisor.

Additional considerations, not discussed herein, may apply to a Holder that is a corporation resident in Canada, and is, or becomes, or does not deal at arm’s length for purposes of the Tax Act with a corporation resident in Canada that is or becomes, as part of a transaction or event or series of transactions or events that includes the Arrangement, controlled by a non-resident person or a group of non-resident persons that do not deal with each other at arm’s length for purposes of the “foreign affiliate dumping” rules in section 212.3 of the Tax Act. Such Holders should consult their own tax advisors with respect to the consequences of participating in the Arrangement as herein provided.

This summary is based on the current provisions of the Tax Act, all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) (“**Tax Proposals**”) before the date of this Circular, and the current published administrative policies and assessing practices of the CRA. No assurance can be given that the Tax Proposals will be enacted in the form proposed or at all. Except as mentioned above, this summary does not take into account or anticipate any changes in law, whether by legislative, administrative or judicial decision or action, nor does it take into account provincial, territorial or foreign income tax legislation or considerations, which may differ significantly from the Canadian federal income tax considerations discussed herein.

**This summary is not exhaustive of all possible Canadian federal income tax considerations, is of a general nature only, and is not intended, nor should it be construed, to be legal or tax advice to any particular Holder. Accordingly, Holders should consult their own tax advisors about the specific tax consequences to them of the Arrangement and of holding and disposing of New Fabled Shares or SpinCo Shares.**

#### **Holders Resident in Canada**

This portion of the summary is generally applicable to a Holder who, for purposes of the Tax Act and at all relevant times, is or is deemed to be, a resident of Canada (a “**Resident Holder**”).

Resident Holders that might not otherwise be considered to hold their Fabled Shares, Fabled Class A Shares, New Fabled Shares or SpinCo Shares as capital property may, in certain circumstances, be entitled to have such shares and all other “Canadian securities” (as defined in the Tax Act) owned in the taxation year of the election and all subsequent taxation years deemed to be capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. Such Resident Holders should consult their own tax advisors as to whether an election under subsection 39(4) of the Tax Act is available and advisable in their particular circumstances.

#### *Change of Identifying Name of Fabled Shares to Fabled Class A Shares and Capital Alteration*

The change of the identifying name of the Fabled Shares to Fabled Class A Shares combined with a change to the voting rights attaching to the Fabled Shares may result in a disposition of the Fabled Shares for purposes of the Tax Act. The cost to the Resident Holder of the Fabled Class A Shares will be deemed to be the adjusted cost base of the Fabled Shares to the Resident Holder and the Resident Holder will be deemed to have disposed of the Fabled Shares for proceeds of disposition equal to the cost to the Resident Holder of the Fabled Class A Shares. As a result, no capital gain or a capital loss will be realized by the Resident Holder.

#### *Exchange of Fabled Class A Shares for New Fabled Shares and SpinCo Shares*

A Resident Holder who exchanges Fabled Class A Shares for New Fabled Shares and SpinCo Shares pursuant to the Arrangement (the “**Share Exchange**”) will be deemed to have received a taxable dividend equal to the amount, if any, by which the fair market value of the SpinCo Shares distributed to the Resident Holder pursuant to the Share Exchange at the time of the Share Exchange exceeds the “paid-up capital” (“**PUC**”) of the Resident Holder’s Fabled Class A Shares determined at that time. Any such taxable dividend will be taxable as described below under “*Holders*”

*Resident in Canada - Taxation of Dividends on New Fabled Shares or SpinCo Shares*". However, Fabled expects that the fair market value of all SpinCo Shares distributed pursuant to the Share Exchange under the Arrangement will not exceed the PUC of the Fabled Shares. Accordingly, Fabled does not expect that any Resident Holder will be deemed to receive a taxable dividend on the Share Exchange.

A Resident Holder who exchanges Fabled Class A Shares for New Fabled Shares and SpinCo Shares on the Share Exchange will realize a capital gain equal to the amount, if any, by which the fair market value of those SpinCo Shares at the effective time of the Share Exchange, less the amount of any taxable dividend deemed to be received by the Resident Holder as described in the preceding paragraph, exceeds the adjusted cost base ("ACB") of the Resident Holder's Fabled Class A Shares determined immediately before the Share Exchange. Any capital gain so realized will be taxable as described below under "*Holders Resident in Canada - Taxation of Capital Gains and Capital Losses*".

The Resident Holder will acquire the SpinCo Shares received on the Share Exchange at a cost equal to their fair market value as at the effective time of the Share Exchange, and the New Fabled Shares received on the Share Exchange at a cost equal to the amount, if any, by which the ACB of the Resident Holder's Fabled Class A Shares immediately before the Share Exchange exceeds the fair market value of the SpinCo Shares as at the effective time of the Share Exchange.

#### *Taxation of Dividends on New Fabled Shares or SpinCo Shares*

Dividends received or deemed to be received on New Fabled Shares or SpinCo Shares by a Resident Holder that is an individual (other than certain trusts) will be included in computing the individual's income and will be subject to the gross-up and dividend tax credit rules normally applicable to taxable dividends received by an individual from a taxable Canadian corporation. Taxable dividends received or deemed to be received by such individual which are designated by the Company as "eligible dividends" in accordance with the Tax Act will be subject to enhanced gross-up and dividend tax credit rules under the Tax Act.

Taxable dividends received by an individual (including certain trusts) may give rise to a liability for alternative minimum tax as calculated under the detailed rules set out in the Tax Act.

Dividends received or deemed to be received on New Fabled Shares or SpinCo Shares by a Resident Holder that is a corporation will be included in computing that corporation's income and generally will be deductible in computing the taxable income of that corporation. In certain circumstances, a taxable dividend received by a Resident Holder that is a corporation may be treated as proceeds of disposition or a capital gain pursuant to the rules in subsection 55(2) of the Tax Act. In addition, a Resident Holder that is a "private corporation" or a "subject corporation" for purposes of the Tax Act generally will be liable to pay a refundable tax under Part IV of the Tax Act on dividends received or deemed to be received to the extent such dividends are deductible in computing such Resident Holder's taxable income.

#### *Disposition of New Fabled Shares and SpinCo Shares*

On a disposition or a deemed disposition of New Fabled Shares or SpinCo Shares (other than to Fabled or SpinCo, respectively, unless purchased by Fabled or SpinCo on the open market in the manner in which shares are normally purchased by any member of the public in the open market), a Resident Holder generally will realize a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition of such share exceed (or are exceeded by) the aggregate of the Resident Holder's adjusted cost base thereof and any reasonable costs of disposition. The tax treatment of any such capital gain (or capital loss) is described under the heading "*Holders Resident in Canada - Taxation of Capital Gains and Capital Losses*".

#### *Taxation of Capital Gains and Capital Losses*

Generally, one-half of the amount of any capital gain (a "**taxable capital gain**") realized by a Resident Holder in a taxation year must be included in computing the Resident Holder's income in that year, and one-half of the amount

of any capital loss (an “**allowable capital loss**”) realized by a Resident Holder in a taxation year generally must be deducted from taxable capital gains realized by the Resident Holder in that year. Allowable capital losses in excess of taxable capital gains realized in a taxation year generally may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any following taxation year against taxable capital gains realized in such years to the extent and under the circumstances described in the Tax Act.

The amount of any capital loss realized on the disposition or deemed disposition of a New Fabled Share or a SpinCo Share by a Resident Holder that is a corporation may be reduced by the amount of dividends received or deemed to have been received by it on the New Fabled Share or SpinCo Share, respectively, (or on a share for which such share has been substituted) to the extent and in the circumstances prescribed by the Tax Act. Similar rules may apply where a corporation is a member of a partnership or a beneficiary of a trust that owns New Fabled Shares or SpinCo Shares, directly, or indirectly through a partnership or a trust. Resident Holders to which these rules may be relevant should consult their own tax advisors.

A Resident Holder that is a “Canadian-controlled private corporation” (as defined in the Tax Act) may be liable for an additional refundable tax on its “aggregate investment income”, which is defined in the Tax Act to include taxable capital gains.

Capital gains realized by an individual (including certain trusts) may give rise to a liability for alternative minimum tax as calculated under the detailed rules set out in the Tax Act.

#### Dissenting Resident Holders

A Resident Holder who validly exercises Dissent Rights (a “**Dissenting Resident Holder**”) and who consequently transfers or is deemed to transfer Fabled Shares to Fabled for payment by Fabled will be deemed to receive a taxable dividend in the taxation year of payment equal to the amount, if any, by which the payment (excluding interest) exceeds the PUC of the Dissenting Resident Holder’s Fabled Shares determined immediately before the Arrangement. Any such taxable dividend will be taxable as described above under “*Holders Resident in Canada – Taxation of Dividends on New Fabled Shares or SpinCo Shares*”. The Dissenting Resident Holder will also realize a capital gain (or capital loss) equal to the amount, if any, by which the payment (excluding interest), less any such deemed taxable dividend, exceeds (is exceeded by) the ACB of the Dissenting Resident Holder’s Fabled Shares determined immediately before the Arrangement. Any such capital gain or loss will generally be taxable or deductible as described above under “*Holders Resident in Canada – Taxation of Capital Gains and Capital Losses*”.

The Dissenting Resident Holder will be required to include any portion of the payment that is on account of interest in income in the year received or becomes receivable, depending on the method regularly followed by the Dissenting Resident Holder in computing income.

#### **Holders Not Resident in Canada**

This portion of the summary is generally applicable to a Holder that, at all relevant times for purposes of the Tax Act, is (i) neither a resident nor deemed to be a resident of Canada (including as a consequence of an applicable income tax treaty or convention) and (ii) does not use, or will not use or hold, and is not deemed to use or hold Fabled Shares, Fabled Class A Shares, New Fabled Shares, or SpinCo Shares in connection with carrying on a business in Canada (a “**Non-Resident Holder**”). Special rules, which are not discussed in this summary, may apply to a Non-Resident Holder that is an insurer carrying on business in Canada and elsewhere, or an “authorized foreign bank” as defined in the Tax Act. Such Non-Resident Holders should consult their own tax advisers with respect to the Arrangement.

#### Change of Identifying Name of Fabled Shares to Fabled Class A Shares, and Exchange of Fabled Class A Shares for New Fabled Shares and SpinCo Shares

The discussion of the tax consequences of the change of the identifying name of the Fabled Shares to Fabled Class A Shares and the Share Exchange for Resident Holders under the headings “*Holders Resident in Canada - Redesignation of*

*Fabled Shares into Fabled Class A Shares” and “Holders Resident in Canada - Exchange of Fabled Class A Shares for New Fabled Shares and SpinCo Shares”, respectively, generally will also apply to Non-Resident Holders. The general taxation rules applicable to Non-Resident Holders in respect of a deemed taxable dividend or capital gain arising on the Share Exchange are discussed below under the headings “Holders Not Resident in Canada – Taxation of Dividends on New Fabled Shares or SpinCo Shares” and “Holders Not Resident in Canada – Taxation of Capital Gains and Capital Losses” respectively.*

*Taxation of Dividends on New Fabled Shares or SpinCo Shares*

A Non-Resident Holder to whom Fabled or SpinCo pays or credits (or is deemed to pay or credit) an amount as a dividend in respect of the Arrangement (if at all), or otherwise in respect of the Non-Resident Holder’s New Fabled Shares or SpinCo Shares, will be subject to Canadian withholding tax equal to 25% (or such lower rate as may be available under an applicable income tax convention, if any) of the gross amount of the dividend. Under the Canada-U.S. Tax Convention (1980) as amended (the “**Tax Treaty**”), the withholding tax rate applicable to a Non-Resident Holder who is entitled to all of the benefits of the Tax Treaty for dividends is reduced to 5% of the gross amount of the dividend for such Holders that are corporations that hold at least 10% of the voting shares of Fabled or SpinCo, as applicable, and reduced to 15% of such amount for other such Holders.

*Taxation of Capital Gains and Capital Losses*

A Non-Resident Holder will not be subject to Canadian federal income tax in respect of any capital gain arising on an actual or deemed disposition of a Fabled Share, Fabled Class A Share, New Fabled Share or SpinCo Share unless, at the time of disposition, the share is “taxable Canadian property” as defined in the Tax Act, and is not “treaty-protected property” as so defined.

Generally, a Fabled Share, Fabled Class A Share, New Fabled Share or SpinCo Share will not be “taxable Canadian property” of a Non-Resident Holder at a particular time provided that share is listed on a “designated stock exchange” (which currently includes the TSXV) unless, at any time during the 60-month period preceding the disposition of the share, (a) that share derived more than 50% of its fair market value directly or indirectly from one or any combination of: (i) real or immovable properties situated in Canada, (ii) Canadian resource properties, (iii) timber resource properties (as such terms are defined in the Tax Act), and (iv) options in respect of, or interests in, or for civil law rights in, property described in (i) to (iii), whether or not the property exists; and (b) 25% or more of the issued shares of any class or series in the capital of Fabled or SpinCo, as applicable, were owned by one or any combination of (i) the Non-Resident Holder, (ii) persons with whom the Non-Resident Holder did not deal at “arm’s length” (within the meaning of the Tax Act), and (iii) partnerships in which the Non-Resident Holder or a person described in (ii) holds a membership interest directly or indirectly through one or more partnerships.

*Shares may also be deemed to be “taxable Canadian property” under other provisions of the Tax Act.*

A Non-Resident Holder who disposes or is deemed to dispose of a Fabled Share, Fabled Class A Share, New Fabled Share or SpinCo Share that, at the time of disposition, is taxable Canadian property and is not treaty-protected property will realize a capital gain (or capital loss) equal to the amount, if any, by which the Non-Resident Holder’s proceeds of disposition of the share exceeds (or is exceeded by) the Non-Resident Holder’s ACB in the share and reasonable costs of disposition. The Non-Resident Holder generally will be required to include one-half of any such capital gain (taxable capital gain) in the Non-Resident Holder’s taxable income earned in Canada for the year of disposition, and be entitled to deduct one half of any such capital loss (allowable capital loss) against taxable capital gains included in the Non-Resident Holder’s taxable income earned in Canada for the year of disposition and, to the extent not so deductible, against such taxable capital gains realized in any of the three preceding taxation years or any subsequent taxation year, to the extent and in the circumstances set out in the Tax Act.

Non-Resident Holders for which a Fabled Share, Fabled Class A Share, New Fabled Share or SpinCo Share may constitute “taxable Canadian property” should consult their own tax advisors for advice having regard to their particular circumstances.

Dissenting Non-Resident Holders

The discussion above applicable to Resident Holders under the heading “*Holdings Resident in Canada – Dissenting Resident Holders*” generally will also apply to a Non-Resident Holder who validly exercises Dissent Rights in respect of the Arrangement. In general terms, the Non-Resident Holder will be subject to Canadian federal income tax in respect of any deemed taxable dividend arising as a consequence of the exercise of Dissent Rights generally as discussed above under the heading “*Holdings Not Resident in Canada – Taxation of Dividends on New Fabled Shares and SpinCo Shares*” and subject to the Canadian federal income tax treatment in respect of any capital gain or loss arising as a consequence of the exercise of Dissent Rights generally as discussed above under the heading “*Holdings Not Resident in Canada – Taxation of Capital Gains and Capital Losses*”.

**ELIGIBILITY FOR INVESTMENT – NEW FABLED SHARES AND SPINCO SHARES**

In the opinion of Koffman Kalef LLP, as tax counsel to Fabled and SpinCo, based on the provisions of the *Income Tax Act* (Canada) and the regulations thereunder (collectively, the “**Tax Act**”) in force as of the date hereof and all proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof, the New Fabled Shares, if issued on the date hereof, will be qualified investments for a trust governed by a registered retirement savings plan (“**RRSP**”), a registered retirement income fund (“**RRIF**”), a registered education savings plan (“**RESP**”), a deferred profit sharing plan, a registered disability savings plan (“**RDSP**”) and a tax-free savings account (“**TFSA**”) as each of those terms is defined in the Tax Act provided that shares of Fabled are listed on a “designated stock exchange” as defined in the Tax Act (which currently includes the TSXV).

The SpinCo Shares are not currently listed on a “designated stock exchange” and SpinCo is not otherwise a “public corporation” (as such term is defined in the Tax Act). SpinCo is in the process of applying for a listing of its common shares on CSE. Listing will be subject to SpinCo fulfilling all of the requirements of the CSE. SpinCo will rely upon the CSE to list SpinCo Shares on the CSE with trading halted as of the day before the SpinCo Shares are issued on the Effective Date and otherwise proceed in the manner described above to render the SpinCo Shares issued on the Effective Date to be unconditionally listed on a “designated stock exchange” within the meaning of the Tax Act at the time of issuance. If the CSE does not proceed with the listing as anticipated, the SpinCo Shares will not be “qualified investments” for the purposes of the Tax Act.

Notwithstanding that the New Fabled Shares or SpinCo Shares may be a qualified investment for a trust governed by an RRSP, RRIF, RESP, RDSP, or TFSA (each, a “**Registered Plan**”), the annuitant of an RRSP or RRIF, the subscriber under an RESP or the holder of a TFSA or RDSP, as the case may be, (the “**Controlling Individual**”) will be subject to a penalty tax in respect of the New Fabled Shares or SpinCo Shares held in the Registered Plan if the New Fabled Shares or SpinCo Shares, as the case may be, are a “prohibited investment” (as defined in the Tax Act) for the particular Registered Plan. The New Fabled Shares and SpinCo Shares will be a “prohibited investment” for a Registered Plan if the Controlling Individual (i) does not deal at arm’s length with the Company or SpinCo, as the case may be, for purposes of the Tax Act, or (ii) has a “significant interest” (as defined in subsection 207.01(4) of the Tax Act) in the Company or SpinCo. Generally, a Controlling Individual will not be considered to have a “significant interest” in a corporation provided that the Controlling Individual, together with persons with whom the Controlling Individual does not deal at arm’s length, does not own, directly or indirectly, at any time in the year 10% or more of the issued shares of any class of that corporation or of any corporation related to that corporation (for purposes of the Tax Act). In addition, the New Fabled Shares or SpinCo Shares will not be a “prohibited investment” if such shares are “excluded property” as defined in the Tax Act for a Registered Plan.

**INFORMATION CONCERNING SPINCO POST-ARRANGEMENT**

For further information concerning SpinCo post-Arrangement, see Schedule F to this Circular.

## **EXECUTIVE COMPENSATION**

### **Named Executive Officers**

For the purposes of this Circular, a Named Executive Officer (“NEO”) of the Company means each of the following individuals:

- (a) a chief executive officer (“CEO”) of the Company;
- (b) a chief financial officer (“CFO”) of the Company;
- (c) in respect of the Company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000; and
- (d) each individual who would be an NEO under paragraph (c) above but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of that financial year.

On July 2, 2020, Michael Harrison resigned as CEO and Eugene A. Hodgson resigned as President and Peter Hawley was appointed as President and CEO of the Company.

On October 19, 2020 Rodney W. Reum resigned as CFO of the Company and Alnesh Mohan was appointed as his replacement.

### **Compensation Discussion and Analysis**

The Board performs the duties of a compensation committee, as it does not have a defined compensation committee. The Board reviews and approves the compensation of executive officers. At the end of the Last Financial Year, there were four directors on the Board.

The Company is an exploration stage mining Company and does not expect to be generating revenues from operations in the foreseeable future. As a result, the use of traditional performance standards, such as corporate profitability, is not considered by the Board to be appropriate in the evaluation of corporate or NEO performance. The compensation of senior officers is also based, in part, on trends in the mineral exploration industry as well as achievement of the Company’s business plans. The Board did not establish any quantifiable criteria during the Last Financial Year with respect to base compensation payable or the amount of equity compensation granted to NEOs and did not benchmark against a peer group of companies.

### **Employment, Consulting, and Management Agreements**

During the Last Financial Year, or at any time from the Last Financial Year to the date of this Circular, no person was engaged under a management contract to provide management services to the Corporation other than as follows:

Michael Harrison was engaged as a contractor to be the Company’s CEO until July 2, 2020 at which time his consultancy agreement was terminated. Mr. Harrison received no compensation in the Last Financial Year or to the date of this Circular.

Eugene A. Hodgson was engaged as a contractor to be the Company’s President until July 2, 2020 at which time his consultancy agreement was terminated. Mr. Hodgson received no compensation in the Last Financial Year or to the date of this Circular.

Peter J. Hawley was engaged as an employee to be the Company’s President and CEO on July 7, 2020. Pursuant to the terms of the employment agreement, the Company has agreed to pay Mr. Hawley a base salary of \$120,000 per annum. In addition, Mr. Hawley is eligible to receive an annual performance bonus of up to 100% of his base salary as decided in the sole discretion of the Board from time to time. The agreement is for an initial term of 18 months renewable for additional 18 month periods at the discretion of the Board. Mr. Hawley may resign by giving the

Company 90 days' notice in which he shall not be entitled to any severance payment but shall be entitled to receive all annual salary earned to and including the last written notice day together with any final expenses and annual bonus in respect of a completed fiscal year which has been earned but not paid. In the event of (i) a termination after a change of control within 12 months after the change of control or (ii) upon the resignation of Mr. Hawley for any reason within 120 days of a change of control, the Company shall pay to Mr. Hawley a lump sum of up to 30 months' pay, equivalent to the number of months of the aggregate of his annual salary, plus an additional lump sum equal to 2½ times the annual bonus paid to him in the year preceding the date of his termination.

David Smalley Law Corp., a corporation controlled by David W. Smalley, a Director and Chairman of the Company is engaged to provide legal services to the Company.

Quantum Advisory Partners LLP, a limited partnership, of which Alnesh Mohan, CFO of the Company is an incorporated partner, is engaged to provide accounting services to the Company.

### Summary Compensation Table

The following table sets forth, for the fiscal years ended December 31, 2020, 2019 and 2018, the compensation of the NEOs.

NEO Name and Principal Position	Fiscal Year Ended December 31	Salary	Bonus	Share-Based Awards	Option-Based Awards <sup>(1)</sup>	Non-equity Incentive Plan Compensation		Pension Value	All Other Compensation	Total Compensation
						Annual Incentive Plans	Long-term Incentive Plans			
Peter J. Hawley President and C.E.O. and Director <sup>(2)</sup>	2020	\$60,000	\$60,000	Nil	\$68,557	Nil	Nil	Nil	Nil	\$188,557
	2019	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2018	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Alnesh P. Mohan C.F.O. <sup>(3)</sup>	2020	Nil	Nil	Nil	\$10,284	Nil	Nil	Nil	\$28,500 <sup>(4)</sup>	\$38,784
	2019	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2018	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
David W. Smalley Chairman and Director <sup>(5)</sup>	2020	Nil	Nil	Nil	\$51,418	Nil	Nil	Nil	\$131,552 <sup>(6)</sup>	\$182,970
	2019	Nil	Nil	Nil	Nil	Nil	Nil	Nil	\$29,122 <sup>(6)</sup>	\$29,122
	2018	Nil	Nil	Nil	Nil	Nil	Nil	Nil	\$4,058 <sup>(6)</sup>	\$4,058
Michael B. Harrison Former C.E.O. and current Director <sup>(7)</sup>	2020	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2018	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Rodney W. Reum Former C.F.O. <sup>(8)</sup>	2020	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2018	Nil	Nil	Nil	\$25,184	Nil	Nil	Nil	Nil	\$25,184
Eugene A. Hodgson Former President <sup>(9)</sup>	2019	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2018	Nil	Nil	Nil	\$37,776 <sup>(10)</sup>	Nil	Nil	Nil	Nil	\$37,776

- (1) The Company has calculated the “grant date fair value” amounts in the ‘Option-based Awards’ column using the Black-Scholes-Merton Option Pricing Model, a mathematical valuation model that ascribes a value to a stock option based on a number of factors in valuing the option-based awards, including the exercise price of the options, the price of the underlying security on the date the option was granted, and assumptions with respect to the volatility of the price of the underlying security and the risk-free rate of return. Calculating the value of stock options using this methodology is very different from simple “in-the-money” value calculation. Stock options that are well out-of-the-money can still have a significant “grant date fair value” based on a Black-Scholes valuation. Accordingly, caution must be exercised in comparing grant date fair value amounts with cash compensation or an in-the-money option value calculation. The total compensation shown in the last column is total compensation of each NEO reported in the other columns. The value of the in-the-money options currently held by each director (based on share price less option exercise price) is set forth in the ‘Value of Unexercised in-the-money Options’ column of the “Outstanding Share-Based and Option-Based Awards” table below.

- (2) Mr. Hawley was appointed as President and CEO on July 2, 2020.
- (3) Mr. Mohan was appointed as CFO on October 19, 2020.
- (4) Paid to Quantum Advisory Partners LLP in respect of accounting fees.
- (5) Mr. Smalley was appointed Chairman of the Company on October 19, 2020 and was a Director since 2018.
- (6) Paid to David Smalley Law Corp. in respect of legal fees.
- (7) Mr Harrison resigned as CEO on July 2, 2020 but remains as a Director of the Company.
- (8) Mr. Reum resigned as CFO on October 19, 2020 but joined the advisory board of the Company on that date and continues to hold his options.
- (9) Mr. Hodgson resigned as President on July 2, 2020 but joined the advisory board of the Company on that date and continues to hold his options.
- (10) Mr. Hodgson was previously granted 2,203,998 stock options but forfeited 1,603,998 of these upon his resignation as President of the Company. The figure provided reflects the fair value of his remaining 600,000 stock options.

## **Compensation Risk**

The Board is responsible for considering, establishing and reviewing executive compensation programs, and whether the programs encourage unnecessary or excessive risk taking. The Company believes the programs are balanced and do not motivate unnecessary or excessive risk taking.

Annual incentive awards, if any, focus on the achievement of short-term and annual goals. Annual incentive awards are based on various personal and company-wide achievements. Such performance goals are subjective and include achieving individual and/or corporate targets and objectives, as well as general performance in day-to-day corporate activities which would trigger the award of a bonus payment to the NEO. The determination as to whether a target has been met is ultimately made by the Board and the Board reserves the right to make positive or negative adjustments to any bonus payment if they consider them to be appropriate. Funding of the annual incentive awards is capped at the company level and the distribution of funds to the executive officers is at the discretion of the Board.

Option awards are important to further align employees' interests with those of the Shareholders. The ultimate value of the awards is tied to the Company's stock price and since awards are staggered they help ensure that NEOs have significant value tied to long-term stock price performance.

## **INCENTIVE PLAN AWARDS**

### **Share-Based Award, Option-Based Awards and Non-Equity Incentive Plan Compensation**

Except as indicated in the table Summary Compensation Tables, above and below, no share-based awards and option-based awards have been given to any of the directors or officers of Company during Last Financial Year. A total of 3,850,000 options were granted by the Company on December 18, 2020, of which 2,850,000 options were granted to directors and officers of the Company. At the date of this Circular, there are 5,787,067 outstanding options of which 3,112,067 have vested.

No other interests under any option-based; share-based or non-equity incentive plan have vested in relation to any of the Company officers or directors during the Last Financial Year.

### ***Outstanding Share-based Awards and Option-based Awards***

The following table sets out all share-based awards and option-based awards outstanding as at December 31, 2020 for each NEO:

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(1)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Peter J. Hawley	1,000,000	0.08	12/18/2030	\$20,000	N/A	N/A	N/A
Alnesh Mohan	150,000	0.08	12/18/2030	\$3,000	N/A	N/A	N/A
David W. Smalley	53,707	0.30	06/16/2025	Nil	N/A	N/A	N/A
	750,000	0.08	12/18/2030	\$15,000	N/A	N/A	N/A
Michael B. Harrison	200,000	0.08	12/18/2030	\$4,000	N/A	N/A	N/A
Eugene A. Hodgson	300,000	0.15	11/21/2028	Nil	N/A	N/A	N/A
	300,000	0.10	11/21/2028	Nil	N/A	N/A	N/A
Rodney W. Reum	19,343	0.30	06/16/2025	Nil	N/A	N/A	N/A
	200,000	0.15	11/21/2028	Nil	N/A	N/A	N/A
	200,000	0.10	11/21/2028	Nil	N/A	N/A	N/A

**Note:**

(1) “In-the-money” means the excess of the market value of the Shares on December 31, 2020 over the base price of the options.

**Incentive Plan Awards – Value Vested or Earned During the Year**

The following table sets out all incentive plan awards (value vested or earned) during the Last Financial Year, for each NEO:

Name	Option-based awards – Value vested during the year <sup>(1)</sup> (\$)	Share-based awards – Value vested during the year <sup>(2)</sup> (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Peter J. Hawley	Nil	Nil	Nil
Alnesh Mohan	Nil	Nil	Nil
David W. Smalley	Nil	Nil	Nil
Michael B. Harrison	Nil	Nil	Nil
Eugene A. Hodgson	Nil	Nil	Nil
Rodney W. Reum	Nil	Nil	Nil

**Notes:**

- (1) Value vested is calculated as the dollar value that would have been realized had the option been exercised on the date it was vested less the related exercise price multiplied by the number of vesting shares.
- (2) This amount is the dollar value realized calculated by multiplying the number of shares or units by the market value of the underlying shares on the vesting date.

**Pension Plan Benefits**

No pension, retirement or deferred compensation plans, including defined contribution plans, have been instituted by the Company and none are proposed at this time.

### **Termination of Employment, Change in Responsibilities and Employment Contracts**

Other than as described in respect of Peter J. Hawley’s employment agreement, the Company does not maintain any plan, in accordance with which any of its directors or officers is eligible for any compensation or other benefit in the event of change of control of the Company or in the event of change of responsibility of such director or officer.

The New Stock Option plan as described above gives the Board the discretion to accelerate the vesting of stock options in the event of a change of control of the Company.

### **COMPENSATION OF DIRECTORS**

As of the date hereof, the Board has not adopted a compensation program for its directors with respect to general director duties; however, the directors may determine from time to time that remuneration is appropriate. If the directors decide to entitle themselves to remuneration, the directors must do so acting in the best interests of the Company. Remuneration as a director may be in addition to any compensation earned by directors as officers, employees, or consultants of the Company.

Moreover, if any director provides any professional or other services for the Company that in the opinion of the directors are outside the ordinary duties of a director, that director may be entitled to remuneration fixed by ordinary resolution, and that remuneration may be either in addition to, or in substitution for, any other remuneration that the director may be entitled to receive.

Directors are reimbursed for all reasonable out-of-pocket expenses incurred in attending Board, committee or Shareholder meetings and otherwise incurred in carrying out their duties as directors of the Company.

Directors are eligible to receive option grants pursuant to the Option Plan, the number and exercise price of which is at the discretion of the Board.

Compensation for the NEOs has already been disclosed above under “Summary Compensation Table”. For the other Directors who are not NEOs, no cash compensation was paid to them for their services as Directors during the Last Financial Year or up to the date of this Circular.

The following table shows the outstanding cash value compensation received by each director and former director for the Last Financial Year.

<b>Name</b>	<b>Fees Earned</b>	<b>Share-Based Awards</b>	<b>Option-Based Awards<sup>(1)</sup></b>	<b>Non-equity Incentive Plan Compensation</b>	<b>Pension Value</b>	<b>All Other Compensation</b>	<b>Total</b>
Luc Pelchat	Nil	Nil	\$34,279	Nil	Nil	Nil	\$34,279
John H. Harper <sup>(2)</sup>	Nil	Nil	Nil	Nil	Nil	Nil	Nil

(1) See footnote 1 of “Summary Compensation Table” above.

(2) Mr. Harper was not re-elected at the last Annual General Meeting of the Company held on October 19, 2020.

The following table sets out all share-based awards and option-based awards outstanding as at December 31, 2020 for each director of the Company:

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Luc Pelchat	50,000	0.10	11/21/2028	Nil	N/A	N/A	N/A
	50,000	0.15	11/21/2028	Nil	N/A	N/A	N/A
	500,000	0.08	12/18/2030	\$10,000	N/A	N/A	N/A
John H. Harper	Nil	Nil	Nil	Nil	N/A	N/A	N/A

The following table sets out all incentive plan awards (value vested or earned) during the Last Financial Year for each director of the Company:

Name	Option-based awards – Value vested during the year <sup>(1)</sup> (\$)	Share-based awards – Value vested during the year <sup>(2)</sup> (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Luc Pelchat	Nil	Nil	N/A
John H. Harper	Nil	Nil	N/A

(1) Value vested is calculated as the dollar value that would have been realized had the option been exercised on the date it was vested less the related exercise price multiplied by the number of vesting shares.

(2) This amount is the dollar value realized calculated by multiplying the number of shares or units by the market value of the underlying shares on the vesting date.

### SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out equity compensation plan information as at December 31, 2020:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plan (excluding securities reflected in column (a)) (c)
Equity compensation plan approved by securityholders	5,353,729	\$0.10	8,651,461
Equity compensation plan not approved by securityholders	Nil	Nil	Nil
Total	5,353,729	\$0.10	8,651,461

The existing stock option plan is the Company's only equity compensation plan and will be replaced with the New Stock Option Plan if approved by the Shareholders at the Meeting. For material features of the New Stock Option Plan, please see "Stock Option Plan" above.

### INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the Directors, executive Officers or proposed nominees for election as Directors, executive Officers or their respective associates or affiliates, or other management of the Company is or has been indebted to the Company as at the date hereof.

## **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

To the knowledge of management of the Company, no informed person (a Director, Officer or holder of 10% or more of the Shares) or nominee for election as a Director or any associate or affiliate of any informed person or proposed Director has had any interest in any transaction which has materially affected or would materially affect the Company or any of its subsidiaries during the year ended December 31, 2020, or has any interest in any material transaction in the current year, other than as set out herein.

## **MANAGEMENT CONTRACTS**

Management functions of the Company are not to any substantial degree performed by a person or company other than the Directors or executive Officers.

## **CORPORATE GOVERNANCE PRACTICES**

### **Board of Directors**

The Board currently consists of four directors. Two of the current four directors, Luc Pelchat and Michael B. Harrison are independent as they are not (i) an Officer or employee of the Company; (ii) a party to a material contract with the Company or has a material interest in a transaction involving the Company; or (iii) the recipient of remuneration from the Company other than incentive stock options disclosed herein, save and except for payments made as professional fees. Peter J. Hawley, the Company's President and CEO and David W. Smalley the Company's Chairman, who takes an active day to day role in managing the legal affairs of the Company, are thus not independent.

### **Directorships**

As at the date hereof, the following Directors are also directors of other reporting issuers as set out below:

<b>Name of Director</b>	<b>Name of Reporting Issuer</b>
David W. Smalley	Efficacious Elk Capital Corp.
Michael B. Harrison	Efficacious Elk Capital Corp.

### **Orientation and Continuing Education**

Due to the Company's small size and the fact that the Company recruits only directors with public company experience, the Company does not currently have a formal orientation program. However, existing members of the Board will provide any new Director with a review of a Director's fiduciary duties and the Company's expectations of its Directors in terms of time and effort, as well as the Company's business, strategic plans, management issues, and corporate governance policies.

In terms of continuing education, Directors are encouraged to keep themselves current with industry trends and changes in legislation by liaising with management and the Company's counsel, attending industry-related events and other educational seminars. The cost of continuing education activities will be borne by the Company.

### **Ethical Business Conduct**

The Board has adopted and maintains a code of ethics which is applicable to the Company's Directors, Officers and employees. The purpose of the code is to provide guidance and to prohibit unethical behavior with respect to issues such as conflicts of interest, confidentiality, whistleblowing, protection of corporate assets and opportunities, and compliance with laws and regulations. Furthermore, Directors are frequently reminded to consider whether they are in a conflict of interest by virtue of serving as directors or officers in other companies or holding an interest in a transaction or agreement. A Director in such circumstances is advised to disclose his or her interest in a transaction or agreement, and if the Board considers the interest to be material, such Director must abstain from discussing and voting on the matter.

The Company's code of Business Ethics and Conduct can be found on its website at <https://fabledsilvergoldcorp.com>

### **Nomination of Directors**

The Board as a whole oversees and decides on the nomination of directors as required.

### **Compensation**

Please see Compensation Discussion and Analysis above for a complete discussion on how the Company determines matters related to compensation of its directors.

### **Other Board Committees**

The Company also has a Corporate Governance Committee composed of David W. Smalley, Michael Harrison and Peter J. Hawley and a Compensation Committee composed of David W. Smalley, Michael Harrison and Luc Pelchat.

### **Assessments**

Members of the Board are expected to continually evaluate the effectiveness of the Board, its committees and fellow Directors by considering the accomplishment, or lack thereof, of the Company's goals.

## **AUDIT COMMITTEE**

### **The Audit Committee's Charter**

The Audit Committee is responsible for monitoring the Company's systems and procedures for financial reporting and internal control, reviewing certain public disclosure documents and monitoring the performance and independence of the Company's external auditors. The committee is also responsible for reviewing the Company's annual audited financial statements, unaudited quarterly financial statements and management's discussion and analysis of financial results of operations for both annual and interim financial statements and review of related operations prior to their approval by the full board of directors of the Company.

The Audit Committee's charter sets out its responsibilities and duties, qualifications for membership, procedures for committee member removal and appointment and reporting to the board of directors of the Company. The Company's Audit Committee Charter is attached as Schedule K to this Circular.

### **Composition of the Audit Committee**

As at the year ended December 31, 2020 and as of the date hereof the Audit Committee is comprised of three directors, being David W. Smalley, Luc Pelchat and Michael B. Harrison two of whom, being Luc Pelchat and Michael B. Harrison were independent directors. Each member of the Audit Committee is financially literate within the meaning of NI 52-110.

### **Relevant Education and Experience**

**David W. Smalley** - Mr. Smalley is the principal of David Smalley Law Corporation where he practices Corporate and Securities law, prior to which he was a partner at Fraser and Company LLP in Vancouver, BC. He was called to the bar of the Law Society of British Columbia in 1989. Mr. Smalley earned a Bachelor of Laws degree from the University of British Columbia in 1988 and a Bachelor of Arts degree from the University of Victoria in 1985.

He has been an officer and director of numerous private and public companies over the last 22 years as well as serving as chair of numerous audit and governance committees. Mr. Smalley was a director and chair of the audit committee of Scorpio Gold Corporation from 2010 until November 2017.

**Luc Pelchat** - Mr. Pelchat is the founder and President of the Canadian Chamber of Commerce in North Mexico. Following 15 years with a Canadian multinational company operating in the construction industry, Mr. Pelchat formed a number of his own companies and has realized multiple projects in the construction industry in Mexico. He has

extensive business, financial and human resources experience in Canada, Mexico and Africa.

Mr. Pelchat was a director of Scorpio Gold Corp. listed on the TSXV from June 2009 until October 2019 and was a member of the Audit Committee of that company for a number of years.

**Michael B. Harrison** – Mr. Harrison was previously an investment banker and worked for Planvest Capital (C.M. Oliver) in Vancouver from 1987-1992, achieving the position of Chief Development Officer. Mr. Harrison has arranged financing for both public and private companies in both North America and Asia. He has been C.E.O. of numerous mining and biotechnology companies since that time.

Mr. Harrison currently serves on the Audit Committee of Efficacious Elk Capital Corp., a capital pool company listed on the TSXV.

### **Audit Committee Oversight**

At no time since the commencement of the Company’s most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board of Directors.

### **Reliance on Certain Exemptions**

At no time since the commencement of the Company’s most recently completed financial year has the Company relied on the exemption in Section 2.4 of National Instrument 52-110 (the “Instrument”), or an exemption from the Instrument, in whole or in part, granted under Part 8 thereof.

### **Pre-Approval Policies and Procedures**

The Audit Committee has not adopted any specific policies or procedures for the engagement of non-audit services. Generally, management is responsible for ensuring that any required non-audit services are performed in a timely manner, subject to review by the Board or the Audit Committee.

### **External Auditor Service Fees (By Category)**

The aggregates fees paid by the Company to its auditor in each of the last two fiscal years are as follows:

	Audit fees	Audit related fees	Tax fees	All other fees (non-tax)
FY2020	\$35,000	Nil	\$2,000	Nil
FY2019	\$18,067	Nil	\$1,500	Nil

### **Exemption**

Since the Company is a “Venture Issuer” pursuant to NI 52-110 by virtue of its securities being listed only on TSX Venture Exchange and on no other stock exchanges enumerated in the NI 52-110, it is exempt from the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

## **OTHER BUSINESS**

As of the date of this Information Circular, management is not aware of any other matters to come before the Meeting. The securities represented by the Proxy will be voted as directed by the holder, but if such direction is not made in respect of any matter, the Proxy will be voted as recommended by Management.

## **ADDITIONAL INFORMATION**

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information relating to the Company is provided in the Company’s comparative financial statements and management’s discussion and analysis (“**MD&A**”) for its most recently completed financial year ended December 31, 2020. Shareholders may

contact the Company to request copies of the financial statements and the MD&A.

**DIRECTORS' APPROVAL**

The contents of this Circular and the sending thereof to the Fabled Shareholders have been approved by the Board.

DATED at Vancouver, British Columbia, this 27<sup>th</sup> day of September, 2021.

**BY ORDER OF THE BOARD OF DIRECTORS**

*“David W. Smalley”*  
David W. Smalley  
Chairman

**SCHEDULE A**  
**ARRANGEMENT RESOLUTION**

BE IT RESOLVED as a special resolution of the shareholders of FABLED SILVER GOLD CORP. (the “Company”), that:

1. The arrangement (the “**Arrangement**”) under Section 288 of the Business Corporations Act (British Columbia) (the “BCBCA”) involving the Company and Fabled Copper Corp. (“**SpinCo**”), as more particularly described and set forth in the management information circular of the Company dated September 27, 2021 (the “**Circular**”), (as the Arrangement may be, or may have been, modified or amended), is hereby authorized, approved and adopted.
2. The plan of arrangement, as it may be or has been amended (the “**Plan of Arrangement**”), involving the Company and SpinCo, and implementing the Arrangement, the full text of the Plan of Arrangement is set out in Exhibit I to Schedule B to the Circular (as the Plan of Arrangement may be, or may have been, modified or amended in accordance with its terms), is hereby authorized, approved and adopted.
3. The arrangement agreement (the “**Arrangement Agreement**”) between the Company and SpinCo dated September 17, 2021 and all the transactions contemplated therein, the actions of the directors of the Company in approving the Arrangement and any amendments thereto and the actions of the directors and officers of the Company in executing and delivering the Arrangement Agreement and any amendments thereto are hereby confirmed, ratified, authorized and approved.
4. Notwithstanding that these resolutions have been passed (and the Arrangement adopted) or that the Arrangement has been approved by the Supreme Court of British Columbia, the directors of the Company are hereby authorized and empowered, without further notice to, or approval of, any securityholders of the Company:
  - a. to amend the Arrangement Agreement or the Plan of Arrangement to the extent permitted by the Arrangement Agreement or the Plan of Arrangement;
  - b. or subject to the terms of the Arrangement Agreement, not to proceed with the Arrangement.
5. Any one or more directors or officers of the Company is hereby authorized, for and on behalf and in the name of the Company, to execute and deliver, all such agreements, applications, forms, waivers, notices, certificates, confirmations and other documents and instruments and to do or cause to be done all such other acts and things as in the opinion of such director or officer may be necessary, desirable or useful for the purpose of giving effect to these resolutions, the Arrangement Agreement and the completion of the Plan of Arrangement in accordance with the terms of the Arrangement Agreement, including:
  - a. all actions required to be taken by or on behalf of the Company, and all necessary filings and obtaining the necessary approvals, consents and acceptances of appropriate regulatory authorities; and
  - b. the signing of the certificates, consents and other documents or declarations required under the Arrangement Agreement or otherwise to be entered into by the Company;
  - c. such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.

**SCHEDULE B  
ARRANGEMENT AGREEMENT**

**[SEE ATTACHED]**

## ARRANGEMENT AGREEMENT

**THIS ARRANGEMENT AGREEMENT** is dated as of the 17<sup>th</sup> day of September, 2021,

**BETWEEN:**

**FABLED SILVER GOLD CORP.**, a company existing under the  
*Business Corporations Act* (British Columbia)

(“Silver”)

**AND:**

**FABLED COPPER CORP.**, a company existing under the *Business  
Corporations Act* (British Columbia)

(“SpinCo”)

**WHEREAS:**

A. Silver, through its wholly-owned subsidiary, SpinCo, owns or has the right to acquire 100% of the Muskwa Project, and non material Bronson Property, by virtue of the High Range Option Agreement and the ChurchKey Option Agreement;

B. Silver and SpinCo wish to proceed with a corporate restructuring by way of a statutory arrangement under the BCBCA, pursuant to which Silver and SpinCo will participate in a series of transactions whereby, among other things, Silver will distribute to the holders of Silver Shares all of the SpinCo Shares such that the holders of Silver Shares (other than Dissenting Shareholders) will become the holders of all of the SpinCo Shares;

C. Silver proposes to convene a meeting of the Silver Shareholders to consider the Arrangement pursuant to Part 9, Division 5 of the BCBCA, on the terms and conditions set forth in the Plan of Arrangement attached as Exhibit A hereto; and

D. Each of the parties to this Agreement has agreed to participate in and support the Arrangement.

**NOW THEREFORE**, in consideration of the premises and the respective covenants and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the parties hereto, the parties hereto hereby covenant and agree as follows:

### ARTICLE 1 - DEFINITIONS, INTERPRETATION AND EXHIBIT

**1.1 Definitions.** In this Agreement, unless there is something in the subject matter or context inconsistent therewith, the following words and terms will have the following meanings:

- (a) “**Agreement**” means this arrangement agreement, including the exhibits attached hereto, as the same may be supplemented or amended from time to time;

- (b) “**Arrangement**” means the arrangement pursuant to the Arrangement Provisions as contemplated by the provisions of this Agreement and the Plan of Arrangement;
- (c) “**Arrangement Provisions**” means Part 9, Division 5 of the BCBCA;
- (d) “**Arrangement Resolution**” means the special resolution of the Silver Shareholders to approve the Arrangement, as required by the Interim Order and the BCBCA;
- (e) “**BCBCA**” means the *Business Corporations Act*, S.B.C. 2002, c. 57, as amended;
- (f) “**Board of Directors**” means the board of directors of Silver;
- (g) “**Bronson Property**” means the non material Bronson Property, located in the Liard Mining Division in northern British Columbia, Canada, which is comprised of certain mining claims that can be acquired by SpinCo pursuant to the High Range Option Agreement.
- (h) “**Business Day**” means a day which is not a Saturday, Sunday or statutory holiday in Vancouver, British Columbia;
- (i) “**ChurchKey Option Agreement**” means the option agreement with ChurchKey Mines Inc., dated August 16, 2019, as amended, with respect to certain claims comprising the Muskwa Project.
- (j) “**Constating Documents**” means the Articles and related Notice of Articles under the BCBCA of Silver or SpinCo, as applicable;
- (k) “**Court**” means the Supreme Court of British Columbia;
- (l) “**Dissent Procedures**” means the rules pertaining to the exercise of Dissent Rights as set forth in Division 2 of Part 8 of the BCBCA and Article 5 of the Plan of Arrangement;
- (m) “**Dissent Rights**” means the right of a registered Silver Shareholder to dissent from the Arrangement Resolutions in accordance with the provisions of the BCBCA, as modified by the Interim Order, and to be paid the fair value of the Silver Shares in respect of which the holder dissents;
- (n) “**Dissenting Share**” has the meaning given in Section 3.1(a) of the Plan of Arrangement;
- (o) “**Dissenting Shareholder**” means a registered holder of Silver Shares who dissents in respect of the Arrangement in strict compliance with the Dissent Procedures and who has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights;
- (p) “**Effective Date**” will be the date of the closing of the Arrangement, as mutually agreed between Silver and SpinCo;

- (q) “**Effective Time**” means such time on the Effective Date as agreed to by Silver and SpinCo;
- (r) “**Exchange**” means any recognized Canadian stock exchange;
- (s) “**Final Order**” means the final order of the Court approving the Arrangement;
- (t) “**High Range Option Agreement**” means the amended and restated option agreement between Silver, SpinCo, and High Range Exploration Ltd., dated April 8, 2021 with respect to certain of the mining claims, comprising the Muskwa Project, and also all of the claims comprised in the non-material Bronson Property, each located in the Liard Mining Division in northern British Columbia;
- (u) “**Information Circular**” means the management information circular of Silver, including all schedules thereto, to be sent to the Silver Shareholders in connection with the Meeting, together with any amendments or supplements thereto;
- (v) “**Interim Order**” means the interim order of the Court providing advice and directions in connection with the Meeting and the Arrangement;
- (w) “**In the Money Amount**” means at a particular time with respect to a Silver Option or Silver Replacement Option means the amount, if any, by which the fair market value of the underlying security exceeds the exercise price of the relevant option at such time;
- (x) “**Meeting**” means the annual general and special meeting of the Silver Shareholders and any adjournment(s) or postponement(s) thereof to be held to, among other things, consider and, if deemed advisable, approve the Arrangement;
- (y) “**Muskwa Project**” means the Muskwa Project, located in the Liard Mining Division in northern British Columbia, Canada, and comprised of (i) certain mining claims 100% owned by SpinCo; (ii) certain mining claims that are owned 50% by SpinCo, the remainder of which can be acquired by SpinCo pursuant to the High Range Option Agreement; and (iii) certain mining claims that can be acquired by SpinCo pursuant to the High Range Option Agreement and ChurchKey Option Agreement;
- (z) “**New Silver Shares**” means the new class of common shares without par value which Silver will create pursuant to Section 3.1(b)(ii) of the Plan of Arrangement, and for which the Silver Class A Shares are, in part, to be exchanged under the Plan of Arrangement and which, immediately after completion of the transactions comprising the Plan of Arrangement, will be identical in every relevant respect to the Silver Shares;
- (aa) “**party**” means either Silver or SpinCo and “**parties**” means, collectively, Silver and SpinCo;

- (bb) **“Person”** means and includes an individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, a trustee, executor, administrator or other legal representative and the Crown or any agency or instrumentality thereof;
- (cc) **“Plan of Arrangement”** means the plan of arrangement attached to this Agreement as Exhibit A, as the same may be amended from time to time;
- (dd) **“Registrar”** means the Registrar of Companies under the BCBCA;
- (ee) **“Silver Class A Shares”** means the Silver Shares after they have been re-named and re-designated as “Class A common shares without par value” pursuant to Section 3.1(b)(i) of the Plan of Arrangement;
- (ff) **“Silver Optionholders”** means the holders of Silver Options on the Effective Date;
- (gg) **“Silver Options”** means options to acquire Silver Shares that are outstanding immediately prior to the Effective Time;
- (hh) **“Silver Replacement Option”** means an option to acquire a New Silver Share to be issued by Silver to a holder of a Silver Option pursuant to Section 3.1(d) of the Plan of Arrangement;
- (ii) **“Silver Shareholder”** means a registered or beneficial holder of Silver Shares;
- (jj) **“Silver Shares”** means the common shares without par value in the capital of Silver, as they exist immediately prior to the Effective Time;
- (kk) **“Silver Warrantholders”** means the holders of Silver Warrants on the Effective Date;
- (ll) **“Silver Warrants”** means the share purchase warrants of Silver exercisable to acquire Silver Shares that are outstanding immediately prior to the Effective Time;
- (mm) **“SpinCo Shares”** means the common shares without par value in the capital of SpinCo, as they exist immediately prior to the Effective Time;
- (nn) **“Stock Option Plan”** means the existing stock option plan of Silver, as updated and amended from time to time;
- (oo) **“Tax Act”** means the *Income Tax Act* (Canada), as amended from time to time;
- (pp) **“TSXV”** means the TSX Venture Exchange; and
- (qq) **“U.S. Securities Act”** means the United States Securities Act of 1933, as amended.

**1.2 Currency.** All amounts of money which are referred to in this Agreement are expressed in lawful money of Canada unless otherwise specified.

**1.3 Interpretation Not Affected by Headings.** The division of this Agreement into articles, sections, subsections, paragraphs and subparagraphs and the insertion of headings are for convenience of reference only and will not affect the construction or interpretation of the provisions of this Agreement. The terms “this Agreement”, “hereof”, “herein”, “hereunder” and similar expressions refer to this Agreement and the exhibits hereto as a whole and not to any particular article, section, subsection, paragraph or subparagraph hereof and include any agreement or instrument supplementary or ancillary hereto.

**1.4 Number and Gender.** In this Agreement, unless the context otherwise requires, words importing the singular will include the plural and vice versa and words importing the use of either gender will include all genders and neuter and words importing persons will include firms and corporations.

**1.5 Date for any Action.** In the event that any date on which any action is required to be taken hereunder by Silver or SpinCo is not a Business Day in the place where the action is required to be taken, such action will be required to be taken on the next succeeding day which is a Business Day in such place.

**1.6 Meaning.** Words and phrases used herein and defined in the BCBCA will have the same meaning herein as in the BCBCA unless otherwise specified or the context otherwise requires.

**1.7 Exhibits.** Attached hereto and deemed to be incorporated into and form part of this Agreement as Exhibit A is the Plan of Arrangement.

## ARTICLE 2 - ARRANGEMENT

**2.1 Arrangement.** The parties agree to effect the Arrangement pursuant to the Arrangement Provisions on the terms and subject to the conditions contained in this Agreement and the Plan of Arrangement.

**2.2 Implementation Steps.** In connection with the Arrangement, the parties will:

- (a) apply to the Court, as soon as reasonably practicable, taking into account the mailing date for the Information Circular, under Part 9, Division 5 of the BCBCA for the Interim Order, providing for, among other things, the calling and holding of the Meeting for the purposes of, among other things, considering and, if deemed advisable, approving the Arrangement and the granting of the Dissent Rights, and thereafter proceed with and diligently pursue the Interim Order;
- (b) subject to receipt of the Interim Order and the distribution of the Information Circular to the Silver Shareholders, Silver Optionholders and Silver Warrantholders, call and hold the Meeting for the purpose of, among other things, considering the Arrangement;
- (c) subject to obtaining such securityholder approval as required by the Interim Order, apply to the Court under Part 9, Division 5 of the BCBCA for the Final Order approving the Arrangement; and

- (d) subject to obtaining the Final Order, and provided all conditions of the parties to this Agreement as set forth in Article 5 are fulfilled or waived, the parties will agree upon an Effective Date and will file the Final Order and all other documents required with the Registrar to be effective at the Effective Time.

**2.3 Interim Order.** The petition for the Interim Order will request that the Interim Order provide:

- (a) that the Silver Shareholders, Silver Optionholders and Silver Warrantholders will be the class of Persons to whom notice is to be provided in respect of the Meeting and for the manner in which such notice is to be provided;
- (b) each Silver Shareholder will be entitled to one vote for each Silver Share held by such holder;
- (c) that the requisite approval for the Arrangement will be at least two-thirds of the votes cast on the appropriate special resolution by the Silver Shareholders present in person or represented by proxy at the Meeting and entitled to vote thereat;
- (d) that Silver will call and hold the Meeting in accordance with the BCBCA and the articles of Silver; and
- (e) for the grant of the Dissent Rights.

**2.4 Effective Date of Arrangement.** The Arrangement will become effective on the Effective Date, commencing at the Effective Time, as set out in the Plan of Arrangement.

**2.5 Commitment to Effect.** Subject to termination of this Agreement pursuant to Article 6, the parties will each use all reasonable efforts and do all things reasonably required to cause the Plan of Arrangement to become effective by no later than December 31, 2021, or by such other date as Silver and SpinCo may determine, and in conjunction therewith to cause the conditions described in Section 5.1 to be complied with prior to the Effective Date. Without limiting the generality of the foregoing, the parties will proceed forthwith to apply for the Interim Order and Silver will call the Meeting and mail the Information Circular to the Silver Shareholders.

**2.6 Filing of Final Order.** Subject to the rights of termination contained in Article 6 upon the Silver Shareholders approving the Arrangement Resolution in accordance with the provisions of the Interim Order and the BCBCA, Silver obtaining the Final Order and the other conditions contained in Article 5 being complied with or waived, Silver on its behalf and on behalf of SpinCo will file with the Registrar:

- (a) the records and information required by the Registrar pursuant to the Arrangement Provisions; and
- (b) a copy of the Final Order.

**2.7 U.S. Securities Law Matters.** The parties agree that the Arrangement will be carried out with the intention that the New Silver Shares and SpinCo Shares, the Silver Replacement Options and the modified Silver Warrants delivered or deemed to be delivered upon completion of the

Arrangement to Silver Shareholders, Silver Optionholders and Silver Warrantholders will be issued by Silver and SpinCo in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) thereof. In order to ensure the availability of the exemption under Section 3(a)(10) of the U.S. Securities Act, the parties agree that the Arrangement will be carried out on the following basis:

- (a) the Arrangement will be subject to the approval of the Court and the Court will hold a hearing approving the fairness of the terms and conditions of the Arrangement;
- (b) prior to the hearing required to approve the Arrangement, the Court will be advised as to the intention of the parties to rely on the exemption under Section 3(a)(10) of the U.S. Securities Act;
- (c) the Court will be required to satisfy itself as to the substantive and procedural fairness of the terms and conditions of the Arrangement to the Silver Shareholders, Silver Optionholders and Silver Warrantholders subject to the Arrangement;
- (d) Silver will ensure that each Silver Shareholder, Silver Optionholder and Silver Warrantholder entitled to receive New Silver Shares and SpinCo Shares, Silver Replacement Options or modified Silver Warrants on completion of the Arrangement will be given adequate notice advising them of their right to attend the hearing of the Court to give approval of the Arrangement and providing them with sufficient information necessary for them to exercise that right;
- (e) the Silver Shareholders, Silver Optionholders and Silver Warrantholders entitled to receive such securities on completion of the Arrangement will be advised that such securities issued in the Arrangement have not been registered under the U.S. Securities Act and will be issued in reliance on the exemption under Section 3(a)(10) of the U.S. Securities Act;
- (f) the Final Order approving the Arrangement that is obtained from the Court will expressly state that the terms and conditions of the Arrangement is approved by the Court as being fair, substantively and procedurally, to the Silver Shareholders, Silver Optionholders and Silver Warrantholders;
- (g) the Interim Order approving the Meeting will specify that each Silver Shareholder, Silver Optionholder or Silver Warrantholder will have the right to appear before the Court at the hearing of the Court to give approval of the Arrangement so long as the Silver Shareholder, Silver Optionholder or Silver Warrantholder enters a response to petition within a reasonable time and in accordance with the requirements of Section 3(a)(10) under the U.S. Securities Act; and
- (h) the Final Order will include a statement substantially to the following effect:

“This Order will serve as a basis of a claim to an exemption, pursuant to Section 3(a)(10) of the United States Securities Act of 1933, as amended, from the registration requirements otherwise imposed by that Act, regarding the issuance or

deemed issuance of New Silver Shares, SpinCo Shares, Silver Replacement Options and modified Silver Warrants pursuant to the Plan of Arrangement.”

### ARTICLE 3 - REPRESENTATIONS AND WARRANTIES

**3.1 Mutual Representations and Warranties.** Each of the parties hereby represents and warrants to the other party that:

- (a) it is a corporation duly incorporated and validly subsisting under the laws of its jurisdiction of incorporation, and has full capacity and authority to enter into this Agreement and to perform its covenants and obligations hereunder;
- (b) it has taken all corporate actions necessary to authorize the execution and delivery of this Agreement and to consummate the transactions contemplated herein and this Agreement has been duly executed and delivered by it;
- (c) neither the execution and delivery of this Agreement nor the performance of any of its covenants and obligations hereunder will constitute a material default under, or be in any material contravention or breach of (i) any provision of its Constatng Documents or other governing corporate documents, (ii) any judgment, decree, order, law, statute, rule or regulation applicable to it, or (iii) any agreement or instrument to which it is a party or by which it is bound; and
- (d) no dissolution, winding up, bankruptcy, liquidation or similar proceedings has been commenced or are pending or proposed in respect of it.

### ARTICLE 4 - COVENANTS

**4.1 Covenants.** Each of the parties covenants with the other that it will do and perform all such acts and things, and execute and deliver all such agreements, assurances, notices and other documents and instruments, as may reasonably be required to facilitate the carrying out of the intent and purpose of this Agreement.

**4.2 Interim Order and Final Order.** The parties acknowledge that Silver will apply to and obtain from the Court, pursuant to the Arrangement Provisions, the Interim Order providing for, among other things, the calling and holding of the Meeting for the purpose of considering and, if deemed advisable, approving and adopting the Arrangement Resolution. The parties each covenant and agree that if the approval of the Arrangement by the Silver Shareholders as set out in Section 5.1(b) is obtained, Silver will thereafter (subject to the exercise of any discretionary authority granted to Silver’s directors) take the necessary actions to submit the Arrangement to the Court for approval and apply for the Final Order and, subject to compliance with any of the other conditions provided for in Article 5 and to the rights of termination contained in Article 6, file the material described in Section 2.6 with the Registrar.

**4.3 Silver Options.** The parties acknowledge that pursuant to the Arrangement, each Silver Option then outstanding to acquire one Silver Share will be transferred and exchanged for one Silver Replacement Option to acquire one New Silver Share having an exercise price equal to the product of the exercise price of the Silver Option immediately prior to the Effective Time,

multiplied by the fair market value of a New Silver Share at the Effective Time divided by the total of the fair market value of a New Silver Share and the fair market value of 1/5 of one SpinCo Share at the Effective Time. All dollar amounts used in or resulting from any calculation on the exercise price of the Silver Replacement Option will be rounded up to the nearest one-tenth of a cent.

The aforesaid exercise price will be adjusted to the extent, if any, required to ensure that the aggregate In the Money Amount of the Silver Replacement Option immediately after the exchange does not exceed the In the Money Amount immediately before the exchange of the Silver Option so exchanged. It is intended that subsection 7(1.4) of the Tax Act apply to the exchange of Silver Options.

**4.4 Silver Warrants.** The parties acknowledge that, from and after the Effective Date, all Silver Warrants will entitle the holder to receive, upon due exercise of the Silver Warrant, for the exercise price in effect immediately prior to the Effective Time:

- (a) one New Silver Share for each Silver Share that was issuable upon due exercise of the Silver Warrant immediately prior to the Effective Time; and
- (b) 1/5 of one SpinCo Share for each Silver Share that was issuable upon due exercise of the Silver Warrant immediately prior to the Effective Time;

and SpinCo hereby covenants that it will forthwith upon receipt of written notice from Silver from time to time issue, as directed by Silver, that number of SpinCo Shares as may be required to satisfy the foregoing.

Notwithstanding any other provision of this Section 4.4, no fractional SpinCo Shares will be issued to Silver Warrant holders, upon exercise of Silver Warrants, and, as a result, all fractional amounts arising pursuant to the exercise of Silver Warrants will be rounded down to the next whole number without any compensation therefor.

Silver will, as agent for SpinCo, collect and pay to SpinCo an amount for each 1/5 of one SpinCo Share so issued that is equal to the exercise price under the Silver Warrant multiplied by the fair market value of 1/5 of one SpinCo Share at the Effective Time divided by the total market value of one New Silver Share and 1/5 of one SpinCo Share at the Effective Time.

**4.5 Fair Market Value.** For the purposes of Sections 4.4 and 4.5 and Section 3.1 of the Plan of Arrangement, fair market value of the New Silver Shares and the SpinCo Shares will be determined by the Silver Board, acting in good faith.

**4.6 Consolidation of SpinCo Shares.** Immediately before the Effective Time, SpinCo will consolidate its issued and outstanding common shares at a ratio such that the number of post-consolidated shares outstanding is the same as the number of shares required to be distributed to Silver Shareholders pursuant to the Arrangement.

## ARTICLE 5 - CONDITIONS

**5.1 Conditions Precedent.** The respective obligations of the parties to complete the transactions contemplated by this Agreement will be subject to the satisfaction of the following conditions:

- (a) the Interim Order will have been granted in form and substance satisfactory to Silver;
- (b) the Arrangement Resolution, with or without amendment, will have been approved and adopted at the Meeting in accordance with the Arrangement Provisions, the Constatng Documents of Silver, the Interim Order and the requirements of any applicable regulatory authorities;
- (c) the Final Order will have been obtained in form and substance satisfactory to each of Silver and SpinCo;
- (d) the TSXV will have conditionally approved the Arrangement, including the listing of the New Silver Shares in substitution for the Silver Shares and the delisting of the Silver Shares and, in substitution therefor, all as of the Effective Date, subject to compliance with the requirements of TSXV;
- (e) the Exchange will have conditionally approved the listing of the SpinCo Shares, subject to compliance with the requirements of the Exchange;
- (f) all other consents, orders, regulations and approvals, including regulatory and judicial approvals and orders required or necessary or desirable for the completion of the transactions provided for in this Agreement and the Plan of Arrangement will have been obtained or received from the Persons, authorities or bodies having jurisdiction in the circumstances each in form acceptable to Silver and SpinCo;
- (g) there will not be in force any order or decree restraining or enjoining the consummation of the transactions contemplated by this Agreement and the Plan of Arrangement;
- (h) no law, regulation or policy will have been proposed, enacted, promulgated or applied which interferes or is inconsistent with the completion of the Arrangement and Plan of Arrangement, including any material change to the Tax Act, which would reasonably be expected to have a material adverse effect on any of Silver, the Silver Shareholders or SpinCo if the Arrangement is completed;
- (i) notices of dissent pursuant to Article 5 of the Plan of Arrangement will not have been delivered by Silver Shareholders holding greater than 2% of the outstanding Silver Shares; and
- (j) this Agreement will not have been terminated under Article 6.

Except for the conditions set forth in Sections 5.1(a), (b), (c), (d), (e) and (j), which may not be waived, any of the other conditions in this Section 5.1 may be waived by either Silver or SpinCo at its discretion.

**5.2 Pre-Closing.** Unless this Agreement is terminated earlier pursuant to the provisions hereof, pre-closing will occur electronically on the Business Day immediately preceding the Effective Date at such time or on such other date as the parties may mutually agree, and each of them will deliver to the other:

- (a) the documents required to be delivered by it hereunder to complete the transactions contemplated hereby, provided that each such document required to be dated the Effective Date will be dated as of, or become effective on, the Effective Date and will be held in escrow to be released upon the occurrence of the Effective Date; and
- (b) written confirmation as to the satisfaction or waiver by it of the conditions in its favour contained in this Agreement.

**5.3 Merger of Conditions.** The conditions set out in Section 5.1 will be conclusively deemed to have been satisfied, waived or released upon the occurrence of the Effective Date.

**5.4 Merger of Representations, Warranties and Certain Covenants.** The representations and warranties in Section 3.1 will be conclusively deemed to be correct as of the Effective Date and the covenants in Section 4.1 will be conclusively deemed to have been complied with in all respects as of the Effective Date, and each will accordingly merge in and not survive the effectiveness of the Arrangement.

## ARTICLE 6 - AMENDMENT AND TERMINATION

**6.1 Amendment.** Subject to any mandatory applicable restrictions under the Arrangement Provisions or the Final Order, this Agreement, including the Plan of Arrangement, may at any time and from time to time before or after the holding of the Meeting, but prior to the Effective Date, be amended by the written agreement of the parties hereto without, subject to applicable law, further notice to or authorization on the part of the Silver Shareholders.

**6.2 Termination.** Subject to Section 6.3, this Agreement may at any time before or after the holding of the Meeting, and before or after the granting of the Final Order, but in each case prior to the Effective Date, be terminated by direction of the Board of Directors of Silver without further action on the part of the Silver Shareholders and nothing expressed or implied herein or in the Plan of Arrangement will be construed as fettering the absolute discretion by the Board of Directors of Silver to elect to terminate this Agreement and discontinue efforts to effect the Arrangement for whatever reasons it may consider appropriate.

**6.3 Cessation of Right.** The right of Silver or SpinCo or any other party to amend or terminate the Plan of Arrangement pursuant to Section 6.1 and Section 6.2 will be extinguished upon the occurrence of the Effective Date.

## ARTICLE 7 - GENERAL

**7.1 Notices.** All notices which may or are required to be given pursuant to any provision of this Agreement will be given or made in writing and will be delivered or sent by electronic mail, addressed as follows:

in the case of Silver:  
Suite 480 – 1500 West Georgia Street  
Vancouver, British Columbia V6G 2Z6  
Attention: Peter J. Hawley  
Email: [REDACTED] *[Redacted: Personal Information]*

with a copy to:  
Andy T. Hunter, Corporate Secretary  
Suite 480 – 1500 West Georgia Street  
Vancouver, British Columbia V6G 2Z6  
Email: [REDACTED] *[Redacted: Personal Information]*

in the case of SpinCo:  
Suite 480 – 1500 West Georgia Street  
Vancouver, British Columbia V6G 2Z6  
Attention: David W. Smalley  
Email: [REDACTED] *[Redacted: Personal Information]*

**7.2 Assignment.** Neither of the parties may assign its rights or obligations under this Agreement or the Arrangement without the prior written consent of the other.

**7.3 Binding Effect.** This Agreement and the Arrangement will be binding upon and will enure to the benefit of the parties and their respective successors and permitted assigns.

**7.4 Waiver.** Any waiver or release of the provisions of this Agreement, to be effective, must be in writing and executed by the party granting such waiver or release.

**7.5 Governing Law.** This Agreement will be governed by and be construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.

**7.6 Counterparts.** This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original but all of which together will constitute one and the same instrument.

**7.7 Expenses.** All expenses incurred by a party in connection with this Agreement, the Arrangement and the transactions contemplated hereby and thereby will be borne by the party that incurred the expense or as otherwise mutually agreed by the parties.

**7.8 Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter of this Agreement and supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions, whether oral or written, of the parties.

**7.9 Time of Essence.** Time is of the essence of this Agreement.

*(Remainder of page left intentionally blank. Signature page follows.)*

**IN WITNESS WHEREOF** the parties have executed this Agreement as of the date first above written.

**FABLED SILVER GOLD CORP.**

By: “Peter J. Hawley”  
Authorized Signatory

**FABLED COPPER CORP.**

By: “David W. Smalley”  
Authorized Signatory

**EXHIBIT A****TO THE ARRANGEMENT AGREEMENT DATED AS OF  
THE 17<sup>TH</sup> DAY OF SEPTEMBER, 2021 BETWEEN  
FABLED SILVER GOLD CORP. AND FABLED COPPER CORP.****PLAN OF ARRANGEMENT UNDER PART 9, DIVISION 5 OF  
THE *BUSINESS CORPORATIONS ACT* (BRITISH COLUMBIA)****ARTICLE 1 DEFINITIONS AND INTERPRETATION**

**1.1 Definitions.** In this plan of arrangement, unless there is something in the subject matter or context inconsistent therewith, the following capitalized words and terms will have the following meanings:

- (a) “**Arrangement**” means the arrangement pursuant to the Arrangement Provisions on the terms and conditions set out herein;
- (b) “**Arrangement Agreement**” means the arrangement agreement dated as of September 17, 2021 between Silver and SpinCo, as may be supplemented or amended from time to time;
- (c) “**Arrangement Provisions**” means Part 9, Division 5 of the BCBCA;
- (d) “**Arrangement Resolutions**” means the special resolutions of the Silver Shareholders to approve the Arrangement, as required by the Interim Order and the BCBCA;
- (e) “**BCBCA**” means the *Business Corporations Act*, S.B.C. 2002, c. 57, as amended;
- (f) “**Board of Directors**” means the board of directors of Silver;
- (g) “**Business Day**” means a day which is not a Saturday, Sunday or statutory holiday in Vancouver, British Columbia;
- (h) “**Court**” means the Supreme Court of British Columbia;
- (i) “**Depository**” means Computershare Investor Services Inc., or such other depository as Silver may determine;
- (j) “**Dissent Procedures**” means the rules pertaining to the exercise of Dissent Rights as set forth in Division 2 of Part 8 of the BCBCA and Article 5 of this Plan of Arrangement;
- (k) “**Dissent Rights**” means the rights of a registered Silver Shareholder to dissent from the Arrangement Resolution in accordance with the provisions of the BCBCA, as modified by the Interim Order, and to be paid the fair value of the Silver Shares in respect of which the holder dissents;

- (l) “**Dissenting Share**” has the meaning given in Section 3.1(a) of this Plan of Arrangement;
- (m) “**Dissenting Shareholder**” means a registered holder of Silver Shares who dissents in respect of the Arrangement in strict compliance with the Dissent Procedures and who has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights;
- (n) “**Effective Date**” will be the date of the closing of the Arrangement, as mutually agreed between Silver and SpinCo;
- (o) “**Effective Time**” means such time on the Effective Date as agreed to by Silver and SpinCo;
- (p) “**Final Order**” means the final order of the Court approving the Arrangement;
- (q) “**Information Circular**” means the management information circular of Silver, including all schedules thereto, to be sent to the Silver Shareholders, Silver Optionholders and Silver Warrantheolders in connection with the Meeting, together with any amendments or supplements thereto;
- (r) “**Interim Order**” means the interim order of the Court providing advice and directions in connection with the Meeting and the Arrangement;
- (s) “**In the Money Amount**” means at a particular time with respect to a Silver Option, or Silver Replacement Option, means the amount, if any, by which the fair market value of the underlying security exceeds the exercise price of the relevant option at such time;
- (t) “**Letter of Transmittal**” means the letter of transmittal in respect of the Arrangement to be sent to Silver Shareholders together with the Information Circular;
- (u) “**Meeting**” means the annual general and special meeting of the Silver Shareholders and any adjournments thereof to be held to, among other things, consider and, if deemed advisable, approve the Arrangement;
- (v) “**New Silver Shares**” means a new class of voting common shares without par value which Silver will create and issue as described in Section 3.1(b)(ii) of this Plan of Arrangement and for which the Silver Shares are, in part, to be exchanged under the Plan of Arrangement and which, immediately after completion of the transactions comprising the Plan of Arrangement, will be identical in every relevant respect to the Silver Shares;
- (w) “**Plan of Arrangement**” means this plan of arrangement, as the same may be amended from time to time;
- (x) “**Registrar**” means the Registrar of Companies under the BCBCA;

- (y) “**Share Distribution Record Date**” means the close of business on the Business Day immediately preceding the Effective Date for the purpose of determining the Silver Shareholders entitled to receive New Silver Shares and SpinCo Shares pursuant to this Plan of Arrangement or such other date as the Board of Directors may select;
- (z) “**Silver**” means Fabled Silver Gold Corp., a company existing under the BCBCA;
- (aa) “**Silver Class A Shares**” means the Silver Shares after they have been re-named and re-designated as “Class A common shares without par value” pursuant to Section 3.1(b)(i) of this Plan of Arrangement;
- (bb) “**Silver Optionholders**” means the holders of Silver Options on the Effective Date;
- (cc) “**Silver Options**” means options to acquire Silver Shares that are outstanding immediately prior to the Effective Time;
- (dd) “**Silver Replacement Option**” means an option to acquire a New Silver Share to be issued by Silver to a holder of a Silver Option pursuant to Section 3.1(d) of this Plan of Arrangement;
- (ee) “**Silver Shareholder**” means a holder of Silver Shares;
- (ff) “**Silver Shares**” means the outstanding common shares without par value in the capital of Silver, as they exist immediately prior to the Effective Time;
- (gg) “**Silver Warrantholders**” means the holders of Silver Warrants on the Effective Date;
- (hh) “**Silver Warrants**” means the share purchase warrants of Silver exercisable to acquire Silver Shares that are outstanding immediately prior to the Effective Time;
- (ii) “**SpinCo**” means Fabled Copper Corp., a company incorporated under the BCBCA;
- (jj) “**SpinCo Shares**” means the common shares without par value in the capital of SpinCo they exist immediately prior to the Effective Time;
- (kk) “**Tax Act**” means the *Income Tax Act* (Canada), R.S.C. 1985 (5th Supp.) c.1, as amended;
- (ll) “**TSXV**” means the TSX Venture Exchange; and
- (mm) “**U.S. Securities Act**” means the United States Securities Act of 1933, as amended.

**1.2 Interpretation Not Affected by Headings.** The division of this Plan of Arrangement into articles, sections, subsections, paragraphs and subparagraphs and the insertion of headings are for convenience of reference only and will not affect the construction or interpretation of this Plan of Arrangement. Unless otherwise specifically indicated, the terms “this Plan of Arrangement”, “hereof”, “hereunder” and similar expressions refer to this Plan of

Arrangement as a whole and not to any particular article, section, subsection, paragraph or subparagraph and include any agreement or instrument supplementary or ancillary hereto.

- 1.3 Number and Gender.** Unless the context otherwise requires, words importing the singular number only will include the plural and vice versa, words importing the use of either gender will include both genders and neuter and words importing persons will include firms and corporations.
- 1.4 Meaning.** Words and phrases used herein and defined in the BCBCA will have the same meaning herein as in the BCBCA, except as otherwise provided or unless the context otherwise requires.
- 1.5 Date for any Action.** If any date on which any action is required to be taken under this Plan of Arrangement is not a Business Day, such action will be required to be taken on the next succeeding Business Day.
- 1.6 Governing Law.** This Plan of Arrangement will be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

## **ARTICLE 2 ARRANGEMENT AGREEMENT**

- 2.1 Arrangement Agreement.** This Plan of Arrangement is made pursuant and subject to the provisions of the Arrangement Agreement.
- 2.2 Arrangement Effectiveness.** The Arrangement and this Plan of Arrangement will become final and conclusively binding on Silver, Silver Shareholders (including Dissenting Shareholders), Silver Optionholders, Silver Warranholders, and SpinCo at the Effective Time without any further act or formality as required on the part of any person, except as expressly provided herein.

## **ARTICLE 3 THE ARRANGEMENT**

- 3.1 The Arrangement.** Commencing at the Effective Time, the following will occur and be deemed to occur in the following chronological order without further act or formality, notwithstanding anything contained in the provisions attaching to any of the securities of Silver or SpinCo, but subject to the provisions of Article 5:
- (a) Each Silver Share outstanding in respect of which a Dissenting Shareholder has validly exercised his, her or its Dissent Rights (each, a “**Dissenting Share**”) will be directly transferred and assigned by such Dissenting Shareholder to Silver, without any further act or formality and free and clear of any liens, charges and encumbrances of any nature whatsoever, and will be cancelled and cease to be outstanding and such Dissenting Shareholders will cease to have any rights as a Silver Shareholder other than the right to be paid the fair value for their Silver Shares by Silver;
  - (b) The authorized share structure of Silver shall be altered by:

- (i) renaming and re-designating all of the issued and unissued Silver Shares as “Class A common shares without par value”, and amending the special rights and restrictions attached to those shares to provide the holders thereof with two votes in respect of each share held, being the “Silver Class A Shares”; and
  - (ii) creating a new class consisting of an unlimited number of “Common Shares without par value”, with terms and special rights and restrictions identical to those of the Silver Shares immediately prior to the Effective Time, being the New Silver Shares.
- (c) Silver’s Notice of Articles will be amended to reflect the alterations in Section 3.1(b) of this Plan of Arrangement.
- (d) Each Silver Option then outstanding to acquire one Silver Share will be transferred and exchanged for one Silver Replacement Option to acquire one New Silver Share having an exercise price equal to the product of the exercise price of the Silver Option in effect immediately prior to the Effective Time, multiplied by the fair market value of a New Silver Share at the Effective Time, divided by the total of the fair market value of a New Silver Share and the fair market value of 1/5 of one SpinCo Share at the Effective Time; provided that the aforesaid exercise price will be adjusted to the extent, if any, required to ensure that the In the Money Amount of the Silver Replacement Option immediately after the exchange does not exceed the In the Money Amount immediately before the exchange of the Silver Option so exchanged. It is intended that subsection 7(1.4) of the Tax Act apply to the exchange of Silver Options. All dollar amounts used in or resulting from any calculation on the exercise price of the Silver Replacement Option will be rounded to the nearest one-tenth of a cent.
- (e) Each Silver Warrant then outstanding will be deemed to be amended to entitle the Silver Warrantholder to receive, upon due exercise of the Silver Warrant, for the exercise price in effect immediately prior to the Effective Time:
  - (i) one New Silver Share for each Silver Share that was issuable upon due exercise of the Silver Warrant immediately prior to the Effective Time; and
  - (ii) 1/5 of one SpinCo Share for each Silver Share that was issuable upon due exercise of the Silver Warrant immediately prior to the Effective Time.
- (f) Each Silver Class A Share outstanding on the Share Distribution Record Date will be exchanged for: (i) one New Silver Share; and (ii) 1/5 of one SpinCo Share, the holders of the Silver Class A Shares will be removed from the central securities register of Silver as the holders of such and will be added to the central securities register of Silver as the holders of the number of New Silver Shares that they have received on the exchange set forth in this Section 3.1(f), and the SpinCo Shares transferred to the then holders of the Silver Class A Shares will be registered in the name of the former holders of the Silver Class A Shares and Silver will provide

SpinCo and its registrar and transfer agent notice to make the appropriate entries in the central securities register of SpinCo.

- (g) All of the issued Silver Class A Shares will be cancelled with the appropriate entries being made in the central securities register of Silver, and the aggregate legal stated capital and paid-up capital (as that term is used for purposes of the Tax Act) of the New Silver Shares will be equal to that of the Silver Shares immediately prior to the Effective Time less the fair market value of the SpinCo Shares distributed on the exchange of Silver Class A Shares pursuant to Section 3.1(f) of this Plan of Arrangement.
- (h) The Silver Class A Shares, none of which will be issued or outstanding once the steps in Sections 3.1(f) to 3.1(g) of this Plan of Arrangement are completed, will be cancelled and the authorized share structure of Silver will be changed by eliminating the Silver Class A Shares.
- (i) The Notice of Articles of Silver will be amended to reflect the alterations in Section 3.1(h) of this Plan of Arrangement.

**3.2 No Fractional Shares.** Notwithstanding any other provision of this Plan of Arrangement, no fractional SpinCo Shares will be distributed to the Silver Shareholders or Silver Warrantholders, upon exercise of Silver Warrants, and, as a result, all fractional amounts arising under this Plan of Arrangement will be rounded down to the next whole number without any compensation therefor. Any SpinCo Shares not distributed as a result of so rounding down will be cancelled by SpinCo.

**3.3 Share Distribution Record Date.** In Section 3.1(f) of this Plan of Arrangement, the reference to a Silver Shareholder will mean a person who is a Silver Shareholder on the Share Distribution Record Date, subject to the provisions of Article 5.

**3.4 Deemed Time for Redemption.** In addition to the chronological order in which the transactions and events set out in Section 3.1 of this Plan of Arrangement will occur and will be deemed to occur, the time on the Effective Date for the exchange of Silver Class A Shares for New Silver Shares and SpinCo Shares set out in Section 3.1(f) of this Plan of Arrangement will occur and will be deemed to occur immediately after the time of listing of the New Silver Shares on the TSXV on the Effective Date.

**3.5 Deemed Fully Paid and Non-Assessable Shares.** All New Silver Shares and Silver Class A Shares issued pursuant hereto will be deemed to be validly issued and outstanding as fully paid and non-assessable shares for all purposes of the BCBCA.

**3.6 Supplementary Actions.** Notwithstanding that the transactions and events set out in Section 3.1 of this Plan of Arrangement will occur and will be deemed to occur in the chronological or concurrent order therein set out without any act or formality, each of Silver and SpinCo will be required to make, do and execute or cause and procure to be made, done and executed all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may be required to give effect to, or further document or evidence, any of the transactions or events set out in Section 3.1 of this Plan of Arrangement, including, without limitation, any resolutions of directors

authorizing the issue, transfer or redemption of shares, any share transfer powers evidencing the transfer of shares and any receipt therefor, any necessary additions to or deletions from share registers, and agreements for stock options.

**3.7 Withholding.** Each of Silver, SpinCo and the Depositary will be entitled to deduct and withhold from any cash payment or any issue, transfer or distribution of New Silver Shares, SpinCo Shares or Silver Replacement Options made pursuant to this Plan of Arrangement such amounts as may be required to be deducted and withheld pursuant to the Tax Act or any other applicable law, and any amount so deducted and withheld will be deemed for all purposes of this Plan of Arrangement to be paid, issued, transferred or distributed to the person entitled thereto under the Plan of Arrangement. Without limiting the generality of the foregoing, any New Silver Shares or SpinCo Shares so deducted and withheld may be sold on behalf of the person entitled to receive them for the purpose of generating cash proceeds, net of brokerage fees and other reasonable expenses, sufficient to satisfy all remittance obligations relating to the required deduction and withholding, and any cash remaining after such remittance will be paid to the person forthwith.

**3.8 No Liens.** Any exchange or transfer of securities pursuant to this Plan of Arrangement will be free and clear of any liens, restrictions, adverse claims or other claims of third parties of any kind.

**3.9 U.S. Securities Law Matters.** The Court is advised that the Arrangement will be carried out with the intention that all securities issued on completion of the Arrangement will be issued in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) of the U.S. Securities Act.

#### ARTICLE 4 CERTIFICATES

**4.1 Silver Class A Shares.** Recognizing that the Silver Shares will be re-named and re-designated as Silver Class A Shares pursuant to Section 3.1(b)(i) of this Plan of Arrangement and that the Silver Class A Shares will be exchanged partially for New Silver Shares pursuant to Section 3.1(f) of this Plan of Arrangement, Silver will not issue replacement share certificates representing the Silver Class A Shares.

**4.2 SpinCo Share Certificates.** As soon as practicable following the Effective Date, SpinCo will deliver or cause to be delivered to the Depositary certificates representing the SpinCo Shares required to be issued to registered holders of Silver Shares as at immediately prior to the Effective Time in accordance with the provisions of Section 3.1(h) of this Plan of Arrangement, which certificates will be held by the Depositary as agent and nominee for such holders for distribution thereto in accordance with the provisions of Section 6.1 of this Plan of Arrangement.

**4.3 New Silver Share Certificates.** As soon as practicable following the Effective Date, Silver will deliver or cause to be delivered to the Depositary certificates representing the New Silver Shares required to be issued to registered holders of Silver Shares as at immediately prior to the Effective Time in accordance with the provisions of Section 3.1(f) of this Plan of Arrangement, which certificates will be held by the Depositary as agent and nominee for such holders for distribution thereto in accordance with the provisions of Section 6.1 of this Plan of Arrangement.

**4.4 Interim Period.** Any Silver Shares traded after the Share Distribution Record Date will represent New Silver Shares as of the Effective Date and will not carry any rights to receive SpinCo Shares.

**4.5 Stock Option Agreements.** The stock option agreements for the Silver Options will be deemed to be amended by Silver to reflect the adjusted exercise price of the Silver Replacement Options.

## **ARTICLE 5 RIGHTS OF DISSENT**

**5.1 Dissent Right.** Registered holders of Silver Shares may exercise Dissent Rights with respect to their Silver Shares in connection with the Arrangement pursuant to the Interim Order and in the manner set forth in the Dissent Procedures, as they may be amended by the Interim Order, Final Order or any other order of the Court, and provided that such Dissenting Silver Shareholder delivers a written notice of dissent to Silver at least two Business Days before the day of the Meeting or any adjournment or postponement thereof.

**5.2 Dealing with Dissenting Shares.** Silver Shareholders who duly exercise Dissent Rights with respect to their Dissenting Shares and who:

- (a) are ultimately entitled to be paid fair value for their Dissenting Shares will be deemed to have transferred their Dissenting Shares to Silver for cancellation as of the Effective Time pursuant to Section 3.1(a) of this Plan of Arrangement; or
- (b) for any reason are ultimately not entitled to be paid for their Dissenting Shares, will be deemed to have participated in the Arrangement on the same basis as a non-dissenting Silver Shareholder and will receive New Silver Shares and SpinCo Shares on the same basis as every other non-dissenting Silver Shareholder,

but in no case will Silver be required to recognize such persons as holding Silver Shares on or after the Effective Date.

**5.3 Reservation of SpinCo Shares.** If a Silver Shareholder exercises Dissent Rights, Silver will, on the Effective Date, set aside and not distribute that number of whole SpinCo Shares which are attributable to the Silver Shares for which Dissent Rights have been exercised. If the Dissenting Silver Shareholder is ultimately not entitled to be paid for their Dissenting Shares, Silver will distribute to such Dissenting Silver Shareholder his, her or its pro rata portion of the SpinCo Shares. If a Silver Shareholder duly complies with the Dissent Procedures and is ultimately entitled to be paid for their Dissenting Shares, then Silver will retain the portion of the SpinCo Shares attributable to such Silver Shareholder and such shares will be dealt with as determined by the Board of Directors of Silver in its discretion.

## **ARTICLE 6 DELIVERY OF SHARES**

**6.1 Delivery of Shares.**

- (a) Upon surrender to the Depository for cancellation of a certificate that immediately before the Effective Time represented one or more outstanding Silver Shares,

together with a duly completed and executed Letter of Transmittal and such additional documents and instruments as the Depositary may reasonably require, the holder of such surrendered certificate will be entitled to receive in exchange therefor, and the Depositary will deliver to such holder following the Effective Time, a certificate representing the New Silver Shares and a certificate representing the SpinCo Shares that such holder is entitled to receive in accordance with Section 3.1 of this Plan of Arrangement.

- (b) After the Effective Time and until surrendered for cancellation as contemplated by Section 6.1(a) of this Plan of Arrangement, each certificate that immediately prior to the Effective Time represented one or more Silver Shares will be deemed at all times to represent only the right to receive in exchange therefor a certificate representing the New Silver Shares and a certificate representing the SpinCo Shares that such holder is entitled to receive in accordance with Section 3.1 of this Plan of Arrangement.

**6.2 Lost Certificates.** If any certificate that immediately prior to the Effective Time represented one or more outstanding Silver Shares that were exchanged for New Silver Shares and SpinCo Shares in accordance with Section 3.1 of this Plan of Arrangement, will have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the holder claiming such certificate to be lost, stolen or destroyed, the Depositary will deliver in exchange for such lost, stolen or destroyed certificate, the New Silver Shares and SpinCo Shares that such holder is entitled to receive in accordance with Section 3.1 of this Plan of Arrangement. When authorizing such delivery of New Silver Shares and SpinCo Shares that such holder is entitled to receive in exchange for such lost, stolen or destroyed certificate, the holder to whom such securities are to be delivered will, as a condition precedent to the delivery of such New Silver Shares and SpinCo Shares give a bond satisfactory to Silver, SpinCo and the Depositary in such amount as Silver, SpinCo and the Depositary may direct, or otherwise indemnify Silver, SpinCo and the Depositary in a manner satisfactory to Silver, SpinCo and the Depositary, against any claim that may be made against Silver, SpinCo or the Depositary with respect to the certificate alleged to have been lost, stolen or destroyed and will otherwise take such actions as may be required by the Articles of Silver.

**6.3 Distributions with Respect to Unsurrendered Certificates.** No dividend or other distribution declared or made after the Effective Time with respect to New Silver Shares or SpinCo Shares with a record date after the Effective Time will be delivered to the holder of any unsurrendered certificate that, immediately prior to the Effective Time, represented outstanding Silver Shares unless and until the holder of such certificate will have complied with the provisions of Section 6.1 or Section 6.2 of this Plan of Arrangement, as applicable. Subject to applicable law and to Section 3.7 of this Plan of Arrangement, at the time of such compliance, there will, in addition to the delivery of the New Silver Shares and SpinOut Shares to which such holder is thereby entitled, be delivered to such holder, without interest, the amount of the dividend or other distribution with a record date after the Effective Time theretofore paid with respect to such New Silver Shares and/or SpinCo Shares, as applicable.

**6.4 Limitation and Proscription.** To the extent that a former Silver Shareholder will not have complied with the provisions of Section 6.1 or Section 6.2 of this Plan of Arrangement, as applicable, on or before the date that is six (6) years after the Effective Date (the “**Final**

**Proscription Date**”), then the New Silver Shares and SpinCo Shares that such former Silver Shareholder was entitled to receive will be automatically cancelled without any repayment of capital in respect thereof and the New Silver Shares and SpinCo Shares to which such Silver Shareholder was entitled, will be delivered to SpinCo (in the case of the SpinCo Shares) or Silver (in the case of the New Silver Shares) by the Depositary and certificates representing such New Silver Shares and SpinCo Shares will be cancelled by Silver and SpinCo, as applicable, and the interest of the former Silver Shareholder in such New Silver Shares and SpinCo Shares or to which it was entitled will be terminated as of such Final Proscription Date.

**6.5 Paramountcy.** From and after the Effective Time: (i) this Plan of Arrangement will take precedence and priority over any and all Silver Shares, Silver Options and Silver Warrants issued or granted prior to the Effective Time; and (ii) the rights and obligations of (A) the registered holders of Silver Shares, Silver Options and Silver Warrants, (B) Silver, (C) SpinCo, and (D) the Depositary and any transfer agent or other depositary therefor, will be solely as provided for in this Plan of Arrangement.

## **ARTICLE 7 AMENDMENTS & WITHDRAWAL**

**7.1 Amendments.** Silver, in its sole discretion, reserves the right to amend, modify and/or supplement this Plan of Arrangement from time to time at any time prior to the Effective Time provided that any such amendment, modification or supplement must be contained in a written document that is filed with the Court and, if made following the Meeting, approved by the Court.

**7.2 Amendments Made Prior to or at the Meeting.** Any amendment, modification or supplement to this Plan of Arrangement may be proposed by Silver at any time prior to or at the Meeting with or without any prior notice or communication, and if so proposed and accepted by the Silver Shareholders voting at the Meeting, will become part of this Plan of Arrangement for all purposes.

**7.3 Amendments Made After the Meeting.** Any amendment, modification or supplement to this Plan of Arrangement may be proposed by Silver after the Meeting but prior to the Effective Time and any such amendment, modification or supplement which is approved by the Court following the Meeting will be effective and will become part of the Plan of Arrangement for all purposes. Notwithstanding the foregoing, any amendment, modification or supplement to this Plan of Arrangement may be made following the granting of the Final Order unilaterally by Silver, provided that it concerns a matter which, in the reasonable opinion of Silver, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the financial or economic interests of any holder of Silver Shares or SpinCo Shares.

**7.4 Withdrawal.** Notwithstanding any prior approvals by the Court or by Silver Shareholders, the Board of Directors may decide not to proceed with the Arrangement and to revoke the Arrangement Resolution at any time prior to the Effective Time, without further approval of the Court or the Silver Shareholders.

\* \* \* \* \*

**SCHEDULE C INTERIM ORDER**

**[SEE ATTACHED]**



October 28, 2021 at Suite 480 -1500 West Georgia Street, Vancouver, BC, V6G 2Z6, or on such other date as may result from postponement or adjournment in accordance with this Interim Order, in accordance with the provisions of the BCBCA, the notice of articles and the articles of Fabled Silver, and subject to the terms of this Interim Order and any further Order of this Court, and the rulings and direction of the Chair of the Meeting, such ruling and directions not to be inconsistent with this Interim Order, and to the extent of any inconsistency or discrepancy between this Interim Order and the terms of any instrument creating, governing, or collateral to the Silver Shares or to which such shares are collateral, or the articles of Fabled Silver, this Interim Order shall govern.

2. At the Meeting, in addition to other business, Fabled Silver Shareholders will consider and, if deemed advisable, pass with or without variation, a special resolution (the “**Arrangement Resolution**”) authorizing, approving and adopting, with or without amendment, an arrangement (the “**Arrangement**”) and the plan of arrangement implementing the Arrangement (the “**Plan of Arrangement**”) substantially in the form included as Schedule A of the management information circular of Fabled Silver (the “**Circular**”) which is attached as Exhibit “A” to the Smalley Affidavit, involving Fabled Silver, the Fabled Silver Shareholders, and SpinCo.

#### Chair of Meeting

3. The Chair of the Meeting shall be an officer or director of the Petitioner or such other person as may be appointed by the Fabled Silver Shareholders for that purpose.
4. The Chair of the Meeting is at liberty to call on the assistance of legal counsel at any time and from time to time, as the Chair of the Meeting may deem necessary or appropriate, during the Meeting, and such legal counsel is entitled to attend the Meeting for this purpose.
5. The Chair of the Meeting shall be permitted to ask questions of, and demand the production of evidence, from Fabled Silver Shareholders, the Petitioner or such other persons in attendance or represented at the Meeting, as he or she considers appropriate having regard to the orderly conduct of the Meeting, the authority of any person to vote at the Meeting,

and the validity and propriety of the votes cast and the proxies submitted in respect of the Arrangement Resolution.

6. The Chair of the Meeting may, in the Chair's sole discretion, waive the deadline specified in the Form of Proxy for the deposit of proxies.
7. The Chair of the Meeting or another representative of the Petitioner present at the Meeting, shall, in due course, file with the Court an affidavit verifying the actions taken and the decision reached at the Meeting with respect to the Arrangement.

#### Adjournments and Postponements

8. The board of directors of Fabled Silver (the "**Board**") by resolution shall be entitled to adjourn or postpone the Meeting on one or more occasions without the necessity of first convening the Meeting or first obtaining any vote of the Fabled Silver Shareholders regarding the adjournment or postponement and without the need for approval of the Court, subject to the terms of the Arrangement Agreement. Notice of any such adjournments or postponements shall be provided to the Fabled Silver Shareholders by press release, news release, or newspaper advertisement, in which case such notice will be deemed to have been received at the time of publication, or by notice sent by any of the means set forth in paragraph 11, as determined to be the most appropriate method of communication by Fabled Silver.

#### Record Date

9. The record date (the "**Record Date**") for determining Fabled Silver Shareholders entitled to receive notice of and attend at the Meeting is the close of business on September 21, 2021. The Record Date will not change in respect of adjournments or postponements of the Meeting without a further order of this Court.

#### Notice of the Meeting

10. The following information (collectively, the "**Meeting Materials**"):
  - (a) Notice of Annual and Special Meeting for the Meeting;

- (b) the Information Circular;
- (c) the Plan of Arrangement;
- (d) the Notice of Hearing of Petition;
- (e) the form of proxy or voting instruction form for use by the Fabled Silver Shareholders; and
- (f) this Interim Order,

in substantially the same form attached as Exhibit "A" to the Smalley Affidavit, with such amendments and inclusions thereto as the directors of Fabled Silver and counsel for the Petitioners may deem necessary or desirable, provided that such amendments and inclusions are not inconsistent with the terms of this Interim Order, shall be sent by ordinary mail or electronic transmission, which mailing or delivery will occur at least **twenty-one (21) days** prior to the date of the Meeting, excluding the date of mailing and the date of the Meeting, to:

- (a) registered Fabled Silver Shareholders at their registered addresses as they appear in the securities register of Fabled Silver determined as at the Record Date; and
- (b) the respective directors and auditors of Fabled Silver,

and that sending of the Meeting Materials as herein described, shall constitute good and sufficient service of the Petition and the Smalley Affidavit upon all recipients of the Notice of Hearing of Petition and that the Notice of Hearing of Petition shall constitute good and sufficient service upon all who may wish to appear in these proceedings, and no other service need be made.

11. Delivery of the Meeting Materials as ordered herein shall constitute compliance with the requirements of section 290(1)(a) of the BCBCA.
12. The accidental failure or omission to give notice of the Meeting or Notice of Hearing of the Petition to, or the non-receipt of such notices by, or any failure or omission to give such notice as a result of events beyond the reasonable control of Fabled Silver to any one or more of the persons specified herein shall not constitute a breach of this Interim Order, or

in relation to notice to the Fabled Silver Shareholders, a defect in the calling of the Meeting, and shall not invalidate any resolution passed or proceeding taken at the Meeting, but if any such failure or omission is brought to the attention of Fabled Silver then it shall use reasonable efforts to rectify it by the method and in the time most reasonably practicable in the circumstances.

13. Fabled Silver is at liberty to give notice of this proceeding to persons outside the jurisdiction of this Court in the manner specified herein.

#### Deemed Receipt of Notice

14. The Meeting Materials will be deemed, for the purposes of this Interim Order, to have been received by the Fabled Silver Shareholders:
  - (a) in the case of mailing or personal courier delivery, on the day (Saturdays, Sundays and holidays excepted) following the date of mailing or acceptance by the courier service, respectively; and
  - (b) in the case of electronic delivery, on the day that it was transmitted.

#### Updating Meeting Materials

15. Notice of any amendments, updates or supplement to any of the information provided in the Mailed Materials may be communicated to the Fabled Silver Shareholders by notice sent to the Fabled Silver Shareholders by any of the means set forth in paragraph 11 herein, as determined to be the most appropriate method of communication by the Board.

#### Quorum and Voting

16. The quorum required at the commencement of the Meeting will be the quorum required by the articles of Fabled Silver.
17. Fabled Silver Shareholders who participate in, attend at, or vote at the Meeting through teleconference will be deemed to be present in person at the meeting.

18. Each Fabled Silver Shareholder shall be entitled to one vote for each Silver Share held by such Fabled Silver Shareholder.
19. The Arrangement Resolution must be approved by no less than two-thirds of the votes cast by Fabled Silver Shareholders present in person or represented by proxy at the Meeting.
20. The only persons permitted to vote on the Arrangement Resolution at the Meeting will be the Fabled Silver Shareholders appearing on Fabled Silver's records as of the close of business on the Record Date and their valid proxyholders as described in the Circular and as determined by the Chair of the Meeting and legal counsel to Fabled Silver. Illegible votes, spoiled votes, defective votes and abstentions shall be deemed to be votes not cast. Proxies that are properly signed and dated, but which do not contain voting instructions on the Arrangement Resolution shall be voted in favour of such resolution.
21. Except for the virtual meeting procedures, the terms, restrictions and conditions of the articles of Fabled Silver, including quorum requirements and other matters, will apply in respect of the Meeting.
22. The persons entitled to attend the Meeting will be Fabled Silver Shareholders and their duly appointed proxyholders, the officers, directors, and legal counsel of Fabled Silver and Fabled Copper, and such other persons who receive the consent of the Chair of the Meeting.

#### Solicitation of Proxies

23. Fabled Silver is authorized to permit the Fabled Silver Shareholders to vote by proxy using a form or forms of proxy that comply with Fabled Silver's articles, the provisions of the BCBCA, and the *Securities Act* (British Columbia) relating to the form and content of proxies, and Fabled Silver may, in its discretion, waive generally the time limits for deposit of proxies by the Fabled Silver Shareholders if Fabled Silver deems it fair and reasonable to do so.
24. The procedures for the form and use of proxies at the Meeting will be as set out in the Meeting Materials.

#### Dissent Rights

25. Registered Fabled Silver Shareholders will, as set out in the Plan of Arrangement, be permitted to dissent from the Arrangement Resolution in accordance with the dissent provisions in sections 237 to 247 of the BCBCA, as modified by this Interim Order, the Final Order, and the Plan of Arrangement provided that the written notice (the “**Dissent Notice**”) must be delivered to the Company by no later than two business days immediately prior to the Meeting.
26. Shareholders who duly exercise Dissent Rights (as defined in the Plan of Arrangement) with respect to their Dissenting Shares and who:
- (a) are ultimately entitled to be paid fair value for their Dissenting Shares shall be deemed to have transferred their Dissenting Shares to Fabled Silver for cancellation as of the Effective Time; or
  - (b) for any reason are ultimately not entitled to be paid for their Dissenting Shares, shall be deemed to have participated in the Arrangement on the same basis as a non-dissenting Fabled Silver Shareholder and shall receive New Silver Shares and Copper Shares on the same basis as every other non-dissenting Fabled Silver Shareholder,

but in no case shall Fabled Silver be required to recognize such persons as holding Silver Shares on or after the Effective Date.

27. If a Fabled Silver Shareholder exercises Dissent Rights, Fabled Silver shall, on the Effective Date, set aside and not distribute that portion of the SpinCo Shares which is attributable to the Silver Shares for which the Dissent Rights have been exercised. If the dissenting Shareholder is ultimately not entitled to be paid for their Dissenting Shares, Fabled Silver shall distribute to such Fabled Silver Shareholder his or her pro rata portion of the SpinCo Shares. If a Fabled Silver Shareholder duly complies with the Dissent Procedures and is ultimately entitled to be paid for their Dissenting Shares, then Fabled Silver shall retain the portion of the SpinCo Shares attributable to such Fabled Silver Shareholder and such shares will be dealt with as determined by the Board at its discretion.

28. In no event shall Fabled Silver or any other person be required to recognize a person as exercising Dissent Rights unless such person is a registered holder of those Silver Shares in respect of which such Dissent Rights are sought to be exercised.
29. No person shall be entitled to exercise Dissent Rights with respect to a Silver Share in respect of which a person has voted or instructed a proxyholder to vote in favour of the Arrangement Resolution.
30. Subject to further Order of this Court, the rights available to the Fabled Silver Shareholders under the BCBCA and the Arrangement to dissent in respect of the Arrangement Resolution shall constitute full and sufficient rights of dissent for the Fabled Silver Shareholders with respect to the Arrangement.
31. Notice to the Fabled Silver Shareholders of their right of dissent with respect to the Arrangement Resolution and to receive, subject to the provisions of the BCBCA and the Arrangement, the fair value of their Silver Shares shall be given by including information with respect to this right in the Circular to be sent to the Fabled Silver Shareholders in accordance with this Interim Order.

Application for the Final Order

32. Unless the directors of Fabled Silver by resolution determine to terminate the Arrangement Agreement in accordance with its terms, upon the approval, with or without variation by the Fabled Silver Shareholders of the Arrangement Resolution, in the manner set forth in this Interim Order, Fabled Silver may apply to this Court for, inter alia, an order (the "**Final Order**"):
  - (a) pursuant to section 291(4)(c) of the BCBCA, declaring that the Arrangement is fair and reasonable to the Fabled Silver Shareholders; and
  - (b) pursuant to section 291(4)(a) of the BCBCA, approving the Arrangement,

and that the application for the Final Order (the "**Final Application**") be set down for the hearing before the presiding Judge in Chambers at the Courthouse at 800 Smithe Street Vancouver, British Columbia, on November 10, 2021 or as soon thereafter as the Court

may direct or counsel for Fabled Silver may be heard, and that Fabled Silver be at liberty to proceed with the Final Application on that date.

33. Any Fabled Silver Shareholder, any director or auditor of Fabled Silver, or any other interested party with leave of the Court desiring to support or oppose the application may appear and make submissions at the Final Application provided that such person must:

- (a) file a Response to Petition, in the form prescribed by the *Supreme Court Civil Rules*, together with any evidence or material which is to be presented to the Court at the hearing of the Final Application; and
- (b) deliver the filed Response to Petition together with a copy of any evidence or material which is to be presented to the Court at the hearing of the Final Application, to the Petitioner's counsel at:

McCarthy Tétrault LLP  
Barristers & Solicitors  
Suite 2400, 745 Thurlow Street  
Vancouver BC V6E 0C5

**Attention: Alexandra Cocks**

by or before 4:00 p.m. on the date that is 7 days prior to the hearing of the Final Application, or as the Court otherwise directs.

34. The only persons entitled to notice of any further proceedings herein, including any hearing to sanction and approve the Arrangement, and to appear and be heard thereon, shall be the solicitors for Fabled Silver and persons who have filed and delivered a Response to Petition in accordance with this Interim Order.

35. Subject to other provisions in this Interim Order, no material other than that contained in the, Circular need be served on any persons in respect of these proceedings. In particular, service of the Smalley Affidavit, and any additional affidavits as may be filed, is dispensed with.

- 36. If the Final Application is adjourned, only those persons who have filed and delivered a Response to Petition in accordance with this Order need to be served and provided with notice of the adjourned date.
- 37. The Petitioners shall be entitled, at any time, to apply to vary this Order.
- 38. Rules 8-1 and 16-1(8)-(12) of the *Supreme Court Civil Rules* are dispensed with for the purposes of any further application to be made pursuant to this Petition, including the Final Application and any application to vary this Interim Order.
- 39. The Petitioners shall, and hereby do, have liberty to apply for such further orders as may be appropriate.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

  
Heather Mallabone  
for **ALEXANDRA COCKS**  
Counsel for the Petitioner

BY THE COURT   
\_\_\_\_\_  
**REGISTRAR**



NO. S218283  
VANCOUVER REGISTRY

**IN THE SUPREME COURT OF BRITISH  
COLUMBIA**

IN THE MATTER OF SECTION 288 OF THE *BUSINESS  
CORPORATIONS ACT*, S.B.C. 2002, c. 57, AS  
AMENDED

AND

IN THE MATTER OF A PROPOSED PLAN OF  
ARRANGEMENT AMONG FABLED SILVER GOLD  
CORP., ITS SHAREHOLDERS and FABLED COPPER  
CORP.

**FABLED SILVER GOLD CORP.**

PETITIONER

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**ORDER**

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**ALEXANDRA COCKS**  
McCarthy Tétrault LLP  
Suite 2400, 745 Thurlow Street  
Vancouver, British Columbia V6E 0C5  
Tel: 604-643-7100  
Fax: 604-643-7900

AGENT: HL LITIGATION

**SCHEDULE D  
NOTICE OF HEARING OF PETITION**

**[SEE ATTACHED]**

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

IN THE MATTER OF SECTION 288 OF THE BRITISH COLUMBIA  
*BUSINESS CORPORATIONS ACT*, S.B.C. 2002, C.57, AS AMENDED

AND

IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING  
FABLED SILVER GOLD CORP., ITS SHAREHOLDERS and  
FABLED COPPER CORP.

**FABLED SILVER GOLD CORP.**

PETITIONER

**NOTICE OF HEARING OF PETITION**

TO: Fabled Silver Gold Corp. (“**Fabled Silver**”) shareholders (the “**Fabled Silver Shareholders**”)

NOTICE IS HEREBY GIVEN that a Petition to the Court has been filed by Fabled Silver in the Supreme Court of British Columbia for approval, pursuant to section 291 of the *Business Corporations Act*, S.B.C. 2002 c. 57 and amendments thereto (the “**BCBCA**”), of an arrangement contemplated in an Arrangement Agreement dated September 17, 2021 with Fabled Copper Corp. (the “**SpinCo**”), involving Fabled Silver, the Fabled Silver Shareholders and SpinCo (the “**Arrangement**”).

NOTICE IS FURTHER GIVEN that by an Interim Order made after Application pronounced by the Supreme Court of British Columbia on September 23, 2021 (the “**Interim Order**”), the Court has given directions as to the calling of a meeting (the “**Meeting**”) of the registered Fabled Silver Shareholders for the purpose of, among other things, considering and voting upon the special resolution to approve the Arrangement.

NOTICE IS FURTHER GIVEN that if the Arrangement is approved at the Meeting, the Petitioner intends to apply to the Supreme Court of British Columbia for a final order (the “**Final Order**”) approving the Arrangement, declaring it to be fair and reasonable to the Fabled Silver Shareholders, which application will be heard at the courthouse at 800 Smithe Street, in the City of Vancouver, in the Province of British Columbia on **November 10, 2021 at 9:45 a.m.**, by videoconference, or as soon thereafter as the Court may direct or counsel for Fabled Silver may be heard.

NOTICE IS FURTHER GIVEN that the Court has been advised that, if granted, the Final Order approving the Arrangement and the declaration that the Arrangement is fair to the Fabled Silver Shareholders will constitute the basis for an exemption from the registration requirements under the United

States Securities Act of 1933, pursuant to section 3(a)(10) thereof, upon which the parties will rely for the issuance and exchange of securities in connection with the Arrangement.

IF YOU WISH TO BE HEARD AT THE HEARING OF THE APPLICATION FOR THE FINAL ORDER OR WISH TO BE NOTIFIED OF ANY FURTHER PROCEEDINGS, YOU MUST GIVE NOTICE OF YOUR INTENTION by filing a form entitled “Response to Petition” together with any evidence or materials which you intend to present to the Court at the Vancouver Registry of the Supreme Court of British Columbia and YOU MUST ALSO DELIVER a copy of the filed Response to Petition and any other filed evidence or materials to the Petitioner’s address for delivery, which is set out below, on or before **4:00 p.m. (Vancouver time) on November 4, 2021.**

YOU OR YOUR SOLICITOR may file the Response to Petition. You may obtain a form of Response to Petition at the Registry. The address of the Registry is 800 Smithe Street, Vancouver, British Columbia, V6Z 2E1.

IF YOU DO NOT FILE A RESPONSE TO PETITION AND ATTEND EITHER IN PERSON OR BY COUNSEL at the time of the hearing of the application for the Final Order, the Court may approve the Arrangement, as presented, or may approve it subject to such terms and conditions as the Court deems fit, all without further notice to you. If the Arrangement is approved, it will affect the rights of the Fabled Silver Shareholders.

A copy of the Petition to the Court and the other documents that were filed in support of the Interim Order and will be filed in support of the Final Order will be furnished to any Fabled Silver Shareholder upon request in writing addressed to the solicitors of the Petitioner at the address for delivery set out below.

The Petitioner’s address for delivery is:

McCarthy Tétrault LLP  
Suite 2400, 745 Thurlow Street  
Vancouver, BC V6E 0C5

Attention: Alexandra E. Cocks

It is anticipated that this Final Hearing will not be contentious and will take **20 minutes.**

Dated: September 24, 2021



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Signature of lawyer for the Petitioner  
Alexandra Cocks

## SCHEDULE E

### DISSENT PROVISIONS OF THE *BUSINESS CORPORATIONS ACT* (BRITISH COLUMBIA)

#### Division 2 — Dissent Proceedings

##### Definitions and application

237(1) In this Division:

“**dissenter**” means a shareholder who, being entitled to do so, sends written notice of dissent when and as required by section 242;

“**notice shares**” means, in relation to a notice of dissent, the shares in respect of which dissent is being exercised under the notice of dissent;

“**payout value**” means,

- (a) in the case of a dissent in respect of a resolution, the fair value that the notice shares had immediately before the passing of the resolution,
- (b) in the case of a dissent in respect of an arrangement approved by a court order made under section 291(2)(c) that permits dissent, the fair value that the notice shares had immediately before the passing of the resolution adopting the arrangement,
- (c) in the case of a dissent in respect of a matter approved or authorized by any other court order that permits dissent, the fair value that the notice shares had at the time specified by the court order, or
- (d) in the case of a dissent in respect of a community contribution company, the value of the notice shares set out in the regulations,

excluding any appreciation or depreciation in anticipation of the corporate action approved or authorized by the resolution or court order unless exclusion would be inequitable.

- (2) This Division applies to any right of dissent exercisable by a shareholder except to the extent that
  - (a) the court orders otherwise, or
  - (b) in the case of a right of dissent authorized by a resolution referred to in section 238(1)(g), the court orders otherwise or the resolution provides otherwise.

##### Right to dissent

238(1) A shareholder of a company, whether or not the shareholder's shares carry the right to vote, is entitled to dissent as follows:

- (a) under section 260, in respect of a resolution to alter the articles
  - (i) to alter restrictions on the powers of the company or on the business the company is permitted to carry on,
  - (ii) without limiting subparagraph (i), in the case of a community contribution company, to alter any of the company's community purposes within the meaning of section 51.91, or
  - (iii) without limiting subparagraph (i), in the case of a benefit company, to alter the company's benefit provision;
- (b) under section 272, in respect of a resolution to adopt an amalgamation agreement;
- (c) under section 287, in respect of a resolution to approve an amalgamation under Division 4 of Part 9;
- (d) in respect of a resolution to approve an arrangement, the terms of which arrangement permit dissent;

- (e) under section 301(5), in respect of a resolution to authorize or ratify the sale, lease or other disposition of all or substantially all of the company's undertaking;
  - (f) under section 309, in respect of a resolution to authorize the continuation of the company into a jurisdiction other than British Columbia;
  - (g) in respect of any other resolution, if dissent is authorized by the resolution;
  - (h) in respect of any court order that permits dissent.
- (1.1) A shareholder of a company, whether or not the shareholder's shares carry the right to vote, is entitled to dissent under section 51.995 (5) in respect of a resolution to alter its notice of articles to include or to delete the benefit statement.
- (2) A shareholder wishing to dissent must
- (a) prepare a separate notice of dissent under section 242 for
    - (i) the shareholder, if the shareholder is dissenting on the shareholder's own behalf, and
    - (ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is dissenting,
  - (b) identify in each notice of dissent, in accordance with section 242(4), the person on whose behalf dissent is being exercised in that notice of dissent, and
  - (c) dissent with respect to all of the shares, registered in the shareholder's name, of which the person identified under paragraph (b) of this subsection is the beneficial owner.
- (3) Without limiting subsection (2), a person who wishes to have dissent exercised with respect to shares of which the person is the beneficial owner must
- (a) dissent with respect to all of the shares, if any, of which the person is both the registered owner and the beneficial owner, and
  - (b) cause each shareholder who is a registered owner of any other shares of which the person is the beneficial owner to dissent with respect to all of those shares.

### **Waiver of right to dissent**

- 239**(1) A shareholder may not waive generally a right to dissent but may, in writing, waive the right to dissent with respect to a particular corporate action.
- (2) A shareholder wishing to waive a right of dissent with respect to a particular corporate action must
- (a) provide to the company a separate waiver for
    - (i) the shareholder, if the shareholder is providing a waiver on the shareholder's own behalf, and
    - (ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is providing a waiver, and
  - (b) identify in each waiver the person on whose behalf the waiver is made.
- (3) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on the shareholder's own behalf, the shareholder's right to dissent with respect to the particular corporate action terminates in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and this Division ceases to apply to
- (a) the shareholder in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and
  - (b) any other shareholders, who are registered owners of shares beneficially owned by the first mentioned shareholder, in respect of the shares that are beneficially owned by the first mentioned shareholder.

- (4) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on behalf of a specified person who beneficially owns shares registered in the name of the shareholder, the right of shareholders who are registered owners of shares beneficially owned by that specified person to dissent on behalf of that specified person with respect to the particular corporate action terminates and this Division ceases to apply to those shareholders in respect of the shares that are beneficially owned by that specified person.

### Notice of resolution

- 240(1)** If a resolution in respect of which a shareholder is entitled to dissent is to be considered at a meeting of shareholders, the company must, at least the prescribed number of days before the date of the proposed meeting, send to each of its shareholders, whether or not their shares carry the right to vote,
- (a) a copy of the proposed resolution, and
  - (b) a notice of the meeting that specifies the date of the meeting, and contains a statement advising of the right to send a notice of dissent.
- (2) If a resolution in respect of which a shareholder is entitled to dissent is to be passed as a consent resolution of shareholders or as a resolution of directors and the earliest date on which that resolution can be passed is specified in the resolution or in the statement referred to in paragraph (b), the company may, at least 21 days before that specified date, send to each of its shareholders, whether or not their shares carry the right to vote,
- (a) a copy of the proposed resolution, and
  - (b) a statement advising of the right to send a notice of dissent.
- (3) If a resolution in respect of which a shareholder is entitled to dissent was or is to be passed as a resolution of shareholders without the company complying with subsection (1) or (2), or was or is to be passed as a directors' resolution without the company complying with subsection (2), the company must, before or within 14 days after the passing of the resolution, send to each of its shareholders who has not, on behalf of every person who beneficially owns shares registered in the name of the shareholder, consented to the resolution or voted in favour of the resolution, whether or not their shares carry the right to vote,
- (a) a copy of the resolution,
  - (b) a statement advising of the right to send a notice of dissent, and
  - (c) if the resolution has passed, notification of that fact and the date on which it was passed.
- (4) Nothing in subsection (1), (2) or (3) gives a shareholder a right to vote in a meeting at which, or on a resolution on which, the shareholder would not otherwise be entitled to vote.

### Notice of court orders

**241** If a court order provides for a right of dissent, the company must, not later than 14 days after the date on which the company receives a copy of the entered order, send to each shareholder who is entitled to exercise that right of dissent

- (a) a copy of the entered order, and
- (b) a statement advising of the right to send a notice of dissent.

### Notice of dissent

- 242(1)** A shareholder intending to dissent in respect of a resolution referred to in section 238(1) (a), (b), (c), (d), (e), (f) or (1.1) must,
- (a) if the company has complied with section 240(1) or (2), send written notice of dissent to the company at least 2 days before the date on which the resolution is to be passed or can be passed, as the case may be,

- (b) if the company has complied with section 240(3), send written notice of dissent to the company not more than 14 days after receiving the records referred to in that section, or
  - (c) if the company has not complied with section 240(1), (2) or (3), send written notice of dissent to the company not more than 14 days after the later of
    - (i) the date on which the shareholder learns that the resolution was passed, and
    - (ii) the date on which the shareholder learns that the shareholder is entitled to dissent.
- (2) A shareholder intending to dissent in respect of a resolution referred to in section 238(1)(g) must send written notice of dissent to the company
- (a) on or before the date specified by the resolution or in the statement referred to in section 240(2)(b) or (3)(b) as the last date by which notice of dissent must be sent, or
  - (b) if the resolution or statement does not specify a date, in accordance with subsection (1) of this section.
- (3) A shareholder intending to dissent under section 238(1)(h) in respect of a court order that permits dissent must send written notice of dissent to the company
- (a) within the number of days, specified by the court order, after the shareholder receives the records referred to in section 241, or
  - (b) if the court order does not specify the number of days referred to in paragraph (a) of this subsection, within 14 days after the shareholder receives the records referred to in section 241.
- (4) A notice of dissent sent under this section must set out the number, and the class and series, if applicable, of the notice shares, and must set out whichever of the following is applicable:
- (a) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner and the shareholder owns no other shares of the company as beneficial owner, a statement to that effect;
  - (b) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner but the shareholder owns other shares of the company as beneficial owner, a statement to that effect and
    - (i) the names of the registered owners of those other shares,
    - (ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and
    - (iii) a statement that notices of dissent are being, or have been, sent in respect of all of those other shares;
  - (c) if dissent is being exercised by the shareholder on behalf of a beneficial owner who is not the dissenting shareholder, a statement to that effect and
    - (i) the name and address of the beneficial owner, and
    - (ii) a statement that the shareholder is dissenting in relation to all of the shares beneficially owned by the beneficial owner that are registered in the shareholder's name.
- (5) The right of a shareholder to dissent on behalf of a beneficial owner of shares, including the shareholder, terminates and this Division ceases to apply to the shareholder in respect of that beneficial owner if subsections (1) to (4) of this section, as those subsections pertain to that beneficial owner, are not complied with.

**Notice of intention to proceed**

**243(1)** A company that receives a notice of dissent under section 242 from a dissenter must,

- (a) if the company intends to act on the authority of the resolution or court order in respect of which the notice of dissent was sent, send a notice to the dissenter promptly after the later of
    - (i) the date on which the company forms the intention to proceed, and
    - (ii) the date on which the notice of dissent was received, or
  - (b) if the company has acted on the authority of that resolution or court order, promptly send a notice to the dissenter.
- (2) A notice sent under subsection (1)(a) or (b) of this section must
- (a) be dated not earlier than the date on which the notice is sent,
  - (b) state that the company intends to act, or has acted, as the case may be, on the authority of the resolution or court order, and
  - (c) advise the dissenter of the manner in which dissent is to be completed under section 244.

### **Completion of dissent**

- 244(1)** A dissenter who receives a notice under section 243 must, if the dissenter wishes to proceed with the dissent, send to the company or its transfer agent for the notice shares, within one month after the date of the notice,
- (a) a written statement that the dissenter requires the company to purchase all of the notice shares,
  - (b) the certificates, if any, representing the notice shares, and
  - (c) if section 242(4)(c) applies, a written statement that complies with subsection (2) of this section.
- (2) The written statement referred to in subsection (1)(c) must
- (a) be signed by the beneficial owner on whose behalf dissent is being exercised, and
  - (b) set out whether or not the beneficial owner is the beneficial owner of other shares of the company and, if so, set out
    - (i) the names of the registered owners of those other shares,
    - (ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and
    - (iii) that dissent is being exercised in respect of all of those other shares.
- (3) After the dissenter has complied with subsection (1),
- (a) the dissenter is deemed to have sold to the company the notice shares, and
  - (b) the company is deemed to have purchased those shares, and must comply with section 245, whether or not it is authorized to do so by, and despite any restriction in, its memorandum or articles.
- (4) Unless the court orders otherwise, if the dissenter fails to comply with subsection (1) of this section in relation to notice shares, the right of the dissenter to dissent with respect to those notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares.
- (5) Unless the court orders otherwise, if a person on whose behalf dissent is being exercised in relation to a particular corporate action fails to ensure that every shareholder who is a registered owner of any of the shares beneficially owned by that person complies with subsection (1) of this section, the right of shareholders who are registered owners of shares beneficially owned by that person to dissent on behalf of that person with respect to that corporate action terminates and this Division, other than section 247, ceases to apply to those shareholders in respect of the shares that are beneficially owned by that person.
- (6) A dissenter who has complied with subsection (1) of this section may not vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, other than under this Division.

**Payment for notice shares**

- 245** (1) A company and a dissenter who has complied with section 244(1) may agree on the amount of the payout value of the notice shares and, in that event, the company must
- (a) promptly pay that amount to the dissenter, or
  - (b) if subsection (5) of this section applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.
- (2) A dissenter who has not entered into an agreement with the company under subsection (1) or the company may apply to the court and the court may
- (a) determine the payout value of the notice shares of those dissenters who have not entered into an agreement with the company under subsection (1), or order that the payout value of those notice shares be established by arbitration or by reference to the registrar, or a referee, of the court,
  - (b) join in the application each dissenter, other than a dissenter who has entered into an agreement with the company under subsection (1), who has complied with section 244(1), and
  - (c) make consequential orders and give directions it considers appropriate.
- (3) Promptly after a determination of the payout value for notice shares has been made under subsection (2)(a) of this section, the company must
- (a) pay to each dissenter who has complied with section 244(1) in relation to those notice shares, other than a dissenter who has entered into an agreement with the company under subsection (1) of this section, the payout value applicable to that dissenter's notice shares, or
  - (b) if subsection (5) applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.
- (4) If a dissenter receives a notice under subsection (1)(b) or (3)(b),
- (a) the dissenter may, within 30 days after receipt, withdraw the dissenter's notice of dissent, in which case the company is deemed to consent to the withdrawal and this Division, other than section 247, ceases to apply to the dissenter with respect to the notice shares, or
  - (b) if the dissenter does not withdraw the notice of dissent in accordance with paragraph (a) of this subsection, the dissenter retains a status as a claimant against the company, to be paid as soon as the company is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the company but in priority to its shareholders.
- (5) A company must not make a payment to a dissenter under this section if there are reasonable grounds for believing that
- (a) the company is insolvent, or
  - (b) the payment would render the company insolvent.

**Loss of right to dissent**

- 246** The right of a dissenter to dissent with respect to notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares, if, before payment is made to the dissenter of the full amount of money to which the dissenter is entitled under section 245 in relation to those notice shares, any of the following events occur:
- (a) the corporate action approved or authorized, or to be approved or authorized, by the resolution or court order in respect of which the notice of dissent was sent is abandoned;
  - (b) the resolution in respect of which the notice of dissent was sent does not pass;

- (c) the resolution in respect of which the notice of dissent was sent is revoked before the corporate action approved or authorized by that resolution is taken;
- (d) the notice of dissent was sent in respect of a resolution adopting an amalgamation agreement and the amalgamation is abandoned or, by the terms of the agreement, will not proceed;
- (e) the arrangement in respect of which the notice of dissent was sent is abandoned or by its terms will not proceed;
- (f) a court permanently enjoins or sets aside the corporate action approved or authorized by the resolution or court order in respect of which the notice of dissent was sent;
- (g) with respect to the notice shares, the dissenter consents to, or votes in favour of, the resolution in respect of which the notice of dissent was sent;
- (h) the notice of dissent is withdrawn with the written consent of the company;
- (i) the court determines that the dissenter is not entitled to dissent under this Division or that the dissenter is not entitled to dissent with respect to the notice shares under this Division.

**Shareholders entitled to return of shares and rights**

**247** If, under section 244(4) or (5), 245(4)(a) or 246, this Division, other than this section, ceases to apply to a dissenter with respect to notice shares,

- (a) the company must return to the dissenter each of the applicable share certificates, if any, sent under section 244(1)(b) or, if those share certificates are unavailable, replacements for those share certificates,
- (b) the dissenter regains any ability lost under section 244(6) to vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, and
- (c) the dissenter must return any money that the company paid to the dissenter in respect of the notice shares under, or in purported compliance with, this Division.

**SCHEDULE F**  
**INFORMATION CONCERNING SPINCO POST-ARRANGEMENT**

**CORPORATE STRUCTURE**

SpinCo was incorporated under the BCBCA on April 26, 2016, as “1073573 B.C. LTD.”. SpinCo changed its name to “Fabled Copper and Gold Corp.” on June 6, 2016 and to “Fabled Copper Corp.” on June 16, 2021. Its head office and registered and records office is located at Suite 480, 1500 West Georgia Street, Vancouver, British Columbia, Canada, V6G 2Z6.

SpinCo is currently a wholly-owned subsidiary of Fabled. Fabled acquired all of SpinCo’s outstanding shares (94,846,841 common shares) on September 26, 2018 pursuant to the terms of a share exchange agreement dated November 16, 2017 as amended, such acquisition constituting Fabled’s qualifying transaction in accordance with TSXV Policy 2.4.

Following the Arrangement and distribution of the New Fabled Shares and SpinCo Shares, SpinCo will no longer be a wholly-owned subsidiary of Fabled and SpinCo will be owned by (i) the SpinCo Shareholders, who are the current Fabled Shareholders, and (ii) the holders of the SpinCo Shares issued under the terms of the SpinCo Financing.

**DESCRIPTION OF THE BUSINESS**

**Overview**

SpinCo is a wholly-owned subsidiary of Fabled which was acquired in September 2018. Upon completion of the Arrangement, SpinCo expects to be a publicly traded exploration company focused on copper in northern British Columbia. SpinCo has a near term goal, having completed the SpinCo Financing, of listing its shares on the CSE and completing the initial phase of the work program set out in the Muskwa Project Technical Report.

Prior to the completion of the Arrangement, SpinCo is not a reporting issuer and the SpinCo Shares are not listed on any stock exchange. Upon completion of the Arrangement, SpinCo will become reporting issuer in the provinces of British Columbia, Alberta and Saskatchewan. SpinCo will become a reporting issuer in certain other provinces and territories of Canada by virtue of a prospectus it will file pursuant to the terms of the SpinCo Financing.

The completion of the Arrangement is conditional upon a recognized stock exchange approving the listing of the SpinCo Shares. Until the SpinCo Shares are listed for trading on the CSE, shareholders may not be able to sell their SpinCo Shares. There are no assurances that SpinCo will be able to attain a listing on the CSE or any stock exchange. See “Risk Factors” in this Schedule F for more information.

**SpinCo’s Strategy**

SpinCo’s strategy is to focus on creating value for stakeholders through the development of its existing mineral properties for the purpose of mineral exploration and exploitation. At present, SpinCo is an exploration-stage company with no producing properties and consequently has no current operating income, cash flow or revenues. There is no assurance that a commercially viable mineral deposit exists on any of SpinCo’s properties.

In addition to the exploration at the Muskwa Project, SpinCo may evaluate other prospects worthy of exploration and development. The ability of SpinCo to do work in 2021 and 2022 is contingent upon its ongoing ability to raise any additional capital required.

**Muskwa Project**

SpinCo owns 50% of certain claims that form part of the Muskwa Project and has the right to acquire the remaining

50% of such claims and a 100% interest in the other claims that form the Muskwa Property pursuant to the High Range Option Agreement and ChurchKey Option Agreement. See “Location and Title” in this Schedule F for more information.

The author of the Technical Report is of the opinion that the most obvious target deposit type in the area of the Muskwa Project is structurally controlled high-grade copper hosted in veins and/or breccias. Structurally controlled mineralization could possibly be the surface expression of a more extensive and deep-seated IOCG type deposit. The Muskwa Project hosts twelve documented sites of significant copper mineralization. These mineralized veins have similar mineralogical, lithological, and structural characteristics. High-grade copper-bearing quartz veins, especially in copper metallogenic provinces, can be important as indicators of the presence of other types of copper occurrences such as IOCG deposits.

The author of the Technical Report is of the opinion that the defined significant high-grade copper deposits at Davis-Keays (favorably rated in a cited historical feasibility study), Fort Reliance, and Magnum (where production was interrupted less than half way through mining), are target areas that justify considerable work. Numerous other showings of a similar type and grade have yielded significant enough results to require further work to define the potential of the Muskwa Project area.

SpinCo’s assembly of lands in the large Muskwa Project area creates an opportunity to carry out regional-style work to further define high-grade targets and to investigate the underlying geology to try to identify the source of the known targets.

The author of the Technical Report has recommended that SpinCo carry out a Phase 1 program which is to be carried out in summer and fall 2021, and a Phase 2 program to be carried out in 2022. Phase 2 is not contingent upon Phase 1 results, as proposed drill targets have already been identified and only lack of permitting is preventing drilling during the 2021 season. See “Conclusions and Recommendations” in this Schedule F for more information

### **Principal Markets**

As described more fully under “Description of the Business – Overview” above, SpinCo is an exploration stage company with no producing properties. SpinCo’s principal goal is to become a producer of copper. There is a worldwide market for copper and other base and precious metals into which SpinCo could sell. As a result, SpinCo would not be dependent on a particular purchaser with regard to the sale of copper or other metals which it produces, if and when it reaches production.

### **Specialized Skills and Knowledge**

All aspects of SpinCo’s business require specialized skills and knowledge. Such skills and knowledge include the areas of geology, drilling, logistical planning, geophysics, metallurgy and mineral processing, implementation of exploration programs, legal and accounting. While recent increased activity in the resource mining industry has made it more difficult to locate competent employees and consultants in such fields, SpinCo is confident it can locate and retain such employees and consultants as are required.

### **Competitive Conditions**

Competition in the mineral exploration industry is intense. SpinCo competes with other mining companies, many of which have greater financial resources and technical facilities for the acquisition and development of mineral concessions, claims, leases and other interests, as well as for the recruitment and retention of qualified employees and consultants.

SpinCo will be required to compete for the acquisition of mineral permits, claims, leases and other mineral interests for exploration and development projects. As a result of this competition, SpinCo may not be able to acquire or retain attractive properties in the future on terms it considers acceptable. The ability of SpinCo to acquire and retain mineral properties in the future will depend on its ability to operate and develop its existing properties and also on its ability

to obtain additional financing to fund further exploration activities. SpinCo also competes with other mining companies for investment capital with which to fund such projects and for the recruitment and retention of qualified employees. See “Risk Factors” in this Schedule F.

### **Components**

Over the past several years, increased mineral exploration activity on a global scale combined with the recent and ongoing COVID-19 pandemic, and current forest fire season in British Columbia has made some services difficult to procure, particularly skilled and experienced contract drilling and helicopter services and personnel. It is possible that delays or increased costs may be experienced in order to proceed with drilling activities in the near future. Such delays could significantly affect SpinCo if, for example, commodity prices fall significantly, thereby reducing the opportunity SpinCo may have had to develop a particular project had such tests been completed in a timely manner before the fall of such prices. In addition, assay labs are often significantly backlogged, thus significantly increasing the time that SpinCo waits for assay results. Such delays can slow down work programs, thus increasing field expenses or other costs.

### **Business Cycles**

SpinCo’s business, at its current exploration and development phase, is cyclical. Exploration activities cannot be conducted year-round at the Muskwa Project. See “*Risk Factors*”.

### **Environmental Protection and Social Policies**

All aspects of SpinCo’s field operations will be subject to environmental regulations and generally will require approval by appropriate regulatory authorities prior to commencement. Any failure to comply could result in fines and penalties. SpinCo’s operations are presently primarily focused in British Columbia and are subject to national and local laws and regulations. Specific statutory and regulatory requirements and standards must be met throughout the exploration, development and operation stages of a mining property with regard to air quality, water quality, fisheries and wildlife protection, solid and hazardous waste management and disposal, noise, land use and reclamation.

Given that SpinCo’s projects are still at the exploration stage, the financial and operational impact of environmental protection requirements is minimal. Should any of the SpinCo’s projects advance to the production stage, then more time and money would be involved in satisfying environmental protection requirements.

SpinCo will be committed to meeting industry standards in each jurisdiction in which it operates with respect to human rights and health and safety policies. Management, employees and contractors will be governed by and required to comply with the policies of SpinCo in force from time to time, as well as all applicable legislations and regulations. It will be the primary responsibility of the managers, supervisors and other senior SpinCo field staff to oversee safe work practices and ensure that rules, regulations, policies and procedures are being followed. SpinCo will establish roles and responsibilities to facilitate effective management of this policy throughout the organization.

### **Employees**

SpinCo currently has no employees. Given its anticipated stage of development and size following completion of the Arrangement, SpinCo expects to continue to maintain a lean corporate structure, utilizing, where appropriate, independent contractors and consultants on an “as needed” basis.

## **MINERAL PROPERTY**

The Muskwa Property is, and following the Arrangement will be, SpinCo’s only material property for the purposes of NI 43-101.

## **MUSKWA PROJECT**

The disclosure set out below regarding the Muskwa Project is based on, without material modification or revision, the disclosure in the Technical Report that has been incorporated by reference into this Circular. The Technical Report is available for review under both Fabled's and SpinCo's SEDAR profiles at [www.sedar.com](http://www.sedar.com).

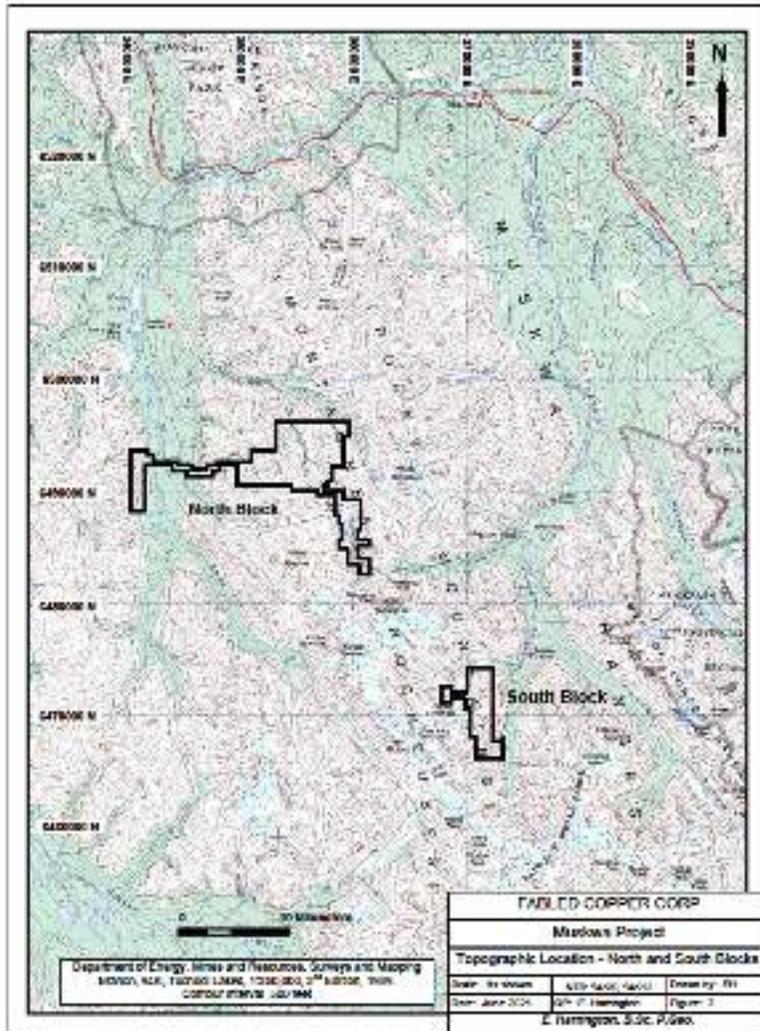
The Technical Report contains more detailed information and qualifications than are set out below and readers are encouraged to review the Technical Report. This summary is subject to all of the assumptions, information, and qualifications set forth therein.

### ***Location and Title***

The Property is located in the Liard Mining Division, British Columbia, Canada, as shown on Map Sheet NTS 94K. The North Block is centered at latitude 58.557831° North, longitude 125.474668° West, and UTM 356,192 m East, 6,492,792 m North. The South Block is centered at 58.362218° North, longitude 125.202897° West, and UTM 371.262 m East, 6,471,056 m North.

The Muskwa Project comprises a total of seventy-six claims in two non-contiguous blocks: the North Block comprises sixty-five claims and the South Block eleven claims, and totals approximately 8,064.9 hectares ("ha").

Figure 1 – Muskwa Project Map



The Muskwa Project refers to the combined Fabled Copper, High Range, and ChurchKey claims as shown in Table 2. The interests held by Fabled Copper Corp are shown under the name Fabled Copper and Gold Corp, not yet reflecting the name change to Fabled Copper Corp. Two claims (1046488 and 1046517) are 100% owned by Fabled Copper and Gold Corp.

**Table 2: Claim Details**

Claim	Tenure	Hectares	Block	Owner	Good to Date
Ram Creek	845171	101.35	North	High Range Exploration 50%	15-Dec-25
				Fabled Copper and Gold Corp 50%	
Ram East	1027342	16.89	North	High Range Exploration 50%	15-Dec-26
				Fabled Copper and Gold Corp 50%	
Ran NE	1035388	84.45	North	High Range Exploration 50%	15-Dec-27
				Fabled Copper and Gold Corp 50%	
Neil Extension	1046488	776.91	North	Fabled Copper and Gold Corp	15-Dec-27
Neil NE	1046517	135.11	North	Fabled Copper and Gold Corp	15-Dec-27
Neil North	1053524	219.46	North	High Range Exploration Ltd.	15-Dec-27
	1056061	1,097.08	North	High Range Exploration Ltd.	30-Nov-25
Key 2	510740	84.48	North	ChurchKey Mines Inc.	15-Jan-25
Key	519544	50.67	North	ChurchKey Mines Inc.	15-Jan-25
Key 3	519546	50.65	North	ChurchKey Mines Inc.	15-Jan-25
Eagle 1	1026111	202.66	North	ChurchKey Mines Inc.	15-May-25
Eagle 2	1026112	84.42	North	ChurchKey Mines Inc.	15-May-25
	1030419	67.54	North	ChurchKey Mines Inc.	15-May-25
	1034440	16.90	North	ChurchKey Mines Inc.	15-May-25
	1034443	16.90	North	ChurchKey Mines Inc.	15-May-25
	1034445	33.79	North	ChurchKey Mines Inc.	15-May-25
	1034447	33.79	North	ChurchKey Mines Inc.	15-May-25
	1034459	101.34	North	ChurchKey Mines Inc.	15-May-25
	1034472	152.08	North	ChurchKey Mines Inc.	15-May-25
	1034473	16.90	North	ChurchKey Mines Inc.	15-May-25
	1034497	33.78	North	ChurchKey Mines Inc.	15-May-25
	1034498	50.68	North	ChurchKey Mines Inc.	15-May-25
	1034576	16.91	North	ChurchKey Mines Inc.	15-May-25
Magnum Core	1034578	33.82	North	ChurchKey Mines Inc.	15-May-25
	1034583	33.82	North	ChurchKey Mines Inc.	15-May-25
	1034585	118.37	North	ChurchKey Mines Inc.	15-May-25
Miners Link	1037753	169.03	North	ChurchKey Mines Inc.	15-May-25
	1038186	16.90	North	ChurchKey Mines Inc.	15-May-25
Key 1	1042237	84.47	North	ChurchKey Mines Inc.	15-May-25
Key 4	1042393	50.68	North	ChurchKey Mines Inc.	15-Jan-25
Church 5	1050167	16.91	North	ChurchKey Mines Inc.	15-May-25
Church 6	1050168	16.92	North	ChurchKey Mines Inc.	15-May-25
Lady Luck	1050495	16.93	North	ChurchKey Mines Inc.	15-May-25

Claim	Tenure	Hectares	Block	Owner	Good to Date
Toad River	1054662	16.89	North	ChurchKey Mines Inc.	31-Dec-21
Lady Luck Road	1055498	118.46	North	ChurchKey Mines Inc.	15-May-25
Lucky Mac	1055499	33.84	North	ChurchKey Mines Inc.	15-May-25
Magnum Creek	1055500	33.84	North	ChurchKey Mines Inc.	15-May-25
Magnum Creek 2	1055501	33.84	North	ChurchKey Mines Inc.	15-May-25
Rammmm	1056487	16.89	North	ChurchKey Mines Inc.	15-May-25
Ramming	1056488	304.13	North	ChurchKey Mines Inc.	15-May-25
Ram 3	1056489	101.37	North	ChurchKey Mines Inc.	15-May-25
Key East	1056496	151.94	North	ChurchKey Mines Inc.	15-May-25
Church Bells	1056497	33.81	North	ChurchKey Mines Inc.	15-May-25
Green Toad	1059435	16.89	North	ChurchKey Mines Inc.	31-Dec-21
KE 2	1059841	151.89	North	ChurchKey Mines Inc.	15-May-25
Key East 2	1062288	33.77	North	ChurchKey Mines Inc.	15-May-25
Key East 3	1062289	50.67	North	ChurchKey Mines Inc.	15-May-25
Reliance	1068470	16.89	North	ChurchKey Mines Inc.	31-Dec-21
Toad 2	1068471	67.59	North	ChurchKey Mines Inc.	31-Dec-21
Reliance 2	1068472	50.67	North	ChurchKey Mines Inc.	31-Dec-21
Toad 3	1068473	33.79	North	ChurchKey Mines Inc.	31-Dec-21
Church	1071318	33.83	North	ChurchKey Mines Inc.	31-Dec-21
Church 2	1071319	101.49	North	ChurchKey Mines Inc.	31-Dec-21
Church 3	1071320	33.82	North	ChurchKey Mines Inc.	31-Dec-21
Church 4	1071321	101.46	North	ChurchKey Mines Inc.	31-Dec-21
Church 5	1071322	33.85	North	ChurchKey Mines Inc.	31-Dec-21
Lady	1071323	16.92	North	ChurchKey Mines Inc.	31-Dec-21
Lady 2	1071324	33.86	North	ChurchKey Mines Inc.	31-Dec-21
Jed	1071326	118.51	North	ChurchKey Mines Inc.	31-Dec-21
Toad Connector	1081019	185.79	North	ChurchKey Mines Inc.	7-Feb-22
Toad Connector 2	1081020	354.73	North	ChurchKey Mines Inc.	7-Feb-22
Toad 4	1082837	135.21	North	ChurchKey Mines Inc.	3-Jun-22
Toad 5	1082838	152.16	North	ChurchKey Mines Inc.	3-Jun-22
Toad 6	1082839	101.32	North	ChurchKey Mines Inc.	3-Jun-22
Ridge Pass	1082840	33.80	North	ChurchKey Mines Inc.	3-Jun-22

**65 Claims North Block 6,672.70 ha**

- Claims added to the ChurchKey Agreement
- Recently staked claims
- Recently staked claims
- Good-to-Date extended to 31 December 2021 under 13180-20-411 CGC ORDER

Claim	Tenure	Hectares	Claim Block	Owner	Good to Date
Toro Churchill	772742	305.56	South	High Range Exploration 50%	10-Dec-21
				Fabled Copper and Gold Corp 50%	
Toro Churchill 2	772802	84.92	South	High Range Exploration 50%	10-Dec-21
				Fabled Copper and Gold Corp 50%	
	854517	16.97	South	High Range Exploration 50%	10-Dec-21
				Fabled Copper and Gold Corp 50%	
T/C2	1019676	50.92	South	High Range Exploration 50%	10-Dec-21
				Fabled Copper and Gold Corp 50%	
Idaho	1023665	33.98	South	High Range Exploration 50%	10-Dec-21
				Fabled Copper and Gold Corp 50%	
John Ext.	1024157	135.78	South	High Range Exploration 50%	10-Dec-21
				Fabled Copper and Gold Corp 50%	
South Ext.	1024158	67.96	South	High Range Exploration 50%	10-Dec-21
				Fabled Copper and Gold Corp 50%	
Toro East	1026684	67.89	South	High Range Exploration 50%	10-Dec-21
				Fabled Copper and Gold Corp 50%	
Toro Sw	1026686	152.85	South	High Range Exploration 50%	10-Dec-21
				Fabled Copper and Gold Corp 50%	
Toro North	1063713	271.47	South	High Range Exploration 50%	10-Dec-21
				Fabled Copper and Gold Corp 50%	
Toro South	1063714	203.90	South	High Range Exploration 50%	10-Dec-21
				Fabled Copper and Gold Corp 50%	
<b>11 claims South Block</b>		<b><u>1,392.20</u></b>	<b>ha</b>		
<b>Muskwa Total</b>		<b>8,064.90</b>	<b>ha</b>	<b>76 claims Total</b>	

Table 2 summarizes the expanded mineral package, including all recently-staked claims added to the High Range and ChurchKey properties, and is hereinafter referred to as the Muskwa Project.

#### *High Range Option Agreement*

On April 8, 2021, Fabled Silver Gold Corp, Fabled Copper and High Range Exploration Ltd (“High Range”) entered into an amended and restated option agreement (the “High Range Option Agreement”) with respect to High Range’s 50% interest in certain properties as set out in Table 2 above, located in the Liard Mining Division in northern British Columbia.

By the High Range Option Agreement, Fabled Copper now also has the right to acquire from High Range other claims that are 100%-owned by High Range covering an additional 3,842 hectares located in the same mineral belt, including two additional claims contiguous with the North Block and four additional claims that comprise the Bronson Property, situated to the south. The Bronson claims are not part of the Technical Report and are included in but not deemed to be material to the spin-out transaction. This expanded mineral package includes the ChurchKey Property and is hereinafter referred to as the Muskwa Project.

Under the High Range Option Agreement, in consideration for the right to acquire the whole and expanded mineral claim package, including the Bronson Property, Fabled Copper has agreed to pay to High Range, in cash:

- \$200,000 on the closing date (paid);
- \$500,000 on the date that is twelve months after the closing date;
- \$750,000 on the date that is twenty-four months after the closing date;
- \$1,000,000 on the date that is thirty-six months after the closing date; and
- \$2,000,000 on the date that is forty-eight months after the closing date.

The mineral claims optioned will be subject to a 2% net smelter return royalty on material taken from High Range claims, and payable to High Range upon commencement of commercial production.

#### *ChurchKey Option Agreement*

On August 6, 2019, Fabled Silver and Fabled Copper entered into an option agreement (the “ChurchKey Agreement”) with ChurchKey Mines Inc (“ChurchKey”) with respect to the ChurchKey Property, which forms part of the North Block. Under the option agreement to acquire the ChurchKey Property, Fabled Copper agreed to pay ChurchKey:

- \$50,000 in cash on date of closing (paid);
- \$50,000 in cash 90 days after closing (paid);
- \$100,000 in cash 12 months after closing (paid);
- \$250,000 in cash 24 months after closing;
- \$300,000 in cash 36 months after closing;
- \$500,000 in cash 48 months after closing; and
- \$750,000 in cash 60 months after closing.

Fabled Copper will also:

- Ensure that all exploration expenditures incurred by Fabled Copper on the ChurchKey Property will be applied to the ChurchKey Property;
- Within 12 months of closing, incur and apply sufficient exploration expenses to keep the ChurchKey Property in good standing for 36 months from the date such expenses are applied;
- Incur sufficient exploration expenses to ensure that the ChurchKey Property remains in good standing during the period of the ChurchKey Agreement; and
- Ensure that in the event of option termination that all claims comprising the ChurchKey Property have a minimum of 3 years good standing at the time of such termination.

The ChurchKey Option Agreement was amended as follows on:

- 15 October 2019 to include eight further claims, tenures 1071318-1071324 and 1071326, at no additional cost to Fabled Copper except staking; and
- 5 June 2021 to include six further claims, tenures 1091019-1081020 and 1082837-1082840, at no additional cost to Fabled Copper except staking.

Fabled Copper is obliged to pay a 2% NSR (the “ChurchKey NSR”) to ChurchKey on material taken from ChurchKey claims and payable to ChurchKey beginning upon commencement of commercial production. In addition, Fabled Copper had the exclusive right to purchase 1 of the 2 NSR points of the ChurchKey NSR at any time in the first four years following closing for \$425,000 (“NSR Option 1”) if Fabled Copper made an annual payment of \$25,000 on each of the four anniversaries following closing of the acquisition.

Fabled Copper did not make said payments to date and therefore NSR Option 1 has lapsed. Fabled Copper will have the non-exclusive right to purchase, at any time up to the date of commencement of commercial production, 1 of the 2 NSR points of the ChurchKey NSR (“NSR Option 2”) for the equivalent of 275,000 pounds of copper multiplied by the quoted London Metal Exchange price at the date of the exercise of NSR Option 2.

Further, if Fabled Copper has exercised NSR Option 2 Fabled Copper will have the non-exclusive right to purchase, at any time up to the date of commencement of commercial production, the remaining 1% NSR (“NSR Option 3”) for the equivalent of 400,000 pounds of copper multiplied by the quoted London Metal Exchange price at the date of the

exercise of NSR Option 3.

The Muskwa Project lies within the Muskwa-Kechika special management zone (“SMZ”). The writer is not aware of any particular environmental or government-related regulatory problems that would adversely affect mineral exploration on the Property. To the writer’s knowledge, there are currently no restrictions to exploration or exploitation in regard to surface rights or legal access to the Property.

The non-completion of requirements under the ChurchKey option agreement could restrict the Fabled Copper’s access to the portion of the Muskwa Project controlled by that optionor.

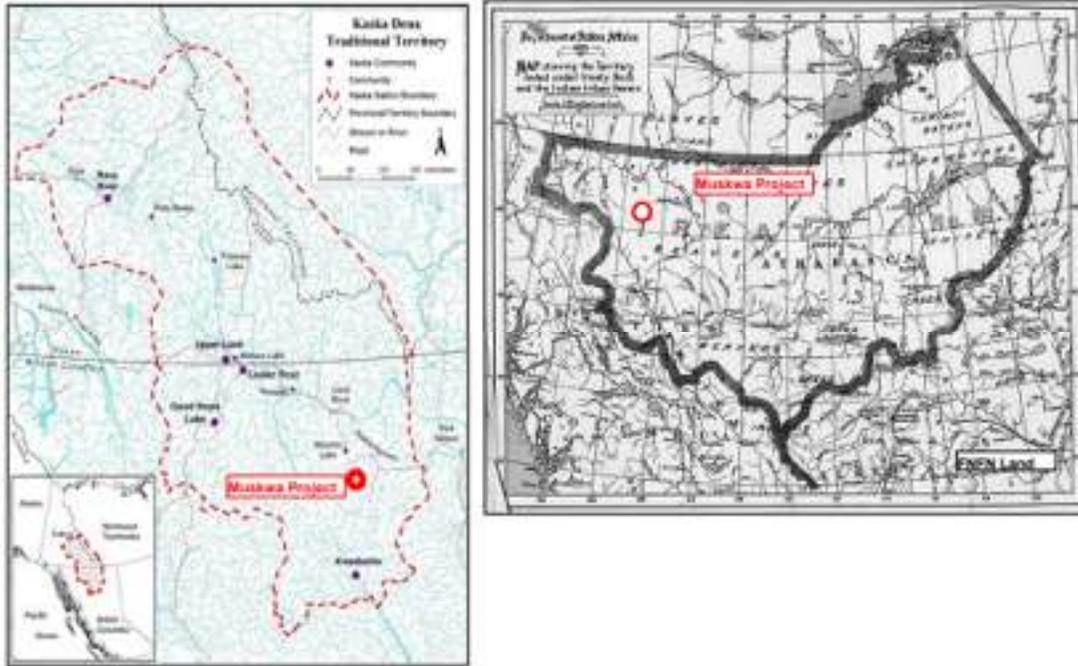
Under the ChurchKey Option Agreement and the High Range Option Agreement, Fabled Copper is deemed to be the optionee. Fabled Silver, as the parent company of Fabled Copper is the guarantor in respect of payment of required option payments. Upon completion of the spin-out transaction, each agreement will be amended to remove Fabled Silver as a party to the agreements and Fabled Copper will become solely responsible for all obligations under the agreements.

As of the effective date of the Technical Report, the Muskwa Project has no known environmental liabilities. Mine development would entail an environmental impact assessment for wildlife and wildlife habitat that is usually done in the following three stages:

- Stage 1: Desk-based study - Assemble all relevant data from the government, other agencies, First Nations, and research scientists for the mine tenure area. During this phase, all legally protected and designated areas should be identified;
- Stage 2: Baseline data collection - Normally, two years of data collection is expected to capture inter-annual variation. Baseline data should be collected for important wildlife species identified in Stage 1; and
- Stage 3: Environmental Impact Assessment - The EIA will use information from stages 1 and 2, including scientific literature on known impacts to wildlife from similar Properties, to predict the disturbance impacts on populations. Mitigation measures will aim to minimize or eliminate these impacts. Where impacts cannot be totally eliminated, compensation and monitoring plans may be required.

In 2019, the BC provincial government passed the Declaration on the Rights of Indigenous Peoples Act (“DRIPA”) into law. DRIPA establishes the Province’s framework for reconciliation and aims to create a path forward that respects the human rights of Indigenous peoples while introducing better transparency, accountability, and predictability in collaboration.

The Project area is situated on land claimed by both the Fort Nelson First Nation (FNFN) and the Kaska Dena.



The Kaska Dena map also shows the Muskwa Project area located within their traditional territory. The FNFN map showing the boundary circa 1900 of Treaty 8 land shows the Muskwa Project area located within FNFN lands.

The northwestern portion of the Muskwa Project lies within the Moose Lake reserve. Fabled Copper has appointed a Community Liaison Officer who has established a good relationship with the occupants of the reserve, originally Kaska Dena and now part of the Fort Nelson First Nations ("FNFN").

While the Muskwa-Kechika SMZ does not impede responsible exploration and development, Fabled Copper recognizes that it will have to follow DRIPA guidelines and work closely with all local groups, such as First Nations and guide outfitters. There is a risk that local opposition could delay exploration and development in the Project area. Continued dialogue with local groups has proven to mitigate this risk. Fabled Copper has appointed a Community Liaison Officer to aid in this dialogue.

In June 2021, Sid Nielsen, Davis-Keays mine manager of record and newly appointed Community Liaison Officer for Fabled Copper, visited Fort Nelson and held numerous discussions, including with Jim Hodgson, FNFN business manager, and Sharleen Gale, Chief Councilor. Discussions were reported as positive and the FNFN is reportedly looking forward to Fabled Copper carrying out a significant work program.

In British Columbia, permits are necessary for work that includes surface disturbances, such as drilling, trenching, and the establishment of semi-permanent field camps. No work permits for the Muskwa Property have been applied for.

### ***Accessibility, Climate and Infrastructure***

The Muskwa Project is located approximately 170 kilometers west-southwest of Fort Nelson, BC, 50 kilometers southeast of Muncho Lake, BC, and 250 kilometers southeast of Watson Lake, Yukon. Access is primarily by helicopter. While based in either Fort Nelson or Watson Lake, helicopter companies maintain fuel dumps at and fly out of both the Muncho Lake Lodge, located approximately 40 km northwest of the Property, and the Toad River Lodge, located approximately 32 km north-northeast of the Property. The central portion of the North Block can be accessed by ATV only via a two-track dirt road extending south from the intersection of paved Provincial Highway 97 (Alaska Highway) and the Toad River.

The south-eastern portion of the North Block, the area of the Magnum mine, is accessed by dirt road extending thirty

kilometers from a point approximately thirteen kilometers west of Summit Lake (Mile 401 of the Alaska Highway (Highway 97)) to the Churchill mill site situated at the confluence of Delano Creek and the Racing River, then approximately sixteen kilometers west along Delano and Magnum creeks. The road to the Churchill mill site is in good condition and well used, but entails fording MacDonald and Wokkash creeks, and the Racing River. The unmaintained two-track dirt road west from the mill site to the Property is ATV passable.

The South Block can be accessed by two-track dirt road south from the confluence of the Racing River and Delano Creek, approximately nine kilometers along the Racing River, then nine kilometers further south along Churchill Creek.

The Property is characterized by generally narrow valleys and very steep glaciated terrain, with elevations ranging from 1,000 to 2,470 meters (3,280 to 8,100 feet). The steepness of much of the terrain restricts location of exploration and exploitation infrastructure to specific areas.

Except for creek and river valleys showing coniferous and deciduous tree growth, the claims are predominantly above the tree-line where vegetation is restricted to shrubs and grasses, or is nonexistent. Moraine deposits of glacial outwash are common in low areas, and rock talus broken from surrounding cliffs covers sloping ground.

Climate is variable, with higher elevations receiving precipitation almost daily during the summer. During spring, summer, and fall, valleys can regularly be cloud-filled, making helicopter travel unpredictable at times.

Winters are cold, with approximately 60 cm of snow that can stay above the 1,400-meter level from September to May. Outdoor work season is mid- or late-June to mid-September, while underground work can be year round. There is no power available in the Project area, so generators will be necessary when electricity is needed. A water supply for exploration purposes is available from Caribou, Magnum, and Churchill creeks, and also from Toad River located in the extreme western portion of the North Block. The town of Fort Nelson is the nearest source of mining supplies and personnel.

### *History*

During the 1940s, copper was discovered in the Muskwa Range of the Rocky Mountains while the Alaska Highway was being built. Some exploration activity took place during the 1950s and early 1960s, with activity increasing significantly during the late 1960s and early 1970s. Sporadic exploration work has been carried out in the area from the 1970s to the present. The two main copper deposits identified during this time were the Davis-Keays Eagle vein and Churchill Copper's Magnum vein. The following twelve mineralized areas are documented within the Muskwa Project.

- Davis-Keays (Eagle vein) - developed prospect - BC Minfile 094K 012;
- Churchill Copper (Magnum vein) - past producer - BC Minfile 094K 003;
- Lady Luck - developed prospect - BC Minfile 094K 018;
- Fort Reliance - developed prospect - BC Minfile 094K 002;
- Magnum Creek - showing - BC Minfile 094K 013;
- Mac - showing - BC Minfile 094K 014;
- Ram Creek No. 1 - showing - BC Minfile 094K 072;
- Neil - prospect - BC Minfile 094K 040 and 094K 057;
- John - showing - BC Minfile 094K 076;
- Toro - developed prospect - BC Minfile 094K 050;
- Churchill - showing - BC Minfile 094K 009; and
- Ho - showing - BC Minfile 094K 029.

Work at the Davis-Keays began in 1967. From 1969 through 1971, underground development was carried out on the Eagle and Harris veins. The Davis-Keays Eagle vein is hosted in a northeast-trending vertically-dipping quartz-carbonate shear that has been explored by underground development over a strike length of approximately 1,220 meters and a depth of 460 meters. Over 22,905 feet (6,982 meters) of underground work was completed that included drifting, cross-cutting, and raising. Vein widths range from 5.1 to 10.7 feet (1.6 to 3.3 meters) with a calculated

average width of 6.24 feet (1.9 meters). In 1970, McDonald Consultants Ltd completed a Feasibility Study, which was complemented a year later by an Evaluation Report done by Chapman, Wood & Griswold Ltd.

#### MacDonald Consultants – Estimate

Category	Tons	Copper (%)
Proven	1,007,362	3.56
Probable	562,322	3.18
Sub-total	1,569,684	3.42
Possible	439,260	undetermined
<b>Total</b>	<b>2,008,944</b>	

#### Chapman, Wood, and Griswold – Estimate

Category	Tons	Copper (%)
Semi-proven	1,233,700	3.43
Probable	142,000	2.92
Sub-total	1,375,700	3.38
Possible	750,000	undetermined
<b>Total</b>	<b>2,125,700</b>	

While the estimates prepared for Davis-Keays by MacDonald Consultants Ltd and Chapman, Wood, and Griswold are considered relevant, they are historical, do not meet NI 43-101 standards or use current CIM terminology, are not reliable, and therefore should not be relied upon. The writer of the Technical Report has not done sufficient work to classify the historical estimates as current mineral resources or mineral reserves, nor is Fabled Copper treating the historical estimates as current mineral resources or mineral reserves.

As there was no obvious geological reason to expect the immediate termination of Eagle vein mineralization with depth, identification of further tonnage at depth was believed to be possible. Production was planned but never commenced, due to adverse economic and political conditions in the mid-1970s. The relevant exploration work at the Davis Keays project, including 6,982 meters of underground development, is relevant to future work and development and is, based on the estimation of the author of the Technical Report, valued at more than \$40,000,000 when replacement costs at current rates are considered.

Discovered in 1943, the Churchill Copper (Magnum Vein) deposit was explored and developed in the late 1950s and late 1960s. Mineralization occurring in the Magnum vein-system consists of varying proportions of ankerite, quartz, chalcopyrite, and pyrite, in partly replaced remnants of the sedimentary host rock. Ten veins have been identified, varying in width from less than 3 feet (0.9 meters) up to 25 feet (7.6 meters), showing continuity on strike and at depth.

From 1967 to 1969, Churchill Copper Corporation (“Churchill”) conducted a program of underground drilling and development resulting in the delineation of a historically estimated proven and probable mineral reserve of 1,178,000 tons (1,068,000 tonnes) grading 3.92% copper.

Tonnage and grade were considered economic and a 750 ton per day (tpd) concentrator was started in April 1970. Between 1970 and 1975, development was carried out on four main levels, the 5200-, 5750-, 5900- and 6100-level, from which 14,673 tonnes of copper were produced from 498,132 tonnes of milled ore, giving a calculated grade of 2.95% copper.

At the time of the mine’s closure, as approximately 42% of the historically estimated reserve had been mined, there was an undetermined but significant amount of mineralized material estimated to remain.

**While the estimates presented for the Churchill deposit are considered relevant, they are historical, do not meet NI 43-101 standards or use current CIM terminology, and therefore are not reliable and should not be**

**relied upon. The writer of the Technical Report has not done sufficient work to classify the historical estimates as current mineral resources or mineral reserves, nor is Fabled Copper treating the historical estimates as current mineral resources or mineral reserves.**

The surface expression of the Neil prospect consists of a copper-mineralized quartz-carbonate vein that terminates in a mineralized breccia zone. Historical surface chip sampling of the breccia returned 10.2% copper over 10.0 ft (3.0 m). Historical drilling has intersected the vein returning 3.44% copper over an interval of 5.0 ft (1.5 m) (true width not known). Underground drifting along the Neil vein was planned but never commenced, reportedly due to poor economic and political conditions during the mid-1970s.

The North Block of the Muskwa Project area is underlain mainly by the Aida Formation of the Muskwa Assemblage comprising calcareous and dolomitic mudstone and slate, silty mudstone, dolostone, limestone, and minor quartzite. Rocks are folded, sheared and faulted, and are intruded by numerous steeply or vertically dipping northeast-striking diabase dikes. Dikes and shear zones host mineralized quartz-carbonate veins, occurring at or close to the dike's contacts in the shear zones. Veins have the same general orientation, but may vary in attitude on a smaller scale. The age relationship between dike intrusion and veining is uncertain.

In the South Block, Precambrian sedimentary rocks in the vicinity of the Toro showing comprise interbedded Aida Formation dolomite and slate, strongly folded on axes plunging gently to the southeast. Due to folding, bedding in these sedimentary rocks dips at various angles to the northeast and southwest. To the east, and several thousand feet below the showings, Aida strata are conformably underlain by clastic sedimentary rocks of the Tuchodi Formation.

Precambrian sedimentary rocks are cut by at least three large, north-trending diabase dikes which, in the western area of the showings, are truncated and unconformably overlain by varicolored clastic Cambrian strata of the Sylvia Formation.

The Toro copper occurrence is a developed prospect hosted in the Aida Formation where copper mineralization is hosted in quartz-carbonate veins, most of which follow dike margins. The veins are exposed intermittently for over 1,830 meters along the dikes, and vary considerably in width and degree of mineralization. Chalcopyrite occurs mostly as lenses and stringers in the veins, but is erratic, with some veins being barren. The main vein is exposed for approximately 150 meters and averages 2.5 meters in width. Surface samples of the vein averaged 2.95% copper over 2.4 meters.

The most obvious target deposit type in the area of the Muskwa Project is structurally controlled high-grade copper hosted in veins and/or breccias. Structurally controlled mineralization could possibly be the surface expression of a more extensive and deep-seated Olympic Dam iron oxide-copper-gold deposits (IOCG) type deposit.

The most recent work in the Project area was carried out in 2019. One work program consisted of prospecting and detailed computer analysis of satellite imagery, regional airborne magnetic and gravity data, and historical geochemical data sets. The second program consisted of a six-hole 972.5-meter drilling program on the Neil prospect.

High-resolution satellite imagery was used to map out the extent of diabase dikes within Proterozoic host rocks delineated from regional geophysical datasets. The analysis showed a large prospective area where Cu-Co mineralization may occur and also that Jurassic-Cretaceous deformation is significant and overprints the copper vein-hosted mineralization in the area. Diabase dikes appear to have been emplaced in two main generations, the first generation exploiting pre-existing trans-tensional fault systems, several of which host copper mineralization.

Geochemical analysis of historic rock, silt, and soil data suggests that pathfinder elements associated with area copper mineralization are similar to pathfinders present in known IOCG deposits (Cu, S, As, Ag, Co, Fe, and Ni). Sample catchment basin analysis ("SCB") has identified numerous catchment areas that are characterized by geochemical anomalies, but have no known mineral occurrences.

## ***Regional Geology and Structure***

### *Regional Geology*

The Muskwa Property is located in the Cordilleran Foreland Belt in the northern Rocky Mountains and is underlain by a broad belt of sedimentary rocks that have been deformed by moderate folds and a stack of northeast-trending thrust or reactivated reverse faults. The structural trend throughout the Rocky Mountains is predominantly northwest. The main structural feature in the area is the Muskwa Anticlinorium, a major north-northwest trending window that exposes rocks as old as Middle Proterozoic (Helikian).

The pre-Paleozoic package is collectively referred to as the Muskwa Assemblage and consists of a 6,400 meter thick succession of argillaceous to fine grained siliceous clastic strata and carbonates.

### *Regional Structure*

The Muskwa Assemblage is cut by gabbroic dikes and is overlain unconformably by Cambrian (Atan Group) and Ordovician (Kechika Group) rocks.

### *Property Geology*

The North Block is underlain mainly by the Aida Formation of the Muskwa Assemblage comprising calcareous and dolomitic mudstone and slate, silty mudstone, dolostone, limestone, and minor quartzite. Bedding strikes northwest and dips moderately southwest. Locally the rocks are folded, sheared and faulted, and are intruded by numerous steeply or vertically dipping northeast-striking diabase dikes.

In the South Block, Precambrian sedimentary rocks in the vicinity of the Toro showings comprise interbedded Aida Formation dolomite and slate, strongly folded on axes plunging gently to the southeast

### *Mineralization*

In the North Block, the copper-mineralized Davis-Keays Eagle vein is hosted in a northeast-trending vertically-dipping quartz-carbonate shear that has been explored by underground development over a strike length of approximately 1,220 meters and a depth of 460 meters. Historical work reported vein widths ranged from 5.1 to 10.7 feet (1.6 to 3.3 meters) with a calculated average width of 6.24 feet (1.9 meters). Copper grades were calculated as percent copper across the width of the vein, and ranged from 2.56% to 7.48% copper, with a calculated average grade of 3.56% copper. Davis-Keays comprises an historically estimated resource of 1.57 million tonnes grading 3.42% copper.

**While estimates by MacDonald Consultants Ltd are considered relevant, they are historical, do not meet NI 43-101 standards or use current CIM terminology, are not reliable, and therefore should not be relied upon. The writer of the Technical Report has not done sufficient work to classify the historical estimates as current mineral resources or mineral reserves, nor is Fabled Copper treating the historical estimates as current mineral resources or mineral reserves.**

Mineralization occurring in the Magnum vein-system consists of varying proportions of ankerite, quartz, chalcopyrite, and pyrite, in partly replaced remnants of the sedimentary host rock. The principal veins are nearly vertical. Ten veins have been identified, varying in width from less than 3 feet (0.9 meters) up to 25 feet (7.6 meters), showing continuity on strike and at depth.

Veins were emplaced in several stages, with the first stage consisting principally of ankerite with only minor quartz and sulfides. One or more later stages included the introduction of quartz and more sulfides, principally chalcopyrite, with sulfides occurring as veins and patches mostly within or adjoining the ankerite veins.

Pyrite is locally prominent, but in general amounts to less than 10% of total sulfides. Quartz can be so subordinate in amount that veins, or parts of veins, appear to be composed completely of massive chalcopyrite. Chalcopyrite content

is increased where a vein jogs or locally changes direction.

In 1967 to 1969, Churchill Copper Corporation conducted a program of underground drilling and development resulting in the delineation of a historically estimated reserve of 1,178,000 tons (1,068,000 tonnes) grading 3.92% copper. From 1970 through 1975, the mine production was 498,000 tonnes averaging 2.95% copper.

**While the estimates presented for the Churchill deposit are considered relevant, they are historical, do not meet NI 43-101 standards or use current CIM terminology, and therefore are not reliable and should not be relied upon. The writer of the Technical Report has not done sufficient work to classify the historical estimates as current mineral resources or mineral reserves, nor is Fabled Copper treating the historical estimates as current mineral resources or mineral reserves.**

In the South Block, the Toro copper occurrence is a developed prospect hosted in the Aida Formation of the Muskwa Assemblage and consisting of interbedded dolostone and slate, with thicker subunits of slate and carbonate. The rocks are strongly folded about a northwesterly axis. Bedding strikes approximately 315° and dips moderately southwest. Three steeply dipping diabase dikes cut the Aida Formation and strike north-northwesterly.

Copper mineralization is hosted in quartz-carbonate veins, most of which follow the margins of two of the dikes. The veins are exposed intermittently for over 1,830 meters along the dikes, and vary considerably in width and degree of mineralization. Chalcopyrite occurs mostly as lenses and stringers in the veins, but is erratic, with some veins being barren.

The main vein is exposed for approximately 150 meters and averages 2.5 meters in width. Surface samples of the vein averaged 2.95% copper over 2.4 meters.

Two adits were dug in 1966 and 5 holes were diamond drilled from the adits. Drill intersections in four of the holes averaged 0.66% copper over 4.1 meters, suggesting the variable and discontinuous grade of mineralization. Results from the fifth hole are not mentioned. Dikes and veins may extend at least 3 kilometers farther south, towards the Churchill occurrence, as suggested by malachite visible in the cliffs.

### *Exploration*

In 2019 at the request of Fabled Copper Corp, JMK Geological Services, Richmond, BC, carried out a six-hole 972.5-meter drilling program on the Neil prospect. Details of the drilling program are presented in Drilling.

Also in 2019, at the request of Fabled Copper Corp, Geomantia Consulting, Whitehorse, YT and JMK Geological Services carried out a work program consisting of reconnaissance rock prospecting and detailed data compilation and analysis of satellite imagery, regional airborne magnetic and gravity data, and historical rock, silt, and soil geochemical datasets in the vicinity of the South Block of claims.

Of twenty-five rock samples taken that were relevant to the Muskwa Project, nine samples returned Cu values greater than 1%. No significant Ag, Pb, Zn, As, Ni, Mo, Sb, or Bi anomalies were associated with elevated Cu values. Cobalt values varied from below detection to 140 ppm. The highest Co value was reported from the lowest elevation (1350 m), but not enough samples were collected to truly assess whether Co zonation may be present. Mineralization consists of copper-bearing quartz carbonate veining hosted in Proterozoic carbonates. A spatial correlation exists between vein-hosted mineralization and the presence of Neoproterozoic diabase dike units. Given the spatial coincidence of the two features and exploitation of similar structures, it is plausible they are genetically related.

High-resolution satellite imagery was used to map out the extent of diabase dikes within Proterozoic host rocks delineated from regional geophysical datasets. The analysis shows a large prospective area where Cu-Co mineralization may occur. The diabase mapping exercise also shows that Jurassic-Cretaceous deformation is significant and overprints the Cu vein-hosted mineralization in the area. Diabase dikes appear to have been emplaced in two main generations, the first generation exploiting pre-existing trans-tensional fault systems, several of which host Cu mineralization.

Geochemical analysis of historic rock, silt, and soil data suggests that pathfinder elements associated with area Cu

mineralization are similar to pathfinders present in known IOCG deposits (Cu, S, As, Ag, Co, Fe, and Ni).

### ***Drilling***

The 2019 drill program extended the Neil vein approximately 700 meters down-dip. Hole DK19-05 intersected the Neil vein from 82.3 meters to 86.63 meters, a 4.33-meter interval (not true width). The DK19-05 intersection includes a well mineralized 1.54-meter interval from 83.80 meters to 85.34 meters returning 1.638 % copper. The degree of chalcopyrite mineralization varies significantly and becomes less prominent as the vein loses elevation. Drilling suggests that the mineralization changes from chalcopyrite at elevation to pyrite at depth. This chalcopyrite to pyrite switch may be due to the vein's host rock chemistry changing from carbonate-rich at elevation on top of the ridge to a black mudstone at depth.

### ***Mineral Resource and Reserve Estimates***

No Mineral Resource or Mineral Reserve, as currently defined by Canadian Institute of Mining, Metallurgy and Petroleum (C.I.M.) terminology, has been outlined on the Muskwa Project.

### ***Sampling, Analysis and Data Verification***

One hundred and four core samples from the 2019 drilling program and twenty-five rock samples from Bennett's 2019 rock sampling program were delivered by JMK Geological personnel to the Bureau Veritas preparation facility in Whitehorse where they were crushed, pulverized, and 50-gram cuts of each sample were shipped to the Bureau Veritas Laboratory in Vancouver where they were analyzed by ICP.

Analysis consisted of Procedure AQ370 where a 2-gram sample of pulverized rock material was mixed with aqua regia (two acid digestion). The resultant product was then taken into an EDTA solution and analyzed by an ICP (Inductively Coupled Plasma) instrument, which read the concentrations of 30 elements. Over limit copper results (>10%) were reanalyzed using Procedure GC820, which uses Classical Titration for copper assay. All results were checked against several lab standards and blanks, and the values recorded.

ALS and Bureau Veritas procedures employ comprehensive quality control (QC) programs to monitor sample preparation and analysis. QC protocols include the use of barren material to clean sample equipment between sample batches, and size monitoring of crushed material. Analytical accuracy and precision are monitored by the analysis of reagent blanks, reference materials, and replicate samples. Bar coding and scanning technology provides complete chain of custody records for sample preparation and analytical process. ALS and Bureau Veritas hold global certifications for International Standards ISO 17025 and ISO 9001.

Because of the use of standard QA/QC procedures commonly used by assay labs holding global certifications, the sample processing, security, and analytical procedures employed by ALS and Bureau Veritas are considered by the writer to meet all professional reporting requirements ("industry standard"). To the author's knowledge, Fabled Copper Corp, ChurchKey Mines, High Range Exploration, R. Beck Consulting Services, Geomantia Consulting, and JMK Geological have no relationship with either ALS or Bureau Veritas other than as clients.

### ***Interpretations***

The Muskwa Project hosts twelve documented sites of significant copper mineralization ranging from occurrences to a past producing mine. These sites have similar mineralogical, lithological, and structural characteristics. High-grade copper-bearing quartz veins, especially in copper metallogenic provinces, can be important as indicators of the presence of other types of copper occurrences such as IOCG deposits.

Copper mineralization occurring in the Neil vein is associated with a sheared northeast-trending diabase dike that terminates in the Neil Breccia Zone, an area of brecciated dolomite. Landsat structural interpretation suggests that this northeast-trending mineralization could be truncated by northwest-trending faults or shears. If this structural interpretation

is correct, there may be several areas in the vicinity of the Eagle, Magnum, and Neil veins that have been offset by the northwest-trending structural movements and may contain more vein structures with accompanying copper mineralization. This intersection of structures could be the formative event responsible for the Neil's Breccia Zone. Copper mineralization could be concentrated in breccia pipes formed at the intersection of the structures.

The 2019 drilling program investigating the Neil vein encountered significant vein-hosted copper mineralization in one hole. Much of the sulfide mineralization observed was pyrite. Quartz-carbonate veining intersected in the hole drilled under the significant copper intersection did not carry any sulfide mineralization or significant copper values. The degree of vein-hosted chalcopyrite mineralization appears to vary significantly, suggesting that sulfide and copper mineralization may be influenced by elevation.

The time relationship between quartz-carbonate veining and diabase dike intrusion is not clear. Historical work suggests that the more mineralized veins are older than the dikes, occurring either as inclusions inside dikes or as panels along or near the sides of dikes. Barren veins appear to be younger than their associated dikes.

### ***Conclusions and Recommendations***

The high quality exploration and development programs done in, and the results obtained from, the Muskwa Project area in the late 60s and early 70s still form the main basis for planning serious exploration of the area. The intermittent and minor work done since that time has confirmed areas of interest but has not been as coordinated or extensive as needed to truly advance the Project area. The known significant high-grade copper deposits at Davis-Keays, favorably rated in a cited historical feasibility study, Fort Reliance, and Magnum, where production was interrupted less than half way through mining, are target areas that justify considerable work.

The Project area has good potential to increase the size of the historical deposits and to host multiple significant copper deposits for the following reasons:

- The Project area hosts twelve documented copper sites;
- Two vein-type copper deposits, the Davis-Keays and Churchill Copper, have demonstrated similarities in lithological type, age, formation, and structure. These deposits have shown significant historical economic grades reaching the production or pre-production stage;
- Historical work suggests that copper mineralization may be influenced by elevation. Work in 1965 reported "appreciable chalcopyrite above 5500-foot elevation (1,680 meters)" at Toro. The 2019 drilling program on the Neil prospect suggests that host rock geochemistry and possibly elevation may affect the deposition of copper-bearing sulfides;
- Based on geophysical work in 1998 and 1999, post-mineralization northwest-trending faults may have truncated several veins. If that structural interpretation is correct, there may be areas in the vicinity of the Eagle, Magnum, and Neil veins that contain more copper mineralized vein structures;
- Historical work on the Toro and Churchill Copper has shown that mineralized parallel veins exist. As mineralized quartz-carbonate veining probably did not occur all at once, multiple injections of mineralizing fluids over time could increase the possibility of mineralization accumulating sufficiently to be economic;
- The Eagle and Magnum deposits show significant copper mineralization over vertical distances of approximately 1,500 feet (460 meters) and 600 feet (180 meters) respectively, with no reported geological reason for mineralization to terminate immediately beyond lowest tested elevations. Given the irregularity of mineralization, significant copper could exist at depth, beyond historically explored depths; and
- The Magnum vein system was exploited only south of the faults, which cut the northern end of the vein system. Mine plans show that no attempts were made to follow the veins further north.

The writer of the Technical Report has therefore recommended a two phase work program as follows:

### ***Recommendations***

The defined significant high-grade copper deposits at Davis-Keays, favorably rated in a cited historical feasibility study, Fort Reliance, and Magnum, where production was interrupted approximately halfway through mining, are target areas that justify considerable work. Numerous other showings of similar type and grade have yielded significant

enough results to require further work to define the potential of the Muskwa Project area.

Fabled Copper's assembly of lands in the large Muskwa Project area creates an opportunity to carry out regional-style work to further define high-grade targets and to investigate the underlying geology to try to identify the source of the known targets.

*Season 2021 (Phase 1)*

Phase 1 work should consist of First Nations consultation, data gathering and digitization, ground geophysical follow-up, prospecting, geological mapping, rock sampling, and initiation of environmental base-line studies.

The follow-up Volterra (TDEM) survey is designed to further define anomalies interpreted from the 2017 Volterra survey and also to expand the TDEM coverage to include survey lines in the area of the Churchill Mine. The estimated cost of the ground geophysical survey is an all-up cost that includes helicopter time and data interpretation.

As substantial work has been carried out in the general Property area intermittently since the mid-1960s, all available information should be acquired and digitized, creating a comprehensive data repository to be used for planning and interpretation. The cost of Phase 1 work is estimated to be \$2,500,000.

*Season 2022 (Phase 2)*

The Phase 2 program should consist of First Nations consultation, a continuation of environmental base-line studies and diamond drilling to test mineralized structures and/or geophysical anomalies. The drilling program will be helicopter supported and the cost is based on a minimum of 4 hours of usage per day. The budget is for 20 holes totaling 5,000 meters of drilling at an estimated cost of approximately \$3,000,000. Phase 2 is not contingent upon Phase 1 results as proposed drill targets have already been identified and only lack of permitting is preventing drilling during the 2021 season. Phase 1 work may further refine those drill locations.

The Company has commenced Phase 1 of the proposed work program.

*Proposed Budget*

<b>Task Description</b>		<b>Cost (CDN\$)</b>
<b>Phase 1</b>		
	Preparation, Consultation, Reporting, Digitization	\$90,000
	Geological Field Work	\$2,000,000
	Environmental Base-line studies	\$210,000
	Volterra (TDEM) Survey (24 km)	\$200,000
		\$2,500,000
<b>Phase 2</b>		
	Consultation and Permitting	\$125,000
	Environmental Base-line studies	\$150,000
	Diamond Drilling (5,000 m), including reporting	\$2,725,000
		\$3,000,000
	<b>Total</b>	<b>\$5,500,000</b>

## AVAILABLE FUNDS AND PRINCIPAL PURPOSES

### Available Funds

The costs relating to the SpinCo Financing, prospectus and CSE listing, including, without limitation, financial advisory, accounting and legal fees, will be borne by SpinCo. To the extent these expenses have been incurred to date, such expenses have been paid by Fabled by way of advancing funds on SpinCo's behalf. SpinCo estimates these expenses to be approximately \$300,000.

In addition, due to the short working season in northern British Columbia, SpinCo has commenced its 2021 Program on the Muskwa Property. The costs of the 2021 Program have been paid by Fabled by way of advancing funds on SpinCo's behalf. SpinCo estimates the expenses for the 2021 Work Program to be approximately \$2,500,000.

Any funds advanced by Fabled will be repaid from funds from the SpinCo Financing the proceeds of which are expected to be released from escrow simultaneously with the closing of the Arrangement. However, if required to comply with CSE initial listing requirements, Fabled and SpinCo may convert any advanced funds into a working capital injection from Fabled to SpinCo, without any reduction in the number or proportion of SpinCo Shares distributed to Fabled Shareholders under the Arrangement.

Following completion of the Arrangement and the SpinCo Financing, SpinCo will have approximately \$5.9 million of estimated funds available, comprised of the following:

Available Proceeds	(\$)
SpinCo Financing, net proceeds	6,197,570
Expenses related to the SpinCo Financing, filing of the Prospectus and listing on the CSE	(300,000)
Approximate working capital as at August 31, 2021	3,400
<b>Total</b>	<b>5,900,970</b>

### Principal Purposes

The following table summarizes the expenditures anticipated by SpinCo required to achieve its business objectives during the 12 months following completion of the Arrangement:

Principal Purpose	(\$)
Muskwa Project – Phase 1 Program	2,500,000 <sup>(1)</sup>
High Range Option Payment – April, 2022	500,000
ChurchKey Option Payment – August 2022	300,000
Exploration salaries	288,180
Executive compensation	360,000
Investor relations and marketing	568,800
General and administrative costs for next 12 months	385,000
Unallocated working capital	998,990
<b>Total</b>	<b>5,900,970</b>

Note:

(1) Due to the short working season in northern British Columbia, SpinCo has commenced its 2021 Program on the Muskwa Property.

Certain costs of the 2021 Program have been paid by Fabled by way of advancing funds on SpinCo's behalf.

SpinCo intends to spend the funds available to it as stated in the table above and intends to arrange for a future financing when additional funds are required. However, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary for SpinCo to achieve its objectives or to pursue other opportunities that management believes are in the interests of SpinCo. See "*Risk Factors*" in this Schedule F.

### **Business Objectives and Milestones**

At present, SpinCo is an exploration-stage company with no producing properties and consequently has no current operating income, cash flow or revenues. There is no assurance that a commercially viable mineral deposit exists on any of SpinCo's properties. SpinCo's goals include exploration with the objective of establishing mineral resources, advancing the Muskwa Project and making a determination whether to exercise either of the High Range Option Agreement or ChurchKey Option Agreement.

### **DIVIDENDS OR DISTRIBUTIONS**

SpinCo has not paid dividends since its incorporation. SpinCo currently intends to retain all available funds, if any, for use in its business and does not anticipate paying any dividends for the foreseeable future.

## **SUMMARY HISTORICAL AND FINANCIAL INFORMATION**

### **Cautionary Note**

The historical carve-out financial information has been prepared for illustrative purposes only and may not be indicative of the operating results or the financial condition that would have been achieved if the Arrangement had been completed on the date or for the periods noted above, nor do they purport to project the results of operations or financial position for any future period or as of any future date.

Included as Schedules H and G to this Circular are the carve-out financial statements of SpinCo, which holds the Muskwa Project, consisting of: (A) the statements of financial position as at June 30, 2021, December 31, 2020, and December 31, 2019, (B) the statements of loss and comprehensive loss, changes in shareholders' equity (deficit) and cash flows for the 6 months ended June 30, 2021, the years ended December 31, 2020, and December 31, 2019, and (C) the notes thereto.

### **Annual and Interim Management's Discussion and Analysis**

The carve-out MD&A for the six months ended June 30, 2021, the years ended December 31, 2020, and December 31, 2019 are attached as Schedules H and G to this Circular. The attached carve-out annual MD&A, and carve-out interim MD&A should be read in conjunction with corresponding annual and interim carve-out financial statements of SpinCo, together with the notes thereto.

### **SpinCo Selected Pro Forma Financial Information**

The following table sets out selected pro forma financial information in respect of SpinCo as at June 30, 2021, as if the Arrangement had been on that date and should be considered in conjunction with the more complete information contained in the pro forma financial statements of SpinCo appended as Schedule I to this Circular. The Pro Forma Financial Statements are not necessarily indicative of SpinCo's financial position and results that would have occurred if the events reflected had taken place on the dates indicated, nor do they purport to project SpinCo's financial position or results for any future period.

SpinCo currently does not generate any revenues and its liquidity will depend on the SpinCo Financing, which raised net proceeds of \$6,197,570, which will be used as set forth under the heading "Use of Proceeds".

	<b>June 30, 2021 (\$)</b>
Exploration and Evaluation Assets	2,404,913
Total Assets	8,901,404
Total Liabilities	614,750

## **DESCRIPTION OF SHARE CAPITAL**

### **Authorized Capital**

SpinCo is authorized to issue an unlimited number of common shares with no par value. As at the date of this Circular, 94,846,841 SpinCo Shares are issued and outstanding.

Immediately before the Effective Time, SpinCo will consolidate its issued and outstanding common shares at a ratio such that the number of post-consolidated shares outstanding is the same as the number of shares required to be distributed to Fabled Shareholders pursuant to the Arrangement.

### **SpinCo Shares**

SpinCo shareholders are entitled to receive notice of and to attend and vote at all meetings of SpinCo shareholders and each of the SpinCo Shares confers the right to one vote in person or by proxy at all meetings of SpinCo Shareholders. SpinCo Shareholders are entitled to receive such dividends in any financial year as the SpinCo Board and SpinCo Shareholders may by resolution determine. The capital and assets of SpinCo on a winding-up or other return of capital will be applied in repaying to SpinCo Shareholders the amounts paid up or credited as paid up on their SpinCo Shares and subject thereto will belong to and be distributed accordingly to the number of such SpinCo Shares held by them respectively. The SpinCo Shares do not carry any pre-emptive, subscription, redemption or conversion rights, nor do they contain any sinking or purchase fund provisions. When fully paid, the SpinCo Shares will not be liable to further call or assessment.

### **Securities to Purchase/Acquire SpinCo Shares**

SpinCo does not have any warrants outstanding.

After completion of the Arrangement, each Fabled Warrantholder will receive, upon exercise of a Fabled Warrant, one New Fabled Share and 1/5 of a SpinCo Share. SpinCo has agreed to issue as many SpinCo Shares as may be required to satisfy the foregoing. Fabled will, as agent for SpinCo, collect and pay to SpinCo an amount for each 1/5 of a SpinCo Share.

As of the date of this Circular, there are no stock options of SpinCo ("**SpinCo Options**") outstanding.

### **SpinCo Financing**

SpinCo has completed the SpinCo Financing for gross proceeds of \$6,900,000.

Upon satisfaction of the Escrow Release Conditions, including completion of the Arrangement, the conversion of the SpinCo Conventional Unit Subscription Receipts, and SpinCo Flow-Through Unit Subscription Receipts will result in the issuance of 131,945,033 SpinCo Shares, 30,274,833 of which will be deemed to be "flow-through shares" within the meaning of subsection 66(15) of the Tax Act, and 131,945,033 SpinCo Warrants. In addition SpinCo has issued 9,774,386 Broker Warrants to the Agent in respect of the SpinCo Financing.

See further details under the section entitled "The SpinCo Financing" above.

## SpinCo Stock Option Plan

The following is a summary of certain material terms of the SpinCo Option Plan and is qualified in its entirety by the full text of the SpinCo Stock Option Plan, a copy of which can be found under SpinCo's profile on SEDAR at [www.sedar.com](http://www.sedar.com). The SpinCo Option Plan will be administered by the SpinCo Board. Pursuant to the SpinCo Option Plan, SpinCo may issue a rolling number of SpinCo Options equal to 10% of the issued common shares of SpinCo from time to time. As of the date of the Effective Date, SpinCo expects to be eligible to grant approximately 18 million options under the SpinCo Option Plan.

The purpose of the SpinCo Option Plan is to provide SpinCo with a share-related mechanism to attract, retain and motivate qualified executives, employees and consultants, to incentivize such individuals to contribute toward SpinCo's long-term goals, and to encourage such individuals to acquire SpinCo Shares as long term investments.

The following is a summary of key elements of the SpinCo Option Plan:

- the SpinCo Option Plan is a “rolling” 10% stock option plan;
- the SpinCo Option Plan is administered by the SpinCo Board which maintains general authority over the plan and options, subject to the rules of the applicable stock exchange;
- eligible participants in the SpinCo Option Plan include executives, employees and consultants of SpinCo or its subsidiaries;
- Option exercise prices will be determined by the SpinCo Board, but will, in no event, be lower than the greater of the closing market prices of the underlying securities on (a) the trading day prior to the date of grant of the stock options, and (b) the date of grant of the stock options;
- the maximum term of each SpinCo Option will be determined by the SpinCo Board at the time the SpinCo Option is granted;
- for options held by executives who cease to hold such position other than by reason of death or disability, the expiry date will be the 90<sup>th</sup> day following the date the holder ceases to hold such position, unless otherwise determined by the SpinCo Board and expressly provided for in the option certificate. If the holder ceases to hold such position as a result of (i) ceasing to meet the corporate law qualifications of the position previously held, (ii) having been removed by such position by a special resolution of shareholders, or (iii) a regulatory authority order, the SpinCo Option held by such executive will expire on the date such holder ceases to hold such position;
- for options held by employees or consultants who cease to hold such position other than by reason of death or disability, the expiry date will be the 90<sup>th</sup> day following the date the holder ceases to hold such position, unless otherwise determined by the SpinCo Board and expressly provided for in the option certificate. If such holder ceases to hold such position as a result of (i) termination for cause, (ii) resignation, (iii) a regulatory authority order, the SpinCo Option held by such employee or consultant will expire on the date such holder ceases to hold such position;
- the SpinCo Option Plan complies with National Instrument 45-106 Prospectus Exemptions and provides that the number of Common Shares which may be reserved for issuance on a yearly basis to any one related person upon exercise of all stock options held by such individual may not exceed 5% of the outstanding SpinCo Shares calculated at the time of grant unless disinterested shareholder approval is obtained;
- SpinCo cannot issue grants to related persons if in the aggregate their grants would, on a fully diluted basis, exceed 10% of the outstanding SpinCo Shares unless disinterested shareholder approval is obtained;
- the vesting schedule for a SpinCo Option, if any, will be determined by the SpinCo Board and will be set out in the applicable option certificate;
- notwithstanding any vesting schedule, options will cease to vest immediately if the employment, engagement or directorship of an option holder is terminated for any reason, and such holder may only exercise such number of options that are vested as at the date of termination; and
- the SpinCo Board may elect, at any time, to accelerate the vesting schedule of one or more SpinCo Options, including in the case of a change of control. A change of control under the SpinCo Option Plan includes (i) the proposed dissolution, liquidation or wind-up of SpinCo, (ii) a proposed merger or arrangement following which SpinCo shareholders are expected to hold less than a majority of the outstanding shares of the surviving corporation, (iii) the proposed acquisition of all or substantially all of SpinCo's outstanding shares or the creation

of a new control person, (iv) the election of a majority of directors at a meeting of shareholders who are not management nominees, (v) the proposed sale or other disposition of all or substantially all of SpinCo's assets, and (vi) a proposed material alteration of SpinCo's capital structure which makes it impractical to maintain the SpinCo Option Plan;

- in the case of a change of control the SpinCo Board may, without the consent of option holders cause all or a portion of any of options to terminate or be exchanged for options of another corporation upon the occurrence of a change of control in such ratio and at such exercise price as the SpinCo Board deems appropriate, acting reasonably;
- except in the case of death or disability, SpinCo Options are non-assignable and non-transferable; and
- the SpinCo Option Plan contains provisions for the adjustment of option terms in the event of a capital alteration.

As of the date of this Circular, there are no stock options outstanding.

### **STOCK EXCHANGE LISTING**

SpinCo is not currently listed on any stock exchange and there is currently no trading market for SpinCo Shares. SpinCo is in the process of applying to list the SpinCo Shares on the CSE and intends to use commercially reasonable efforts to meet the initial listing requirements under the policies of the CSE and to obtain approval of the listing of the SpinCo Shares on the CSE prior to the Effective Time. Listing of the SpinCo Shares on the CSE will be subject to satisfying all of the CSE's initial listing requirements. **It is a condition of the Arrangement that a recognized Canadian stock exchange will have conditionally approved the listing of the SpinCo Shares.**

### **PRIOR SALES**

On September 26, 2018 Fabled acquired all of SpinCo's outstanding 94,846,841 shares. As of the date of this Circular, all of the issued and outstanding SpinCo Shares are held by Fabled.

Immediately before the Effective Time, SpinCo will consolidate its issued and outstanding common shares at a ratio such that the number of post-consolidated shares outstanding is the same as the number of shares required to be distributed to Fabled Shareholders pursuant to the Arrangement.

On August 19, 2021, SpinCo completed the SpinCo Financing. Immediately following the Effective Time and upon conversion of the SpinCo Conventional Unit Subscription Receipts and SpinCo Flow-Through Unit Subscription Receipts issued pursuant to the SpinCo Financing, it is expected that a maximum of 173,513,947 SpinCo Shares, 131,945,033 SpinCo Warrants, and 9,774,386 Agent's Compensation Options and will be outstanding.

### **ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFERS**

There are no SpinCo Shares currently held in escrow or that are subject to a contractual restriction on transfer. On completion of the Arrangement, the Company expects SpinCo Shares held by principals of SpinCo that exceed 1% of the total issued and outstanding shares of SpinCo to be subject to the escrow pursuant to National Policy 46-201 – Escrow for Initial Public Offerings ("NP 46-201"). The CSE imposes NP 46-201 escrow requirements on completion of transactions such as the Arrangement.

In accordance with NP 46-201, all securities of an issuer that are owned or controlled by its principals (or spouses of its principals) will be escrowed at the time of the issuer's initial public offering, or in this case the completion of the Arrangement, unless the securities held by the principals, or issuable to the principals upon conversion of convertible securities held by the principals, collectively represent less than 1% of the total issued and outstanding shares of the issuer after giving effect to the offering or transaction.

Uniform terms of automatic timed-release escrow apply to principals of exchange-listed issuers, differing only according to the classification of the issuer. As it is expected that SpinCo will be classified as an "emerging issuer" for the purposes of NP 46-201, it is anticipated that the following automatic timed releases will apply to the securities

held by its principals:

<b>Date</b>	<b>% of Escrowed Securities Released</b>
The Listing Date	1/10 of the escrowed securities
On the date 6 months following the Listing Date	1/6 of the remaining escrowed securities
On the date 12 months following the Listing Date	1/5 of the remaining escrowed securities
On the date 18 months following the Listing Date	1/4 of the remaining escrowed securities
On the date 24 months following the Listing Date	1/3 of the remaining escrowed securities
On the date 30 months following the Listing Date	1/2 of the remaining escrowed securities
On the date 36 months following the Listing Date	The remaining escrowed securities

SpinCo has requested a waiver of this requirement from the CSE. There are no assurances that the CSE will grant such a waiver.

### PRINCIPAL SHAREHOLDERS

To the knowledge of management of Fabled and SpinCo, no person, firm or company will beneficially own, control or direct, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to any class of voting securities of SpinCo immediately following the Effective Time.

### DIRECTORS AND EXECUTIVE OFFICERS

The names, municipality of residence and positions with SpinCo of the individuals expected to serve as the directors and executive officers of SpinCo after giving effect to the Arrangement are set out below.

<b>Name, Province and Country of Residence and Current Position with the Company<sup>(1)</sup></b>	<b>Director/Officer Since</b>	<b>Shares Beneficially Owned, Directly or Indirectly, or Over Which Control or Direction is Exercised <sup>(1)(2)</sup></b>	<b>Principal Occupation for the Past Five Years <sup>(1)</sup></b>
<b>Peter J. Hawley</b> Gatineau, Quebec, Canada <i>Director, interim President &amp; interim CEO</i>	June 10, 2021	1,121,951	President and CEO of Fabled Silver Gold Corp. since July 2020.  Interim President and CEO of Defiance Silver Corp. from February 2018 to June 2019.  President and CEO of Scorpio Gold Corp., a publicly listed mining company from July 2009 until November 2016.

Name, Province and Country of Residence and Current Position with the Company <sup>(1)</sup>	Director/Officer Since	Shares Beneficially Owned, Directly or Indirectly, or Over Which Control or Direction is Exercised <sup>(1)(2)</sup>	Principal Occupation for the Past Five Years <sup>(1)</sup>
<b>Luc Pelchat</b> <sup>(3)</sup> Nuevo Leon, Mexico <i>Director</i>	September 16, 2021	58,333	President of Poker from Home, a private company from August 2010 to present.  Director of Scorpio Gold Corp. from August 2009 to October 2019.  Director of Green Arrow Resources Inc., a publicly listed mining exploration company from August 2016 until May 2017.
<b>David W. Smalley</b> British Columbia, Canada <i>Chairman &amp; Director</i>	January 27, 2017	1,135,198 <sup>(4)(5)</sup>	Solicitor and President of David Smalley Law Corp. from March 2013 to present.
<b>Louis Martin</b> <sup>(3)</sup> Ontario, Canada <i>Director</i>	September 16, 2021	Nil	Self Employed Geological Consultant
<b>Pat Donovan</b> <sup>(3)</sup> Ontario, Canada <i>Director</i>	September 16, 2021	Nil	Retired Mining Executive
<b>Eric Tsung</b> British Columbia, Canada <i>CFO</i>	September 16, 2021	Nil <sup>(5)</sup>	Senior Manager of Quantum Advisory Partners LLP
<b>Andrew T. Hunter</b> British Columbia, Canada <i>Corporate Secretary</i>	June 28, 2021	12,885 <sup>(6)(7)</sup>	Self Employed Corporate and Securities Paralegal and Corporate Secretary

**Notes:**

- (1) The information as to residence, principal occupation or employment and shares beneficially owned, directly or indirectly, or controlled is not within the knowledge of the management of SpinCo or Fabled and has been furnished by the respective director or officer.
- (2) Number of SpinCo Shares after giving effect to the Arrangement. Information regarding SpinCo Shares held does not include SpinCo Shares issuable upon the exercise of convertible securities of SpinCo.
- (3) Member of SpinCo's Audit Committee.
- (4) Includes 8,600 SpinCo Shares that will be owned by Mr. Smalley's holding company, Abundantia Ventures Inc.
- (5) Mr. Smalley and Mr. Tsung participated in the SpinCo Financing and acquired 416,666 and 100,000 SpinCo Flow-Through Unit Subscription Receipts respectively, which are not included in the number of shares described in the table. Each SpinCo Flow-Through Unit Subscription

Receipt will entitle the holder thereof, without payment of any additional consideration and without further action on the part of the holder, upon the satisfaction of the Escrow Release Conditions, one SpinCo FT Unit, with each SpinCo FT Unit comprised of one SpinCo Share and one SpinCo Warrant (exercisable into one SpinCo Share at an exercise price of \$0.10 per SpinCo Share, for a period of 24 months from the conversion date).

- (6) Includes 1,666 SpinCo Shares that will be owned by Mr. Hunter's partner.
- (7) Mr. Hunter participated in the SpinCo Financing and acquired 100,000 SpinCo Conventional Unit Subscription Receipts, which are not included in the number of shares described in the table. Each SpinCo Conventional Unit Subscription Receipt will entitle the holder thereof, without payment of any additional consideration and without further action on the part of the holder, upon the satisfaction of the Escrow Release Conditions, one SpinCo Conventional Unit, with each SpinCo Conventional Unit comprised of one SpinCo Share and one SpinCo Warrant (exercisable into one SpinCo Share at an exercise price of \$0.10 per SpinCo Share, for a period of 24 months from the conversion date).

As of the date of this Circular, the proposed directors and executive officers do not beneficially own, control or direct, directly or indirectly any SpinCo Shares. Following completion of the Arrangement and SpinCo Financing, and including any SpinCo Shares that the directors and executive officers may acquire upon conversion of subscription receipts issued in the SpinCo Financing, the directors and executive officers, as a group, will beneficially own, control or direct, directly or indirectly, 2,945,033 SpinCo Shares representing approximately 1.7% of the issued and outstanding SpinCo Shares.

### **Description of SpinCo's Management and Directors**

The following is a brief description of the expected management and directors of SpinCo after completion of the Arrangement. It is expected that each member of SpinCo's management team will devote the time necessary to perform the work required in connection with the management of SpinCo.

#### **Peter J. Hawley – Director, interim President and interim Chief Executive Officer**

Mr. Hawley is a geologist with over 36 years of experience in the exploration and mining industry. He has worked as a consulting geologist to a large number of intermediate and senior mining companies, including Teck Corp., Noranda Inc., Placer Dome Inc. and Barrick Gold Corp. Mr. Hawley obtained his B.Eng in Mining from St. Francis Xavier University, Nova Scotia in 1978 and his B.Sc. in Geology from Concordia University in 1983. He is registered as a P. Geo in Quebec.

Mr. Hawley has extensive experience in building junior mining companies and has raised over \$300 million for the various ventures he has been involved in. He was a founder of Scorpio Gold Corp., a producing gold mining company listed on the TSX Venture Exchange and served as its President until August 2016 and C.E.O. until November 2016. He was also a founder of Scorpio Mining Corp. (now Americas Silver Corp) as well as President and C.E.O. from 1998 until 2010 and was a founder of Niogold Mining Corporation (now Osisko Mining Corp) both of which continue to trade on the TSX.

Mr. Hawley is currently the President and CEO of Fabled Silver Gold Corp. and will continue in this role whilst acting as interim President and interim CEO of SpinCo until a permanent successor or successors are appointed. It is expected that after completion of the Arrangement, Mr. Hawley will commit 30% of his time to SpinCo's business.

#### **David W. Smalley – Chairman & Director**

Mr. Smalley is the principal of David Smalley Law Company where he practices corporate and securities law, prior to which he was a partner at Fraser and Company LLP in Vancouver, BC. He was called to the bar of the Law Society of British Columbia in 1989. Mr. Smalley earned a Bachelor of Laws degree from the University of British Columbia in 1988 and a Bachelor of Arts degree from the University of Victoria in 1985.

He has been an officer and director of numerous public companies over the last 20 years as well as serving as chair of numerous audit and governance committees. Mr. Smalley was one of the founders of Canaco Resources (now Orca Gold Corp.), is a founder of the Company and SpinCo, and was a director and chair of the audit committee of Scorpio Gold Corp. from 2010 to November 2017.

He currently serves as a Chairman and Director of Fabled Silver Gold Corp. and Efficacious Elk Capital Corp., which

is listed on the TSXV as a capital pool company.

**Luc Pelchat – Director**

Mr. Pelchat is the founder and President of the Canadian Chamber of Commerce in North Mexico. Following 15 years with a Canadian multinational company operating in the construction industry, Mr. Pelchat formed a number of his own companies and has realized multiple projects in the construction industry in Mexico. He has extensive business, financial and human resources experience in Canada, Mexico and Africa.

Mr. Pelchat served as director of Scorpio Gold Corp., a junior mining company, listed on the TSX Venture Exchange from June, 2009 until October, 2019 and currently serves as a director of Fabled Silver Gold Corp.

**Louis Martin – Director**

Mr. Martin has been a major contributor to the co-discovery of several gold and base metal deposits during his more than 35-year career working for major, mid-tier, and junior mining companies. His experience includes exploration and development roles throughout Quebec, Ontario and British Columbia. Mr. Martin has been fortunate to be part of the exploration teams that were awarded the Discovery of the Year by the AEMQ (Quebec Mineral Exploration Association) for the West Ansil Deposit (2005) and the Louvicourt Deposit (1989). He brings a wealth of technical experience that spans from generating and managing projects, to advanced project studies and mine development.

For the last 6 years Mr. Martin has worked as a technical advisor and geological consultant for numerous junior and major mining companies. Recent and current companies include Monarch Mining, Yamana Gold, First Mining Gold, Sirios, Globex Mining, Chibougamau Independent Mines, Vision Lithium, North American Nickel, Falco Resources, Hemlo Explorers, Agnico-Eagle and Canadian Malartic Corporation. Prior to working as an independent, Mr. Martin was Vice President of Exploration with Clifton Star Resources, where he led the team that completed a Pre-Feasibility study defining the 4.5 million-ounce Duparquet Gold Project, prior to the company being purchased by First Mining in 2016.

While with Noranda / Falconbridge and Xstrata Copper (currently Glencore) he held senior positions in exploration and advanced project development. These advanced projects included Kidd Creek Mine, the Noranda Camp and Mine Gaspé. He gained valuable experience in base metal exploration having worked on VMS, porphyry, skarn and IOCG type deposits. He was also Senior Geologist overseeing exploration projects in eastern Canada, which included Teck in the Hemlo Camp and for Goldcorp in the Red Lake Camp.

Mr. Martin is a professional geologist graduating from Concordia University (1983), Montreal, QC, and is a member in good standing with both the Ordre des Géologues du Québec and the Association of Professional Geoscientists of Ontario.

**Pat Donovan – Director**

Mr. Donovan is a retired geologist with over 30 years in mineral exploration and project development experience.

He was the Vice President of Corporate Development with Detour Gold Corp. from 2008 to 2014. Previous to this he was employed by Hunter Dickinson Inc. from 2006 to 2008 managing and delivering a positive feasibility studies for both the Chinese and Canadian requirements on the Xietongmen copper-gold project in Tibet, China for Continental Minerals Corporation.

From 1999 to 2006, Mr. Donovan was with Barrick Gold Corporation managing advanced exploration projects in Tanzania (Tulawaka and Buzwagi projects). Previously he managed all exploration programs for Consolidated Trillion Resources Ltd. in Zimbabwe.

He was with Placer Dome Canada from 1991 to 1996 responsible for all Québec exploration activities.

Mr. Donovan is also a former director of the Prospectors and Development Association of Canada.

He is a graduate of St. Francis Xavier University with a major in Geology.

**Eric Tsung – Chief Financial Officer**

Mr. Tsung has over 15 years of experience in financial services and consulting. He has developed extensive experience in internal and external financial reporting, operations, mergers and acquisitions (M&A), public and private financing.

Currently, Mr. Tsung is a senior manager of Quantum Advisory Partners LLP, a professional services firm that provides Chief Financial Officer, Controller and day-to-day accounting support services to private and public companies in Canada and the United States. He is now serving as Chief Financial Officer of Eco Oro Minerals Corp. (CSE: EOM) and VP, Finance of Premier Diversified Holdings Inc. (TSXV: PDH.V).

Mr. Tsung is a Chartered Professional Accountant (CPA, CGA), Association of Chartered Certified Accountants (FCCA) (UK), and holds a Masters in Business Administration (MBA).

It is expected that after completion of the Arrangement, Mr. Tsung will commit 50% of his time to SpinCo's business.

**Andrew Hunter – Corporate Secretary**

Mr. Hunter is a non practicing Scottish solicitor who obtained his L.L.B. from the University of Dundee, in 2006 and his LLM in Professional Legal Practice from the University of Strathclyde in 2013. Mr. Hunter has 4 years experience of private practice in Scotland and has worked as a corporate and securities paralegal since moving to Canada in 2015. He has experience in all manner of corporate and securities law issues and in conducting effective corporate governance procedures.

He is currently corporate secretary of Fabled Silver Gold Corp. and Efficacious Elk Capital Corp., a capital pool company, each of which is listed on the TSXV, as well as a number of private mining and tech companies.

**CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS**

To the knowledge of SpinCo, except as described below, no proposed directors of SpinCo:

- (a) is, as at the date of this Circular, or has been, within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer or executive officer of any company (including SpinCo) that:
  - (i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
  - (ii) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer;
- (b) is, as at the date of this Circular, or has been within 10 years before the date of this Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise

with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director;  
or

- (d) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (e) 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 security holder in deciding whether to vote for a proposed director.

David W. Smalley was a director of Mission Ready Services Inc. (“MRSI”) when MRSI was issued a cease trade order on November 29, 2012 by the British Columbia Securities Commission due to failure to file its offering memorandum in the required form as audited financial statements for a subsidiary of MRSI were not attached to the offering memorandum. An audit of the subsidiary was completed, MRSI filed an amended offering memorandum with the British Columbia Securities Commission and the cease trade order was revoked by the British Columbia Securities Commission on March 25, 2013.

## **DIRECTOR AND EXECUTIVE OFFICER COMPENSATION**

### **Compensation Discussion and Analysis**

At this time, no compensation has been paid to any of the officers or directors of SpinCo, and SpinCo executive officers will not receive salaried compensation until closing of the Arrangement.

Following completion of the Arrangement, it is anticipated that SpinCo will adopt a compensation structure for its executive officers that is appropriate for its size and the nature of its operations, while also providing an incentive for growth. SpinCo expects that the initial compensation structure will reflect its intention to keep general and administrative costs low and as a cash-preserving measure, SpinCo may emphasize compensation through SpinCo Options. Depending on the future development of SpinCo and other factors that may be considered relevant by the SpinCo Board from time to time, it may be determined in the future to emphasize increased base salaries and rely to a lesser extent on share options or other incentives.

SpinCo has not established an annual retainer fee or meeting attendance fee for directors. However, SpinCo expects to establish directors’ fees in the future and each director will be entitled to participate in any security- based compensation arrangement or other plan adopted by SpinCo, from time to time, with the approval of the SpinCo Board. The SpinCo Board will periodically review the adequacy and form of the compensation of directors and ensure that the compensation realistically reflects the responsibilities and risks involved in being an effective director.

### **Termination of Employment, Changes in Responsibility and Employment Contracts**

SpinCo and its subsidiaries have no contract, agreement, plan or arrangement that provides for payments at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change of control of SpinCo or its subsidiaries or a change in responsibilities following a change in control.

There are no termination clauses or change of control benefits in employment agreements, or any other contract, agreement, plan or arrangement.

### **Option-Based Awards**

The SpinCo Option Plan will be administered by the SpinCo Board, which will designate, in each year, the recipients of options and the terms and conditions of each grant, in each case in accordance with applicable securities laws and stock exchange requirements. The options and shares available to be issued under the SpinCo Option Plan will be used to retain and motivate current directors, officers, employees, consultants and attract new directors, officers, employees and consultants.

See “SpinCo Options” and “SpinCo Stock Option Plan”.

## **INDEBTEDNESS OF DIRECTORS, OFFICERS AND EMPLOYEES**

No individual who is a director or executive officer of SpinCo, or an associate or affiliate of such an individual, is indebted to SpinCo.

## **AUDIT COMMITTEE**

NI 52-110 requires that SpinCo’s Audit Committee meet certain requirements. It also requires SpinCo to disclose in this Circular certain information regarding the Audit Committee. That information is disclosed below.

### **Overview**

The Audit Committee is responsible for monitoring SpinCo’s systems and procedures for financial reporting and internal control, reviewing certain public disclosure documents and monitoring the performance and independence of SpinCo’s external auditors. The committee is also responsible for reviewing SpinCo’s annual audited financial statements, unaudited quarterly financial statements and management’s discussion and analysis of financial results of operations for both annual and interim financial statements and review of related operations prior to their approval by the Board.

### **Audit Committee Charter**

The SpinCo Board has adopted an audit committee charter which is attached as Exhibit A to this Schedule F mandating the role of the Audit Committee in supporting the SpinCo Board in meeting its responsibilities to SpinCo Shareholders.

### **Composition of the Audit Committee**

The Audit Committee will consist of at least three directors as determined by the SpinCo Board, the majority of whom are not officers or employees of SpinCo or any of its affiliates.

At least one member of the Audit Committee will have accounting or related financial management expertise. All members of the Audit Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Charter, the definition of “financially literate” is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by SpinCo’s financial statements.

If SpinCo ceases to be a “venture issuer” (as that term is defined in NI 52-110), then: (i) the Audit Committee will be composed of a minimum of three (3) directors of SpinCo and (ii) all of the members of the Audit Committee will be required to be free from any relationship that, in the opinion of the SpinCo Board, would interfere with the exercise of his or her independent judgment as a member of the Audit Committee.

If SpinCo ceases to be a “venture issuer” then all members of the Audit Committee will be financially literate. All members of the Audit Committee who are not financially literate will work toward becoming financially literate to obtain a working familiarity with basic finance and accounting practices.

The members of the Audit Committee of SpinCo are Luc Pelchat, Pat Donovan and Louis Martin. SpinCo Board considers all members of the Audit Committee to be “independent directors” and financially literate. Unless a Chair is appointed by the Board, the members of the Audit Committee may designate a Chair by a majority vote of the full Audit Committee membership.

## Relevant Education and Experience

Education and experience relevant to the performance of responsibilities as an Audit Committee member include any education or experience that would provide the member with:

- (a) an understanding of the accounting principles used by SpinCo to prepare its financial statements;
- (b) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves;
- (c) 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 SpinCo's financial statements, or experience actively supervising one or more persons engaged in such activities; and
- (d) an understanding of internal controls and procedures for financial reporting.

The following summarizes the education and experience of each member of the Audit Committee relevant to the performance of his responsibilities as an Audit Committee member:

**Luc Pelchat** - Following 15 years with a Canadian multinational company operating in the construction industry, Mr. Pelchat formed a number of his own companies and has realized multiple projects in the construction industry in Mexico. He has extensive business, financial and human resources experience in Canada, Mexico and Africa. Mr. Pelchat was a director of Scorpio Gold Corp. listed on the TSXV from June 2009 until October 2019 and was a member of the Audit Committee of that company for a number of years. Based on his business experience, Mr. Pelchat is financially literate.

**Pat Donovan** – Mr. Donovan has held various senior roles in the mining sector and brings significant project management experience which includes designing, constructing and commissioning different mining projects. Based on his business experience, Mr. Donovan is financially literate.

**Louis Martin** – Mr. Martin is a professional geologist with more than 35 years of gold and base metal experience with both major, mid-tier and junior mining companies. Mr. Martin brings a wealth of project management experience which includes generating and managing different mining projects, to advanced project studies and mine development. Based on his business experience, Mr. Martin is financially literate.

## Pre-Approval Policies and Procedures

SpinCo Board has adopted the Charter, attached as Exhibit A to this Schedule F of this Circular, which contains policies and procedures for the engagement of non-audit services. The Audit Committee will be responsible for the pre-approval of all audit services and permissible non-audit services to be provided to SpinCo by the external auditors subject to any exceptions provided in NI 52-110.

## External Auditors Service Fees (By Category)

The aggregate estimated fees to be billed to SpinCo for the services provided by Davidson & Company LLP, Chartered Professional Accountants, the Company's independent auditor for the last two fiscal years are as follows:

	Audit fees <sup>(1)</sup>	Audit related fees <sup>(2)</sup>	Tax fees <sup>(3)</sup>	All other fees <sup>(4)</sup>
Year ended December 31, 2020	\$10,000	Nil	\$4,000	Nil
Year ended December 31, 2019	Nil	Nil	\$3,750	Nil

Notes:

- (1) Fees for audit service on an accrued basis.
- (2) Fees for assurance and related services not included in audit service above.
- (3) Fees for tax compliance, tax advice and tax planning.
- (4) All other fees not included above.

### Exemption in Section 6.1 of NI 52-110

Following completion of the Arrangement, SpinCo is not expected to rely on the exemption from the provisions in Section 6.1 of NI 52-110 from the requirement of Part 3 (Composition of the Audit Committee). Following completion of the Arrangement, SpinCo is expected to rely on the exemption in Section 6.1 of NI 52-110, from the requirement of Part 5 (Reporting Obligations) as it is a “venture issuer” as that term is defined under NI 52-110.

## CORPORATE GOVERNANCE

National Policy 58-201 – Corporate Governance Guidelines (“NP 58-201”) establishes corporate governance guidelines which apply to all reporting issuers. The guidelines deal with such matters as the constitution and independence of corporate boards, their functions, the effectiveness and education of board members and other items dealing with sound corporate governance practices. The SpinCo Board considers that some of the guidelines in NP 58-201 are not suitable for SpinCo at its current stage of development and therefore these guidelines have not been adopted. National Instrument 58-101 – *Disclosure of Corporate Governance Practices* mandates disclosure of corporate governance practices, which disclosure is set out below.

### Board of Directors

The SpinCo Board is currently comprised of five directors, being Peter J. Hawley, David W. Smalley, Luc Pelchat, Louis Martin and Pat Donovan. The SpinCo Board considers Mr. Pelchat, Mr. Martin and Mr. Donovan to be “independent” in that they will be independent and free from any interest and any business or other relationship which could or could reasonably be perceived to, materially interfere with the director’s ability to act in the best interests of SpinCo, other than interests and relationships arising from shareholding, following the Arrangement. Mr. Smalley is not considered to be independent due to his role as the Chairman of SpinCo, and Mr. Hawley is not considered independent due to his role as the interim President and interim CEO of SpinCo.

### Directorships

Certain of our proposed directors are presently directors of other reporting issuers (or equivalent) in Canada, as set out below:

Director	Reporting Issuer
David W. Smalley	Fabled Silver Gold Corp. Efficacious Elk Capital Corp.
Peter J. Hawley	Fabled Silver Gold Corp.
Luc Pelchat	Fabled Silver Gold Corp.

### Orientation and Continuing Education

SpinCo has not yet developed a formal orientation and training program for directors. If and when new directors are added the existing members of the Board will provide any new Director with a review of a director’s fiduciary duties and SpinCo’s expectations of its Directors in terms of time and effort, as well as the Company’s business, strategic plans, management issues, and corporate governance policies. New directors will also have access to management and any technical experts and consultants they wish to consult.

SpinCo Board members will be encouraged to communicate with management, auditors and technical consultants, to keep themselves current with industry trends and developments and changes in legislation with management’s

assistance, and to attend related industry seminars and visit SpinCo's properties. SpinCo Board members will have full access to SpinCo's records.

### **Ethical Business Conduct**

The SpinCo Board has responsibility for the stewardship of SpinCo, including responsibility for strategic planning, identification of the principal risks of SpinCo's business and implementation of appropriate systems to manage these risks, succession planning (including appointing, training and monitoring senior management) and the integrity of SpinCo's internal control and management information systems. To facilitate meeting this responsibility, the SpinCo Board seeks to foster a culture of ethical conduct by striving to ensure that SpinCo carries out its business in line with high business and moral standards and applicable legal and financial requirements.

The Board plans to adopt a Code of Business Conduct and Ethics (a copy of which will be posted on the company's website) which is applicable to the Company's Directors, Officers and employees. The purpose of the code is to provide guidance and to prohibit unethical behavior with respect to issues such as conflicts of interest, confidentiality, whistleblowing, protection of corporate assets and opportunities, and compliance with laws and regulations.

Furthermore, Directors are frequently reminded to consider whether they are in a conflict of interest by virtue of serving as directors or officers in other companies or holding an interest in a transaction or agreement. A Director in such circumstances is advised to disclose his or her interest in a transaction or agreement, and if the Board considers the interest to be material, such Director must abstain from discussing and voting on the matter.

The Board will actively monitor SpinCo's compliance with the SpinCo Board's directives and ensure that all material transactions are thoroughly reviewed and authorized by the SpinCo Board before being undertaken by management. SpinCo Board members are encouraged to consult with legal and financial advisors to ensure that SpinCo is meeting all relevant requirements.

### **Nomination of Directors**

At present, SpinCo does not have a Governance or a Nomination Committee. The Board as a whole oversees and decides on the nomination of directors as required.

### **Compensation**

The SpinCo Board performs the duties of a compensation committee, as SpinCo does not have a defined compensation committee. The SpinCo Board reviews and approves the compensation of executive officers.

SpinCo is an exploratory stage mining company and does not expect to be generating revenues from operations in the foreseeable future. As a result, the use of traditional performance standards, such as corporate profitability, is not considered by the SpinCo Board to be appropriate in the evaluation of executive officer performance. The compensation of senior officers is also based, in part, on trends in the mineral exploration industry as well as achievement of the Company's business plans. The SpinCo Board has not established any quantifiable criteria with respect to base compensation payable or the amount of equity compensation granted to senior officers and has not benchmarked against a peer group of companies.

### **Board Committees**

The Company plans to initially have one committee upon closing of the Arrangement, being the Audit Committee as described above.

As the directors are expected to be actively involved in the operations of SpinCo and the size of SpinCo's operations does not warrant a larger board of directors, the SpinCo Board has determined that additional standing committees are not necessary at this stage of SpinCo's development.

## Assessments

The SpinCo Board does not consider that formal assessments would be useful at this stage of SpinCo's development. The SpinCo Board will conduct informal annual assessments of the SpinCo Board's effectiveness, the individual directors and each of its committees. To assist in its review, the SpinCo Board expects to conduct informal surveys of its directors.

## RISK FACTORS

Below are certain risk factors relating to SpinCo that Shareholders should carefully consider in connection with and following the Arrangement. The following information is a summary only of certain risk factors and is qualified in its entirety by reference to, and must be read in conjunction with, the detailed information that appears elsewhere in the Circular. Additional risk factors relating to SpinCo and its shareholders in connection with the Arrangement are set out in the Circular under the heading entitled "Risk Factors".

### *The Arrangement may not be completed*

There is no assurance that the Arrangement will receive regulatory, stock exchange, Court or shareholder approval or will be completed. If the Arrangement is not completed, SpinCo will remain a private company and a wholly-owned subsidiary of Fabled. If the Arrangement is completed, SpinCo Shareholders (which will consist of Fabled Shareholders who receive SpinCo Shares as well as subscribers to the SpinCo Financing) will be subject to the risk factors described below relating to resource properties.

### *Following the Arrangement, SpinCo may be unable to make the changes necessary to operate as an independent entity and may incur greater costs*

Following the Arrangement, the separation of SpinCo from the other business of Fabled may materially affect SpinCo. SpinCo may not be able to implement successfully the changes necessary to operate independently. SpinCo may incur additional costs relating to operating independently from Fabled that could materially negatively affect its cash flows and results of operations. SpinCo may require Fabled to provide SpinCo with certain services, facilities and/or financing on a transitional basis. SpinCo may, as a result, be dependent on such services and facilities until it is able to provide or obtain its own services, facilities and/or capital.

### *Nature of the securities and no assurance of any listing*

SpinCo Shares are not currently listed on any stock exchange and there is no assurance that the shares will be listed. Even if a listing is obtained, the holding of SpinCo Shares will involve a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. SpinCo Shares should not be held by persons who cannot afford the possibility of the loss of their entire investment. Furthermore, an investment in securities of SpinCo should not constitute a major portion of an investor's portfolio.

### *SpinCo's financial statements may not reflect what its financial position, results of operations or cash flows would have been had SpinCo operated as a stand-alone company or what SpinCo's financial position, results of operations or cash flows will be in the future*

The carve out financial statements included in Schedules G and H to the Circular have been derived from the consolidated financial statements of Fabled as if SpinCo had been operating as a stand-alone company for the periods presented. SpinCo believes management has made reasonable assumptions underlying SpinCo's financial statements, including reasonable allocations of corporate expenses from Fabled, such as expenses related to employee benefits, finance, human resources, legal, information technology and executive management. However, because SpinCo's carve-out financial statements are based on certain assumptions and include allocations of corporate expenses from Fabled, these financial statements may not reflect what SpinCo's financial position, results of operations or cash flows

would have been had SpinCo operated as a stand- alone company during the historical periods presented or what SpinCo's financial position, results of operations or cash flows will be in the future.

### ***Income tax considerations***

The fair market value of the SpinCo Shares immediately following the exchange of Fabled Class A Shares for New Fabled Shares and SpinCo Shares cannot be determined precisely and will impact the tax consequences of participating in the Arrangement.

No tax ruling has been received from the authorities in Canada or the United States in respect of tax consequences of participating in the Arrangement.

### ***Future Profits/Losses and Production Revenues/Expenses***

SpinCo has no history of operations and expects that its losses will continue for the foreseeable future. The operating history of Fabled cannot be regarded as the operating history of SpinCo.

SpinCo currently has only one material mineral property, being the Muskwa Project and one non material property being the Bronson Property. There can be no assurance that SpinCo will be able to acquire additional properties. If SpinCo is unable to acquire additional properties, its entire prospects will rest solely with these two properties. There can be no assurance that SpinCo will be profitable in the future. SpinCo's operating expenses and capital expenditures may increase in subsequent years as needed consultants, personnel and equipment associated with advancing exploration, development and commercial production of either of the projects and any other properties SpinCo may acquire are added. The amounts and timing of expenditures will depend on the progress of ongoing exploration and development, the results of consultants' analyses and recommendations, the rate at which operating losses are incurred and SpinCo's acquisition of additional properties and other factors, many of which are beyond SpinCo's control. SpinCo does not expect to receive revenues from operations in the foreseeable future, if at all. SpinCo expects to incur losses unless and until such time as its projects and any other properties SpinCo may acquire enter into commercial production and generate sufficient revenues to fund its continuing operations. The development of the Muskwa Project, Bronson Property and any other properties SpinCo may acquire will require the commitment of substantial resources to conduct the time-consuming exploration and development of properties. There can be no assurance that SpinCo will generate any revenues or achieve profitability. There can be no assurance that the underlying assumed levels of expenses will prove to be accurate.

### ***Additional Funding Requirements***

Additional exploration and potential development of the projects or projects acquired in the future require significant capital. Accordingly, the continuing exploration and development of SpinCo's projects will depend upon SpinCo's ability to obtain financing through debt financing, equity financing, the joint venturing of projects, or other means. There is no assurance that SpinCo will be successful in obtaining the required financing for these or other purposes, including for general working capital. SpinCo will not be able to rely on the capital resources of Fabled.

### ***SpinCo has not defined any mineral resources or mineral reserves and none of its mineral properties are in production or under development***

SpinCo is an exploration and development company and all of its properties and property interests are in the exploration stage. SpinCo has not defined or delineated any mineral resources or mineral reserves on any of its properties.

### ***Political and regulatory risks***

The Company and SpinCo are currently not aware of any environmental or government-related regulatory problems that would adversely affect mineral exploration of or surface rights or legal access to, the Muskwa Project. Any changes in government policy may result in changes to laws affecting ownership of assets, mining policies, monetary

policies, taxation, royalty rates, rates of exchange, environmental regulations, labour relations and return of capital. This may affect both SpinCo's ability to undertake exploration and development activities in respect of present and future properties in the manner currently contemplated, as well as its ability to continue to explore, develop and operate those properties in which it has an interest or in respect of which it has obtained exploration and development rights to date. The possibility that future governments may adopt substantially different policies, which might extend to expropriation of assets, cannot be ruled out.

The development and exploration activities of SpinCo are subject to various laws governing prospecting, development, production, exports, imports, taxes, labour standards and occupational health and safety, mine safety, toxic substances, waste disposal, environmental protection and remediation, protection of endangered and protected species, land use, water use, land claims of local people and other matters. No assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could have an adverse effect on SpinCo's financial position. Amendments to current laws, regulations and permits governing development activities and activities of mining and exploration companies, or more stringent or different implementation, could have a material adverse impact on SpinCo's financial position, or could require abandonment or delays in the development of new mining properties. Failure to comply with any applicable laws, regulations or permitting requirements may result in enforcement actions against SpinCo, including orders issued by regulatory or judicial authorities causing development or exploration activities to cease or be curtailed or suspended, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. SpinCo could be forced to compensate those suffering loss or damage by reason of its processing, development or exploration activities and could face civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Any such regulatory or judicial action could materially increase SpinCo's operating costs and delay or curtail or otherwise negatively impact SpinCo's activities.

### ***Exploration and Development Risks***

The business of exploring for minerals and mining involves a high degree of risk. The operations of SpinCo may be disrupted by a variety of risks and hazards normally encountered in the exploration, development and production of precious metals, including, without limitation, unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, personal injury or loss of life and damage to tailings dams, property, and environmental damage, all of which may result in possible legal liability. The occurrence of any of these events could result in a prolonged interruption of SpinCo's activities that would have a material adverse effect on its business, financial condition, results of operations and prospects. Further, SpinCo may be subject to liability or sustain losses in relation to certain risks and hazards against it cannot insure or for which it may elect not to insure. The occurrence of operational risks and/or a shortfall or lack of insurance coverage could have a material adverse impact on SpinCo's results of operations and financial condition.

The exploration for and development of mineral deposits involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties that are explored are ultimately developed into producing mines. Even when mineralization is discovered, it may take several years until production is possible, during which time the economic feasibility of production may change. Major expenses may be required to locate and establish Mineral Reserves and Mineral Resources, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the exploration or development programs planned by SpinCo will result in a profitable commercial mining operation. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade and proximity to infrastructure, metal prices that are highly cyclical, and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in SpinCo not receiving an adequate return on invested capital. There is no certainty that the expenditures made towards the search and evaluation of mineral deposits will result in discoveries or development of commercial quantities of ore. Development projects have no operating history upon which to base estimates of future capital and operating costs. For development projects, Mineral Resource and Mineral Reserve estimates and estimates of operating costs are, to a large extent, based upon the interpretation of geologic data obtained from drill holes and other sampling techniques, and feasibility studies, which derive estimates of capital and operating costs based upon anticipated tonnage and grades of ore to be

mined and processed, ground conditions, the configuration of the ore body, expected recovery rates of minerals from ore, estimated operating costs, and other factors. As a result, actual production, cash operating costs and economic returns could differ significantly from those estimated. It is not unusual for new mining operations to experience problems during the start-up phase, and delays in the commencement of production can often occur.

All of the claims to which SpinCo will have a right to acquire an interest or the claims which SpinCo has an interest in are in the exploration stage only and are without a known body of commercial ore. Development of the subject mineral properties would follow only if favorable exploration results are obtained.

### ***Permitting***

The operations of SpinCo will require licenses and permits from various governmental authorities. There can be no assurance that SpinCo will be able to obtain all necessary licenses and permits that may be required to carry out exploration and development of its projects. Delays in obtaining required licenses or permits due to opposition by a third party, location within Aboriginal treaty and asserted territories that may affect or be perceived to affect treaty and asserted aboriginal rights and title or other opposition by Aboriginal communities could affect the ability of SpinCo to develop its projects or could negatively affect project economics.

### ***Title defects or claims may affect development projects and future acquisitions***

There is no guarantee that SpinCo's title to its projects will not be challenged or impugned or that the appropriate permits and approvals will be obtainable on reasonable terms or on a timely basis; the licenses will be renewed upon their expiry; and that SpinCo will be able to explore its projects as permitted or to enforce its rights with respect to its projects.

SpinCo does not yet own title to certain of its properties. Titles to some of the properties underlying its projects are in the names of the respective vendors and transfer of title to SpinCo or its subsidiaries is conditional upon SpinCo's fulfilling its obligations under a number of agreements with current title holders, including making due payments under these agreements. Until titles to the properties are transferred to SpinCo, there is no guarantee that SpinCo's interest in the properties will not be challenged by the present title holders.

Although SpinCo holds the surface rights to those concessions, it requires work permits and local community approvals to realize further exploration work such as surveying, geophysical, geochemical, geological and sample surveys and drilling. There can be no assurance that the appropriate permits and approvals will be obtainable on reasonable terms or on a timely basis.

Although SpinCo has exercised the usual due diligence with respect to determining title to properties in which it has a material interest, there is no guarantee that title to such properties will not be challenged or impugned. SpinCo's mineral property interests may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by undetected defects. Until competing interests in the mineral lands have been determined, SpinCo can give no assurance as to the validity of title of SpinCo to those lands or the size of such mineral lands. Accordingly, SpinCo's mineral properties may be subject to prior unregistered liens, agreements, transfers or claims, and title may be affected by, among other things, undetected defects. In addition, SpinCo may be unable to explore its properties as permitted or to enforce its rights with respect to its properties.

### ***Unreliable Historical Data***

SpinCo has compiled technical data, particularly in respect of the Muskwa Project, some of which was not prepared by SpinCo. While the data provides useful information for SpinCo, much of it must be verified by SpinCo before being relied upon in formulating exploration programs.

### ***Indigenous Peoples' claims and rights to consultation and accommodation may affect SpinCo's existing properties as well as future acquisitions***

Governments in many jurisdictions may consult with Indigenous Peoples' with respect to grants of mineral rights and

the issuance or amendment of project authorizations. These requirements are subject to change from time to time. As an example, the Government of British Columbia has recently introduced legislation to implement the United Nations Declaration on the Rights of Indigenous Peoples in British Columbia. Consultation and other rights of Indigenous Peoples may require accommodations, including undertakings regarding financial compensation, employment and other matters in impact and benefit agreements. This may affect SpinCo's ability to acquire within a reasonable time frame effective mineral titles or environmental permits in these jurisdictions, including in some parts of Canada in which Aboriginal title is claimed, and may affect the timetable and costs of development of mineral properties in these jurisdictions. The risk of unforeseen Indigenous Peoples' claims or grievances also could affect existing operations as well as development projects and future acquisitions. These legal requirements and the risk of Indigenous Peoples' opposition may increase SpinCo's operating costs and affect its ability to expand or transfer existing operations or to develop new projects.

### ***Environmental risks and hazards***

All of SpinCo's mining operations will be subject to environmental regulations, which can make operations expensive or prohibit them altogether. SpinCo may be subject to potential risks and liabilities associated with pollution of the environment and the disposal of waste products that could occur as a result of its mineral exploration, development and production.

To the extent SpinCo is subject to environmental liabilities, the payment of such liabilities or the costs that it may incur to remedy environmental pollution would reduce funds otherwise available to SpinCo and could have a material adverse effect on SpinCo. If SpinCo is unable to fully remedy an environmental problem, it might be required to suspend operations or enter into interim compliance measures pending completion of the required remedy. The potential exposure may be significant and could have a material adverse effect on SpinCo.

All of SpinCo's exploration, development and any production activities will be subject to regulation under one or more environmental laws and regulations. Many of the regulations require SpinCo to obtain permits for its activities. SpinCo must update and review its permits from time to time, and is subject to environmental impact analyses and public review processes prior to approval of the additional activities. It is possible that future changes in applicable laws, regulations and permits or changes in their enforcement or regulatory interpretation could have a significant impact on some portion of SpinCo's business, causing those activities to be economically re-evaluated at that time.

### ***Commodity price risk***

The ability of SpinCo to raise financing to fund its exploration and development costs, will be significantly affected by changes in the market price of the metals for which it explores. The prices of metals are volatile, and are affected by numerous factors beyond SpinCo's control. The level of interest rates, the rate of inflation, the world supplies of and demands for metals and the stability of exchange rates can all cause fluctuations in these prices. Such external economic factors are influenced by changes in international investment patterns and monetary systems and political developments. Future significant price declines could cause investors to be unprepared to finance exploration and development of copper deposits, with the result that SpinCo may not have sufficient financing with which to fund its plans.

### ***No history of dividends***

SpinCo has not paid a dividend on the SpinCo Shares since incorporation. SpinCo intends to continue to retain earnings and other cash resources for its business. Any future determination to pay dividends will be at the discretion of the SpinCo Board and will depend upon the capital requirements of SpinCo, results of operations and such other factors as the SpinCo Board considers relevant.

### ***Joint ventures***

SpinCo may enter into joint venture arrangements with regard to future exploration, development and production properties (including potentially SpinCo's concessions). There is a risk any future joint venture partner does not meet

its obligations and SpinCo may therefore suffer additional costs or other losses. It is also possible that the interests of SpinCo or future joint venture partners are not aligned resulting in project delays or additional costs and losses. SpinCo may have minority interests in the companies, partnerships and ventures in which it invests and may be unable to exercise control over the operations of such companies.

### ***Infrastructure***

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants which affect capital and operating costs. The lack of availability on acceptable terms or the delay in the availability of any one or more of these items could prevent or delay exploration or development of the Muskwa Property. If adequate infrastructure is not available in a timely manner, there can be no assurance that the exploration or development of the Muskwa Property will be commenced or completed on a timely basis, if at all. Unusual or infrequent weather phenomena, terrorism, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect SpinCo's operations, financial condition and results of operations.

### ***Competition***

The mineral exploration business is competitive in all of its phases. SpinCo competes with numerous other companies and individuals, including competitors with greater financial, technical and other resources than SpinCo, in the search for and acquisition of exploration and development rights on desirable mineral properties, for capital to finance its activities and in the recruitment and retention of qualified employees. There is no assurance that SpinCo will continue to be able to compete successfully with its competitors in acquiring exploration and development rights, financing, or recruiting and retaining employees.

### ***Lack of availability of resources***

Mining exploration requires ready access to mining equipment such as drills, and crews to operate that equipment. There can be no assurance that such resources will be available to SpinCo on a timely basis or at a reasonable cost. Failure to obtain these resources when needed may result in delays in SpinCo's exploration programs.

### ***Property commitments***

The properties to be held by SpinCo may be subject to various land payments, royalties and/or work commitments. Failure by SpinCo to meet its payment obligations or otherwise fulfill its commitments under these agreements could result in the loss of related property interests.

### ***Dependence on good relations with employees***

The success of SpinCo's operations depends on the skills and abilities of its employees. There is intense competition for engineers, geologists and persons with mining expertise. The ability of SpinCo to hire and retain engineers, geologists and persons with mining expertise is key to the mining operations. Further, relations with employees may be affected by changes in the scheme of labour relations that may be introduced by the relevant governmental authorities in the jurisdictions in which the mining operations are conducted. Changes in such legislation or otherwise in SpinCo's relationships with its employees may result in strikes, lockouts or other work stoppages, any of which could have a material adverse effect on the mining operations, results of operations and financial condition.

### ***Outside Contractor Risks***

It is common for certain aspects of mining operations, such as drilling, blasting and underground development, to be conducted by outside contractors. As a result, the Company is subject to a number of risks, including: reduced control over the aspects of the tasks that are the responsibility of the contractors; failure of the contractors to perform under its agreement with the Company; inability to replace the contractors if their contracts are terminated; interruption of services in the event that the contractors cease operations due to insolvency or other unforeseen events; failure of the contractors to comply with applicable legal and regulatory requirements; and failure of the contractors to properly

manage its workforce resulting in labour unrest or other employment issues.

### ***Reliance on Key Personnel***

SpinCo will be dependent on the continued services of its senior management team, and its ability to retain other key personnel. The loss of such key personnel could have a material adverse effect on SpinCo. There can be no assurance that any of SpinCo's employees will remain with SpinCo or that, in the future, the employees will not organize competitive businesses or accept employment with companies competitive with SpinCo.

### ***Reporting issuer obligations***

SpinCo's business is subject to evolving corporate governance and public disclosure regulations that have increased both SpinCo's compliance costs and the risk of non-compliance, which could adversely impact SpinCo's share price.

SpinCo is subject to changing rules and regulations promulgated by a number of governmental and self-regulated organizations, including the Canadian Securities Administrators and the International Accounting Standards Board. These rules and regulations continue to evolve in scope and complexity creating many new requirements.

### ***Conflicts of interest***

SpinCo's directors and officers may serve as directors or officers of other companies or companies providing services to SpinCo or they may have significant shareholdings in other companies. Situations may arise where the directors and/or officers of SpinCo may be in competition with SpinCo. Any conflicts of interest will be subject to and governed by the law applicable to directors' and officers' conflicts of interest. In the event that such a conflict of interest arises at a meeting of SpinCo's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with applicable laws, the directors of SpinCo are required to act honestly, in good faith and in the best interests of SpinCo.

### ***The possible issuance of additional SpinCo Shares may impact the value of SpinCo Shares; Dilution***

SpinCo is authorized to issue an unlimited number of SpinCo Shares without par value. Sales of substantial amounts of SpinCo Shares, or the perception that such sales could occur, could materially adversely affect the value of SpinCo Shares, particularly when no existing public market for trading such securities exists.

SpinCo will require additional funds to further its activities and objectives. To obtain such funds, SpinCo may issue additional securities, including SpinCo Shares or securities convertible into or exchangeable for SpinCo Shares. As a result, SpinCo's shareholders could be substantially diluted.

### ***Change in climate conditions***

Governments are moving to introduce climate change legislation and treaties at the international, national, state/province and local levels. Regulation relating to emission levels (such as carbon taxes) and energy efficiency is becoming more stringent. If the current regulatory trend continues, SpinCo expects that this will result in increased costs. In addition, physical risk of climate change may also have an adverse effect on SpinCo's operations. These risks include: extreme weather events, and resource shortages due to disruption of equipment and supplies required on site. SpinCo can provide no assurance that efforts to mitigate the risks of climate changes will be effective and that the physical risks of climate change will not have an adverse effect on its operations.

### ***Risk Related to COVID-19 Pandemic***

The current outbreak of the novel coronavirus (COVID-19), and any future emergence and spread of similar pathogens, could have a material adverse effect on global and local economic and business conditions which may adversely impact SpinCo's business and results of operations and the operations of contractors and service providers. The outbreak has spread in Canada where SpinCo will conduct its principal business operations. SpinCo's plans to

advance the exploration and development of each of its projects are dependent upon the acquisition of financing and operating permits, as well as its ability to continue the work required by its employees and contractors. In addition, SpinCo personnel may be delayed in completing the required work that it is pursuing due to quarantine, self-isolation, social distancing, restrictions on travel, restrictions on meetings and work from home requirements. The extent to which the coronavirus impacts SpinCo's operations will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the duration of the outbreak, new information that may emerge concerning the severity of the coronavirus and the actions taken to contain the coronavirus or treat its impact, among others. Moreover, the spread of the coronavirus globally has and may continue to have a material adverse effect on global and regional economies and to continue to negatively impact markets, including the trading price of shares and mineral commodity prices. These adverse effects on the economy, commodity prices, the stock market and SpinCo's share price could adversely impact SpinCo's ability to raise capital, with the result that its ability to pursue its exploration and development plans could be adversely impacted, both through delays and through increased costs. Any of these developments, and others, could have a material adverse effect on SpinCo's business and results of operations.

### **PROMOTER**

Under applicable Canadian securities laws, Fabled may be considered a promoter of SpinCo in that it took initiative in substantially reorganizing the business of SpinCo.

As of the date of this Circular, Fabled is the registered holder of 94,846,841 SpinCo Shares representing all of the issued and outstanding SpinCo Shares.

Immediately following the Effective Time, Fabled is not expected to beneficially own, control and direct, directly or indirectly, any SpinCo Shares.

### **LEGAL PROCEEDINGS AND REGULATORY ACTIONS**

#### **Legal Proceedings**

SpinCo is not aware of any actual or pending material legal proceedings to which SpinCo is or is likely to be party or of which any of its business or property is or is likely to be subject.

#### **Regulatory Actions**

There are no (a) penalties or sanctions imposed against SpinCo by a court relating to securities legislation or by a securities regulatory authority during its most recently completed financial year; (b) other penalties or sanctions imposed by a court or regulatory body against SpinCo that would likely be considered important to a reasonable investor in making an investment decision in SpinCo; or (c) settlement agreements SpinCo entered into before a court relating to securities legislation or with a securities regulatory authority during its most recently completed financial year.

### **INTERESTS OF CERTAIN PERSONS IN MATERIAL TRANSACTIONS**

Except as set out elsewhere in this Circular, none of the proposed directors or executive officers of SpinCo, or any person that is expected to beneficially own or control or direct more than 10% of any class or series of shares of SpinCo, or any associate or affiliate of any of the foregoing persons, has or has had any material interest in any past transaction within the three years before the date of this Circular, or any proposed transaction, that has materially affected or would materially affect SpinCo or any of its subsidiaries.

Certain proposed directors and officers of SpinCo are also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploiting natural resource properties. Such associations to other engaged companies in the resource sector may give rise to conflicts of interest from time to time. As a result, opportunities provided to a director of SpinCo may not be made available to SpinCo but, rather, may be

offered to a company with competing interests. The directors and senior officers of SpinCo are required by law to act honestly and in good faith with a view to the best interests of SpinCo and to disclose any personal interest which they may have in any project or opportunity of SpinCo, and to abstain from voting on such matters.

David W. Smalley and Andrew Hunter both participated in the SpinCo Financing. Mr. Smalley acquired 416,666 SpinCo Flow-Through Unit Subscription Receipts and Mr. Hunter acquired 100,000 SpinCo Conventional Unit Subscription Receipts pursuant to the SpinCo Financing.

#### **AUDITORS, TRANSFER AGENT AND REGISTRAR**

Davidson & Company LLP, Chartered Professional Accountants (“Davidson”), 1200-609 Granville St, Vancouver, BC V7Y 1G6, is the auditor of SpinCo. Davidson is also the auditor for Fabled and were appointed in 2015.

The transfer agent and registrar for the SpinCo Shares is Computershare. The register of transfers of the SpinCo Shares is maintained by Computershare at its offices in Vancouver, British Columbia.

#### **MATERIAL CONTRACTS**

Following the completion of the Arrangement, other than contracts entered into in the ordinary course of business, the only material contracts of SpinCo are the Arrangement Agreement dated as of September 17, 2021 between Fabled and SpinCo, as described under “The Arrangement – Details of the Arrangement” in this Circular, the Agency Agreement between SpinCo, the Company and the Agent, as described under “Summary – The SpinCo Financing” in this Circular, and the High Range Option Agreement and ChurchKey Option Agreement as described under “Mineral Projects” in this Schedule F.

#### **EXPERTS**

Davidson prepared an auditors’ report to Fabled, the sole shareholder of SpinCo, on (A) the statements of financial position as at June 30, 2021, December 31 2020, and December 31, 2019, (B) the statements of loss and comprehensive loss, changes in shareholders’ equity and cash flows for the six months ended June 30, 2021 and the years ended December 31, 2020 and December 31, 2019, and (C) notes to the financial statements, including a summary of significant accounting policies carve-out statements of financial position as at December 31, 2020 and 2019 and for the six months ended June 30, 2020. Davidson has advised Fabled that it is independent with respect to SpinCo within the meaning of the Chartered Professional Accountants of British Columbia Code of Professional Conduct.

Edward Harrington, B.Sc., P.Geo. is the author of the Technical Report. As of the date of this Circular, Mr. Harrington owns none of the issued and outstanding SpinCo shares and no shares of Fabled.

**EXHIBIT A TO SCHEDULE F**

**FABLED COPPER CORP.**

**AUDIT COMMITTEE CHARTER**

The Board of Directors (the “Board”) of Fabled Copper Corp. (the “Company”), a British Columbia company, approves and adopts the following Audit Committee Charter to specify the composition, roles and responsibilities of the Audit Committee (the “Committee”).

This Charter was adopted and approved by the Board of Directors of the Company on September 16, 2021.

**A. PURPOSE**

The overall purpose of the Audit Committee (the “Committee”) is to ensure that the Company's management has designed and implemented an effective system of internal financial controls, to review and report on the integrity of the consolidated financial statements and related financial disclosure of the Company and to review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of financial information.

**B. COMPOSITION, PROCEDURES AND ORGANIZATION**

1. The Committee shall consist of at least three members of the Board of Directors (the “Board”), the majority of whom are not officers or employees of the Company or any of its affiliates.
2. The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Committee for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.
3. Unless the Board shall have appointed a chair of the Committee, the members of the Committee shall elect a chair and a secretary from among their number.
4. The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other.
5. The Committee shall have access to such officers and employees of the Company and to the Company's external auditors, and to such information respecting the Company, as it considers to be necessary or advisable in order to perform its duties and responsibilities.
6. Meetings of the Committee shall be conducted as follows:
  - (a) the Committee shall meet at least four times annually at such times and at such locations as may be requested by the chair of the Committee. The external auditors or any member of the Committee may request a meeting of the Committee;

- (b) the external auditors shall receive notice of and have the right to attend all meetings of the Committee; and
  - (c) management representatives may be invited to attend all meetings except private sessions with the external auditors.
7. The internal auditors and the external auditors shall have a direct line of communication to the Committee through its chair and may bypass management if deemed necessary. The Committee, through its chair, may contact directly any employee in the Company as it deems necessary, and any employee may bring before the Committee any matter involving questionable, illegal or improper financial practices or transactions.

**C. ROLES AND RESPONSIBILITIES**

1. The overall duties and responsibilities of the Committee shall be as follows:
- (a) to assist the Board in the discharge of its responsibilities relating to the Company's accounting principles, reporting practices and internal controls and its approval of the Company's annual and quarterly consolidated financial statements and related financial disclosure;
  - (b) to establish and maintain a direct line of communication with the Company's internal and external auditors and assess their performance;
  - (c) to ensure that the management of the Company has designed, implemented and is maintaining an effective system of internal financial controls; and
  - (d) to report regularly to the Board on the fulfilment of its duties and responsibilities.
2. The duties and responsibilities of the Committee as they relate to the external auditors shall be as follows:
- (a) to recommend to the Board a firm of external auditors to be engaged by the Company, and to verify the independence of such external auditors;
  - (b) to review and approve the fee, scope and timing of the audit and other related services rendered by the external auditors;
  - (c) review the audit plan of the external auditors prior to the commencement of the audit;
  - (d) to review with the external auditors, upon completion of their audit:
    - (i) contents of their report;
    - (ii) scope and quality of the audit work performed;
    - (iii) adequacy of the Company's financial and auditing personnel;
    - (iv) co-operation received from the Company's personnel during the audit;
    - (v) internal resources used;

- (vi) significant transactions outside of the normal business of the Company;
  - (vii) significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems; and
  - (viii) the non-audit services provided by the external auditors;
  - (e) to discuss with the external auditors the quality and not just the acceptability of the Company's accounting principles; and
  - (f) to implement structures and procedures to ensure that the Committee meets the external auditors on a regular basis in the absence of management.
3. The duties and responsibilities of the Committee as they relate to the Company's internal auditors are to:
- (a) periodically review the internal audit function with respect to the organization, staffing and effectiveness of the internal audit department;
  - (b) review and approve the internal audit plan; and
  - (c) review significant internal audit findings and recommendations, and management's response thereto.
4. The duties and responsibilities of the Committee as they relate to the internal control procedures of the Company are to:
- (a) review the appropriateness and effectiveness of the Company's policies and business practices which impact on the financial integrity of the Company, including those relating to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management;
  - (b) review compliance under the Company's business conduct and ethics policies and to periodically review these policies and recommend to the Board changes which the Committee may deem appropriate;
  - (c) review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Company; and
  - (d) periodically review the Company's financial and auditing procedures and the extent to which recommendations made by the internal audit staff or by the external auditors have been implemented.
5. The Committee is also charged with the responsibility to:
- (a) review the Company's quarterly statements of earnings, including the impact of unusual items and changes in accounting principles and estimates and report to the Board with respect thereto;
  - (b) review and approve the financial sections of:

- (i) the annual report to shareholders;
  - (ii) the annual information form;
  - (iii) annual and interim MD&A;
  - (iv) prospectuses;
  - (v) news releases discussing financial results of the Company; and
  - (vi) other public reports of a financial nature requiring approval by the Board, and report to the Board with respect thereto;
- (c) review regulatory filings and decisions as they relate to the Company's consolidated financial statements;
- (d) review the appropriateness of the policies and procedures used in the preparation of the Company's consolidated financial statements and other required disclosure documents, and consider recommendations for any material change to such policies;
- (e) review and report on the integrity of the Company's consolidated financial statements;
- (f) review the minutes of any audit committee meeting of subsidiary companies;
- (g) review with management, the external auditors and, if necessary, with legal counsel, any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of the Company and the manner in which such matters have been disclosed in the consolidated financial statements;
- (h) review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of financial information; and
- (i) develop a calendar of activities to be undertaken by the Committee for each ensuing year and to submit the calendar in the appropriate format to the Board of Directors following each annual general meeting of shareholders.

END OF DOCUMENT

**SCHEDULE G**

**SPINCO AUDITED CARVE OUT FINANCIAL STATEMENTS AND RELATED MD&A**

**[SEE ATTACHED]**

**CARVE-OUT FINANCIAL STATEMENTS**

**FABLED COPPER CORP.**  
**(FORMERLY FABLED COPPER AND GOLD CORP.)**

**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

**INDEPENDENT AUDITOR'S REPORT**

To the Directors of  
Fabled Copper Corp. (formerly Fabled Copper and Gold Corp.)

***Opinion***

We have audited the accompanying carve-out financial statements of Fabled Copper Corp. (formerly Fabled Copper and Gold Corp.) (the "Company"), which comprise the carve-out statements of financial position as at December 31, 2020 and 2019, and the carve-out statements of loss and comprehensive loss, changes in shareholders' equity (deficit), and cash flows for the years then ended, and notes to the carve-out financial statements, including a summary of significant accounting policies.

In our opinion, these carve-out financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020 and 2019 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

***Basis for Opinion***

We conducted our audits 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 Carve-out 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 carve-out 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 in our audits is sufficient and appropriate to provide a basis for our opinion.

***Material Uncertainty Related to Going Concern***

We draw attention to Note 1 of the consolidated financial statements, which indicates that the Company has events and conditions that indicate 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 obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the carve-out 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 carve-out financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the carve-out 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 Carve-out Financial Statements***

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

In preparing the carve-out 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 Carve-out Financial Statements***

Our objectives are to obtain reasonable assurance about whether the carve-out 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 carve-out 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 carve-out 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 carve-out 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 carve-out financial statements, including the disclosures, and whether the carve-out 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.

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

A handwritten signature in black ink that reads "Davidson & Company LLP". The signature is written in a cursive, flowing style.

Vancouver, Canada

Chartered Professional Accountants

September 24, 2021

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## Fabled Copper Corp. Carve-out

### Carve-out Statements of Financial Position

(Expressed in Canadian Dollars)

	As at	December 31,	December 31,
	Note(s)	2020	2019
		\$	\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash		277	121,325
Amounts receivable		1,648	1,030
<b>TOTAL ASSETS</b>		<b>1,925</b>	<b>122,355</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		-	13,924
Note payable	5	5,000	10,000
<b>TOTAL LIABILITIES</b>		<b>5,000</b>	<b>23,924</b>
<b>EQUITY (DEFICIENCY)</b>			
Net parent investment	6	10,590,579	10,276,798
Deficit		(10,593,654)	(10,178,367)
<b>TOTAL EQUITY (DEFICIENCY)</b>		<b>(3,075)</b>	<b>98,431</b>
<b>TOTAL LIABILITIES AND EQUITY (DEFICIENCY)</b>		<b>1,925</b>	<b>122,355</b>
Corporate information and continuance of operations	1		
Commitments	4, 12		
Segmented information	8		
Subsequent events	3, 5, 12		

These carve-out combined financial statements were approved for issue by the Board of Directors and signed on its behalf by:

/s/ Michael Harrison Director

/s/ David W. Smalley Director

## Fabled Copper Corp. Carve-out

### Carve-out Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

	Note(s)	For the year ended	
		December 31, 2020	December 31, 2019
		\$	\$
<b>Expenses</b>			
Consulting fees		-	11,813
Exploration and evaluation costs	4	-	652,280
Finance costs	4	150,000	-
Foreign exchange gain		11,562	-
General and administrative expenses		1,967	8,099
Impairment of mineral properties	4	150,000	7,400,612
Management fees	7	30,000	-
Professional fees		24,299	43,121
Property investigation costs		39,999	-
Share-based payments	6, 7	7,460	93,154
<b>Total loss and comprehensive loss</b>		<b>(415,287)</b>	<b>(8,209,079)</b>

See accompanying notes to these carve-out financial statements.

## Fabled Copper Corp. Carve-out

Carve-out Statements of Changes in Shareholders' Equity (Deficit)

(Expressed in Canadian Dollars)

	Note(s)	Net parent investment			Deficit \$	Total \$
		Funded by \$	Equity settled share-based payments \$	Total net parent investment \$		
<b>Balance at December 31, 2018</b>		<b>9,972,726</b>	<b>17,666</b>	<b>9,990,392</b>	<b>(1,969,288)</b>	<b>8,021,104</b>
Total funding provided by Fabled Silver Gold Corp.	6	193,252	-	193,252	-	193,252
Share-based payments	6	-	93,154	93,154	-	93,154
Loss for the year		-	-	-	(8,209,079)	(8,209,079)
<b>Balance at December 31, 2019</b>		<b>10,165,978</b>	<b>110,820</b>	<b>10,276,798</b>	<b>(10,178,367)</b>	<b>98,431</b>
Total funding provided by Fabled Silver Gold Corp.	6	306,321	-	306,321	-	306,321
Share-based payments	6	-	7,460	7,460	-	7,460
Loss for the year		-	-	-	(415,287)	(415,287)
<b>Balance at December 31, 2020</b>		<b>10,472,299</b>	<b>118,280</b>	<b>10,590,579</b>	<b>(10,593,654)</b>	<b>(3,075)</b>

See accompanying notes to these carve-out financial statements.

**Fabled Copper Corp. Carve-out**  
Carve-out Statements of Cash Flows  
(Expressed in Canadian Dollars)

	Note(s)	December 31, 2020 \$	December 31, 2019 \$
<b>Cash flow provided from (used by)</b>			
<b>OPERATING ACTIVITIES</b>			
<b>Loss for the year</b>		(415,287)	(8,209,079)
<i>Adjustments for items not affecting cash:</i>			
Share-based payments	6	7,460	93,154
Impairment of evaluation and exploration assets	4	150,000	7,400,612
<b>Change in non-cash working capital</b>			
Amounts receivable		(618)	(1,030)
Prepaid expenses		-	25,000
Accounts payable and accrued liabilities		(13,924)	(10,085)
<b>Cash flow used in operating activities</b>		<b>(272,369)</b>	<b>(701,428)</b>
<b>INVESTING ACTIVITIES</b>			
Acquisition costs on exploration and evaluation assets	4	(150,000)	(83,394)
<b>Cash flow used in investing activities</b>		<b>(150,000)</b>	<b>(83,394)</b>
<b>FINANCING ACTIVITIES</b>			
Repayment of note payable	5	(5,000)	-
Funding provided by Fabled Silver Gold Corp.	6	306,321	193,252
<b>Cash flow from financing activities</b>		<b>301,321</b>	<b>193,252</b>
<b>Decrease in cash</b>		<b>(121,048)</b>	<b>(591,570)</b>
<b>Cash, beginning of year</b>		<b>121,325</b>	<b>712,895</b>
<b>Cash, end of year</b>		<b>277</b>	<b>121,325</b>
<b>SUPPLEMENTAL CASH FLOW</b>			
Cash paid during the year for interest		-	-
Cash paid during the year for income taxes		-	-

See accompanying notes to these carve-out financial statements.

## 1. CORPORATE INFORMATION AND CONTINUANCE OF OPERATIONS

### **Introduction to the carve-out financial statements**

The purpose of these carve-out financial statement is to provide general purpose historical financial information of Fabled Copper Corp. (formerly Fabled Copper and Gold Corp.) (the “Company”). The Company is a wholly owned subsidiary of Fabled Silver Gold Corp. (“Fabled Silver” or the “Parent”) (formerly Fabled Copper Corp.) (collectively the “Group”). The accounting policies applied in the carve-out financial statements are, to the extent applicable, consistent with accounting policies applied in the Fabled Silver audited consolidated financial statements.

The carve-out financial statements have been prepared on a “carve-out basis” from the Fabled Sliver audited consolidated financial statement for the purpose of presenting the financial position, results of operations and cash flows of the Company on a stand-alone basis.

The Company is a 100% wholly owned subsidiary of Fabled Silver. The Company is an exploration stage company that is engaged directly in the acquisition and exploration of exploration and evaluation properties in Canada (the “Exploration Business”) (Note 3). To date, the Company has not generated significant revenues from operations and is considered to be in the exploration stage. The address of the Company’s registered and records office is 480 – 1500 West Georgia Street, Vancouver, BC V6G 2Z6, Canada.

### **Going Concern**

The Company has not yet determined whether its properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for mineral properties and exploration costs is dependent upon the existence of economically recoverable ore reserves, the ability of the Company to obtain necessary financing to complete the exploration and development of its properties, and upon future profitable production or proceeds from the disposal of properties.

These carve-out financial statements have been prepared using accounting principles applicable to a going concern which assumes the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company emphasizes that attention should be drawn to matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The most significant of these being the Company’s ability to carry out its business objectives dependent on the Company’s ability to receive continued financial support from related parties, to obtain public equity financing, or to generate profitable operations in the future. Other uncertainties include the fact that the Company is currently in the exploration stage for its interests in the Muskwa Project in British Columbia, Canada (see Note 4 and 12), the economic viability of which have not been fully assessed. The Company has not yet determined whether these properties contain reserves that are economically recoverable. The recoverability of capitalized costs on the Muskwa Project is uncertain and dependent upon projects achieving commercial production or sale. The outcome of these matters cannot be predicted at this time.

**1. CORPORATE INFORMATION AND CONTINUANCE OF OPERATIONS (CONTINUED)**

**Going Concern (continued)**

The Company is considering a number of alternatives to secure additional capital including obtaining funding facilities or equity financings. Although management intends to secure additional financing there is no assurance management will be successful or that it will establish future profitable operations. These factors together raise significant doubt about the Company's ability to continue as a going concern.

	December 31, 2020 \$	December 31, 2019 \$
Working capital (deficiency)	(3,075)	98,431
Net parent investment	10,590,579	10,276,798

If the going concern assumption was not appropriate for these carve-out financial statements then adjustments would be necessary to the carrying value of assets and liabilities, the reported expenses and the carve-out statement of financial position classifications used and such amounts would be material.

**COVID-19**

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time.

**2. SIGNIFICANT ACCOUNTING STANDARDS AND BASIS OF PREPARATION**

**a) Statement of compliance to International Financial Reporting Standards**

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

The carve-out financial statement of the Company for the year ended December 31, 2020 and 2019 were approved by the Board of Directors on September 21, 2021.

**b) Basis of preparation**

These carve-out financial statements have been prepared on the basis of IFRS standards that are effective as at December 31, 2020, and on a historical cost basis except for financial instruments classified as fair value through profit or loss that have been measured at fair value.

These carve-out financial statements present the historical financial information of the Company and allocations of shared expenses of the Parent that are attributable to the Company.

The basis of preparation for the carve-out statements of financial position, comprehensive loss, changes in equity and cash flows of the Company have been applied. These carve-out financial statements have been extracted from historical accounting records of the Parent with estimates used, when necessary, for certain allocations.

## 2. SIGNIFICANT ACCOUNTING STANDARDS AND BASIS OF PREPARATION (CONTINUED)

### b) Basis of preparation (continued)

- The carve-out statements of financial position reflect the assets and liabilities recorded by the Company and any other assets and liabilities which have been assigned to the Company on the basis that they are specifically identifiable and attributable to the Company;
- The carve-out statements of comprehensive income (loss) include the operating results of the Company and a pro-rata allocation of the Parent's expenses incurred in each of the periods presented based on the degree of involvement of the Parent in the Company in those periods. The average allocation of expenses for each period presented is as follows: 2020 – 7% and 2019 – 66%. These percentages are considered reasonable under the circumstances;
- Income taxes have been calculated as if the Company had been a separate legal entity and had filed separate tax returns for the periods presented.

Management cautions readers of these carve-out financial statements that the Company results do not necessarily reflect what the results of operations, financial position, or cash flows would have been had the Company been a separate entity. Further, the allocation of expenses in these carve-out statements of comprehensive income (loss) does not necessarily reflect the nature and level of the Company's future income and operating expenses. The Parent's investment in the Company, presented as equity in these carve-out financial statements, includes the accumulated total comprehensive income (loss) of the Company.

### c) Functional currency

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

### d) Significant accounting judgments and estimates

The preparation of these carve-out financial statements requires management to make judgements and estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these judgements and estimates. The carve-out financial statements include judgements and estimates which, by their nature, are uncertain. The impacts of such judgements and estimates are pervasive throughout the carve-out financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods.

Significant assumptions about the future and other sources of judgements and estimates that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

#### Critical Judgments

- Functional currency for the Company

In concluding that the Canadian dollar is the functional currency of the Company, management considered the currency that mainly influences the cost of providing goods and services in the jurisdiction in which the Company operates. As no single currency was clearly dominant, the Company also considered secondary indicators including the currency in which funds from financing activities are denominated and the currency in which funds are retained.

## 2. SIGNIFICANT ACCOUNTING STANDARDS AND BASIS OF PREPARATION (CONTINUED)

### d) Significant accounting judgments and estimates

#### Estimates

- The recoverability of amount receivable which is included in the carve-out statements of financial position;
- The Company uses the Black-Scholes option pricing model to determine the fair value of options and finders' warrants in order to calculate share-based payments expense. Certain inputs into the model are estimates that involve considerable judgment and are or could be affected by significant factors that are out of the Company's control;
- The assessment of indications of impairment of each exploration and evaluation asset and related determination of the net realizable value and write-down of those assets where applicable.

### e) Significant accounting policies

#### Foreign exchange

- **Translation of foreign transactions and balances into the functional currency**  
Foreign currency transactions are translated into the functional currency of the underlying entity using appropriate average rates of exchange. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange in effect at the end of each reporting period. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held on call with banks, highly liquid investments that are readily convertible into a known amount of cash and which are subject to insignificant risk of changes in value, net of bank overdrafts which are repayable on demand. As at December 31, 2020 and December 31, 2019, the Company did not have any cash equivalents.

#### Financial instruments

- **Financial assets**

##### Classification and measurement

The Company classifies its financial assets in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") or at amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

The classification of debt instruments is driven by the business model for managing the financial assets and their contractual cash flow characteristics. Debt instruments are measured at amortized cost if the business model is to hold the instrument for collection of contractual cash flows and those cash flows are solely principal and interest. If the business model is not to hold the debt instrument, it is classified as FVTPL. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

## 2. SIGNIFICANT ACCOUNTING STANDARDS AND BASIS OF PREPARATION (CONTINUED)

### e) Significant accounting policies (continued)

#### Financial instruments (continued)

- **Financial assets (continued)**

##### Classification and measurement (continued)

Equity instruments that are held for trading (including all equity derivative instruments) are classified as FVTPL, for other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument by-instrument basis) to designate them as at FVTOCI.

**Financial assets at FVTPL** – Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial asset held at FVTPL are included in the statement of loss and comprehensive loss in the period in which they arise. Derivatives are also categorized as FVTPL unless they are designated as hedges. As at December 31, 2020 and December 31, 2019, the Company has classified its cash as FVTPL.

**Financial assets at FVTOCI** – Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. As at December 31, 2020 and December 31, 2019, the Company has no financial assets classified as FVOCI.

**Financial assets at amortized cost** – Financial assets at amortized cost are initially recognized at fair value and subsequently carried at amortized cost less any impairment. They are classified as current assets or non-current assets based on their maturity date. As at December 31, 2020 and December 31, 2019, the Company has classified its amounts receivable as amortized cost.

##### Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the loss allowance for the financial asset is measured at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the loss allowance is measured for the financial asset at an amount equal to twelve month expected credit losses.

Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized.

##### Derecognition of financial assets

Financial assets are derecognized when they mature or are sold, and substantially all the risks and rewards of ownership have been transferred. Gains and losses on derecognition of financial assets classified as FVTPL or amortized cost are recognized in the statement of profit or loss. Gains or losses on financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

## 2. SIGNIFICANT ACCOUNTING STANDARDS AND BASIS OF PREPARATION (CONTINUED)

### e) Significant accounting policies (continued)

#### Financial instruments (continued)

- **Financial liabilities**

##### Classification and measurement

The Company classifies its financial liabilities into one of two categories as follows:

***Fair value through profit or loss (FVTPL)*** – This category comprises derivatives and financial liabilities incurred principally for the purpose of selling or repurchasing in the near term. They are carried at fair value with changes in fair value recognized in profit or loss.

***Other financial liabilities*** – This category consists of liabilities carried at amortized cost using the effective interest method. The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire. As at December 31, 2020 and December 31, 2019, the Company has classified its accounts payable and accrued liabilities and notes payable as other financial liabilities.

##### Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the consolidated statement of loss.

Refer to Note 10 for further disclosures.

#### Taxation

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

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

## 2. SIGNIFICANT ACCOUNTING STANDARDS AND BASIS OF PREPARATION (CONTINUED)

### e) Significant accounting policies (continued)

#### Share-based payments

The Company benefits from the Parent's stock option plan which allows employees, directors, officers and consultants to acquire the common shares of the Parent (the "Silver Shares"). The fair value of options granted is recognized as share-based payment expense with a corresponding increase in reserves. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

Fair value is measured at grant date, and each tranche is recognized using the graded vesting method over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of stock options that are expected to vest. In situations where equity instruments are issued to consultants and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

#### Exploration and evaluation

- **Exploration and evaluation assets**

Exploration and evaluation assets include acquired mineral rights for mineral exploration properties held by the Company. The amount of consideration paid (in cash or share value) for mineral rights is capitalized. The amounts shown for exploration and evaluation assets represent costs of acquisition, incurred to date, less recoveries, and do not necessarily reflect present or future values. These costs will be written off if the evaluation and exploration assets are abandoned or sold. Included in the cost of exploration and evaluation assets is the cost of any estimated decommissioning liability. The Company has classified exploration and evaluation assets as intangible in nature. Depletion of costs capitalized on projects put into commercial production will be recorded using the unit-of-production method based upon reserves.

Ownership in exploration and evaluation assets involves certain inherent risks, including geological, metal prices, operating costs, and permitting risks. Many of these risks are outside the Company's control. The ultimate recoverability of the amounts capitalized for the evaluation and exploration assets is dependent upon the delineation of economically recoverable ore reserves, obtaining the necessary financing to complete their development, obtaining the necessary permits to operate a mine, and realizing profitable production or proceeds from the disposition thereof. Management's estimates of recoverability of the Company's investment in its exploration and evaluation assets have been based on current and expected conditions. However, it is possible that changes could occur which could adversely affect management's estimates and may result in future write downs of exploration and evaluation assets carrying values.

## 2. SIGNIFICANT ACCOUNTING STANDARDS AND BASIS OF PREPARATION (CONTINUED)

### e) Significant accounting policies (continued)

#### Exploration and evaluation (continued)

- **Exploration and evaluation costs**

Exploration and evaluation costs, other than those described above, are expensed as incurred until such time as mineral reserves are proven or probable, permits to operate the mineral resource property are received and financing to complete development has been obtained. Following confirmation of mineral reserves, receipt of permits to commence mining operations and obtaining necessary financing, exploration and evaluation costs are capitalized as deferred development expenditures included within equipment.

#### Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's cash-generating unit's ("CGU") fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the asset is tested as part of a larger CGU. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

For exploration and evaluation assets, indicators of impairment include, but are not limited to, expiration of a right to explore, no budgeted or planned material expenditure in an area, or a decision to discontinue exploration in a specific area.

Impairment losses of continuing operations are recognized in net loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or CGU) in prior years.

#### New accounting standards

The new standards or amendments issued but not yet effective are either not applicable or not expected to have a significant impact on the Company's carve-out financial statements.

## Fabled Copper Corp. Carve-out

Notes to the Carve-out Financial Statements

For The Years Ended December 31, 2020 and 2019

(Expressed in Canadian Dollars)

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### 3. ARRANGEMENT AGREEMENT

Pursuant to the terms of an Arrangement Agreement (the “Arrangement”) dated September 17, 2021, Fabled Silver and the Company will participate in a series of transactions whereby, among other things, Fabled Silver will distribute the Company’s Shares (the “SpinCo Shares”) such that the holders of the Silver Shares, other than the dissenting shareholders, will become the holders of the SpinCo Shares.

The purpose of the Arrangement and the related transactions is to reorganize Fabled Silver into two separate publicly-traded companies:

- Fabled Silver, which will be an exploration company focused in Mexico holding the Santa Maria Project; and
- the Company, which will be an exploration company focused on British Columbia copper assets, being entered into an option agreement with the Muskwa Project (Notes 4).

Pursuant to the Arrangement, the current Silver Shares issued and outstanding will be exchanged for one new Fabled Silver share (the “New Silver Shares”) and one-fifth of the SpinCo Shares (the “Share Exchange”). The Silver Shares will be cancelled once the Share Exchange is completed.

For the current Fabled Silver option holders, the current issued Fabled Silver’s options (the “Silver Options”) will be transferred and exchanged for one Fabled Silver replacement option (the “Replacement Option”). The Replacement Option entitles the holder to acquire one New Silver Shares with an exercise price equal to the original exercise price of the Silver Options multiplied by the fair value of the New Silver Shares at the closing date of the Arrangement (the “Closing Date”), then divided by the fair value of the New Silver Shares and the fair value of one-fifth of the SpinCo Shares at the Closing Date.

For the current Fabled Silver warrant holders, the current issued Fabled Silver’s warrants (the “Silver Warrants”) will be amended to entitle the holders of the Silver Warrants to receive, upon exercise the Silver Warrants with the original exercise price, one New Silver Share and one-fifth the SpinCo Shares.

The Arrangement is subject to shareholder and TSX Venture Exchange approval.

#### 4. EXPLORATION AND EVALUATION ASSETS

##### Exploration and evaluation assets

The Company is engaged in the business of exploration and development of mineral projects. The Company has the rights to acquire and explore the “Muskwa Project” (currently comprised of the Neil Property, the Toro Property and the Bronson Property (Note 12)) located in the Liard Mining Division in northern British Columbia.

The Company has, subsequent to December 31, 2020, renamed and re-categorized its holdings in northern British Columbia to better identify them. Please see Note 12 for an explanation of the same. The following section refers to the categorization of such holdings as at December 31, 2020.

	ChurchKey Property \$	Toro Property \$	Neil/Ram Creek Property \$	Ribbon Property \$	Total \$
<b>Balance as at December 31, 2018</b>	-	3,201,667	2,563,884	1,551,667	7,317,218
Acquisition costs					
- cash	83,394	-	-	-	83,394
Impairment	(83,394)	(3,201,667)	(2,563,884)	(1,551,667)	(7,400,612)
<b>Balance as at December 31, 2019</b>	-	-	-	-	-
Acquisition costs					
- cash	150,000	-	-	-	150,000
Impairment	(150,000)	-	-	-	(150,000)
<b>Balance as at December 31, 2020</b>	-	-	-	-	-

##### Exploration and evaluation costs

During the year ended December 31, 2019, the Company incurred the following exploration and evaluation costs:

	ChurchKey Property \$	Toro Property \$	Neil/Ram Creek Property \$	Ribbon Property \$	Total \$
Geological	159,400	181,530	161,462	149,888	652,280

No exploration and evaluation costs were incurred during the year ended December 31, 2020.

##### Neil/Ram Creek Property

On January 23, 2017, the Company entered into an assignment agreement (the “Neil/Ram Creek Assignment Agreement”) with an arm’s length company (the “Assignor”) to acquire all of the Assignor’s right title and interest in an option agreement (the “Neil/Ram Creek Option Agreement”) with a third-party company (the “Optionor”). Under the Neil/Ram Creek Option Agreement, the Company has an option to acquire an undivided 100% interest in three mineral claims located within the Omineca mining division, British Columbia, Canada (the “Neil/Ram Creek Property”). Pursuant to the Neil/Ram Creek Assignment Agreement, the Company acquired a 50% interest in the three mineral claims and issued 9,349,595 the Silver Shares valued at \$2,500,000 to the Assignor during the year ended September 30, 2017.

#### 4. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

##### **Neil/Ram Creek Property (continued)**

The Neil/Ram Creek Option Agreement, dated August 17, 2016, requires the Company to pay \$5,000,000 to acquire the remaining 50% interest by August 17, 2021 (the “2021 Neil/Ram Creek Payment”) (See Note 12 “Subsequent Events” for further discussions). Commencing on March 3, 2018, the Company shall pay a non-refundable annual advance royalty payment of \$50,000 to the Optionor on March 3, 2019. The Optionor retains a royalty of 2% of NSR.

In respect of the advance royalty payment of \$50,000 due on March 3, 2019, the Company and the Optionor agreed to extend the date for payment to the earlier of December 31, 2019 and the date the Company completes a financing or series of financings for a total of not less than \$1,500,000. Subsequently, the Company and the Optionor further extended the due date for the payment of such advance royalty payment and additional advance royalty payments of \$50,000 due on March 3, 2020 and to become due on March 3, 2021 to March 31, 2021 (collectively the “\$150,000 Neil/Ram Creek Property Outstanding Payment”) in consideration of an additional payment of combined \$50,000 to be made to the Optionor’s of the Neil/Ram Creek, Ribbon and Toro properties (the “Additional Payment”) on the date that the Company completes a financing for not less than \$2,500,000 (See Note 12 “Subsequent Events” for further discussions). The Additional Payment was made during the year ended December 31, 2020 and recognized as finance costs in the statement of loss and comprehensive loss.

During the year ended December 31, 2019, the Company recorded an impairment loss \$2,563,884.

##### **ChurchKey Property**

On August 6, 2019 the Company completed the acquisition of the ChurchKey Property. Pursuant to the option agreement, the Company is required to make the following payments to ChurchKey Mines Inc. (“ChurchKey”) in order to exercise its option to acquire the ChurchKey Property:

- \$50,000 (paid) in cash on August 6, 2019;
- \$50,000 in cash on or before November 4, 2019 (paid)<sup>(1)</sup>;
- \$100,000 in cash on or before August 6, 2020 (paid)<sup>(1)</sup>;
- \$250,000 in cash on or before August 6, 2021;
- \$300,000 in cash on or before August 6, 2022;
- \$500,000 in cash on or before August 6, 2023; and
- \$750,000 in cash on or before August 6, 2024.

<sup>(1)</sup> (collectively the “2<sup>nd</sup> and 3<sup>rd</sup> Payments”).

The Company has granted the Vendor a 2% NSR with respect to the ChurchKey Property upon commencement of commercial production. In addition, the Company had the exclusive right to purchase 1% of the NSR at any time in the first four years following closing for \$425,000 if it makes an annual payment of \$25,000 on each of the 4 anniversaries of closing. The Company has not made such payments to date. If such option is not exercised, the Company will have the non-exclusive right to purchase that 1% of the NSR for the equivalent of 275,000 pounds of copper multiplied by the quoted London Metal Exchange price at the date of the purchase at any time up to the date of commencement of commercial production. The Company will also have the non-exclusive right to purchase the remaining 1% of the NSR for the equivalent of 400,000 pounds of copper multiplied by the quoted London Metal Exchange price at the date of the purchase at any time up to the date of commencement of commercial production. No shares were issuable in connection with this agreement.

#### 4. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

##### ***ChurchKey Property (continued)***

On June 15, 2020, the Company entered into an extension agreement with ChurchKey (the “1<sup>st</sup> Extension Agreement”) to extend the payment date of the 2<sup>nd</sup> and 3<sup>rd</sup> Payments to October 31, 2020. In consideration of such extensions an additional payment of \$50,000 (the “1<sup>st</sup> Extension Cost”) will be made to ChurchKey on the date that the Group completes its next financing.

On October 21, 2020, the Company entered into a second extension agreement with ChurchKey (the “2<sup>nd</sup> Extension Agreement”) to extend the payment due date agreed pursuant to the 1<sup>st</sup> Extension Agreement as follows:

- The 1<sup>st</sup> Extension Cost to be paid at the date of signing the 2<sup>nd</sup> Extension Agreement (paid); and
- The 2<sup>nd</sup> and 3<sup>rd</sup> Payments to be paid upon completion of the Acquisition (paid).

In consideration of such extensions an additional payment of \$50,000 (the “2<sup>nd</sup> Extension Cost”) (paid) will be made to ChurchKey on or before January 1, 2021.

The 1<sup>st</sup> Extension Cost and the 2<sup>nd</sup> Extension was recognized as finance costs in the statement of loss and comprehensive loss during the year ended December 31, 2020.

The 2<sup>nd</sup> and 3<sup>rd</sup> Payments were capitalized as exploration and evaluation costs and subsequently written off to the statement of loss and comprehensive loss due to management’s decision not to conduct any significant work in the near future.

During the year ended December 31, 2020, the Company recorded an impairment loss of \$150,000 (December 31, 2019 – \$83,394).

##### ***Ribbon Property***

On March 4, 2017, the Company entered into an assignment agreement (the “Ribbon Assignment Agreement”) with various arm’s length individuals and companies (collectively the “Assignors”) to acquire all of the Assignors’ right title and interest in an option agreement (the “Ribbon Option Agreement”) with a third-party company (the “Optionor”). Under the Ribbon Option Agreement, the Company acquired an undivided 100% interest in two mineral claims located within the Omineca mining division, British Columbia, Canada (the “Ribbon Property”). Pursuant to the Ribbon Assignment Agreement, the Company issued 5,048,781 the Silver Shares valued at \$1,350,000 to the Assignors during the year ended September 30, 2017.

The Ribbon Option Agreement, dated March 3, 2017, requires the Company to pay \$100,000 within 180 days of March 3, 2017 (paid) to acquire 100% interest in the Ribbon Property, such payment having been made during the year ended December 31, 2018. Commencing on March 3, 2018, the Company is required to pay an annual non-refundable annual advance royalty payment of \$100,000 to the Optionor on March 31, 2019. The Optionor retains a royalty of 2% of NSR.

In respect of the advance royalty payment of \$100,000 due on March 3, 2019, the Company and the Optionor agreed to extend the date for payment to the earlier of December 31, 2019 and the date the Group completes a financing or series of financings for a total of not less than \$1,500,000.

#### 4. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

##### **Ribbon Property**

Subsequently, the Company and the Optionor further extended the due date for the payment of such advance royalty payment and additional advance royalty payments of \$100,000 due on March 3, 2020 and to become due on March 3, 2021 to March 31, 2021 (collectively the "\$300,000 Ribbon Property Outstanding Payment") in consideration of the Additional Payment to be made to the Optionor's of the Neil/Ram Creek, Ribbon and Toro properties (the "Additional Payment") on the date that the Group completes a financing for not less than \$2,500,000 (See Note 12 "Subsequent Events for further discussions). The Additional Payment was made during the year ended December 31, 2020 and recognized as finance costs in the statement of loss and comprehensive loss.

During the year ended December 31, 2019, the Company has recorded an impairment loss \$1,551,667.

##### **Toro Property**

On March 4, 2017, the Company entered into an assignment agreement (the "Toro Assignment Agreement") with two directors of the Company (the "Assignors") to acquire all of the Assignors' right title and interest in an option agreement (the "Toro Option Agreement") with a third-party company (the "Optionor"). Under the Toro Option Agreement, the Company has an option to acquire an undivided 100% interest in nine mineral claims located within the Omineca mining division, British Columbia, Canada (the "Toro Property"). Pursuant to the Toro Assignment Agreement, the Company issued 11,219,515 the Silver Shares valued at \$3,000,000 to the Assignors during the year ended September 30, 2017.

The Toro Option Agreement, dated March 3, 2017, requires the Company to pay \$100,000 within 180 days of March 3, 2017 (paid) to acquire an undivided 50% interest in the Toro Property (the "First Option"), such payment having been made in the year ended December 31, 2018. To acquire the remaining 50% interest (the "Second Option"), the Company shall pay \$5,000,000 by March 3, 2022 (the 2022 Toro Payment") (See Note 12 "Subsequent Events for further discussions). Commencing on March 3, 2018, the Company was required to pay a non-refundable annual advance royalty payment of \$100,000 to the Optionor on March 3, 2019. The Optionor retains a royalty of 2% of Net Smelter Return ("NSR").

With respect to the advance royalty payment of \$100,000 due on March 3, 2019, the Company and the Optionor agreed to extend the date for payment to the earlier of December 31, 2019 and the date the Company completes a financing or series of financings for a total of not less than \$1,500,000. Subsequently, the Company and the Optionor further extended the date for the payment of such advance royalty payment and additional advance royalty payments of \$100,000 due on March 3, 2020 and to become due on March 3, 2021 to March 31, 2021 (collectively the "\$300,000 Toro Property Outstanding Payment") in consideration of the Additional Payment to be made to the Optionor's of the Neil/Ram Creek, Ribbon and Toro properties on the date that the Group completes a financing for not less than \$2,500,000 (See Note 12 "Subsequent Events" for further discussions). The Additional Payment was made during the year ended December 31, 2020 and recognized as finance costs in the statement of loss and comprehensive loss.

During the year ended December 31, 2019, the Company has recorded an impairment loss \$3,201,667.

## **5. NOTE PAYABLE**

As at December 31, 2020, the Company owed \$5,000 to a director of the Parent (December 31, 2019 – \$10,000). The loan is interest free and unsecured with no fixed terms of repayment.

During the year ended December 31, 2020, the Company repaid \$5,000 of the note payable.

Subsequent to December 31, 2020, the Company repaid the remaining \$5,000 of the note payable.

## **6. NET PARENT INVESTMENT**

Net parent investment represents the accumulated net contributions from the Parent and the portion of the share-based payments allocated to the Company. The portion of the share-based payments was determined based on the degree of involvement of the optionees in the Company in the periods presented. During the years ended December 31, 2020 and December 31, 2019, 10% and 77% of the share-based payments initially recognized by the Parent were allocated to the Company, respectively.

Net financing transactions with the Parent as presented in the carve-out combined statements of cash flows represent the net contributions related to the funding of operations between the Company and the Parent.

## **7. RELATED PARTY TRANSACTIONS AND BALANCES**

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. The Company has identified its directors and officers as its key management personnel. Other related parties to the Company include companies in which key management has control or significant influence.

During the year ended December 31, 2020 and 2019, the Company recognized \$30,000 and \$nil as management fees, respectively. In addition, the Company recognized share-based payment of \$8,248 and \$86,576 related the options granted to the related parties by the Parent during the year ended December 31, 2020 and 2019, respectively.

The cost allocation was determined based on the degree of involvement of the related parties to the Company during the year ended December 31, 2020 and 2019.

## **8. SEGMENTED INFORMATION**

The Company operates in one single reportable segment, being the acquisition and exploration of mineral resource properties. All of the Company's assets are located in Canada.

## 9. CAPITAL MANAGEMENT

As a separate resource exploration activity, the Company does not have share capital and its equity is a carve-out amount from the Parent's equity. The Parent has no debt and does not expect to enter into debt financing. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of underlying assets. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the acquisition and exploration of its exploration and evaluation assets. The Company is dependent on the funding from the Parent. Neither the Company nor the Parent is subject to any externally imposed capital restrictions.

## 10. FINANCIAL INSTRUMENTS

### Fair value

The carrying values of cash, amounts receivable, accounts payable and accrued liabilities, and note payable approximate their fair values due to the relatively short period to maturity of those financial instruments.

Financial instruments recorded at fair value on the carve-out statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy are as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3: Inputs that are not based on observable market data.

As at December 31, 2020 and December 31, 2019, the financial instrument recorded at fair value on the carve-out statements of financial position is cash which is measured using Level 1 of the fair value hierarchy.

Set out below are the Company's financial assets and financial liabilities by category:

	December 31, 2020 \$	FVTPL \$	Amortized costs \$	FVTOCI \$
<b>Financial assets:</b>				
<b>ASSETS</b>				
Cash	277	277	-	-
Amounts receivable	1,648	-	1,648	-
<b>Financial liabilities:</b>				
<b>LIABILITIES</b>				
Note payable	(5,000)	-	(5,000)	-

**10. FINANCIAL INSTRUMENTS (CONTINUED)**

**Fair value (continued)**

	December 31, 2019			
	\$	FVTPL	Amortized costs	FVTOCI
		\$	\$	\$
<b>Financial assets:</b>				
<b>ASSETS</b>				
Cash	121,325	121,325	-	-
Amounts receivable	1,030	-	1,030	-
<b>Financial liabilities:</b>				
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	(13,924)	-	(13,924)	-
Note payable	(10,000)	-	(10,000)	-

**Financial risk management**

**Credit risk**

Credit risk is the risk that a counterparty to a financial instrument will not discharge its obligations resulting in a financial loss to the Company. The Company has procedures in place to minimize its exposure to credit risk.

Management evaluates credit risk on an ongoing basis including counterparty credit rating and activities related to amounts and other receivables and other counterparty concentrations as measured by amount and percentage.

The primary sources of credit risk for the Company arise from cash and amounts receivable. The Company's maximum exposure to credit risk is minimal as cash is deposited with reputable financial institutions. Amounts receivable are due from a government agency.

**Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure.

Accounts payable and accrued liabilities and note payable are due within twelve months of the statement of financial position date.

## 10. FINANCIAL INSTRUMENTS (CONTINUED)

### **Financial risk management (continued)**

#### Market risk

The significant market risks to which the Company is exposed are interest rate risk, currency risk, other price risk, and commodity price risk.

- Interest rate risk  
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to varying interest rates on cash. The Company has no interest-bearing debt.
- Currency risk  
The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in Canadian dollars. As at December 31, 2020 and December 31, 2019, the Company is not exposed to significant currency risk as the majority of the transactions and balances are denominated in Canadian dollars.
- Other price risk  
The Company is exposed to price risk with respect to equity prices. Price risk as it relates to the Company is defined as the potential adverse impact on the Company's ability to raise financing due to movements in the individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

## 11. INCOME TAXES

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

	2020	2019
	\$	\$
<b>Loss for the year</b>	<b>(415,287)</b>	<b>(8,209,079)</b>
Expected income tax (recovery)	(112,000)	(2,216,000)
Change in statutory, foreign tax, foreign exchange rates and other	(14,000)	(34,000)
Permanent differences	2,000	25,000
Change in unrecognized deductible temporary differences	124,000	2,225,000
<b>Total income tax expense (recovery)</b>	<b>-</b>	<b>-</b>

## 11. INCOME TAXES (CONTINUED)

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

	December 31, 2020 \$	Expiry Range	December 31, 2019 \$	Expiry Range
<b>Temporary Differences</b>				
Exploration and evaluation assets	8,259,000	No expiry date	7,959,000	No expiry date
Non-capital losses available for future period	440,000	2036 to 2040	193,000	2036 to 2039

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

## 12. SUBSEQUENT EVENTS

- On April 8, 2021, the Company entered into an amended and restated option agreement (the "Amended Option Agreement") with respect to the Neil/Ram Creek, Ribbon and Toro Properties. Pursuant to the Amended Agreement, the Company also has the right to acquire additional claims covering an additional 3,842 hectares, including 2 claims which are contiguous with and form part of the Neil Property, and 4 mineral claims located in the same geographical area and with the same geophysical profile as the Muskwa Project, and referred to as the Bronson Property, in consideration of the payment of the following amounts:

- (i) \$200,000 on April 8, 2021 (paid);
- (ii) \$500,000 on April 8, 2022;
- (iii) \$750,000 on April 8, 2023;
- (iv) \$1,000,000 on April 8, 2024; and
- (v) \$2,000,000 on April 8, 2025.

In addition, the Company is no longer required to make the followings payments:

- the 2021 Neil/Ram Creek Payment;
- the 2022 Toro Payment;
- the \$150,000 Neil/Ram Creek Property Outstanding Payment;
- the \$300,000 Ribbon Property Outstanding Payment; and
- the \$300,000 Toro Property Outstanding Payment.

Following the above agreement, the Company has renamed its mineral title holdings in Northern BC to be collectively called the Muskwa Project. The Muskwa Project consists of three separate mineral claim blocks being the Neil Property (comprised of the previously referred to and contiguous Neil Ram/Creek Property, Ribbon Property and ChurchKey Property), the Toro Property and the Bronson Property.

## Fabled Copper Corp. Carve-out

Notes to the Carve-out Financial Statements

For The Years Ended December 31, 2020 and 2019

(Expressed in Canadian Dollars)

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### 12. SUBSEQUENT EVENTS (CONTINUED)

- In connection with the Arrangement, the Company completed a private placement to satisfy the CSE listing requirements (the “Private Placement”). The Company raised gross proceeds of \$6,900,000 by issuing:
  - 101,670,200 conventional unit subscription receipts (the “Conventional Unit Subscription Receipt”) at a price of \$0.05 per Conventional Unit Subscription Receipt; and
  - 30,274,833 flow-through unit subscription receipts (the “FT Unit Subscription Receipt”) at a price of \$0.06 per FT Unit Subscription Receipt.

Each Conventional Unit Subscription Receipt will be automatically exchanged into one unit consisting of one common share in the capital of the Company (a “Common Share”) and one Common Share purchase warrant (a “Warrant”) upon satisfaction of the escrow release conditions. Each FT Unit Subscription Receipt will be automatically exchanged into one unit consisting of one Common Share that will qualify as a “flow-through share” within the meaning of subsection 66(15) of the Income Tax Act (Canada) (the “Tax Act”) and one Warrant upon satisfaction of the escrow release conditions.

Each Warrant will entitle the holder thereof to purchase one Common Share (a “Warrant Share”) at an exercise price of \$0.10, at any time up to 24 months from the date of satisfaction of the escrow release conditions.

In connection with the Private Placement, the Company paid \$190,190 in agent’s expenses and 8.0% cash agency fee (\$512,239) and issued 9,774,386 broker warrants to Research Capital Corp. (the “Agent”). The broker warrants are automatically exchanged into compensation options upon completion of the Arrangement. Each compensation option is exercisable into one unit consisting of one Common Share and one Warrant, at \$0.05 unit for a period of two years from the date the subscription receipts are converted.

The net proceeds have been placed in escrow (the “Escrowed Proceeds”) with an escrow agent and will be released to the Company (together with the interest thereon) upon satisfaction of certain escrow release conditions. On September 14, 2021, \$695,579.99 of Escrowed Proceeds were released to the Company.

**CARVE-OUT MANAGEMENT DISCUSSION AND ANALYSIS**

**FABLED COPPER CORP.**  
**(FORMERLY FABLED COPPER AND GOLD CORP.)**

**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

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## **INTRODUCTION**

This Management Discussion and Analysis (the “MD&A”) of Fabled Copper Corp. (formerly Fabled Copper and Gold Corp.) (the “Company”), a wholly owned subsidiary of Fabled Silver Gold Corp. (“Fabled Silver” or the “Parent”) (formerly Fabled Copper Corp.) (collectively the “Group”), is for the years ended December 31, 2020 and December 31, 2019 and was prepared on September 21, 2021, and should be read in conjunction with the audited carve-out financial statements of the Company for the corresponding periods. The purpose of this MD&A and the carve-out financial statement is to provide general purpose historical financial information of the Company.

The audited carve-out financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and dollar amounts used herein are expressed in Canadian dollars unless otherwise stated. The audited carve-out financial statements have been presented under the historical cost basis of accounting except for certain financial instruments that are measured at revalued amounts or fair values, as explained in the audited carve-out financial statements. In addition, the audited carve-out financial statements have been prepared using the accrual basis of accounting, except for cash flow disclosure. This discussion offers management’s analysis of the financial and operating results of the Company and contains certain forward-looking statements relating, but not limited, to operational information, and future exploration and development plans. Forward-looking information typically contains statements with words such as “anticipate”, “estimate”, “expect”, “potential”, “could” or similar words suggesting future outcomes.

Readers and prospective investors in the Company are cautioned not to place undue reliance on forward-looking information as by its nature, it is based on current expectations regarding future events that involve a number of assumptions, inherent risks and uncertainties, which could cause actual results to differ materially from those anticipated by the Company. For additional information relating to the risks and uncertainties facing the Company and that could affect the performance of its business and results of operations, please refer to the “Risk Factors” disclosed in the prospectus (the “Prospectus”), which is dated September 27, 2021 of the Company.

The audited carve-out financial statements for the Company reflect the financial position, statement of loss and comprehensive loss, cash flows and changes in equity related to the Company. As the Company has not historically prepared financial statements, the carve-out financial statements have been prepared from Fabled Silver’s historical financial records on a carve-out basis with estimates used, when necessary, for certain allocations. The audited carve-out financial statements present the business of the Company, representing the activities, assets and liabilities of the Company that relate to or have been assigned to the Company. The audited carve-out financial statements reflect the substance of the activities, assets, liabilities and expenses attributable to the Company.

## **BACKGROUND**

The Company is an exploration stage Company that is engaged directly in the acquisition and exploration of exploration and evaluation properties in Canada (the “Exploration Business”). The Company is currently generating no revenues from mineral producing operations.

On January 23, 2017, the Company entered into an assignment agreement (the “Neil/Ram Creek Assignment Agreement”) with an arm’s length company (the “Assignor”) to acquire all of the Assignor’s right title and interest in an option agreement (the “Neil/Ram Creek Option Agreement”) with a third-party company (the “Optionor”).

On March 4, 2017, the Company entered into an assignment agreement (the “Toro Assignment Agreement”) with two directors of the Company (the “Assignors”) to acquire all of the Assignors’ right title and interest in an option agreement (the “Toro Option Agreement”) with a third-party company (the “Optionor”).

On March 4, 2017, the Company entered into an assignment agreement (the “Ribbon Assignment Agreement”) with various arm’s length individuals and companies (collectively the “Assignors”) to acquire all of the Assignors’ right title and interest in an option agreement (the “Ribbon Option Agreement”) with a third-party company (the

“Optionor”).

On August 6, 2019, the Company completed the acquisition of the ChurchKey Property.

During the year ended December 31, 2019, the Company impaired a significant amount of its mining projects in order to focus its resources on developing strategies to best make use of its current assets.

On April 8, 2021, the Company and Fabled Silver entered into an amended and restated option agreement (the “Amended MP Option Agreement”) with High Range Exploration Ltd (the “MP Optionor”). The Amended MP Option Agreement provided the right and option to the Company (the “MP Option”) to acquire an undivided 100% interest in the Neil/Ram Creek Property, Toro Property and an additional 3,842 hectares, including 2 claims which are contiguous with the Neil/Ram Creek Property, and 4 mineral claims located in the same geographical area and with the same geophysical profile as the Muskwa Project, and referred to as the Bronson Property (See “EXPLORATION AND EVALUATION ASSETS” for details”).

### **COVID-19**

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn.

The Company could be adversely impacted by the effects of the coronavirus. The extent to which the coronavirus impacts the Company, including its operations and the market for its securities, will depend on future developments, which are highly uncertain and cannot be predicted at this time, and include the duration, severity and scope of the outbreak and the actions taken to contain or treat the coronavirus outbreak. The continued spread of the coronavirus globally could materially and adversely impact the Company’s operations including, workforce productivity, increased insurance premiums, limitations on travel, the availability of industry experts and personnel, and restrictions to its drill programs, exploration and other metallurgical testing. To date, the Company has not had any adverse effects from the coronavirus.

### **PROPOSED TRANSACTION**

Pursuant to the Arrangement Agreement dated September 17, 2021, Fabled Silver and the Company will participate in a series of transactions whereby, among other things, Fabled Silver will distribute the Company’s Shares (the “SpinCo Shares”) such that the holders of the Silver Shares, other than the dissenting shareholders, will become the holders of the SpinCo Shares.

The purpose of the Arrangement and the related transactions is to reorganize Fabled Silver into two separate publicly-traded companies:

- Fabled Silver, which will be an exploration company focused in Mexico holding the Santa Maria Project; and
- the Company, which will be an exploration company focused on British Columbia copper assets, being entered into an option agreement with the Muskwa Project (Note 4).

Pursuant to the Arrangement, the current Silver Shares issued and outstanding will be exchanged for one new Fabled Silver share (the “New Silver Shares”) and one-fifth of the SpinCo Shares (the “Share Exchange”). The Silver Shares will be cancelled once the Share Exchange is completed.

For the current Fabled Silver option holders, the current issued Fabled Silver’s options (the “Silver Options”) will be transferred and exchanged for one Fabled Silver replacement option (the “Replacement Option”). The Replacement Option entitles the holder to acquire one New Silver Shares with an exercise price equal to the original exercise price

of the Silver Options multiplied by the fair value of the New Silver Shares at the closing date of the Arrangement (the “Closing Date”), then divided by the fair value of the New Silver Shares and the fair value of one-fifth of the SpinCo Shares at the Closing Date.

For the current Fabled Silver warrant holders, the current issued Fabled Silver’s warrants (the “Silver Warrants”) will be amended to entitle the holders of the Silver Warrants to receive, upon exercise the Silver Warrants with the original exercise price, one New Silver Share and one-fifth the SpinCo Shares.

The Arrangement is subject to shareholder and TSX Venture Exchange approval.

In connection with the Arrangement, the Company completed a private placement to satisfy the CSE listing requirements (the “Private Placement”). The Company raised gross proceeds of \$6,900,000 by issuing:

- 101,670,200 conventional unit subscription receipts (the “Conventional Unit Subscription Receipt”) at a price of \$0.05 per Conventional Unit Subscription Receipt; and
- 30,274,833 flow-through unit subscription receipts (the “FT Unit Subscription Receipt”) at a price of \$0.06 per FT Unit Subscription Receipt.

Each Conventional Unit Subscription Receipt will be automatically exchanged into one unit consisting of one common share in the capital of the Company (a “Common Share”) and one Common Share purchase warrant (a “Warrant”) upon satisfaction of the escrow release conditions. Each FT Unit Subscription Receipt will be automatically exchanged into one unit consisting of one Common Share that will qualify as a “flow-through share” within the meaning of subsection 66(15) of the Income Tax Act (Canada) (the “Tax Act”) and one Warrant upon satisfaction of the escrow release conditions.

Each Warrant will entitle the holder thereof to purchase one Common Share (a “Warrant Share”) at an exercise price of \$0.10, at any time up to 24 months from the date of satisfaction of the escrow release conditions.

In connection with the Private Placement, the Company paid \$190,190 in agent’s expenses and 8.0% cash agency fee (\$512,239) and issued 9,774,386 broker warrants to Research Capital Corp. (the “Agent”). The broker warrants are automatically exchanged into compensation options upon completion of the Arrangement. Each compensation option is exercisable into one unit consisting of one Common Share and one Warrant, at \$0.05 unit for a period of two years from the date the subscription receipts are converted.

The net proceeds have been placed in escrow (the “Escrowed Proceeds”) with an escrow agent and will be released to the Company (together with the interest thereon) upon satisfaction of certain escrow release conditions. On September 14, 2021, \$695,579.99 of Escrowed Proceeds were released to the Company.

## **EXPLORATION AND EVALUATION ASSETS**

The Company is engaged in the business of exploration and development of mineral projects. The Company has the rights to acquire and explore the “Muskwa Project” (currently comprised of the Neil Property, the Toro Property and the Bronson Property) located in the Liard Mining Division in northern British Columbia.

The Company has, subsequent to December 31, 2020, renamed and re-categorized its holdings in northern British Columbia to better identify them. The following section refers to the categorization of such holdings as at December 31, 2020.

### **Neil/Ram Creek Property**

On January 23, 2017, the Company entered into an assignment agreement (the “Neil/Ram Creek Assignment Agreement”) with an arm’s length company (the “Assignor”) to acquire all of the Assignor’s right title and interest in an option agreement (the “Neil/Ram Creek Option Agreement”) with a third-party company (the “Optionor”). Under the Neil/Ram Creek Option Agreement, the Company has an option to acquire an undivided 100% interest in three mineral claims located within the Omineca mining division, British Columbia, Canada (the “Neil/Ram Creek Property”). Pursuant to the Neil/Ram Creek Assignment Agreement, the Company acquired a 50% interest in the three mineral claims and issued 9,349,595 the Silver Shares valued at \$2,500,000 to the Assignor during the year ended September 30, 2017.

The Neil/Ram Creek Option Agreement, dated August 17, 2016, requires the Company to pay \$5,000,000 to acquire the remaining 50% interest by August 17, 2021 (the “2021 Neil/Ram Creek Payment”) (See Note 12 “Subsequent Events” for further discussions). Commencing on March 3, 2018, the Company shall pay a non-refundable annual advance royalty payment of \$50,000 to the Optionor on March 3, 2019. The Optionor retains a royalty of 2% of NSR.

In respect of the advance royalty payment of \$50,000 due on March 3, 2019, the Company and the Optionor agreed to extend the date for payment to the earlier of December 31, 2019 and the date the Company completes a financing or series of financings for a total of not less than \$1,500,000. Subsequently, the Company and the Optionor further extended the due date for the payment of such advance royalty payment and additional advance royalty payments of \$50,000 due on March 3, 2020 and to become due on March 3, 2021 to March 31, 2021 (collectively the “\$150,000 Neil/Ram Creek Property Outstanding Payment”) in consideration of an additional payment of combined \$50,000 to be made to the Optionor’s of the Neil/Ram Creek, Ribbon and Toro properties (the “Additional Payment”) on the date that the Company completes a financing for not less than \$2,500,000 (See Note 12 “Subsequent Events” for further discussions). The Additional Payment was made during the year ended December 31, 2020 and recognized as finance costs in the statement of loss and comprehensive loss.

During the year ended December 31, 2019, the Company recorded an impairment loss \$2,563,884.

### **ChurchKey Property**

On August 6, 2019 the Company completed the acquisition of the ChurchKey Property. Pursuant to the option agreement, the Company is required to make the following payments to ChurchKey Mines Inc. (“ChurchKey”) in order to exercise its option to acquire the ChurchKey Property:

- \$50,000 (paid) in cash on August 6, 2019;
- \$50,000 in cash on or before November 4, 2019 (paid)<sup>(1)</sup>;
- \$100,000 in cash on or before August 6, 2020 (paid)<sup>(1)</sup>;
- \$250,000 in cash on or before August 6, 2021;
- \$300,000 in cash on or before August 6, 2022;
- \$500,000 in cash on or before August 6, 2023; and
- \$750,000 in cash on or before August 6, 2024.

<sup>(1)</sup> (collectively the “2<sup>nd</sup> and 3<sup>rd</sup> Payments”).

The Company has granted the Vendor a 2% NSR with respect to the ChurchKey Property upon commencement of commercial production. In addition, the Company had the exclusive right to purchase 1% of the NSR at any time in the first four years following closing for \$425,000 if it makes an annual payment of \$25,000 on each of the 4 anniversaries of closing. The Company has not made such payments to date. If such option is not exercised, the Company will have the non-exclusive right to purchase that 1% of the NSR for the equivalent of 275,000 pounds of copper multiplied by the quoted London Metal Exchange price at the date of the purchase at any time up to the date

of commencement of commercial production. The Company will also have the non-exclusive right to purchase the remaining 1% of the NSR for the equivalent of 400,000 pounds of copper multiplied by the quoted London Metal Exchange price at the date of the purchase at any time up to the date of commencement of commercial production. No shares were issuable in connection with this agreement.

On June 15, 2020, the Company entered into an extension agreement with ChurchKey (the “1<sup>st</sup> Extension Agreement”) to extend the payment date of the 2<sup>nd</sup> and 3<sup>rd</sup> Payments to October 31, 2020. In consideration of such extensions an additional payment of \$50,000 (the “1<sup>st</sup> Extension Cost”) will be made to ChurchKey on the date that the Group completes its next financing.

On October 21, 2020, the Company entered into a second extension agreement with ChurchKey (the “2<sup>nd</sup> Extension Agreement”) to extend the payment due date agreed pursuant to the 1<sup>st</sup> Extension Agreement as follows:

- The 1<sup>st</sup> Extension Cost to be paid at the date of signing the 2<sup>nd</sup> Extension Agreement (paid); and
- The 2<sup>nd</sup> and 3<sup>rd</sup> Payments to be paid upon completion of the Acquisition (paid).

In consideration of such extensions an additional payment of \$50,000 (the “2<sup>nd</sup> Extension Cost”) (paid) will be made to ChurchKey on or before January 1, 2021.

The 1<sup>st</sup> Extension Cost and the 2<sup>nd</sup> Extension was recognized as finance costs in the statement of loss and comprehensive loss during the year ended December 31, 2020.

The 2<sup>nd</sup> and 3<sup>rd</sup> Payments were capitalized as exploration and evaluation costs and subsequently written off to the statement of loss and comprehensive loss due to management’s decision not to conduct any significant work in the near future.

During the year ended December 31, 2020, the Company recorded an impairment loss of \$150,000 (December 31, 2019 – \$83,394).

### **Ribbon Property**

On March 4, 2017, the Company entered into an assignment agreement (the “Ribbon Assignment Agreement”) with various arm’s length individuals and companies (collectively the “Assignors”) to acquire all of the Assignors’ right title and interest in an option agreement (the “Ribbon Option Agreement”) with a third-party company (the “Optionor”). Under the Ribbon Option Agreement, the Company acquired an undivided 100% interest in two mineral claims located within the Omineca mining division, British Columbia, Canada (the “Ribbon Property”). Pursuant to the Ribbon Assignment Agreement, the Company issued 5,048,781 the Silver Shares valued at \$1,350,000 to the Assignors during the year ended September 30, 2017.

The Ribbon Option Agreement, dated March 3, 2017, requires the Company to pay \$100,000 within 180 days of March 3, 2017 (paid) to acquire 100% interest in the Ribbon Property, such payment having been made during the year ended December 31, 2018. Commencing on March 3, 2018, the Company is required to pay an annual non-refundable annual advance royalty payment of \$100,000 to the Optionor on March 31, 2019. The Optionor retains a royalty of 2% of NSR.

In respect of the advance royalty payment of \$100,000 due on March 3, 2019, the Company and the Optionor agreed to extend the date for payment to the earlier of December 31, 2019 and the date the Group completes a financing or series of financings for a total of not less than \$1,500,000.

Subsequently, the Company and the Optionor further extended the due date for the payment of such advance royalty payment and additional advance royalty payments of \$100,000 due on March 3, 2020 and to become due on March 3, 2021 to March 31, 2021 (collectively the “\$300,000 Ribbon Property Outstanding Payment”) in

consideration of the Additional Payment to be made to the Optionor's of the Neil/Ram Creek, Ribbon and Toro properties (the "Additional Payment") on the date that the Group completes a financing for not less than \$2,500,000 (See Note 12 "Subsequent Events for further discussions). The Additional Payment was made during the year ended December 31, 2020 and recognized as finance costs in the statement of loss and comprehensive loss.

During the year ended December 31, 2019, the Company has recorded an impairment loss \$1,551,667.

#### **Toro Property**

On March 4, 2017, the Company entered into an assignment agreement (the "Toro Assignment Agreement") with two directors of the Company (the "Assignors") to acquire all of the Assignors' right title and interest in an option agreement (the "Toro Option Agreement") with a third-party company (the "Optionor"). Under the Toro Option Agreement, the Company has an option to acquire an undivided 100% interest in nine mineral claims located within the Omineca mining division, British Columbia, Canada (the "Toro Property"). Pursuant to the Toro Assignment Agreement, the Company issued 11,219,515 the Silver Shares valued at \$3,000,000 to the Assignors during the year ended September 30, 2017.

The Toro Option Agreement, dated March 3, 2017, requires the Company to pay \$100,000 within 180 days of March 3, 2017 (paid) to acquire an undivided 50% interest in the Toro Property (the "First Option"), such payment having been made in the year ended December 31, 2018. To acquire the remaining 50% interest (the "Second Option"), the Company shall pay \$5,000,000 by March 3, 2022 (the 2022 Toro Payment") (See Note 12 "Subsequent Events for further discussions). Commencing on March 3, 2018, the Company was required to pay a non-refundable annual advance royalty payment of \$100,000 to the Optionor on March 3, 2019. The Optionor retains a royalty of 2% of Net Smelter Return ("NSR").

With respect to the advance royalty payment of \$100,000 due on March 3, 2019, the Company and the Optionor agreed to extend the date for payment to the earlier of December 31, 2019 and the date the Company completes a financing or series of financings for a total of not less than \$1,500,000. Subsequently, the Company and the Optionor further extended the date for the payment of such advance royalty payment and additional advance royalty payments of \$100,000 due on March 3, 2020 and to become due on March 3, 2021 to March 31, 2021 (collectively the "\$300,000 Toro Property Outstanding Payment") in consideration of the Additional Payment to be made to the Optionor's of the Neil/Ram Creek, Ribbon and Toro properties on the date that the Group completes a financing for not less than \$2,500,000 (See Note 12 "Subsequent Events" for further discussions). The Additional Payment was made during the year ended December 31, 2020 and recognized as finance costs in the statement of loss and comprehensive loss.

During the year ended December 31, 2019, the Company has recorded an impairment loss \$3,201,667.

On April 8, 2021, the Company entered into an amended and restated option agreement (the "Amended Option Agreement") with respect to the Neil/Ram Creek, Ribbon and Toro Properties. Pursuant to the Amended Agreement, the Company also has the right to acquire additional claims covering an additional 3,842 hectares, including 2 claims which are contiguous with and form part of the Neil Property, and 4 mineral claims located in the same geographical area and with the same geophysical profile as the Muskwa Project, and referred to as the Bronson Property, in consideration of the payment of the following amounts:

- (i) \$200,000 on April 8, 2021 (paid);
- (ii) \$500,000 on April 8, 2022;
- (iii) \$750,000 on April 8, 2023;
- (iv) \$1,000,000 on April 8, 2024; and
- (v) \$2,000,000 on April 8, 2025.

**FABLED COPPER CORP. CARVE-OUT**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020 AND 2019 (Expressed in Canadian Dollars)**

In addition, the Company is no longer required to make the followings payments:

- the 2021 Neil/Ram Creek Payment;
- the 2022 Toro Payment;
- the \$150,000 Neil/Ram Creek Property Outstanding Payment;
- the \$300,000 Ribbon Property Outstanding Payment; and
- the \$300,000 Toro Property Outstanding Payment.

Following the above agreement, the Company has renamed its mineral title holdings in Northern BC to be collectively called the Muskwa Project. The Muskwa Project consists of three separate mineral claim blocks being the Neil Property (comprised of the previously referred to and contiguous Neil Ram/Creek Property, Ribbon Property and ChurchKey Property), the Toro Property and the Bronson Property.

**Exploration and evaluation assets as of December 31, 2020 and 2019**

	ChurchKey Property \$	Toro Property \$	Neil/Ram Creek Property \$	Ribbon Property \$	Total \$
<b>Balance as at December 31, 2018</b>	-	3,201,667	2,563,884	1,551,667	7,317,218
Acquisition costs					
- cash	83,394	-	-	-	83,394
Impairment	(83,394)	(3,201,667)	(2,563,884)	(1,551,667)	(7,400,612)
<b>Balance as at December 31, 2019</b>	-	-	-	-	-
Acquisition costs					
- cash	150,000	-	-	-	150,000
Impairment	(150,000)	-	-	-	(150,000)
<b>Balance as at December 31, 2020</b>	-	-	-	-	-

**Exploration and evaluation costs incurred by the Company during the years ended December 31, 2019**

	ChurchKey Property \$	Toro Property \$	Neil/Ram Creek Property \$	Ribbon Property \$	Total \$
Geological	159,400	181,530	161,462	149,888	652,280

No exploration and evaluation costs were incurred during the year ended December 31, 2020.

**RESULT OF OPERATIONS**

The carve-out statements of comprehensive income (loss) include the operating results of the Company and a pro-rata allocation of the Parent's income and expenses incurred in each of the periods presented based on the degree of involvement of the Parent in the Company in those periods. The average allocation of income and expenses for each period presented is as follows: 2020 – 7% and 2019 – 66%. These percentages are considered reasonable under the circumstances.

The portion of the share-based payments was determined based on the degree of involvement of the optionees in the Company in the periods presented. During the years ended December 31, 2020 and December 31, 2019, 23%, 10% and 77% of the share-based payments initially recognized by the Parent were allocated to the Company, respectively.

***During the year ended December 31, 2020***

The Company is in the exploration stage and has no revenue from operations. During the year ended December 31, 2020, the Company recorded a net loss of \$415,287.

During the year ended December 31, 2020, the Company incurred the following major expenditures:

- Management fees of \$30,000 which were allocated from the Parent;
- Professional fees of \$24,299 of which \$23,904 was allocated from the Parent;
- Property investigation costs of \$39,999;
- Share-based payments of \$7,460 which were allocated from the Parent.

In addition, during the year ended December 31, 2020, the Company paid \$150,000 in option payments which were capitalized as exploration and evaluation assets. The option payments were subsequently written off to the statement of loss and comprehensive loss due to management's decision not to conduct any significant work in the near future. The Company also incurred \$150,000 in finance costs for the year ended December 31, 2020.

***During the year ended December 31, 2019***

The Company is in the exploration stage and has no revenue from operations. During the year ended December 31, 2019, the Company recorded a net loss of \$8,209,079.

During the year ended December 31, 2019, the Company incurred the following major expenditures:

- Consulting fees of \$11,813 which were allocated from the Parent;
- Exploration and evaluation costs of \$652,280;
- Professional fees of \$43,121 which were allocated from the Parent;
- Share-based payments of \$93,154 which were allocated from the Parent.

In addition, during the year ended December 31, 2019, the Company impaired the carrying value of the exploration and evaluation assets with an amount of \$7,400,6112 to the statement of loss and comprehensive loss due to management's decision not to conduct any significant work in the near future.

**LIQUIDITY AND CAPITAL RESOURCES**

The Company is an exploration stage company which has not generated any operating revenues and has relied primarily on funding from Fabled Silver. The Company completed the Private Placement and raised gross proceeds of \$6,900,000 by issuing 101,670,200 Conventional Units at a price of \$0.05 per Conventional Unit and 30,274,833 FT Units at a price of \$0.06 per FT Unit. Management expects that proceeds from the Financing will be sufficient to support operations in the near term. See discussion above under "PROPOSED TRANSACTION" on funds raised by the Company.

The continuing operations of the Muskwa Project are dependent upon the Company's ability to raise additional funds in the future (which it would consider raising via share issuances, debt facilities, joint venture arrangements, or a combination of these options), and the Company's ability to successfully complete the exploration and development of its mineral properties and commence profitable operations in the future.

### **RELATED PARTY TRANSACTIONS AND BALANCES**

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. The Company has identified its directors and officers as its key management personnel. Other related parties to the Company include companies in which key management has control or significant influence.

During the year ended December 31, 2020 and 2019, the Company recognized \$30,000 and \$nil as management fees, respectively. In addition, the Company recognized share-based payment of \$8,248 and \$86,576 related to the options granted to the related parties by the Parent during the year ended December 31, 2020 and 2019, respectively.

The cost allocation was determined based on the degree of involvement of the related parties to the Company during the year ended December 31, 2020 and 2019.

### **SUBSEQUENT EVENTS**

On April 8, 2021, the Company and Fabled Silver entered into the Amended MP Option Agreement with the MP Optionor. The Amended MP Option Agreement provided the MP Option to acquire an undivided 100% interest in the Neil/Ram Creek Property, Toro Property and an additional 3,842 hectares, including 2 claims which are contiguous with the Neil/Ram Creek Property, and 4 mineral claims located in the same geographical area and with the same geophysical profile as the Muskwa Project, and referred to as the Bronson Property (See “EXPLORATION AND EVALUATION ASSETS” for details”).

On May 18, 2021, the Board of Directors of Fabled Silver unanimously approved the Arrangement to proceed with a corporate restructuring by way of a statutory arrangement under the BCBCA, pursuant to which Fabled Silver and the Company will participate in a series of transactions whereby, among other things, Fabled Silver will distribute the SpinCo Shares such that the holders of the Silver Shares, other than the dissenting shareholders, will become the holders of the SpinCo Shares (See “PROPOSED TRANSACTION” for details”).

In connection with the Arrangement, the Company completed the Private Placement. The Company raised gross proceeds of \$6,900,000 by issuing:

- 101,670,200 Conventional Units at a price of \$0.05 per Conventional Unit; and
- 30,274,833 FT Units at a price of \$0.06 per FT Unit.

### **COMMITMENTS**

The Company is engaged in the business of exploration and development of mineral projects. The Company has the rights to acquire and explore the Muskwa Project (currently comprised of the Neil Property, the Toro Property and the Bronson Property) located in the Liard Mining Division in northern British Columbia. For the commitments of the Muskwa Project, please refer to the “Exploration and Evaluation Assets” section for a detailed discussion.

### **FINANCIAL INSTRUMENTS**

In the normal course of business, the Company is inherently exposed to certain financial risks, including market risk, credit risk and liquidity risk, through the use of financial instruments. The timeframe and manner in which the Company manages these risks varies based upon management’s assessment of the risk and available alternatives for mitigating risk. The Company does not acquire or issue derivative financial instruments for trading or speculative

purposes. All transactions undertaken are to support the Company's operations. For a more detailed discussion of the financial risks and the Company's exposure to these risks and the significant assumptions made in determining the fair value of financial instruments, please Refer to Notes 2 and 10 of the carve-out financial statements of the Company for the years ended December 31, 2020 and December 31, 2019.

#### **CRITICAL ACCOUNTING ESTIMATES**

The preparation of the carve-out financial statements require management to use judgment and make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amount of expenses during the period. Actual results could materially differ from these estimates. Refer to Note 2 of the carve-out financial statements of the Company for the years ended December 31, 2020 and December 31, 2019 for a more detailed discussion of the critical accounting estimates and judgments.

#### **NEW ACCOUNTING STANDARDS**

There were no new or amended IFRS pronouncements effective January 1, 2021 that impacted these unaudited condensed consolidated interim financial statements.

#### **OFF-BALANCE SHEET FINANCING ARRANGEMENTS**

As of December 31, 2021, and the date of this MD&A, the Company did not have any off-balance sheet financing arrangements.

#### **RISKS AND UNCERTAINTIES**

The Company faces a variety of risk factors that could affect the performance of the Company's business and results of operations. Management monitors its activities and those factors that could impact them in order to manage risk and make timely decisions. Risks and uncertainties considered material in assessing the carve-out financial statements for the Company are described below. For a comprehensive discussion of additional risks applicable to the Company and its properties and the Company's business and operations, please refer to the "Risk Factors" disclosed in the Prospectus of the Company.

##### **Liquidity Concerns and Additional Future Financing Requirements.**

The Company has relied upon equity subscriptions to satisfy its capital requirements and will likely continue to depend upon these sources to finance its activities. The Company may require capital and operating expenditures in connection with the operation and development of the Muskwa Project and for working capital purposes. There can be no assurance that the Company will be successful in obtaining required financing as and when needed. Volatile markets may make it difficult or impossible the Company to obtain debt financing or equity financing on favourable terms, if at all. Failure to obtain additional financing on a timely basis may cause the Company to postpone or slow down its development plans, forfeit rights in some or all of its properties or reduce or terminate some or all of its activities.

##### **No Revenues.**

To date, the Company has not recorded any revenues from operations. There can be no assurance that the Company will have sufficient capital resources to continue as a going concern, that significant losses will not occur in the near future or that the Muskwa Project will be profitable in the future. The Company expects its exploration and evaluation activities to continue to incur losses unless and until such time as the Muskwa Project enter into commercial production and generate sufficient revenues to fund their continuing operations. The development of the Muskwa Project will continue to require the commitment of substantial resources. There can be no assurance that the Muskwa Project will continue as a going concern, generate any revenues or achieve profitability.

## FORWARD- LOOKING INFORMATION

This MD&A may contain forward-looking statements based on assumptions and judgments of management regarding events or results that may prove to be inaccurate as a result of exploration or other risk factors beyond its control. Actual results may differ materially from the expected results.

Except for statements of historical fact, this MD&A contains certain “forward-looking information” within the meaning of applicable securities law. Forward-looking information is frequently characterized by words such as “plan”, “expect”, “project”, “intend”, “believe”, “anticipate”, “estimate” and other similar words, or statements that certain events or conditions “may” or “will” occur. In particular, forward-looking information in this MD&A includes, but is not limited to, statements with respect to future events and is subject to certain risks, uncertainties and assumptions. Although we believe that the expectations reflected in the forward-looking information are reasonable, there can be no assurance that such expectations will prove to be correct. We cannot guarantee future results, performance or achievements. Consequently, there is no representation that the actual results achieved will be the same, in whole or in part, as those set out in the forward-looking information.

Forward-looking information is based on the opinions and estimates of management at the date the statements are made, which are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those anticipated in the forward-looking information. Some of the risks and other factors that could cause results to differ materially from those expressed in the forward-looking statements include, but are not limited to: general economic conditions in Canada, the United States and globally; industry conditions, including fluctuations in commodity prices; governmental regulation of the mining industry, including environmental regulation; geological, technical and drilling problems; unanticipated operating events; competition for and/or inability to retain drilling rigs and other services; the availability of capital on acceptable terms; the need to obtain required approvals from regulatory authorities; stock market volatility; volatility in market prices for commodities; liabilities inherent in mining operations; changes in tax laws and incentive programs relating to the mining industry; and the other factors described herein under “Risks and Uncertainties” as well as in our public filings available at [www.sedar.com](http://www.sedar.com). Readers are cautioned that this list of risk factors should not be construed as exhaustive.

The forward-looking information contained in this MD&A is expressly qualified by this cautionary statement. We undertake no duty to update any of the forward-looking information to conform such information to actual results or to changes in our expectations except as otherwise required by applicable securities legislation. Readers are cautioned not to place undue reliance on forward-looking information.

**SCHEDULE H**

**SPINCO UNAUDITED CARVE OUT INTERIM FINANCIAL STATEMENTS AND RELATED MD&A**

**[SEE ATTACHED]**

**CARVE-OUT FINANCIAL STATEMENTS**

**FABLED COPPER CORP.**  
**(FORMERLY FABLED COPPER AND GOLD CORP.)**

**FOR THE SIX MONTHS ENDED JUNE 30, 2021**  
**(UNAUDITED)**

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## Fabled Copper Corp. Carve-out

Carve-out Condensed Interim Statements of Financial Position

(Expressed in Canadian Dollars)

	As at	June 30,	December 31,
	Note(s)	2021	2020
		\$	\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash		6,833	277
Amounts receivable		2,578	1,648
Prepaid expenses		289,510	-
		<b>298,921</b>	<b>1,925</b>
<b>Non-current assets</b>			
Exploration and evaluation assets	4	2,404,913	-
<b>TOTAL ASSETS</b>		<b>2,703,834</b>	<b>1,925</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		12,002	-
Note payable	5	-	5,000
<b>TOTAL LIABILITIES</b>		<b>12,002</b>	<b>5,000</b>
<b>EQUITY (DEFICIENCY)</b>			
Net parent investment	6	11,257,672	10,590,579
Deficit		(8,565,840)	(10,593,654)
<b>TOTAL EQUITY (DEFICIENCY)</b>		<b>2,691,832</b>	<b>(3,075)</b>
<b>TOTAL LIABILITIES AND EQUITY (DEFICIENCY)</b>		<b>2,703,834</b>	<b>1,925</b>
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These carve-out combined condensed interim financial statements were approved for issue by the Board of Directors and signed on its behalf by:

/s/ Michael Harrison Director

/s/ David W. Smalley Director

## Fabled Copper Corp. Carve-out

### Carve-out Condensed Interim Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

	Note(s)	For the three months ended		For the six months ended	
		June 30,	June 30,	June 30,	June 30,
		2021	2020	2021	2020
		\$	\$	\$	\$
<b>Expenses (Income)</b>					
Exploration and evaluation costs	4	35,954	-	35,954	-
Foreign exchange gain		-	38	-	38
General and administrative expenses		737	423	1,403	837
Investor relations and promotion		6,299	-	6,299	-
Management fees	7	7,500	-	15,000	-
Professional fees		52,189	2,500	72,607	5,000
Property investigation costs		-	8,535	-	30,484
Recovery of impairment loss of mineral properties	4	(2,204,913)	-	(2,204,913)	-
Regulatory and filing fees		571	-	571	-
Share-based payments	6, 7	33,556	9,179	45,265	16,412
<b>Total comprehensive income (loss)</b>		<b>2,068,107</b>	<b>(20,675)</b>	<b>2,027,814</b>	<b>(52,771)</b>

See accompanying notes to these carve-out financial statements.

## Fabled Copper Corp. Carve-out

Carve-out Condensed Interim Statements of Changes in Shareholders' Equity (Deficit)

(Expressed in Canadian Dollars)

	Note(s)	Net parent investment		Total net parent investment \$	Deficit \$	Total \$
		Funded by \$	Equity settled share-based payments \$			
<b>Balance at December 31, 2020</b>		<b>10,472,299</b>	<b>118,280</b>	<b>10,590,579</b>	<b>(10,593,654)</b>	<b>(3,075)</b>
Total funding provided by Fabled Silver Gold Corp.	6	621,828	-	621,828	-	621,828
Share-based payments	6	-	45,265	45,265	-	45,265
Income for the period		-	-	-	2,027,814	2,027,814
<b>Balance at June 30, 2021</b>		<b>11,094,127</b>	<b>163,545</b>	<b>11,257,672</b>	<b>(8,565,840)</b>	<b>2,691,832</b>
<b>Balance at December 31, 2019</b>		<b>10,165,978</b>	<b>110,820</b>	<b>10,276,798</b>	<b>(10,178,367)</b>	<b>98,431</b>
Total funding withdrawn by Fabled Silver Gold Corp.	6	(111,618)	-	(111,618)	-	(111,618)
Share-based payments	6	-	16,412	16,412	-	16,412
Loss for the period		-	-	-	(52,771)	(52,771)
<b>Balance at June 30, 2020</b>		<b>10,054,360</b>	<b>127,232</b>	<b>10,181,592</b>	<b>(10,231,138)</b>	<b>(49,546)</b>

See accompanying notes to these carve-out financial statements.

## Fabled Copper Corp. Carve-out

### Carve-out Condensed Interim Statements of Cash Flows

(Expressed in Canadian Dollars)

		For the six months ended	For the six months ended
		June 30, 2021	June 30, 2020
	Note(s)	\$	\$
<b>Cash flow provided from (used by)</b>			
<b>OPERATING ACTIVITIES</b>			
<b>Net income (loss) for the period</b>		2,027,814	(52,771)
<b>Adjustments for items not affecting cash:</b>			
Share-based payments	6	45,265	16,412
Recovery of impairment loss of mineral properties	4	(2,204,913)	-
<b>Change in non-cash working capital</b>			
Amounts receivable		(930)	(598)
Prepaid expenses		(289,510)	-
Accounts payable and accrued liabilities		12,002	34,882
<b>Cash flow used in operating activities</b>		<b>(410,272)</b>	<b>(2,075)</b>
<b>INVESTING ACTIVITIES</b>			
Acquisition costs on exploration and evaluation assets	4	(200,000)	-
<b>Cash flow used in investing activities</b>		<b>(200,000)</b>	-
<b>FINANCING ACTIVITIES</b>			
Repayment of note payable	5	(5,000)	-
Funding provided (withdrawn) by Fabled Silver Gold Corp.	6	621,828	(111,618)
<b>Cash flow from financing activities</b>		<b>616,828</b>	<b>(111,618)</b>
<b>Increase (decrease) in cash</b>		<b>6,556</b>	<b>(113,693)</b>
<b>Cash, beginning of period</b>		<b>277</b>	<b>121,325</b>
<b>Cash, end of period</b>		<b>6,833</b>	<b>7,632</b>
<b>SUPPLEMENTAL CASH FLOW</b>			
Cash paid during the period for interest		-	-
Cash paid during the period for income taxes		-	-

See accompanying notes to these carve-out financial statements.

## **Fabled Copper Corp. Carve-out**

Notes to the Carve-out Condensed Interim Financial Statements

For The Six Months Ended June 30, 2021

(Expressed in Canadian Dollars)

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### **1. CORPORATE INFORMATION AND CONTINUANCE OF OPERATIONS**

#### **Introduction to the carve-out financial statements**

The purpose of these carve-out financial statement is to provide general purpose historical financial information of Fabled Copper Corp. (formerly Fabled Copper and Gold Corp.) (the “Company”). The Company is a wholly owned subsidiary of Fabled Silver Gold Corp. (“Fabled Silver” or the “Parent”) (formerly Fabled Copper Corp.) (collectively the “Group”). The accounting policies applied in the carve-out financial statements are, to the extent applicable, consistent with accounting policies applied in the Fabled Silver audited consolidated financial statements.

The carve-out financial statements have been prepared on a “carve-out basis” from the Fabled Sliver audited consolidated financial statement for the purpose of presenting the financial position, results of operations and cash flows of the Company on a stand-alone basis.

The Company is a 100% wholly owned subsidiary of Fabled Silver. The Company is an exploration stage company that is engaged directly in the acquisition and exploration of exploration and evaluation properties in Canada (the “Exploration Business”) (Note 3). To date, the Company has not generated significant revenues from operations and is considered to be in the exploration stage. The address of the Company’s registered and records office is 480 – 1500 West Georgia Street, Vancouver, BC V6G 2Z6, Canada.

#### **Going Concern**

The Company has not yet determined whether its properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for mineral properties and exploration costs is dependent upon the existence of economically recoverable ore reserves, the ability of the Company to obtain necessary financing to complete the exploration and development of its properties, and upon future profitable production or proceeds from the disposal of properties.

These carve-out financial statements have been prepared using accounting principles applicable to a going concern which assumes the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company emphasizes that attention should be drawn to matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The most significant of these being the Company’s ability to carry out its business objectives dependent on the Company’s ability to receive continued financial support from related parties, to obtain public equity financing, or to generate profitable operations in the future. Other uncertainties include the fact that the Company is currently in the exploration stage for its interests in the Muskwa Project in British Columbia, Canada (see Note 4), the economic viability of which have not been fully assessed. The Company has not yet determined whether these properties contain reserves that are economically recoverable. The recoverability of capitalized costs on the Muskwa Project is uncertain and dependent upon projects achieving commercial production or sale. The outcome of these matters cannot be predicted at this time.

## 1. CORPORATE INFORMATION AND CONTINUANCE OF OPERATIONS (CONTINUED)

### **Going Concern (continued)**

The Company is considering a number of alternatives to secure additional capital including obtaining funding facilities or equity financings. Although management intends to secure additional financing there is no assurance management will be successful or that it will establish future profitable operations. These factors together raise substantial doubt about the Company's ability to continue as a going concern.

	June 30, 2021 \$	December 31, 2020 \$
Working capital (deficiency)	286,919	(3,075)
Net parent investment	11,257,672	10,590,579

If the going concern assumption was not appropriate for these carve-out financial statements then adjustments would be necessary to the carrying value of assets and liabilities, the reported expenses and the carve-out statement of financial position classifications used and such amounts would be material.

### **COVID-19**

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time.

The carve-out financial statement of the Company for the six months ended June 30, 2021 were approved by the Board of Directors on September 21, 2021.

## 2. SIGNIFICANT ACCOUNTING STANDARDS AND BASIS OF PREPARATION

### **a) Statement of compliance to International Financial Reporting Standards**

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

### **b) Basis of preparation**

These carve-out financial statements have been prepared on the basis of IFRS standards that are effective as at December 31, 2020, and on a historical cost basis except for financial instruments classified as fair value through profit or loss that have been measured at fair value.

These carve-out financial statements present the historical financial information of the Company and allocations of shared expenses of the Parent that are attributable to the Company.

The basis of preparation for the carve-out statements of financial position, comprehensive loss, changes in equity and cash flows of the Company have been applied. These carve-out financial statements have been extracted from historical accounting records of the Parent with estimates used, when necessary, for certain allocations.

## 2. SIGNIFICANT ACCOUNTING STANDARDS AND BASIS OF PREPARATION (CONTINUED)

### b) Basis of preparation (continued)

- The carve-out statements of financial position reflect the assets and liabilities recorded by the Company and any other assets and liabilities which have been assigned to the Company on the basis that they are specifically identifiable and attributable to the Company;
- The carve-out statements of comprehensive income (loss) include the operating results of the Company and a pro-rata allocation of the Parent's expenses incurred in each of the periods presented based on the degree of involvement of the Parent in the Company in those periods. The average allocation of expenses for the six months ended June 30, 2021 is 18% (June 30, 2020 – 19%). These percentages are considered reasonable under the circumstances;
- Income taxes have been calculated as if the Company had been a separate legal entity and had filed separate tax returns for the periods presented.

Management cautions readers of these carve-out financial statements that the Company results do not necessarily reflect what the results of operations, financial position, or cash flows would have been had the Company been a separate entity. Further, the allocation of expenses in these carve-out statements of comprehensive income (loss) does not necessarily reflect the nature and level of the Company's future income and operating expenses. The Parent's investment in the Company, presented as equity in these carve-out financial statements, includes the accumulated total comprehensive income (loss) of the Company.

### c) Functional currency

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

### d) Significant accounting judgments and estimates

The preparation of these carve-out financial statements requires management to make judgements and estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these judgements and estimates. The carve-out financial statements include judgements and estimates which, by their nature, are uncertain. The impacts of such judgements and estimates are pervasive throughout the carve-out financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods.

Significant assumptions about the future and other sources of judgements and estimates that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

#### Critical Judgments

- Functional currency for the Company  
In concluding that the Canadian dollar is the functional currency of the Company, management considered the currency that mainly influences the cost of providing goods and services in the jurisdiction in which the Company operates. As no single currency was clearly dominant, the Company also considered secondary indicators including the currency in which funds from financing activities are denominated and the currency in which funds are retained.

## 2. SIGNIFICANT ACCOUNTING STANDARDS AND BASIS OF PREPARATION (CONTINUED)

### d) Significant accounting judgments and estimates

#### Estimates

- The recoverability of amount receivable which is included in the carve-out statements of financial position;
- The Company uses the Black-Scholes option pricing model to determine the fair value of options and finders' warrants in order to calculate share-based payments expense. Certain inputs into the model are estimates that involve considerable judgment and are or could be affected by significant factors that are out of the Company's control;
- The assessment of indications of impairment of each exploration and evaluation asset and related determination of the net realizable value and write-down of those assets where applicable.

### e) Significant accounting policies

#### Foreign exchange

- **Translation of foreign transactions and balances into the functional currency**  
Foreign currency transactions are translated into the functional currency of the underlying entity using appropriate average rates of exchange. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange in effect at the end of each reporting period. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held on call with banks, highly liquid investments that are readily convertible into a known amount of cash and which are subject to insignificant risk of changes in value, net of bank overdrafts which are repayable on demand. As at June 30, 2021 and December 31, 2020, the Company did not have any cash equivalents.

#### Financial instruments

- **Financial assets**

##### Classification and measurement

The Company classifies its financial assets in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") or at amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

The classification of debt instruments is driven by the business model for managing the financial assets and their contractual cash flow characteristics. Debt instruments are measured at amortized cost if the business model is to hold the instrument for collection of contractual cash flows and those cash flows are solely principal and interest. If the business model is not to hold the debt instrument, it is classified as FVTPL. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

## 2. SIGNIFICANT ACCOUNTING STANDARDS AND BASIS OF PREPARATION (CONTINUED)

### e) Significant accounting policies (continued)

#### Financial instruments (continued)

- **Financial assets (continued)**

##### Classification and measurement (continued)

Equity instruments that are held for trading (including all equity derivative instruments) are classified as FVTPL, for other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument by-instrument basis) to designate them as at FVTOCI.

**Financial assets at FVTPL** – Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial asset held at FVTPL are included in the statement of loss and comprehensive loss in the period in which they arise. Derivatives are also categorized as FVTPL unless they are designated as hedges. As at June 30, 2021 and December 31, 2020, the Company has classified its cash as FVTPL.

**Financial assets at FVTOCI** – Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. As at June 30, 2021 and December 31, 2020, the Company has no financial assets classified as FVOCI.

**Financial assets at amortized cost** – Financial assets at amortized cost are initially recognized at fair value and subsequently carried at amortized cost less any impairment. They are classified as current assets or non-current assets based on their maturity date. As at June 30, 2021 and December 31, 2020, the Company has classified its amounts receivable as amortized cost.

##### Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the loss allowance for the financial asset is measured at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the loss allowance is measured for the financial asset at an amount equal to twelve month expected credit losses.

Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized.

##### Derecognition of financial assets

Financial assets are derecognized when they mature or are sold, and substantially all the risks and rewards of ownership have been transferred. Gains and losses on derecognition of financial assets classified as FVTPL or amortized cost are recognized in the statement of profit and loss. Gains or losses on financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

## 2. SIGNIFICANT ACCOUNTING STANDARDS AND BASIS OF PREPARATION (CONTINUED)

### e) Significant accounting policies (continued)

#### Financial instruments (continued)

- **Financial liabilities**

##### Classification and measurement

The Company classifies its financial liabilities into one of two categories as follows:

***Fair value through profit or loss (FVTPL)*** – This category comprises derivatives and financial liabilities incurred principally for the purpose of selling or repurchasing in the near term. They are carried at fair value with changes in fair value recognized in profit or loss.

***Other financial liabilities*** – This category consists of liabilities carried at amortized cost using the effective interest method. The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire. As at June 30, 2021 and December 31, 2020, the Company has classified its accounts payable and accrued liabilities and notes payable as other financial liabilities.

##### Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the consolidated statement of loss.

Refer to Note 10 for further disclosures.

#### Taxation

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

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

## 2. SIGNIFICANT ACCOUNTING STANDARDS AND BASIS OF PREPARATION (CONTINUED)

### e) Significant accounting policies (continued)

#### Share-based payments

The Company benefits from the Parent's stock option plan which allows employees, directors, officers and consultants to acquire the common shares of the Parent (the "Silver Shares"). The fair value of options granted is recognized as share-based payment expense with a corresponding increase in reserves. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

Fair value is measured at grant date, and each tranche is recognized using the graded vesting method over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of stock options that are expected to vest. In situations where equity instruments are issued to consultants and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

#### Exploration and evaluation

- **Exploration and evaluation assets**

Exploration and evaluation assets include acquired mineral rights for mineral exploration properties held by the Company. The amount of consideration paid (in cash or share value) for mineral rights is capitalized. The amounts shown for exploration and evaluation assets represent costs of acquisition, incurred to date, less recoveries, and do not necessarily reflect present or future values. These costs will be written off if the evaluation and exploration assets are abandoned or sold. Included in the cost of exploration and evaluation assets is the cost of any estimated decommissioning liability. The Company has classified exploration and evaluation assets as intangible in nature. Depletion of costs capitalized on projects put into commercial production will be recorded using the unit-of-production method based upon reserves.

Ownership in exploration and evaluation assets involves certain inherent risks, including geological, metal prices, operating costs, and permitting risks. Many of these risks are outside the Company's control. The ultimate recoverability of the amounts capitalized for the evaluation and exploration assets is dependent upon the delineation of economically recoverable ore reserves, obtaining the necessary financing to complete their development, obtaining the necessary permits to operate a mine, and realizing profitable production or proceeds from the disposition thereof. Management's estimates of recoverability of the Company's investment in its exploration and evaluation assets have been based on current and expected conditions. However, it is possible that changes could occur which could adversely affect management's estimates and may result in future write downs of exploration and evaluation assets carrying values.

## 2. SIGNIFICANT ACCOUNTING STANDARDS AND BASIS OF PREPARATION (CONTINUED)

### e) Significant accounting policies (continued)

#### Exploration and evaluation (continued)

- **Exploration and evaluation costs**

Exploration and evaluation costs, other than those described above, are expensed as incurred until such time as mineral reserves are proven or probable, permits to operate the mineral resource property are received and financing to complete development has been obtained. Following confirmation of mineral reserves, receipt of permits to commence mining operations and obtaining necessary financing, exploration and evaluation costs are capitalized as deferred development expenditures included within equipment.

#### Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's cash-generating unit's ("CGU") fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the asset is tested as part of a larger CGU. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

For exploration and evaluation assets, indicators of impairment include, but are not limited to, expiration of a right to explore, no budgeted or planned material expenditure in an area, or a decision to discontinue exploration in a specific area.

Impairment losses of continuing operations are recognized in net loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or CGU) in prior years.

#### New accounting standards

The new standards or amendments issued but not yet effective are either not applicable or not expected to have a significant impact on the Company's carve-out financial statements.

### 3. ARRANGEMENT AGREEMENT

Pursuant to the terms of an Arrangement Agreement (the “Arrangement”) dated September 17, 2021, Fabled Silver and the Company will participate in a series of transactions whereby, among other things, Fabled Silver will distribute the Company’s Shares (the “SpinCo Shares”) such that the holders of the Silver Shares, other than the dissenting shareholders, will become the holders of the SpinCo Shares.

The purpose of the Arrangement and the related transactions is to reorganize Fabled Silver into two separate publicly-traded companies:

- Fabled Silver, which will be an exploration company focused in Mexico holding the Santa Maria Project; and
- the Company, which will be an exploration company focused on British Columbia copper assets, being entered into an option agreement with the Muskwa Project (Notes 4 and 12).

Pursuant to the Arrangement, the current Silver Shares issued and outstanding will be exchanged for one new Fabled Silver share (the “New Silver Shares”) and one-fifth of the SpinCo Shares (the “Share Exchange”). The Silver Shares will be cancelled once the Share Exchange is completed.

For the current Fabled Silver option holders, the current issued Fabled Silver’s options (the “Silver Options”) will be transferred and exchanged for one Fabled Silver replacement option (the “Replacement Option”). The Replacement Option entitles the holder to acquire one New Silver Shares with an exercise price equal to the original exercise price of the Silver Options multiplied by the fair value of the New Silver Shares at the closing date of the Arrangement (the “Closing Date”), then divided by the fair value of the New Silver Shares and the fair value of one-fifth of the SpinCo Shares at the Closing Date.

For the current Fabled Silver warrant holders, the current issued Fabled Silver’s warrants (the “Silver Warrants”) will be amended to entitle the holders of the Silver Warrants to receive, upon exercise the Silver Warrants with the original exercise price, one New Silver Share and one-fifth the SpinCo Shares.

The Arrangement is subject to shareholder and TSX Venture Exchange approval.

#### 4. EXPLORATION AND EVALUATION ASSETS

##### Exploration and evaluation assets as of June 30, 2021

	\$
<b>Balance as at December 31, 2020</b>	-
Acquisition costs	
- cash	200,000
Recovery of impairment	2,204,913
<b>Balance as at June 30, 2021</b>	<b>2,404,913</b>

##### Exploration and evaluation costs incurred by the Company during the period ended June 30, 2021

	\$
<b>During the six months ended June 30, 2021</b>	
Field	10,802
Geological	25,152
	<b>35,954</b>

The Company is engaged in the business of exploration and development of mineral projects. The Company has the rights to acquire and explore the “Muskwa Project” (currently comprised of the previously referred to and contiguous Neil Ram/Creek Property, Ribbon Property and ChurchKey Property, and the Toro Property) and the non-material Bronson Property, each of which is located in the Liard Mining Division in northern British Columbia.

##### Muskwa Project

On April 8, 2021, the Company and Fabled Silver entered into an amended and restated option agreement (the “Amended MP Option Agreement”) with High Range Exploration Ltd (the “MP Optionor”).

The Amended Option Agreement superseded and replaced the following agreements entered previously:

- An option agreement, as amended, related to the Neil/Ram Creek Property assigned to the Company on January 23, 2017 (the “Neil/Ram Creek Agreement”);
- An option agreement, as amended, related to the Ribbon Property, assigned to the Company on March 4, 2017 (the “Ribbon Agreement”); and
- An option agreement, as amended, related to the Toro Property assigned to the Company on March 4, 2017 (the “Toro Assignment Agreement”) (collectively the “Pre-Amended Option Agreements”).

#### 4. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

##### Muskwa Project (continued)

Pursuant to the Amended MP Option Agreement, the Company has the right and option (the “MP Option”) to acquire an undivided 100% interest of the following properties:

- Neil/Ram Creek Property in which the Company owns a 50% interest;
- Toro Property in which the Company owns a 50% interest; and
- An additional 3,842 hectares, including 2 claims which are contiguous with the Neil/Ram Creek Property, and 4 mineral claims located in the same geographical area and with the same geophysical profile as the Muskwa Project, and referred to as the Bronson Property (the “MP Properties”).

To exercise the MP Option, the Company is required to make the following payments:

- (i) \$200,000 on April 8, 2021 (paid);
- (ii) \$500,000 on April 8, 2022;
- (iii) \$750,000 on April 8, 2023;
- (iv) \$1,000,000 on April 8, 2024; and
- (v) \$2,000,000 on April 8, 2025.

The Company owns a 100% interest in the Ribbon Property which forms part of the Muskwa Project and was previously acquired pursuant to the Pre-Amended Option Agreements;

The Company has granted (on those properties and portions thereof owned by the Company) and upon exercise of the MP Option, will grant, a 2% net smelter return royalty interest (the “NSR”) on the MP Properties and the Ribbon Property to the MP Optionor.

##### ChurchKey Property

On August 6, 2019, the Company entered into an option agreement (the “CP Option Agreement”) with ChurchKey Mines Inc. (“ChurchKey”) and the legal owners (collectively the “CP Vendors”) to acquire 100% interest of the ChurchKey Property (the “CP Option”).

In order to exercise the CP Option, the Company is required to make the following payments:

- \$50,000 (paid) in cash on August 6, 2019;
- \$50,000 in cash on or before November 4, 2019 (paid)<sup>(1)</sup>;
- \$100,000 in cash on or before August 6, 2020 (paid)<sup>(1)</sup>;
- \$250,000 in cash on or before August 6, 2021; (paid subsequent to June 30, 2021)
- \$300,000 in cash on or before August 6, 2022;
- \$500,000 in cash on or before August 6, 2023; and
- \$750,000 in cash on or before August 6, 2024.

<sup>(1)</sup> (Collectively the “CP 2<sup>nd</sup> and 3<sup>rd</sup> Payments”).

#### 4. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

##### Muskwa Project (continued)

###### **ChurchKey Property**

The Company has granted the CP Vendors a 2% NSR with respect to the ChurchKey Property upon commencement of commercial production. In addition, the Company had the exclusive right to purchase 1% of the NSR at any time in the first four years following closing for \$425,000 if it makes an annual payment of \$25,000 on each of the 4 anniversaries of closing. The Company has not made such payments to date. If such option is not exercised, the Company will have the non-exclusive right to purchase that 1% of the NSR for the equivalent of 275,000 pounds of copper multiplied by the quoted London Metal Exchange price at the date of the purchase at any time up to the date of commencement of commercial production. The Company will also have the non-exclusive right to purchase the remaining 1% of the NSR for the equivalent of 400,000 pounds of copper multiplied by the quoted London Metal Exchange price at the date of the purchase at any time up to the date of commencement of commercial production. No shares issuable in connection with this agreement.

On June 15, 2020, the Company entered into an extension agreement with ChurchKey (the "1st CP Extension Agreement") to extend the payment date of the CP 2nd and 3rd Payments to October 31, 2020. In consideration of such extension the Company agreed to make an additional payment of \$50,000 (the "1st CP Extension Cost") to ChurchKey on the date that the Company completed its next financing.

On October 21, 2020, the Company entered into a second extension agreement with ChurchKey (the "2nd CP Extension Agreement") to extend the payment due date agreed pursuant to the 1st CP Extension Agreement as follows:

- The 1st CP Extension Cost would be paid at the date of signing the 2nd CP Extension Agreement (paid); and
- The CP 2nd and 3rd Payments to be paid upon completion of the acquisition of the Santa Maria Project (paid).

In consideration of such extensions the Company agreed to make an additional payment of \$50,000 (the "2nd CP Extension Cost") (paid) on the completion of the acquisition of the Santa Maria Project.

The 1st CP Extension Cost and the 2nd CP Extension were recognized as finance costs in the statement of loss and comprehensive loss during the year ended December 31, 2020.

Following the Amended MP Option Agreement, the Company has renamed its mineral title holdings in Northern BC to be collectively called the Muskwa Project. The Muskwa Project consists of three separate mineral claim blocks being the previously referred to and contiguous Neil Ram/Creek Property, Ribbon Property and ChurchKey Property and the Toro Property. The Company also holds the non-material Bronson Property pursuant to the Amended MP Option Agreement.

As discussed in Note 1, the Board approved the Proposed Arrangement to spinout the Company as a separate entity; the Company partially reversed the impairment loss recorded for the Muskwa Project during the year ended December 31, 2020, and 2019 according to IAS 36, Impairment of Loss, and recognized a recoverable amount of \$2,204,913 as a recovery of impairment loss on exploration and evaluation assets during the six months ended June 30, 2021. The recoverable amount was determined based on the Share Exchange under the Arrangement.

## **5. NOTE PAYABLE**

As at December 31, 2020, the Company owed \$5,000 to a director of the Parent. The loan is interest free and unsecured with no fixed terms of repayment.

During the six months ended June 30, 2021, the Company repaid the remaining \$5,000 of the note payable.

As of June 30, 2021, the balance of the note payable was \$nil.

## **6. NET PARENT INVESTMENT**

Net parent investment represents the accumulated net contributions from the Parent and the portion of the share-based payments allocated to the Company. The portion of the share-based payments was determined based on the degree of involvement of the optionees in the Company in the periods presented. During the six months ended June 30, 2021, 23% of the share-based payments initially recognized by the Parent were allocated to the Company (June 30, 2020 – 65%).

Net financing transactions with the Parent as presented in the carve-out combined statements of cash flows represent the net contributions related to the funding of operations between the Company and the Parent.

## **7. RELATED PARTY TRANSACTIONS AND BALANCES**

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. The Company has identified its directors and officers as its key management personnel. Other related parties to the Company include companies in which key management has control or significant influence.

During the six months ended June 30, 2021 and 2020, the Company recognized \$15,000 and \$nil as management fees, respectively. In addition, the Company recognized share-based payment of \$39,851 and \$17,386 related to the options granted to related parties by the Parent during the six months ended June 30, 2021 and 2020, respectively.

The cost allocation was determined based on the degree of involvement of the related parties to the Company during the six months ended June 30, 2021 and 2020.

## **8. SEGMENTED INFORMATION**

The Company operates in one single reportable segment, being the acquisition and exploration of mineral resource properties. All of the Company's assets are located in Canada.

## 9. CAPITAL MANAGEMENT

As a separate resource exploration activity, the Company does not have share capital and its equity is a carve-out amount from the Parent's equity. The Parent has no debt and does not expect to enter into debt financing. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of underlying assets. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the acquisition and exploration of its exploration and evaluation assets. The Company is dependent on the funding from the Parent. Neither the Company nor the Parent is subject to any externally imposed capital restrictions.

## 10. FINANCIAL INSTRUMENTS

### Fair value

The carrying values of cash, amounts receivable, accounts payable and accrued liabilities, and note payable approximate their fair values due to the relatively short period to maturity of those financial instruments.

Financial instruments recorded at fair value on the carve-out statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy are as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3: Inputs that are not based on observable market data.

As at June 30, 2021 and December 31, 2020, the financial instrument recorded at fair value on the carve-out statements of financial position is cash which is measured using Level 1 of the fair value hierarchy.

Set out below are the Company's financial assets and financial liabilities by category:

	June 30, 2021 \$	FVTPL \$	Amortized costs \$	FVTOCI \$
<b>Financial assets:</b>				
<b>ASSETS</b>				
Cash	6,833	6,833	-	-
Amounts receivable	2,578	-	2,578	-
<b>Financial liabilities:</b>				
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	(12,002)	-	(12,002)	-

**10. FINANCIAL INSTRUMENTS (CONTINUED)**

**Fair value (continued)**

	December 31, 2020	FVTPL	Amortized costs	FVTOCI
	\$	\$	\$	\$
<b>Financial assets:</b>				
<b>ASSETS</b>				
Cash	277	277	-	-
Amounts receivable	1,648	-	1,648	-
<b>Financial liabilities:</b>				
<b>LIABILITIES</b>				
Note payable	(5,000)	-	(5,000)	-

**Financial risk management**

**Credit risk**

Credit risk is the risk that a counterparty to a financial instrument will not discharge its obligations resulting in a financial loss to the Company. The Company has procedures in place to minimize its exposure to credit risk.

Management evaluates credit risk on an ongoing basis including counterparty credit rating and activities related to amounts and other receivables and other counterparty concentrations as measured by amount and percentage.

The primary sources of credit risk for the Company arise from cash and amounts receivable. The Company's maximum exposure to credit risk is minimal as cash is deposited with reputable financial institutions. Amounts receivable are due from a government agency.

**Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure.

Accounts payable and accrued liabilities and note payable are due within twelve months of the statement of financial position date.

**Market risk**

The significant market risks to which the Company is exposed are interest rate risk, currency risk, other price risk, and commodity price risk.

- **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to varying interest rates on cash. The Company has no interest-bearing debt.

- **Currency risk**

The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in Canadian dollars. As at June 30, 2021, the Company is not exposed to significant currency risk as the majority of the transactions and balances are denominated in Canadian dollars

## 10. FINANCIAL INSTRUMENTS (CONTINUED)

### **Financial risk management (continued)**

#### *Market risk (continued)*

- **Other price risk**

The Company is exposed to price risk with respect to equity prices. Price risk as it relates to the Company is defined as the potential adverse impact on the Company's ability to raise financing due to movements in the individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

## 11. SUBSEQUENT EVENTS

- In connection with the Arrangement, the Company completed a private placement to satisfy the CSE listing requirements (the "Private Placement"). The Company raised gross proceeds of \$6,900,000 by issuing:
  - 101,670,200 conventional unit subscription receipts (the "Conventional Unit Subscription Receipt") at a price of \$0.05 per Conventional Unit Subscription Receipt; and
  - 30,274,833 flow-through unit subscription receipts (the "FT Unit Subscription Receipt") at a price of \$0.06 per FT Unit Subscription Receipt.

Each Conventional Unit Subscription Receipt will be automatically exchanged into one unit consisting of one common share in the capital of the Company (a "Common Share") and one Common Share purchase warrant (a "Warrant") upon satisfaction of the escrow release conditions. Each FT Unit Subscription Receipt will be automatically exchanged into one unit consisting of one Common Share that will qualify as a "flow-through share" within the meaning of subsection 66(15) of the Income Tax Act (Canada) (the "Tax Act") and one Warrant upon satisfaction of the escrow release conditions.

Each Warrant will entitle the holder thereof to purchase one Common Share (a "Warrant Share") at an exercise price of \$0.10, at any time up to 24 months from the date of satisfaction of the escrow release conditions.

In connection with the Private Placement, the Company paid \$190,190 in agent's expenses and 8.0% cash agency fee (\$512,239) and issued 9,774,386 broker warrants to Research Capital Corp. (the "Agent"). The broker warrants are automatically exchanged into compensation options upon completion of the Arrangement. Each compensation option is exercisable into one unit consisting of one Common Share and one Warrant, at \$0.05 unit for a period of two years from the date the subscription receipts are converted.

The net proceeds have been placed in escrow (the "Escrowed Proceeds") with an escrow agent and will be released to the Company (together with the interest thereon) upon satisfaction of certain escrow release conditions. On September 14, 2021, \$695,579.99 of Escrowed Proceeds were released to the Company.

**CARVE-OUT MANAGEMENT DISCUSSION AND ANALYSIS**

**FABLED COPPER CORP.**  
**(FORMERLY FABLED COPPER AND GOLD CORP.)**

**FOR THE SIX MONTHS ENDED JUNE 30, 2021**

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## **INTRODUCTION**

This Management Discussion and Analysis (the “MD&A”) of Fabled Copper Corp. (formerly Fabled Copper and Gold Corp.) (the “Company”), a wholly owned subsidiary of Fabled Silver Gold Corp. (“Fabled Silver” or the “Parent”) (formerly Fabled Copper Corp.) (collectively the “Group”), is for the six months ended June 30, 2021 and was prepared on September 21, 2021, and should be read in conjunction with the unaudited carve-out financial statements of the Company for the corresponding periods. The purpose of this MD&A and the unaudited carve-out financial statement is to provide general purpose historical financial information of the Company.

The unaudited carve-out financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and dollar amounts used herein are expressed in Canadian dollars unless otherwise stated. The audited carve-out financial statements have been presented under the historical cost basis of accounting except for certain financial instruments that are measured at revalued amounts or fair values, as explained in the unaudited carve-out financial statements. In addition, the unaudited carve-out financial statements have been prepared using the accrual basis of accounting, except for cash flow disclosure. This discussion offers management’s analysis of the financial and operating results of the Company and contains certain forward-looking statements relating, but not limited, to operational information, and future exploration and development plans. Forward-looking information typically contains statements with words such as “anticipate”, “estimate”, “expect”, “potential”, “could” or similar words suggesting future outcomes.

Readers and prospective investors in the Company are cautioned not to place undue reliance on forward-looking information as by its nature, it is based on current expectations regarding future events that involve a number of assumptions, inherent risks and uncertainties, which could cause actual results to differ materially from those anticipated by the Company. For additional information relating to the risks and uncertainties facing the Company and that could affect the performance of its business and results of operations, please refer to the “Risk Factors” disclosed in the prospectus (the “Prospectus”), which is dated September 27, 2021 of the Company.

The unaudited carve-out financial statements for the Company reflect the financial position, statement of loss and comprehensive loss, cash flows and changes in equity related to the Company. As the Company has not historically prepared financial statements, the carve-out financial statements have been prepared from Fabled Silver’s historical financial records on a carve-out basis with estimates used, when necessary, for certain allocations. The unaudited carve-out financial statements present the business of the Company, representing the activities, assets and liabilities of the Company that relate to or have been assigned to the Company. The unaudited carve-out financial statements reflect the substance of the activities, assets, liabilities and expenses attributable to the Company.

## **BACKGROUND**

The Company is an exploration stage Company that is engaged directly in the acquisition and exploration of exploration and evaluation properties in Canada (the “Exploration Business”). The Company is currently generating no revenues from mineral producing operations.

On January 23, 2017, the Company entered into an assignment agreement (the “Neil/Ram Creek Assignment Agreement”) with an arm’s length company (the “Assignor”) to acquire all of the Assignor’s right title and interest in an option agreement (the “Neil/Ram Creek Option Agreement”) with a third-party company (the “Optionor”).

On March 4, 2017, the Company entered into an assignment agreement (the “Toro Assignment Agreement”) with two directors of the Company (the “Assignors”) to acquire all of the Assignors’ right title and interest in an option agreement (the “Toro Option Agreement”) with a third-party company (the “Optionor”).

On March 4, 2017, the Company entered into an assignment agreement (the “Ribbon Assignment Agreement”) with

various arm's length individuals and companies (collectively the "Assignors") to acquire all of the Assignors' right title and interest in an option agreement (the "Ribbon Option Agreement") with a third-party company (the "Optionor").

On August 6, 2019, the Company completed the acquisition of the ChurchKey Property.

During the year ended December 31, 2019, the Company impaired a significant amount of its mining projects in order to focus its resources on developing strategies to best make use of its current assets.

On April 8, 2021, the Company and Fabled Silver entered into an amended and restated option agreement (the "Amended MP Option Agreement") with High Range Exploration Ltd (the "MP Optionor"). The Amended MP Option Agreement provided the right and option to the Company (the "MP Option") to acquire an undivided 100% interest the Neil/Ram Creek Property, Toro Property and an additional 3,842 hectares, including 2 claims which are contiguous with the Neil/Ram Creek Property, and 4 mineral claims located in the same geographical area and with the same geophysical profile as the Muskwa Project, and referred to as the Bronson Property (See "EXPLORATION AND EVALUATION ASSETS" for details").

### **COVID-19**

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn.

The Company could be adversely impacted by the effects of the coronavirus. The extent to which the coronavirus impacts the Company, including its operations and the market for its securities, will depend on future developments, which are highly uncertain and cannot be predicted at this time, and include the duration, severity and scope of the outbreak and the actions taken to contain or treat the coronavirus outbreak. The continued spread of the coronavirus globally could materially and adversely impact the Company's operations including, workforce productivity, increased insurance premiums, limitations on travel, the availability of industry experts and personnel, and restrictions to its drill programs, exploration and other metallurgical testing. To date, the Company has not had any adverse effects from the coronavirus.

### **PROPOSED TRANSACTION**

Pursuant to the Arrangement Agreement dated September 17, 2021, Fabled Silver and the Company will participate in a series of transactions whereby, among other things, Fabled Silver will distribute the Company's Shares (the "SpinCo Shares") such that the holders of the Silver Shares, other than the dissenting shareholders, will become the holders of the SpinCo Shares.

The purpose of the Arrangement and the related transactions is to reorganize Fabled Silver into two separate publicly-traded companies:

- Fabled Silver, which will be an exploration company focused in Mexico holding the Santa Maria Project; and
- the Company, which will be an exploration company focused on British Columbia copper assets, being entered into an option agreement with the Muskwa Project (Note 4).

Pursuant to the Arrangement, the current Silver Shares issued and outstanding will be exchanged for one new Fabled Silver share (the "New Silver Shares") and one-fifth of the SpinCo Shares (the "Share Exchange"). The Silver Shares will be cancelled once the Share Exchange is completed.

For the current Fabled Silver option holders, the current issued Fabled Silver's options (the "Silver Options") will be

transferred and exchanged for one Fabled Silver replacement option (the “Replacement Option”). The Replacement Option entitles the holder to acquire one New Silver Shares with an exercise price equal to the original exercise price of the Silver Options multiplied by the fair value of the New Silver Shares at the closing date of the Arrangement (the “Closing Date”), then divided by the fair value of the New Silver Shares and the fair value of one-fifth of the SpinCo Shares at the Closing Date.

For the current Fabled Silver warrant holders, the current issued Fabled Silver’s warrants (the “Silver Warrants”) will be amended to entitle the holders of the Silver Warrants to receive, upon exercise the Silver Warrants with the original exercise price, one New Silver Share and one-fifth the SpinCo Shares.

The Arrangement is subject to shareholder and TSX Venture Exchange approval.

In connection with the Arrangement, the Company completed a private placement to satisfy the CSE listing requirements (the “Private Placement”). The Company raised gross proceeds of \$6,900,000 by issuing:

- 101,670,200 conventional unit subscription receipts (the “Conventional Unit Subscription Receipt”) at a price of \$0.05 per Conventional Unit Subscription Receipt; and
- 30,274,833 flow-through unit subscription receipts (the “FT Unit Subscription Receipt”) at a price of \$0.06 per FT Unit Subscription Receipt.

Each Conventional Unit Subscription Receipt will be automatically exchanged into one unit consisting of one common share in the capital of the Company (a “Common Share”) and one Common Share purchase warrant (a “Warrant”) upon satisfaction of the escrow release conditions. Each FT Unit Subscription Receipt will be automatically exchanged into one unit consisting of one Common Share that will qualify as a “flow-through share” within the meaning of subsection 66(15) of the Income Tax Act (Canada) (the “Tax Act”) and one Warrant upon satisfaction of the escrow release conditions.

Each Warrant will entitle the holder thereof to purchase one Common Share (a “Warrant Share”) at an exercise price of \$0.10, at any time up to 24 months from the date of satisfaction of the escrow release conditions.

In connection with the Private Placement, the Company paid \$190,190 in agent’s expenses and 8.0% cash agency fee (\$512,239) and issued 9,774,386 broker warrants to Research Capital Corp. (the “Agent”). The broker warrants are automatically exchanged into compensation options upon completion of the Arrangement. Each compensation option is exercisable into one unit consisting of one Common Share and one Warrant, at \$0.05 unit for a period of two years from the date the subscription receipts are converted.

The net proceeds have been placed in escrow (the “Escrowed Proceeds”) with an escrow agent and will be released to the Company (together with the interest thereon) upon satisfaction of certain escrow release conditions. On September 14, 2021, \$695,579.99 of Escrowed Proceeds were released to the Company.

## **EXPLORATION AND EVALUATION ASSETS**

The Company is engaged in the business of exploration and development of mineral projects. The Company has the rights to acquire and explore the “Muskwa Project” (currently comprised of the previously referred to and contiguous Neil Ram/Creek Property, Ribbon Property and ChurchKey Property, and the Toro Property) and the non-material Bronson Property, each of which is located in the Liard Mining Division in northern British Columbia.

### **Muskwa Project**

On April 8, 2021, the Company and Fabled Silver entered into the Amended MP Option Agreement with the MP Optionor.

The Amended Option Agreement superseded and replaced the following agreements entered previously:

- the Neil/Ram Creek Assignment Agreement;
- the Ribbon Assignment Agreement; and
- the Toro Assignment Agreement (collectively the “Pre-Amended Option Agreements”).

Pursuant to the Amended MP Option Agreement, the Company has the MP Option to acquire an undivided 100% interest of the following properties:

- Neil/Ram Creek Property in which the Company owns a 50% interest;
- Toro Property in which the Company owns a 50% interest; and
- An additional 3,842 hectares, including 2 claims which are contiguous with the Neil/Ram Creek Property, and 4 mineral claims located in the same geographical area and with the same geophysical profile as the Muskwa Project, and referred to as the Bronson Property (the “MP Properties”).

To exercise the MP Option, the Company is required to make the following payments:

- (i) \$200,000 on April 8, 2021 (paid);
- (ii) \$500,000 on April 8, 2022;
- (iii) \$750,000 on April 8, 2023;
- (iv) \$1,000,000 on April 8, 2024; and
- (v) \$2,000,000 on April 8, 2025.

The Company owns a 100% interest in the Ribbon Property which forms part of the Muskwa Project and was previously acquired pursuant to the Pre-Amended Option Agreements;

The Company has granted (on those properties and portions thereof owned by the Company) and upon exercise of the MP Option, will grant, a 2% net smelter return royalty interest (the “NSR”) on the MP Properties and the Ribbon Property to the MP Optionor.

### **ChurchKey Property**

On August 6, 2019, the Company entered into an option agreement (the “CP Option Agreement”) with ChurchKey Mines Inc. (“ChurchKey”) and the legal owners (collectively the “CP Vendors”) to acquire 100% interest of the ChurchKey Property (the “CP Option”).

In order to exercise the CP Option, the Company is required to make the following payments:

- \$50,000 in cash on August 6, 2019 (paid);
- \$50,000 in cash on or before November 4, 2019 (paid) <sup>(1)</sup>;
- \$100,000 in cash on or before August 6, 2020 (paid) <sup>(1)</sup>;
- \$250,000 in cash on or before August 6, 2021; (paid subsequent to June 30, 2021)
- \$300,000 in cash on or before August 6, 2022;
- \$500,000 in cash on or before August 6, 2023; and
- \$750,000 in cash on or before August 6, 2024.

<sup>(1)</sup> (Collectively the “CP 2<sup>nd</sup> and 3<sup>rd</sup> Payments”).

The Company has granted the CP Vendors a 2% NSR with respect to the ChurchKey Property upon commencement of commercial production. In addition, the Company had the exclusive right to purchase 1% of the NSR at any time in the first four years following closing for \$425,000 if it makes an annual payment of \$25,000 on each of the 4 anniversaries of closing. The Company has not made such payments to date. If such option is not exercised, the Company will have the non-exclusive right to purchase that 1% of the NSR for the equivalent of 275,000 pounds of copper multiplied by the quoted London Metal Exchange price at the date of the purchase at any time up to the date of commencement of commercial production. The Company will also have the non-exclusive right to purchase the remaining 1% of the NSR for the equivalent of 400,000 pounds of copper multiplied by the quoted London Metal Exchange price at the date of the purchase at any time up to the date of commencement of commercial production. No shares issuable in connection with this agreement.

On June 15, 2020, the Company entered into an extension agreement with ChurchKey (the “1st CP Extension Agreement”) to extend the payment date of the CP 2<sup>nd</sup> and 3<sup>rd</sup> Payments to October 31, 2020. In consideration of such extension the Company agreed to make an additional payment of \$50,000 (the “1st CP Extension Cost”) to ChurchKey on the date that the Company completed its next financing.

On October 21, 2020, the Company entered into a second extension agreement with ChurchKey (the “2nd CP Extension Agreement”) to extend the payment due date agreed pursuant to the 1st CP Extension Agreement as follows:

- The 1st CP Extension Cost would be paid at the date of signing the 2nd CP Extension Agreement (paid); and
- The CP 2<sup>nd</sup> and 3<sup>rd</sup> Payments to be paid upon completion of the acquisition of the Santa Maria Project (paid).

In consideration of such extensions the Company agreed to make an additional payment of \$50,000 (the “2nd CP Extension Cost”) (paid) on the completion of the acquisition of the Santa Maria Project.

The 1st CP Extension Cost and the 2nd CP Extension were recognized as finance costs in the statement of loss and comprehensive loss during the year ended December 31, 2020.

Following the Amended MP Option Agreement, the Company has renamed its mineral title holdings in Northern BC to be collectively called the Muskwa Project. The Muskwa Project consists of three separate mineral claim blocks being the previously referred to and contiguous Neil Ram/Creek Property, Ribbon Property and ChurchKey Property

**FABLED COPPER CORP. CARVE-OUT**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2021**  
(Expressed in Canadian Dollars)

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and the Toro Property. The Company also holds the non-material Bronson Property pursuant to the Amended MP Option Agreement.

**Exploration and evaluation assets as of June 30, 2021**

	\$
<b>Balance as at December 31, 2020</b>	-
Acquisition costs	
- cash	200,000
Recovery of impairment	2,204,913
<b>Balance as at June 30, 2021</b>	<b>2,404,913</b>

**Exploration and evaluation costs incurred by the Company during the period ended June 30, 2021**

	\$
<b>During the six months ended June 30, 2021</b>	
Field	10,802
Geological	25,152
	<b>35,954</b>

**RESULT OF OPERATIONS**

The carve-out statements of comprehensive income (loss) include the operating results of the Company and a pro-rata allocation of the Parent's income and expenses incurred in each of the periods presented based on the degree of involvement of the Parent in the Company in those periods. The average allocation of income and expenses for the six months ended June 30, 2021 is 18% (June 30, 2020 – 19%). These percentages are considered reasonable under the circumstances.

The portion of the share-based payments was determined based on the degree of involvement of the optionees in the Company in the periods presented. During the six months ended June 30, 2021 and 2020, 23% and 65% of the share-based payments initially recognized by the Parent were allocated to the Company, respectively.

**During the three months ended June 30, 2021**

The Company is in the exploration stage and has no revenue from operations. During the three months ended June 30, 2021 and 2020, the Company recorded a net income of \$2,068,107 and a net loss of \$20,675, respectively.

During the three months ended June 30, 2021, the Company incurred the following major expenditures:

- Exploration and evaluation costs of \$35,954 (June 30, 2020 – \$nil);
- Investor relations and promotion expenses of \$6,299 (June 30, 2020 – \$nil);
- Management fees of \$7,500 which were allocated from the Parent (June 30, 2020 – \$nil);
- Professional fees of \$52,189 which \$51,445 were allocated from the Parent (June 30, 2020 – \$2,500 which were allocated from the Parent);
- Property investigation costs of \$nil (June 30, 2020 – \$8,535); and
- Share-based payments of \$33,556 which were allocated from the Parent (June 30, 2020 – \$9,179 which were allocated from the Parent).

***During the six months ended June 30, 2021***

The Company is in the exploration stage and has no revenue from operations. During the six months ended June 30, 2021 and 2020, the Company recorded a net income of \$2,027,814 and a net loss of \$52,771, respectively.

During the six months ended June 30, 2021, the Company incurred the following major expenditures:

- Exploration and evaluation costs of \$35,954 (June 30, 2020 – \$nil);
- Management fees of \$15,000 which were allocated from the Parent (June 30, 2020 – \$nil);
- Professional fees of \$72,607 which \$71,863 were allocated from the Parent (June 30, 2020 – \$5,000 which were allocated from the Parent);
- Property investigation costs of \$nil (June 30, 2020 – \$30,484); and
- Share-based payments of \$45,265 which were allocated from the Parent (June 30, 2020 – \$16,412 which were allocated from the Parent).

**LIQUIDITY AND CAPITAL RESOURCES**

The Company is an exploration stage company which has not generated any operating revenues and has relied primarily on funding from Fabled Silver. The Company completed the Private Placement and raised gross proceeds of \$6,900,000 by issuing 101,670,200 Conventional Units at a price of \$0.05 per Conventional Unit and 30,274,833 FT Units at a price of \$0.06 per FT Unit. Management expects that proceeds from the Financing will be sufficient to support operations in the near term. See discussion above under “PROPOSED TRANSACTION” on funds raised by the Company.

The continuing operations of the Muskwa Project are dependent upon the Company’s ability to raise additional funds in the future (which it would consider raising via share issuances, debt facilities, joint venture arrangements, or a combination of these options), and the Company’s ability to successfully complete the exploration and development of its mineral properties and commence profitable operations in the future.

**RELATED PARTY TRANSACTIONS AND BALANCES**

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. The Company has identified its directors and officers as its key management personnel. Other related parties to the Company include companies in which key management has control or significant influence.

During the six months ended June 30, 2021 and 2020, the Company recognized \$15,000 and \$nil as management fees, respectively. In addition, the Company recognized share-based payment of \$39,851 and \$17,386 related to the options granted to related parties by the Parent during the six months ended June 30, 2021 and 2020, respectively.

The cost allocation was determined based on the degree of involvement of the related parties to the Company during the six months ended June 30, 2021 and the years ended December 31, 2020 and December 31, 2019.

### **SUBSEQUENT EVENTS**

In connection with the Arrangement, the Company completed the Private Placement. The Company raised gross proceeds of \$6,900,000 by issuing:

- 101,670,200 Conventional Units at a price of \$0.05 per Conventional Unit; and
- 30,274,833 FT Units at a price of \$0.06 per FT Unit.

### **COMMITMENTS**

The Company is engaged in the business of exploration and development of mineral projects. The Company has the rights to acquire and explore the Muskwa Project (currently comprised of the Neil Property, the Toro Property and the Bronson Property) located in the Liard Mining Division in northern British Columbia. For the commitments of the Muskwa Project, please refer to the “Exploration and Evaluation Assets” section for a detailed discussion.

### **FINANCIAL INSTRUMENTS**

In the normal course of business, the Company is inherently exposed to certain financial risks, including market risk, credit risk and liquidity risk, through the use of financial instruments. The timeframe and manner in which the Company manages these risks varies based upon management’s assessment of the risk and available alternatives for mitigating risk. The Company does not acquire or issue derivative financial instruments for trading or speculative purposes. All transactions undertaken are to support the Company’s operations. For a more detailed discussion of the financial risks and the Company’s exposure to these risks and the significant assumptions made in determining the fair value of financial instruments, please Refer to Notes 2 and 10 of the carve-out financial statements of the Company for the six months ended June 30, 2021.

### **CRITICAL ACCOUNTING ESTIMATES**

The preparation of the carve-out financial statements require management to use judgment and make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amount of expenses during the period. Actual results could materially differ from these estimates. Refer to Note 2 of the carve-out financial statements of the Company for the six months ended June 30, 2021 for a more detailed discussion of the critical accounting estimates and judgments.

### **NEW ACCOUNTING STANDARDS**

There were no new or amended IFRS pronouncements effective January 1, 2021 that impacted these unaudited condensed consolidated interim financial statements.

### **OFF-BALANCE SHEET FINANCING ARRANGEMENTS**

As of June 30, 2021, and the date of this MD&A, the Company did not have any off-balance sheet financing arrangements.

### **RISKS AND UNCERTAINTIES**

The Company faces a variety of risk factors that could affect the performance of the Company’s business and results of operations. Management monitors its activities and those factors that could impact them in order to manage risk and make timely decisions. Risks and uncertainties considered material in assessing the carve-out financial

statements for the Company are described below. For a comprehensive discussion of additional risks applicable to the Company and its properties and the Company's business and operations, please refer to the "Risk Factors" disclosed in the Prospectus of the Company.

**Liquidity Concerns and Additional Future Financing Requirements.**

The Company has relied upon equity subscriptions to satisfy its capital requirements and will likely continue to depend upon these sources to finance its activities. The Company may require capital and operating expenditures in connection with the operation and development of the Muskwa Project and for working capital purposes. There can be no assurance that the Company will be successful in obtaining required financing as and when needed. Volatile markets may make it difficult or impossible for the Company to obtain debt financing or equity financing on favourable terms, if at all. Failure to obtain additional financing on a timely basis may cause the Company to postpone or slow down its development plans, forfeit rights in some or all of its properties or reduce or terminate some or all of its activities.

**No Revenues.**

To date, the Company has not recorded any revenues from operations. There can be no assurance that the Company will have sufficient capital resources to continue as a going concern, that significant losses will not occur in the near future or that the Muskwa Project will be profitable in the future. The Company expects its exploration and evaluation activities to continue to incur losses unless and until such time as the Muskwa Project enters into commercial production and generates sufficient revenues to fund their continuing operations. The development of the Muskwa Project will continue to require the commitment of substantial resources. There can be no assurance that the Muskwa Project will continue as a going concern, generate any revenues or achieve profitability.

**FORWARD- LOOKING INFORMATION**

This MD&A may contain forward-looking statements based on assumptions and judgments of management regarding events or results that may prove to be inaccurate as a result of exploration or other risk factors beyond its control. Actual results may differ materially from the expected results.

Except for statements of historical fact, this MD&A contains certain "forward-looking information" within the meaning of applicable securities law. Forward-looking information is frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate" and other similar words, or statements that certain events or conditions "may" or "will" occur. In particular, forward-looking information in this MD&A includes, but is not limited to, statements with respect to future events and is subject to certain risks, uncertainties and assumptions. Although we believe that the expectations reflected in the forward-looking information are reasonable, there can be no assurance that such expectations will prove to be correct. We cannot guarantee future results, performance or achievements. Consequently, there is no representation that the actual results achieved will be the same, in whole or in part, as those set out in the forward-looking information.

Forward-looking information is based on the opinions and estimates of management at the date the statements are made, which are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those anticipated in the forward-looking information. Some of the risks and other factors that could cause results to differ materially from those expressed in the forward-looking statements include, but are not limited to: general economic conditions in Canada, the United States and globally; industry conditions, including fluctuations in commodity prices; governmental regulation of the mining industry, including environmental regulation; geological, technical and drilling problems; unanticipated operating events; competition for and/or inability to retain drilling rigs and other services; the availability of capital on acceptable terms; the need to obtain required approvals from regulatory authorities; stock market volatility; volatility in market prices for commodities; liabilities inherent in mining operations; changes in tax laws and incentive programs relating to the mining industry;

and the other factors described herein under “Risks and Uncertainties” as well as in our public filings available at [www.sedar.com](http://www.sedar.com). Readers are cautioned that this list of risk factors should not be construed as exhaustive.

The forward-looking information contained in this MD&A is expressly qualified by this cautionary statement. We undertake no duty to update any of the forward-looking information to conform such information to actual results or to changes in our expectations except as otherwise required by applicable securities legislation. Readers are cautioned not to place undue reliance on forward-looking information.

**SCHEDULE I**  
**SPINCO PRO FORMA FINANCIAL STATEMENTS**

**[SEE ATTACHED]**

**FABLED COPPER CORP.**  
**(FORMERLY FABLED COPPER AND GOLD CORP.)**

**PRO-FORMA FINANCIAL STATEMENTS**

**FOR THE SIX MONTHS ENDED JUNE 30, 2021**

**(UNAUDITED – EXPRESSED IN CANADIAN DOLLARS)**

**Fabled Copper Corp.**

Pro-Forma Statements of Financial Position (unaudited)

(Expressed in Canadian Dollars)

	June 30, 2021		Pro-forma Adjustments	Pro-forma Total
	\$	Note(s)	\$	\$
<b>ASSETS</b>				
<b>Current assets</b>				
Cash	6,833	2(a)	6,197,570	6,204,403
Amounts receivable	2,578		-	2,578
Prepaid expenses	289,510		-	289,510
	<b>298,921</b>		<b>6,197,570</b>	<b>6,496,491</b>
<b>Non-current assets</b>				
Exploration and evaluation assets	2,404,913		-	2,404,913
<b>TOTAL ASSETS</b>	<b>2,703,834</b>		<b>6,197,570</b>	<b>8,901,404</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Accounts payable and accrued liabilities	12,002	2(b)	300,000	312,002
Flow through shares premium liability	-	2(a)	302,748	302,748
<b>TOTAL LIABILITIES</b>	<b>12,002</b>		<b>602,748</b>	<b>614,750</b>
<b>EQUITY (DEFICIENCY)</b>				
Net parent investment	11,257,672	2(a)	5,674,025	16,931,697
Reserves	-	2(a)	220,797	220,797
Deficit	(8,565,840)	2(b)	(300,000)	(8,865,840)
<b>TOTAL EQUITY (DEFICIENCY)</b>	<b>2,691,832</b>		<b>5,594,822</b>	<b>8,286,654</b>
<b>TOTAL LIABILITIES AND EQUITY (DEFICIENCY)</b>	<b>2,703,834</b>		<b>6,197,570</b>	<b>8,901,404</b>

See accompanying notes to these unaudited pro-forma financial statements.

## Fabled Copper Corp. Carve-out

Pro-forma Statements of Income and Comprehensive Income (unaudited)

(Expressed in Canadian Dollars)

	<b>For the six months ended</b>		<b>Pro-forma Adjustments</b>	<b>Pro-forma Total</b>
	<b>June 30, 2021</b>			
	<b>\$</b>	<b>Note(s)</b>	<b>\$</b>	<b>\$</b>
<b>Expenses</b>				
Exploration and evaluation costs	35,954		-	35,954
General and administrative expenses	1,403		-	1,403
Investor relations and promotion	6,299		-	6,299
Management fees	15,000		-	15,000
Professional fees	72,607		-	72,607
Regulatory and filing fees	571		-	571
Share-based payments	45,265		-	45,265
	<b>(177,099)</b>		<b>-</b>	<b>(177,099)</b>
<b>Other income (expenses)</b>				
Recovery of impairment loss of mineral properties	2,204,913		-	2,204,913
Listing expenses	-	2(b)	(300,000)	(300,000)
	<b>2,204,913</b>		<b>(300,000)</b>	<b>1,904,913</b>
<b>Total income and comprehensive income</b>	<b>2,027,814</b>		<b>(300,000)</b>	<b>1,727,814</b>

See accompanying notes to these carve-out financial statements.

## Fabled Copper Corp. Carve-out

Notes to the Pro-forma Financial Statements (unaudited)

For The Six Months Ended June 30, 2021

(Expressed in Canadian Dollars)

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### 1. DESCRIPTION OF THE TRANSACTION AND BASIS OF PRESENTATION

The unaudited pro-forma financial statements of Fabled Copper Corp. (“Fabled Copper” or the “Company”) have been prepared by its management based on carve-out financial information from Fabled Silver Gold Corp. (“Fabled Silver” or the “Parent”) (formerly Fabled Copper Corp.) prepared in accordance with International Financial Reporting Standards (“IFRS”) to give effect to the proposed spin-out of Fabled Copper from the Parent pursuant to the terms of an Arrangement Agreement (the “Arrangement”) dated September 17, 2021.

The accounting policies applied are the same accounting policies as described in the audited carve-out financial statements.

#### **Arrangement Agreement**

Pursuant to the Arrangement Agreement dated September 17, 2021, Fabled Silver and the Company will participate in a series of transactions whereby, among other things, Fabled Silver will distribute the Company’s Shares (the “SpinCo Shares”) such that the holders of the Silver Shares, other than the dissenting shareholders, will become the holders of the SpinCo Shares.

The purpose of the Arrangement and the related transactions is to reorganize Fabled Silver into two separate publicly-traded companies:

- Fabled Silver, which will be an exploration company focused in Mexico holding the Santa Maria Project; and
- the Company, which will be an exploration company focused on British Columbia copper assets, being entered into an option agreement with the Muskwa Project.

Pursuant to the Arrangement, the current Silver Shares issued and outstanding will be exchanged for one new Fabled Silver share (the “New Silver Shares”) and one-fifth of the SpinCo Shares (the “Share Exchange”). The Silver Shares will be cancelled once the Share Exchange is completed.

For the current Fabled Silver option holders, the current issued Fabled Silver’s options (the “Silver Options”) will be transferred and exchanged for one Fabled Silver replacement option (the “Replacement Option”). The Replacement Option entitles the holder to acquire one New Silver Shares with an exercise price equal to the original exercise price of the Silver Options multiplied by the fair value of the New Silver Shares at the closing date of the Arrangement (the “Closing Date”), then divided by the fair value of the New Silver Shares and the fair value of one-fifth of the SpinCo Shares at the Closing Date.

For the current Fabled Silver warrant holders, the current issued Fabled Silver’s warrants (the “Silver Warrants”) will be amended to entitle the holders of the Silver Warrants to receive, upon exercise the Silver Warrants with the original exercise price, one New Silver Share and one-fifth the SpinCo Shares.

The Arrangement is subject to shareholder and TSX Venture Exchange approval.

It is management’s opinion that these unaudited pro-forma financial statements include all adjustments necessary for the fair presentation of the transactions described in Note 2 in accordance with IFRS as issued by the International Accounting Standards Board (“IASB”).

## 1. DESCRIPTION OF THE TRANSACTION AND BASIS OF PRESENTATION (CONTINUED)

These unaudited pro-forma financial statements have been compiled from and include:

- a) An unaudited pro-forma statement of financial position including the unaudited carve-out statement of financial position of the Company as at June 30, 2021.
- b) An unaudited pro-forma interim statement of loss and comprehensive loss including the unaudited carve-out statement of loss and comprehensive loss of the Company for the six months ended June 30, 2021.

The unaudited pro-forma financial statements have been prepared for illustrative purposes only and may not be indicative of the financial position or operating results of the Company that would have occurred if the Arrangement had been in effect at the dates indicated. Actual amounts recorded upon consummation of the Arrangement will likely differ from those recorded in the unaudited pro-forma statement of financial position.

Further, these pro-forma financial statements are not necessarily indicative of the future financial position or results of operations of the Company as a result of the Arrangement and spin-out. These unaudited pro-forma financial statements should be read in conjunction with the unaudited carve-out financial statements of Fabled Copper for the six months ended June 30, 2021, the years ended December 31, 2020 and December 31, 2019.

## 2. PRO-FORMA ADJUSTMENTS AND ASSUMPTIONS

The pro-forma financial statements reflect the following assumptions and adjustments:

- a) Private placement financing

Subsequent to June 30, 2021, in connection with the Arrangement, the Company completed a private placement to satisfy the Canadian Securities Exchange (“CSE”) listing requirements (the “Private Placement”). The Company raised gross proceeds of \$6,900,000 by issuing:

- 101,670,200 conventional unit subscription receipts (the “Conventional Unit”) at a price of \$0.05 per Conventional Unit; and
- 30,274,833 flow-through subscription receipts (the “FT Unit”) at a price of \$0.06 per FT Unit.

Each Conventional Unit Subscription Receipt will be automatically exchanged into one unit consisting of one common share in the capital of the Company (a “Common Share”) and one Common Share purchase warrant (a “Warrant”) upon satisfaction of the escrow release conditions. Each FT Unit Subscription Receipt will be automatically exchanged into one unit consisting of one Common Share that will qualify as a “flow-through share” within the meaning of subsection 66(15) of the Income Tax Act (Canada) (the “Tax Act”) and one Warrant upon satisfaction of the escrow release conditions.

Each Warrant will entitle the holder thereof to purchase one Common Share (a “Warrant Share”) at an exercise price of \$0.10, at any time up to 24 months from the date of satisfaction of the escrow release conditions.

The Company allocated \$0.01 of each FT Unit issued as the flow through shares premium liability with a total amount of \$302,748.

## Fabled Copper Corp. Carve-out

Notes to the Carve-out Financial Statements

For The Six Months Ended June 30, 2021 (unaudited)

(Expressed in Canadian Dollars)

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### 2. PRO-FORMA ADJUSTMENTS AND ASSUMPTIONS (CONTINUED)

#### a) Private placement financing (continued)

In connection with the Private Placement, the Company paid 8.0% cash agency fee (\$512,239), 8.0% compensation options which are exercisable to acquire the Conventional Unit with fair value of \$220,797 and transaction costs of \$190,191.

The net proceeds have been placed in escrow with an escrow agent, and will be released to the Company (together with the interest thereon) upon satisfaction of certain escrow release conditions. On September 14, 2021, \$695,579.99 of Escrowed Proceeds were released to the Company

#### b) Transaction costs

The transaction costs for the Arrangement, which are comprised of the SpinCo private placement financing, prospectus filing and CSE listing, are estimated to be \$300,000.

### 3. PRO-FORMA NET PARENT INVESTMENT

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	Pro-forma Adjustments	Number of Shares	Pro-forma Net Parent Investment (\$)
Balance per unaudited carve-out financial statements of Fabled Copper as June 30, 2021		-	2,691,832
Proforma adjustment - listing expenses Equity financing, net of share issuance costs	2(b)	-	(300,000)
	2(a)	131,945,033	5,894,822
		<b>131,945,033</b>	<b>8,286,654</b>

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According to the Share Exchange, the current Silver Shares issued and outstanding will be exchanged for one New Silver Share and one-fifth of the SpinCo Shares. For illustrative purposes, 40,538,580 common shares were determined as the number of common shares issued and outstanding of the Company as of June 30, 2021. This amount was determined based on one-fifth of the issued and outstanding common shares (202,692,903) of the Parent as of June 30, 2021.

### 4. EFFECTIVE TAX RATE

Upon completion of the Agreement the effective tax rate of the resulting issuer is expected to be 27%.

**SCHEDULE J  
FAIRNESS OPINION**

**[SEE ATTACHED]**

# **FAIRNESS OPINION**

**Proposed Transaction between**

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**Fabled Silver Gold Corp.**

**and**

**Fabled Copper Corp.**

**(regarding the Muskwa Project)**

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**Prepared for:**

**Board of Directors of Fabled Silver Gold Corp.**

Suite 480 - 1500 West Georgia Street  
Vancouver, BC  
V6G 2Z6

**September 17, 2021**



**RwE GROWTH PARTNERS, INC.**

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**APPENDICES AND SCHEDULES**

**Appendix 1.0 – NI 43-101 Technical Report – Muskwa Project - July 6, 2021 - as prepared by Edward Harrington, B.Sc., P.Geo.**

**Appendix 2.0 – The Arrangement Agreement**

**Schedule 1.0 – Modified Appraised Value & Implied Financing Value Methods – Muskwa Project Mineral Rights**

**Schedule 2.0 – Fairness Calculations**



## **1.0 ASSIGNMENT AND PROPOSED TRANSACTION**

RwE Growth Partners, Inc. (“RwE” or the “authors of the Report”) was engaged by the Board of Directors (the “Board”) of Fabled Silver Gold Corp. (“Fabled Silver”, “FSC” or “Company”) to prepare this Fairness Opinion (the “Report”) regarding a proposed transaction between Fabled Silver and its wholly owned subsidiary, Fabled Copper Corp. (“Fabled Copper”, “FCC” or the “Spinco”), whereby Fabled Silver will spin-out its Muskwa Project held by Fabled Copper by statutory plan of arrangement (“POA”) whereby it will distribute all the common shares it holds in Fabled Copper to the shareholders of Fabled Silver, pro rata, their shareholdings in Fabled Silver, so as at the conclusion of the transaction Fabled Copper will be wholly owned by the Fabled Silver shareholders (the “Proposed Transaction”).

At the same time, Fabled Silver has arranged and closed a financing of subscription receipts of Fabled Copper for gross proceeds of C\$6.9 million to fund the proposed work program on the Muskwa Project and for general working capital for Fabled Copper (the “SpinCo Financing”).

The Report opines as to the fairness of the Proposed Transaction from a financial point of view of the Fabled Silver shareholders.

The Report is intended for review by the FSC Board as well so as to assist it in supporting or not supporting the Proposed Transaction and the SpinCo Financing.

Fabled Silver and Fabled Copper will seek to enter into an Arrangement Agreement, under which they will agree to complete the POA under the Business Corporations Act (British Columbia) and thereby the Proposed Transaction.

Fabled Silver was incorporated by Certificate of Incorporation issued pursuant to the provisions of the British Columbia Business Corporations Act on December 15, 2014 and changed its name from Flying Monkey Capital Corp. to Fabled Copper Corp. on September 26, 2018 and from Fabled Copper Corp. to Fabled Silver Gold Corp. on October 19, 2020. Fabled Silver is listed on the TSX Venture Exchange (“TSX-V” or the “Exchange”) under the symbol “FCO”, on the OTCQB under the symbol “FBSGF” since March 22, 2021, and on the Frankfurt Stock Exchange under the symbol “7NQ” since December 18, 2020. The Company is engaged in exploration of mineral properties and holds a combination of ownership and option interests in copper properties located in British Columbia, Canada and an option interest in Mexico.

### Resulting Issuer

Following the completion of the Proposed Transaction, Fabled Copper (also referred to as the “Resulting Issuer”) is seeking to be listed on the Canadian Securities Exchange (“CSE”). Upon completion of the Proposed Transaction, the Resulting Issuer will maintain and seek to explore the Muskwa Project.



RwE has been advised by the Fabled Silver Board that it believes that the Proposed Transaction will allow FSC to focus on certain assets and allow the Resulting Issuer to maximize the value of the Muskwa Project by creating a highly-focused B.C. exploration entity.

Given this, and the related nature of FSC / FCC and the planned POA, the Board of the Company is interested in obtaining an independent opinion as to the fairness of the Proposed Transaction, from a financial point of view of the shareholders of record of Fabled Silver near to the completion of the Proposed Transaction. The Report, or a summary, will be submitted to the Supreme Court of British Columbia as part of completing the POA.

FSC paid RwE a fixed professional fee, plus costs, plus taxes to prepare this Report.

In preparing the Report, RwE has used the updated CIMVAL Code for the Valuation of Mineral Properties, as prepared by the Special Committee of the Canadian Institute of Mining, Metallurgy and Petroleum on the Valuation of Mineral Properties (CIMVAL), adopted by the CIM Council on November 29, 2019. The CIMVAL Code was adopted by the Canadian Institute of Mining, Metallurgy & Petroleum (the "CIM") Council on November 29, 2019.

As part of these standards, RwE has relied on the technical and geological information, materials, findings and technical analysis / conclusions that were contained in the current National Instrument 43-101 Technical Report prepared on the Muskwa Project (collectively, the "Technical Report"). Readers are asked to carefully review and read the NI 43-101 Technical Report – Muskwa Project - July 6, 2021 - as prepared by Edward Harrington, B.Sc., P. Geo. The Technical Report is attached in the Appendix 1.0 and is available directly from the Company.

RwE, its principals and partners, staff and associates, do not assume any type of responsibility and/or business/financial liability for losses incurred by FSC / FCC and/or any of FSC / Resulting Issuer's shareholders or securityholders, FSC / FCC directors and/or its management, and/or any regulatory bodies and/or stock exchanges and/or other parties as a result of the circulation, publication, reproduction, or use of the Report, as well as any use contrary to the provisions of the Report and our engagement letter. The Report is based on the scope of work that has been undertaken, the data and information provided by FSC / FCC (the "Companies") and the assumptions made.

RwE has not audited the information and data provided by FSC / FCC, nor has it performed any forensic review, nor can it be expected to catch or identify any fraud and/or misleading data or information from the Company. Instead, RwE has relied on the fact that FSC / FCC has provided accurate and reliable data.

RwE also reserves the right to review all calculations included or referred to in the Report and, if RwE considers it necessary, to revise the Report in light of any



information existing at the Valuation Date (i.e., as at or near August 30, 2021) which becomes known to RWE after the date of the Report.

Unless otherwise indicated, all monetary amounts are stated in Canadian dollars (C\$).

## **2.0 BACKGROUND**

RWE has reviewed the Technical Report and the materials from the Company.

In doing this, RWE has found that the best way for readers to get a thorough understanding of the Muskwa Project is to view the Technical Report. The background on the Muskwa Project can best be found and described as at: [www.sedar.com](http://www.sedar.com).

### Muskwa Project

In 2021 Fabled Silver renamed and re-categorized its mining exploration projects in northern British Columbia to better identify them and renamed them the Muskwa Project and the non-material Bronson Property. The Muskwa Project is comprised of a number of claims both wholly owned by Fabled Copper and optioned to Fabled Copper under two separate option agreements:

### High Range Agreement

On April 8, 2021, the Company and Fabled Copper entered into an amended and restated option agreement (the “Amended MP Option Agreement”) with High Range Exploration Ltd (the “MP Optionor”).

The Amended Option Agreement superseded and replaced the following agreements entered previously:

- An option agreement, as amended, related to the Neil/Ram Creek Property assigned to the Company on January 23, 2017 (the “Neil/Ram Creek Agreement”);
- An option agreement, as amended, related to the Ribbon Property, assigned to the Company on March 4, 2017 (the “Ribbon Agreement”); and
- An option agreement, as amended, related to the Toro Property assigned to the Company on March 4, 2017 (the “Toro Assignment Agreement”)

(Collectively, the “Pre-Amended Option Agreements”).

Pursuant to the Amended MP Option Agreement, the Company has the right and option (the “MP Option”) to acquire an undivided 100% interest of the following properties:

- Neil/Ram Creek Property in which the Company owns a 50% interest;



- Toro Property in which the Company owns a 50% interest; and
- An additional 3,842 hectares, including 2 claims which are contiguous with the Neil/Ram Creek Property, and 4 mineral claims located in the same geographical area and with the same geophysical profile as the Muskwa Project, and referred to as the Bronson Property (the “MP Properties”).

Fabled Silver and SpinCo deem the Bronson Property to be non-material.

To exercise the MP Option, the Company is required to make the following payments:

- i. \$200,000 on April 8, 2021 (paid);
- ii. \$500,000 on April 8, 2022;
- iii. \$750,000 on April 8, 2023;
- iv. \$1,000,000 on April 8, 2024; and
- v. \$2,000,000 on April 8, 2025.

The Company owns a 100% interest in the Ribbon Property which forms part of the Muskwa Project and was previously acquired pursuant to the Pre-Amended Option Agreements;

The Company has granted (on those properties and portions thereof owned by the Company) a 2% net smelter return royalty interest (the “NSR”) on the MP Properties and the Ribbon Property to the MP Optionor.

#### **ChurchKey Option Agreement**

On August 6, 2019 the Company, through Fabled Copper entered into an option agreement to acquire the ChurchKey Property.

Pursuant to the option agreement, the Company is required to make the following payments to ChurchKey Mines Inc. (“ChurchKey”) in order to exercise its option to acquire the ChurchKey Property:

- \$50,000 (paid) in cash on August 6, 2019;
- \$50,000 in cash on or before November 4, 2019 (paid);
- \$100,000 in cash on or before August 6, 2020 (paid);
- \$250,000 in cash on or before August 6, 2021 (paid);



- \$300,000 in cash on or before August 6, 2022;
- \$500,000 in cash on or before August 6, 2023; and
- \$750,000 in cash on or before August 6, 2024.

The Company has granted the Vendor a 2% NSR with respect to the ChurchKey Property upon commencement of commercial production.

In addition, the Company had the exclusive right to purchase 1% of the NSR at any time in the first four years following closing for \$425,000 if it makes an annual payment of \$25,000 on each of the 4 anniversaries of closing.

The Company has not made such payments to date.

If such option is not exercised, the Company will have the non-exclusive right to purchase that 1% of the NSR for the equivalent of 275,000 pounds of copper multiplied by the quoted London Metal Exchange price at the date of the purchase at any time up to the date of commencement of commercial production.

The Company will also have the non-exclusive right to purchase the remaining 1% of the NSR for the equivalent of 400,000 pounds of copper multiplied by the quoted London Metal Exchange price at the date of the purchase at any time up to the date of commencement of commercial production.

No shares issuable in connection with this agreement.

On June 15, 2020, Fabled Copper entered into an extension agreement with ChurchKey (the “1st CP Extension Agreement”) to extend the payment date of the CP 2nd and 3rd Payments to October 31, 2020.

In consideration of such extension the Company agreed to make an additional payment of \$50,000 (the “1st CP Extension Cost”) to ChurchKey on the date that the Company completed its next financing.

On October 21, 2020, Fabled Copper entered into a second extension agreement with ChurchKey (the “2nd CP Extension Agreement”) to extend the payment due date agreed pursuant to the 1st CP Extension Agreement as follows:

- The 1st CP Extension Cost would be paid at the date of signing the 2nd CP Extension Agreement (paid); and
- The CP 2nd and 3rd Payments to be paid upon completion of the acquisition of the Santa Maria Project (paid).



In consideration of such extensions the Company agreed to make an additional payment of \$50,000 (the “2nd CP Extension Cost”) (paid) on the completion of the acquisition of the Santa Maria Project.

The 1st CP Extension Cost, and the 2nd CP Extension were recognized as finance costs in the statement of loss and comprehensive loss during the year ended December 31, 2020.

### **3.0 SCOPE OF THE REPORT**

RwE has relied on the following documents and information:

- Interviewed the Company’s management and collected data from technical personnel, and from certain Board members of the Company.
- Reviewed valuation literature:
  - Carson, Carol S. 1994. Accounting For Mineral Resources: Issues and BEA's Initial Estimates. (Bureau of Economic Analysis). The updated website link is now found at: <https://www.nap.edu/read/9077/chapter/9>
  - The International Valuation Standards Council (IVSC) has published documentation on mineral properties. <https://www.ivsc.org/files/file/view/id/939>
  - Roscoe, William E. Valuation of Mineral Exploration Properties Using the Cost Approach. The updated link to this document can be found at the following: [http://www.rpacan.com/site\\_Files/Content/Valuation\\_of\\_Mineral\\_Exploration\\_Properties\\_Using\\_the\\_Cost\\_Approach.pdf](http://www.rpacan.com/site_Files/Content/Valuation_of_Mineral_Exploration_Properties_Using_the_Cost_Approach.pdf). An additional link is found at: [http://www.rpacan.com/site\\_Files/Content/Valuation\\_of\\_Non-Producing\\_Mineral\\_Properties.pdf](http://www.rpacan.com/site_Files/Content/Valuation_of_Non-Producing_Mineral_Properties.pdf)
  - Valuation of Exploration Properties. CIM Bulletin, v. 89, no. 1004, pp. 69-72.
  - Review of global mining disclosure can be found at the following website link: <https://www.lexology.com/library/detail.aspx?g=db67d372-e693-4c9f-b5d7-b7ab4fba652>
- Reviewed the audited Explorex Resources Inc. and Happy Creek Minerals Inc. historical financial statements for the periods 2012 to 2017.
- Reviewed the Assessment Report Indexing System (ARIS) <http://aris.empr.gov.bc.ca>
- Reviewed the MINFILE <http://minfile.gov.bc.ca> and the Mineral Titles Online <http://www.mtonline.gov.bc.ca/mtov/home.do>



- Reviewed FSC management provided June 30, 2021 financial expenditures on the Muskwa Project for the period January 1, 2017 to December 31, 2019 and to June 30, 2021. The summary total is:

**Fabled Silver and Gold Corp.**  
**Expenditures on Mushwa Project Properties**  
**per Fabled Silver Management Disclosure**

<i>Toro</i>	30-Sep-17	31-Dec-18	31-Dec-19	Total Recent Expenditures
Geological	\$ 85,943	\$ 13,045	\$ 36,286	
Geophysics	\$ 27,351	\$ -	\$ -	
Survey	\$ 226	\$ 53	\$ -	
Maps	\$ 499	\$ -	\$ -	
Travel	\$ 319	\$ 945	\$ -	
Sampling	\$ -	\$ 169	\$ -	
Drilling	\$ -	\$ -	\$ 54,049	
Helicopter	\$ -	\$ 4,831	\$ 91,196	
	<u>\$ 114,338</u>	<u>\$ 19,042</u>	<u>\$ 181,531</u>	
FS details	\$ 114,338	\$ 19,042	\$ 181,530	\$ 314,910
<i>Neil/Ram Creek</i>	30-Sep-17	31-Dec-18	31-Dec-19	
Geological	\$ 8,002	\$ 11,745	\$ 16,217	
Geophysics	\$ 54,841	\$ 18,824	\$ -	
Survey	\$ 226	\$ 53	\$ -	
Maps	\$ 499	\$ -	\$ -	
Travel	\$ 319	\$ 945	\$ -	
Sampling	\$ -	\$ -	\$ -	
Drilling	\$ -	\$ -	\$ 54,049	
Helicopter	\$ -	\$ 4,831	\$ 91,196	
	<u>\$ 63,887</u>	<u>\$ 36,398</u>	<u>\$ 161,462</u>	
FS details	\$ 63,887	\$ 36,398	\$ 161,462	\$ 261,747
<i>Ribbon</i>	30-Sep-17	31-Dec-18	31-Dec-19	
Geological	\$ 19,928	\$ 5,158	\$ 4,642	
Geophysics	\$ -	\$ -	\$ -	
Survey	\$ 226	\$ 53	\$ -	
Maps	\$ 499	\$ -	\$ -	
Travel	\$ 319	\$ -	\$ -	
Sampling	\$ -	\$ -	\$ -	
Drilling	\$ -	\$ -	\$ 54,049	
Helicopter	\$ -	\$ 4,831	\$ 91,196	
	<u>\$ 20,972</u>	<u>\$ 10,042</u>	<u>\$ 149,887</u>	
FS	\$ 20,972	\$ 10,041	\$ 149,888	\$ 180,901
<i>ChurchKey</i>	30-Sep-17	31-Dec-18	31-Dec-19	
Geological	\$ -	\$ -	\$ 105,296	
Camp	\$ -	\$ -	\$ 4,412	
Materials	\$ -	\$ -	\$ 1,235	
Tech Report	\$ -	\$ -	\$ 48,458	
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 159,400</u>	
FS	\$ -	\$ -	\$ 159,400	\$ 159,400
<b>Total Expended</b>				<b>\$ 916,958</b>



- Conducted limited due diligence on what other junior-stage exploration and mine development companies' experiences have been with regard to developing their own properties and projects.
- Used information and data gathered here as a basis of determining industry rules-of-thumb and opinions as to value related to previous work conducted and value related to future work identified by the Technical Report, engineering studies and other geological/expert work.
- RWE also reviewed the following news release (i.e., Research Capital Corporation funding) of C\$6.9 million gross financing. RWE has relied on this in a material manner.

**Fabled Silver Gold Announces Closing of \$6.9 Million Private Placement in Connection with the Proposed Spin-Out of Copper Assets**

***NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES.***

**VANCOUVER, BC – August 19, 2021** – Fabled Silver Gold Corp. (TSXV: FCO; OTCQB: FBSGF, and FSE: 7NQ) ("**Fabled**" or the "**Company**"), is pleased to announce that it has closed its previously announced brokered private placement offering (the "**Offering**") for aggregate gross proceeds of \$6.9 million, including the full exercise of the over-allotment option, in connection with the proposed spin out of its interest in the Muskwa copper project in northern British Columbia (the "**Muskwa Project**") by distributing the shares the Company holds in its wholly owned subsidiary Fabled Copper Corp. ("**Fabled Copper**") to the shareholders of the Company through a statutory plan of arrangement currently anticipated to be on the basis of one Fabled Copper share for every five common shares of Fabled held (the "**Spin-Out Transaction**"). The Offering was conducted by Research Capital Corporation as sole agent and sole bookrunner (the "**Agent**").



- Reviewed information on the natural resource, mining and exploration and base mineral markets from such sources as: Kitco Inc., Canadian Mining News, InfoMine, International Council of Mining and Metals and The Economist and via online websites.
  - The Canadian Institute of Mining, Metallurgy and Petroleum (CIM) – which Richard Evans is a member of – put in place the 2019 CIMVAL Code for the Valuation of Mineral Properties because they were adopted by the CIM Council on November 29, 2019. The 2019 CIMVAL Code supersedes the 2003 CIMVAL Standards and Guidelines for Valuation of Mineral Properties.
  - Prior to the development of the international template (IMVAL), there was no common template or standard for mineral property valuation. Instead, three national codes or standards existed, being CIMVal (Canada), SAMVAL (South Africa), and VALMIN (Australasia). Although these codes have many similarities, they have differences in structure, definitions, scope, and jurisdictional requirements. In addition, minerals while in the ground are specified as a part of Real Estate in the International Valuation Standards (IVSs). The IVSs and the USA’s Uniform Standards of Professional Appraisal Practice (USPAP) also contain valuation standards of general application non-specific to mineral property valuation. IMVAL has developed a Template, is an international committee comprised of representatives of SAMVAL (South Africa), CIMVal (Canada), VALMIN (Australasia), the SME Valuation Standards Committee (USA), and IIMA (USA). Representatives of the Royal Institute of Chartered Surveyors (RICS, UK), were also involved in the early deliberations of IMVAL. The Template is intended as a principles-based template to be recognized as a common set of minimum requirements for national codes or standards concerning the valuation of Real Property mineral assets (Mineral Property). The Template represents a consensus of current good practices and is expected to be updated from time to time. The Template is not intended to be a stand-alone reporting code and does not supersede existing national reporting standards.
  - Reviewed the December 31, 2020 and unaudited June 30, 2021 FSC financial statements. Readers are cautioned the statements are unaudited.
  - Reviewed the Arrangement Agreement found in Appendix 2.0.
  - Reviewed the provide proforma documents of FCC as provided by FSC.
  - Reviewed and collected information on different valuation methods accepted by the Canadian Institute of Chartered Business Valuators and the American Society of Appraisers.
- Our diligence did find that gold companies can be valued on different categories of resource, measured, indicated, inferred.
- Also, collected data from FSC and online sources regarding historical expenditures on projects in and around the Muskwa Project areas.



- Reviewed the MD&A of FSC’s historical financial statements as of June 30, 2021. A recovery of impairment was done on the Muskwa Project properties, which FSC/FCC Boards and management confirmed was accepted by both of the companies’ auditors.

Exploration and evaluation assets as of June 30, 2021

	Muskwa Project \$
Balance as at December 31, 2020	-
Acquisition costs	
- cash	200,000
Recovery of impairment	2,204,913
Effect of movements in exchange rate	-
<b>Balance as at June 30, 2021</b>	<b>2,404,913</b>

#### **4.0 CONDITIONS AND RESTRICTIONS OF THE REPORT**

- The Report is for the Board of the Company and for their use for internal circulation purposes and only the final signed Report can be relied on by the Company’s Board and related regulatory bodies.
- RWE understands that a summary of the signed Report may be included in the documentation advising FSC’s shareholders of such findings.
- The signed Report may be used for inclusion in public disclosure documents in Canada only. RWE will require that it review public disclosure documents in order to ensure accuracy and consistency with the Report. Such consent will not be unreasonably withheld.
- The Report cannot be submitted to any non-Canadian, U.S. or international stock exchanges and or foreign regulatory authorities, or to the CRA or the IRS.
- RWE did apply generally accepted CICBV valuation principles to the financial information it did receive from the Company and followed CIMVal Standards.
- RWE has assumed that the information, which is contained in the Report, is 100% accurate, correct and complete, and that there are no material omissions of information that would affect the conclusions contained in the Report that FSC, or their representatives, are aware of.



- RWE did not attempt to audit the accuracy or completeness of the financial, technical, exploration, development and business data and information provided to it.
- This Report contains conclusions on fair value and on the fair market value of assets based on the review and analysis undertaken.
- RWE provides no opinion as to the value of the Company or any other parties.
- This Report has been prepared in light of those standards of the Canadian Institute of Chartered Business Valuators and the American Society of Appraiser (both of which Richard W. Evans is a member in good standing).
- Should the assumptions used in the Report be found to be incorrect, then the valuation and conclusions may be rendered invalid and would likely have to be reviewed in light of correct and/or additional information.
- The Report, and more specifically the assessments and views contained therein, is meant as independent review of the Muskwa Project as at the Valuation Date respecting the scope outlined above.
- The authors of the Report make no representations, conclusions, or assessments, expressed or implied, regarding FSC and/or FCC after the Valuation Date.
- The information/assessments contained in the Report pertain only to the conditions prevailing at the time the Report was completed in June and July of 2021 and then updated in September of 2021 through a review of additional provided materials – which were principally the June 30, 2021 Company financial statements and a September 17, 2021 Arrangement Agreement between FSC (a company existing under the Business Corporations Act (British Columbia)) and FCC (a company existing under the Business Corporations Act (British Columbia)).
- RWE denies any responsibility, financial or legal or otherwise, for any use and/or improper use of the Report however occasioned.
- Any legal disputes or legal action against RWE Growth Partners, Inc. as a result of the Report, or any other matter, is agreed by FSC and FCC, and their management, officers, directors and their respective shareholders are agreed to be settled only in a Canadian court of law.
- RWE as well as all of its principals, partner, staff or associates' total liability for any errors, omissions or negligent acts, whether they are in contract or in tort or in breach of fiduciary duty or otherwise, arising from any professional services performed or not performed by RWE, its principals, partner, any of its directors, officers, shareholders or employees, shall be limited to the fees charged and paid for the Report. No claim shall be brought against any of the above parties, in contract or in tort, more than two years after the date of the Report.



## 5.0 ASSUMPTIONS OF THE REPORT

The authors of the Report have made the following assumptions in completing the Report:

- (1) As at the Valuation Date all assets and liabilities in respect of the Muskwa Project have been recorded in FSC's financial statements and follow IFRS standards. A current audit of FSC's financial statements would not result in any material change to the financial data set out by FSC regarding the Muskwa Project as provided financial statements to RWE.
- (2) RWE has relied on the provided documentation by the Company, including data on the historical development and exploration costs on the Muskwa Project.
- (3) RWE also assumed data collected from other parties' and related corporate financial statements were accurate and reliable as well data in the Technical Report reviewed.
- (4) FSC and FCC and all of their related parties and their principals had no contingent liabilities, unusual contractual arrangements, or substantial commitments, other than in the ordinary course of business, nor litigation pending or threatened, nor judgments rendered against, other than those disclosed by management and included in the Report that would affect the evaluation or comments on the Muskwa Project.
- (5) RWE has used the financial statements of FSC noted in Schedule 1.0 to collect data as to the costs incurred in exploring the Muskwa Project. RWE has assumed that stated exploration costs were recorded accurately and completely. Also, collected financial data from the Assessment Report Indexing System (ARIS) <http://aris.empr.gov.bc.ca>
- (6) The FSC shareholders are assumed to be treated as one entity and RWE has assumed that this is reasonable as at the Valuation Date.
- (7) Have assumed that the Company has ownership of all the Muskwa Project assets (by virtue of holding all of the shares of SpinCo) as set out in the FSC latest June 30, 2021 financial statements so that one can complete the Proposed Transaction.
- (8) The Company has complied with all rules and regulations of the TSX-V, government taxation and regulatory practices as well as all aspects of their contractual agreements that would have an effect on the Report and there are no other material agreements entered into by either of the Company regarding the Muskwa Project that is not disclosed in the Report.
- (9) All conditions precedent to the closing of the Proposed Transaction have, or will be completed, or waived, as set out in the Report, as at or before the closing of the Proposed Transaction and that both parties' complete the Proposed Transaction without any material change/concern/addition/deletion to the shares issued to each of the Companies as set out in Schedule 2.0.



- (10) There are no other dilutive events at the close of the Proposed Transaction other than what has been disclosed by the Company's Board in the Report.
- (11) There are certain warrants/ESOP/options that are "in-the-money" as at the closing of the Proposed Transaction as set out in Schedule 2.0. These are accurate and are confirmed by FSC and FCC management.
- (12) There will be no unforeseen and/or material negative tax consequences to the Company's shareholders and/or securityholders through the closing of the Proposed Transaction.
- (13) RWE has been advised by the FSC Board that SpinCo has completed SpinCo Financing for gross proceeds of C\$6,899,999.98; i.e., say C\$6.9 million. RWE has assumed this to be accurate and used it in calculating the value of the Resulting Issuer.
- (14) Have assumed the capitalization table on page 16 of this Report is 100% accurate – as per FSC management provided.
- (15) All purchase warrants and ESOP options/warrants are exercised at the closing of the Proposed Transaction.
- (16) The Board has noted to RWE that it is not aware of any other facts or data involving the Proposed Transaction or and other matter that would have any material effect on the conclusions in the Report that has not been provided to RWE.

RWE reserves the right to review all information and calculations included or referred to in this Report and, if it considers it necessary, to revise its views in the light of any information which becomes known to it during or after the date of this Report.

## **6.0 DEFINITION OF FAIR VALUE AND FAIR MARKET VALUE**

In this Report, fair value is (IFRS 13.9) refer to: "The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date." The Highest and Best Use ("HBU") for the Muskwa Project is based on a stand-alone basis; i.e., fair value is the price that would be received in a current sale, to a market participant, that would use the asset on a standalone basis. The price is determined at measurement date under current market conditions (i.e. an exit price). This is regardless of whether that price is directly observable or estimated using another valuation technique. RWE used appropriate valuation techniques in the circumstances and for which sufficient data was available to measure fair value.

In this Report, fair market value is defined as the highest price available in an open and unrestricted market between informed and prudent parties, acting at arms' length and under no compulsion to act, expressed in terms of cash. With respect to the market for the shares of a company viewed "en bloc" there are, in essence, as many "prices" for any business interest as there are purchasers and each purchaser for a particular "pool of assets", be it



represented by overlying shares or the assets themselves, can likely pay a price unique to it because of its ability to utilize the assets in a manner peculiar to it. In any open market transaction, a purchaser will review a potential acquisition in relation to what economies of scale (e.g., reduced or eliminated competition, ensured source of material supply or sales, cost savings arising on business combinations following acquisitions, and so on), or “synergies” that may result from such an acquisition. Theoretically, each corporate purchaser can be presumed to be able to enjoy such economies of scale in differing degrees and therefore each purchaser could pay a different price for a particular pool of assets than can each other purchaser. Based on the authors of the Report’s experience, it is only in negotiations with such a special purchaser that potential synergies can be quantified and even then, the purchaser is generally in a better position to quantify the value of any special benefits than is the vendor.

In this engagement RWE was not able to expose the Muskwa Project for sale in the open market and were therefore unable to determine the existence of any special interest purchasers who might be prepared to pay a price equal to or greater than the fair value outlined in the Report.

RWE should note that it is possible that a copper producer and/or larger copper explorer may pay a price that is higher than fair market value (i.e., the special purchaser price). The reason for this may be synergistic reasons known only to them.

RWE has not factored in any likely special purchaser consideration for the reasons that valuers cannot reasonably quantify such synergies, and valuation literature supports that unless such synergies can be quantified and proven (though multiple written bids, etc.) they cannot be included.

## **7.0 VALUATION METHODOLOGIES**

### **7.1 Overview**

In valuing an asset and/or a business, there is no single or specific mathematical formula. The particular approach and the factors to consider will vary in each case. Valuation approaches are primarily income-based or asset-based. Income-based approaches are appropriate where an asset and/or enterprise’s future earnings are likely to support a value in excess of the value of the net assets employed in its operation.

Commonly used income-based approaches are the Capitalization of Indicated Earnings or Capitalization of Maintainable Cash Flows or a Discounted Cash Flow. Asset-based approaches can be founded on either going concern assumptions (i.e. an enterprise is viable as a going concern but has no commercial goodwill) or liquidation assumptions (i.e. an enterprise is not viable as a going concern, or going concern value is closely related to liquidation value).

Standard valuation methods applicable to determining value can be grouped into five general categories:



- (1) Cost approach;
- (2) Market approach (or sales comparison approach);
- (3) Income-based approach;
- (4) Rules-of-Thumb approach; and
- (5) Combination of any of the above approaches.

As there are many definitions of cost, the Cost approach generally reflects the original cost of the assets and/or business in question or the cost to reproduce the intangible assets of the business itself.

This approach is premised on the principle that the most a notional purchaser and/or an investor will pay for an investment is the cost to obtain an investment of equal utility (whether by purchase or reproduction).

The Market or Sales Comparison approach uses the sales price of comparable assets as the basis for determining value. If necessary, the market transaction data is adjusted to improve its comparability and applicability to the asset being valued.

The Income-Based Approach considers the earnings to be derived through the use of the asset. The capitalized value of the Company's earnings or cash flows is determined with the application of a capitalization rate, reflecting an investor's required rate of return on such an investment.

The Rules-of-Thumb approach can be applied to certain assets to serve as a useful determination of value when industry professionals provide specific information as to standard industry characteristics and/or acknowledged and accepted rules.

Rules-of-Thumb often involve the input of specific industry competitors and professionals to indicate certain measurable criteria that can be assessed and applied to as indications of value.

Lastly, a combination of the above approaches may be necessary to consider the various elements that are often found within specialized companies and/or are associated with various forms of intangible assets.

## **8.0 VALUATION METHOD USED**

### **8.1 Standards Approach**

RwE has used the updated CIMVAL Code for the Valuation of Mineral Properties, as prepared by the Special Committee of the Canadian Institute of Mining, Metallurgy and Petroleum on the Valuation of Mineral Properties (CIMVAL), adopted by the CIM Council on November 29, 2019.



The CIMVAL Code was adopted by the Canadian Institute of Mining, Metallurgy & Petroleum (the "CIM") Council on November 29, 2019.

Per CIMVAL Code the Qualified Valuator is an individual who

- a. is a professional with demonstrated extensive experience in the Valuation of Mineral Properties.
- b. has experience relevant to the numerous mineral properties over the last twenty plus years – and is relying on the Technical Report and that its writer can be considered as the Qualified Person for both the SDP.
- c. RWE is regulated by and is a member in good standing of a Professional Association or a Self-Regulatory Professional Organization; i.e., the Canadian Institute of Chartered Business Valuators and the American Society of Appraisers.

In dealing with:

(a) RWE has conducted numerous valuations and fairness opinions of resource properties and companies in which its clients and their accountants have been satisfied and relied on RWE as a qualified valuator (some of which are Canadian, U.S. and International public companies).

A sample of these firms:

Zimtu Capital	Minco Gold / Silver
Dunedin Ventures Inc.	GGX Gold
Trans African Gold Corp.	Ascot Mining plc.
Sandstorm Resources Inc.	Luna Gold Corp.
Lowell Mineral Exploration	Cosigo Resources Inc.
Horseshoe Gold Mining Inc.	Able Trust Inc.
Imperial Metals Corp.	Batero Gold Corp.
Sandstorm Metals & Energy Ltd.	Compass Gold Corp.
Evolving Gold Corp.	Columbus Gold Corp.



CIC Resources Inc.

CIC Resources Inc.

Entrée Gold Corp.

Columbus Silver Corp.

Selkirk Metals Corp.

Canex Minerals Inc.

(b) RWE has relied upon the Qualified Person in the Technical Report. Specifically, RWE has relied on the most current Technical Report writer as the Qualified Person.

(c) RWE is a member in good standing with both the Canadian Institute of Chartered Business Valuators and the American Society of Appraisers both of which are regulated and are self-regulatory professional organizations.

CIMVAL Code, November 2019

The six fundamental principles in undertaking Valuations and Valuation Reports are Competence, Materiality, Reasonableness, Transparency, Independence and Objectivity.

**Competence**

A Qualified Valuator who is not Competent in all aspects of a Valuation assignment must seek assistance from one or more Qualified Valuators or other Experts who are Competent in the applicable field or discipline necessary to address those aspects. For example, in a Valuation, a Qualified Valuator may rely on a Technical Report prepared by a Qualified Person. That has been done in this Report as noted above.

**Materiality**

A Valuation must address all Material information. All Material information must be included or adequately referenced in the Valuation Report. Materiality is the principle that determines whether certain information is relevant to the Valuation. Materiality applies to the nature of the items assessed and their influence on the quantum of a Valuation.

RWE has clearly set out all material assumptions regarding the input parameters, risks, limitations, and the associated effects in the Report.

**Reasonableness**

RWE is comfortable that the Report's conclusions are reasonable. All Assumptions are clearly outlined in the Report. The Report's valuation methods relied upon are reasonable within the context of the purpose of the Report and regarding fair value.

The test of reasonableness is to consider what appropriately qualified and experienced Qualified Valuators, acting reasonably, would likely conclude in the circumstances. RWE is of the view that our opinion is reasonable in the circumstances, that is, what RWE believes is rational and plausible in the circumstances and would be viewed as such if considered by other appropriately qualified and experienced Qualified Valuators with the same information and at the same time.



#### Transparency

The Valuation process and Valuation Report must be transparent, such that its material assumptions and conclusions must be clear and unambiguous and therefore understandable to the reader. All material assumptions and any limitation to the Valuation that could affect the Valuation conclusion must be disclosed in the Valuation Report. RWE has done this in the Report and Schedules.

#### Independence

For the Qualified Valuator to be able to develop a Valuation that users can confidently accept as free from bias, it is preferred, and may be mandated that the Qualified Valuator be Independent of the outcome of the Valuation, and thus be objective in exercising their judgement. This is clearly set out in section 12.2.

#### Objectivity

The Qualified Valuator should approach a Valuation with Objectivity. This is promoted by an environment that is supported by data and minimizes the influence of subjective factors, such as the Valuator's personal bias, on the Valuation process. The process of valuation requires the valuator to make impartial judgements as to the reliability of inputs and assumptions. For a valuation to be credible, it is important that those judgements are made in a way that promotes transparency and minimizes the influence of any subjective factors on the process. Judgement used in a valuation must be applied objectively to avoid biased analyses, opinions and conclusions (Adapted from IVS Framework, Section 40.1). RWE has carried out the Report's work, analysis and conclusions objectively.

#### Additional CIMVAL Code Items:

##### Valuation Approaches

The Qualified Valuator has the responsibility to decide which Valuation approaches and methods to use.

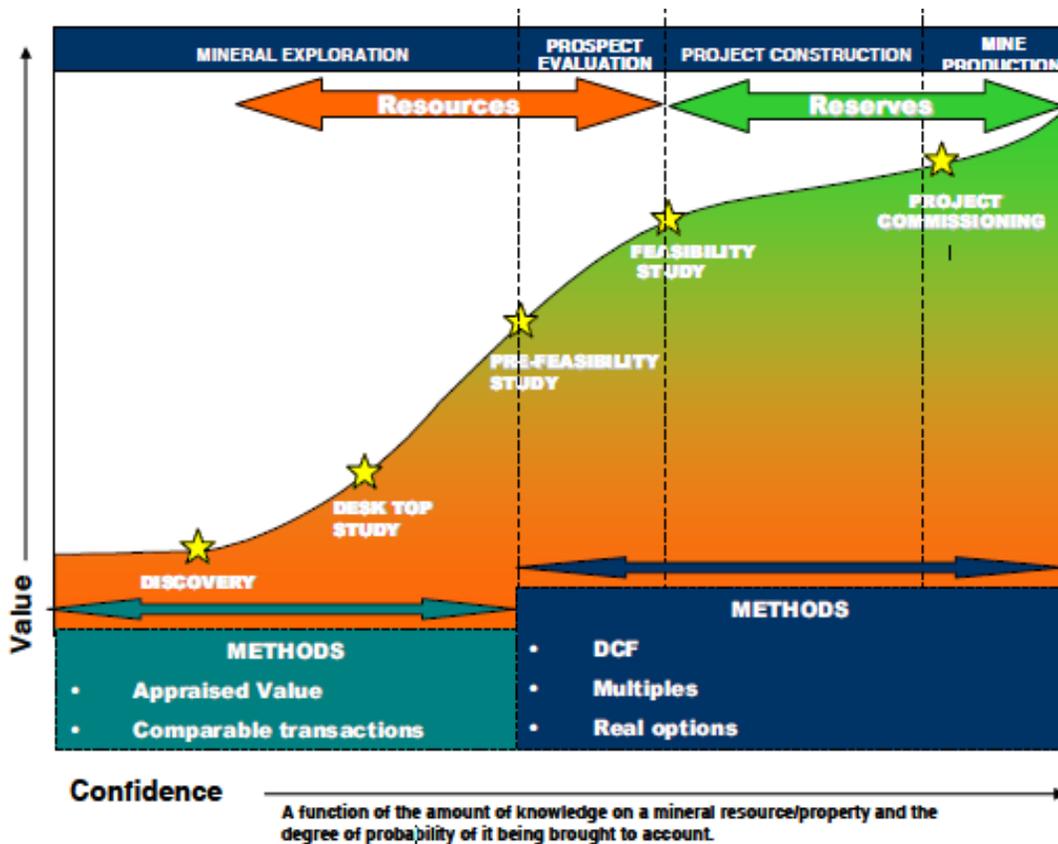
The choice of the specific approaches and methods used, or excluded, must be justified and explained by the Qualified Valuator.

The limitations of each method must be explained.

The three generally accepted Valuation approaches of Income, Market, and Cost must be considered and discussed in the Valuation Report. More than one approach should be used in the Valuation of each Mineral Property if it is reasonably possible and appropriate to apply them.

If a Qualified Valuator is of the opinion that only one approach should be used in particular circumstances, the Qualified Valuator must justify and explain why other approaches are not used in such circumstances. RWE has used multiple approaches and explained and detailed their use in the Report.





Source: MVENMYN

Method Used by RWE – Weighted Average of Cost and Implied Financing Value:

Cost Method – RWE has used the reported historical exploration costs of the Muskwa Project as at or near a current date as reported and included in Schedule 1.0 of the Report. RWE used this as the basis of fair value of the minerals rights / claims held on the Muskwa Project. RWE also examined the financial data from the Assessment Report Indexing System (ARIS) <http://aris.empr.gov.bc.ca>

Doing this has meant that RWE considered expenditures as recorded and stated by the reliable parties as within a four year period of the Valuation Date. No other financial data related to the Muskwa Project appeared to be more reasonable or accurate as to account for the present value related to the Muskwa Project within CIMVal Standards.

While there has been material work and historical costs incurred in the Muskwa Project – especially in Davis-Keays - RWE is of the view that only a portion of the current technical work reflects what a reasonable and knowledgeable arms' length parties would recognize as fair value for such assets as at the Valuation Date. While there appears to be material "potential" – such can not be classified as being fair value.

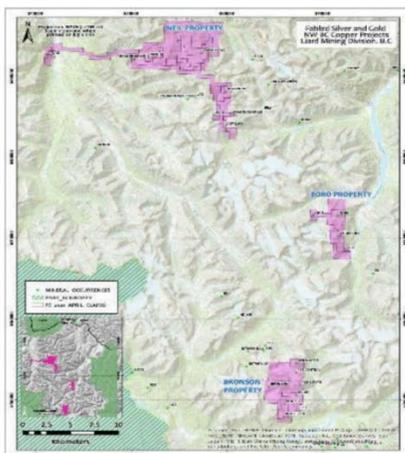
The claim blocks were all examined.



## MUSKWA PROJECT



This Property consists of three separate claim blocks:



1. Neil  
 Toad, Neil, Davis-Keays, Ram  
 Creek No. 1, Ann-18, Magnum, Mac, Magnum Creek  
 and Lady Luck copper occurrences
2. Toro  
 John, Toro, Churchill and Ho copper occurrences
3. Bronson  
 428 North, 428 Central, 428 South, PJ105, PJ100, Bronson,  
 Book 6, Book 9-10 copper occurrences

While there have been stated historical reserves on portion of the Muskwa Project there are no such reported resources or reserves on the Muskwa Project as at the Valuation Date.

Implied Financing Value Method - RWE also had to consider that both of the FCC and FSC Boards / management team confirmed that a previous impairment by the auditor has been recovered on the Muskwa Project (i.e., copper properties) to record a June 30, 2021 fair value of C\$2,404,913 for it. Furthermore, the FCC/FSC Boards / management teams have advised and confirmed to RWE that this methodology has been used by the FCC / FSC auditor(s). This was simply based on the number of shares to be distributed pursuant to the spin-out in the Arrangement Agreement – per the Proposed Transaction. The fair value attributable to each FSC share was based on C\$0.05 per share.

RWE deemed it reasonable to then weight the actual fair value of the Muskwa Project based on the Appraised Value Method of what was realizable for this to a notional 3rd-party buying 100% of the Muskwa Project with assuming a financing. RWE tried to use a traditional Market Method - but found none that were comparable enough to the Muskwa Project (mainly because they were more advanced) to use as a means to use as a Public Guideline Method.

RWE also examined the proposed share structure of the Fabled Copper Proposed Transaction as per FSC management – and examined the shares / warrants / ESOP to be issued / exercised for the spin-out of the Muskwa Project. The implied pre-money value was C\$2.7 million (shown on right).

Capitalization	
Spin-Out from Fabled Silver Gold Corp. (1:5 shares)	40,056,061
Shares Issuable on Exercise of Fabled Silver Warrants	9,266,300
ESOP	5,000,000
Pre-Money F.D. ITM Shares Outstanding	54,322,361
<b>Pre-Money Market Capitalization<sup>(2)</sup></b>	<b>\$2.7 million</b>

In the end, RWE was most comfortable to use the methods set out in Schedule 1.0 to determine the realistic fair value of the Muskwa Project.



Using TSX-V Guidelines

TSX Venture Exchange Corporate Finance Bulletin dated January 28, 2020 clarifies that with respect to the CIMVAL Code for the Valuation of Mineral Properties November 29, 2019, all references to a valuation report for a mineral property in the Manual, and the associated guidance in respect of those reports, continue to be a reference to a Comprehensive Valuation Report (as defined in the New CIMVAL Code).

The Exchange has reviewed the above report for compliance with Exchange Valuation Standards and Guidelines for Minerals Properties, Appendix 3G: which incorporate Canadian Institute of Mining, Metallurgy and Petroleum Standards and Guidelines for Valuation of Mineral Properties Adopted by the CIM Council on November 29, 2019.

*For properties without mineral reserves:*

- *Comparable transactions whereby properties similar in all aspects are incorporated into the analysis, whereby fair market value can be determined.*
- *Modified appraised value method whereby only the retained past expenditures (also known as “historical costs” or “replacement costs”) are included. The Exchange does not generally accept the inclusion of warranted future expenditures for the purposes of the appraised value method. Associated administrative costs will generally not be accepted.”*

Given all of the above, with regard to the Cost Method, RWE has followed CIMVAL, November 2019 Code and standards and has used only historical cost to value the Muskwa Project. The Report complies with the CIMVAL Code and Standards, November 2019 in its entirety.

## **8.2 Overview**

In valuing a mineral property, especially previous to resource estimates, there is no single or specific mathematical formula. The particular approach and the factors to consider will vary in each case.

Where there is evidence of open market transactions having occurred involving the mineral property, those transactions may often form the basis for establishing the value of the mineral property.

In the absence of comparable arms' length open market transactions, the three basic, generally-accepted approaches for valuing a business interest are:

- (a) The Income / Cash Flow Approach;
- (b) The Market Approach; and
- (c) The Cost or Asset-Based Approach.



A summary of these generally-accepted valuation approaches is provided below.

The Income/Cash Flow Approach is a general way of determining a value indication of a mineral property once a clear economic assessment, using one or more methods wherein a value is determined by discounting anticipated future cash flows and benefits.

This approach contemplates the continuation of the mining operation, as if it is a “going concern”.

With regards to a company involved in exploration and development of a mineral property, or the valuation of a mineral property itself, the Income Approach generally relates to the current value of expected future income or cash flow arising from the potential development of a mineral project. The Market Approach to valuation is a general way of determining a value indication of a business or an equity interest therein using one or more methods that compare the subject entity to similar mineral properties which has been sold. Examples of methods applied under this approach include, as appropriate: (a) the “Trading Price Method”, (b) the “Guideline Public Company Method”, (c) the “Merger and Acquisition Method”; and (d) analyses of prior transactions of ownership interests in the subject entity.

The Cost Approach is based upon the economic principle of substitution. This basic economic principle asserts that an informed, prudent purchaser will pay no more for an asset than the cost to obtain an opportunity of equal utility (that is, either purchase or construct a similar asset). From an economic perspective, a purchaser will consider the costs that they will avoid and use this as a basis for value. The Cost Approach typically includes a comprehensive and all- inclusive definition of the cost to recreate an asset. Typically the definition of cost includes the direct exploration costs, labour and all forms of obsolescence applicable to the asset.

With regards to mineral properties, the Cost Approach involves a review of the historical exploration expenditures and their contribution to the current value of the mineral property. Lastly, a combination of the above approaches may be necessary (i.e., a “Weighted Approach”) to consider the various elements that are often found within specialized companies and/or are associated with various forms of intellectual property and where one or two approaches to value is insufficient to capture the nature of the business operations and its assets.

### **8.3 Mineral Assets – Stage of Maturity**

RwE reviewed the Muskwa Project within the mineral exploration fields and found that mineral assets and mineral securities can be defined by their level of actual asset maturity:

- i. “Exploration Areas” refer to properties where mineralization may or may not have been identified, but where a mineral resource has not been identified.
- ii. “Advanced Exploration Areas and Pre-Development Projects” are those where Mineral Resources have been identified and their extent estimated, but where a



positive commercial development decision has not been made.

- iii. “Development Projects” refers to properties which have been committed to production, but which have not been commissioned or are not operating at design levels.
- iv. “Operating Mines” are those mineral properties which have been fully commissioned and are in production.

The Muskwa Project does have historical results and previous findings and stated resources, but as at the Valuation Date, per the Technical Report, the Muskwa Project falls within (i) above.

#### **8.4 The Valuation Approaches**

Given the approaches of valuation outlined above as well as section 8.1 above, it is the view of the authors of the Report that that the most appropriate methods in determining the range of the fair value for the Muskwa Project is as set out in Schedule 1.0. No other reasonable method could be used.

As noted above, RWE undertook a detailed review of various CSE and TSX-V and other market comparable transactions in order to get a sense of what the actual mining exploration marketplace was placing on such identified firms and resource transactions.

### **9.0 VALUATION OF THE MUSKWA PROJECT**

The analysis and work were carried out in Schedule 1.0.

#### **Valuation Assessment**

In undertaking the above described valuation approach, it was apparent that based on and subject to all of the foregoing, it is reasonable for RWE to outline that the fair value of:

***Muskwa Project    C\$2,000,000***

This work is shown in Schedule 1.0.

Our conclusions considered the facts that:

1. The relative amounts of known immediate exploration costs and work commitments versus future contingent work commitments.
2. The likely exploration methods and the ongoing project costs.
3. The country and province in which the Muskwa Project is located.
4. The lack of any measured resources and the uncertain exploration results.



5. Many CSE and TSX-V and other exploration stage projects are not being valued favorably due to the market's perceived high risk to get to production.
6. There is no certainty that the next stage project development will be positive as envisioned by management.
7. Additional technical and exploration development may be positive and/or negative from future work ... no certainty can yet be applied to the Muskwa Project – which the Technical Report writer has confirmed.

## **10.0 FAIRNESS CONSIDERATIONS**

The fairness of a Proposed Transaction for Fabled Silver's shareholders is tested by:

- i. Assessing the recent historical development of the Muskwa Project and relying on the work of the Technical Report writer.
- ii. Relying on the impairment reversal on the Muskwa Project that FSC's Board has advised and confirmed is acceptable by the FSC / FCC auditor(s).
- iii. The Technical Report Writer is experienced and knowledgeable on the Muskwa Project for a period of time and is familiar with it.
- iv. Calculating the fair value of the FCC Net Assets.
- v. *Assuming – that the financing occurs per FSC and FCC Board and management disclosures - such that the Proposed Transaction is set out exactly as is laid out in Schedule 2.0 of the Report. This is a material assumption.*
- vi. Considering qualitative factors, such as synergies, that may result from the Proposed Transaction.

There are many events that are assumed will occur between the Valuation Date and the closing of the Proposed Transaction. These events are either conditions of the Proposed Transaction or are necessary (e.g. due diligence, legal costs and other cost incurred in connection with the Proposed Transaction) aspects of the closing process. Readers should refer to Schedule 2.0.

## **11.0 CONCLUSION AS TO FAIRNESS**

Based upon RWE's valuation work and subject to all of the foregoing, RWE is of the opinion, as at the Valuation Date, that the terms of the **Proposed Transaction is fair, from a financial point of view, to the shareholders of FSC as shown in Schedule 2.0.**

In assessing the fairness of the Proposed Transaction to the shareholders of FSC, RWE has considered, *inter alia*, the following:



1. Comparison of the Muskwa Project prior to completion of the Proposed Transaction and the total shares / warrants and ESOP to be issued and/or held by FSC shareholders of the Resulting Issuer. FSC's Board has confirmed to RWE that the removal of the Muskwa Project has no negative effects on FSC going forward.
2. Other potential benefits that may be realized subsequent to the completion of the Proposed Transaction include focus by both entities and synergies. RWE has considered such synergies and perhaps other changes/reductions that are likely through the splitting of the FSC assets into FSC and the Resulting Issuer. RWE has not attributed any separate value related to this.

RWE has not attempted to quantify other additional qualitative potential benefits. Certain additional potential benefits are as follows:

- i. The splitting off of the FSC overall mineral assets rationalizes both entities business models better and more clearly.
- ii. Private placements remain difficult for small mining and mineral exploration firms that have not developed "scale" exploration and development over an extended period. Terms/conditions, although improving, still do not appear as favorable to such companies as at the Valuation Date as they once did.

**When one considers all of the above together, it is reasonable to conclude that the Proposed Transaction is fair, from a financial viewpoint to the shareholders of Fabled Silver Gold Corp.**

## **12.0 QUALIFICATIONS AND CERTIFICATE**

### **12.1 Qualifications**

The Report preparation, and related fieldwork and due diligence investigations, were carried out by Richard W. Evans, MBA, CBV, ASA and other analysts of RWE, who were fully supervised by Mr. Evans.

Since 1994 Richard W. Evans has been involved in the financial services and management consulting fields and has been involved in the preparation of over 2,750 technical and assessment reports, business plans, business valuations, and feasibility studies.

Richard Evans is a Principal of RWE. He has fifteen years of experience working in the areas of valuation, litigation support, mergers & acquisitions and capital formation.

He has more than 10 years of management experience in the high-tech field where he held various positions in technical support, development, marketing, project manager, channels management and senior management positions.

Prior to focusing on expanding and diversifying a small financial consulting firm, Richard was extensively involved in the high technology sector in Western Canada and the U.S.



Pacific Northwest where he served for two years as the General Manager of Sidus Systems Inc.

At Sidus he was directly responsible for managing the firm's US\$15 million business operation throughout Western Canada and the Pacific Northwest. Previous to this, he spent almost nine years with Digital Equipment of Canada Limited where he was involved in a technical support, sales, marketing, project management and eventually channels management capacity.

RwE has conducted numerous valuations and fairness opinions of resource properties and companies in which its clients, their advisors, buyers, planners, accountants and the courts and regulatory bodies have been satisfied and relied on RwE as a qualified valuator.

A sample of such engagements is:

Trans African Gold Corp.	Ascot Mining plc.	CIC Resources Inc.
Sandstorm Resources Inc.	Luna Gold Corp.	Selkirk Metals Corp.
Lowell Mineral Exploration	Cosigo Resources Inc.	Entrée Gold Corp.
Horseshoe Gold Mining Inc.	Able Trust Inc.	Terra Mining Corp.
Imperial Metals Corp.	Batero Gold Corp.	Canex Minerals Inc.
Sandstorm Metals & Energy Ltd.	Compass Gold Corp.	Western Mountain Index
Evolving Gold Corp.	Columbus Gold Corp.	Columbus Silver Corp.

Many of the reports he has authored have been used by the court systems in B.C., Alberta and Ontario as well as in the U.S. and Europe. He has also done work for public regulatory boards and groups worldwide. Richard has been actively involved in the above professional services with hundreds of companies and has served as a board member for a select number of public and private firms. His area of professional expertise is in middle market and micro-cap companies, especially firms needing advice and assistance with their business plans, operating plans and valuations.

He has also undertaken work used on and relied upon by public companies and regulatory bodies in Canada, the United States, Europe and Asia. He has undertaken valuation work for the Courts in British Columbia, Alberta, Ontario and Australia as well as for the Family Court in B.C.

Richard is extensively involved in sports coaching management and volunteer work throughout BC helping young adults and volunteer associations.



He obtained his Bachelor of Business Administration degree from Simon Fraser University, British Columbia in 1981 as well as completed his Master's degree in Business Administration at the University of Portland, Oregon in 1984 (where he graduated with honors).

Richard holds the professional designations of Chartered Business Valuator and Accredited Senior Appraiser. He is a member in good standing with both the Canadian Institute of Chartered Business and the American Society of Appraisers.

## **12.2 Certification and Independence**

The analyses, opinions, calculations and conclusions were developed, and this Report has been prepared in accordance with the standards set forth by the Canadian Institute of Chartered Business Valuators and follows CIMVAL Code, November 2019 given the technical data and material provided. RWE was paid a professional fee, plus out-of-pocket disbursements for the preparation of the Report by FSC. ***The fee established for the Report has not been contingent upon the value or other opinions presented.***

The authors of the Report have no present or prospective interest in the parties that have prepared the Technical Report, FSC and/or FCC and/or any other entity / company / property that is the subject of this Report. RWE and its principal has no personal interest with respect to any of the parties involved with any of the entities or properties described within this Report. RWE has relied on information and data provided to it by FSC's Board and management and from management of FSC.

All readers are advised to seek the advice from their own advisors as to the value of the Muskwa Project and the Proposed Transaction. RWE can not provide any assurance that outside parties, including shareholders from FSC, FCC, regulatory parties, the TSX-V, CSE and/or other parties will agree with the conclusions of RWE – all readers are cautioned regarding this.

***RwE Growth Partners, Inc.***



Richard W. Evans, MBA, CBV, ASA

Chartered Business Valuator – Canadian Institute of Chartered  
Business Valuators Accredited Senior Appraiser – American  
Society of Appraiser

Telephone: (778) 373-5432



**RwE GROWTH PARTNERS, INC.**

**Fairness Opinion: September 17, 2021**  
**Regarding a Proposed Transaction involving the Muskwa Project**

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**SCHEDULES 1.0 TO 2.0**



**RwE GROWTH PARTNERS, INC.**

**Muskwa Project - Mineral Claims**  
**Modified Appraised Value Method - Review and Analysis of All Historical 2017 - 2019 Exploration Expenditures**  
**and the Implied Financing Value Method**  
**as at the Valuation Date**

Schedule 1.0

based from Public Company Historical Statements and B.C. Assessment Report Indexing System (ARIS)

**Modified Appraised Value Method**

**VALUATION**

Canadian Dollars	Year Ended December 31st	Range FMV Applied		Year Ended December 31st	Range FMV Applied		Period Ended December 31st	Range FMV Applied		Accumulated FMV Weighting During the Life of Development	Accumulated FMV Weighting During the Life of Development
	2016 and Previous	Low	High	2017 - 2018	Low	High	2019	Low	High	Low	High
Acquisition/Sale Cost	\$ -	0%	0%	\$ -	90%	95%	\$ -			\$ -	\$ -
Geological	\$ -	0%	0%	\$ 143,821			\$ 162,440	95%	100%	\$ 154,318	\$ 162,440
Geophysics	\$ -	0%	0%	\$ 101,016	90%	95%	\$ -			\$ 90,914	\$ 95,965
Survey	\$ -	0%	0%	\$ 835	90%	95%	\$ -			\$ 751	\$ 793
Maps	\$ -	0%	0%	\$ 1,496	90%	95%	\$ -			\$ 1,347	\$ 1,421
Travel	\$ -	0%	0%	\$ 2,848	90%	95%	\$ -			\$ 2,563	\$ 2,706
Sampling	\$ -	0%	0%	\$ 169	90%	95%	\$ -			\$ 152	\$ 160
Drilling	\$ -	0%	0%	\$ -	90%	95%	\$ 162,147	95%	100%	\$ 154,040	\$ 162,147
Helicopter	\$ -	0%	0%	\$ 14,494	90%	95%	\$ 273,589	95%	100%	\$ 272,955	\$ 287,359
Camp	\$ -	0%	0%	\$ -			\$ 4,410	95%	100%	\$ 4,189	\$ 4,410
Materials	\$ -	0%	0%	\$ -			\$ 1,235	95%	100%	\$ 1,173	\$ 1,235
Tech Report	\$ -	0%	0%	\$ -			\$ 48,458	95%	100%	\$ 46,035	\$ 48,458
<b>Total</b>	\$ -			\$ 264,679			\$ 652,278			\$ 728,437	\$ 767,094

Acquisitions costs are included as they are for material assets and form "replacement costs".

Inclusion follows standard CIMVAI standard practices to account for such assets acquired if material and part of replacement costs.

Fair Value stated here reflects FCC now investing to realize the exploitation of resources, hence why there is some fair value and

the Muskwa Project is not written down to zero (as per 12/31/2020 financial statements).

There is material potential in the Muskwa Project, which is why RWE assumes that a

financing could occur on the terms and conditions as set out by FSC management and by

Research Capital Corporation in its Best Efforts Term Sheet

Calculated amount, say	\$	728,000	\$	767,000
Adjustments	\$	-	\$	-
Rounded:	\$	730,000	\$	770,000

Add: Other intangible elements / variables / total package \$ - \$ -  
 Add: NI 43-101 Writer not Relevant development work on the Davis-Keays is estimated at approximately \$40,000,000 using current industry-standard pricing.

**Table 22: Davis-Keays Estimated Current Development Cost**

Year	Total Feet Underground	Horizontal (\$2,134/ft)	Horizontal Non-drifting (\$1,677/ft)	Vertical (\$1,220/ft)
		Drifting	Sub-drifting	X-cutting
1969	8,048	2,575	1,932	2,012
1970	12,878	4,121	3,091	3,220
1971	1,979	633	475	495
<b>Totals</b>	<b>22,905</b>	<b>7,330</b>	<b>5,497</b>	<b>5,726</b>
Estimated Cost	\$15,642,439	\$9,218,804	\$9,602,921	\$5,307,256
				<b>\$39,771,421</b>

The estimate does not include the cost to collar and stabilize access portals.

However, fair value reflects realizable value for the assets, which such calculation does not account for the risk of negative results in exploration and what a notional party would pay for such assets given that the exploration risk is still material.

Consider: VC/PE/Strategic risk discount \$ 182,500 \$ 154,000  
 Likely transaction(s) for a notional buyer would be an earn-in 25.0% 20.0%

Rounded:	\$	548,000	\$	616,000
Copper Price Trend 2017-2021 Change:		Not included		Not included
58%+				
Indicated Fair Value, say	\$		\$	582,000

**Implied Financing Value Method**

Note: Both of FCC and FSC Board / management confirmed with RWE that a previous impairment by the auditor has been reversed on the Muskwa Project (i.e., copper properties) to record a June 30, 2021 fair value of C\$2,404,913. FCC/FSC Boards / management have advised and confirmed to RWE that this methodology has been used by the FCC/FSC auditor and was based on the number of shares to be distributed pursuant to the spin-out Proposed Transaction. The fair value attributable to each FSC share was C\$0.05 based on a "large arm's length 3<sup>rd</sup> party financing".

Impairment Reversal

RWE deemed it reasonable to then weight the actual fair value of the Muskwa Project based on the Appraised Value Method of what was realizable for this to a notional 3rd-party buying 100% of the Muskwa Project (per the June 30, 2021 financial statements)

Indicated Fair Value, say	\$	2,400,000
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**The Weighted Average of the Modified Appraised Value Method and the Implied Financing Value Method**

Fair Value Indications	Appraised Value Method	Financing - Proposed Transaction
	\$ 582,000	\$ 2,400,000
	30.0%	70.0%
	\$ 174,600	\$ 1,680,000
<b>Low Range</b>	\$	<b>1,850,000</b>
	\$ 582,000	\$ 2,400,000
	10.0%	90.0%
	\$ 58,200	\$ 2,160,000
<b>High Range</b>	\$	<b>2,220,000</b>
<b>Weighted Mid-Point of Fair Value, say</b>	\$	<b>2,000,000</b>

**Fabled Silver Gold Corp. ("FSC") sale of the Muskwa Project / Minerals Rights to Fabled Copper and Gold Corp. ("FCC") - Proposed Transaction**  
**Fairness Calculations**

Schedule 2.0

<b>Announced Gross Financing - August 19, 2021</b>	<b>\$6,900,000</b>	<b>Concurrent Financing</b>
<b>Pricing of Financing - per FSC New Release</b>	<b>\$0.05</b>	

**PRE Proposed Transaction Basis:**

	Low	High
Mineral rights - Muskwa Project - Fair Value, say	\$ 1,850,000	\$ 2,220,000
Other consideration as part of the Proposed Transaction	\$ -	\$ -
<b>Less: Other Liabilities</b>	<b>\$ -</b>	<b>\$ -</b>
Total Net Assets included in Fabled Copper Corp.	\$ 1,850,000	\$ 2,220,000
Mid-Point, say	\$ 2,035,000	

**POST Proposed Transaction Basis:**

**Implied Value of Resulting Issuer Post-Proposed Transaction (C\$)**

	Low	High
Fair value of the Muskwa Project <i>Assuming Funding of the Proposed Transaction on the Terms and Conditions set out in FSC News Release (p. 4)</i>	\$ 1,850,000	\$ 2,220,000
Proceeds from Option Exercise - "In-the-Money"	\$ -	\$ -
Proceeds from Any "In-the-Money" FSC Warrant Exercise	\$ 463,315	\$ 463,315
Proceeds from Financing - per FSC Mgt. Disclosure	\$ 6,900,000	\$ 6,900,000
Proceeds from ESOP - per FSC Mgt. - 100% exercised	\$ 250,000	\$ 250,000
<b>Expenses to Close Proposed Transaction - Estimate FSC Mgt</b>	<b>\$ (500,000)</b>	<b>\$ (500,000)</b>
Plus: FCC Adjustments - FCC Proforma Financial Statements	\$ 1,759	\$ 1,759
<b>Less: Estimate Agent Placement Fee</b>	<b>\$ (552,000)</b>	<b>\$ (552,000)</b>
<b>Less: FCC Liabilities - FCC Proforma Financial Statements</b>	<b>\$ (400,000)</b>	<b>\$ (400,000)</b>
<b>Implied Value of FCC - POST Proposed Transaction, say*</b>	<b>\$ 8,013,074</b>	<b>\$ 8,383,074</b>

**Calculation of Shares Outstanding in Resulting Issuer POST Proposed Transaction**

	Low	High
Shares Issued to Fabled Copper Founding Shareholders (PRE Proposed Transaction)	0	0
Shares to be Issued to Existing FSC Shareholders; i.e., 5 FSC shares for 1 FCC share	40,056,061	40,056,061
Consolidated	40,056,061	40,056,061
Shares being distributed by FSC to its FCC shareholders	40,056,061	40,056,061
Shares being retained by FSC	0	0
Shares Issued from Any "In-the-Money" Option Exercise - POST Proposed Transaction	0	0
Shares Issued from Any "In-the-Money" FSC Warrant Exercise - POST Proposed Transaction	9,266,300	9,266,300
Shares Issued for Financing (Proposed price of C\$0.05) - per FSC Mgt.	138,000,000	138,000,000
ESOP	5,000,000	5,000,000
Related to Parties Performing Closing Services	0	0
Plus: FCC Adjustments - FCC Proforma Financial Statements	0	0
Shares Issued for Transaction/Financing Fees (8% fee)	0	0
Other	0	0
<b>Shares Outstanding to All Parties - POST Proposed Transaction</b>	<b>192,322,361</b>	<b>192,322,361</b>

\* - assumes completion of the Proposed Transaction.

**Assumed Shareholdings in Resulting Issuer POST Proposed Transaction\***

Shares issued to Existing FCC Shareholders	0	0.00%
Shares to be Issued to the FSC Shareholders	40,056,061	20.83% (1)
ESOP	5,000,000	2.60% (2)
Shares issued to Other Parties	0	0.00%
Shares Issued for Financing	138,000,000	71.75%
Financing and Related Broker Shares	0	0.00%
"In the Money" Options that purchase shares	0	0.00%
"In the Money" Warrants that purchase shares	9,266,300	4.82% (3)
	192,322,361	100.0%

Combined Fair Market Value of Resulting Issuer, say:	\$ 8,010,000	\$ 8,380,000
<b>Mid-Point, say</b>	<b>\$ 8,195,000</b>	

**Fabled Silver Gold Corp.**

Pre-Proposed Transaction

	Value Held	
Fair Value of the Muskwa Project and FCC - Pre-Proposed Transaction, say:	\$ 2,035,000	(a)

Post-Proposed Transaction

	Value Received	
Implied Value of the Consideration Received by the FSC shareholders (FCC Shares / Warrants / ESOP) - (1), (2) & (3) - Closing of Proposed Transaction, say:	\$ 2,315,000	(b)

**(b) is equal to or greater than (a) so the Proposed Transaction is Fair to the Fabled Silver Gold Corp. Shareholders**

**SCHEDULE K**

**FABLED SILVER GOLD CORP.**

**AUDIT COMMITTEE CHARTER**

The Board of Directors (the “Board”) of Fabled Silver Gold Corp. (the “Company”), a British Columbia company, approves and adopts the following Audit Committee Charter to specify the composition, roles and responsibilities of the Audit Committee (the “Committee”).

This Charter was adopted and approved by the Board of Directors of the Company on 21<sup>st</sup> January 2016.

**A. PURPOSE**

The overall purpose of the Audit Committee (the “Committee”) is to ensure that the Company's management has designed and implemented an effective system of internal financial controls, to review and report on the integrity of the consolidated financial statements and related financial disclosure of the Company and to review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of financial information.

**B. COMPOSITION, PROCEDURES AND ORGANIZATION**

1. The Committee shall consist of at least three members of the Board of Directors (the “Board”).
2. The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Committee for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.
3. Unless the Board shall have appointed a chair of the Committee, the members of the Committee shall elect a chair and a secretary from among their number.
4. The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other.
5. The Committee shall have access to such officers and employees of the Company and to the Company's external auditors, and to such information respecting the Company, as it considers to be necessary or advisable in order to perform its duties and responsibilities.
6. Meetings of the Committee shall be conducted as follows:
  - (a) the Committee shall meet at least four times annually at such times and at such locations as may be requested by the chair of the Committee. The external auditors or any member of the Committee may request a meeting of the Committee;

- (b) the external auditors shall receive notice of and have the right to attend all meetings of the Committee; and
  - (c) management representatives may be invited to attend all meetings except private sessions with the external auditors.
7. The internal auditors and the external auditors shall have a direct line of communication to the Committee through its chair and may bypass management if deemed necessary. The Committee, through its chair, may contact directly any employee in the Company as it deems necessary, and any employee may bring before the Committee any matter involving questionable, illegal or improper financial practices or transactions.

### **C. ROLES AND RESPONSIBILITIES**

1. The overall duties and responsibilities of the Committee shall be as follows:
- (a) to assist the Board in the discharge of its responsibilities relating to the Company's accounting principles, reporting practices and internal controls and its approval of the Company's annual and quarterly consolidated financial statements and related financial disclosure;
  - (b) to establish and maintain a direct line of communication with the Company's internal and external auditors and assess their performance;
  - (c) to ensure that the management of the Company has designed, implemented and is maintaining an effective system of internal financial controls; and
  - (d) to report regularly to the Board on the fulfilment of its duties and responsibilities.
2. The duties and responsibilities of the Committee as they relate to the external auditors shall be as follows:
- (a) to recommend to the Board a firm of external auditors to be engaged by the Company, and to verify the independence of such external auditors;
  - (b) to review and approve the fee, scope and timing of the audit and other related services rendered by the external auditors;
  - (c) review the audit plan of the external auditors prior to the commencement of the audit;
  - (d) to review with the external auditors, upon completion of their audit:
    - (i) contents of their report;
    - (ii) scope and quality of the audit work performed;
    - (iii) adequacy of the Company's financial and auditing personnel;
    - (iv) co-operation received from the Company's personnel during the audit;
    - (v) internal resources used;

- (vi) significant transactions outside of the normal business of the Company;
  - (vii) significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems; and
  - (viii) the non-audit services provided by the external auditors;
  - (e) to discuss with the external auditors the quality and not just the acceptability of the Company's accounting principles; and
  - (f) to implement structures and procedures to ensure that the Committee meets the external auditors on a regular basis in the absence of management.
3. The duties and responsibilities of the Committee as they relate to the Company's internal auditors are to:
- (a) periodically review the internal audit function with respect to the organization, staffing and effectiveness of the internal audit department;
  - (b) review and approve the internal audit plan; and
  - (c) review significant internal audit findings and recommendations, and management's response thereto.
4. The duties and responsibilities of the Committee as they relate to the internal control procedures of the Company are to:
- (a) review the appropriateness and effectiveness of the Company's policies and business practices which impact on the financial integrity of the Company, including those relating to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management;
  - (b) review compliance under the Company's business conduct and ethics policies and to periodically review these policies and recommend to the Board changes which the Committee may deem appropriate;
  - (c) review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Company; and
  - (d) periodically review the Company's financial and auditing procedures and the extent to which recommendations made by the internal audit staff or by the external auditors have been implemented.
5. The Committee is also charged with the responsibility to:
- (a) review the Company's quarterly statements of earnings, including the impact of unusual items and changes in accounting principles and estimates and report to the Board with respect thereto;
  - (b) review and approve the financial sections of:

- (i) the annual report to shareholders;
  - (ii) the annual information form;
  - (iii) annual and interim MD&A;
  - (iv) prospectuses;
  - (v) news releases discussing financial results of the Company; and
  - (vi) other public reports of a financial nature requiring approval by the Board, and report to the Board with respect thereto;
- (c) review regulatory filings and decisions as they relate to the Company's consolidated financial statements;
  - (d) review the appropriateness of the policies and procedures used in the preparation of the Company's consolidated financial statements and other required disclosure documents, and consider recommendations for any material change to such policies;
  - (e) review and report on the integrity of the Company's consolidated financial statements;
  - (f) review the minutes of any audit committee meeting of subsidiary companies;
  - (g) review with management, the external auditors and, if necessary, with legal counsel, any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of the Company and the manner in which such matters have been disclosed in the consolidated financial statements;
  - (h) review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of financial information; and
  - (i) develop a calendar of activities to be undertaken by the Committee for each ensuing year and to submit the calendar in the appropriate format to the Board of Directors following each annual general meeting of shareholders.

END OF DOCUMENT